

VESTEL

Elektronik Integrated Annual Report 2024

THE WORLD'S TECHNOLOGY COMPANY



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A Global Tech Company

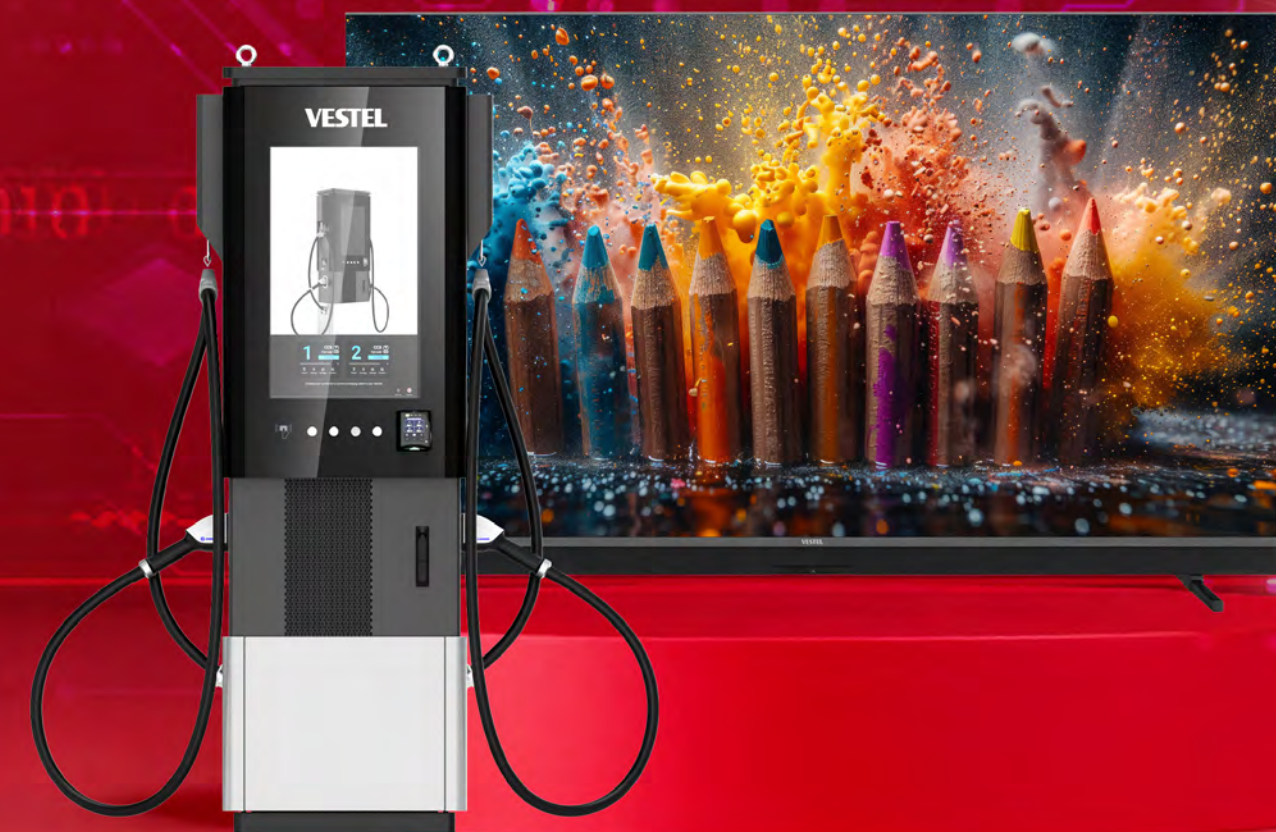
As one of Türkiye's three most valuable brands, we are making significant progress toward becoming a global technology company. For many years, we have prioritized sustainability in our operations, employment practices, and export activities to support the national economy. Since our inception, we have reinvested earnings from domestic production to generate added value within Türkiye.

With our newly structured organization, we aim to enhance our agility, global reach, and responsiveness, while contributing to the transformation of the consumer electronics and white goods sectors in Türkiye. We continue to pursue growth by focusing on strategic investment opportunities, expanding into new markets, and strengthening our global brand presence.

VESTEL 4.0: GLOBAL TRANSFORMATION TOWARDS THE FUTURE

As the global landscape rapidly evolves due to geopolitical shifts, economic volatility, and technological advancements, companies encounter both risks and emerging opportunities. At Vestel, our strategy is to adapt to these changes while also shaping them. We are implementing strategic measures to leverage this transformation into a competitive advantage by optimizing the utilization of our resources.

Our new organizational structure is founded on the principles of efficiency, agility, and sustainable growth. By adopting a process-based management approach, we are enhancing operational efficiency while simultaneously strengthening our global market position through innovative business models. Through our investments in technology and innovation, we are actively shaping Vestel's future and transforming challenges into opportunities.



GLOBAL STRENGTH, STRATEGIC GROWTH

At Vestel, we are actively pursuing our strategic transformation to cultivate a robust brand ecosystem in both global and domestic markets. We are progressing in line with our new structure to enhance our competitive advantage and achieve a more effective position in global markets, with the objective of doubling our brand and market value within the next three years.

Our growth strategy is built upon three main pillars: expanding our portfolio through investments in new business areas, maintaining our strong market presence with our ODM and OEM business models, and entering new geographies under the Vestel brand while ensuring sustainable growth with Vestel-owned licensed brands.

The opening of our Vestel Express store in Germany in 2024 exemplifies our commitment to enhancing the Vestel brand and expanding our presence in Europe. As we improve our effectiveness in the global market, we are undertaking decisive actions to enhance customer experience and further bolster the Vestel brand. Throughout our global growth journey, we are shaping the future by prioritizing innovation and sustainability.



TOUCHING LIVES THROUGH R&D, INNOVATION, DESIGN AND TECHNOLOGY

At Vestel, innovation, design, and technology are central to our strategic growth journey. We are positioning ourselves as a company that guides technology advancement on a global scale by offering solutions integrated with artificial intelligence, IoT, and smart living ecosystems. Our diverse product portfolio—spanning consumer electronics to white goods, smart devices to advanced engineering technologies—distinguishes us within the industry. By integrating innovation with our design expertise, we strengthen our competitive advantage in the international market.

Our operational approach focuses not only on developing technology but also on transforming it into solutions that touch people's lives and generate value. While building the smart world of the future, we support sustainable growth through our investments in R&D and innovation, reinforcing our pioneering role within the global technology ecosystem.



INVESTING IN NEW DOMAINS

At Vestel, we drive sustainable growth by investing in emerging technology-oriented business areas. In the mobility sector, we have consolidated our electric vehicle components, charging stations, and energy storage solutions under the Vestel Mobilite division. To date, we have contributed to the sustainable transportation ecosystem by installing over 250,000 charging sockets across 35 countries on four continents.

In healthcare technologies, we are investing in digital health solutions with the aim of promoting healthier and safer lives for all. By shaping the technologies of tomorrow today, we are positioning Vestel for enhanced strength in the global arena.

VESTEL IN A NUTSHELL

A global technology manufacturer

With its nearly 20,000 employees, production capabilities supported by technological superiority, and contributions to the country's exports, Vestel represents a significant force for the Turkish economy.



Vestel Elektronik Sanayi ve Ticaret AŞ ("Vestel," "Vestel Elektronik," "Vestel Group of Companies" or "Company") is a global group of companies, comprised by a total of 31 companies, 20 of which are overseas companies, operating in electronics, major household appliances, digital and mobility electronics. Vestel offers a wide range of products based on its competencies in technology-design development, and product customization to consumers in more than 160 countries. Vestel is a significant institution for the Turkish economy with nearly 20,000 employees, production capabilities backed by technological superiority, and its contribution to the country's exports.

As one of the world's leading original design manufacturers (ODM) in consumer electronics and major domestic appliances, Vestel is one of the top three players in the European LCD TV market and one of the top five manufacturers in the home appliances market. Vestel is also one of the most well-known brands in Türkiye, being the largest producer in the Turkish TV market and one of the top three producers in the home appliance market.

As one of Türkiye's and the world's leading technology companies, Vestel is working towards completing its Industry 4.0 transformation and transitioning to fully automated smart factories. Vestel also plays a pioneering role in smart city and smart home platforms with its competencies in artificial intelligence (AI) software and the Internet of Things (IoT).

In the global market, Vestel not only conducts sales on an ODM basis but also engages in branded sales through acquired regional brands and licensed global brands. Vestel's collaborations with strong brands, for which it holds the production and sales licenses for the European market, include Sharp in home appliances, Toshiba in television sets, and Daewoo in both home appliances and televisions. These partnerships enhance Vestel's market position.

Vestel has one of the most extensive sales and after-sales service networks in Türkiye, reaching a wide range of consumers with its "multi-brand and omni-channel strategy." The Company accounts for 90% of Türkiye's TV exports and about 40% of major household appliances exports, and has been the export champion of the electronics sector for 26 years.

VESTEL CITY

Vestel, with Vestel City, is the first electronics and home appliances company in the world and the first brand and industrial facility in Türkiye to be featured in the "Mega Factories" documentary series by National Geographic Channel, which showcases world-renowned brands.

31
Companies

~20 THOUSAND
Employees

160+
Countries of
Operations



SUMMARY FINANCIAL AND OPERATIONAL INDICATORS

Successful financial performance

Backed by its extensive product range and significant production capacity, Vestel achieved positive financial results in 2024 despite challenging market conditions.

Summary Income Statement (TL Million)	2023	2024
Net Sales Revenues	162,016	142,736
Export Ratio	63%	59%
Gross Profit	36,055	29,809
Gross Profit Margin	22.3%	20.9%
Operating Profit*	8,808	3,535
Operating Profit Margin	5.4%	2.5%
EBITDA*	15,024	8,598
EBITDA Margin	9.3%	6.0%
Net Profit	3,366	-10,847
Net Profit Margin	2.1%	-7.6%

*Excludes other income and expenses from operating activities.

Summary Balance Sheet (TL Million)	2023	2024
Cash and Cash Equivalents	3,313	2,720
Trade Receivables	25,737	20,210
Inventories	33,945	27,467
Current Assets	69,453	55,939
Fixed Assets	50,015	56,602
Total Non-current assets	111,281	118,555
Current Liabilities	112,814	95,900
Non-Current Liabilities	8,927	26,187
Shareholders' Equity	58,993	52,407
Net Financial Debt*	39,163	58,866

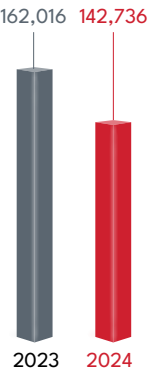
*Other financial liabilities and blocked deposits are not included in the calculations.

Summary Cash Flow Statement (TL Million)	2023	2024
Net Cash Flows from Operating Activities	10,195	-3,461
Net Cash Flows from Investment Activities	-11,125	-11,207
Net Cash Flows from Financing Activities	2,002	15,093

*The Company prepared its financial statements for December 31, 2023 and the year ending on that date by applying the TAS 29 "Financial Reporting in Hyperinflationary Economies" Standard, based on the announcement made by the POA on November 23, 2023 and the published "Implementation Guide on Financial Reporting in Hyperinflationary Economies." According to this standard, financial statements prepared based on the currency of a hyperinflationary economy should be prepared in the purchasing power of this currency at the balance sheet date, and previous period financial statements are also expressed in terms of the current measurement unit at the end of the reporting period for comparison purposes. For this reason, the Company has also presented its financial statements dated December 31, 2023, according to the purchasing power parity as of December 31, 2024.

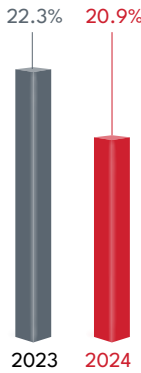
Net Sales (TL million)

In 2024, inflation-adjusted consolidated sales revenues amounted to TL 143 billion.

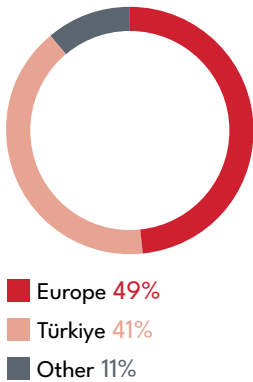


Gross Profit Margin (%)

Gross profit margin fell to 20.9% from 22.3% owing to higher staff costs.

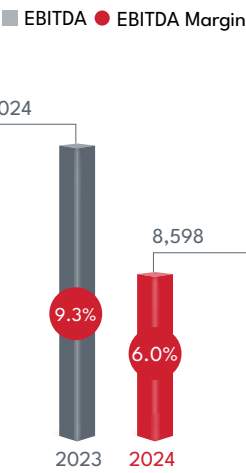


Geographical Distribution of Sales (%)



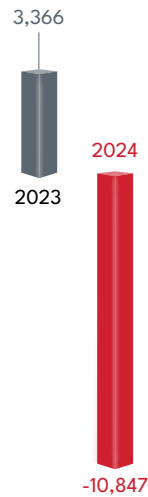
EBITDA* and EBITDA Margin (TL million), (%)

While EBITDA amounted to TL 8.6 billion, EBITDA margin stood at 6.0%.

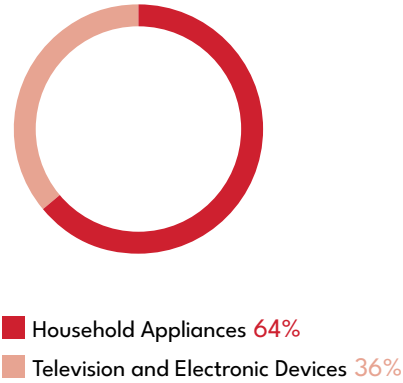


Net Profit (TL million)

In 2024, the Company incurred a net loss of TL 10.8 billion on account of challenging market conditions.



Distribution of Sales by Segment (%)

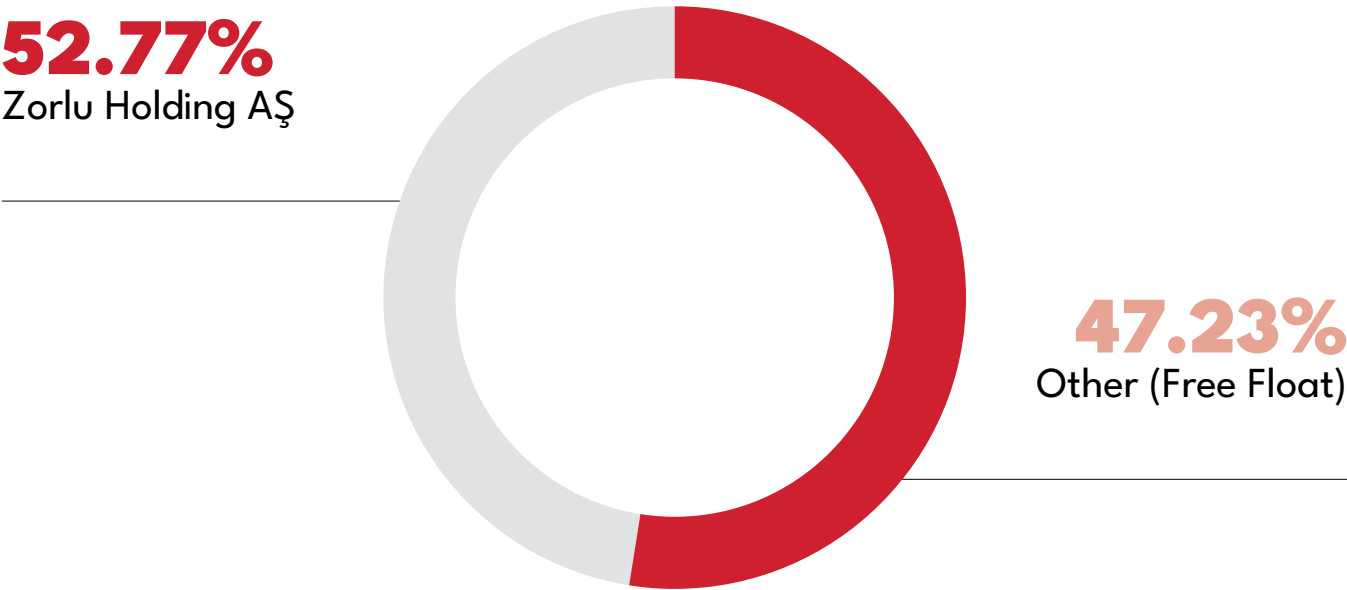


SHAREHOLDING STRUCTURE OF VESTEL ELEKTRONİK

Shareholder's Trade Name/Name and Surname	Nominal Share Amount (TL)	Share in Capital (%)
Zorlu Holding AŞ	177,018,793	52.77
Other (Free Float)	158,437,482	47.23
Total	335,456,275	100.00

Vestel Elektronik’s issued capital is TL 335,456,275.00, consisting of 33,545,627,500 shares, each with a nominal value of 1 kuruş. The Company does not have any privileged shares in its capital.

Zorlu Holding AŞ’s stake in the Company dropped from 55.69% to 52.77% following the sale of shares to institutional investors through a special order on Borsa Istanbul in 2024.



COMPETITIVE ADVANTAGES OF VESTEL ELEKTRONİK

Innovation

- Creating new value for customers through a robust R&D structure, advanced production capabilities, and highly skilled human resources, while promptly responding to consumer needs with technological solutions and making innovation fast and accessible to all,
- Offering innovative products, such as solutions for the electric vehicle ecosystem, EV charging stations, and high-capacity energy storage systems,
- Capitalizing on our position as Türkiye’s leading charging station manufacturer to export to approximately 30 countries and serve global markets,

Scalable Production Model, Manufacturing Flexibility, and Product Customization

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

Cost Advantages

- Benefiting from economies of scale in procurement, particularly in the purchase of raw materials and components, which represent the most significant cost, through its strong manufacturer identity,
- Efficiency, effectiveness, and cost advantages offered by manufacturing in a single complex at Vestel City, one of the largest manufacturing complexes in Europe, built over a single site,
- Transportation cost and delivery time advantages over Far Eastern competitors due to the proximity of manufacturing plants to the European market,
- Advanced supply industry opportunities and the proximity to suppliers in Manisa, along with the cost advantages for distribution and logistics provided by the manufacturing plants' proximity to İzmir ports, particularly in the major household appliances sector,
- Having a significant share in the volume of import and export containers at İzmir ports,
- Reduction in logistics costs by optimizing the application of different and mixed logistics models,
- Lower unit labor cost compared to European manufacturers,
- Newer and more modern production facilities compared to manufacturers in Europe,
- Customs duty advantage against the manufacturers of countries that do not have Free Trade Agreements in place in exports to countries with which Türkiye has signed a Free Trade Agreement.

Customer Commitment and Experience

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

Leading the Transition to a Low Carbon Economy

- Offering low-carbon products that reduce environmental impact,
- Emission reduction targets for 2030 and net-zero targets across the entire value chain by 2050, approved by the Science Based Targets initiative,
- Implementation of the Decarbonization Strategy.

Leading Digital Transformation

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

FROM VESTEL TO THE ENTIRE WORLD...

Vestel’s overseas sales and marketing organization comprises the local organizations of foreign trade offices in a total of 12 countries as well as direct sales outlets in neighboring regions.



>160
Export
Countries

12
Foreign Trade
Offices

1,382
Domestic Vestel
Stores



Vestel in Türkiye
All marketing and sales activities of Vestel in Türkiye are carried out by its wholly-owned subsidiary, Vestel Ticaret AŞ (Vestel Ticaret). Vestel's wide product mix of advanced technology and quality and its experience in the multi-brand concept are complemented by Vestel Ticaret's strong distribution network.

Under its omni-channel marketing strategy, Vestel reaches a wide variety of consumers through dealers, sales points and sales outlets as well as household stores, hypermarkets, discount stores, electronics retail chains and e-commerce websites.



Sales Organization in Türkiye

- 1,382 Vestel Stores (including 180 Vestel Express and 35 Vestel Corporate Stores)
- 10 VsOutlet Stores
- 954 Regal Stores (in Showroom, Mixed, and Downy categories)
- vestel.com.tr
- vsoutlet.com.tr
- regal-tr.com



After-Sales Services

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



FROM VESTEL TO THE ENTIRE WORLD...

As Vestel, we will continue to develop country and region-specific brand expansion strategies based on consumer habits and expectations in each country, rather than implementing a uniform sales and marketing approach.

~2,500
Overseas Stores
and Sales
Outlets

Vestel's Global Operation Network

Vestel's overseas sales and marketing organization comprises the local organizations of foreign trade offices in a total of 12 countries as well as direct sales outlets in neighboring regions.

Vestel's international sales strategy focuses on selling to A-brand manufacturers, distributors, and retail chains. This approach encompasses Original Design Manufacturer (ODM) services, as well as branded sales of regional brands owned by the Vestel Group and global brands licensed by the Vestel Group.

In addition to enlarging its customer portfolio to which ODM services are offered, Vestel also aims to increase its brand penetration and market share in foreign markets with the regional brands it has acquired and added to its portfolio in Europe, as well as its licensed global brands.

In addition to its global sales activities, Vestel began conducting its global after-sales services within its Customer Services organization in 2024, in line with its "From Local to Global" strategy. Under this strategy, significant steps have been taken to harmonize standards between domestic and international service activities, optimize service providers, enhance call center and digital services offered to end users, increase training activities, and strengthen technical guidance and information processes.

Within the global data analytics framework, 5 million data points are analyzed to closely monitor technical trends and develop early warning mechanisms. This approach aims to both increase operational excellence and ensure sustainable customer satisfaction.

With this strategy, Vestel organizes the after-sales service processes for its international products by combining its overseas offices' after-sales service organizations in 12 countries with over 400 authorized service centers, spare parts suppliers, and call center business partners across 41 countries.

Vestel has completed a year in which it began taking significant steps to increase company value. It achieves this goal through the strategy of investing in new business areas, expanding into new territories, growing with its own brands (particularly Vestel) and licensed brands, and establishing new business partnerships.

Vestel is resolutely advancing its growth strategy in global markets primarily with its own brands. One of the important steps in this strategy is to make a strong entry into the European market with the Vestel brand and strengthen Vestel's presence in Europe. Meanwhile, ODM (Original Design Manufacturer) remains a strategy where Vestel excels. Licensing agreements with prominent brands such as Toshiba, Sharp, Daewoo, JVC, and Telefunken play a crucial role in Vestel's growth strategy. One of Vestel's most important plans is to expand into new territories with its licensed brands and increase its effectiveness in existing markets.

Vestel carries out its international marketing and sales activities through the local sales and distribution network of foreign trade companies owned by its subsidiary Vestel Ticaret. Vestel's sales-distribution network consists of foreign trade offices in the United Kingdom, France, Germany, Spain, the Netherlands, Poland, Romania, Sweden, Russia, Kazakhstan, the United Arab Emirates, and the United States of America. Sales and marketing activities in other international markets are carried out directly by Vestel Ticaret.

The Vestel Express store concept, introduced in Türkiye approximately three years ago, has brought a fresh perspective to retail by combining traditional shopping with digital experiences. In 2024, this successful concept expanded to Europe with the opening of Europe's first 'Vestel Express' store on Friedrichstraße, one of Berlin's busiest thoroughfares. Meanwhile, Vestel's first online store in Europe, www.vestel.com/de, became operational in September, enabling German consumers to easily access Vestel's advanced technology products.

Vestel will continue to develop country and region-specific brand expansion strategies based on consumer habits and expectations in each market, rather than implementing a uniform sales and marketing approach.



MESSAGE FROM THE CHAIRPERSON

Sustainable achievement,
a resilient future

Leveraging our world-class manufacturing approach and innovative, high-quality products, we maintain a leading position in global markets and proudly represent Türkiye in technology exports.

Vestel took an important step toward achieving net zero by committing to the Science Based Targets Initiative (SBTi).



Esteemed Stakeholders,

Leveraging our world-class manufacturing approach and innovative, high-quality products, we maintain a leading position in global markets and proudly represent Türkiye in technology exports. Building not only for the present but also for the future, we closely monitor global transformation and advance our sector through strategic investments. Capitalizing on our clear vision and sustainable growth strategy, we are solidifying our position as a leading force in the global market.

2024 was marked by geopolitical uncertainties, supply chain vulnerabilities, and economic volatility on a global scale. While the Russia-Ukraine war, security threats in the Suez Canal and Red Sea, and global inflationary pressures strained the world economy, Türkiye's economy was directly affected by these developments. Macroeconomic indicators highlighted inflation as a primary agenda item, while growth rates experienced fluctuations during the year. Against the backdrop of global economies, we navigated a period characterized by ongoing efforts to combat inflation, emphasizing the importance of sustainable growth. In this dynamic environment, we implemented a strategy that effectively manages risks and swiftly capitalizes on opportunities through an agile organizational structure.

This flexible and agile framework enabled us to achieve significant success in 2024. At Vestel, we source a significant portion of our raw materials from the Far East, while our exports are primarily directed towards the European market. Consequently, supply chain management, operational efficiency, and risk management have become increasingly critical. We have mitigated supply chain disruptions and optimized our operational flexibility, particularly through our strategy of sourcing from adjacent regions and partner countries. We achieved a stable performance due to our agile structure, a business model focused on digital transformation, and our capacity for

innovation. In 2024, we reaffirmed our status as the leading exporter in the electrical-electronics sector, generating export revenues of approximately USD 2.4 billion. This marks the 26th consecutive year we have held the title of the company with the highest export revenues in our sector. Additionally, we ranked sixth in the nationwide export ranking. Our position among the top three in Türkiye's Most Valuable Brands survey for 2024 underscores the success of our initiatives. Looking ahead to the next three years, our objective is to double our company value by improving productivity and driving turnover growth. We plan to achieve this by investing in new business areas, expanding into diverse geographies, and forming strategic alliances. The launch of our first 'Vestel Express' store in Germany exemplifies our commitment to engaging directly with consumers. Moreover, to strengthen our presence in the Smart TV ecosystem, we signed a memorandum of understanding to partner with the Vidaa platform, enhancing Vestel's position in the digital landscape and improving user experience. Another key step in our global growth strategy was the acquisition of Sweden-based Cylinda AB, which aims to bolster our presence in Northern Europe. By focusing on regional consumer expectations, we are further solidifying our long-term growth vision.

One of the most striking global events of 2024 was record temperatures and proliferating extreme weather events. The World Economic Forum's Global Risks Report identifies "extreme weather events" as the greatest risk for the next decade. These developments once again emphasize the need to implement our sustainability goals more decisively and rapidly. At Vestel, we have made significant progress toward our net-zero target through our commitment to the Science Based Targets initiative (SBTi). Throughout 2024, we continued to vigorously pursue our SBTi-approved emission reduction goals. We also conducted comprehensive analyses based on TCFD recommendations to identify and

manage climate-related risks. Additionally, Vestel has adopted the Corporate Risk Management Policy and the Corporate Risk Management Policy and Regulations developed by Zorlu Holding and published in late 2023, as part of our centralized approach to risk management.

With a comprehensive sustainability approach extending from its products and services to its manufacturing facilities, Vestel aims to reduce its environmental impact and contribute positively to society. As a member of Zorlu Holding, the company is actively engaged in carrying out the Holding's sustainability vision, known as Smart Life 2030. We are proud to be among the signatories of the United Nations Global Compact (UNGC) and the Women's Empowerment Principles (WEPs). These accomplishments reflect our commitment to sustainable growth and inspire us to aim even higher in the future.

With a resilient vision in a rapidly evolving world and leveraging our proactive approach to technology, we are not only shaping today's innovations but also paving the way for future advancements. As a testament to our diligent efforts and commitment, Vestel is strategically solidifying its growth in international markets, achieving critical milestones and demonstrating significant success in global sustainability indices.

I would like to take this opportunity to extend my gratitude once again to all our employees, customers, investors, business partners, and social stakeholders who have contributed to this success and stood by us in sharing our vision.

Sincerely,

AHMET NAZIF ZORLU
Chairperson of the Board

BOARD OF DIRECTORS



AHMET NAZIF ZORLU
Chairperson

Ahmet Zorlu began his career in the family-owned textile business at an early age. In the early years of his business career, Zorlu engaged in textile trade through a store he opened in Trabzon. In 1970, he laid the foundations of Zorlu Holding by relocating the company's headquarters to Istanbul. Ahmet Zorlu established Korteks, his first manufacturing company, in 1976, and consolidated all companies under the Zorlu Holding umbrella in 1990. By incorporating Vestel into Zorlu Holding in 1994, Ahmet Zorlu paved the way for new business ventures. Ahmet Zorlu's entrepreneurialism, which began with the textile industry, went on to manifest itself in more companies operating in a wide range of industries such as major domestic appliances, consumer electronics, property development, energy, metallurgy, defense and e-mobility. Ahmet Zorlu is the Chairperson of Zorlu Holding and serves as the Chairperson or Vice Chairperson of the Board in numerous Zorlu Group companies operating in different industries. With a keen interest in non-governmental organizations, Ahmet Zorlu sits on the Board of Directors of Foreign Economic Relations Board (DEİK) and is a member of Turkish Industry and Business Association (TUSIAD), Education and Culture Foundation of People of Denizli (DENSİR), Babadağ Industry and Business Association (BASİAD) and Turkish Home Textile Industrialists' Association (TETSIAD).



AYŞEGÜL İLDENİZ
Vice Chairperson

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



OLGUN ZORLU
Board Member

After completing his higher education in textiles and business administration in England, Olgun Zorlu began his professional career in 1986 and started managing companies within Zorlu Holding from 1988 onward. He oversaw international market research and new application development activities in the companies where he served. Olgun Zorlu, who began serving as a Zorlu Holding Board Member in 1998, currently serves as the Chairperson of the Board at Meta Nikel, as well as a Board Member in various Zorlu Holding companies including Vestel Elektronik and Vestel Beyaz Eşya. Olgun Zorlu assumed the position of Vice Chairperson of the Board of Zorlu Holding in 2022. Mr. Zorlu is a member of the Turkish Industry and Business Association (TUSIAD) and the Turkish Home Textile Industrialists' Association (TETSIAD).



BEKİR CEM KÖKSAL
Board Member

Cem Köksal graduated from Boğaziçi University's Mechanical Engineering Department in 1988 and completed his master's degree at Bilkent University in 1990. Having worked in the banking sector between 1990 and 2001, Cem Köksal began serving as Deputy General Manager at Denizbank in 1997. - Mr. Köksal joined Vestel as the Chief Financial Officer in 2002. Cem Köksal serves as an Executive Board Member and Board Member of Vestel Group of Companies. He is also the CEO of Zorlu Holding, Chairperson of the Zorlu Holding Sustainability Committee, and Board Member at Zorlu Enerji Elektrik Üretim AŞ and Vestel Beyaz Eşya Sanayi ve Ticaret AŞ.



MÜMIN CENGİZ ULTAV
Board Member

Cengiz Ultav completed his undergraduate and graduate degrees in Electronic Engineering at Middle East Technical University and continued his education at the Philips International Institute in the Netherlands. Subsequently, he served in the IT and R&D departments of various electronics companies in Türkiye and abroad. While serving as Deputy General Manager at NCR and General Manager at Sun Microsystems Co., Cengiz Ultav also provided consulting services to Koç, Sabancı, and Eczaçıbaşı Groups. After joining Vestel in 1997 as President of Technology, he assumed the role of Executive Board Member in charge of Strategic Planning and Technology, and subsequently continued his duties as a Board Member of Vestel Elektronik Sanayi ve Ticaret AŞ. Mr. Ultav, who served as the Chairperson of the Board at TTGV (Turkish Technology Development Foundation), conducted a study for the development of the local electronics industry while consulting for the United Nations Development Program (UNDP) in Vietnam. Cengiz Ultav, who is among Microsoft's certified consultants in Solution Development Discipline, is a founding member of the Turkish Informatics Foundation and the Unix Users Association. He has been honored with the "Lifetime Service Award" by TÜBİSAD.



ADNAN YILDIRIM
Board Member

Adnan Yıldırım graduated from Ankara University's Faculty of Political Sciences, Department of Economics and Finance in 1981, and completed his master's degree in Economic Development at Vanderbilt University. - Yıldırım's professional career began as an Account Expert at the Ministry of Finance and continued with his appointment as Department Head at the General Directorate of Revenues following his ten-year career at the Board of Account Experts. Adnan Yıldırım worked as Financial Affairs Coordinator at EGS Group between 1996 and 2001. As the founder of Denizli and Silk Road Free Zones, Yıldırım served in the management of the operating companies of these zones. Adnan Yıldırım established Pamukkale Consulting and Batı Certified Public Accountancy and Independent Auditing firm. He has also provided consulting services to leading institutions and organizations such as Aegean Exporters' Associations, Aegean Region Chamber of Industry, İzmir Chamber of Commerce, İzmir Commodity Exchange, and Organized Industrial Zones and Free Zones in İzmir. - Yıldırım served as Deputy Minister of Economy between 2014-2015, and as Chief Advisor at the Ministry of Economy from June 2016 to November 2016. Adnan Yıldırım held the position of General Manager at Turkish Eximbank between 2016-2019.



EMİN ATAÇ
Board Member

Emin Ataç, a graduate of Middle East Technical University's Mechanical Engineering Department, served as Türkiye Purchasing Manager for 1 year at Arçelik, 2 years at Ford Otosan, and 10 years at Toyota. In 2003, he was assigned to Toyota Motor Europe in Brussels. Emin Ataç managed procurement and supplier strategies for various categories in Toyota's European projects and served as Director in charge of all Parts and Component Procurement for Toyota's European, Turkish, and Russian operations from 2012. Mr. Ataç returned to Türkiye in 2015. After serving as General Coordinator (CEO) at Coşkunöz Holding for 2.5 years, he worked as Board Member/Management Consultant for 3 years in various companies operating in automotive and non-automotive sectors in Türkiye. Emin Ataç has been serving as CEO at Farplas Automotive since 2021. Also known for his angel investor and intrapreneur identity, Mr. Ataç is a member of the Arya Investment Platform and provides strong support to the association's activities in angel investing, diversity, inclusivity, gender equality, and mentoring.

MESSAGE FROM THE CEO

Shaping the future through technological advancement

In 2024, we maintained our longstanding export leadership in the electrical-electronics sector, achieving export revenues of USD 2.4 billion and securing the title of “Export Champion” in our sector for the 26th consecutive year.

Our long-standing investments within the sector, combined with our expertise in consumer electronics, our competitive advantages in the electric automotive ecosystem, and our global collaborations, will help us achieve this objective.

Esteemed Stakeholders,

In 2024, global economies navigated a period focused on the continued efforts to combat inflation, the pursuit of sustained growth, and the management of uncertainties arising from geopolitical risks. While elevated interest rates continued to place pressure on consumer spending and investments, improvements in inflation trends allowed for a cautious start of interest rate cuts, particularly in developed countries. Geopolitical tensions contributed to fluctuations in energy prices and continued to impact supply chains. Protectionist trade policies are anticipated to present both risks and opportunities for global trade in the coming period. Concurrently, accelerating competition in artificial intelligence indicates that this burgeoning area will play a critical role in the ongoing digitalization journey. At Vestel, we reviewed our strategies to capitalize on opportunities in the evolving global landscape and manage risks, prioritizing global transformation and digitalization in our operations.

The European white goods market began a gradual recovery following its approximate 7% contraction in 2023. The market expanded by 2% in 2024. Following significant growth during the pandemic, the European TV market began to decline in 2021, subsequently rebounding in 2024, posting 5% growth for the year.

Despite stringent monetary policies and declining purchasing power, the domestic market maintained its resilience in 2024. Data from the Turkish White Goods Manufacturers' Association, covering six main products, indicates a 7% increase in domestic wholesale white goods sales in 2024. Similarly, GfK data shows an 11% rise in retail white goods sales during the same period. Türkiye's TV market contracted by approximately 8% in 2024.

According to our inflation-adjusted financial statements (IAS 29 Financial Reporting in

Hyperinflationary Economies), Vestel Beyaz Eşya delivered consolidated revenue of TL 142.7 billion in real terms for fiscal year 2024, with EBITDA of TL 8.6 billion.

The past year was a period marked by significant achievements for Vestel and a pivotal point where we undertook bold steps toward the future. Achieving export revenues of approximately USD 2.4 billion, we became the leading exporter in our sector for the 26th consecutive year and ranked as the sixth largest exporter overall, according to the Turkish Exporters Assembly. Global economic volatility, supply chain disruptions, and industry transformations have underscored the importance of maintaining operational agility and organizational resilience.

Looking forward, Vestel has established an ambitious target to double our enterprise value within the next three years by leveraging operational efficiencies and strategic revenue growth. This value creation will be driven by our approach of strategic investments in emerging business segments, geographic expansion into high-potential markets, growth through our Vestel brand portfolio and licensed brands, and formation of strategic business alliances. Our omni-channel strategy in Europe and the launch of our first 'Vestel Express' retail location in Germany represent significant milestones in our global growth trajectory. Additionally, our e-commerce initiatives across European markets are enhancing brand equity by establishing direct consumer relationships. We also signed a memorandum of understanding to partner with Vidaa, one of the world's leading TV platforms, as part of our objective to become a more active player in the smart TV ecosystem. This potential partnership is a key element of our vision to become a "platform of platforms."

A cornerstone achievement this year was our acquisition of Sweden-based Cylinda AB, which strengthens our branded presence in the Northern European market. Rather than implementing standardized go-to-market

strategies, we are developing tailored brand expansion approaches based on consumer preferences and market dynamics in each region. This strategic acquisition will contribute substantially to Vestel's long-term sustainable growth strategy and consolidate our competitive position across Northern European markets.

Supply chain management has become increasingly critical in recent years due to growing geopolitical risks, climate change, and global supply-demand imbalances. We are addressing the supply chain disruptions encountered in 2024 by strengthening our sustainable sourcing approach and focusing on minimizing long-term risks. We have successfully overcome these challenges through our near-shoring and friend-shoring strategies. This approach has not only optimized our operational flexibility but also presented significant opportunities for expansion into new markets. The American market stands at the center of this strategy. In line with our newly defined roadmap, we aim to increase our exports to America fivefold by 2028. Additionally, rapidly growing markets such as North America, Africa, Gulf countries, and Turkic Republics are among our target markets. We will strengthen our presence in these regions of the international market by establishing new business partnerships.

While technologies such as digital transformation, artificial intelligence, and autonomous systems are rapidly changing how we conduct business, Vestel views this transformation as an opportunity and continue to be a pioneer in its adoption. With our smart solutions and innovation-focused approach, we meet rapidly changing customer expectations while maintaining our competitive advantage within the industry. Vestel products incorporate smart technologies that simplify users' daily lives, provide energy savings, and support environmental sustainability. International collaborations established by Vestel also play a critical role in this process. As an active member of global initiatives such as the Home Connectivity Alliance (HCA) and Connectivity Standard Alliance (CSA), we contribute to the seamless integration of smart devices.

Our investments in electric vehicles and energy storage systems under the Vestel Mobilite brand have significantly impacted the sector. The growing demand for electric vehicles in Europe presents a critical opportunity for Vestel Mobilite to achieve exponential growth. By 2030, the sector is projected to reach a market size of USD 580 billion, and Vestel Mobilite is poised to capitalize on this opportunity. In the next three years, our objective is to increase Vestel Mobilite's market capitalization to over USD 1 billion.



Our extensive experience in the sector, coupled with our expertise in consumer electronics, competitive advantages within the electric automotive ecosystem, and global collaborations, will propel us toward this objective. The charging stations, automotive electronics, and energy storage solutions we showcased at the 2024 IFA Fair underscore our ambitions in this arena. Additionally, our partnership with Togg supports our vision of developing domestic and innovative technology, further enhancing our capabilities in automotive electronics.

At Vestel Mobilite, we differentiate ourselves within the sector with our advanced technologies for DC fast charging stations. Our offerings include stations with power capacities of 60 kW, 120 kW, 180 kW, 240 kW, and 400 kW, all supported by our 720 kW ultra-fast charging solutions. These stations provide high efficiency for both individual and fleet users by reducing charging times to just 15 to 45 minutes. Looking ahead, we aim to introduce ultra-fast charging stations with a capacity of 1 MW by 2025. The next generation of these stations will cater to both passenger cars and electric fleet vehicles utilized in public transportation.

Vestel fully acknowledges its responsibility in the transition to a low-carbon economy. Our carbon reduction targets for 2030 have received official approval from the Science Based Targets initiative (SBTi). Based on our 2021 baseline, we have committed to cutting Scope 1 and 2 greenhouse gas emissions by 42 percent and reducing Scope 3 emissions from product use by 25 percent by 2030. We are implementing a comprehensive roadmap for decarbonizing both our products and manufacturing processes in alignment with our SBTi-approved emission reduction

targets and 2050 Net Zero goal, supporting this transition with strategic investments. Our sustainability initiatives have already delivered meaningful progress toward our carbon emission reduction objectives. We have taken a leading role in adopting an environmentally conscious approach by enhancing the use of bioplastics made from olive pits in manufacturing white goods and televisions.

Gender equality and talent development are fundamental elements of our corporate culture at Vestel. We are making steady progress toward our target of increasing female representation to 40% of our workforce by 2030.

We achieved inclusion in the prestigious FTSE4Good Emerging Markets Index in 2024. The score we received in S&P Global's 2024 assessment allowed us to rank in the top 10% of companies featured in the S&P Global Sustainability Yearbook 2025. These recognitions from leading global sustainability indices provide tangible validation of Vestel's progress toward its sustainable growth objectives. Through our efforts to strengthen R&D and innovation capacity, minimize environmental impacts, and contribute to a carbon-free future, Vestel Elektronik will continue to be among the pioneers of transformation in the industry. The successes we achieved in 2024 are the result of the dedicated work and future commitment of the Vestel family. With the support of our stakeholders, I believe we at Vestel will achieve even greater successes in the years to come.

ERGÜN GÜLER
CEO

SENIOR MANAGEMENT



ERGÜN GÜLER
Chairman of the
Executive Committee

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



BEKİR CEM KÖKSAL
Executive Committee
Member

Cem Köksal graduated from Boğaziçi University's Mechanical Engineering Department in 1988 and completed his master's degree at Bilkent University in 1990. Having worked in the banking sector between 1990 and 2001, Cem Köksal began serving as Deputy General Manager at Denizbank in 1997. - Mr. Köksal joined Vestel as the Chief Financial Officer in 2002. Cem Köksal continues to serve as an Executive Board Member and Board Member in the Vestel Group of Companies. He is also the CEO of Zorlu Holding, Chairman of the Zorlu Holding Sustainability Committee, and Board Member at Zorlu Enerji Elektrik Üretim AŞ and Vestel Beyaz Eşya Sanayi ve Ticaret AŞ.



NECMI KAVUŞTURAN
Executive Committee
Member

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



ALP DAYI
Executive Committee
Member

Alp Dayı graduated from the Department of Industrial Engineering at Dokuz Eylül University in 1985 and received a degree in Finance from the University of California, UC Berkeley in 2006. Mr. Dayı has worked as a senior executive in charge of financial affairs in various industrial organizations since 1987. After joining Vestel Group of Companies in 1999 and most recently serving as Chief Financial Officer of Vestel Group of Companies, Mr. Alp Dayı was appointed as Head of Financial Affairs Group at Zorlu Holding as of March 1, 2024.



BÜLENT KIRACIOĞLU
Vestel Group of
Companies Chief
Financial Officer

Bülent Kiracioğlu graduated from Dokuz Eylül University with a degree in Business Administration (in English) in 2001. Between 2003 and 2015, he worked in corporate banking at various local and multinational banks. In 2015, he joined the Vestel Group of Companies as Central Finance Manager, and in 2019, he was appointed Deputy General Manager of Finance. Bülent Kiracioğlu has been serving as Vestel Group of Companies Chief Financial Officer since March 1, 2024.



HASAN UĞUR
Vestel Elektronik ve
Beyaz Eşya R&D and
Production General
Manager

Hasan Uğur graduated from Middle East Technical University's Mechanical Engineering Department in 2004. He began his professional career in 2005 as a Design Engineer in the Dishwasher R&D Department at Vestel Beyaz Eşya. Mr. Uğur subsequently served as R&D Mechanical Hydraulic System Design Manager and Senior Design Architect. Between 2013-2019, Uğur worked as R&D Manager in Refrigerator Factories. From February 2019 to September 2023, he served as Deputy General Manager in charge of Refrigerator Factories, and between September 2023 and January 2025, he held the position of General Manager at Vestel Beyaz Eşya Sanayi ve Ticaret AŞ. Hasan Uğur has been serving as Vestel Elektronik ve Beyaz Eşya R&D and Production General Manager since January 1, 2025.



ENDER YÜKSEL
General Manager of
Vestel Mobilite Sanayi
ve Ticaret AŞ

Ender Yüksel graduated from the Electrical and Electronics Engineering Department of Middle East Technical University in 1995. In the same year, Mr. Yüksel began his professional career at the Vestel Group of Companies. He worked as a Procurement Specialist at Vestel Elektronik from 1995 to 1997, followed by a role as Project Manager in the R&D Department from 1997 to 2000. From 2000 to 2005, Mr. Yüksel served as Procurement Manager at Vestel Elektronik and was appointed Deputy General Manager of Procurement in 2005. In 2014, he transitioned to the role of Deputy General Manager of Planning and Logistics at Vestel Elektronik. Mr. Yüksel held the position of General Manager of Vestel Elektronik Sanayi ve Ticaret AŞ from September 2023 to January 2025. Since January 1, 2025, he has been serving as the General Manager of Vestel Mobilite Sanayi ve Ticaret AŞ.



NEZİHE DUYGU BADEM
UYLUKÇUOĞLU
Chief Marketing Officer

Duygu Badem Uylukçuoğlu holds undergraduate and master's degrees (MBA) from Boğaziçi University. She began his career in the MT program of Vestel in 2010, graduating as the top-ranked student. That same year, she took on the role of Marketing Specialist at Vestel. In 2012, she advanced to Marketing Manager at Vestel, serving in that position until 2019. Later in November 2019, she was appointed as Deputy General Manager of Marketing at Vestel. As of December 1, 2023, she was named the Chief Marketing Officer, taking on expanded responsibilities encompassing product management and industrial design.

SENIOR MANAGEMENT



İNAN ULAŞ ÖZCAN
Vestel Elektronik ve
Beyaz Eşya Supply
Chain and Procurement
General Manager

Ulaş Özcan holds an undergraduate degree in Economics from Boğaziçi University and completed Stanford University's Lead Executive Program in 2022. Mr. Özcan began his career at Vestel in 1998 as the Taiwan Office Manager. He established Vestel's first Far East office and subsequently served in Hong Kong as Procurement and Sourcing Manager between 2001-2003, and in Shanghai as Procurement and Sourcing Director between 2004-2008. After becoming Deputy General Manager in charge of Product Supply in 2008, Mr. Özcan was appointed as General Manager in charge of Asian Operations as of December 2018, where he was in charge of sourcing, procurement, and engineering services in the Far East. As of December 2023, he also became responsible for Vestel's sales in the Asia-Pacific Region in addition to his existing duties. Ulaş Özcan has been serving as Vestel Elektronik ve Beyaz Eşya Supply Chain and Procurement General Manager since January 1, 2025.



ÖZGÜR YILMAZ
Vestel Customer
Services and Quality
General Manager

Özgür Yılmaz graduated from the Middle East Technical University with a degree in Mechanical Engineering in 1998. He worked on attack helicopters with the Turkish Armed Forces from 1998 to 2001. In 2002, Mr. Yılmaz began his career at Vestel Beyaz Eşya as a Washing Machine Design Engineer. Over the years, he progressed to various leadership roles, including Chief R&D Mechanical Design Engineer, R&D Manager, Deputy General Manager overseeing the Washing Machine and Tumble Dryer Plant, and Deputy General Manager overseeing Procurement. He served as Vestel Customer Services General Manager between September 2023 and January 2025. Since January 1, 2025, Özgür Yılmaz has been serving as Vestel Customer Services and Quality General Manager.



SEÇKİN MAZLUM
GENÇOĞLU
Chief Commercial
Officer for Europe, the
Middle East, Africa and
Americas

Seçkin Gençoğlu obtained his bachelor's degree in Mechanical Engineering from Boğaziçi University in 1992 and his master's degree in Business Administration from Koç University in 2000. He joined Vestel Group of Companies in 2000 to work in the Foreign Trade Product Management Department and has served as the Deputy General Manager of White Goods Products since 2017. As of December 1, 2023, he was named the Chief Commercial Officer for Europe, the Middle East, Africa, and the Americas regions.



TARIK LELOĞLU
Chief Commercial
Officer for Türkiye,
Central Asia, Iran,
Iraq, Syria, and
Northern Cyprus

Tarık Leloğlu earned his bachelor's degree in Economics from Anadolu University's Faculty of Economics and Administrative Sciences and his master's degree in Management and Organization from Çukurova University. He began his career at Vestel in 1997 as an Ankara Sales Specialist. In 2000, he was promoted to Sales Manager, then served as Regional Manager from 2008 to 2016, and as Deputy General Manager from 2016 to 2023. As of December 1, 2023, he was named the Chief Commercial Officer for Türkiye, Central Asia, Iran, Iraq, Syria, and Northern Cyprus regions.



ZEYNEP TARHAN
Vestel Group of
Companies Human
Resources General
Manager

Zeynep Tarhan graduated from Uludağ University with a degree in Labor Economics and Industrial Relations in 2004 and completed her master's degree in Human Resources at Istanbul University in 2006. In the same year, Ms. Tarhan commenced her career in the Human Resources Department at Zorlu Holding. She has since held various positions within the Human Resources departments of Vestel and its affiliated companies. - Ms. Tarhan was appointed Vestel Human Resources Director in 2019. As of September 1, 2024, she has been serving as Vestel Group of Companies Human Resources General Manager.



ÖNER TEKİN
Vestel Technology,
Lentatek & AYESAŞ
General Manager

Öner Tekin completed his undergraduate education in Electronic and Communication Engineering at Istanbul Technical University in 1998 and his master's degree in Electrical-Electronic Engineering at Boğaziçi University in 2002. He is currently pursuing his doctorate in Electronic and Communication Engineering at Yıldız Technical University. - From 1998 to 2017, Mr. Tekin held the positions of Deputy General Manager and Executive Board Member at NETAŞ Telekomünikasyon A.Ş., primarily focusing on the Public, Defense, and Telecom Sector. Additionally, he served as a Board Member of Kron Telekomünikasyon A.Ş. In 2017, he became the General Manager and a Member of the Board of Directors at both Lentatek and AYESAŞ, as well as a Member of the Executive Board of the Vestel Group of Companies and General Manager of Vestel Ventures. In addition to his role as General Manager of Lentatek & AYESAŞ, Öner Tekin was appointed Vestel Group of Companies General Manager in charge of Technology as of January 1, 2025. - Mr. Tekin has served as Chairman and Member of the SASAD Board of Directors. He has undertaken various roles in NGOs such as TESİD and İTÜ-ETA Foundation, and currently serves as a member of the SSI Audit Committee.

HIGHLIGHTS OF 2024

Vestel as the pioneer of innovation

Vestel crowned its achievements in 2024 by receiving international awards in numerous categories.



Electrical and Electronics Export Champion for 26 Years

Maintaining its leading position in the electrical-electronics sector, Vestel achieved approximately USD 2.4 billion in exports in 2023, marking its 26th time as champion in this field. Boasting an export ratio of 59 percent, Vestel now delivers its products and technologies to over 160 countries worldwide. Additionally, it ranked 6th in the overall list of Türkiye's top exporting companies, as determined by the Turkish Exporters Assembly.

Vestel's Science-Based Targets Approved

The Science Based Targets initiative (SBTi) has endorsed Vestel's commitments to achieve its emission reduction goals by 2030. Using 2021 as the baseline year, Vestel pledges to reduce greenhouse gas emissions in Scope 1 and 2 by 42 percent by 2030, while simultaneously committing to a 25 percent reduction in Scope 3 emissions from the use of sold products during the same period.



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

According to the 2024 results of the "Türkiye's Most Valuable Brands" research conducted by international brand valuation organization Brand Finance, Vestel has secured a position among the top 3 with a value of USD 917 million. Maintaining its third-place ranking for two consecutive years, Vestel continues to sustain its high brand value and market position with remarkable consistency.



International Recognition for Vestel's Sustainability Performance

Vestel Elektronik achieved a score of 69 points on S&P Global's 2024 list, reflecting an improvement from the previous year. In the evaluation conducted by the Refinitiv (LSEG) organization, Vestel reached 85 points this year, gaining 7 points. This score has elevated Vestel Elektronik to Level A, positioning it among the top companies globally in the field of ESG.

Vestel Showcases Strength at IFA 2024

Vestel, the export champion of Türkiye in its respective industry for over 25 years, made its 32nd appearance at the International Consumer Electronics Fair (IFA 2024), one of the most significant events of the industry. The Company showcased a wide array of products that emphasize technology, design, and sustainability, all aimed at supporting a sustainable future and enhancing customer experience, across a three-thousand-square-meter exhibition space.

200 Millionth TV

Vestel produced its 200 millionth television at Vestel City, its main production center in Manisa. Today, Vestel accounts for 90 percent of Türkiye's TV exports.

Vestel's New Product Series Designed by Aslı Filinta

Türkiye's technology giant, Vestel, has launched a new series for the Retro Family in collaboration with renowned designer Aslı Filinta, aiming to pass on the cultural heritage of these lands to future generations. The production of the white goods involved female artists, utilizing special craftsmanship, painting, and various techniques across each product. The retro series, which also includes small home appliances, features motifs from Anatolia's ancient heritage, ensuring they are preserved for generations to come.

FTSE4Good Emerging Markets Index

Vestel has qualified for inclusion in the FTSE4Good Emerging Markets Index, which recognizes companies demonstrating strong environmental, social, and governance performance as assessed by FTSE Russell.

'Sustainability Management' Award for Vestel Elektronik

Vestel Elektronik received the 'Sustainability Management' award at the 'Green Transformation Awards' organized by the Istanbul Chamber of Industry, recognizing industrial facilities that prioritize sustainability.

Vestel Opens Its First Store in Europe in Berlin

In pursuit of its growth targets in the European market, Vestel has opened its first store in Berlin, operating under the 'Vestel Express' concept. Additionally, the Company launched its first online store in Europe, "www.vestel.com/de", in September.

Sustainability Meets Data Science

All sustainability indicators and targets related to environmental, social, and governance factors are continuously monitored and reported through MAP, a digital data platform.

Vestel Partners with Vidaa, a Leading Global TV Platform

Vestel has signed a goodwill agreement to acquire a 4.6 percent stake in VIDAA International Holdings BV, becoming one of the shareholders in Vidaa, one of the fastest-growing smart TV platforms in the world. This acquisition is viewed as a significant step in Vestel's growth strategy on the global stage.

Vestel Mobilité Makes Strategic Investment in the UK for Smart Charging Solutions

Vestel Mobilité, a leading company in the mobility sector, participated in the London Electric Vehicle Show 2024, held in London from November 26-28, 2024. At the event, Vestel Mobilité announced its investment in Electric Miles, a UK-based company specializing in electric vehicle charging and energy management software.

Vestel - TÜV SÜD Product Service GmbH Cooperation

Vestel has formed a strategic partnership with TÜV SÜD Product Service GmbH to fine-tune testing and certification processes. As part of this cooperation, Vestel will conduct product safety and electromagnetic compatibility tests for audio, video, and information technology devices at its laboratories in Türkiye on behalf of TÜV SÜD Product Service GmbH.

VESTEL INTEGRATED BUSINESS MODEL

Inputs

Financial Capital

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

Human Capital

- Competent senior management and board of directors
- 19,509 competent employees
- 916 subcontracted employees, 4,801 authorized service employees
- 14% female board member ratio

Intellectual Capital

- R&D team of 1,583 people
- Over 30 years of sectoral knowledge and innovation capacity
- R&D spending of TL 2 billion 561 million

Manufactured Capital

- A total of 14 factories, including nine factories located in Vestel City, with an area of 1.3 million m²
- Retail network comprising 1,382 Vestel stores, 954 Regal stores, and 10 VsOutlet locations
- TL 1.6 billion plant, machinery and equipment investment

Social and Relationship Capital

- Collaborations with over 40 sectoral associations and initiatives
- A significant network of collaborations with over 70 industrial business partners
- Customer base comprising 2 million individual customers in Türkiye and nearly 3,000 corporate clients globally
- 4,426 total suppliers; 3,262 local suppliers; 261 critical suppliers
- 396 Authorized Service Providers
- Transparent and accountable investor relations
- Strong brand identity and perception

Natural Capital

- 433,717 tons of raw material input
- 356,867 MWh of energy use
- 1,510,208 m3 of water withdrawal

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

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

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

Outputs

Products

- TV Sets
- Digital Display Solutions
- Set Top Boxes
- Mobile Products
- Electric Vehicle Chargers
- In-Vehicle Displays and Electronic/Telematics Control Units (Automotive Electronics)
- LED Lighting
- Battery Solutions
- Electronic Boards
- Refrigerators
- Deep Freezer
- Dishwashers
- Tumble Dryers
- Cooking Appliances
- Air-conditioner
- Water Heater
- Vaccine Storage Cabinets
- Small Domestic Appliances

Services

- Smart and digital solutions
- Customer services
- Hygiene solutions

Waste and Emissions

- 120,377 tons of scope 1&2 carbon emissions
- 67,492 tons of waste

Impact Created

Financial Capital

- Market value of TL 23,9 billion as of December 31, 2024
- A net profit of TL 10.8 billion
- A turnover of TL 142.7 billion
- EBITDA of TL 8.6 billion
- Savings of TL 747 million through process-related innovation efforts
- Exports of TL 93.0 billion
- A net financial debt-to-EBITDA ratio of 6.8x

Human Capital

- Women representing 35% of the workforce
- A turnover rate of 5.80% for high-performance employees
- Lost-time injury/accident frequency rate of 27.23%
- 18 hours of training per employee annually

Intellectual Capital

- 59 awards in R&D, digitalization and technology
- 137 patent applications
- 202 patents registered
- 192 active R&D projects currently in progress
- Vestel ranks among Türkiye's top 3 most valuable brands with a brand value of USD 917 million

Social and Relational Capital

- Customer loyalty score of 88 in the domestic market
- 91 Vstar customer satisfaction score in the domestic market
- Social investment of TL 23 million
- 2,054 hours of volunteering activities
- Collaborative relationships with 20 universities under an open innovation framework
- 3,728 hours of training for suppliers

Natural Capital

- 34% reduction in greenhouse gas intensity compared to 2021
- 14,527 tons of carbon emission reduction with 13,278 MWh energy savings
- 6% reduction in the energy amount per unit product compared to 2021
- 188 MWh renewable energy consumption
- 93% waste recycling rate
- 82,616 products renewed within the scope of circular economy
- Reduction of unprocessed plastics by 6,027 tons
- Preventing 310,913 trees from being cut down by using 18,289 tons of recycled cardboard

GLOBAL TRENDS AND DEVELOPMENTS

Strategic Approach

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

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

**ACCESSIBLE AND SMART
SOLUTIONS THAT MAKE LIFE
EASIER**

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

VESTEL'S VALUE CHAIN



1. R&D and Product Design

With our 1,583-strong R&D team, we develop low-carbon products and services that reduce environmental impact and create benefits.

2. Supply Chain Management

We expect our 4,426 suppliers to act in accordance with our social and environmental standards and ethical principles in all supply processes from start to finish.

3. Production

We aim for excellence in operational processes with our lean production principles at our Vestel City production facility, built on an area of 1.3 million m² in Manisa.

4. Logistics

By using lower-emission fuel in our logistics processes, we ensure that our products are distributed with minimum environmental impact.

5. Marketing and Sales

As part of our omni-channel marketing strategy, we reach a wide range of consumers through 1,382 domestic stores and approximately 2,500 international stores and sales points.

6. Consumer (Product) Use

We aim to minimize the environmental impact of our products throughout their lifecycle.

7. After Sales Services

Through our comprehensive after-sales service network—comprising a Call Center, 396 Authorized Service Centers, 6 Central Service Centers, 1 Small Home Appliances (SHA) Hub, and 3 Recovery and Central Repair Units—we reach a broad consumer base while continuously striving to elevate the customer experience.

8. End of Product Life

At the end of the product lifecycle, we evaluate reuse and recycling options, implementing recycling processes for suitable components and products.

STRATEGIC APPROACH

Strategies that drive the future

Vestel aims to add value both to the environment and society with its strong technological capital.

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

Strategy Area	Technology and People-Oriented Transformation	Net Zero Company	Accessible and Smart Solutions that Make Life Easier
	- Achieving human-oriented transformation in the entire value chain with the power of technology - Spreading the transformation culture driven by technology and digitalization to the entire company and increasing the Company's share in the global market - Applying to the value chain the technological innovations adding value to human life - Focusing on diversity, inclusion and social good	- Applying innovative business models and adopting the circular economy for the transition to an economy based on net-zero emissions - Achieving net-zero emissions, first in the Company's operations and then in the entire value chain - Implementing circular models that improve the Company's impact on natural resources	- Developing solutions that meet the needs of the future and make life easier by creating environmental and social benefits - Developing new ideas and business models - Developing digital service platforms by understanding customer needs - Offering products and services that create environmental and social benefits
Relevant Priority Issue	- R&D and Innovation - Digitalization - Talent Management and Employee Engagement - Responsible Supply Chain	- Climate Crisis and Transition to a Zero-Carbon Economy - Circular Economy and Waste	- R&D and Innovation - Digitalization and Consumer Experience - Products Creating Environmental and Social Benefits - Customer Satisfaction and Communication
Target	- Achieving a female employee share of 40% by 2030 - Ensuring 100% compliance of all critical suppliers with the Supplier Code of Conduct by 2030	Being a net zero company in the entire value chain by 2050	Increasing the online turnover rate in Türkiye to 25% by 2030
Relevant Sustainable Development Goals (SDGs)	5 Gender Equality 8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 10 Reduced Inequalities	6 Clean Water and Sanitation 7 Affordable and Clean Energy 12 Responsible Consumption and Production 13 Climate Action	9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production 17 Partnerships for the Goals

Vestel aims to transform its corporate culture in a human-oriented manner by leveraging the power of technology and digitalization.

Technology and Human-Oriented Transformation

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

Major Capital Areas

Financial Capital

Intellectual Capital

Social and Relationship Capital

Human Capital

Net Zero Company

Vestel believes that playing a role in the fight against resource scarcity and the climate crisis should be on everyone's agenda, from the public to the private sector. In line with this responsibility, Vestel invests in innovative business models for the transition to a net-zero emission economy and works to implement circular models in both its products and operations.

Major Capital Areas

Financial Capital

Natural Capital

Accessible and Smart Solutions that Make Life Easier

Vestel believes that the products and services it offers will play a key role in the construction of a sustainable society. According to the Company, one of its main goals is to deliver solutions that meet the future needs by creating environmental and social benefits, make life easier and are accessible to everyone. Focusing on identifying emerging needs and responding to them with new ideas and business models, Vestel prioritizes customer experience and invests in digital service platforms.

Major Capital Areas

Financial Capital

Intellectual Capital

Manufactured Capital

Social and Relationship Capital

STRATEGIC APPROACH

Vestel sets its priorities in environmental, social, and governance areas based on a double materiality approach, taking into account stakeholder views and expectations.

MATERIALITY ANALYSIS

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

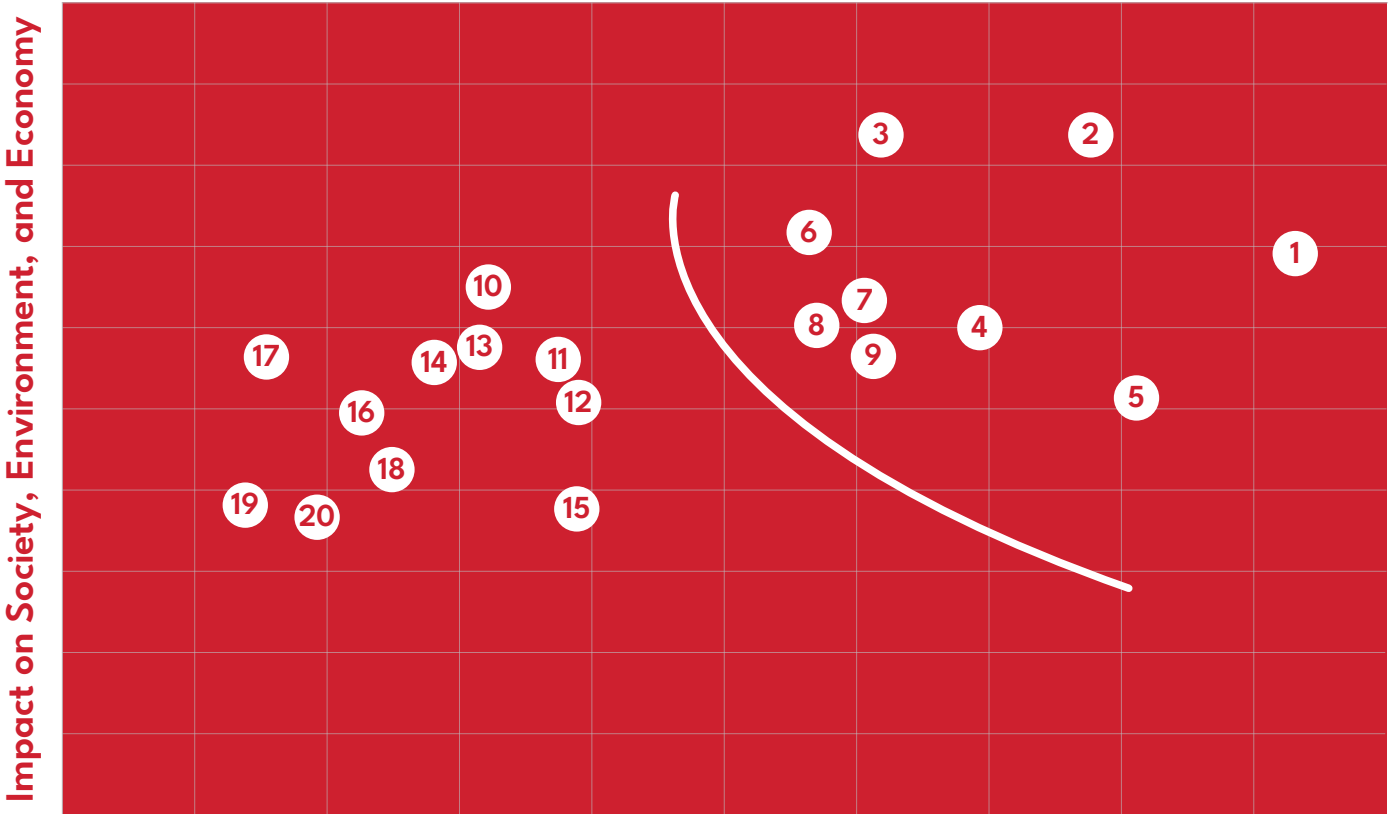
External trend analysis and stakeholder opinions helped with the identification of the priorities of stakeholders while Vestel's business strategy, opinions of executives, four-stage impact analysis and **Zorlu Holding's Smart Life 2030** strategy contributed to setting Vestel's priorities. Common issues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

In 2024, Vestel updated its material issues in line with the double materiality approach, taking into account stakeholder expectations, executive opinions and global trends. While assessing global trends, the expectations of current standards and indices, particularly the United Nations Sustainable Development Goals (SDGs), the World Economic Forum Global Risks Report (WEF), MSCI and S&P

Global Corporate Sustainability Assessment (CSA) were reviewed. To determine financial impacts for Vestel, we conducted in-depth interviews with five executives and two investors, gathering their perspectives on how various issues create both risks and opportunities for the Company. Our comprehensive assessment of impacts, risks, and opportunities—conducted within the double materiality framework—enables us to evaluate not only factors that may affect Vestel's financial performance but also the Company's broader influence on society, the environment, and the economy. In the impact assessment, the impact of each topic was analyzed on the basis of whether the impact was positive and/or negative, the size, scope and likelihood of the impact. Careful consideration of global risks and opportunities further contributed to determining the significance levels of the identified issues. Within this framework, risk and opportunity management shapes the prioritization of key issues and supports Vestel's long-term strategic priorities. Following the analysis updated in 2024:

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

The double materiality approach and its outcomes have been thoroughly evaluated and formally approved by senior management.



Impact on Vestel

Top Priority Issues

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

High Priority Issues

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

Medium Priority Issues

- 19 Biodiversity
- 20 Community Investment Programs

STRATEGIC APPROACH

Vestel clearly and transparently presented its material issues that are of strategic importance and were carefully identified in line with the expectations of stakeholders.

Vestel has addressed its priority issues in accordance with the European Sustainability Reporting Standards (ESRS). Vestel's disclosures regarding the high-priority issues identified through the prioritization analysis are made based on the European Sustainability Reporting Standards (ESRS). Vestel reports in compliance with topic-specific standards including ESRS E1 - Climate Change, ESRS E5 - Resource Use and Circular Economy, ESRS S1 - Own Workforce, ESRS S2 - Workers in the Value Chain, ESRS S4 - Consumers and End Users, and ESRS G1 - Business Ethics, sharing information with the public in accordance with the disclosure requirements of each standard.

MATERIAL TOPICS

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

Materiality Criteria for Corporate Value Creation	Climate Crisis and Transition to Zero-Carbon Economy	R&D and Innovation	Equality, Diversity and Inclusion
Impact on Vestel	Transition to a zero-carbon economy has become a strategic priority for Vestel to enhance its competitiveness and strengthen its long-term growth potential. Around the world, particularly in Europe, demand for low-carbon products is on the rise. Besides, companies face growing pressure to reduce their emissions. It poses an important challenge for future reputation and sales of Vestel. Detailed information can be found in the Global Trends, Risks and Opportunities section of the report.	As a technology company and a company operating in an innovation-oriented sector, R&D and innovation play a critical role in both developing new products and transforming operations. Vestel's inability to ensure the continuity of its R&D activities may affect the Company's competitiveness in the market and its financial performance.	Embracing the principles of equality, diversity, and inclusion positively affects Vestel's corporate culture. Lack of diverse perspectives and experiences may lead to a decline in innovation and efficiency. This could have a negative impact on Vestel's reputation, resulting in loss of market share and challenges in attracting potential talent.
Impact on Environment, Society and Economy	Record-breaking high temperatures make the impacts of the climate crisis more and more evident. Furthermore, disasters and extreme weather events occur more frequently. Actions taken to combat climate change have a significant impact on the Company's Scope 3 emissions, especially with an eye on Vestel's wide range of products. It is therefore a significant field for Vestel to manage its impact on climate and contribute to the goal of Paris Agreement for limiting global warming to 1.5 C.	The innovative products developed through R&D activities of Vestel have the potential to make a significant difference in the daily lives and environmental impact of people by touching a wide range of audiences and households. Such solutions not only support the mitigation of environmental impacts and improve the welfare of society, but also contribute to economic growth by elevating the Company's competitiveness.	By investing in a diverse workforce, Vestel improves the quality of life of its 19,304 employees and their families, while also contributing to social transformation. Building a more just and equitable structure in society supports social welfare and economic growth.
Stakeholders Affected	All stakeholders/society	Employees, customers	Employees
Impact on Value Chain	Entire value chain	Entire value chain / Operations	Operations
Strategy	Vestel begins to implement its "Decarbonization Strategy." In this regard, actions include transitioning to technologies that result in less greenhouse gas emissions from production, increasing renewable energy investments, improving energy efficiency and manufacturing products with high energy efficiency, less water consumption, less carbon emissions and low environmental impact.	Vestel increases its production capacity in a smart and responsible manner with the power of R&D and innovation. With a team of 1,583 employees, Vestel has been carrying out R&D and innovation activities for 36 years.	Vestel established the Gender Equality Group within Vestel in order to develop volunteering projects that raise awareness with the motto "An Equal Life is Possible for All." The Company encourages efforts to ensure gender equality throughout the Company, including in recruitment practices. Zorlu Holding's Equal Life Gender Equality Manifesto is adopted.
Goals	Vestel has established emission reduction targets through 2030, which have received formal approval from the Science Based Targets initiative (SBTi). Accordingly, Vestel aims to; - Reduce Scope 1 and 2 GHG emissions by 42% in 2030 compared to the base year (2021), - Reduce Scope 3 Category 11 emissions by 25% in 2030 compared to the base year (2021).	In 2025, Vestel R&D centers aim to execute 190 projects.	Boosting Vestel's share of female employees to 40% by 2030 Increasing the share of female employees in STEM positions to 36%
Performance	In line with its emission reduction targets approved by the Science Based Targets initiative (SBTi), Vestel achieved a 21% reduction in Scope 1 and 2 emissions in 2024 compared to the base year 2021. We have also made substantial advancements in addressing our value chain impact, achieving a 16% reduction in Scope 3 emissions from product usage in 2024.	In 2024, the number of projects undertaken by Vestel R&D centers was 192.	In 2024, while the share of female employees at Vestel was 35%, the share of female employees in STEM positions corresponded to 28%.

STRATEGIC APPROACH

The importance Vestel attaches to sustainability and the progress it made within the scope of the material issues identified in 2023, combined with transformative results, strengthened sustainability performance of the Company.

Impact Analysis of Material Topics for External Stakeholders

	Products Creating Environmental and Social Benefits	R&D and Innovation
Material Topics for External Stakeholders	Vestel's products, which reach a broad audience, represent its primary areas of impact. The Company aims to minimize its environmental and social impact through its offerings, while meeting consumer needs effectively and enhancing daily life with smart, high-quality, and safe products.	As a technology company, R&D and innovation play a vital role in developing new products and transforming operations. The innovative products generated through Vestel's R&D efforts can significantly impact people's daily lives and the environment, reaching a diverse range of audiences and households. These solutions not only help reduce environmental impacts but also expand societal welfare and contribute to economic growth by boosting the Company's competitiveness.
	The majority of Vestel's Scope 3 emissions stem from the lifecycle emissions generated by the products it sells. To address these environmental impacts, Vestel tracks the revenue generated from low-carbon products. The Company defines its low-carbon products based on GfK data from Türkiye and Europe. This category includes television products that fall below the average energy class (EEI) among all products sold, as well as chargers and batteries that utilize electricity instead of fossil fuels, and LED lighting products that conserve electricity. Additionally, products that consume less than the average energy and water used by sector products sold by 2024—including those sold outside Europe—are also classified as low-carbon.	Vestel actively engages in innovative initiatives across various sectors, including advanced devices, materials, smart cities, smart homes, and smart factories. This is facilitated through Vestel Ventures Ar-Ge AŞ, a wholly-owned subsidiary dedicated to supporting entrepreneurs' R&D activities. In this capacity, Vestel provides its expertise and facilities to entrepreneurs at every stage of the product development process, including product design, industrial design, multi-screen interface design, prototype production, testing, certification, and manufacturing.
	Output Metric	Emissions avoided due to Vestel's low-carbon products sold in 2024 total 558,965 metric tons. Additionally, Vestel Ventures has invested in 35 startups.
	Impact Assessment	The impact assessment is conducted based on the social cost of carbon. According to the EPA's report on "Social Cost of Carbon Gases" this cost amounts to USD 208 per ton of CO2 (Short-term rate 2.0%). The impact assessment is derived from the current market capitalization of the funded initiatives.
Impact Metrics	Total social cost savings from prevented carbon emissions: 558.965*208 = USD 116.264.766	The market value of the invested startups by 2024 is projected to be USD 332,977,330.

2030 TARGETS

Topic	Target	Unit	Target	Base year: 2021 Performance	2024 Performance	Change compared to base year	Related SDG
Climate Crisis and Transition to a Zero-Carbon Economy	42% reduction in Scope 1 and 2 greenhouse gas emissions	tCO ₂ e	2030	153,170	120,377	21% ↓	13 Climate Action
	30% reduction in energy intensity (per unit product)	Energy (kWh)/unit product (units)	2030	18	17	6% ↓	7 Affordable and Clean Energy
Water and Wastewater	Reducing the amount of water withdrawn per unit of production by 35%	Withdrawn water liter/unit product (units)	2030	70.84	72.27	2% ↑	6 Clean Water and Sanitation
	Using 50% recovered and recycled water	Recovered and recycled water (m³)/Total water withdrawal (m³)	2030	0.03%	5.51%	5.48% ↑	12 Responsible Consumption and Production
Circular Economy and Waste	Zeroing the amount of hazardous waste sent to landfill	Amount of Waste (Tons)	2025	84	0.9	99% ↓	12 Responsible Consumption and Production
Talent Management/Equality, Diversity, and Inclusion	Achieving a female employee share of 40% in the total workforce	Share of female employees	2030	34%	35%	1% ↑	5 Gender Equality
	Increasing the share of female employees in managerial (Supervisor and above) positions to 28%	%	2030	23%	27%	4% ↑	8 Decent Work and Economic Growth
	Increasing the share of women working at the first level of management (Supervisor) to 34%	%	2030	30%	32%	2% ↑	10 Reduced Inequalities
	Increasing the share of women working at middle level of management (Manager) to 21%	%	2030	16%	20%	4% ↑	5 Gender Equality
	Increasing the share of women working at senior level of management (DGM, GM, Executive Committee) to 26%	%	2030	14%	15%	1% ↑	8 Decent Work and Economic Growth
	Raising the share of female employees at management level in revenue-generating positions to 33%	%	2030	26%	31%	5% ↑	10 Reduced Inequalities
	Increasing the share of female employees in STEM positions to 36%	%	2030	27%	28%	1% ↑	4 Quality Education
	Boosting the average annual training hours per employee (including OHS) to over 20 hours	Hours	2030	17	18	6% ↑	8 Decent Work and Economic Growth
Community Investment Programs	Increasing the share of social investments in EBITDA to 1%	Annual %	2030	0.3%	0.2%	0.1% ↓	1 People with Disabilities, 4 Quality Education, 8 Decent Work and Economic Growth, 10 Reduced Inequalities, 16 Peace, Justice and Strong Institutions, 17 Partnership for the Goals

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

STRATEGIC APPROACH

In 2024, Vestel Elektronik achieved a score of 69 points in the S&P Global Sustainability Survey, establishing itself as one of the leading companies in its sector.

Vestel Elektronik ranked in the top 10% of the companies with the highest score in the S&P Global Sustainability Yearbook-2025.

INCLUDED INITIATIVE AND SUSTAINABILITY INDICES

	Score for 2023	Score for 2024
LSEG	78	85*
S&P Global CSA	65	69
CDP Climate Change	B	A-
CDP Water Security	C	B
EcoVadis	57	64

*Reflects the LSEG score dated 24.02.2025.

Vestel believes in the significance of cooperating with different stakeholders and that participating in multi-stakeholder initiatives is the key to improving performance on its material issues and driving sectoral transformation. Vestel stands by the United Nations Global Compact (UNGC) and Women’s Empowerment Principles (WEPs) and is among the supporters of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, as a signatory to the Business World Plastics Initiative (IPG), the Company made a commitment to reduce the plastic use and to recycle and reuse plastics.

Vestel aims to achieve net zero emissions by 2050, first in its own operations and then in its entire value chain. A significant step towards achieving net zero was taken by committing to set a Science Based Target initiative (SBTi). Vestel’s emission reduction targets for 2030 received formal validation from the Science Based Targets initiative in 2024. With this validation from SBTi, the Company has commenced implementation of its reduction plan and

associated investments, with existing initiatives set to accelerate moving forward.

Besides supporting different initiatives, Vestel Elektronik is included in various indices due to its outstanding performance in environmental, social, and governance (ESG) issues. Vestel Elektronik has been included in the Borsa İstanbul Sustainability Index since 2016. It ranks 2nd among 100 companies in the sector on a global basis with a score of 85 in the ESG assessment by the LSEG rating agency. In the 2024 S&P Global corporate sustainability assessment, Vestel Beyaz Eşya achieved an impressive score of 69 points, securing the second-highest ranking in its sector. With this score, Vestel Elektronik ranked among the top 10% of companies in the S&P Global Sustainability Yearbook 2025, which highlighted 780 companies selected from a pool of 7,690 across 62 sectors. In 2024, Vestel Elektronik achieved an A- in the CDP Climate Change score and a B in the CDP Water Security score. Vestel Elektronik’s EcoVadis score has improved to 64.

ASSOCIATION MEMBERSHIPS AND SUPPORTED INITIATIVES



United Nations
Global Compact



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



SCIENCE
BASED
TARGETS



İŞ DÜNYASI
PLASTİK GİRİŞİMİ



STRATEGIC APPROACH

Vestel Elektronik manages sustainability issues, risks, and opportunities at the highest level through the Sustainability Committee established at the Board of Directors level.

SUSTAINABILITY MANAGEMENT

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

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

The Sustainability Committee also ensures the effective management of issues, risks and opportunities related to climate change. Climate change issues are the responsibility of the CEO at the highest level. The BoD is responsible for reviewing and approving the decisions and strategies. Other climate-related issues are regularly included on the agenda of the Sustainability Committee. Committee decisions are disseminated to relevant departments through all Vestel general managers, thus ensuring that climate, environment, business continuity, reputation, and sustainability issues are effectively brought to the Company agenda in top-level decision-making processes in line with committee decisions.

Climate-Related Incentives

Performance indicators across sustainability categories undergo annual adjustments in accordance with senior management approval, particularly from the CEO. These indicators comprise between 5-10% of the performance scorecards for executives at the General Manager and Deputy General Manager levels. The performance targets of the Sustainability Manager, Energy Efficiency Managers, and relevant team members also contain annual indicators and goals aligned with sustainability objectives.

The duties and responsibilities of the Sustainability Committee, which was established to set sustainability strategy, goals, risks and opportunities of Vestel Elektronik in the context of sustainability, as well as to integrate all sustainability efforts into the whole Company, are as follows:

1. Monitoring sustainability efforts:

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

2. Coordination of sustainability efforts:

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



3. Overview, recommendations and other activities:

- 3.1. Submission of proposals on the necessary management and organizational structure in line with the sustainability strategy and goals.
- 3.2. Submission of proposals on sustainability-related issues assigned by the Board of Directors.
- 3.3. Proposing local and international memberships and collaborations to support the success of the sustainability strategy and goals.
- 3.4. Providing evaluation and feedback to Vestel Elektronik Sanayi ve Ticaret AŞ regarding the "Smart Life 2030 Strategy Framework and Long-Term Strategic Targets," which constitute Zorlu Group's sustainability vision, and the "Sustainability Action Steps" established by Zorlu Holding AŞ to achieve these targets, monitoring Vestel Elektronik Sanayi ve Ticaret AŞ's targets, determining performance criteria and ensuring the accurate and consistent measurement of performance.

- 3.5. Following national and international sustainability issues.
- 3.6. Ensuring presence on platforms where sustainability-related issues are addressed, where necessary.
- 3.7. Gaining insight into the activities of sub-working groups on sustainability issues, evaluating them, and reviewing them before presenting to the Board of Directors.

4. Reporting and Communication

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

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

STRATEGIC APPROACH

Within the Vestel Group of Companies, the orchestration of all sustainability initiatives falls under the purview of the Office of Sustainability Governance.

Since 2023, Vestel has monitored all environmental, social, and governance sustainability indicators and targets through a digital platform and started reporting them internally.

Office of Sustainability Governance

Within the Vestel Group of Companies, the orchestration of all sustainability initiatives falls under the purview of the Office of Sustainability Governance. The Office of Sustainability Governance, having commenced its operations in 2021, maintains its executive functions as a division reporting directly to the Chief Executive Officer. The official mandate and jurisdictional purview of the Office of Sustainability Governance encompasses the following domains:

- Implementing sustainability as the main strategy in processes,
- Implementing the decarbonization strategy of Vestel Group of Companies,
- Setting the Sustainability Committee meeting agendas,
- Implementing the decisions of the Sustainability Committee,
- Preparing the integrated annual reports of Vestel Group of Companies,
- Managing the process of compliance with new reporting regulations related to sustainability,
- Serving as the point of contact between Zorlu Holding sustainability directorate and Vestel Group of Companies,
- Improving sustainability-related data/information collection processes,
- Developing proactive solutions for the Company's risks and opportunities related to sustainability, climate change, and water management, reporting the said solutions and sharing best practices,
- Preparing and/or coordinating action plans for sustainability targets, implementing action plans, monitoring progress towards targets, and reporting results through key performance indicators (KPIs).



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

Sustainability Data Management at Vestel

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

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

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

STRATEGIC APPROACH

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

ETHICAL PRINCIPLES

Vestel adopts an ethical business manner based on Zorlu Holding Ethical Principles. Guided by the Ethical Principles to realize its vision, it conducts its activities in line with the principles of accountability and transparency. Zorlu Holding Ethical Principles regulate the basic principles, values and ways of doing business of the Holding and all Group companies. Ethical Principles, which constitute an indispensable set of rules created with the cornerstones of “integrity” and “honesty,” is in harmony with corporate policies, values and principles. Concerning the entire workforce, the Ethical Principles are binding for all stakeholders, especially suppliers, business partners, dealers, authorized vendors and authorized services as well. They ensure the effective management of stakeholder relations.

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

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

Compliance with the Ethical Principles

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

The Ethics Committee, established for the purpose of instilling, developing, and sustaining an ethical culture, operates under the chairmanship of the Vice Chairman of Zorlu Holding’s Board of Directors. The committee consists of the Head of Zorlu Holding’s Human Resources Group, the Head of Zorlu Holding’s Legal Group, and the Head of Zorlu Holding’s Audit Group.

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



Our Ethics Hotline, available for all situations such as violations of ethical principles, corruption, etc., is independently audited and confidentially controlled.

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

In 2024, Vestel Group received 23 notifications related to corruption, of which 11 were evaluated. Audits were conducted for 3 of these cases, resulting in sanctions imposed on the employee, including termination of the employment contract or a written warning. The process for the remaining 8 cases is still ongoing. Additionally, there were 2 notifications related to corruption from the previous year that have been resolved, resulting in sanctions for 3 individuals. The process for 8 cases from that year is also ongoing.

As of 2024, Vestel has no environmental or governance-related lawsuits, including those concerning corruption. There are a total of 167 finalized cases regarding social issues.

As a Zorlu Group company, Vestel offers Ethical Principles e-training through the Zorlu Academy online training platform. These training courses, which aim to increase awareness about ethical principles, explain how employees’ way of doing business, approaches, and perspectives should be arranged in accordance with these principles. Ethical Principles Training is conducted under the Smart Life 2030 initiative, developed and executed in collaboration with the Audit Group Presidency and Human Resources Group Presidency as part of the Holding Corporate Governance Working Group’s activities. In 2024, a total of 1,092 individuals participated in this training, accumulating 1,102 person-hours.

Proactive risk management

In order to maintain its resilience in financial and ESG terms, Vestel is committed to managing global and local developments and related risks in a proactive manner, while focusing on seizing emerging opportunities.

The political, economic, social, and environmental developments occurring globally in 2024 continue to influence the electrical-electronics industry, as they do all industries. As in previous years, ongoing geopolitical risks this year are causing global supply chain disruptions while simultaneously increasing costs, thereby disrupting overseas operations and destabilizing trade dynamics.

Economic uncertainty affecting the entire world emerges as a significant risk factor, precipitating global inflation, currency fluctuations, and financial instability. The World Meteorological Organization's (WMO) confirmation that 2024 exceeds pre-industrial temperatures by 1.5 degrees, making it the warmest year on record, demonstrates the daily intensification of climate crisis effects. With the World Economic Forum's 2025 Global Risks Report positioning environmental risks related to the climate crisis among the foremost concerns in both short and long terms, sectoral initiatives pertaining to Paris Agreement objectives are accelerating, bringing forth both risks and opportunities.

Artificial Intelligence and Automation stand out as one of the most significant trends supporting the transformation of the electronics sector in 2024. Artificial intelligence plays a critical role in creating innovation in product development,

manufacturing processes, and customer services, while enhancing operational efficiency and strengthening supply chains. Companies adopting artificial intelligence-based innovations to meet evolving customer demands and expectations are advancing and improving the customer experience by developing next-generation smart products offering personalized services.

The increased utilization of digitalization and artificial intelligence in every aspect of our lives necessitates robust security measures as it simultaneously introduces cybersecurity threats.

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

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

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

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

Within the Vestel Group of Companies, the corporate risk management function is executed by the Corporate Risk Management Department, which operates under the Internal Control and Corporate Risk Management General Directorate—a division directly subordinate to the Zorlu Holding Chief Executive Officer as of January 2023. Zorlu Holding Corporate Risk Management Department discharges its responsibilities through collaborative endeavors with the Sector Corporate Risk Management Coordinator appointed within the Vestel Group of Companies and the pertinent administrative bodies.



Vestel maintains its sustainability success by evaluating international developments, sectoral trends, risks, and opportunities.

By structuring the corporate risk management framework in compliance with the ISO 31000 international standard and the COSO framework, and in an integrated manner with company strategies and corporate culture, it is aimed that the framework is adopted and implemented by all employees as a substantial component of corporate sustainability. In order to ensure adequate oversight procedures for corporate risk management options, the Early Detection of Risk Committee (EDRC) meetings—comprised of Independent Board of Directors members—were conducted regularly in 2024. These meetings addressed the unit risk management framework, principal risks, emerging risks, sections related to risk appetite, and risk culture, risk assessment results, risk mitigation actions, and the status of these elements.

The Sustainability Department actively participates in monitoring sustainability risks and opportunities within Vestel and prioritizing them under the Company's risks and opportunities in a comprehensive manner together with the Corporate Risk Management Department. This enables consolidated and comprehensive company-wide monitoring and prioritization of risks, including sustainability risks and opportunities, and the integration of sustainability risks into the overall risk management processes. At Vestel,

climate risks and opportunities are identified by taking the TCFD (Task Force on Climate-related Financial Disclosures) recommendations as a reference. These risks and opportunities have a direct impact on the strategic decisions of senior management through the Sustainability Committee, Sustainability Department, the ISM Committee, and corporate risk management processes.

Within the scope of centralized risk management, Vestel adopted the Zorlu Holding Corporate Risk Management Policy and Corporate Risk Management Regulation, which were prepared within Zorlu Holding and published by the end of 2023. One of the basic characteristics of a corporate risk management system is that it is carried out by people and decisions are taken at every business step. Therefore, all Group executives and employees have duties and responsibilities in terms of implementing and maintaining an effective corporate risk management system. To enhance corporate risk management awareness, a comprehensive training encompassing the organizational procedures and responsibilities of all employees in this regard has been assigned as mandatory training for employees at every level. Completion rates are monitored in the performance scorecards of both executives and employees.

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

Zorlu Holding and Group companies and their main activities are within the scope of the corporate risk management activities.

At Vestel Beyaz Eşya, as in all processes, managerial, operational, financial, and other relevant risks in product and service development processes are determined on a process basis according to risk assessment matrices.

CORPORATE RISK MANAGEMENT ACTIVITIES AT VESTEL

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

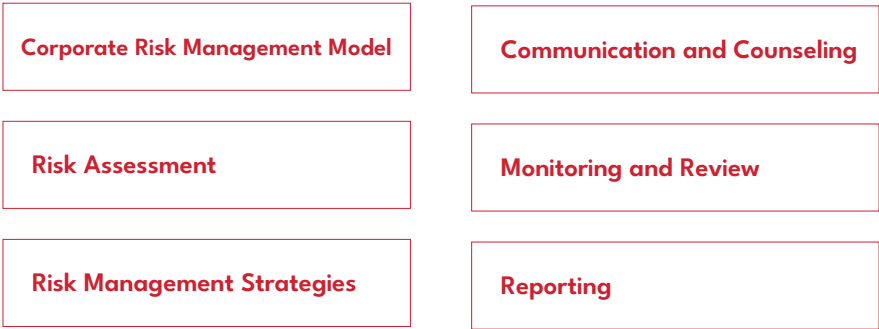
Zorlu Group's corporate risk management system considers the following standards. However, the framework is developed and reviewed annually, based on the main needs of the Group.

- ISO 31000 (2018), international standard principles, framework, and risk management process from ISO
- The COSO CRM integrated framework (2017 and 2022), an internationally recognized framework that defines the ideal typical organizational structure and process of company-wide risk management
- IIO (International Internal Auditors Organization)

Integration of Risk Criteria in Product and Service Development Processes

At Vestel Elektronik, as in all processes, managerial, operational, financial, and other relevant risks in product and service development processes are determined on a process basis according to risk assessment matrices. Actions are taken for identified high-risk elements in accordance with relevant risk management strategies, thereby ensuring effective process management. In product and service development processes, risks in product group-specific projects are analyzed through various methodologies (FMEA, DFM, DFT, etc.), and necessary precautionary measures are defined. Within this framework, periodic monitoring and control mechanisms are implemented to enhance the effectiveness of risk management processes. To minimize identified risks, requisite tests are conducted in accredited internal laboratories or appropriate external laboratories, and compliance with relevant standards and regulations is verified.

Risk Management process is composed of six sub-processes:



CUSTOMER EXPERIENCE AND DIGITALIZATION		Impact	Term
Risk Definition	To respond to fast-changing sector and consumer needs due to the pandemic, all processes need to be restructured within the scope of digital transformation. Digital technologies such as Industry 4.0, Internet of Things, Smart Home Systems, Big Data and Artificial Intelligence are becoming more widespread, improving customer experience and providing competitive advantage. The inability to create solutions for new technologies and innovations that are large and impactful enough to create new sectors that change existing ways of doing business and the entire industry dynamics appears to be a significant risk.	Medium	Short-medium
	Artificial intelligence chatbots have emerged with the rapid development of artificial intelligence and these technologies continue to become increasingly popular. According to the World Economic Forum Global Risks 2025 Report, misinformation and disinformation generated by artificial intelligence are considered the greatest global risk within the next 2 years.		
Potential Impact of the Risk	Declined efficiency and performance of the Company due to Vestel's ineffective use of tools such as data analytics, Customer Relationship Management (CRM) and artificial intelligence		
	Loss of turnover and market due to failure to provide fast, connected and smart products and services demanded in the sector to customers in a timely manner and at sufficient performance Increased costs in comparison to competitors due to failure to integrate digitalization into processes Vestel missing out on sales and marketing opportunities due to ineffective use of digital channels and platforms in customer interaction		
Risk Prevention/ Mitigation Activities	At Vestel, work is underway to establish the Data Science Department and to design a new process. Vestel has designated the Internet of Things (IoT) approach as one of its principal strategies under the Vestel Smart Life framework. In accordance with IoT data, the process of enhancing after-sales services has been initiated, with projects being conducted in collaboration with IoT teams. Channels through which users may receive instantaneous support have been established, and personalized information mechanisms have been instituted for users.		
	Vestel Customer Services improves the customer experience through digital tools such as Vestel Support Center and e-appointment systems. The Vestel Assistant project, launched in 2023, provides customers with artificial intelligence-based support 24 hours a day, 7 days a week. The following initiatives have been planned for 2025: Voice-Bot, Speech Analytics, Technician Assistant, Artificial Intelligence-Based Comment Management and Knowledge Base, IFS PSO. In addition, digital applications specific to new generation retailing are used in Express stores. VeeZy provides services such as energy management, smart living and after-sales support. AI-based projects such as veeChef, veeAssist and Vestel AI offer various digital services to improve the customer experience. Customer-specific and general push notifications, Stories, and permission-based communication campaigns have been implemented to enhance customer interaction.		
Opportunities	Gaining new customers by enriching the personalized products, experiences and services offered to customers through technologies such as data analytics, artificial intelligence (AI), Internet of Things (IoT), CRM and big data		
	Ensuring growth and increasing market share through innovative digital products and services offered to customers (IoT, connected and smart products with AI systems, products with the most advanced technology, digital assistant, etc.) Achieving efficiency, speed, and cost advantage with the integration of digital tools into production		

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

CYBER RISKS		Impact	Term
Risk Definition	According to the Global Risks Report 2025 prepared by the World Economic Forum, cyber espionage and warfare risks are ranked among the top 10 global risks in both the short and long term. While the digitalization of business processes and products and services offers opportunities such as efficiency and higher performance in the working environment, it also poses cyber risks, especially data security and privacy. Failure to prevent external and internal attacks and unauthorized access to confidential/critical information and documents on information systems, corruption, damage, viruses, etc., failure to prevent security vulnerabilities, failure to prevent necessary measures related to the system, process or organization, network damage due to attacks, viruses, etc., loss, theft or leaking of confidential/critical information and documents are considered as a significant risk.	Medium	Short-medium
	Cyber-attacks linked to extensive phishing and spamming activity, malicious external activities, phishing ¹ and social engineering cause financial and reputational losses to Vestel		
Potential Impact of the Risk	Decreased performance and efficiency for Vestel due to risks related to the use of risky software and applications, online payment processors, connected database technologies, industrial control systems and communication tools		
	Exposure to financial loss, loss of reputation, loss of customers, and criminal sanctions by Vestel due to incidents such as data leakage, interruptions, and cyber-attacks		
Risk Prevention/ Mitigation Activities	Cyber threat intelligence management is of great importance at Vestel. Dark web platforms are periodically scanned with threat intelligence services. In case of data breaches concerning the Company, necessary notifications are made and timely action is taken.		
	At Vestel, an effective process management is implemented through periodic scanning management, periodic studies and warnings against vulnerabilities and weaknesses. Risks are minimized by using e-mail security and end-user antivirus and intrusion prevention system (IPS) to prevent spam activity and malware.		
	The applications and platforms served to the outside world are monitored for vulnerabilities that have been published in global markets, and security scenarios are implemented through version updates.		
	At Vestel, in addition to the improvement and control processes (scanning, troubleshooting and planned improvements) implemented before applications are launched in the outside world, access to services is provided in a controlled manner through security solutions such as DNS, SPF, SSL, DDOS, etc.		
	Access to critical data is isolated by implementing multiple authentication services and security architectures.		
Opportunities	Vestel makes systematic infrastructure improvements and receives consultancy services against external threats and actors. At Vestel, where comprehensive intrusion detection systems are used, risks are managed at controllable levels through the use of denial of service attacks (DDOS), load balancers and firewalls. Vestel's Cyber Security Action Plan was prepared and significant progress was made in terms of rapid action, roadmap and solutions. Efforts to purchase cyber insurance to cover the entire inventory go on.		
	Strengthened corporate reputation through a strong cyber security structure		
	Creating new business areas by developing products against cyber risks		

⁽¹⁾ Phishing is a type of online attack where scammers send random e-mails to user accounts.

PLASTIC AND WASTE POLLUTION		Impact	Term
Risk Definition	Ineffective management of waste generated throughout the product life cycle, lack of recycling and inefficient use of natural resources pose risks.	Medium	Medium-long
	While increased plastic consumption and microplastics turned plastic pollution into an urgent environmental problem, rapidly developing technology and consumer habits have turned electronic waste into one of the world's fastest growing waste types. Due to the hazardous substances they contain, when improperly disposed of, these wastes, like plastic waste, pose a threat to the environment, human health and biodiversity. Growing number of regulations for both plastic and circular economy pose various risks.		
Potential Impact of the Risk	The impending implementation of new regulations designed to minimize waste generation and enhance circularity (specifically the Eco-design Regulation for Sustainable Products and the Packaging and Packaging Waste Regulation) presents a financial risk to Vestel in forthcoming fiscal periods through the introduction of potential taxation frameworks aligned with eco-design requirements.		
	The possibility of experiencing rising recycled plastic costs and supply problems due to increased demand for recycled plastic raw materials for primary plastic reduction.		
	Quality and durability problems that may arise in products depending on recycled plastics may cause disruptions in Vestel's production and trade cycle.		
Risk Prevention/ Mitigation Activities	The potential negative impact on the financials of Vestel and its ODM customers due to additional taxes arising from life-cycle approach implementations mandated by the European Union's Waste Electrical and Electronic Equipment (WEEE) Directive, which considers factors such as product durability, reparability, and the presence of hazardous substances.		
	Vestel persists in its commitment to designing environmentally conscientious products by integrating eco-design principles throughout its design conceptualization and Research & Development endeavors. In accordance with this objective, the Company methodically monitors taxation-subject requirements to strategically direct essential initiatives.		
	Comprehensive investigations regarding alternative material compositions and potential supplier diversification are being substantially expanded.		
	The systematic implementation of technical proficiency enhancements within Research & Development and quality assurance protocols, complemented by strategic laboratory infrastructure investments, is being facilitated.		
Opportunities	Strategic intentions were formulated to execute initiatives dedicated to the augmentation of product durability and reparability characteristics, with concurrent plans to capitalize on fiscal incentives through these progressive implementations.		
	To access various Horizon funds for circular economy R&D projects within the scope of the EU Green Deal		
	Ensuring quick compliance with new regulations, reducing the cost of compliance and possible additional financial burdens, and eliminating the risk of penalties		
	Providing cost advantages through reusable, repairable, durable products with a high level of recycled content and appealing to customers who are conscious of these issues, as well as developing new business areas through second-hand and rental models		
	Reducing raw material costs in production by reusing raw materials		
	Creating growth areas with innovative products that address circular economy, e-waste and plastic pollution		

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

TALENT		Impact	Term
Risk Definition	While digitalization leads to an increasing demand for talent in the business world, this demand is especially evident in the engineering and technology sectors. However, the concentration of tech talent in specific markets exposes companies to the risk of a significant talent gap. According to the Global Risks Report 2025, talent scarcity is among the top 5 risks facing Türkiye. Therefore, companies, particularly those operating in engineering and technology, should attach great importance to attracting new talent, retaining existing talent, upskilling and reskilling. In addition, in the post-pandemic period, the rise of agile working culture, such as flexible working hours and locations, adaptation to new technologies and encouragement of innovation, poses a risk for companies that fail to adapt to this change.	Medium	Short-medium
	Failure to attract talents that will contribute to Vestel's achievement of its strategies and targets, and failure to retain/back-up existing competent human resources		
Potential Impact of the Risk	Inability to adapt to the agile and flexible working culture, causing Vestel to lose its existing talents or failing to attract new talents		
	Falling employee engagement and satisfaction, and climbing employee turnover due to inadequacies of Vestel in areas such as wages, fringe benefits, training, and career planning		
	Due to the emergence of an HR structure at Vestel that fails to meet the competency needs, positions remain vacant for long periods, and failure to assign the relevant talent to the right position		
	Weakening of the talent pool at Vestel due to a lack of training to upskill existing roles to meet changing requirements or to learn new skills for a new job (reskilling)		
	Weakening of the new product development and innovation capacity at Vestel due to the inability to access the new skills required for digitalization and innovation		
Risk Prevention/ Mitigation Activities	Policies and practices are being implemented for the development of existing competencies and acquisition of new proficiencies in alignment with novel skill and competency sets demanded by the business environment, pursuant to the Group's strategic objectives.		
	Hybrid working is practiced in departments where possible.		
	Employee satisfaction is supported by Vestel Employer Brand and Employee Engagement Projects (Heartfelt Conversations, Seniority Plaques and Awards, New Year's Eve Sweepstakes, Welcome Package, etc.).		
	Concurrent with the streamlining and enhancement of recruitment processes, employee satisfaction is being augmented through the implementation of rotation and position reassignment systems.		
	The focus is on effective talent management using the outputs of the White-Collar Talent and Career Management project.		
Opportunities	Development-based training projects are organized for employees, and upskilling and reskilling trainings are offered on a department and company basis.		
	Competitiveness in offering digital, smart products and developing innovation capacity		
	Strengthening productivity and financial performance of Vestel with a talented workforce that fully realizes its potential		
	Reduced employee turnover, falling costs for Vestel, and enhanced Company reputation		

SUPPLY CHAIN RISKS		Impact	Term
Risk Definition	The pandemic, geopolitical tensions, climate change and rising inflation have clearly demonstrated the vulnerabilities and risks in the global supply chain. The global supply shortage of an important input such as semiconductors highlighted that the management of risks in this area has become even more critical. The security crisis in the Suez Canal following the Russia-Ukraine war has prompted route changes in maritime transportation, posing a threat to global supply chains. With the extension of sea voyage times, it is expected that there will be cost increases and disruptions in the supply chain.	Medium	Short-medium
	To prevent potential violations of human rights and the environment in supply chains, regulations such as the German Supply Chain Act and the EU Corporate Sustainability Due Diligence Directive (CSDDD) impose certain obligations on the business world. Supply chain risks are addressed in the following main categories.		
	Supply risk: Potential problems in Vestel's supply chain and the risk of not being able to procure products from suppliers in a timely/complete manner		
	Demand risk: The risk that Vestel may undersupply or oversupply products to the market as a result of a sudden decrease or increase in customer demand due to sudden major shocks (e.g. epidemics, war, etc.)		
	Environmental risks: Risks such as cost increases, production disruptions, etc., in the Vestel supply chain due to the climate crisis and environmental problems		
Potential Impact of the Risk	Business and financial risks: Risks arising from reasons such as increasing costs in the supply chain, potential loss of financial stability regarding Vestel's suppliers, and organizational failures, etc.		
	Compliance risks: Risks arising in the supply chain due to non-compliance with legal regulations related to human rights (such as the prohibition of child labor and forced labor), conflict minerals (Tin, Tungsten, Tantalum, Gold (3TG)), ethical and environmental issues		
	Potential disruptions in the supply chain and inability to procure timely/critical products from suppliers, resulting in impact on operations and production		
	Negative impact on Vestel's reputation due to possible human rights, environmental and ethical violations in operations and the value chain		
	Fines imposed on suppliers for non-compliance with legal regulations		
Risk Prevention/ Mitigation Activities	Vestel conducts alternative material studies for the materials it procures and cooperates with more than one supplier.		
	The Vestel Supplier Monitoring and Development Program is implemented to identify and improve the ESG performance of suppliers.		
	In cases where the risk increases in the short term, the focus is on faster procurement strategies.		
	In cases of sudden shock, supplies are diverted to alternative uses. Safety stocks approach is adopted in case of uncertainties that may arise in the supply of goods. Sourcing offices and component departments are continuously implementing projects to mitigate single-source supplier risks. Through TM and SNC programs, supplier sourcing continuity is being monitored in real time.		
	Increased ESG performance and competitiveness in the sector by adopting responsible and sustainable procurement principles in the Vestel supply chain		
Opportunities	Contribution of an effective supply chain management to Vestel's financial performance		
	Good relations with suppliers and effective management enhancing Vestel's reputation and facilitating the establishment of new business relationships		

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

Climate Risks

According to the World Economic Forum (WEF) Global Risks Report 2025, extreme weather events, biodiversity loss and ecosystem collapse, and critical changes in natural systems are the most threatening risks in the 10-year horizon. Climate risks increase vulnerability to catastrophic climate change-induced disasters and changing weather patterns. Based on studies conducted by the Intergovernmental Panel on Climate Change (IPCC), the impact of climate change on humans and ecosystems is much more extensive and severe than expected. Moreover, these impacts are expected to increase even more as temperatures **rise**.²

The International Financial Reporting Standards (IFRS) S2 Climate-Related Disclosures Standard and Türkiye Sustainability Reporting Standards 2 (TSRS), published with the aim of mandating companies to disclose their climate-related risks and opportunities to all stakeholders, require companies to disclose their risks and opportunities within the scope of transition and physical risks. In this regard, Vestel's climate-related risks were identified as follows.

Vestel conducts scenario analyses on an annual basis to evaluate climate-related risks and opportunities. These analyses comprehensively address transition and physical risks using internationally recognized scenarios such as IEA 2DS, RCP 2.6, RCP 4.5, and RCP 8.5. The analyses cover the periods of 2025, 2030, 2040, and 2050, and include all operational processes. In terms of water management, water scarcity risks are analyzed using WRI Aqueduct scenarios, and water recovery projects are implemented. Scenario analyses contribute to ensuring long-term resilience through integration into the Company's business model and strategic planning.

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

Transition Risks					
Main Risk Factor	Definition of Risk	Impact Description	Impact	Term	Vestel's Response
Policy Risk	Numerous regulations and policies are rapidly being implemented with the goal of limiting activities that contribute to climate change and/or promoting adaptation to climate change.	New rules such as eco-design frameworks and the Eco-design Requirements for Sustainable Products Regulation introduced by the EU for household appliances like washing machines and refrigerators necessitate reducing the environmental impact of products within the scope of energy efficiency and making products more energy-efficient. Within this framework, Vestel, which exports 80% of its products to European countries, is at risk of losing market share or facing fines in the event of a failure to comply with regulations.	Low	Short-medium	In line with its Science Based Targets initiative (SBTi) commitment, Vestel is also committed to reducing product emissions, which constitute the highest portion of Scope 3 emissions. Vestel offers refrigerators, washing machines, clothes dryers, dishwashers, cooking appliances, and air conditioners that belong to the highest energy efficiency class, utilize resources efficiently through the technologies it develops, and are user-friendly, all at competitive and marketable prices. Vestel designs its products to align with high energy efficiency classes. Additionally, design work continues to enhance product durability and repairability, and to reduce the carbon footprint created throughout the product's lifecycle.
		Detailed information can be found in the <u>Accessible and Smart Solutions that Make Life Easier</u> section of the report.			

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

Transition Risks					
Main Risk Factor	Definition of Risk	Impact Description	Impact	Term	Vestel's Response
Legal Risk	Tightening legal regulations or the introduction of new regulations on climate change pose legal risks. Failure to meet commitments and targets related to combating climate change can lead to penalties, sanctions, and lawsuits.	Climate-related legal risks stem from factors such as changes or tightening of environmental regulations and the introduction of new legal regulations such as carbon taxes or emission quotas. Additionally, the legislation on preventing greenwashing, which is currently in the negotiation phase in the EU, introduces strict measures. Such risks can increase production costs for companies and lead to negative impacts such as penalties, loss of reputation, and business continuity issues.	Medium	Medium	Vestel continuously monitors regulations and allocates necessary resources to swiftly comply with not only national legislation but also EU regulations and international legal frameworks to mitigate potential impacts. In this regard, Vestel takes measures across a wide range of areas, from product design to production processes, waste management, and energy efficiency. In its green claims, the Company avoids practices that might mislead consumers and places importance on ensuring these claims are verifiable.
		In addition, Vestel may also face financial and reputational damages in the event of lawsuits by consumers or other stakeholders for making false climate change statements and causing climate change.			
Market Risk	Changes in consumer behavior and shifts in supply and demand for certain goods, products, and services create risks in market share and competition. In addition, factors such as imbalances in supply and demand related to climate-related risks in procurement processes and raw material sources, as well as disruptions in the supply chain, also affect the market.	The decarbonization initiatives, especially in sectors with high emission intensity such as aluminum and iron-steel, and the introduction of financial obligations that will arise from the CBAM (Carbon Border Adjustment Mechanism) by 2026 poses a financial risk as they may lead to an increase in Vestel's input costs.	Medium	Medium	Vestel prioritizes reducing environmental impact and making life easier for its customers with the products it produces by listening to consumer expectations within the framework of its focus area of “Accessible and Smart Solutions that Make Life Easier.”
		Alongside this, there is a growing trend towards low-carbon and environmentally-friendly products in line with new consumer preferences. There is a risk of losing market share for Vestel if it falls behind these trends.			The carbon emissions related to iron-steel and aluminum inputs are being closely monitored, and work is being done to develop programs that will calculate the carbon footprint of products and monitor indirect emissions in order to comply with the expanding scope of CBAM in the future.

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

Transition Risks					
Main Risk Factor	Definition of Risk	Impact Description	Impact	Term	Vestel Beyaz Eşya's Response
Technology Risk	Technological advancements are among the most significant tools in transitioning to a low-carbon and energy-efficient economic model. Competitiveness, production and distribution costs, and demand for products and services from end-users are shaped by technological advancements.	As a technology company, R&D and innovation are critical for Vestel in terms of both developing new products and transforming operations. Moreover, inadequate energy and resource efficient product technologies or production efficiency technologies can increase operational costs and lead to market loss.	Medium	Medium	Vestel benefits from the power of Industry 4.0 and automation and considers them as one of its focus areas. Through innovative products, it supports the reduction of energy consumption and resource efficiency.
					Through Vestel Ventures, the Company contributes to studies on innovative devices, advanced materials, smart urbanism, smart homes, and smart plants.
Reputation Risk	Reputation Risk includes the impact on stakeholders and company image caused by the insufficient contribution made by companies to the transition to a low-carbon economy and/or the failure of climate targets	Vestel's failure in achieving climate change-related targets and its inability to adapt to global and sectoral developments may lead to a negative impact on the Company's reputation and loss of market share.	Low	Medium-Long	In relation to climate risk, Vestel is actively engaged in various R&D and innovation projects aimed at reducing carbon emissions.
					Vestel aims to achieve net zero emissions by 2050. In addition, the Company is working on a decarbonization plan within the scope of its Science Based Targets initiative (SBTi) approved objectives. Detailed information is available in the Net Zero Company section of the report.

Physical Risks					
Main Risk Factor	Definition of Risk	Impact Description	Impact	Term	Vestel's Response
Chronic Physical					
Water Stress	Water risk includes insufficient water resources, drought or problems with water quality in the region where the Company operates.	According to the World Resources Institute (WRI) Aqueduct Water Risk Atlas , Vestel City has a high water risk due to its location. Any problems related to water access at Vestel City, which was chosen as one of the largest factories in Europe, may lead to interruptions in operations, especially in the dyeing operations due to water shortages. However, costs may increase during periods of high water stress.	Low	Medium	Vestel implements rainwater collection and wastewater recycling projects.
					Working towards purchasing recycled water from the advanced water treatment plant in the Manisa Organized Industrial Zone, Vestel conducts periodic water quality analyses.
Acute Physical					
Extreme Weather Temperatures	With the climate crisis, temperatures are rising steadily. Extreme weather conditions severely affect both man-made and natural systems.	Extreme temperatures may cause damage to production facilities, storage areas and transportation processes. Sensitive equipment that is used in the manufacturing of electronic products may perform poorly or malfunction when exposed to high temperatures. Malfunctions and breakdowns in Vestel products may adversely affect the brand reputation and result in additional financial burden.	Low	Medium	Vestel systematically tests each product in its product portfolio in terms of the highest and lowest heat levels to which it can be exposed.
		Costs of cooling may increase due to the heat waves.			Vestel carries out R&D activities to ensure that the product designs are more suitable for the current weather conditions. During high temperatures, the Company carries out activities to mitigate risks such as reduced performance, breakdown and malfunctioning of products.
Floods, Wildfires, Extreme Weather Conditions	Extreme weather conditions such as wildfires, floods, tornadoes and hailstorms are expected to be more frequent due to global climate change.	Fires that may break out in the forests and electricity transmission lines close to Vestel due to extreme temperatures may cause production to stop and result in financial losses. Disruption of operations due to production facilities being damaged by floods or forest fires, interruption of supply and logistics processes if procurement, logistics, and dealership operations are affected by extreme weather events, increased insurance costs, and delayed product delivery to customers may create additional financial burdens as a consequence of extreme weather events	Low	Medium-Long	Detailed measures to be taken for any possible natural emergencies are included in the Emergency Action Plan. The plan includes what needs to be done before and after an emergency. Actions such as regular cleaning of roof gutters, installation of new rain manholes, regular cleaning of manholes are carried out to avoid the adverse effects of extreme rain conditions.

GLOBAL TRENDS, RISKS AND OPPORTUNITIES

Vestel Climate Opportunities

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

Opportunities	Description of Opportunity	Vestel's Actions
Energy Source	Renewable energy sources, which play a critical role in emission reduction strategies, reduce energy costs in the long term and heighten the Company's resilience to global energy crises.	Vestel invests in renewable energy as part of its strategy to reach the 2050 net zero target. In this regard, the Company has been working to purchase or generate renewable energy.
Products and Services	As consumer preferences shift towards low and/or zero-emission products, investing in this area provides companies with market and revenue growth.	Vestel also invests in the development of new products and services that mitigate and adapt to climate change, including air conditioning solutions, renewable energy solutions, energy and water efficient products, electric vehicle chargers and batteries.
Resilient Supply Chain	Increased focus on sustainability principles and high performance in this field attracts the attention of customers and investors, improves brand reputation and provides competitive advantage. Additionally, a resilient supply chain enables companies to mitigate risks and become more durable in times of crisis.	By supporting suppliers to make investments to mitigate climate change risks, we build resilience against possible business interruptions and price/supply fluctuations along the supply chain. We aim to reduce carbon costs by providing a competitive advantage in terms of performance regarding climate change.

Emerging Risks

Fast Changing Technologies - Artificial Intelligence (AI) Development	
Category of Risk	Technological
Risk Definition	The rapid development of artificial intelligence (AI) technology offers opportunities to develop innovative products, optimize business processes, and increase operational efficiency, while also bringing various risks. Among these risks, data security breaches, ethical issues, and regulatory non-compliance stand out. Failure to keep pace with technology can lead to the loss of competitive advantage. Particularly, the inability to integrate new technologies into products and processes in a timely and effective manner can lead to decreased customer satisfaction and a decline in market position.
	The rapid standardization of AI-powered devices (such as smart home assistants) in the market can lead to companies that cannot offer these products not being preferred by consumers and losing market share.
Potential Impact of the Risk	Misconfiguration of AI-based systems or automation deficiencies can make companies vulnerable to cyber-attacks.
	Non-compliance with regulations such as PDPL can result in heavy fines, system outages, and disruption of business processes. These risks are not limited to financial losses but carry multidimensional effects such as reputation loss and legal sanctions.
Risk Prevention/ Mitigation Activities	Vestel regularly participates in trade fairs to closely monitor innovations, changes, and trends in the industry. Thanks to its strong R&D structure, developments and improvements can be made quickly when necessary. Vestel's ownership of its own Mechanical, Optical, Electronic, Audio, Video, and Software capabilities allows it to rapidly incorporate new technologies into its product range.
	To minimize adverse effects, proactive strategies are developed, implementing technological measures, organizational policies, and compliance efforts together. The establishment of security infrastructure is supported by continuous monitoring and evaluation activities. Regular training and practices are conducted to increase employees' awareness of cyber threats.
US Sanctions; Competitiveness of Far East-Based Companies	
Category of Risk	Economic
Risk Definition	US sanctions are changing the competitive balance of Far East-based companies in global trade networks. The supply surplus in Far East markets is pushing these companies to look for alternative markets, increase local innovations, and strengthen regional partnerships. The aggressive pricing policies, innovative product strategies, and rapid production capacity of Far East-based companies turning to the European market after US sanctions threaten the position of existing players in the European market.
	Affordably priced and technology-focused products from Far East-based brands are attracting European consumers' attention, increasing the risk of established brands losing customer loyalty.
Potential Impact of the Risk	The rapid establishment of Far East companies in the European market with low-cost and technology-focused products can cause local and global players to lose market share. Price-sensitive consumers turning to these companies can lead to companies that cannot maintain a competitive advantage withdrawing from the market or downsizing their operations in the long term.
	Aggressive pricing strategies can force other companies operating in Europe to lower their prices. This situation leads to reduced profit margins and makes cost management more difficult. Price-focused competition can weaken companies' competitive power by limiting investments in quality and innovation.
Risk Prevention/ Mitigation Activities	Vestel focuses on differentiating elements such as quality, innovation, and sustainability against price competition. As part of this strategy, the first physical store was opened in Berlin, Germany, with the message 'Fashion for Home, Passion for Life'.
	The opening of the first online store in Europe strengthens the position of the Vestel brand in the European market by offering a seamless site experience, advanced customer support, secure shopping opportunities, and comprehensive delivery solutions. The acquisition of Swedish white goods company Cylinda supports Vestel's aim to increase its presence in the Northern European market and achieve long-term sustainable growth goals.

Firm steps in global markets

Vestel aims to maintain its strong and sustainable growth in non-European regions with the projects it will develop for both its own brands and its customers.

Vestel Beyaz Eşya continued to increase the share of smart and IoT-enabled products in its total sales in 2024.

Demand in Europe, Vestel's primary export market, continued to remain under pressure in 2024. According to GfK data covering 24 European countries (EU24), the European home appliances market showed 2.4% growth (12-month) in 2024 despite the continuing high interest rate environment, rising cost of living, and geopolitical uncertainties, following a 7% contraction in 2023. Among the five major European countries (EU5), France was the only contracting market with 0.4%, while the United Kingdom, Spain, and Italy markets showed growth of around 4%.

As part of its market diversification and sustainable growth strategy, Vestel continued to develop and introduce products suitable for markets outside Europe in 2024 and recorded strong growth particularly in Africa and North America regions. However, adverse macroeconomic and geopolitical developments in some key markets limited this growth in 2024.

According to data from the Turkish White Goods Manufacturers' Association (TÜRKBEŞD), exports of the Turkish white goods sector declined to 22.4 million units (12-month) in 2024, a decrease of 3% (12-month data) compared to the previous year, despite increased demand in overseas markets.

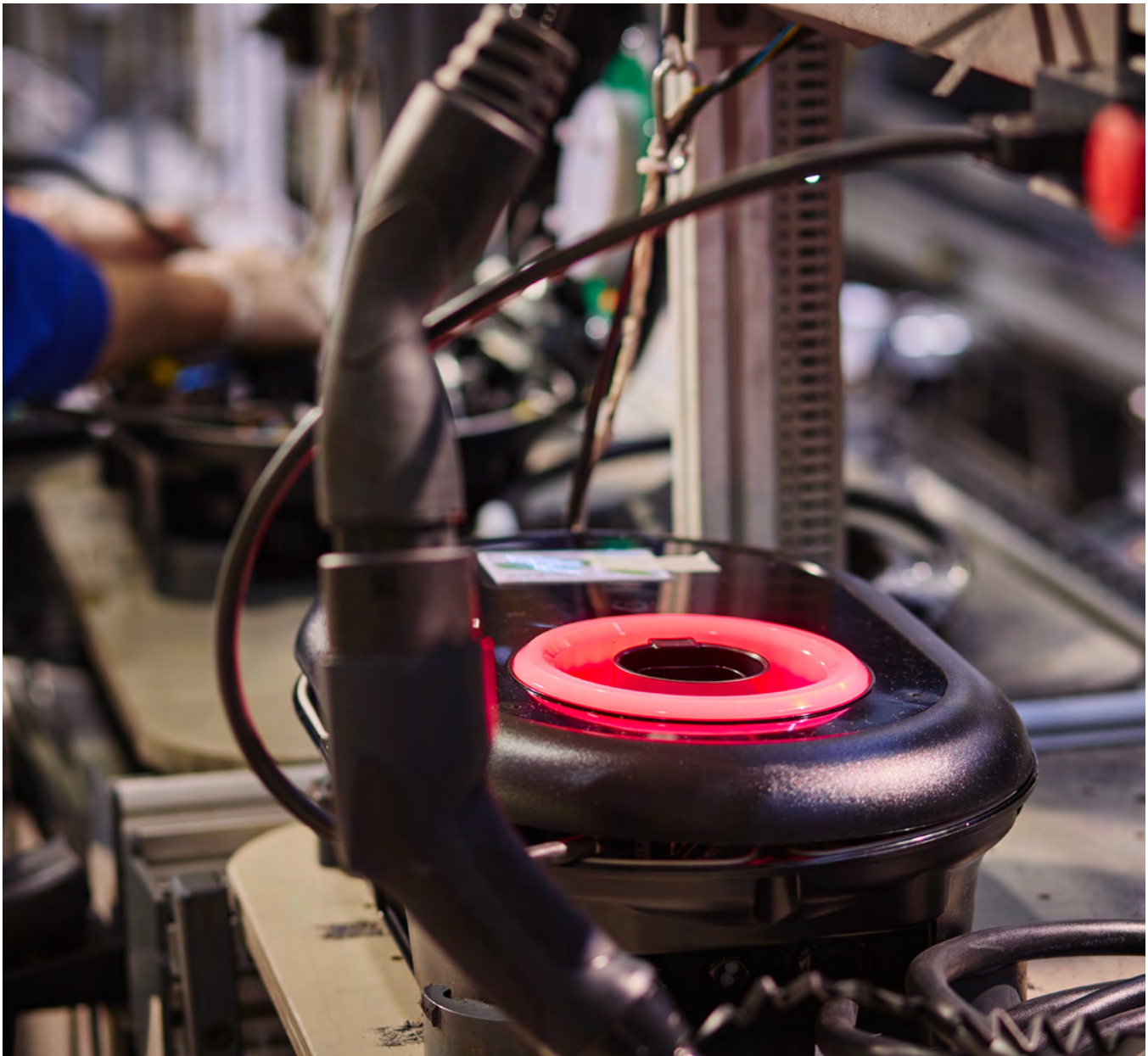
In contrast to the situation in overseas markets, the Turkish white goods market exhibited 2% growth in 2024. This growth was mainly driven by consumers bringing their demand forward.

According to data from the Turkish White Goods Manufacturers' Association covering 6 main products, domestic wholesale white goods sales grew by 6.7% in 2024, while data covering 4 main products showed a contraction of 4.6%. According to GfK, the growth in retail sales stood at 11%. Vestel's domestic white goods sales increased in line with the market in 2024.

Vestel Beyaz Eşya continued to increase the share of smart and IoT-enabled products in its total sales in 2024. During the year, features such as:

- "Cold Hygiene Program" that provides hygiene even at low temperatures, saving energy in washing machines,
- Washing machine with A-65% energy class featuring Rainfall technology,
- Dryer with A+++ -20% energy class utilizing Multi-Inverter+ technology, known as the most energy-efficient dryer in the market,
- Refrigerators with moisture control systems that provide optimum humidity levels according to food type for fruits and vegetables,
- Products using bio-based raw materials instead of plastic,
- Products with recyclable packaging elements,
- Dishwasher product family that consumes 10% less energy than A energy class, thanks to recycled energy with SelfHeating technology,
- Auto Clean Filter technology that automatically performs filter cleaning after each use, offering a user-friendly product family,

were introduced to the market.



Vestel Beyaz Eşya continues to enhance its sales not only in the entry and mid-range segments but also in the premium segment by leveraging competitive products and new technologies, aiming to create new segments for its customers. Continuously updating its energy efficiency goals, the Company dedicates a significant portion of its R&D efforts to developing technologies and products that utilize resources efficiently by providing the highest level of energy and water conservation.

With the increasing importance of the negative effects of plastic waste on the environment and human health, Vestel is making corresponding changes to the materials used in its products and product packaging.

The Company has begun using bioplastic-featured and recyclable parts that decompose more easily in nature without leaving toxic residues, and aims to increase the use of bioplastic and recyclable parts in 2025.

As part of the capacity expansion program initiated in white goods in 2021, the construction of the new dishwasher factory and installation of production lines were completed in 2023, and as of April 1, 2024, all production lines in the factory, including those transferred from the old factory, have been commissioned. As a result, the first stage investments under the capacity expansion program have been completed, and Vestel's production

capacity in household appliances has increased by 29% compared to the end of 2020.

Vestel Beyaz Eşya will continue develop new projects tailored to Asian, African, and American markets in 2025 as part of its goal to expand its footprint in these regions. The Company aims to sustain its strong and sustainable growth in non-European regions by developing projects for both its own brands and its customers.

EVALUATION OF PRODUCT GROUPS FOR THE YEAR 2024

In response to the shrinking market, Vestel is broadening its TV platform partnerships as part of its growth strategy.

Having a presence in the Turkish market for over 10 years, the Small Home Appliances and Vacuum Cleaner product ranges continued to evolve in 2024, aligning with consumer expectations and needs.

TELEVISION SETS

Due to low economic growth and high inflation, 2024 is expected to be a challenging year for the television product group. Although LCD TV screen prices were anticipated to recover in February 2024, tensions between panel makers and TV manufacturers hindered this process and delayed price stabilization. In the first quarter, panel makers attempted to balance production with demand; however, a slowdown in end-user demand and intense price competition in the TV market resulted in losses for the manufacturers. Consequently, LCD TV panel prices began to decline in July 2024, with the pace of decline slowing in the last quarter of the year.

Shipments of small-sized TVs (32-43 inches) fell in the overall market, while the segment for large-sized TVs (58 inches and above) continues to expand. By 2025, shipments of these large-size panels are projected to reach 61 million units, representing 26% of total LCD TV panel shipments.

In response to the shrinking market, Vestel is broadening its TV platform partnerships as part of its growth strategy. The Company aims to meet customer demand by collaborating with platforms such as Vidaa, Tivo, Android TV/Google TV, and Fire TV. Additionally, the Company has signed a goodwill agreement to invest in a 4.64% stake in the Vidaa platform, adopting a strategy to acquire a share in this rapidly growing platform, which ranks second globally.

SMALL HOME APPLIANCES

Having a presence in the Turkish market for over 10 years, the Small Home Appliances and Vacuum Cleaner product ranges continued to evolve in 2024, aligning with consumer expectations and needs.

Alongside conventional products like vacuum cleaners with and without dust bags, Vestel has expanded its offerings to include rechargeable vacuum cleaners and robot vacuum cleaners, both of which are gaining popularity. The Company has also entered the rechargeable vacuum cleaner market with wet-dry functionality.

In the realm of electric kitchen appliances, new products have been developed in categories such as blenders, mixers, kettles, and toasters. Additionally, the color variety in the Vestel Retro Series has been expanded.



The Vestel Brew 50 model has been introduced to the product range, making it the first domestic brand to receive the Golden Cup certificate from the European Coffee Brewing Centre (ECBC) in the coffee machine category, which holds a significant share in both the Turkish and European markets.

As of 2024, Vestel has begun its global expansion into the European market and other regions where it operates. Branded growth targets have been established in the EU5 countries, prioritizing Germany and the UK with Vestel and licensed Sharp brands, as well as Sweden with the Cylinda brand and Poland with the Vestfrost brand.

DIGITAL DISPLAY SOLUTIONS

The year 2024 marked significant growth for our Digital Display Solutions. The highest number of shipments was to the US, followed by Germany and the UK, with Japan in fourth place and India as the fifth largest market. Additionally, Estonia, Moldova, Sri Lanka, and North Macedonia are among the countries where shipments were made for the first time in 2024.

In the South American market, new collaborations have enabled product shipments to countries such as Panama, Colombia, Chile, and Uruguay. Furthermore, the Company has initiated partnerships with four new OEM brands.

In 2024, storefront displays and dynamic series smart boards were launched, and competitive product transitions were implemented across all professional series products. These initiatives are strategically significant for increasing market share in digital display solutions.

AUTOMOTIVE ELECTRONICS

The automotive industry is experiencing a radical transformation, evolving into a completely new ecosystem centered around four main themes known as “CASE”: Connected, Autonomous, Shared, and Electric. As vehicles increasingly become high-tech devices, technologies such as electronics, software, batteries, charging equipment, digital instrument displays, cameras, and sensors are essential to this new generation of vehicles in terms of competition. By 2030, the share of electronic components in the total cost of electric vehicles is expected to exceed 60%.

Seizing the opportunities presented by this paradigm shift in the automotive industry, Vestel Mobilite is working to reduce Türkiye's dependence on foreign automotive supplies, boost local expertise, and become an alternative supplier for European OEMs. The Company offers innovative solutions, including infotainment systems (IVI), in-car cockpit display solutions, and display control units, with LCD and OLED display options ranging from 8 to 29 inches to cater to diverse needs.

Vestel Mobilite also provides advanced technologies, such as high-performance processors, Android Automotive and QNX operating systems, communication protocols like GMSL3, and micro-LED display technologies that maximize energy efficiency. Additionally, solutions that improve driving safety through artificial intelligence-based data processing systems further solidify the Company's position in the sector.

As a strategic technology partner in the digital transformation of automotive manufacturers, Vestel Mobilite develops products that comply with international standards, including functional safety, cybersecurity, ISO, and IATF. The Company continuously refines its processes by adhering to industry standards such as ALM, PLM, AUTOSAR, and ASPice.

In 2024, Vestel Mobilite showcased its commitment to the sector by exhibiting its new display technologies, software-defined vehicle solutions, and connectivity systems at major events like IFA and IAA Transportation Hannover. Furthermore, Vestel Mobilite introduced its products at “Technology Day” events hosted at the R&D centers of leading global automotive manufacturers and continues to collaborate with international automotive manufacturers and suppliers as part of its strategic plans for 2025.



EVALUATION OF PRODUCT GROUPS FOR THE YEAR 2024

Vestel continuously develops its product portfolio by closely following industry and market trends in electric vehicle charging solutions.

Vestel’s EV chargers are compatible with electricity grid load management systems, which are becoming increasingly crucial with the proliferation of electric vehicles and the increasing number of charging stations, and include remote management and other smart management technologies.

ELECTRIC VEHICLE CHARGING SOLUTIONS

Vestel continuously develops its product portfolio by closely following industry and market trends in electric vehicle charging solutions.

The Company mass produces AC chargers for both individual and commercial use, including the AC Rhea, Zenith, and Libra series, as well as the AC Quatro series and the AC Rigel and Gemini Dual series, available with single and double sockets. These chargers have power outputs ranging from 7.4 kW to 22 kW. In 2024, Vestel launched the AC Quatro and AC Gemini Dual series, further expanding its AC charging offerings. Additionally, a next-generation version of the existing AC Rhea, Zenith, and Libra series is currently in development, with plans for a 2025 launch. Vestel is completing the necessary developments in both home and commercial type chargers in order to comply with the regulations of the relevant countries for electric vehicle charging stations in foreign markets.

To this end;

- The adaptation processes for the smart charging and cybersecurity requirements, which have become mandatory in the UK, were completed.
- Integration into Linky electricity meters used in homes in France was completed, and sales of the “Linky” certified EVC04 AC charger started. Vestel’s AC type charger has become the first charger in the world to receive the “Linky” certification.
- The certification for the “Eichrecht” meter and measurement application, which is required for use in public areas in Germany, has been obtained for the AC Gemini Dual dual socket AC product, following the certification of

- the AC Rhea, Zenith, and Libra products.
- The “UL” certification process required for the US market was completed, and sales have started in the market.
 - Vestel’s “Drive Green Next” mobile application for AC type charging stations, which was developed to facilitate the use of end-users and allow them to monitor their charging processes, was integrated into the “Vestel Akıllı Yaşam” (Vestel Smart Life) mobile application used domestically.

Vestel has completed the ISO 15118 requirements in new generation charging stations, which support comprehensive smart load management, vehicle recognition, and bi-directional power transfer from vehicle to grid.

Vestel’s EV chargers are compatible with electricity grid load management systems, which are becoming increasingly crucial with the proliferation of electric vehicles and the increasing number of charging stations, and include remote management and other smart management technologies. By integrating AC charging stations with solar panel systems, electric vehicles can be charged with 100% renewable energy.

With the advancement of vehicle charging technologies, there is an increasing demand for faster charging stations. To address this need, Vestel expanded its portfolio of DC products, offering a maximum power of 180 kW, and introduced the DC Sirius, a new generation ultra-fast charging station that can be configured for power levels between 160 kW and 400 kW.

In 2025, Vestel plans to launch DC Stella, a satellite-type fast charging station with a power output of 720 kW and 1,000 MW, as well as DC Vesper, a 40 kW wall-mounted DC product.



Vestel carries on its efforts in the field of energy storage with the aim of becoming one of the leading players in this market, which is growing rapidly due to the increase in energy prices, sustainability goals of countries and companies, and additional incentives provided by governments.

BATTERY SOLUTIONS

Vestel continues its project-based and long-term business development activities in the field of electric bicycle batteries, which is one of its new business areas. The Company collaborates with bicycle manufacturers in these projects from the very beginning and offers battery solutions that will provide the best experience to end users with quality standards above market expectations and the latest technological features developed by Vestel engineers.

Following the rapid growth in electric bicycle sales during the pandemic, a sudden decline in demand resulted in excess stock within the sector. The market started to recover in 2024, with expectations for continued improvement by 2025.

Projects with Leading Bicycle Manufacturers and Drive System Providers

As part of its business development strategies with leading electric bicycle brands and drive-system manufacturers, Vestel has been chosen as the battery supplier for electric bicycle projects by major manufacturers in the industry for 2023 and 2024. Once the project development process is complete, bicycles equipped with Vestel batteries are set to go on sale in Europe in early 2025, followed by sales in both Europe and North America in 2026. In addition to the proprietary batteries offered by major manufacturers, Vestel has started selling its own designed and manufactured shelf products to numerous bicycle manufacturers in Europe and Türkiye.

Energy Storage Systems

The need and demand for energy storage systems increases rapidly in order to rapidly expand renewable energy applications, to raise energy efficiency, to store the excess energy produced and use it when necessary, and to back up the electricity received from the grid for cases of interruption. Vestel carries on its efforts in the field of energy storage with the aim of becoming one of the leading players in this market, which is growing rapidly due to the increase in energy prices, sustainability goals of countries and companies, and additional incentives provided by governments.

Special Battery Solutions for the Telecommunication Sector

In 2023, Vestel began mass production of a specialized battery solution designed for use as backup energy storage in telecom base stations. By 2024, this solution had been installed with several GSM operators in Türkiye, receiving technical approval. Pilot installations have been carried out in major European and African countries, and technical approvals are in progress.

Designed by Vestel engineers to meet all the requirements of telecom operators, this smart li-ion battery pack features fast charging capability, reaching 80% charge in just two hours. Equipped with a smart heating system to operate effectively even at low temperatures, this product can complement gel batteries currently used in base stations. With the onset of the 5G transformation in the coming period, it is expected that the existing gel batteries used in base stations will be replaced with lithium-ion batteries that require less maintenance, offer longer lifespans, and have higher energy density.

EVALUATION OF PRODUCT GROUPS FOR THE YEAR 2024

Vestel, which maintains interactive communication with end users at all times through the Vestel Smart Life mobile application in Türkiye and the VeeZy mobile application abroad, adds value to consumers' lives with its digital services.

SMART LIFE SOLUTIONS

Vestel, which maintains interactive communication with end users at all times through the Vestel Smart Life mobile application in Türkiye and the VeeZy mobile application abroad, adds value to consumers' lives with its digital services. It provides digital channels for Electric Chargers with Drive Green and for Smart TVs with Smart Center.

By participating in the If This Then That (IFTTT) automation ecosystem, Vestel offers end users the ability to create scenarios with more than 700 services. This enables users to configure self-operating scenarios such as running appliances during hours when electricity is cheaper, having smart lights turn on when the washing machine cycle is complete, or playing music from a music application when food in the oven is ready.

One of the main challenges users face in the smart living ecosystem is that different brands offer services through their own applications. Vestel, a board member of the Home Connectivity Alliance (HCA), has implemented the widest range of product control options between two companies globally through its collaboration with Samsung, thanks to integration compliant with HCA standards. With this integration, all Vestel smart home appliances can be controlled through the Samsung SmartThings application, while all Samsung smart home appliances can be controlled through the Vestel VeeZy application. Vestel continues to work on integration with other HCA member companies.

In January 2024, the Home Connectivity Alliance (HCA) published energy management specifications between

different companies, contributing to sustainability by supporting energy management. Vestel is also actively involved in the Connectivity Standards Alliance (CSA), which aims to remove communication infrastructure barriers between different manufacturers and ecosystems. Additionally, Vestel has joined the Matter Working Group, which aims to benefit end users by increasing compatibility between smart products and ecosystems, and is developing its products to be Matter-compatible. While enabling its products and digital services to communicate on the same infrastructure with different product groups and industries, Vestel continues its projects aimed at effectively using IoT technologies in the field of sustainability. The Company is also continuing its efforts to participate in energy management scenarios.

Vestel is integrating its Vestel IoT ecosystem, which focuses on the smart living concept, into the screens of Togg vehicles, marking its first collaboration with the automotive industry. This integration allows Vestel smart products to be actively controlled from within the vehicle screens. Through its cloud infrastructure, Vestel can offer similar solutions to all automotive companies with which it has an agreement. Vestel won the Best Cloud Project award for this project among more than 200 applicants in the Cloud Awards competition organized by Future of Consultancy in collaboration with CXO Media.



By treating AI as a product, we seamlessly integrate the latest technology into our everyday solutions, elevating our customers' experiences and fostering innovation.

Artificial Intelligence

By treating AI as a product, we seamlessly integrate the latest technology into our everyday solutions, elevating our customers' experiences and fostering innovation. As prescribed by our strategy, we treat AI as an end-to-end service, providing intelligent solutions that understand and address the needs of all stakeholders while creating value. In this context, our focus areas include developing decision support systems with AI-enhanced processes, creating AI-powered products, implementing AI-enhanced applications, and participating in the AI ecosystem.

Among the implemented AI technologies are Vestel Assistant, Vchef, and Vasistan. Vestel Assistant is an AI technology that helps users learn about Vestel products and services. You can access Vestel Assistant through our websites and the Vestel Smart Life mobile application to get answers to your questions about orders, campaigns, and after-sales services.

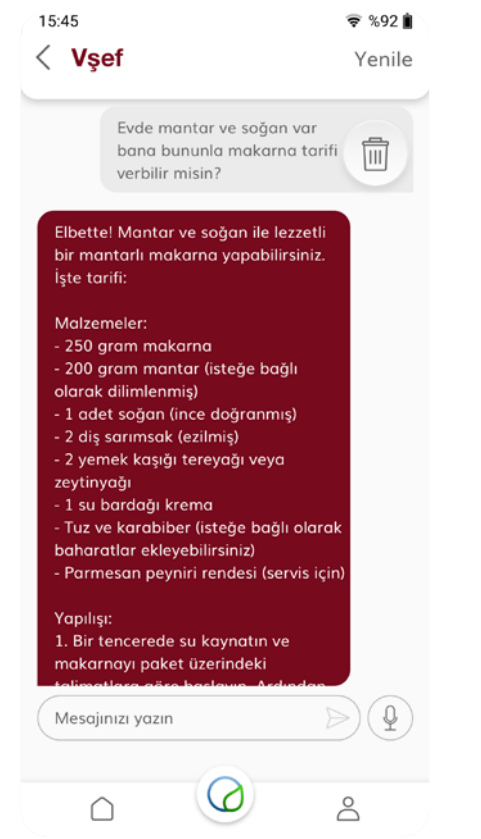
Vchef is an AI technology that offers recipes based on user preferences and works in integration with the Cook Like a Chef technology, providing an AI-based kitchen experience through mobile applications. Vchef functions as a kitchen assistant that revolutionizes how users discover recipes. It eliminates the need for endless online searches, allowing users to receive instant recipe suggestions, accelerating the cooking process, and saving time. The chatbot's ability to present various recipes encourages users to discover new and creative dishes using ingredients they have on hand.

Cook Like a Chef brings gourmet flavors to end-users' homes with step-by-step cooking algorithms from renowned chefs' kitchens. Each recipe is meticulously prepared to reflect the techniques chefs use when preparing meals in their own kitchens. This unique experience offers customers professional cooking secrets, helps them discover the nuances of gourmet cuisine, and elevates their meals to the next level.

Vasistan is an AI technology that provides information about product usage through mobile applications. Vasistan offers a seamless support experience without

requiring users to review instruction manuals for help. By providing quick and appropriate solutions, it simplifies the troubleshooting process. Unlike traditional customer support, Vasistan is accessible 24/7, allowing users to get help about the product whenever they need it.

Vestel's IoT R&D team was awarded first place with the "Generative AI-Powered Vestel AI" project at the "Future of AI & Cloud" event organized by CXO Media, where 150 companies participated and 300 projects competed. This avatar, which presents product information quickly and accurately, provides participants with a realistic interaction experience by responding like a real human. The project, representing Vestel's success in innovative artificial intelligence solutions, also provides benefits such as realistic interaction, fast and accurate information provision, efficiency, and technology focus.

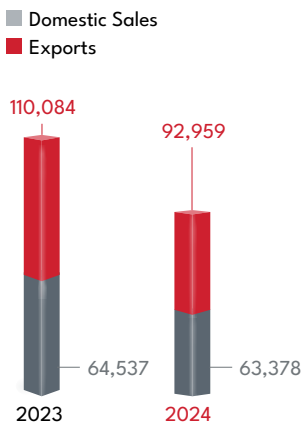


Robust financial performance

Backed by its extensive product range and significant production capacity, Vestel achieved positive financial results in 2024 despite challenging market conditions.

Vestel made 49% of its total sales to European countries, 41% to the domestic market, and 11% to other countries.

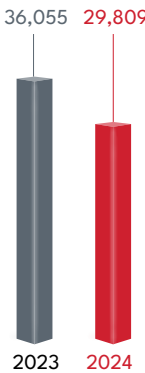
Gross Sales Revenues (TL million)



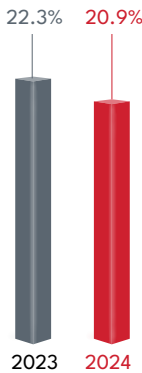
In 2024, gross sales revenues totaled TL 156 billion, with TL 93 billion (59%) derived from international sales. 49% of total sales were made to European countries, 41% to the domestic market, and 11% to other countries.

Net sales revenues totaled TL 143 billion in 2024.

Gross Profit (TL million)

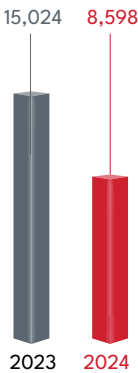


Gross Profit Margin (%)



Gross profit margin fell to 20.9% from 22.3% owing to higher staff costs.

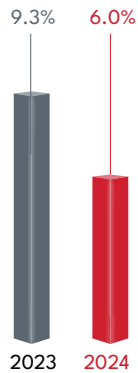
EBITDA (TL million)*



*Excludes other income and expenses from operating activities.

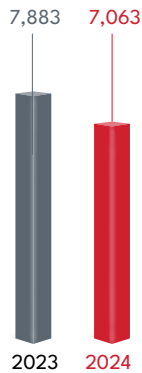
Inflation-adjusted EBITDA reached TL 8.6 billion, while the EBITDA margin stood at 6.0%.

EBITDA Margin* (%)



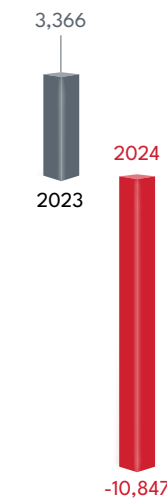
*Excludes other income and expenses from operating activities.

Capital Expenditures (TL million)



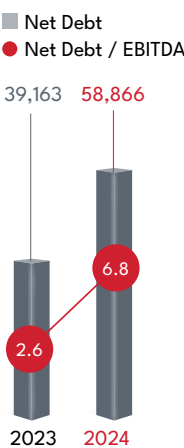
Investment expenditures consist of 26% land and building investments, 21% research and development activities, 18% machinery and equipment purchases, 15% mold investments, and 20% other investments.

Net Profit (TL million)



In 2024, the Company incurred a net loss of TL 10.8 billion on account of challenging market conditions.

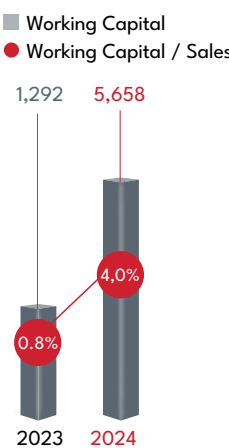
Net Debt (TL million) and Net Debt/EBITDA* (%)



*Other income and expenses from operating activities are not included in EBITDA. Other financial liabilities and blocked deposits are not included in the net debt calculation.

In 2024, the Net Debt/EBITDA ratio stood at 6.8x.

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



FINANCIAL PERFORMANCE

Vestel strives to ensure the continuity of operations in capital management on one hand and boost profitability by leveraging the balance between debt and equity in the most efficient way on the other.

Key Points

1. Export-Driven Growth

International sales account for 60-65% of total sales revenues. While the destination of most sales was Western Europe, the Company continues to grow in Africa, Asia, and American markets, especially in major household appliances.

2. Risk Balancing

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

3. Solar Panel Installation on Plant Roofs

Vestel contributes to combating the climate crisis through renewable energy generation and energy efficiency investments for the transition to a zero-carbon economy. In line with the investments carried out, the Company plans to reach an annual electricity generation of 11,882 MWh with 8,200 kWp of solar panels and accordingly reduce its carbon emissions by 5,430 tons. This investment commenced in 2024 and is targeted for completion in April 2025. In 2024, the solar panels installed on the roof of the facility that distributes energy to the existing Vestel Beyaz Eşya refrigerator and washing machine factories generated 188 MWh of energy.

Working Capital and Cash Management

Effective working capital management is crucial for minimizing the necessary financing while expanding a company's business volume. Vestel strives to ensure the continuity of operations in capital management on one hand and boost profitability by leveraging the balance between debt and equity in the most efficient way on the other.

In alignment with the established targets, working capital improved in the second half of the year compared to the elevated levels observed earlier. In 2024, the net working capital to net sales ratio was recorded at 4.0%. Working capital management will remain a focus, emphasizing the optimization of collection and payment terms as well as minimizing stock-out periods.

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

- Having the right amount of money in the right place at the right time,
- Ensuring that payments are made on time and efficiently,
- Evaluating the liquidity generated,
- Aligning the timing of cash inflows and outflows,
- Reducing borrowing and the cost of borrowing,
- Reducing transaction cost,
- Identifying and, if necessary, revising deviations in cash flow between planning and actual,
- Preparing cash flow,
- Reporting the annual cash program and end-of-day liquidity to management on a daily basis.

Vestel aims to keep its working capital needs at an optimal level with solutions that will benefit all stakeholders in the supply chain in terms of financial management.

Trade Finance Practices

Aiming to protect the cash flow of its suppliers, Vestel implements supplier financing programs that provide companies with flexible financial methods and immediate cash flow through various banks. Simply put, the goal is to provide suppliers with access to financing at competitive prices, without requiring collateral or a credit approval process, based on invoices approved by the buyer. Vestel's payment performance has always been a financial assurance for its suppliers.

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



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

Financial Risk Management

a. Exchange Rate Risk

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

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

b. Interest Rate Risk

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

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

c. Liquidity Risk

Realized and planned cash flows are regularly monitored, and potential liquidity risks are identified in advance to develop solutions.

The continuity of cash position is ensured by aligning the maturities of financial assets and liabilities.

FINANCIAL PERFORMANCE

As of December 31, 2024, Vestel's market capitalization was TL 23,918 billion.

Vestel Elektronik Stock

Dividend Distribution

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

In accordance with the Capital Markets Board ("CMB") Communiqué on Principles of Financial Reporting in Capital Markets (II-14.1) and the Turkish Financial Reporting Standards established by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), the Company's consolidated financial statements for the 2023 fiscal year were prepared following the formats set by the POA and CMB, and audited by PwC Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik A.Ş. The consolidated

financial statements show a net profit for the period attributable to the parent company of TL 1,449,625,000. In contrast, the financial statements prepared under the relevant provisions of the Tax Procedure Law No. 213 ("TPL") indicate a net loss for the period before inflation adjustment of TL 1,688,979,363.

Based on the information provided and in line with the Board of Directors' decision on 03.05.2024 (numbered 2024/25), which proposed that shareholders consider the matter of not distributing dividends at the 2023 Ordinary General Assembly Meeting due to the lack of distributable profit in the Company's financial statements prepared according to the Tax Procedure Law (TPL), the attendees at the General Assembly unanimously approved the proposal to forgo dividend distribution for the 2023 fiscal year.

Summary Price Information for 2024

Number of Shares	33,545,627,500
Number of Publicly Traded Shares	15,843,748,199
Highest Price During the Year (TL)	103.00
Lowest Price During the Year (TL)	44.90
Year End Price (TL)	71.30
Market Capitalization* (TL)	23,918

* As of December 31, 2024

Vestel Elektronik Stock

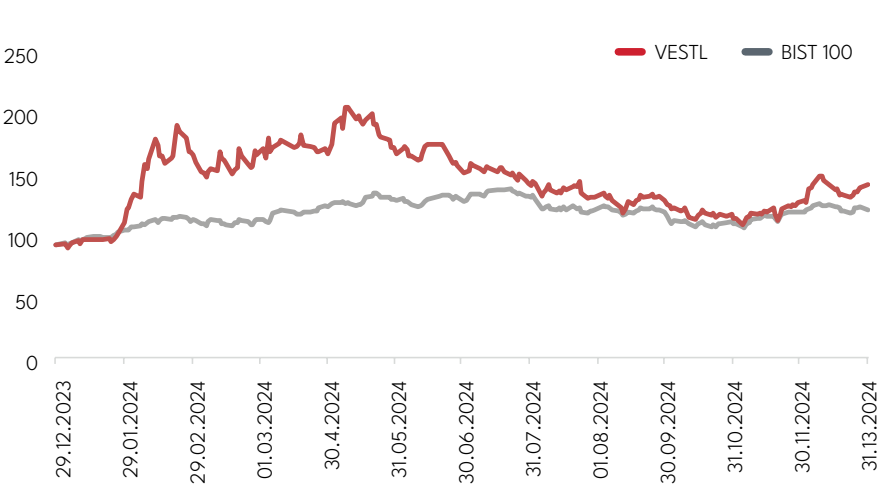
Shares of Vestel Elektronik Sanayi ve Ticaret AŞ have been traded on the Borsa İstanbul ("BIST") under the ticker "VESTL" since 1990. As of January 3, 2011, Vestel Global Depository Receipts, which have been traded on the London Stock Exchange since 2000, began to be traded on the London Over-the-Counter Market (OTC market). The shares of Vestel Beyaz Eşya Sanayi ve Ticaret AŞ ("Vestel Beyaz Eşya"), a subsidiary of Vestel Elektronik, have been traded on the BIST under the ticker "VESBE" since 2006.

As of the end of 2024, Vestel Elektronik, which is traded on the Stars Market, is included in the indices of BIST 50, BIST 100, BIST 500, BIST All Shares, BIST 100-30, BIST Stars, BIST Corporate Governance, BIST Metal Products Machinery, BIST Manisa, BIST Industrials, BIST Sustainability, BIST Sustainability Participation, BIST Participation 30, BIST Participation 50, BIST Participation 100, and BIST Participation All Shares.

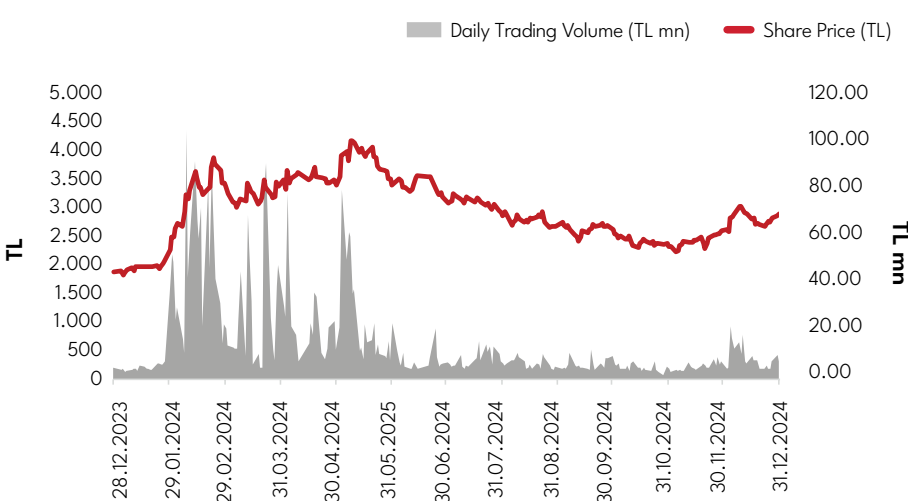
Since 2015, Vestel Elektronik has been included in the Borsa İstanbul (BIST) Sustainability Index, which comprises the shares of companies listed on Borsa İstanbul with high levels of corporate sustainability performance.

Vestel Elektronik Share Performance and Relative Performance

Vestel Elektronik - Relative Performance



Vestel Elektronik - Share Performance and Trading Volume



As of the end of 2024, Vestel Elektronik has a market capitalization of TL 23.9 billion.

The average daily trading volume of the Company's shares was approximately TL 663 million.

Tax Practices

Vestel complies with the letter and spirit of local and/or international tax and other fiscal legislation in force in the countries in which it operates. To this end, Vestel adheres to the arm's length principle in determining the price to be applied in the purchase and sale of goods and services between related parties within the Vestel Group of Companies and submits transfer pricing reports (CbCR, Master file, Local file), which serve as evidence of this adherence, to the tax authorities in the countries in which it operates.

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

Additionally, the analysis and verification of balance sheet and income statement accounts to be used in tax reporting for compliance with uniform chart of accounts rules and tax laws are conducted by both the Audit Group Directorate within Zorlu Holding and by independent audit firms. Reports prepared based on findings from these audits are subsequently shared with company executives and senior management.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Technology innovations such as artificial intelligence, the Internet of Things (IoT), and big data analytics, which have emerged from global digitalization, are radically transforming business models and lifestyles. In this shift, people-oriented approaches, particularly in inclusion and talent management, are becoming increasingly important.

Vestel aims to extend the transformative impact of technology and digitalization throughout the entire organization, starting with its employees. The Company embraces diversity, inclusion, and social benefit as fundamental principles across its value chain, not limiting this culture to its own structure. By integrating technological innovations that add value to human life into its processes, Vestel strengthens its global market presence and boosts its competitiveness through a robust transformation culture.



PRODUCTION AND INNOVATION POWER

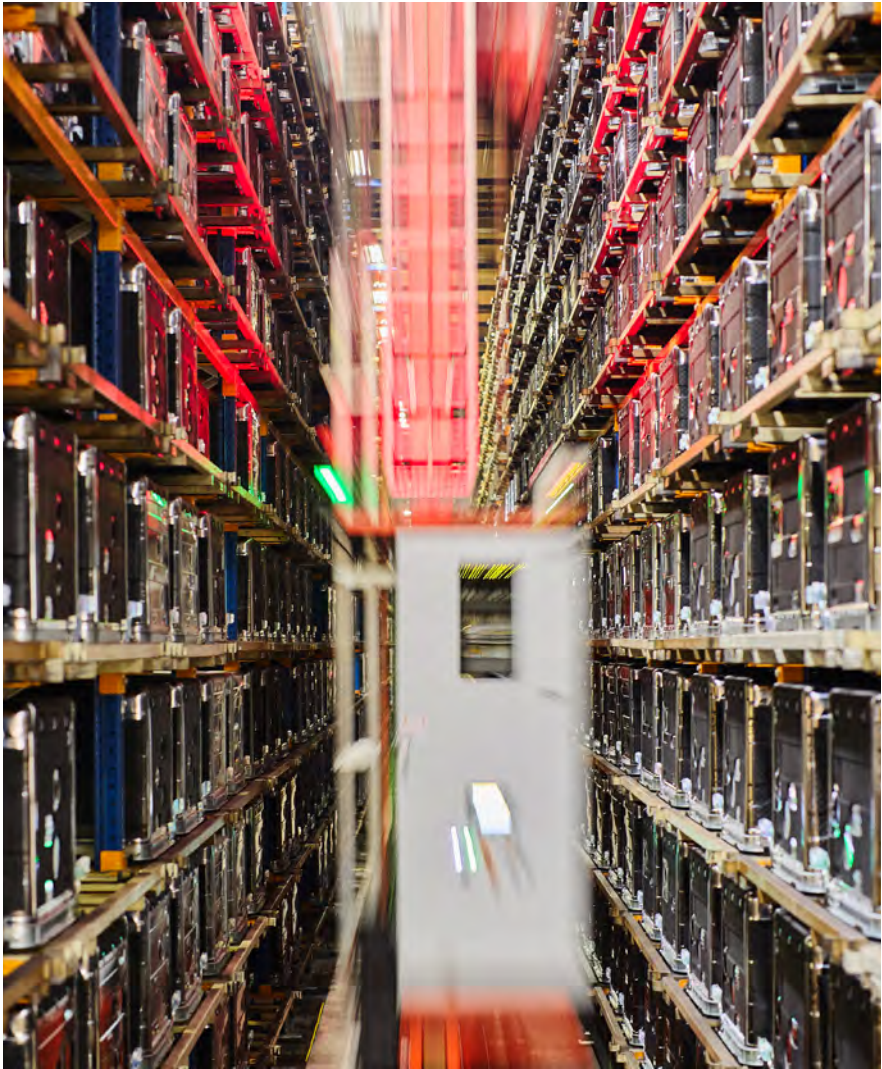
Vestel is a leading electronics manufacturer in Türkiye and globally, known for its high-tech and innovation-focused approach. To adapt to changing global trends and customer demands, Vestel transforms its operations by

integrating digitalization, automation, and artificial intelligence into its production processes. By placing R&D and innovation at the heart of its corporate culture, Vestel generates value in sustainability, energy efficiency, and user experience through innovative solutions. With 37 years of experience, Vestel provides its R&D team of approximately 1,600 members with the training needed to keep pace with global trends and to lead technological advancements.

INDUSTRY 4.0

Due to changing global trends and emerging technologies, companies need to change their production methods in their operations to adapt to innovations. In this regard, Industry 4.0 transformation is one of the most important issues for achieving competitiveness and advantage in local and global markets, ensuring profitability and industry continuity. Thanks to R&D studies and investments and the intellectual capital on which they are based, Vestel implements Industry 4.0 practices and aims to contribute to the transformation of the consumer electronics and major household appliances sectors in Türkiye.

Committed to leading the industry in Industry 4.0 and digitalization practices, Vestel's digital transformation teams work in various fields. These teams are working on artificial intelligence software for horizontal-vertical value chain integration, Internet of Things (IoT) technologies, smart automation, automated guided material handling vehicles (AGV) and autonomous mobile robot (AMR) applications. Vestel also focuses on Total Productive Maintenance (TPM) efforts to achieve operational excellence in production.



TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel adopts an innovative approach by following international production technologies with its specialized staff.

Vestel Elektronik aims for excellence in operational processes through lean production principles.

INDUSTRY 4.0 ACTIVITIES IN ELECTRONICS FACTORIES

With its vision of continuous improvement and digitalization, Vestel continues its digital transformation efforts at full speed in order to make Vestel City the first production facility in Türkiye to complete the Industry 4.0 transformation. Digital Transformation relies upon the principle of incorporating every single process in the value chain into automation systems. Transformation of all these systems into an integrated structure based on intelligent and self-managed machine-to-machine interactions through real-time communication is defined as the Smart Factory. Vestel Elektronik’s Industry 4.0 practices continue to evolve with the physical presence of smart factories and robots in addition to digital components. With the investments it made, Vestel has completed its transformation to a great extent since 2015.

Automation Activities

The Vestel Automation Department implements Industry 4.0 and automation applications to boost production efficiency, reduce losses, and integrate technological innovations. The department designs fully automated and hybrid production systems that can adapt to product diversity and various production models. These systems are developed with a focus on flexible production, high-quality output at low costs, traceability, and rapid adaptability.

The Automation Department team, composed of expert engineers and technicians, works on the design, software, simulation, and installation of mechanical and electrical projects. Key areas of activity include 2D/3D design,

3D simulation and analysis, camera applications, robotics, and programming. The automation systems we implement ensure error-free production within tight tolerances, safe operations in harsh environments, high quality in repetitive tasks, optimized processes through fast data processing, and ergonomic working environments.

In 2024, the Automation Department commissioned 91 projects, which included 33 industrial robots, 6 Cartesian robots, 20 cameras, 23 in-house manufactured machines, and 32 outsourced machines. Of these 91 projects, 69 were new initiatives, while the remainder involved revisions, transportation, design, and R&D studies.

System Development Activities

The Vestel Industrial Software and System Development Department specializes in creating tailored software solutions and business intelligence applications to address the diverse needs of various organizations. This allows operational processes to be managed on digital platforms, enhancing the efficiency and transparency of all business activities.

The department designs software systems for the collection, processing, and visualization of complex industrial data, while also optimizing the workflows of automation equipment and machine layers in production and product verification processes. Additionally, it offers solutions for traceability, reporting, and system enhancements aimed at achieving corporate sustainability goals.



VEPS Academy is a training program in which blue-collar employees are primarily involved to increase efficiency in production lines and minimize losses.

Vestel boosts personnel efficiency by minimizing the use of paper and other consumables in a digital environment. This is achieved by automating repetitive tasks through software-supported reporting and real-time data visualization, allowing staff to focus on higher-skill tasks. With traceability and quality verification features in place, the Company meets production targets without errors or losses and fosters continuous improvement.

In 2024, Vestel implemented nine different applications focused on business intelligence, industrial workflow management, and traceability. Since 2017, a total of 108 industrial applications have been developed.

Lean Production Activities

Within the framework of the Vestel Elektronik Production System (VEPS), which is grounded in lean production principles, the Lean Production Department at Vestel Elektronik factories mentors employees and offers ongoing support to identify and eliminate losses—both directly and indirectly related to production processes—using “Lean Production Methods and Tools.”

In 2024, the department completed 160 process improvement studies, provided employees with a total of 26,506 hours of training, and collected 2,353 “Employee

Feedback Cards.” Additionally, 210 visits were organized for customers, public institutions, and companies at the factories.

The Lean Production Department’s activities include preparing Lean Production Performance Reports to identify and reduce losses in production processes, planning process improvement activities, and ensuring their implementation by the relevant departments according to established plans. Continuous improvement is facilitated through “Sample Line/Model Line” studies conducted in each factory.

Under the VEPS Academy, basic, professional, and personal development training sessions are organized for existing employees, while newly recruited personnel receive theoretical and practical training on production equipment. Employee feedback cards are regularly reviewed, and necessary support is provided to address any concerns raised.

The Lean Production Department closely monitors health, safety, and environmental (HSE) activities to ensure a safe working environment and to implement preventive and corrective measures against occupational accidents. Additionally, visual content and videos are created to showcase innovative production technologies and practices implemented at Vestel Elektronik plants.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Elektronik uses Traceability Systems to monitor the entire process from the design to production of its products in every detail and to maximize customer satisfaction.

In order to develop its production and R&D strategy under the guidance of global trends, Vestel combines innovative perspectives in different sub-sectors and fields with its existing experience.

INDUSTRY 4.0 ACTIVITIES IN MAJOR HOUSEHOLD APPLIANCES FACTORIES

Vestel is implementing its Industry 4.0 transformation by effectively leveraging automation tools, supported by a skilled team in software, mechanical design, automation, simulation, maintenance, and investment. With its in-house developed expertise and production capabilities, Vestel can quickly and cost-effectively integrate automation technologies into all direct and indirect production processes. Over the past decade, production capacity has surged by 88%, while labor costs have only risen by 40% due to the adoption of automation technologies. Successful outcomes from Industry 4.0 investments further bolster automation efforts toward achieving autonomous production.

Autonomous Production: To make production processes autonomous end-to-end, Vestel is prioritizing Industry 4.0 investments. This includes gradually implementing the "dark factory" model, which minimizes human intervention and optimizes energy efficiency. With autonomous robotic systems deployed at over 200 points along its production lines, Vestel automates various processes, including assembly, feeding, stacking, parts processing, packaging, and grouping. These systems reduce reliance on human labor, optimize energy and resource consumption, and accelerate business operations.

Intelligent Logistics Systems: Material transfer processes between production and warehouses are managed autonomously. Automating these processes prevents variations in production speed, loss of traceability, internal traffic issues, and occupational safety risks. Over 120 Intelligent Automated Guided Vehicles (AGVs) operate unmanned in factories, handling material operations. Controlled

by a central software system developed by the Company, these vehicles efficiently perform tasks such as route tracking, traffic management, and obstacle navigation. Their modular structure allows for quick and flexible adaptation to various factory environments.

Automated Quality Control Systems: Vestel leverages innovative technologies to raise customer satisfaction by upholding quality standards in its products for both local and international markets. With the support of artificial intelligence and machine learning, the quality control of products is fully automated through advanced image processing technologies. These in-house developed systems minimize error rates and bolster brand reliability.

Smart Storage: Vestel is focused on reducing costs and optimizing logistics operations by efficiently utilizing available space to accommodate its growing production capacity. To achieve this, the Company has invested in Automatic Storage and Retrieval System (ASRS) technologies, which maximize warehouse space by fully utilizing ceiling height. As a result, Vestel has gained significant advantages, including rapid and safe material transfer, energy savings, and higher traceability.

Artificial Intelligence Integration: Visual quality control, autonomous testing processes, and data management are backed by AI-supported systems. While establishing a compact ecosystem that encompasses supplier and subsidiary industry processes through cloud-based solutions, employee training and quality control processes are being supported with virtual and augmented reality applications. Simulation software allows for preliminary tests and analyses of designed systems to be conducted in a virtual environment.



R&D AND INNOVATION

Vestel derives its innovation power from the efforts carried out at its R&D centers and its R&D team consisting of 1,600 people.

R&D teams continue to work on the development or application of new technologies, new product designs, product development, productivity improvement, and cost reduction.

Vestel Elektronik was awarded in prestigious design competitions for many innovative projects designed at its R&D centers. The Company received 21 design awards as of the end of 2024.

Training courses are held for R&D teams to make them adapt to the requirements of the current times and to raise their competencies, thereby ensuring that the Company continuously aligns with technological developments, maintains its competitive advantage and adopts an innovation-oriented approach.

Vestel allocates a budget for R&D and innovation to create low-carbon products and services. In 2024, the Company allocated TL 795,889,511 for the development of these low-carbon products. Through innovative process improvements during the year, Vestel achieved savings of TL 747 million.

	2023	2024
Number of full time R&D Employees	1,821	1,583
Total R&D Spending (TL thousand)	3,269,069	2,560,832
R&D Spending/Turnover Ratio	2.0%	1.8%

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Aiming to spread technology and people-oriented transformation throughout the Company, Vestel combines its innovative approach with its experience in different sub-sectors and fields in order to develop its production and R&D strategy in line with global trends.

Vestel Elektronik and Vestel Beyaz Eşya make patent applications to various institutions for their in-house inventions.

R&D STUDIES
Aiming to spread technology and people-oriented transformation throughout the Company, Vestel combines its innovative approach with its experience in different sub-sectors and fields in order to develop its production and R&D strategy in line with global trends. In this regard, Vestel emphasizes innovation and efficiency through the projects it designs and implements, and with the success of these projects, it also participates in the events held by the ministry.

Vestel submitted applications on projects for Automotive Display Technologies, New Generation Vestel TV, and Smart Life Ecosystem for the "Technology Focused Industrial Move" incentive program, an initiative executed by the Republic of Türkiye's Ministry of Industry and Technology to support the domestic production of value-added, high-tech products using local facilities.

Patent Activities
Vestel Elektronik and Vestel Beyaz Eşya make patent applications to various institutions for their in-house inventions.

In 2024, Vestel Elektronik filed 21 EP patent applications with the European Patent Office (EPO), 21 TR patent applications with the Turkish Patent and Trademark Office (TÜRKPATENT), and 4 patent applications with the United States Patent and Trademark Office (USPTO) for inventions that met the criteria. This resulted in a total of 46 patent applications and 50 registered patents (9 EP, 9 DE, 9 TR, 9 GB, 1 CN, 1 KR, 5 US, 7 JP).

In 2024, Vestel Beyaz Eşya submitted a total of 91 patent applications, comprising 61 patent applications to the Turkish Patent and Trademark Office (TÜRKPATENT), 14 patent applications to the World Intellectual Property Organization (WIPO), and 16 European patent (EP) applications to the European Patent Office (EPO), while also having 152 patents registered.

Vestel conducts commercial evaluation activities to identify the value of its current patent portfolio and to ensure that its patent pool consists of valuable patents. For patent applications deemed valuable as a result of commercial evaluation, more detailed infringement evaluations are carried out, within the scope of this study, products in the technology of the relevant patent are investigated and reports are prepared on whether the patents are infringed.



R&D Collaborations and Open Innovation at Vestel Elektronik
Within the Company, there are open innovation practices in line with the efforts of Zorlu Holding. Vestel's employees also play an active role in the A Bright Idea program executed by the Holding. A shared space was created within Vestel Elektronik to encourage brainstorming workshops in a collaborative environment. Furthermore, an employee acts as a bridge for the evaluation of ideas and monitoring of the process, especially for external R&D ideas and for forwarding these ideas both to senior management and to the relevant unit within R&D. In addition, the ideas of the Project Management Office (PMO) within the R&D department, which collaborates with customers, are closely monitored by senior management.

As part of the activities of its R&D units, Vestel establishes strong collaborations with many national and international institutions and organizations, particularly universities. Vestel continues to develop collaborative projects as part of four active Horizon 2020 programs that continued in 2024. In addition, proposals were submitted through the Digital Europe platform on issues related to the domain of Vestel Elektronik in EU policies.

In 2024, three applications were submitted for the "Technology Focused Industrial Move" program, along with one application for the TÜBİTAK 1831-Call for Green Innovation Technology Mentoring,

two applications for the TÜBİTAK 1832-Call for Green Transformation in Industry, and two applications for the TÜBİTAK 1833-SAYEM Green Transformation Call, involving a total of 45 stakeholders. Additionally, a project coordinated by the University Industry Cooperation Centers Platform (ÜSİMP) was accepted under the TÜBİTAK 1831-Call for Green Innovation Technology Mentoring, which includes 26 stakeholder institutions and 77 experts. Consultancy activities for this project are currently ongoing.

University-Industry Collaboration:
The Company supports highly-qualified Vestel R&D employees, who graduated from Türkiye's leading universities, to establish project-based collaborations with academics from Türkiye's most distinguished universities. Vestel supports young talents by offering internships and practical training opportunities to university students, helping them gain valuable industrial experience. The Company collaborates with universities to facilitate the transfer of academic research to industry and assist with patenting. This partnership is further strengthened through activities like academic publications, career days, advisory boards, student clubs, and project support.

The knowledge generated in universities is transformed into technology by expert teams in Vestel's R&D units, and the developed software and hardware are used in new designs. Vestel also supports universities' Industry-Oriented Dissertation studies. It cooperates with the

successful Technology Transfer Offices in the Aegean Region as well as Technology Transfer Offices throughout Türkiye, making academic studies and emerging technologies developed in universities available to the industry in order to respond to the needs of the industry and to add value to national development of the country.

Since 2021, Vestel Elektronik has been leading project activities under the Erasmus+ program in collaboration with Vestel Beyaz Eşya and Vestel Ticaret, focusing on Vocational Education through the Erasmus Accreditation. Within this scope, university-industry collaborations are made with numerous institutions abroad.

During the project-based cooperation activities, collaborations were established in various fields, including medical technologies, battery technologies, energy storage systems, automotive electronics, green transformation/sustainability, digitalization in production processes, and innovative display technologies. In 2024, work on long-standing TÜBİTAK projects continued. Vestel Elektronik is actively engaged in two projects with Özyeğin University and Koç University as part of TÜBİTAK's Industrial Doctorate Program (2244), as well as a project with Istanbul Medipol University under TÜBİTAK's University Industry Cooperation Program (1505).

Vestel - Optical Design Group has a longstanding strategic partnership with Bilkent University - National Nanotechnology Research Center (UNAM) as part of its Technology Research and Development Projects. Several projects were carried out in line with this partnership, and the cooperation continues on the "Strategic R&D Alliance for Advanced Materials High Technology Platforms and Electronic and Optical Component Production" platform, which received support under the TÜBİTAK 1004 Center of Excellence Support program. In addition, Vestel started a collaboration with Nanome and became a stakeholder by investing in the Company. Through these strategic partnerships, Vestel continues to work on the development of Quantum Dot (QD) nanocrystals and their implementation in advanced display technologies. Through the collaborations established with UNAM and Nanome, Vestel made significant progress in the transfer of advanced technologies, conveyance of academic studies to industry as products, and the domestic and mass production of high value-added products.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Elektronik and Mobilite conducts R&D projects with international partners through European Technology Platforms, including Horizon Europe, Chips JU, Eureka, and Erasmus+.

In 2024, Vestel submitted applications for projects focusing on battery technologies, electric vehicle charging systems (EVC), automotive technologies, IoT, sustainability, and digitalization in production processes.

In 2024, within the scope of the TÜBİTAK 1004 Center of Excellence Support Program, applications were completed for the following projects: “Image Processing and Artificial Intelligence in Sustainable Farming” with nine stakeholders under the coordination of Ankara University, “Development of a Sensitive Data Sharing Network System” with eleven stakeholders under the coordination of Ege University, and “IoT Integration, Monitoring, and Management Platform” with sixteen stakeholders under the coordination of the Middle East Technical University.

International Technology Platforms: Vestel Elektronik and Mobilite conduct R&D projects with international partners through European Technology Platforms, including Horizon Europe, Chips JU, Eureka, and Erasmus+. Recognized by the European Commission as one of the top three companies in its scale and sector, Vestel has four active Horizon 2020 projects, two Erasmus+ initiatives, and four Eureka projects as of 2024. Additionally, a project applied for under EUROGIA, which focuses on sustainable energy, has received the Eureka label, and the national evaluation process is currently underway. Vestel also actively participates in training programs organized as part of the UNDP Model Development for Women's Empowerment in the Manufacturing Industry Project.

In 2024, Vestel submitted applications for projects focusing on battery technologies, electric vehicle charging systems (EVC), automotive technologies, IoT, sustainability, and digitalization in production processes. Specifically, more than ten project applications for Horizon Europe, two for Erasmus+, and three for EUREKA were made. Among Vestel's priority areas of work are cluster programs established through bilateral cooperation calls and technology platforms within the EUREKA framework.

Associations and Initiatives: Vestel contributes to non-governmental organizations such as TÜBİSAD (Informatics Industry Association), Turkish Industry and Business Association (TÜSİAD), Telecommunication Satellite and Electronic Industrialists Business People Association (TÜYAD), Technology Development Foundation of Türkiye (TTGV), Electronic Devices Manufacturers Association (ECİD), White Goods Manufacturers' Association of Türkiye (TÜRKBEŞD), Automotive Suppliers Association of Türkiye (TAYSAD) and R&D Centers Platforms at different levels to improve the global competitiveness of IT, electronics and major household appliances sectors in Türkiye and to mobilize their innovation potential.

In addition to serving as the chairman of the Manisa R&D and Design Cooperation Platform (MATİP), Vestel also participates in the sector councils of the Union of Chambers and Commodity Exchanges of Türkiye (TOBB), where it expresses its opinions on legislation and standardization efforts in its fields of activity, and closely monitors processes and developments.

In 2024, Vestel Elektronik continued to actively work within the scope of the TÜBİTAK 1601 - Support Program for Capacity Building in Innovation and Entrepreneurship - 1512 Techno-Entrepreneurship Capital Support Program Stage 1 Call for Implementing Organizations, which was accepted in 2022. With this call, TÜBİTAK aims to support the activities of entrepreneurs from the idea stage to the market in order to transform their technology and innovation-oriented business ideas into enterprises with high potential to create added value and qualified employment, and expects the Implementing Institutions identified as a result of the call to create and execute original, effective and applicable mechanisms to transform entrepreneurs' business ideas into qualified business plans.

Industrial Partners: Vestel cooperates professionally with companies around the world in the technological fields in which it operates, building a network of significant collaborations with more than 80 industrial partners, including Google, Amazon, Vidaa, Xperi, Roku, Sky, Netflix, Disney, Digiturk, Mediatek, Novatek, Realtek, Broadcom, Qualcomm, Viaccess, Irdeto and Nagra.

R&D Support Under Vestel Ventures: Through its wholly-owned subsidiary Vestel Ventures Ar-Ge AŞ, which was established to support entrepreneurs engaged in R&D activities in order to introduce emerging technologies within Vestel, the Company continues to contribute to the activities performed on innovative devices, advanced materials, smart cities, smart homes and smart factories. In this context, it makes Vestel's know-how and facilities available to entrepreneurs at all stages of product development, such as product design, industrial design, multi-screen interface design, prototyping, testing, certification, and production.

Collaborations with Zorlu Group: Vestel also cooperates with Zorlu Group companies operating in the textile, energy, and real estate sectors. With the mainstreaming of wearable technology, sensors that can be integrated into textiles and information technologies stand out as the Company's prominent fields of activity. It carries out joint activities with Zorlu Enerji in the areas such as energy storage systems, solar panels, and energy-oriented international projects.

R&D Collaborations and Open Innovation at Vestel Beyaz Eşya Vestel is committed to creating shared value by collaborating with academia, public institutions, and industry stakeholders to achieve its sustainability objectives. By promoting the exchange of knowledge and experience through an open innovation approach, the Company fosters the development of innovative ideas in projects focused on environmental, social, and sustainability issues. This strategy enhances the environmental, social, and economic impact for both Vestel and its stakeholders.

Prioritizing university-industry cooperation, Vestel undertakes projects that integrate academic knowledge with industrial experience through undergraduate, graduate, TÜBİTAK, and EU initiatives.

In this context, Vestel partners with local institutions, including Yeditepe University, Bahçeşehir University, Boğaziçi University, Dokuz Eylül University, Ege University, Hacettepe University, Izmir Institute of Technology, and Izmir University of Economics, as well as international research centers such as the University of Geneva and the Fraunhofer Institute.

In alignment with its sustainability and green transformation objectives, Vestel develops projects under the TÜBİTAK 1832- Call for Green Transformation in Industry and the 1833- SAYEM Green Transformation Call, along with EUREKA and Bilateral Cooperation platforms. In addition to applying for projects, preparations for future calls are ongoing. Furthermore, academic collaborations are maintained through postgraduate thesis studies and joint research projects.

Vestel promotes technology-oriented product development to sharpen the competitive power of its business partners through TÜBİTAK 1707 Order-Based R&D projects.

University Collaborations To raise its R&D capacity, Vestel partners with universities and academics specializing in key areas such as mechanical engineering, electrical and electronics engineering, energy, environmental technologies, and information technologies. This collaboration aims to develop innovative products and processes by integrating academic knowledge into industrial practices. By linking projects supervised by faculty members with undergraduate and graduate thesis studies, Vestel not only generates academic outputs but also encourages the involvement of young talent in R&D initiatives. As of 2024, a total of 12 graduation thesis projects have been completed at Izmir Institute of Technology, Ege University, Celal Bayar University, and Dokuz Eylül University. These studies contribute to Vestel's innovative projects while fostering strong connections with university students.



TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

25 papers/articles published by Vestel in journals and platforms in 2024 have contributed to the industry.

Vestel showcases its collaborative projects at congresses, conferences, and symposiums each year to boost engagement both within the industry and beyond. These events foster diverse perspectives on projects, promote information sharing, and strengthen academic interactions. Additionally, in 2024, the Company contributed to the sector with 25 papers and articles published in various journals and platforms. To further boost academic interactions, Vestel increases its participation in these platforms annually and organizes workshops on topics like the localization of imported products and Industry 4.0.

The activities conducted under the University-Industry Cooperation initiative are outlined below:

- A protocol was signed with Dokuz Eylül University Science and Technology Application and Research Center for the Sustainable Production of Consumables in the White Goods and Home Electronics Sector and potential joint projects are being discussed.
- As part of the Cooperative Education Program (Co-Op) with Izmir Institute of Technology, undergraduate students are actively participating in projects at the Vestel Beyaz Eşya R&D Center. This collaboration takes place annually.

- The Vestel-Ege University Business Administration Seminar courses have been offered to final-year students of the Ege University Faculty of Economics and Administrative Sciences, Department of Business Administration, since 2018. By 2024, a total of 35 students have gained knowledge and experience through this program, which consists of 12 courses per year. The initiative has fostered interaction through student visits to Vestel.
- Vestel and the Dokuz Eylül University Faculty of Business Administration provide lifelong learning support to university students.



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- Within the framework of the established protocol, joint training sessions, research projects, conferences, webinars, certified educational programs, and mentorship activities are being organized. In 2024, the Human Resources Digitalization and Data Analytics course was developed in collaboration with academics, with guest instructors delivering lectures during selected weeks. Ten students participated in the course, which will continue with different content in the upcoming periods.
- Vestel Beyaz Eşya takes part in the annual University Industry Cooperation Centers Platform (USIMP) event to have more frequent interactions with the Technology Transfer Offices (TTO) of universities. During this event, discussions focus on potential collaborations and research areas. Additionally, Vestel closely monitors relevant legislation, regulations, and standards to further develop its activities in this domain.
- The Company is also involved in TÜBİTAK 2244 - Industrial Doctorate Program projects in collaboration with Ege University and Özyeğin University.
- Furthermore, Vestel Beyaz Eşya engages in innovative activities with consortium partners from various sectors under the TÜBİTAK 1601 BIGG Support Program. This program aims to increase the capacity of implementing organizations in innovation and entrepreneurship and is managed by the Dokuz Eylül University Technology Transfer Office (DETTO). Through this program, Vestel contributes to the realization of innovative ideas and the strengthening of the entrepreneurship ecosystem by mentoring entrepreneurs.
- An R&D project is currently underway in collaboration with Özyeğin University as part of the TÜBİTAK 1505 - University-Industry Cooperation program.
- A project application has been submitted for a partnership with Ege University under the TÜBİTAK 1004 Center of Excellence Support Program.
- Ongoing negotiations are taking place with Çukurova University regarding biogas studies.
- Discussions are being held with Sabancı University, Eskişehir Osmangazi University, Yeditepe University, Ege University, and Dokuz Eylül University in the areas of biobased materials and clean energy technologies.
- Vestel Beyaz Eşya has adhered to the Green Digital Action COP29 Declaration and presented the "Carbon Capture Technology Development Fund" project, which is set to be developed in collaboration with Azerbaijan, at the COP29 conference.



TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

In addition to collaborating with universities, Vestel Beyaz Eşya engages in various projects on international platforms and forms consortia with participants from diverse sectors.

By actively participating in the establishment of new standards, the Company strengthens sectoral collaborations, particularly in the areas of energy efficiency, innovation, and sustainability.

Other Collaborations

In addition to collaborating with universities, Vestel Beyaz Eşya engages in various projects on international platforms and forms consortia with participants from diverse sectors.

One such initiative is the “Biotechnological Anti Freezing Coating (BioAFC)” project, which was accepted under the M-ERA. NET Call 2020. This project aims to align national strategies in advanced materials technologies and sharpen the competitive edge of the sector. Supported by the TÜBİTAK 1071 International Research Support Program, the project partners include Sabancı University Nanotechnology and Research Center, Kansai Altan Boya Sanayi ve Ticaret AŞ, and Kaunas University of Technology. The goal is to develop anti-freezing bio-coating technology for refrigerator evaporators, thereby reducing energy consumption and optimizing material use.

Another initiative, the “E-health Services with Digital Biomarker Ecosystem” project, was accepted under the EUREKA-Xecs 2021 call. This project seeks to collect health data using smart devices and present it to both doctors and patients through an integrated platform. By contributing to digital health solutions, it aims to elevate the overall user experience.

In addition to participating in international consortium projects, mobility initiatives under the KA121-VET program allow students and employees in vocational training to gain valuable experience by observing the business processes of their colleagues abroad. These activities sharpen the skills of Vestel Beyaz Eşya’s technical employees and improve business processes.

Vestel Beyaz Eşya fosters product and process innovation by exchanging information with companies such as Borçelik, Biolive, Coşkunöz, Basell, Arcelor Mittal, 3M, and Celanese. Additionally, research and development projects are conducted in collaboration with Vestel Ventures and Zorlu Holding’s Zorlu Tekstil and Zorlu Enerji companies.

Sectoral memberships with organizations such as APPLIA, TURKBESD, ISO, CEN, and CENELEC provide direct access to industry policies and standards, facilitate national and international recognition of innovative products, market compliance, and support participation in sustainability-oriented projects. Through these memberships, Vestel engages in technical committees and working groups to share knowledge, monitor industry trends, and contribute to regulatory processes. By actively participating in the establishment of new standards, the Company strengthens sectoral collaborations, particularly in the areas of energy efficiency, innovation, and sustainability.

Intrapreneurship: A Bright Idea

As part of Zorlu Holding’s Smart Life 2030 strategy, Vestel companies also attend A Bright Idea, an intrapreneurship program. Launched with the aim of developing an innovation culture and an entrepreneurship spirit within companies, generating permanent solutions for problems, blending these solutions with technology and developing their area of impact and access, the program encourages the Zorlu Group employees, who have “a bright idea,” to bring their ideas into life by receiving funding from Zorlu Holding after going through various assessments.

The teams that were entitled to receive investment established a start-up where Zorlu Holding was a partner by 25%. Within the scope of the partnership, startups can also receive support from Zorlu Holding in areas such as law, accounting, human resources, finance, and communication.

Abilitypool, Be Right Back, Conectohub, Geliver and Ne Ekersen were the startups that stepped into the entrepreneurial journey by receiving investments from the two cycles implemented under Parlak Bi’Fikir (A Bright Idea). Following the second cycle of the program, Selffix, which was decided to continue its entrepreneurial journey as an internal project within Vestel, also keeps working on its activities.

ABILITYPOOL

Starting in 2020, Abilitypool, a digital platform that enables organizations to discover the different talents of their employees and conduct volunteering management more effectively, has been actively continuing its activities. Bringing employees or members of organizations together with non-governmental organizations in a single environment through the volunteering projects organized by employees or members of organizations, Abilitypool enhanced its social impact by adding many new organizations to its customer portfolio also in 2024. It also launched new products for donating to NGOs through its website and enabling NGOs to generate income through products purchased from the Kindness Store.

CONECTOHUB

Conectohub is an application that enables teams to work collaboratively in a goal-oriented manner and to carry out and track many different tasks at the same time. Conectohub, which has three separate functions—Project Management, Social Intranet, and Internal Communication Application—continued its operations in 2024.

BRB

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

GELIVER

Geliver, which developed a platform where SMEs and e-commerce sellers can dynamically view shipping prices, receive discounted prices from different shipping companies and optimize their processes, has expanded its team with the investment of Vestel Ventures and made its product fully ready. In 2023, Geliver not only made improvements for seamless customer integration into the system but also consistently increased its revenue, successfully created high customer loyalty, and increased its daily shipment volume. In 2024, Geliver continued its steady growth, enhancing both the scope and quality of services offered to customers by increasing the number of courier companies with which it has agreements. The organization keeps improving the quality of customer services while also expanding its team capacity.

NE EKERSEN

Its goal is to increase efficiency in agriculture by providing all stakeholders in the sector with access to necessary services through a single mobile platform.

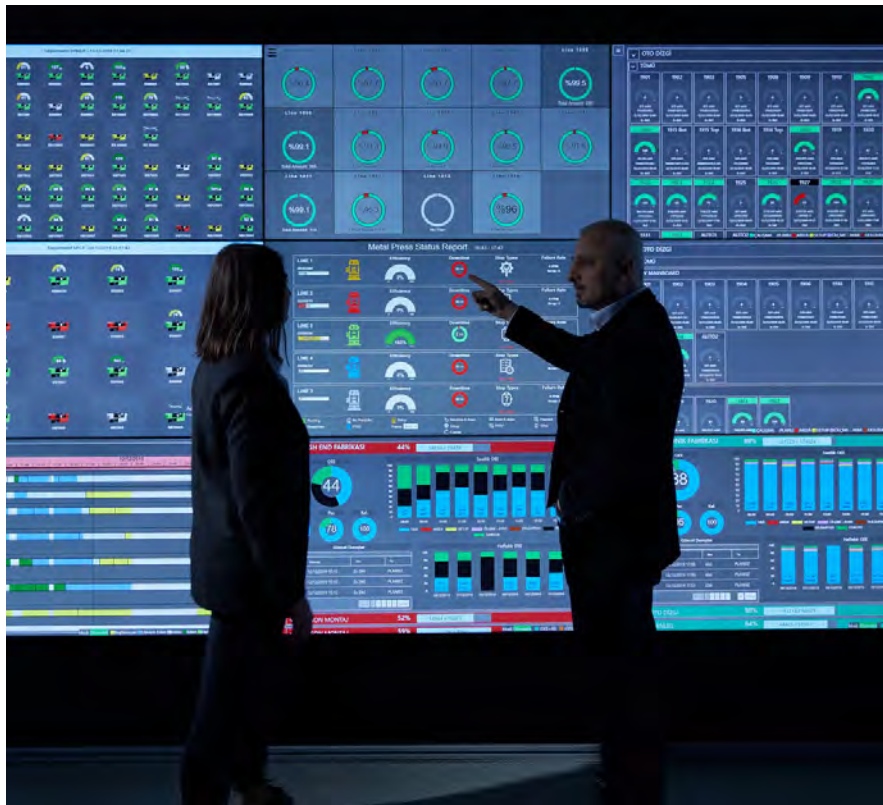
SELFfix

Selffix, supported by Zorlu Holding and Vestel executives, continues to operate as an internal project. It develops technologies that allow companies to offer their customers augmented reality, real-time file sharing, and remote expert support. While extending the lifespan of electronic products through these services, Selffix, which implements efficiency improvements, has been exhibited at international fairs and events. In 2024, the duration of consultations conducted through Selffix has shown consistent growth.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Elektronik keeps producing end-to-end digital solutions in customer experience.

The Vestel Technology General Directorate, with 30 years of experience in technology, is responsible for implementing policies and systems to protect the security and confidentiality of both the Company's and customers' data through cyber risk management activities.



DIGITAL TRANSFORMATION

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

Data Management

Today, "intensive data generation" and "interpretation of these data" that emerged with developing technologies is an increasingly important field of study. Collecting, sorting, normalizing, accurately and securely storing, processing, interpreting and visualizing the data needed for industrial workflow processes with appropriate methods are of great importance for industrial enterprises in terms of the benefits they can obtain from this data. Reducing the losses of production teams with Production Line Work Planning and Line Balancing contributes to an increase in productivity. Special software systems developed to prevent human error in business processes that require "Sensitive Information and Verification" are used.

Digital Transformation in Customer Experience

Vestel Elektronik keeps producing end-to-end digital solutions in customer experience. Data science is utilized in after-sales services to improve customer experience and in the management of dealer processes. The Support Center website has been updated with new functions and solutions. These allow customers to conduct transactions, manage smart products through the Smart Life application, and elevate their digital experience with new offerings like Vestel Assistant. Furthermore, feedback from users on their experience is collected digitally from all contact points and actions to enhance the experience are developed.

Vestel Assistant was launched as a new communication channel project that complements Vestel Beyaz Eşya's digital ecosystem in all interactions before, during, and after sales. It provides convenience and speed in service, makes customer communication dynamic, and provides instant and accurate guidance to customer requests, with the goal of providing solutions at the first contact. Quick solutions are provided to customers through the AI-based Assistant, allowing them to get answers to their questions within minutes without needing to connect with a customer representative. As part of our globalization strategy, we launched the German language Assistant service on our website vestel.com/de to better serve our customers in Germany.

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

Digital Labels: With digital labels that enable price information to be automatically changed on the product, employee workload is reduced, and customers are given the most accurate prices and campaigns. Infrastructure activities continue to ensure that digital labels, which contribute to omni-channel transformation by allowing physical and online stores to update their prices at the same time, will be available at all corporate stores in 2025.

Video Technical Support: Customers can receive assistance with technical issues by making video calls to our technical teams in the contact center. This allows them to resolve product problems at home without the need for authorized service. In requests submitted through the assistant or to the contact center, we offer video technical support to customers when it is possible to resolve issues directly in the product. For those who accept this option, we connect remotely via video to provide solutions. We have successfully addressed 74% of incoming malfunction

requests without the need for authorized service. As a result of our Video Technical Support Service, Vestel received the 2024 Hammers Best Customer Experience Award.

Voice Bot: Feasibility studies for our Voice Bot application are currently underway, with plans to launch its use in the upcoming period. This application will enable customer inquiries to be addressed through voice bot technology, allowing for immediate assistance without wait times when customers call the contact center.

Data Security and Cyber Risks

While the digitalization of business processes, products and services offers opportunities such as efficiency and higher performance in the working environment, it also poses cyber risks. The Vestel Technology General Directorate, with 30 years of experience in technology, is responsible for implementing policies and systems to protect the security and confidentiality of both the Company's and customers' data through cyber risk management activities.



TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Privacy Policy covers all operations, including suppliers.

5,487
hours
Information Security
Training

Vestel ensures the data privacy and security of its systems under the ISO 27001 Information Security Management System. The Company created an Emergency Response Policy in accordance with the standards of the EU Cybersecurity Act and the National Institute of Standard and Technology (NIST). As per the Presidential Digital Transformation Office (CDDO) Information and Communication Security Audit Guide, all documentation were submitted to the Digital Transformation Office with the opening of the BIGDES system, which is referred in the Guide, in February 2024. The BIGDES system has already completed its preparations, compliance and auditing obligations.

In 2024, Vestel provided a total of 5,487 hours of information security training to 5,454 employees.

Privacy Policy: As per the Personal Data Protection Law (PDPL) No. 6698, Vestel takes all necessary technical and administrative measures to ensure the appropriate level of security in order to prevent unlawful processing of and illegal access to personal data, and to ensure the protection of personal data. Necessary disclosures are made to individuals whose personal data are processed in accordance with the PDPL, and their explicit consent

is obtained when required. The necessary information is provided to all individuals through the **Vestel Privacy Policy** available on the website.

Vestel Privacy Policy covers all operations, including suppliers. The Zorlu Holding Data Protection Directorate is responsible for the protection and privacy of personal data. In cases of breach of confidentiality, the provisions of the Disciplinary Regulation apply to violators (for detailed information, the Ethical Principles are available [here](#)). Audits are performed to ensure compliance with the privacy policy. There were no cases of data breach in 2024. Accordingly, there is no data breach reported to the Personal Data Protection Board.

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

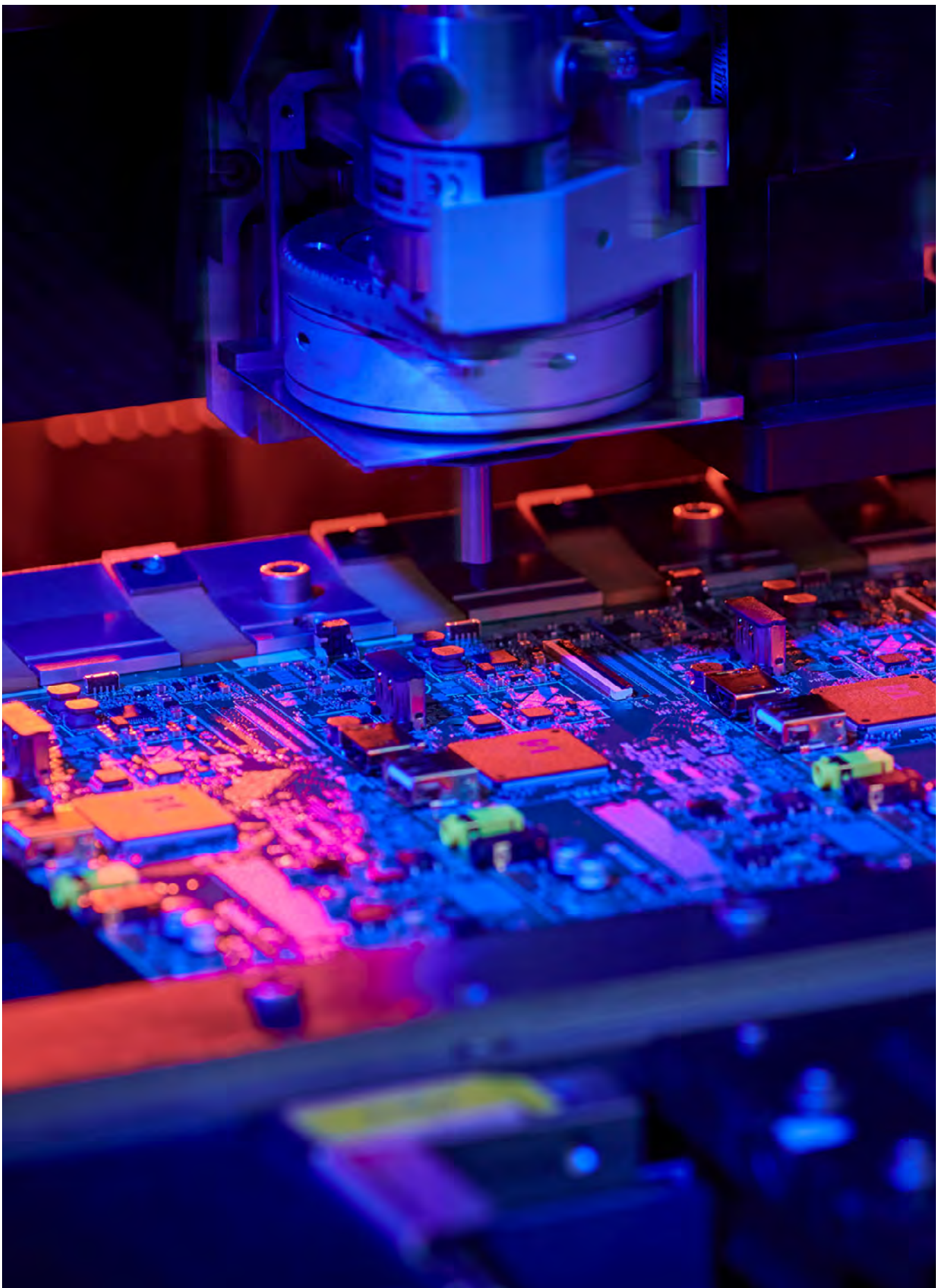
Measures against cyber risks in products: Vestel continuously conducts risk and threat analyses for each component of its Internet-connected devices and Internet of Things (IoT) solutions. Based on these analyses, we design technical measures and solutions to address the identified risks.

We have developed test infrastructures and security scenarios for the protection of IoT devices, particularly for consumer-oriented products, in line with ETSI 303645 Cyber Security Standards. These tests are regularly applied to all new products,

software, and solution versions, and we take measures to build designs based on the results. Additionally, we continuously monitor cloud-based solutions connected to IoT devices using security mechanisms to detect and prevent potential attacks.

Recent security breaches often stem from vulnerabilities in third-party software and libraries. To address this, Vestel conducts comprehensive vulnerability analyses on such software in collaboration with test groups. All Vestel IoT devices and software are designed to be remotely updatable, ensuring the security of devices in the field and eliminating any emerging vulnerabilities.

Vestel has begun compliance processes with UK and EU regulations to improve cybersecurity for home networks and IoT devices, implementing measures that exceed these requirements. Additionally, the Company is developing an online platform for cybersecurity researchers and users to provide feedback. To document the security level of its IoT devices, Vestel has completed certification processes under the Common Criteria, ensuring a security-first experience for its customers.



TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel respects, protects, and observes the human rights of its employees.

EMPLOYEES

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

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

GENDER EQUALITY, HUMAN RIGHTS AND INCLUSION

Active participation of women in corporate life has positive impacts on the productivity and financial performance of companies. In this respect, Vestel encourages efforts to ensure gender equality throughout the Company, including recruitment practices. Under the guidance of Zorlu Holding's **Equal Life Gender Equality Manifesto** and being a signatory to the **United Nations Women's Empowerment Principles**, the Company assumes the responsibility to contribute to gender equality in society, in the electronics and major household appliances sectors, and among Vestel's employees at all levels. Vestel established the Gender Equality Group within Vestel in order to develop volunteering projects that raise awareness with the motto "An Equal Life is Possible for All."

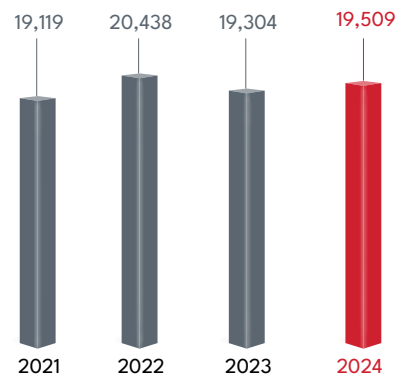


Vestel aims to increase the share of female employees to 40% by 2030.

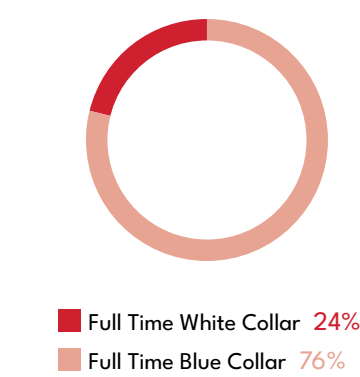
In this regard, a **Domestic Violence Prevention Policy** was published for all Zorlu Holding Group companies, including Vestel, which aims to ensure more equal working conditions for working mothers through the Happy Mother Project. In 2024, 8,000 people received 8,310 man-hours of gender equality training. Women Entrepreneurs Association of Türkiye (KAGİDER) Equal Opportunity Model Certificate was obtained in 2023. In line with its gender equality approach, "Eşit Bi'Hayat (An Equal Life) Dictionary" was published to serve as a guide to avoid sexist discourse patterns and idioms embedded in our language. It brought

together alternative discourses that can be used from an equal and inclusive perspective in the dictionary, which can be accessed by all stakeholders via the **Smart Life 2030 website**. A total of 233 female and 491 male employees benefited from maternity and parental leave in 2024. Of these female employees, 49% returned to work and rejoined working life. At the production facilities in Manisa, breastfeeding rooms are available to all female employees. In 2024, all mothers' rooms were evaluated to ensure they meet the required standards, and necessary improvements were implemented.

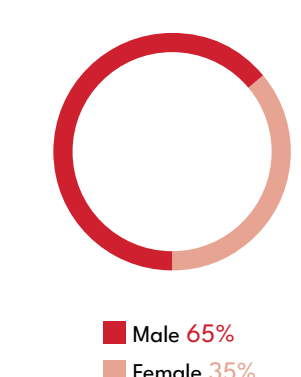
Total Number of Employees



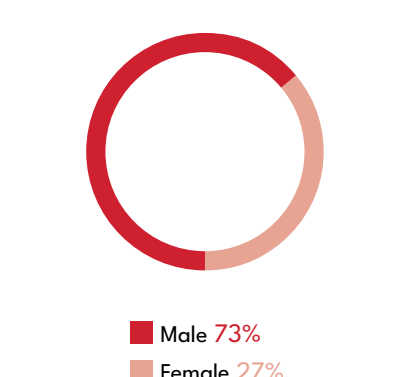
Employees by Category



Employees by Gender



Share of Managers by Gender



TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel offers a decent, respectful, equitable, and fair working environment that guarantees human dignity.

In Türkiye's inaugural Protected Workplace for Individuals with Intellectual Disabilities (Z.E.K.İ. Life Center), located in the Manisa Organized Industrial Zone, a total of 31 individuals with intellectual disabilities have been employed since 2019—11 at Vestel Elektronik and 20 at Vestel Beyaz Eşya.

WOMAN/MAN SALARY RATIO

Breakdown	Base Salary				Base Salary + Cash Incentives			
	2021	2022	2023	2024	2021	2022	2023	2024
Senior	103%	102%	103%	106%	105%	97%	100%	119%
Executive	92%	92%	94%	90%	90%	92%	93%	89%
Non-executive white collar	95%	97%	92%	88%				
Non-executive blue collar	90%	87%	85%	84%				
Non-executive total	91%	91%	87%	87%				
All employees	84%	85%	83%	83%				

* For base salary; Total Actual Wages are taken as basis.
* For cash incentives; Wage Differential (Net) is based on Gross.
* Calculation: (Female wage average / Male wage average)*100

Average Salary Differences by Gender	2021	2022	2023	2024
Average gender pay gap	21%	18%	20%	20%
Median gender pay gap	16%	15%	17%	20%
Average bonus difference	20%	17%	17%	19%
Median bonus difference	3%	4%	7%	5%

* Bonuses are based on gross wage difference (net).
* Calculations excluding bonuses are based on total gross wages.
* Calculation: [1-(female wage average/male wage average)]*100

Integration of Employees with Disabilities

The Equal Opportunity Project aims to support the active participation of individuals with disabilities in working life and to remove barriers that impede their professional advancement. In this context, training is provided for individuals who are deaf or speech impaired, and their participation in the labor force is actively encouraged. Launched in 2015, the project collaborated with 17 special education vocational high schools in Türkiye, prioritizing applicants who are graduating students. As of 2024, there are an average of 179 employees with disabilities, making up 3.3% of the total workforce. As part of this project, sign language interpreters were assigned to support disabled employees both inside and outside the factory.

The Mentally Disabled Protected Workplace (Z.E.K.İ. Life Center), the first of its kind in Türkiye, was established in the Manisa Organized Industrial Zone. Since 2019, a total of 31 individuals with mental disabilities have been employed at the Protected Workplace, including 11 at Vestel Elektronik and 20 at Vestel Beyaz Eşya, so as to integrate individuals with mental disabilities into the workforce while also providing social support to their families. In this context, the Company created sheltered and ergonomic working areas within the production areas of factories.

454 disabled employees have been recruited to date.

Human Rights and Due Diligence

Zorlu Holding and all of its companies (Zorlu Group) undertake to conduct business and take actions in full compliance with Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights, Declaration on Fundamental Principles and Rights at Work adopted by International Labor Organization and, as a signatory party, United Nations Global Impact. This commitment includes standing against all forms of discrimination, ensuring a safe working environment, prohibiting child labor, and fostering an atmosphere where employees can freely express themselves. The sustainability of these principles is upheld by the **"Zorlu Holding Human Rights Policy"** and the **"Zorlu Holding Ethical Principles."**

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

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

A collective bargaining agreement was signed between the Company and Türk İş Metal Union for the period covering 01.01.2024-31.12.2025. 93% of blue collars have been included within the scope of the CBA.

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

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

Vestel is working on developing an audit system to control compliance with human rights in the supply chain. Compliance with human rights in Vestel's own production facilities is audited under the Social Compliance Audits (BSCI, SEDEX, etc.) performed by its customers. The Sedex Members Ethical Trade Audit evaluates four essential areas: working conditions, labor rights, environmental management, and business ethics. BSCI (Business Social Compliance Initiative) audits assess businesses' adherence to social responsibility criteria based on the Universal Declaration of Human Rights and International Labor Organization (ILO) standards. In 2024, third-party audits were conducted across all facilities.

Additionally, further ethical and social compliance audits are conducted based on customer requests. These processes evaluated critical issues including employee rights, occupational health and safety, working conditions, anti-discrimination practices, and environmental sustainability. These audits spotted 21 non-conformities, of which:

- 10 have been eliminated,
- 11 are in remediation,
- There are no open (ongoing) nonconformities.

The areas highlighted in the audits and the actions taken are as follows:

Audit Category	Identified Non-Conformities	Eliminated	Remediation	Actions Taken
Social Governance System	Working hours system	2	2	Overtime reporting is closely monitored.
Employee Engagement and Protection	Lacking training	1	0	Any missing training sessions have been completed.
Fair Remuneration	Decent wage calculation	3	0	Updated and put into practice.
Decent Working Hours	Overtime work	9	8	A warning system for overtime has been established, which is monitored by the production and planning teams.
Occupational Health and Safety	Environmental measurements	6	1	Any missing internal environment measurements have been completed.

The results of the audits were assessed by the Human Rights Committee, and corrective and preventive action plans were formulated by the relevant departments. Vestel remains committed to safeguarding employee rights and improving its ethical operational processes.

In 2024, the Human Rights Committee at Vestel Elektronik met quarterly to assess employee complaints and suggestions related to human rights and to discuss potential actions to address them.

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

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Attracting new and right talents to the Company with the motto “Being where the talent is” forms the basis of Vestel’s strategy.

Talent management processes at Vestel are handled with a human resources analytics approach.

Measures Against Discrimination and Harassment

Vestel protects the personal rights of its employees without tolerating any kind of physical, sexual, or psychological harassment. Employees can report any grievances to the Ethical Principles Notification Hotline under the **Ethical Principles**. In case of any violation, Vestel investigates the case that is the subject of the complaint, manages the process in a transparent and fair manner and imposes necessary sanctions on the relevant persons. Vestel’s policy on this issue is shared in the Ethical Principles and Workplace Regulation. There were no cases of discrimination or harassment identified at Vestel in 2024.

DEVELOPMENT OF EMPLOYEES AND TALENT MANAGEMENT

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

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

Considering the personal and professional development of all employees as its most valuable investment for the future, Vestel adopts working models that improve the skills of employees and boost their adaptation to innovation and change on the basis of technology and human-oriented transformation. In this context, Vestel attaches importance to carrying out the career development of its employees through a fair and inclusive process.

Performance Management

Vestel’s performance management system is implemented annually to evaluate and develop the workforce and to ensure that both the organization and the individuals making up the organization move towards their goals. All white-collar employees are included in the performance management system. Vestel continues to monitor and support the development of its employees in terms of learning and development, working together, responsibility, innovation and creativity, which are Vestel’s core competencies. By evaluating the competencies of its employees within the competency-based performance evaluation system and ranking the employees in the same organization relative to each other, the Company obtains their final performance.

Under the target and competency-based performance management system, targets are set at the beginning of the year based on measurable objective indicators, and interim targets and performances are monitored in the middle of the year.



At the end of the year, absolute performance results are obtained for each employee by entering the values reached at the end of the year into the system and evaluating the competencies. The total number of employees who attended regular performance and career development evaluations at Vestel reached 4,058 in 2024. Vestel cares about maintaining its long-term cooperation by supporting the career planning of its employees with promotions and horizontal promotions. Regarding career management, the Promotion and Horizontal Promotion Regulations are published on the Company portal and made accessible to employees.

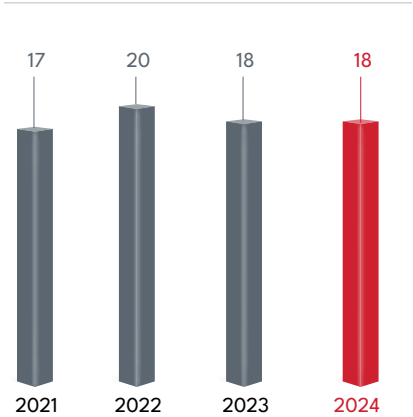
Rotation Practices

Through effective human resources management, Vestel focuses on making innovative perspectives a part of the corporate culture. It periodically engages in succession planning and essentially covers its human resources needs through its in-house human capital. Inter-organizational role transitions are implemented to diversify employees’ knowledge, skills, and experiences, to facilitate their career planning through exposure to different responsibilities or corporate environments, and to enhance both company productivity and employee motivation. In 2024, a total of 258 employees undertook changes in their roles and departmental assignments.

TRAINING

The training activities conducted at Vestel with both internal and external trainers are designed with the goal of discovering and developing a workforce that thinks, researches, questions, creates, innovates, and produces. Today, where the need for competent human resources constantly increases, Vestel implements its training investments for employees in terms of sections, departments and projects. The investment in development does not limited to Vestel employees. It also includes dealers and service employees. Employee training data is analyzed by categorizing it based on age, gender, seniority, and type of training. In 2024, each employee received an average of 18 hours of training, supported by a training budget of TL 815 per employee. That year, 8,848 employees participated in a total of 7,034 man-hours of training focused on “Sustainability,” “Environment,” and “Zero Waste.”

Average Training Hours per Employee



TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel cares about maintaining its long-term cooperation by supporting the career planning of its employees with promotions and horizontal promotions.

Employee Development Trainings



Vestel Technology Academy

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

In 2024, 122 Vestel employees participated in the Vestel Technology Academy, receiving a total of 14,733 man-hours of training while also pursuing graduate studies in Computer, Electrical-Electronics, Industrial, Mechanical Engineering, and Data Science. A total of 436 employees have graduated so far. In addition, 78 academic studies were transformed into industrial practices and 52 studies became a part of patent, publication or incentive processes.

Established with the vision of “bringing the university campus to the Company,” Vestel Technology Academy also offers Vestel engineers the opportunity to become in-house academics. Employees, who are assessed by Özyeğin University and fulfill the prerequisites, are appointed as visiting faculty members. In-house academics continued to teach at the Vestel Technology Academy in the 2024-2025 academic year.

Vestel Retail Academy

In 2024, Vestel Retail Academy (VPA) organized 25 distinct training and development programs for employees of the Head Office, Vestel store employees, Vestel Traditional Channel, Regal business partners/employees, and Zorlu Holding employees. These programs included 112 in-class training sessions

covering 73 different topics in the areas of “Sales-Marketing,” “Management Skills,” “Competency Development,” “Finance,” and “Product Training,” totaling 555.5 hours of instruction. A total of 4,354 participants attended these trainings, resulting in 12,176 man-hours of training. Throughout the year, the Company collaborated with 47 different trainers and achieved a 97% satisfaction rate based on participant surveys conducted after the sessions. The average Net Promoter Score (NPS) for the training was recorded at 82. Individually, 260 head office employees, 223 Vestel store employees, and 987 traditional channel participants received training through these in-class sessions.

In addition to classroom and online training, Zorlu Academy and vpa.com.tr provided videos, articles, and documents on a range of topics to support the holistic development of employees. In 2024, these platforms were further enriched by adding content on product training, SalesTalks, operational processes, and talent development. A total of 308 new videos, amounting to 2,298 minutes, were created and published. Additionally, 54 new documents detailing product features and 20 new articles on various topics were summarized and added to the training platforms.

The Zorlu Academy platform reached 729 Vestel Store employees and 618 head office employees. The vpa.com.tr platform, designed specifically for traditional channel business partners and employees, engaged 1,904 users. In 2024, the Vestel Retail Academy team visited 57 stores across different regions, establishing direct contact with its target audience and aligning training programs with insights gained from these meetings. The vpa.com.tr platform had 1,904 registered users, with 1,837 participants attending a total of 2,099 man-hours of online training. Content on the platform was viewed or read 71,803 times, and videos were watched for a combined total of 314,311 minutes.

In 2024, a training program entitled “Discover Your Potential: Add Value to Yourself, Your Team, and Your Business” was provided for Vestel Store employees, specifically targeting Regional Officials. Training courses were organized for Store Managers focused on coach-like leadership, customer conflict management, negotiation techniques, and time management. In addition, Sales Consultants received training on topics such as sales skills, managing difficult customers, proactive approaches, persuasion, and negotiation techniques. Employees of the Berlin store, which opened in 2024, received training on products and sales tailored to their specific needs.

Launched in 2023, the Sales English Development Program continued to encompass all store employees. As part of the program, Advanced Sales English courses were offered to employees who had completed the basic level. To further support speaking practice, Speaking Club meetings were held for all participants. In 2024, the long-standing “Dealer Owners” program for traditional channel business partners and employees carried on, providing product training, business and human management training, seminars, and financial analysis sessions. The “New Generation Leadership” courses were also introduced in 2024 as part of the Women Business Partners Program,

which was launched in 2022. Meanwhile, the “2nd Generation Traditional Channel Business Partners” program, initiated in 2023, continued in 2024 with “Business and Management Simulation” training. This year, the “Regal Business Partners” program concentrated on finance and customer analysis topics.

The primary point of contact with business partners, coordinators, and sales consultants is vpa.com.tr. Launched in 2023, the platform hosted online seminars covering topics such as finance, product training, and consumer habits, aligning with our objectives. Additionally, throughout the year, 97 pop-up quizzes were conducted on the platform to support participants' learning development.

For the management team at the Head Office, the “New Generation Competencies” seminar and the “Real Dialogues” program were organized. Training sessions focused on feedback, internal trust, and teamwork were also provided for the managerial group. The “Catalog Program,” which debuted in the second half of 2022, offered 16 training sessions in 2024. Reflecting the evolving needs of Vestel, this year's curriculum included topics such as “Behavior Analysis,” “Change Management,” “Multiple Sales Intelligence,” “Holistic Intelligence,” “Situational Leadership,” “Creative Intelligence,” “Negotiation

Management,” “Proactive Communication and Assumption-Free Communication,” “Strategic Idea Selling Workshop,” “Basic Finance,” “Financial Statement Reading,” “Difficult and Courageous Dialogues,” “Presentation Techniques,” and “Artificial Intelligence in Retail.” The Catalog Program reached a total of 252 participants.

In 2024, 11 training requests from various departments were fulfilled. These requests included courses on “Agile 101,” “Scrum Methodology,” “Planning and Optimization in Supply Chains,” as well as communication skills training, legal training, a certificate program aimed at improving the marketing of the Vestel brand, and seminars on consumer behavior. Support for a training platform was also provided to assist in the digitalization efforts of the Data Science team.

An in-house Artificial Intelligence Awareness team was established, and with the collaboration of employees from different departments, seminars were held on the practical applications of artificial intelligence relevant to Vestel Ticaret A.Ş. and its internal AI initiatives.

As part of the In-House Coaching Project initiated in 2019, coaching training took place in 2024, resulting in the addition of 11 new coaches to the program. By the end of 2024, a total of 54 coaches trained through the project had conducted 196 coaching sessions.

An in-house Artificial Intelligence Awareness team was established, and with the collaboration of employees from different departments, seminars were held on the practical applications of artificial intelligence relevant to Vestel Ticaret A.Ş. and its internal AI initiatives.



TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel offers various practices as part of the importance it attaches to employee development.



Vestel Service Academy

Vestel Service Academy has been operating within Vestel Customer Services since 2012 for the regular and continuous training and development of all service teams, such as authorized service provider technicians, customer representatives and service managers in order to provide a flawless experience in after-sales services. The Academy provided 4,230 employees with training in 2024 through different training approaches in which digital and live channels are actively used throughout many training modules. 198,491 man-hours training was conducted. Vestel Service Academy is the first training program in Türkiye to hold the TS ISO 29993 Certificate.

Vestel Beyaz Eşya Sanayi ve Ticaret AŞ, Vestel Elektronik Sanayi ve Ticaret AŞ and Vestel Ticaret AŞ received accreditation as a consortium of three companies for the Erasmus+ KA121-VET project, which was opened to the application of institutions and organizations operating in the service and production sectors for the first time in 2021 by the National Agency. A total of 24 technicians had training on Electric Vehicle Charging Stations (EVC) in Germany. Moreover, five trainers underwent training on the Germany Dual Vocational Training System under the coordination of Vestel Service Academy in 2023.

Workshop Leadership Development School

The Workshop Leadership Development School, specially designed for blue-collar teams and shift leaders, aims to strengthen lifelong competencies and leadership approaches of the participants through the modules it contains. The program, which was developed by Vestel's internal resources in terms of design, content, methodology and instructor staff, has an approach focused on experience, games and activities. By creating an environment where senior management and team/shift leaders come together, fast and effective exchange of experience and managerial alignment of the corporate culture are ensured. In 2024, a total of 240 team/shift leaders received 10,395 hours of training under five modules.

Vestel Academy Training Platform

In 2024, Vestel added a new digital training platform for its employees. Vestel Academy Training Platform has implemented the microlearning model within the Company, especially targeting field workers. Specially designed content for field employees includes practical information suitable for daily operations and learning processes are optimized with the micro-learning model. In addition

to the trainings on Gender Equality, Earthquake Preparedness and Living with Earthquake, Environment and Zero Waste, work is underway to add new trainings to the platform. Vestel Academy Training Platform provided 8,864 hours of training to 8,696 field employees.

Zorlu Academy Training Platform

Zorlu Academy Online Training Platform offers personal development and technical training content for all Zorlu Group companies. Besides corporate governance and sustainability training, there are also training programs focusing on the professional development of employees. Through trainings covering a wide range of topics, it is aimed to ensure that employees are compatible with current developments in the business world, actively contribute to the corporate culture, improve their competencies and optimize their business performance. In addition to trainings such as Gender Equality, Ethical Principles, Environment, Financial Literacy and Innovation Culture, efforts are underway to add new trainings to the platform. In 2024, 31,746 hours of training was provided to 6,329 office employees through the Zorlu Academy Training Platform.

Vestel & Ege University Cooperation: Vestel Business Seminars

Vestel has signed a cooperation protocol with Ege University to conduct the Business Seminars course (in the first term) for fourth-year Business Administration students at the Faculty of Economics and Administrative Sciences. The total duration of the course is 12 weeks, comprising content created by expert participants from Vestel. Plant tours are organized at Vestel, whereby internship opportunities are offered to students as part of the program. Within the scope of the business seminars course, topics covered by experts include sustainability, innovation, sales and business development in the international market, digitalization in human resources, market research, debt/receivables management, understanding the customer and process management.



Vestel carries on its employer brand journey on university campuses with the motto “Possible with Vestel, Why Not?”.

Onboarding Program

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

With the Pole Star Mentorship program, Pole Stars, who will work voluntarily for three months in parallel with orientation, are selected under the leadership of department managers and receive the briefing provided by the Human Resources Department. In 2024, a total of 290 Pole Stars guided new colleagues.

Programs for Young Talents

Vestel carries on its employer brand journey on campuses with the motto “Possible with Vestel, Why Not?”. The Company aims to reach qualified candidates on university campuses and ensure the recruitment of talent. To achieve this objective, close collaborations are maintained with universities, organizing various projects such as career events and engineering competitions. In 2024, Vestel participated in a total of 74 events with 20 universities, 5 agencies, and 4 high schools, creating opportunities to connect its employer brand with numerous university students. Additionally, Vestel conducts programs such as the Vestel Management Trainee and Vestel Internship Programs to attract young talent.

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel seeks to assess and improve the opportunities and work environments available to employees by conducting the Employee Satisfaction and Engagement Survey at regular intervals.

Vestel Campus Activities

Vestel maintains its employer brand journey on campuses with the motto “Possible with Vestel, Why Not?” since 2021, aiming to reach qualified and right candidates on university campuses before they graduate and to ensure the recruitment of competent human resources. Another goal is to implement projects such as university career events, engineering competitions, graduation projects, sponsorships, workshops and case studies that require close relations with university career centers and student clubs and support university-industry cooperation. In 2024, Vestel signed a Co-op project and a graduation thesis agreement with three universities within the scope of university-industry cooperation.

Vestel Management Trainee Program (VESTalent)

The Vestel Management Trainee (MT) Program is a comprehensive program aimed at training new graduates to be the managers of the future. This four-month process consists of academic courses, theoretical training at Vestel, personal development training and internship stages. Through this program, young management candidates who are familiar with the corporate culture and have industry knowledge are trained, and new projects that will add value to Vestel are developed. In 2024, a total of 21 new graduates from Türkiye’s leading universities participated in this program in cooperation with Koç University.

The 15th Vestel MT Program was completed in 2024 with the participation of 21 graduates from Türkiye’s leading universities and in cooperation with Koç University, and all young management candidates who completed the program started working at Vestel. Young management candidates received 5,947 hours of training in 18 different topics throughout the training program.

Vestel's Internship Program

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

Employee Engagement and Satisfaction

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

Vestel seeks to assess and improve the opportunities and work environments available to employees by conducting the Employee Satisfaction and Engagement

Survey at regular intervals. The research is carried out by an independent organization, and the findings are presented in detail to senior management, including breakdowns by age and gender. In 2024, the participation rate for the employee engagement and satisfaction survey was 75%. The results revealed an employee engagement rate of 44% and an employee satisfaction rate of 55%. Among white-collar employees, the participation rate in the survey was notably higher at 87%, with an engagement rate of 39% and a satisfaction rate of 53%. The target for employee satisfaction in 2024 is set at 60%. Within the scope of this research, employees are asked comprehensive questions about their job satisfaction, work purposes, happiness with their jobs, and stress management. Research results are shared with senior management, taking into account age and gender breakdowns. In addition, all employees’ anonymous requests and complaints regarding working conditions are collected through the Complaint/Wish/Request Evaluation System on the corporate portal via the mobile kiosk application. Necessary actions



are taken in response to incoming requests and complaints and feedback is provided to employees.

Events like “Heartfelt Conversations,” “Expert Conversations,” and “Agenda & Hello,” which encourage employee participation, interaction, and information sharing about the Company, are scheduled to continue in 2025 based on demand or when appropriate.

Fringe Benefits

Employees receive a range of common fringe benefits, including transportation, meals, kindergarten services, and educational scholarships for successful children from the Zorlu Holding Mehmet Zorlu Foundation. Additional benefits include marriage, birth, and death leaves, cash allowances, a newborn gift package, and cash support equivalent to a quarter gold. Employees also receive two shopping vouchers per year, extra payments for completing master's and doctorate degrees, educational support for all employees with school-aged children, monthly financial assistance for those with disabled children, gym access at Vestel City, and discounts on Vestel-branded products. In addition to work-life balance solutions, a hybrid working pattern is implemented in departments where possible.

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

Work and Life Balance

Vestel developed “Vival!” Project to improve the quality of life of employees on “Corporate Well-being,” one of the sustainability goals of Vestel Group of Companies, and to ensure that they lead a long-term corporate life. It started to implement this project by integrating it with Zorlu Holding’s “We Are Good Together” Project and Wellbees application in 2020.

We Are Good Together Project covers:

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

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

Employee Volunteerism and Contribution to Society

As part of Vestel's sustainability approach, one of its key goals is to increase corporate volunteering efforts. Launched in 2019, the “Sparks Movement” aims to carry out volunteering activities in five main groups within the Vestel Group of Companies: “environment,” “children,” “people with disabilities,” “material recycling,” and “animals-our friends.” In 2024, 486 Vestel Elektronik employees volunteered in these activities for a total of 2,054 hours.

In 2024, Vestel Sparks, which consists of Vestel Elektronik employees, organized environmental cleaning projects in Manisa in collaboration with neighboring municipalities. These initiatives aimed to address the issue of glass waste, a significant contributor to forest fires in Türkiye. Additionally, a total of 20 volunteer activities were conducted, including feeding stray animals as part of the Day for the Protection of Stray Animals, the “Discovering Our Imagination with Colors” project with girls at Koruncukköy, and a cloth bag painting project with seniors at the Manisa Nursing Home.



TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Vestel Elektronik is committed to implementing Occupational Health and Safety (OHS) policies and practices to create a safe and healthy working environment.

OCCUPATIONAL HEALTH AND SAFETY

The OHS objectives at Vestel include assessing risks that employees may encounter in the field, raising awareness among staff, enhancing and developing processes, creating ergonomic workspaces, ensuring top-level safety measures during production changes, providing a secure work environment, and striving for the prevention of occupational diseases and zero accidents.

Vestel Elektronik is committed to implementing Occupational Health and Safety (OHS) policies and practices to create a safe and healthy working environment. The Company prioritizes the prior identification, assessment, and management of potential risks faced by employees, subcontractors, sub-industries, visitors, solution partners, and others in the workplace.

The OHS objectives at Vestel Elektronik include assessing risks that employees may encounter in the field, raising awareness among staff, enhancing and developing processes, creating ergonomic workspaces, ensuring top-level safety measures during production changes, providing a secure and healthy work environment, and striving for the prevention of occupational diseases and zero accidents. In the case of an occupational accident, a comprehensive investigation is conducted involving

the affected employee, the relevant department manager, an occupational safety specialist, a workplace physician, and a union representative. The goal is to identify the causes of the accident and to prevent its recurrence. Following this analysis, solutions addressing the root causes are developed, and the proposed measures are communicated to all stakeholders.

Occupational safety experts, workplace physicians, and relevant department officials continuously evaluate all potential risks in the production site and common areas. They implement the most effective solutions swiftly to address identified risks, ensuring a safe and healthy working environment for employees.

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



Vestel Elektronik has established a framework that encourages employee participation in occupational health and safety initiatives. Union representatives actively engage in identifying sources of danger in the field, conducting risk analyses, and communicating employee concerns; they present their recommendations to management in meetings. Employees can report unsafe conditions, behaviors, potential risks, and suggestions through the OHS Management System portal and designated reporting points. These reports are promptly evaluated by experts, and appropriate measures are implemented.

Vestel Elektronik provides all employees with personal protective equipment that meets international standards and is suitable for their specific tasks. Compliance with these standards is regularly monitored, and training is offered to ensure that employees use the equipment correctly and effectively. Additionally, all employees undergo regular health examinations. Based on these examinations, the workplace physician

makes necessary work arrangements to help prevent occupational diseases and accidents. Outpatient examination and treatment services are available for minor health issues, with referrals to higher-level health institutions made only when further examination or treatment is required.

The safety of equipment used at factory sites is maintained through planned maintenance and continuous improvement of technologies in business processes. Additionally, accredited organizations conduct regular occupational hygiene measurements, and necessary actions are taken to address any identified nonconformities.

Before chemical substances are utilized in business processes, comprehensive technical evaluations are performed. These chemicals are permitted into the factory only with the approval of the Occupational Health and Safety (OHS) unit, management systems, environmental units, and relevant department heads. Safe working training is also provided to employees to ensure the safe handling of chemicals.

Vestel Elektronik offers extensive training programs to enhance occupational health and safety awareness among all employees. Basic occupational health and safety training is provided to all staff as mandated by legislation, along with additional orientation training for those who change workplaces. Moreover, specific training is conducted on the safe operation of machinery, procedures for working with chemicals, and equipment usage.

Employees designated as part of emergency teams receive specialized training in first aid, firefighting, and chemical leak response. Additionally, both announced and unannounced fire, earthquake, and evacuation drills are conducted to enhance employee awareness.

Vestel Elektronik is committed to ensuring a safe working environment by upholding standards in line with the TS EN ISO 45001 Occupational Health and Safety Management System certification.

Throughout the year, Vestel Elektronik has continued to offer Occupational Health and Safety (OHS) training to all employees, conducting a total of 161,765 man-hours of basic OHS training.

OHS Performance Indicators	Employees				Subcontractors				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Number of Fatalities	0	4	0	0	0	0	0	0	0	4	0	0
Lost-Time Injury/Accident Frequency Rate ³	24.90	26.48	23.14	27.23	17.56	11.26	20.04	11.63	24.46	25.59	23.02	26.29
Accident Severity Rate ⁴	0.20	0.71	0.19	0.22	0.07	0.09	0.21	0.04	0.19	0.67	0.19	0.21
Occupational Disease	0	1	0	0	0	0	0	0	0	1	0	0
Total Injury Rate	52.21	51.66	66.77	74.76	34.39	50.32	67.17	75.79	51.15	51.59	66.79	74.82
Number of Accidents	2,298	2,391	3,030	3,113	96	143	188	202	2,394	2,534	3,218	3,315
Number of Lost Workdays	11,804	43,705	11,808	12,004	523	360	485	126	12,327	44,065	12,293	12,130

³ Lost-Time Injury/Accident Frequency Rate = Total Number of Occupational Lost Time Accidents x 1,000,000 / (Total Working Days - Non-Working Days) x Daily Working Duration
⁴ Accident Severity Rate = (Total Number of Lost Days x 100) / (Total Working Days - Non-Working Days)

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

Keeping societal needs in mind, Vestel continues to expand its contributions across a wide array of social and environmental issues.

CORPORATE CITIZENSHIP

Vestel continues to add value to society through its Corporate Social Responsibility projects.

Keeping societal needs in mind, Vestel continues to expand its contributions across a wide array of social and environmental issues. Out of the Sustainable Development Goals, it organizes various social projects focusing primarily on Quality Education, Gender Equality and Decent Work and Economic Growth.

Zorlu Holding and its Group companies conduct all their activities in line with the Smart Life 2030 sustainability strategy, which responds to the stakeholder-based transformation in the world and is guided by the United Nations Sustainable Development Goals (SDGs). Zorlu Holding Corporate Social Investment Principles can be found [here](#).

In 2024, Vestel contributed a total of TL 23 million to community projects.

Sponsorships

Vestel continues to contribute to the sports world with its sponsorships in various sports branches. After eight years of supporting Turkish volleyball, Vestel will continue its role as the main sponsor of the Turkish Volleyball Federation (TVF) for the 2024-2025 season. Vestel will also be the chest sponsor of the Men's National Team and will maintain its position among the main sponsors of TVF. As part of the sponsorship agreement, the Burhan Felek Volleyball Hall in Istanbul will be renamed the "TVF Burhan Felek Vestel Volleyball Hall," and the TVF Atatürk Volleyball Hall in Izmir will be known as the "TVF Atatürk Volleyball Hall Vestel Sports Complex."

Communication activities such as the "We Are a Country of Volleyball" campaign continue to support volleyball in Türkiye. To date, these efforts have garnered over 100 awards, establishing Vestel's communication activities as some of the most successful in the industry.

In 2022, Vestel became the "Main Sponsor of the Turkish Gymnastics Federation" and the "Main Sponsor of the Gymnastics National Teams" under an agreement with the Turkish Gymnastics Federation, continuing this sponsorship into 2024. The Artistic Gymnastics World Challenge Cup, organized by the International Gymnastics Federation (FIG) in Antalya and featuring many successful gymnasts from around the globe, was held as the Vestel Artistic Gymnastics World Challenge Cup. This event was broadcast live in 109 countries worldwide. Additionally, Vestel sponsored the film "Eclipse," which narrates the historic success of our gymnastics athletes at the Tokyo Summer Olympics and their journey to victory despite the challenges posed by the pandemic.

The "House of Champions" project, launched with the motto "Champions use Vestel," showcased Vestel products alongside esteemed athletes such as İlkin Aydın, Elif Şahin, Mete Gazoz, Efe Mandıracı, İbrahim Çolak, Aysu Türkoğlu, and Barış Telli. Through the House of Champions project, Vestel reaffirmed its commitment to the growth of sports and athletes, providing consumers with technologies worthy of champions.

Individual sponsorships were also established with Mete Gazoz, the Olympic, World, and European Champion national archer, and Aysu Türkoğlu, the youngest Turkish athlete to achieve the Triple Crown in open water swimming and the first Turkish woman to swim across the North Channel.

Vestel seeks to advance the democratization, inclusiveness, and accessibility of sports for everyone by becoming the main sponsor of the Turkish Physically Disabled Sports Federation in 2024. Among the ongoing sponsorships in sports, the most notable ones are for Denizli Merkezefendi Basketball Club and Göztepe Sports Club.

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

Elim Sende (You Have My Hand)

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

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

Elim Sende (You Have My Hand) Project aims to improve the quality of life of women staying at women's shelters and accompanying children, strengthen public-private sector collaboration in the solution of social problems, offer social and corporate support to women survivors of violence, contribute to their plans to lead an independent life, improve their qualifications through vocational training, integrate them into working life and, thus, ensure equality and gender equality. No request has been submitted under the project in 2024. The project will be running as long as requests are submitted.

Do It Yourself Workshops with Vestel

Vestel launched the "DIY Workshops with Vestel" project to help children in socio-economically disadvantaged regions develop their robotic coding and design skills. As part of this initiative, nine separate robotic coding workshops were established, using equipment made from recycled Vestel Beyaz Eşya products.

The project has garnered recognition and awards from three prestigious institutions. It received the "Best Team Supporting Quality Education and Young People Award" at The Hammers Awards,



the "Creative Volunteering Award" at the Social Benefit Awards organized by Dünya Newspaper, and the "Green Dot Industry Award" for "Environmental Social Responsibility Practices" from the ÇEVKO Foundation.

SosyalBen Foundation BEGEM Sports Workshop

Vestel, in collaboration with the SosyalBen Foundation, is a supporter of the 'Skill Development Center' (BEGEM) established by the foundation to prevent the loss of and develop social and physical skills among children aged 7 to 13 in Hatay and Adıyaman, areas affected by the February 6 earthquakes. The centers, consisting of a total of eight containers, were inaugurated in April. They offer various activities, including sports, painting, music, invention, and game workshops, led by expert trainers. The center's goal is to provide children with diverse experiences, foster natural relationships in smaller groups, encourage problem-solving, decision-making, and taking responsibility, promote self-expression and self-confidence, and facilitate peer learning through long-term workshop training. Believing in the unifying and healing power of sports, Vestel supported the sports component of the project and became the sponsor of BEGEM's sports workshop classes for one year.

Vestel X Aslı Filinta Retro Series

The Vestel X Aslı Filinta Retro Series is a collaboration that highlights Vestel's design-driven approach, merging themes of sustainability and cultural heritage. Renowned designer Aslı Filinta has reinterpreted traditional Turkish handicrafts, including tiles, miniatures, and calligraphy, for modern white goods. Female artists, who are graduates of Traditional Turkish Arts, hand-painted each product. This series aims to integrate Vestel's local and national identity with Anatolian culture, transforming these products from mere functional appliances into works of art. Through this initiative, Vestel seeks to preserve the cultural heritage for future generations while contributing to art, culture, and societal development. A robust launch strategy was employed, with the Vestel X Aslı Filinta Retro Series receiving extensive promotion across TV, outdoor, and digital channels. Following the collaboration and the launch communications with Aslı Filinta, a survey revealed that 62% of consumers had engaged with the "Vestel Aslı Filinta Retro Series" products. This project significantly boosted consumers' motivation to use and recommend Vestel-branded products, reinforcing their perception of the brand as offering "original and inspiring designs."

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

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

SUPPLY CHAIN

By leveraging a diversified supply network, flexible production infrastructure, and innovative procurement strategies, Vestel aims to mitigate the effects of logistical disruptions and rising costs.

In 2024, global economic volatility, persistent geopolitical tensions, and natural disasters have introduced new challenges to supply chain management. Temporary closures of the Suez Canal and other key logistics hubs, energy crises, and escalating supply chain costs have created uncertainty for numerous industries. Additionally, emission reduction targets and sustainability-focused regulations in developed countries necessitated transformations in supply chains. One such regulation is the EU Corporate Sustainability Due Diligence Directive (CSDDD), which mandates that companies conduct comprehensive due diligence on human rights and environmental impacts throughout their entire value chain.

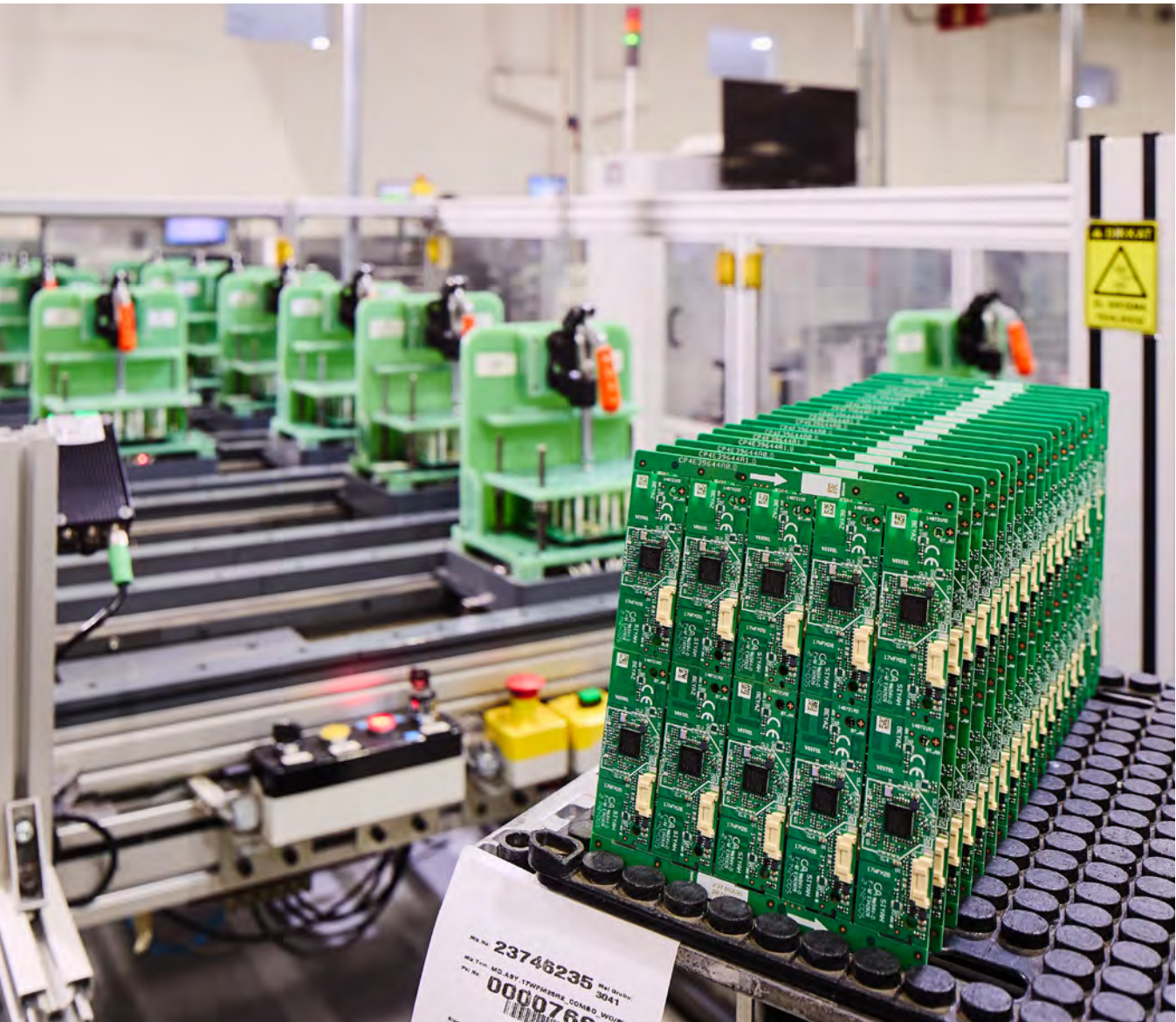
To address these challenges and inject resilience into its supply chain, Vestel evaluates its risks and opportunities while strengthening its proactive management strategies. By leveraging a diversified supply network, flexible production infrastructure, and innovative procurement strategies, Vestel aims to mitigate the effects of logistical disruptions and rising costs. The Company contributes to operational efficiency at every stage of the supply chain by prioritizing quality, cost, safety, logistics, and sustainability.

	2021	2022	2023	2024
Number of Critical Suppliers at Vestel	224	256	281	262
Vestel Total Number of Suppliers	4,750	5,178	3,515	4,426

Embracing technology and innovation as part of its corporate culture, Vestel also invests in the digitalization of its supply chain.

Contribution to Local Economy and Sustainable Procurement Approach
By prioritizing local suppliers, Vestel ensures supply continuity while fostering local economic development. In 2024, the Company made significant strides in projects aimed at replacing imported materials with locally produced alternatives. Consequently, the share of local suppliers in the supply chain increased, with 74% of Vestel's suppliers being local and 40% of payments made to these suppliers.

Operational Efficiency and Critical Supplier Management
Vestel develops operational efficiency projects to minimize the impact of increased costs on product prices. As of 2024, 262 suppliers with an impact on the critical business processes of the Vestel Group of Companies were determined. These suppliers are companies that purchase in high volumes, and provide products and services that are difficult to replace and procure critical materials for the automotive sector and other strategic sectors.



Vestel Elektronik adheres to the Zorlu Holding Procurement Principles in its supply chain and is committed to making timely and regular payments. Payment terms for direct, indirect, and logistics purchases typically range from 1 to 6 months.

The supply planning teams from various plants meet regularly to standardize processes across different plants and share best practices during supply chain workshops. Each step of the supply chain is thoroughly analyzed to ensure continuous improvement.

Evaluation and Audit in the Supply Chain
All Vestel Group companies prioritize the compliance of their suppliers—whom they view as essential business partners—with internationally recognized environmental, social, and ethical standards, as well as the **Zorlu Holding AŞ Procurement Principles**.

Suppliers must accept these Procurement Principles, which are publicly available on the **Vestel Procurement Portal**, and register with the Supplier Lifecycle Management (SLC) system, the supplier management tool.

The Procurement Principles, applicable to all Zorlu Group companies, outline the key expectations Vestel holds for its suppliers and can be accessed [here](#).

	2020	2021	2022	2023	2024
Vestel Elektronik Supplier Audits	225	414	473	509	93
Vestel Beyaz Eşya Supplier Audits	14	35	281	250	173

TECHNOLOGY AND HUMAN-ORIENTED TRANSFORMATION

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

Vestel follows its Supplier Selection and Evaluation Procedure for the selection of suppliers. Different criteria such as the supplier’s management systems, technological level, financial strength, supplier relations, compliance with corporate social responsibility policies and principles, environmental practices are taken into consideration. In addition, full compliance is expected on issues such as human rights, legal compliance, non-employment of child labor, equality, and non-discrimination.

Self-Assessment Questionnaires
Vestel places great importance on ESG criteria during the supplier selection process. Consistent with this approach, a new supplier self-assessment questionnaire was launched in the fourth quarter of 2024 as the first step in this process. The questionnaires, designed according to seven different categories based on the type of supplier, are organized under four main headings: Company Profile, Supply Chain Profile, Quality Profile, and ESG Profile.

These questionnaires include questions related to ESG issues. Suppliers providing unsatisfactory answers to these questions will not be granted Vestel-approved supplier status until they document their improvement activities. If the required improvement activities are not completed and documented, Vestel will not engage in cooperation with those suppliers.

Environmental criteria for supplier selection include factors such as having an environmental management system standard and the management of chemical use. Social criteria encompass issues such as working conditions, human rights, and child labor. This approach aims to enhance sustainability and uphold ethical standards throughout the supply chain.

Supplier Scorecard
The supplier scorecard, used to evaluate the performance of automotive suppliers, was updated in 2024 to provide future insights. The new supplier scorecard is structured around four main pillars: quality performance, logistics performance, procurement commercial performance, and supplier sustainability performance. Sustainability performance accounts for 10% of the overall score. In 2025, the

scope of the supplier scorecard will be expanded to include all suppliers.

Quality Audits
In 2024, Vestel delivered 1,806 man-hours of training to 903 suppliers as part of its quality audit program. To ensure compliance with quality standards, quality audits were performed on 67 suppliers.

	2020	2021	2022	2023	2024
Total Number of Supplier Employees Trained	2,060	2,045	1,428	1,499	3,006
Total Hours of Training Provided to Supplier Employees	6,208	6,168	4,902	4,441	3,728



Vestel Supplier Monitoring and Development Program
Vestel is committed to ensuring supply chain sustainability by closely monitoring the ESG performance and strategies of its suppliers. Suppliers are expected to enhance their performance in crucial areas, including respecting the human rights of their employees, implementing health and safety measures, and establishing systems to combat corruption and bribery. To facilitate this, Vestel has launched the Supplier Monitoring and Development Program, which aims to engage suppliers effectively in sustainability initiatives and support their growth by assessing their current performance levels. This program is overseen at the strategic level by a sustainability committee established within the Board of Directors.

The program's objectives include raising suppliers' awareness of sustainability and evaluating and improving their performance. In this regard, suppliers are required to regularly submit their ESG data to Vestel using designated platforms and software and to participate in analyses conducted by independent assessment organizations. Vestel Supplier Monitoring and Development Program consists of two stages as training and audit:

1. Training: Vestel aims to enhance the quality level of its suppliers and improve their ESG performance through training provided under the Supplier Monitoring and Development Program. The training covers topics such as child labor, working hours, freedom of association, wages and earnings, humane treatment,

non-discrimination, occupational safety, emergencies, environmental practices, waste management, energy consumption, greenhouse gas emissions, intellectual property, responsible procurement, confidentiality, risk assessment, education, employee feedback, supplier responsibility, forced labor, safe and healthy working environments, and freedom of expression. In 2024, 34 critical suppliers participated in sustainability training as part of this program.

2. Audit: Independent third-party organizations conduct online assessments of critical suppliers regarding business ethics and ESG compliance. After completing the training and audit processes, suppliers receive sustainability scores that are reflected in their scorecards.

In 2024, evaluated suppliers achieved an average score of 83 out of 100, with 86% successfully completing the evaluation. Open actions for suppliers that did not meet the criteria are monitored and must be resolved within 90 days. Of the identified nonconformities, 23% were addressed by suppliers within the specified timeframe. In total, 45 critical suppliers of Vestel completed this assessment in 2024.

In 2025, the program will be expanded to include all remaining critical suppliers. The Vestel Management Systems Department and the Sustainability Department are overseeing efforts to ensure that all critical suppliers undergo ESG audits. So far, sustainability audits have been completed for 159 Vestel suppliers.

High Risk and Conflict Zone Minerals
3TG minerals (tin, tantalum, tungsten, and gold) and cobalt mined in high-risk conflict zones worldwide play a key role in the manufacturing of electronics and durable major household appliances. Vestel is committed to complying with the United Nations’ guidelines and restrictions regarding these minerals, and not purchasing these essential raw materials from high-risk conflict zones or in a way that financially supports conflict.

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

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

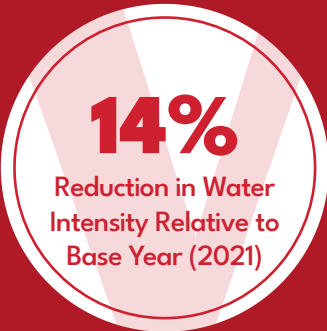
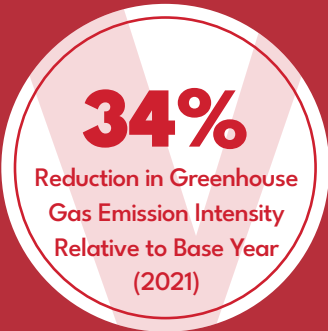
Contracts with suppliers and restricted material lists outline legal obligations and responsibilities that are expected to be followed regarding conflict minerals. At Vestel Elektronik, raw materials are categorized by material groups, and suppliers of materials that contain conflict minerals are identified. Similarly, at Vestel Beyaz Eşya, raw materials in supplied products are analyzed for hazardous chemicals, and those containing conflict minerals are marked. These suppliers are required to complete the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT) and to repeat this process annually.

In 2024, Vestel Elektronik received commitments from 15 suppliers, while Vestel Beyaz Eşya secured commitments from 25 suppliers. Additionally, as part of the Vestel Supplier Monitoring and Development Program, 78 suppliers at Vestel Elektronik and 110 suppliers at Vestel Beyaz Eşya have committed to responsible practices regarding conflict minerals as of 2024.

A NET ZERO COMPANY

Believing that resource scarcity and the fight against the climate crisis should be on everyone’s agenda, from the public to the private sector, Vestel invests in renewable energy and energy efficiency and executes innovative business models for transition to a net-zero economy.

As for combating mounting environmental problems and being aware of the necessity to trigger transformation throughout the entire value chain, Vestel supports the reduction of energy consumption through operational improvements and innovative products by leveraging the power of Industry 4.0 and automation, and implements circular models to increase resource efficiency in production and reduce the environmental impact of its products.



THE JOURNEY TO NET ZERO

In line with the global agenda, Vestel Group of Companies aims to achieve net zero emissions by 2050, first in its own operations and then in its entire value chain.

Climate Crisis and Net Zero Targets

2024 marked the hottest year on record globally, as the average temperature rose 1.5°C above pre-industrial levels for the first time. Extreme temperatures, uncontrollable fires, rising sea levels and floods emphasize the increasing and devastating impacts of the climate crisis. The need for mitigation and adaptation strategies is growing worldwide. In this context, practices like new and clean technologies, green finance, and the circular economy are becoming increasingly vital for the transition to a net-zero carbon economy.

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

Science-based Targets

In line with the global agenda, Vestel Group of Companies aims to achieve net zero emissions by 2050, first in its own operations and then in its entire value chain. Accordingly, it commits to a 42% reduction in Scope 1 and 2 emissions and a 25% reduction in emissions from the use of sold products (Category 11) within Scope 3 by 2030, relative to base year 2021. Vestel's 2030 emission reduction targets were approved by the Science Based Targets initiative (SBTi) in 2024. To achieve these targets, it has defined a comprehensive decarbonization roadmap and key actions.

A NET ZERO COMPANY

Vestel has integrated its financial planning with its climate transition plan to support its decarbonization targets.

Strategic investments to reduce Scope 1, 2, and 3 emissions through renewable energy projects and carbon offsetting credits are planned alongside an increased allocation within Vestel's R&D budget for developing products with higher energy efficiency.



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

- Energy Efficiency:** Vestel Beyaz Eşya aims to achieve a 10.2% reduction in Scope 1 and 2 emissions by 2030 through investments in energy and process efficiency. Additionally, similar investments in the electronics production unit are expected to yield a further 9% reduction.
- Renewable Energy:** The installation of photovoltaic (PV) systems on facility rooftops is projected to reduce Vestel Beyaz Eşya's Scope 1 and 2 emissions by 20.4% by 2030, while also contributing to a 2% reduction in the electronics unit.

- I-REC Certificates:** Where direct renewable energy generation is limited, Scope 2 emissions will be reduced by utilizing I-REC certificates. This approach is anticipated to result in a 17% reduction at Vestel Beyaz Eşya and a 22.4% reduction in the electronics unit.

Among Vestel's Scope 3 emissions, the largest share comprises the use of products sold in Category 11. In this regard, the Company concentrates on three main areas with the awareness of the necessity to trigger transformation across the entire value chain.

- Scope 3 Reductions:** A 25% reduction in Scope 3 Category 11 emissions, arising from the product usage phase, is targeted by 2030 through enhancing energy efficiency and ensuring compliance with regulatory

requirements. In addition, the emissions generated from the use of sold products will be reduced through carbon offsetting credits.

After the validation of the Science-Based Targets, the execution of the 'Decarbonization Strategy' has been expedited, to mitigate the effects of both domestic and global climate trends and optimize the utilization of opportunities for the proximate 2030 and the extended 2050 timeframes.

Vestel has integrated its financial planning with its climate transition plan to support its decarbonization targets. The Company aims to achieve emission reduction through capital expenditures focused on renewable energy investments, energy-efficient production processes, and product innovations.



Both Vestel Elektronik and Vestel Beyaz Eşya achieved an A-score in the 2024 CDP reporting.

Strategic investments to reduce Scope 1, 2, and 3 emissions through renewable energy projects and carbon offsetting credits are being implemented alongside an increased allocation within the R&D budget for developing products with higher energy efficiency.

Although a specific internal carbon price will not be implemented in the near future, there are plans to apply an assessment framework to ensure projects align with the overall emission reduction roadmap.

The executive summary of the Science-Based Targets can be found [here](#).

Vestel Beyaz Eşya has been reporting to the Carbon Disclosure Project (CDP) since 2012, while Vestel Elektronik began its participation in 2013. In the 2024 CDP reporting, which evaluated performance for the year 2023, both Vestel Elektronik and Vestel Beyaz Eşya received scores of A-.

Vestel Elektronik's 2024 CDP report can be found [here](#).

Renewable Energy Generation

Vestel contributes to combating the climate crisis through renewable energy generation and energy efficiency investments for the transition to a zero-carbon economy. Vestel generated 188 MWh of energy in 2024 with the 142 kWp solar panels it had installed. The Company plans to increase its investments and reach an annual electricity generation of 11,882 MWh with 8,200 kWp of solar panels and accordingly reduce carbon emissions by 5,430 tons. This investment commenced in 2024 and is targeted for completion in April 2025. The completed investment will supply 85-90% of the dryer factory's energy requirements while meeting 6% of Vestel Beyaz Eşya's total consumption needs.

Energy Efficiency

Energy efficiency constitutes an important step of the net zero roadmap. Monitoring energy consumption and identifying high consumption points through instant data monitoring systems enables the design of effective mitigation projects. The consumption of all energy points is monitored online at the Data Monitoring and Control Center and actions are taken accordingly.

The Company runs information systems data centers over consolidated servers as much as possible. In this context, the number of physical servers is minimized, virtual servers are used and less energy is consumed. Moreover, data center cooling

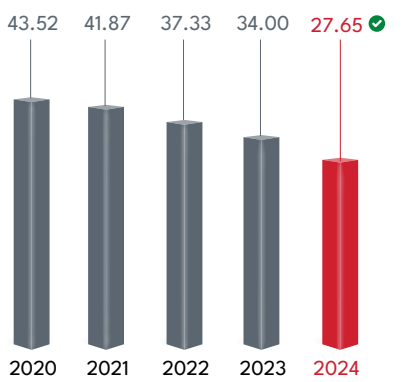
systems ensure cooling of only the necessary areas.

A total of 38 main energy efficiency projects were implemented in Vestel Group of Companies in 2024, which resulted in energy saving of 13,278 MWh and approximately TL 25 million. These improvements prevented a total of 14,527 tons of carbon emissions.

Demonstrating its commitment to energy efficiency in both operational activities and product offerings, Vestel achieved a 0.5% reduction in energy consumption for tumble dryers, a 5.49% reduction for washing machines, and a 3.73% reduction for dishwashers in 2024 compared to 2023.

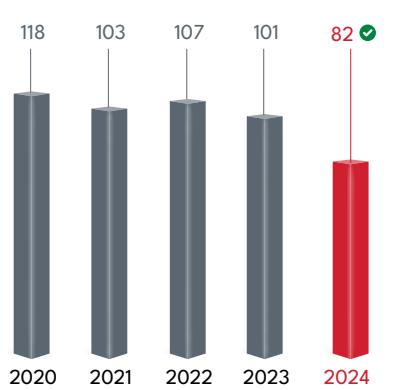
Vestel employees are provided with "Sustainability, Environment and Energy Training," which covers energy efficiency and energy policy issues. In 2024, 5,350 employees received a total of 3,772 hours of training on energy efficiency.

Greenhouse Gas Concentration* (ton CO₂/mUSD)



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

Energy Intensity (MWh/mEUR)



A NET ZERO COMPANY

As part of its efforts to reduce greenhouse gas emissions, Vestel also complies with regulations, introduces various practices, and updates its performance indicators.

Vestel conducts Life Cycle Assessment (LCA) studies in accordance with ISO 14040 and ISO 14044 standards to evaluate the environmental impact of its products and develop more sustainable production processes.

LCA Efforts

Vestel conducts Life Cycle Assessment (LCA) studies in accordance with ISO 14040 and ISO 14044 standards to evaluate the environmental impact of its products and develop more sustainable production processes. These analyses aim to measure the environmental impact of products at every stage, from raw material procurement to waste management.

Product	Raw Materials	Production	Transportation	Product Usage	End of Life	Total
Television	30%	0.6%	1.4%	67%	1%	100%
AC Electric Car Charging Station	35%	0.4%	0.8%	63%	0.8%	100%
Washing Machine	18.06%	1.16%	0.56%	80.14%	0.08%	100%

Adopting the "From cradle to grave" approach, the analysis examined impacts across all phases, including raw material sourcing and procurement, production, transportation, product use, and end-of-life stages. Using IPCC 2021 GWP100 and CML-IA methodologies, categories such as global warming potential (GWP), acidification potential (AP), water depletion potential (WDP), and toxicity were examined. The results indicate that the raw material and utilization phases exhibited the highest environmental impact in the study.

Logistics

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

Carbon Border Adjustment Mechanism

Carbon Border Adjustment Mechanism (CBAM) was published on May 16, 2023 as part of the European Union's target to reduce greenhouse gas emissions by 55% by 2030. The CBAM is planned to apply carbon pricing equivalent to the Emissions Trading System (ETS), which has been in effect in the EU since 2005, to the imports of covered products. Between October 1, 2023 and

December 31, 2025, a transitional period, which includes only a reporting obligation with no financial obligation, has started. The European Union is evaluating the expansion of the Carbon Border Adjustment Mechanism beyond its core products of cement, iron-steel, aluminum, hydrogen, and electricity to include additional downstream products in an effort to prevent carbon leakage. A consultation process is being conducted to gather stakeholder perspectives during this period.

In this regard, in line with the current requirements of CBAM, the carbon emissions related to inputs such as Cement, Iron-Steel, Aluminum, Hydrogen, and Electricity used in Vestel products are closely monitored. Projects such as the development of programs to calculate the carbon footprint of products to comply with the expanding scope of CBAM in the future, and the establishment of a supply chain management system to monitor indirect emissions, are being implemented.



A NET ZERO COMPANY

At Vestel, 93% of waste is recycled, and waste from production is recycled by organizing waste bins.

CIRCULAR ECONOMY

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

Many design innovations are carried out to reduce the use of raw materials during the design phase, so that fewer parts are used where possible. In addition to design modifications, efforts are being intensified to enhance the utilization of recycled and renewable materials. In 2024, Vestel Elektronik obtained the Waste Importer Registration Certificate and acquired recycled plastic raw materials for its research and development activities.

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

Waste Management
93% of waste from production is recycled and recovered by making waste bins with parts such as washing machine drums at Vestel.

For the first time in Türkiye, FSC (Forest Stewardship Council) certified and 100% recycled cardboard began to be used in Vestel refrigerators and dishwashers as of 2021. This practice has been expanded to include all Vestel-branded white goods sold in Türkiye since 2022. In 2024, 18,289 tons of recycled cardboard were used, of which 6,349 tons carried the FSC logo.

Zero Waste
As part of the Zero Waste Management System, Vestel prioritizes its activities focused on preventing, reducing, recycling and recovering waste generation. The waste generated during the production stages is separated at the source, stored in temporary storage areas and sent to licensed waste companies in line with the Waste Control Regulation. Through regular audits, recycling and recovery of waste is controlled. As part of the Zero Waste practice and the vision of circularity, food waste is also utilized. In 2024, 367 kg of compost obtained from waste was utilized in Vestel's own green areas. 96.14 tons of food waste were donated to stray animals.

Electronic Waste
Vestel aims to prevent waste generation in all its operations by using the best available technologies, and when prevention is not possible, to reduce, reuse, and recycle waste, with recovery as the final option. Electronic waste received from teams such as production and R&D is examined by the relevant teams at Vestel, who sort out materials that can be reused. Materials that cannot be utilized in the factory are sent to licensed recovery firms.



Vestel aims to prevent waste generation in all its operations by using the best available technologies, and when prevention is not possible, to reduce, reuse, and recycle waste, with recovery as the final option.

Electronic waste is segregated by the recycling service provider, with some parts directly recovered while others are crushed and mixed with processed waste for fuel production, ultimately being repurposed through fuel recovery.

In 2024, electronic waste generated from Vestel operations amounted to 802 tons.

Product Recovery and Repair
Vestel ensures the repair and reuse of defective materials and products through the Material Inspection and Recovery Project. While authorized service centers are responsible for collecting faulty parts replaced in the field, the Recovery Unit plays a role in the process of repairing these collected parts for reuse as spare components and reintegrating them into the system. In 2024, 26,971 spare parts

were recovered, resulting in savings of TL 10.8 million. Unrepairable parts are separated according to their scrap class and recycled. The scrapping process is equivalent to the number of products entering the recycling process, and the net income generated by the project in 2024 was TL 2 million. Such practices provide economic gains by recovering parts that are of financial value to the Company, while at the same time reducing environmental impacts by minimizing the amount of electronic waste.

Products replaced under warranty are sent to the Replacement Products Evaluation Center (DÜDEM) in Vestel City. Items that can be repaired are refurbished at the Refurbishment Centers and Central Repair and Recovery Centers, then made available for sale at Vestel Outlet stores and select dealers. In 2024, a total of 82,616 products, weighing 3,197 tons, were refurbished and recycled back into the economy. Non-refurbishable products are recycled through a licensed recycling company.

Within the vision of product recovery and repair, and in line with the EU Waste from Electrical and Electronic Equipment (WEEE) management, Vestel has subjected 10 of its products—TV, air conditioner, dishwasher, refrigerator, washing machine, dryer, electric oven, built-in oven, stove, and kettle—to reuse/recycling assessments in independent laboratories. The recyclability rates of the products selected from these 10 different product groups have been calculated based on these assessments.

Product	Recyclability Rate (%)
Refrigerators	83
Washing Machine	95
Tumble Dryers	86
Dishwashers	81
Built-in Oven	94
Electric Oven	91
Hob	84
Air-conditioner	80
Water Kettle	95
TV (43")	83
EVC	98

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

A NET ZERO COMPANY

By focusing on circular economy in its production operations, Vestel strives to significantly reduce its environmental impact.



Household Recycling Project
Through the Household Recycling Project, consumers contribute to the recycling of electronic waste. Unused old electronic products and white goods are collected from consumers' homes by Vestel authorized service centers and recycled under appropriate conditions. In 2024, customers participated in this process with 1,130 products.

Vestel & eording Collaboration
Vestel contributes to reforestation and the preservation of natural balance in hard-to-reach areas through its partnership with eording, using ecoDrones to deploy seeds in these regions. As part of the project, 500,000 seed balls were planted in the soil through three separate operations.

Seed planting operations are conducted in areas approved by the General Directorate of Forestry, with technical consultation from academics at the Forestry Faculty of Artvin Çoruh University. In this process, ecoDrones conducted 84 flights, surveyed an area of 62,500 m², and played a role in the reforestation efforts. Over the next 40 years, these planting efforts are expected to prevent more than 17,500 tons of CO₂ emissions.

Employment was provided to seven women from different regions by creating sustainable income opportunities. This initiative contributes to both ecosystem preservation and social benefit.

Secondhand Phone Refurbishing
Under the Refurbished Product Regulation issued by the Ministry of Trade, Vestel Customer Services refurbishes smartphones and tablets for resale. Refurbished products are available for sale on www.yineyenimarket.com. This application, developed as a new business model, generates financial gain while preventing e-waste. In 2023, the option to rent refurbished products was launched on the same website. By 2024, 190 refurbished products were rented out.

Plastic Reduction
To reduce plastic usage, Vestel is developing solutions including alternative material applications, R&D projects, and design modifications. In tandem with increasing recycled material usage, Vestel Beyaz Eşya is reducing single-use plastics through innovative packaging designs. Within this framework, the Company aims to minimize environmental impacts throughout the product lifecycle while

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

Biolive & Vestel Ventures Collaboration

Through its subsidiary Vestel Ventures, Vestel has invested in the startup company Biolive, supporting its growth while also collaborating with Biolive to develop new bioplastics for use in its home appliances, thereby reducing virgin plastic raw material consumption and minimizing the environmental impact of plastics.

In 2024, design modifications through R&D projects resulted in a reduction of 370.5 tons of plastic. A plastic reduction of 74 tons in packaging materials and 296.5 tons in products has been achieved. Beyond reductions, with the use of 5,656.5 tons of recycled plastic the consumption of 6,027 tons of virgin plastic has been prevented.

WATER STEWARDSHIP

Vestel aims to use 50% reclaimed and recycled water in all its operations. In 2024, this rate stood at 5.51%.

Water stress is a phenomenon in which water use is restricted and does not meet supply when water demand exceeds available water resources over a given period of time, or when water quality deteriorates. Türkiye is among the countries which undergo water stress. Manisa, where Vestel facilities are located, has a high water risk level according to the World Resource Institute (WRI). Efficient water management is especially critical in high-risk areas.

Vestel supplies the water used in manufacturing processes from the mains water and well water of Manisa Organized Industrial Zone (Aegean Free Zone for the Vestel Komünikasyon production facility). The Company is aware of the pressure on water resources and accordingly, aims to introduce water recovery models that improve its impact.

Vestel focuses on minimizing water consumption, which it considers one of the biggest risks in manufacturing processes. In order to achieve this, the Company strives to develop and expand water-efficient projects and to recycle water. Vestel reports all water management processes to CDP, and its water footprint is verified by the independent third parties in accordance with the ISO 14046 Water Footprint Standard. It also discharges the wastewater to the treatment plant of Manisa Organized Industrial Zone (Aegean Free Zone for the Vestel Komünikasyon production facility).

Vestel Elektronik saves 28,800 m³ of water annually through improvements in water lines and the use of sensor or time-adjustable faucets.

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

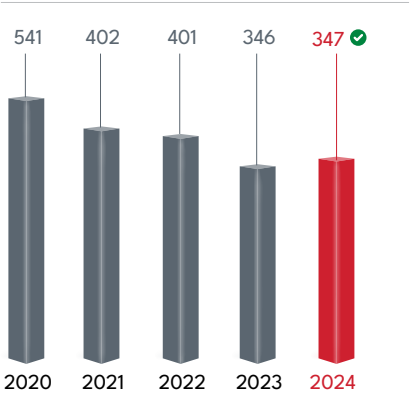
- With projects commissioned in 2023;
- Dyehouse water consumption was reduced from 30,000 tons per year to 6,000 tons per year, saving 80%,
 - Tower water recycling system reduced water consumption from 37,000 tons per year to 17,400 tons per year, saving 53%,
 - Garden water consumption was reduced from 70,000 tons per year to 9,800 tons per year, saving 86%,
 - Additionally, the rainwater collection project saved 9,193 m³ of water per year on a 50,000 m² area.

In 2024, the recovery of compressor waste heat through the use of high-capacity heat pumps resulted in water savings of 25,000 tons.

A total of 125,383 m³ of water and TL 1.8 million were saved with the tower, wastewater recovery project implemented in the reverse osmosis pure water production device, cooling towers, and dye house wastewater recovery systems.

At Vestel, "Sustainability, Environment, and Zero Waste Training," is conducted which focuses on water management, water usage, water footprint, and the journey of water within our factories. In 2024, a total of 5,350 employees participated, accumulating 3,772 man-hours of training.

Water Density (m³/mUSD)



A NET ZERO COMPANY

As a global electronics and home appliance manufacturer, Vestel must comply with local regulations such as energy efficiency and product labeling in all markets where it operates.

EU TAXONOMY

The EU Taxonomy is a classification system established to assess the environmental sustainability criteria of economic activities. The European Commission has designated the EU Taxonomy as a crucial tool for scaling sustainable investments and ensuring the EU achieves carbon neutrality by 2050.

This regulation requires companies to report the extent to which their economic activities, revenues (turnover), capital expenditures (CapEx), and operating expenses (OpEx) align with the taxonomy. Within this framework, Vestel evaluates and reports both its eligible and aligned activities.

A taxonomy-eligible economic activity is one classified according to criteria defined in the relevant regulations. A taxonomy-aligned economic activity is defined when an eligible activity substantially contributes to at least one of the taxonomy's six environmental objectives, does not significantly harm other objectives, and meets minimum safeguard conditions.

Taxonomy Reporting Scope

Vestel offers its energy-efficient products and circular economy solutions in European Union member countries, Great Britain, Norway, Switzerland, Albania, Bosnia and Herzegovina, Iceland, Kosovo, Montenegro, Macedonia, Serbia, Ukraine, and Türkiye. These markets have been evaluated in accordance with the energy labeling standards determined under **Regulation (EU) 2017/1369**.

As a global electronics and home appliance manufacturer, Vestel must comply with local regulations such as energy efficiency and product labeling in all markets where it operates. While there is no globally applicable performance standard for home appliances, significant standard differences exist between different markets. This requires Vestel to develop products suitable for the requirements of each market and to provide solutions compliant with these standards.



When determining energy efficiency criteria, the European Product Registry for Energy Labelling (EPREL) system was used to evaluate the energy labels of product groups.

Assessment of Economic Activities

Vestel's economic activities have been evaluated in line with the EU Taxonomy (EU 2020/852) and related Delegated Acts (EU 2021/2139, EU 2021/2178, EU 2022/1214, and EU 2023/2486) within the scope of the European Green Deal. In this context, Vestel's priority economic activities are:

Reducing the Impacts of Climate Change

- 3.4. Battery Production
- 7.4. Installation, maintenance, and repair of electric vehicle charging stations in buildings and their associated parking lots
- Transition to Circular Economy

1.2. Manufacturing of Electrical and Electronic Equipment

As of 2024, Vestel aims to calculate and share the revenue, capital expenditures (CapEx), and operating expenditures (OpEx) derived from its economic activities that comply with the EU Taxonomy.

ACCESSIBLE AND SMART SOLUTIONS
THAT MAKE LIFE EASIER

Vestel is a brand that strengthens its sphere of influence by reaching wide audiences with its products and solutions. It aims to create social benefits with products that reduce environmental impacts, respond optimally to consumer needs, and simplify life through smart, high-quality, and safe products and services. Vestel places importance on ensuring all its solutions are accessible to every segment of society.

Focusing on customer experience, Vestel reinforces its identity as an innovative technology company by continuously investing in digital service platforms. It stands out in the industry with its innovative and customer-focused approach that aims for continuous performance improvement.



PRODUCTS AND SOLUTIONS
CREATING BENEFITS

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

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

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

Product Category	Ratio in Revenues (%)
Low Carbon Products*	32.99%
Products Reducing Environmental Impact**	34.63%
Energy Efficiency Certified Products***	16.44%

*: Based on GfK data for Türkiye and Europe, TV products that are below the average energy class (EEI) of total products sold, electric chargers and batteries that use electricity instead of fossil fuels, and LED lighting products that save electricity are defined as sustainable and low-carbon products. In addition, for all products, including products sold in non-European countries, products consuming less energy and water than the sector average are included in this category, based on the average consumption of products sold in the sector in Europe in 2024.

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

***: The amount of electricity consumed in major household appliances is documented and declared in accordance with the regulations of different countries. Examples of energy labels on major household appliances include ENERGY LABEL (EU) for Europe, ENERGY STAR for the US and Canadian markets, and ENERGY RATING (AUS) for the Australian market.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Vestel focuses on innovative technologies in its production processes and undertakes projects that generate positive environmental and social outcomes.

Vestel offers LED lighting products with high energy efficiency in the road and street lighting category.

VESTEL ELEKTRONİK

Vestel Elektronik & DVB-I

The widespread use of the Internet Protocol Television (IPTV) system, which is considered the television system of the future, demonstrates the transformation of digital broadcasting systems that will take place in many countries, especially in 2030 and beyond. In this regard, Vestel plays an active role in the trials and conceptual studies of DVB-I, the new broadcasting standard in Europe.

Vestel rolled up its sleeves to launch the first Smart TV compatible with the new European DVB-I standard in Italy, allowing Italian broadcasters to test new Smart TV products in the market.

This new technology will enable viewers to enjoy broadcast channels in higher audio and video quality and to benefit from more free channels. Vestel is a key partner in Germany's DVB-I Pilot project, which complements broadcast networks to facilitate television viewing, even in areas where standard broadcast reception is challenging.

LED Lighting Products

Vestel offers LED lighting products with high energy efficiency in the road and street lighting category. These products save up to 40% energy, do not harm the environment and human health thanks to their mercury-free composition, and reduce waste generation as they can be used for over 100 thousand hours.

In addition, thanks to the smart lighting interface, additional energy savings can be achieved by remote control and dimming of lighting. Through LED fixture conversion, Vestel also contributes to boosting traffic and pedestrian safety by achieving required light distribution and luminous flux level along the roads. Within the scope of the project carried out by the Turkish Electricity Distribution Corporation (TEDAŞ) and the Republic of Türkiye Ministry of Energy and Natural Resources, Vestel is closely following the conversion of traditional street luminaires used in street and avenue lighting in Türkiye to LEDs. Vestel is among the companies whose products were initially approved under the project.

Electric Vehicle Chargers

Approximately 16% of global greenhouse gas emissions originate from transportation. Therefore, the widespread use of electric vehicles plays a critical role in tackling the climate crisis. As electric vehicles play an important role in the transition to a net-zero economy and become increasingly widespread, the need for charging stations increases.

Widespread use of charging stations in public spaces not only meets the needs of existing consumers, but also supports the increased use of electric vehicles. In this context, Vestel Elektronik positions itself as the solution partner of corporate clients with its electric vehicle chargers, and strives to respond to the needs and expectations of consumers in the best way possible. With the mass production of charging units, the Company contributes to the transformation of electric vehicles and the widespread use of fast charging stations both in domestic and foreign markets.



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Battery Technologies

Developed through R&D activities initiated in 2018, the Battery Management System (BMS) hardware and software enabled Vestel to design and produce more efficient and long-lasting Li-ion battery packs in line with customer needs. This step enabled Vestel to be the first domestic electric bicycle battery manufacturer. In addition to safety, performance, and quality, the design process also incorporates the evolving expectations and needs of end users.

In addition to the mandatory EN62133 certification, the batteries also have EN50604-1 certification, which will be required by the industry in the near future. Moreover, UV-resistant materials were

used to increase durability and a Bluetooth module was added for remote after-sales service. As well as electric bicycles, Vestel's Li-ion battery technology is also used in a variety of products such as wireless charging vacuum cleaners and respirators.

Battery designs developed for the telecommunication sector offer energy storage solutions for critical infrastructures such as base stations. Battery technology of Vestel is designed to be compatible with other energy systems and has the flexibility to meet the storage needs in the field of renewable energy. Through these developments, Vestel aims to meet customer needs by offering solutions tailored to the requirements of different sectors.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Vestel Beyaz Eşya designs products in the highest energy efficiency class and offers consumers user-friendly products that use resources efficiently thanks to the technologies it develops.

Vestel Beyaz Eşya offers products that make life easier for users and minimize environmental impact.

VESTEL BEYAZ EŞYA

Products that Make Life Easier

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

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

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



Vestel Beyaz Eşya develops A Class products that consume approximately 3 times less energy than the best-selling refrigerators on the market.

Energy-Efficient Products

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

Increasing the efficiency of its products continuously, the products designed and produced by Vestel Beyaz Eşya are shown below:

- Ovens with HeatWrap technology can cook five different trays equally and simultaneously, while induction cooktops provide much higher heat efficiency compared to gas cooktops.
- Washing machines with Rainfall technology that are 65% more efficient than A energy class, making them the least energy-consuming washing machines on the market. Additionally, they provide savings by keeping both energy and water consumption at optimum levels thanks to load sensing technology.
- Clothes dryers with Multilnverter+ technology and A+++ -20% energy value have the lowest energy class on the market.

- With Sonic Steam technology that reduces wrinkles and delivers hygienic results, clothes require 50% less ironing after drying.
- SelfHeating technology and recycled energy enable a range of solo dishwashers that consume 10% less energy than energy class A.
- DuoMode technology in refrigerators that transforms compartments according to consumer needs, allowing the freezer compartment to be turned off or converted to a cooler when not in use. Independent functioning of the freezer and cooler compartments, thanks to valve routing and parallel cycling, ensures energy savings, while the air duct design ensures balanced cooling. The product also stands out for its use of recyclable plastic and mechanical parts.
- Vestel Beyaz Eşya develops Class A refrigerators that consume approximately three times less energy than the bestselling refrigerator products on the market.
- The Company has increased the number of dishwasher models with A energy class (equivalent to A+++ -33% under the previous regulation) through the design and development of dual water tank technology that complies with the New Energy Regulation. This technology saves 0.1 kWh/hour of energy per wash and 30 kWh/hour of energy per year compared to B energy class products on the market.
- To meet the growing market demand for energy-efficient products, Vestel Beyaz Eşya has developed competitively priced dishwashers with "C" energy class. This technology saves 0.1 kWh/hour of energy per wash and 30 kWh/hour of energy per year compared to D energy class products on the market.
- Vestel Beyaz Eşya stands out with the high heating and cooling efficiency of its air conditioners, as well as the average energy savings of 30%-40% compared to the equivalent systems. It also carries out projects aimed at optimizing the resources used in its processes and reducing its environmental impact.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

In addition to energy efficiency, Vestel Beyaz Eşya also focuses on water efficiency, and its products are among the most water-efficient on the market.

In order to reduce plastics pollution, Vestel Beyaz Eşya produces washing machines equipped with a microfiber filter, which largely prevents the mixing of microplastics in clothes with water.

Water-Efficient Products

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

- Thanks to its “Waterbox” technology, the Company’s product portfolio includes dishwashers that consume 5.4 liters of water per use, resulting in 45% water savings.
- “Aquazone” technology saves up to 3 liters of water per use compared to conventional technologies.

- With “Rainfall” technology, washing machines achieve approximately 35% water savings, reducing water consumption to as little as 32 liters per wash cycle.

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

Products Reducing Plastics Pollution

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

Compliance with New Regulations

Vestel Beyaz Eşya prioritizes both sustainability and consumer satisfaction by focusing on developing products that comply with upcoming regulations in different markets while maintaining low environmental impact and high technical standards. Their work toward the European Union’s 2030 goals and energy efficiency standards demonstrates a commitment to innovative product development with reduced environmental impact.



Vestel Beyaz Eşya prioritizes both sustainability and consumer satisfaction by focusing on developing products that comply with upcoming regulations in different markets while maintaining low environmental impact and high technical standards.

In line with the EU’s new energy class regulations, Vestel Beyaz Eşya has prepared its wet and cold product groups (washing machines, dishwashers, and refrigerators) for production in the top energy efficiency class. Product design and manufacturing have been completed in compliance with energy efficiency regulations implemented in regions such as America, the Middle East, and Africa. Work continues on regulations for hot and climate control product groups scheduled to take effect in 2025. With the new “Eco-Design” rules that came into force in 2024, Vestel has updated designs to facilitate product repairs and improved spare parts availability times. These steps aim to reduce waste by extending product lifespans.

Vestel Beyaz Eşya is researching alternative materials in consideration of banned chemical substances and sustainability commitments. These efforts aim to minimize environmental impacts

while maintaining current standards for product safety and performance. Simultaneously, work continues toward replacing fluorinated gas refrigerants used in refrigerator, dryer, and air conditioner product groups with new refrigerants that have lower negative impacts and higher energy efficiency.

Aiming to fully comply with increasing e-commerce requirements in recent years, Vestel Beyaz Eşya continues its efforts to ensure product safety according to new regulations, guidelines, and directives in coordination with the EU Commissions, member stakeholders, and Ministries of the Republic of Türkiye.



ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

In line with principles of inclusivity and accessibility,
Vestel aims to provide an equal experience for all
users on [Vestel.com.tr](https://vestel.com.tr)

Vestel Customer Services
opened Türkiye’s first
Barrier-Free Authorized
Service Provider in
Istanbul, Avcılar, in 2018,
and strives to ensure that
all authorized service
providers throughout the
country are “Barrier-Free
Service Providers.”

PRODUCTS AND SERVICES FOR PERSONS WITH DISABILITIES

Vestel Accessibility Project

In line with principles of inclusivity and accessibility, Vestel aims to provide an equal experience for all users on [Vestel.com.tr](https://vestel.com.tr). Recognizing that there are approximately 1 million visually impaired individuals in Türkiye and 284 million worldwide, the website’s accessibility standards are being maximized. The accessibility plugin offers screen reader compatibility, voice guidance, and alternative text solutions for visually and cognitively impaired individuals.

Visitors to [Vestel.com.tr](https://vestel.com.tr) can personalize their experience using the accessibility plugin. Functions such as Text Size and Spacing Adjustment, Dyslexia Font, Line Height, Screen Reading, Image Description, Contrast Adjustment, Magnifier, and Animation Stopping provide solutions suitable for different profiles including Visual Impairments, Motor Skill Disorders, Dyslexia, Cognitive & Learning Disorders, Color Blindness, ADHD, and Seizure & Epileptic challenges.

Through this project, Vestel aims to enhance digital accessibility, contribute to the quality of life for visually impaired individuals, and make e-commerce processes accessible to everyone. Simultaneously, it supports social equality and aims to remove barriers in the digital world.

Vestel & BlindLook Partnership

As a manufacturer that values the needs of visually impaired consumers, Vestel collaborates with BlindLook, a 100% sound-focused application, as part of its vision to create a more accessible and equal world for everyone. Through the world developed by BlindLook, which combines artificial intelligence and sound, visually impaired individuals can access Vestel products, services, and vestel.com.tr without barriers.

Visually impaired users can benefit from all services and products integrated into the application through Audio Simulation technology. All functions of products are recorded on the application, and users are guided simultaneously by voice. Vestel products are described for the visually impaired through an artificial intelligence assistant. With this inclusive service, Vestel has become one of the brands holding the EyeBrand Certificate.

Barrier-Free Authorized Service Providers

Vestel Customer Services opened Türkiye’s first Barrier-Free Authorized Service Provider in Istanbul, Avcılar in 2018, and strives to ensure that all authorized service providers throughout the country are “Barrier-Free Service Providers.” Barrier-free authorized service centers feature accommodations such as front door entry ramps, accessible toilets

and sinks, yellow guidance flooring for the visually impaired, customer representatives who know sign language for the hearing impaired, and directional signs. Authorized service centers earn the title of Barrier-Free Authorized Service according to the accessibility criteria they meet. Accordingly, 114 Vestel authorized service centers have qualified as Barrier-Free Authorized Service Centers. As of 2024, every newly opened authorized service center is being directed to begin operations at a minimum of one-star level accessibility.

SMART AND CONNECTED PRODUCTS

As digitalization becomes an integral part of daily life, the use of digital technologies in products is steadily increasing. This evolution not only enables the rapid advancement of smart and internet-connected technologies but also increases consumer adoption rates and demand levels. The concentration of consumers’ fundamental expectations on digital solutions creates an opportunity that encourages the spread of smart cities, smart homes, smart devices, and new models based on these technologies. Vestel coordinates all its smart products and digital services through its IoT and Digital Strategy Department.

Thanks to years of R&D studies on big data, Vestel launched internet-based TV products such as Android and Amazon Fire TV. Technologies that can generate new sources of revenue such as displaying targeted advertisements on smart TVs, the dissemination of voice recognition technologies through Vestel products, the analysis and use of data stored on the cloud and offering additional services to consumers through subscription have been added.



To improve user experience with smart products, Vestel Customer Services informs customers of all signals received from the product and provides support whenever the customer needs it. With a more flexible and agile structure, service records are created at authorized service centers without customers needing to notice problems themselves, and user habits are predicted using data collected from smart products. Based on this data, Vestel continues to develop user-specific product protection measures, usage tips, and maintenance information mechanisms.

Vestel, which maintains interactive communication with end users at all times through the Vestel Smart Life mobile application in Türkiye and the VeeZy mobile application abroad, adds value to consumers’ lives with its digital services.

By participating in the If This Then That (IFTTT) automation ecosystem, Vestel offers end users the ability to create scenarios with more than 700 services. This enables users to configure self-operating scenarios such as running appliances during hours when electricity is cheaper, having smart lights turn on when the washing machine cycle is complete, or playing music from a music application when food in the oven is ready.

Togg

Vestel expands the process it triggered with its products through smart city solutions. The Company is involved in joint projects with Togg, the electric car brand of Türkiye. While it has accelerated its work on data security and analysis with

activities to create a big data platform, Vestel focuses on developing an ecosystem that can serve all connected products and works in harmony with current technologies and voice assistants.

AI Projects

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

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

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

The Vestel Smart Health®: This product group includes smartwatches, smart scales, and smart sleep lights, along with the Vestel Smart Health mobile application, which provides users with data such as movement, water consumption, sleep quality, and body mass index for a healthier and more active lifestyle.

Connectivity Standards Alliance and Matter Working Group

Under the Connectivity Standard Alliance (CSA), Vestel is part of more than 600 global companies focused on setting universal standards for smart home technologies and the Internet of Things (IoT). In order to closely monitor new opportunities and to increase Vestel’s influence in creating these opportunities, the Company joined the Home Connectivity Alliance (HCA), which is co-founded by technology giants, at the Board of Directors level, and the Connectivity Standards Alliance (CSA) as

a participating member. Thanks to the new roles it has assumed, Vestel aims to carry forward the cooperations initiated with technology companies such as Amazon, Google and Innit. In 2022, CSA announced its first “Matter” specifications to establish global safety and reliability standards, facilitating the harmonization of devices from different brands.

Matter provides seamless communication between different brands and types of smart devices, allowing users to freely choose and combine their devices. Thus, it makes IoT technology in homes more efficient and user-friendly.

Vestel’s multidisciplinary teamwork carried out for Matter-supported products continues at full speed and it is planned to launch these products in 2025. Matter Supported Vestel products not only enable users to control Vestel products from different smart home platforms, but also provide the opportunity to utilize Vestel solutions to control other products of other companies. Users can manage devices of different brands together in their homes.

VeeZy Life

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

The VeeZy mobile application’s Digitalized After-Sales Support feature allows technicians to identify problems before visiting homes, expediting resolution and enhancing customer satisfaction.

VeeZy Energy Management offers numerous capabilities, including monitoring energy consumption of smart products, providing energy-saving recommendations, comparing with previous periods, setting upper limits for energy consumption, and observing the impact of consumption on electricity bills.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Vestel continuously reviews and optimizes its production processes in line with its goal of providing consumers with accessible, high quality and safe products.

QUALITY AND PRODUCT SAFETY

At Vestel's production facilities, the products, which respond to customer expectations and comply with the standards set as a result of internal assessments, are designed and offered to consumers in compliance with the national and international standards.



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

Quality Management

At Vestel's production facilities, the products, which respond to customer expectations and comply with the standards set as a result of internal assessments, are designed and offered to consumers in compliance with the national and international standards. Product safety and quality are kept at the highest level by testing products and manufacturing processes regularly. Risks and opportunities that may affect the quality of the product are identified and necessary measures are taken and monitored. The ISO 9001 Quality Management System provides guidance for Vestel to adhere to quality standards across all its processes.

Vestel Quality Policy can be found [here](#).

All procedures, instructions, and quality plans required to ensure the effectiveness of Quality Management Systems are monitored through an online documentation system and updated regularly. To achieve quality production targets, monthly statistical reports, meeting minutes, progress evaluations compared against objectives, internal audit results, and improvement activities are regularly monitored through this system in line with established goals.

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

Vestel regularly informs employees about product quality and safety, and aims to raise their awareness through trainings. Quality Day events are organized to raise employee awareness. In order to foster the adoption and improvement of quality standards within the organization, all newly hired employees receive training on quality. In 2024, a total of 6,943 employees completed 10,137 man-hours of quality and product safety training.

Regulations and Battery Standards

Vestel is in full compliance with international standards and regulations in the production of its products. These directives aim to protect the health and safety of consumers while minimizing their impact on the environment.

Low Voltage Directive (LVD) 2014/35/EU

The Low Voltage Directive governs the safety of electrical equipment operating within the voltage range of 75-1500 V for direct current and 50-1000 V for alternating current. Equipment manufactured under this directive adheres

to stringent health and safety standards for people, pets, and property. Products that comply with these regulations are allowed on the market only after being tested and approved by accredited laboratories. The Vestel Product Safety Laboratory received its accreditation on January 27, 2012, officially becoming an "Accredited Laboratory."

Electromagnetic Compatibility Directive (EMCD) 2014/30/EU

Electromagnetic compatibility ensures that a device does not disrupt the operation of similar devices through radiation or transmission. Additionally, under this regulation, devices must be able to withstand electromagnetic interference from their environment without compromising their functionality.

In accordance with the Electromagnetic Field Compatibility Regulation, Vestel products are engineered for high immunity against external electromagnetic influences. Furthermore, these products minimize the emission of electromagnetic

noise that could be detrimental to the environment and individuals across various broadband frequencies. They are marketed only after successfully passing the required tests and obtaining approval.

Radio Equipment Directive (RED) 2014/53/EU

The Radio Equipment Directive 2014/53/EU establishes a regulatory framework for the marketing of radio equipment. This directive outlines essential requirements for safety, health, electromagnetic compatibility, and the efficient use of the radio spectrum, thereby fostering a unified market in this sector. Vestel products are manufactured in compliance with the standards for advanced radio technologies, including Wi-Fi, Bluetooth, LTE, and NFC, as defined by this Directive, and are offered on the market only after receiving approval.



ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Based on its sensitivity to quality and product safety, Vestel expects suppliers to produce according to certain criteria.

As part of the battery regulations, Vestel manufactures its products in compliance with the regulations that are expected in the future, thus ensuring compliance against any risks.

**Batteries Regulation
2020/0353 (COD)**

The new Battery Directive 2020/0353 (COD) covers all battery types, including energy storage systems, light transport vehicle batteries (LMT), starting, lighting, and ignition batteries (SLI), industrial batteries, e-bike batteries, and electric vehicle batteries. This regulation mandates the provision of information and data on rechargeable industrial batteries and electric vehicle batteries with a storage capacity greater than 2 kWh. This information will be made available to third parties in a clear and easily searchable format, adhering to established standards.

Key highlights of the new directive are:

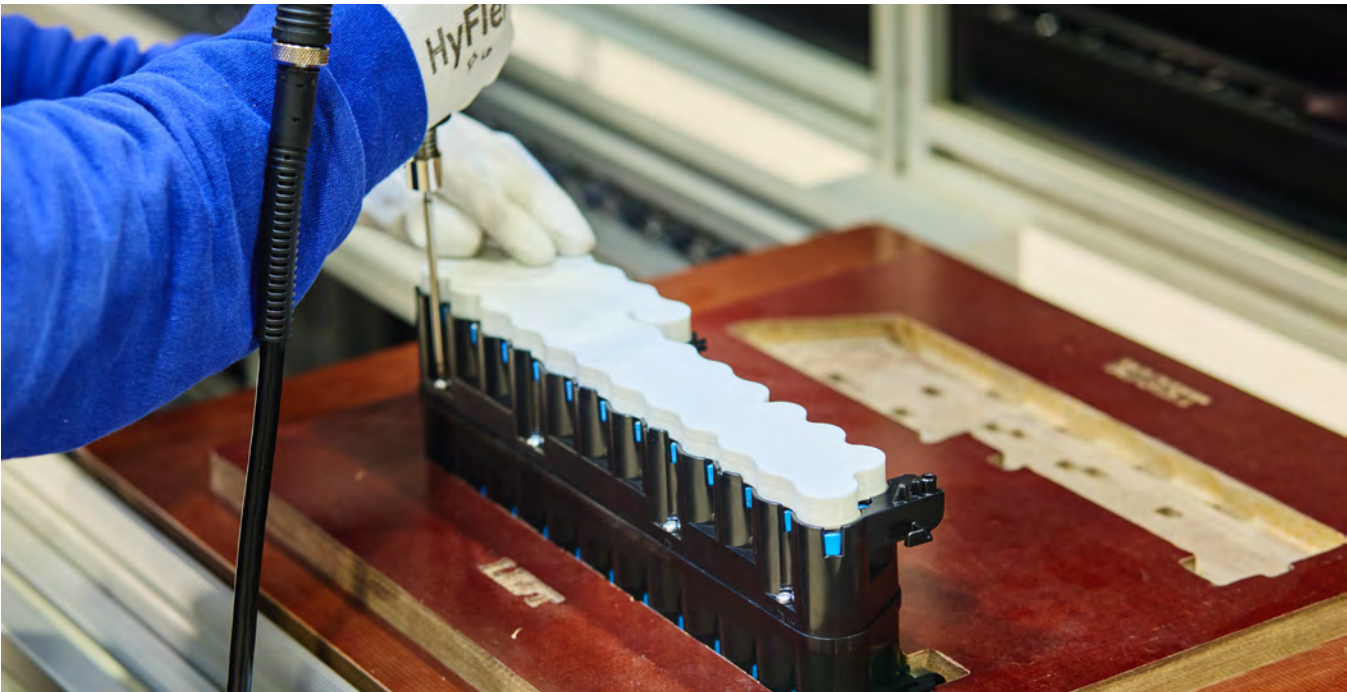
- Strengthened design and labeling requirements for batteries
- Improved safety standards and sustainability for batteries
- Imposing minimum recycled content requirements for certain batteries
- Carbon footprint
- Digital “Battery Passport.”

As part of the battery regulations, Vestel manufactures its products in compliance with the regulations that are expected in the future, thus ensuring compliance against any risks.

Chemicals Management

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

Depending on the product groups supplied, documents required from suppliers vary. The Company regularly reviews the updated Restricted Materials List it publishes and requests the suppliers to comply with it in full. Suppliers are required to have a test report showing compliance with the European Union’s Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive, compliance with the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), battery test reports from accredited organizations, and declarations and test reports stating that they do not use harmful chemicals on the Substances of Very High Concern List (SVHC). Suppliers are informed about Regulation No. 30105 on Registration, Evaluation, Authorization, and Restriction of Chemicals (KKDİK) prepared by the Ministry of Environment and Urbanization of the Republic of Türkiye within the scope of harmonization with the European Union REACH Regulation, and the suppliers covered by the Regulation are required to complete the registration process.



All product groups manufactured by Vestel or sold through external procurement can be tested in Vestel Product Safety Laboratories.

Product Safety Tests

All product groups manufactured by Vestel or sold through external procurement can be tested in Vestel Product Safety Laboratories. Through laboratory testing, products are evaluated against all life-threatening risks such as electric shock, fire, tipping, overheating, or explosion in accordance with international standards. The Product Safety Laboratories are authorized by independent approval and certification organizations, including Verband der Elektrotechnik (VDE), Technischer Überwachungsverein (TÜV), INTERTEK, CVC, DEKRA, and UL. The laboratories also provide services to external companies within the scope of their adequate infrastructure, experience, and accreditation.

Vestel Beyaz Eşya holds numerous certificates related to product safety, with details listed below.

- CB reports and certificates according to IEC/EN 60335-1, IEC/EN60335-2-24, IEC/EN60335-2-40, IEC/EN60335-2-21, IEC/EN60335-2-7, IEC/EN60335-2-11, EC/EN60335-2-6, and IEC/EN60335-2-5 product safety standards,
- EMC reports and certificates,
- Chemical reports (RoHS, REACH, etc.),
- Safety reports and certificates according to relevant markets, such as UL reports according to UL 60335-1 and UL 60335-2-24 standards for the US market, ETL

reports according to UL 858 standard, and CSA reports according to CSA/ANSI Z21.1 standard, SASO reports in compliance with SASO 167-168 standard and GMARK certificates for the Saudi Arabian market, and BSI reports in compliance with CSA/ANSI Z21.1 standard for the Australian market.

Vestel Elektronik holds product safety certificates from Intertek Semko, VDE, Türkak, ILAC, TÜV Rheinland, and SIQ. In the upcoming period, the Company plans to obtain TÜV SÜD and CSA certificates.

In 2024, many products from different product groups, including white goods, TVs, satellite receivers, lighting, information technologies products, batteries, small home appliances, and AC/DC electric vehicle chargers, were tested and approved according to relevant standards in accredited test laboratories. The engineers working in the laboratory also play a role in the establishment of international standards and offer training in institutions such as the Turkish Standards Institution (TSE) and Information Technologies and Communications Authority (BTK) by leveraging the experience they have gained in standards within the accreditation work.

Detailed information about all laboratories can be found [here](#).

ACCESSIBLE AND SMART SOLUTIONS
THAT MAKE LIFE EASIER

Committed to continuously increasing customer satisfaction and loyalty, Vestel focuses on continuously improving the services it offers.

CUSTOMER EXPERIENCE

Vestel Beyaz Eşya aims to continuously increase customer satisfaction and loyalty, and offers personalized and uninterrupted service through digital and smart solutions. The Company serves more than approximately 1.5 million individual customers across the country and more than 2500 corporate customers annually and focuses on continuously improving its services. International standards are taken into consideration in customer management processes, and Vestel Customer Services operates within the framework of the ISO 10002 Customer Satisfaction Management System and TS EN ISO 18295-1 Customer Contact Centers System.

It is crucial to monitor performance in order to boost customer satisfaction and loyalty. In this context, customer satisfaction serves as a crucial success criterion at every point of contact and is included in the objectives of management at all levels within the customer services organization. Digital surveys are sent via SMS to customers who have received repair and installation services from Vestel after each service interaction. Customer satisfaction is also measured through digital channels at the call center and written communication touchpoints. Additionally, telephone satisfaction surveys are conducted among a group of customers who have received installation and repair services. With the data obtained, a Customer Experience Index is calculated and reported regularly each month. Vestel aims to improve performance with scores up to 90 and maintain satisfaction and loyalty scores in the 90-100 range.

Vestel Customer Satisfaction Policy can be [found here](#).

Customer Complaint Management Process
All customer complaints are systematically recorded under the "Complaint Document" and meticulously examined. Each complaint is evaluated in accordance with the company's service policy and necessary actions are taken in a timely and effective manner. Customers can provide feedback on whether or not their complaints have been resolved; in cases where resolution is pending, the process will continue until customer satisfaction is achieved. For complaints awaiting resolution, customers are supported by offering appropriate solutions and alternatives. After receiving confirmation from the customer that the issue has been resolved, the complaint record is closed and the outcome is communicated via the customer's preferred communication channel (phone, SMS or e-mail).

In case of product-related complaints, the reported issue is checked in accordance with service procedures and applicable repair bulletins. If it is determined that the service provided is inadequate, the relevant service is directed and necessary corrective action is taken. In addition, recurring complaints are analyzed, shared with technical teams and necessary actions are taken within the scope of continuous improvement. For each product group, the reasons for complaints and analysis results are reported and communicated to technical units, thus aiming to improve product and service quality.

The number of complaints submitted to Vestel Customer Services decreased by 52% year-on-year. All complaints are aimed to be resolved within seven days.

	2020	2021	2022	2023	2024
Customer loyalty	87	90	89	90	88
Number of customers responding to the satisfaction and loyalty survey	933	2,309	3,199	2,964	3,230
VStar* Customer satisfaction				96	91
Number of customers participating in VStar* Customer satisfaction survey				588,545	465,525

Vestel focuses on increasing the retail sales of dealers and supports them with the local management budget.

Dealer and Distributor Network
Vestel has 1,382 Vestel stores and 954 Regal sales points throughout Türkiye, as well as 9 Finlux distributors. In Europe, Vestel conducts sales through subsidiaries, distributors, or chain stores, selling 5 licensed global brands in consumer electronics and 3 licensed global brands in the white goods product group, as well as over 700 ODM (original design manufacturer) brands through more than 1,400 distribution channels. Outside Europe, Vestel Ticaret has 50 distributors selling electronic and white goods products under the Vestel, Regal, Vestfrost, and Finlux brands, nearly 100 exclusive sales points, and over 2,000 sub-dealers and sales points. Vestel regularly attends fairs organized abroad to showcase innovations in consumer electronics and e-mobility and to promote its product range and technologies.

Vestel focuses on increasing the retail sales of dealers and supports them with the local management budget. This support is provided in four main areas: store-oriented product selection, store turnover targets, dealer destocking and communication support. These activities aim to boost store traffic, brand recognition and retail sales.

Communication activities and campaigns are organized under “Focus Province” to boost sales at dealers within selected provinces.



Training activities of Vestel continued in 2024 to contribute to its business partners' processes. Throughout the year, training activities reached 370 different Vestel dealers and 24 different Regal dealers. A total of 239 training videos were shared throughout 2024 through the digital training platform vpa.com.tr, covering various topics such as product knowledge, sales techniques, communication, management, and strategy. To enhance business partners' managerial and financial competencies, an e-government approved online certificate program was designed in collaboration with Bahçeşehir University, and relevant content was uploaded to the platform. Throughout the year, 5,239 man-hours of training were completed through video content specifically uploaded for dealer sales consultants, coordinators, and dealer owners. According to participant satisfaction surveys conducted after video training sessions, a 98% satisfaction rate was achieved. The NPS (recommendation) score was reported as 96. In addition to recorded video training, a total of 15 live training sessions were conducted for Vestel and Regal dealers. Through these training sessions, a total of 2,402 man-hours of training were provided to 1,931 individuals.

Detailed information regarding training can be found in the **Employees** section.

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

Next Generation Retailing Approach: Vestel Express
In 2020, Vestel launched the Vestel Express store concept, a small-footprint retail format featuring digital display applications. Through this innovative concept, Vestel offers customers shopping experiences via digital screens and services such as rapid delivery, enhancing and differentiating the customer experience. Under the next generation Vestel Express Store concept introduced in various cities, especially in İstanbul, İzmir, Bolu, Bursa and Antalya, the evolving shopping habits are responded, the online purchasing experience is blended with physical retail, consumers are offered opportunities such as instantly finding the product they want, fast comparison and same day delivery and installation. Vestel aims to enhance consumer experience by developing special digital applications suitable for next-generation retailing in Vestel Express stores. As of the end of 2024, there are 184 Vestel Express stores.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Vestel contributes to the development of the retail sector in Türkiye with the innovations it has introduced to the sector and offers a new perspective to online shopping.

A Brand New Store Concept: Kafe Vesto

Kafe Vesto establishments, combining cafe and store concepts, have been implemented to enhance the in-store experience for customers. The Kafe Vesto establishments, operating in Beşiktaş, Zorlu Center, and Levent 199 in Istanbul, Karşıyaka and Alsancak in Izmir, and Osmangazi in Bursa, not only provide customers with an opportunity to enjoy a pleasant experience but also enable them to become acquainted with Vestel products and offer visitors the chance to discover new flavors.

Vestel My Project Partner

Developed with the aim of offering result-oriented and effective solutions to customers, Vestel My Project Partner was formed by bringing together LED Lighting, Air-Conditioning, Hotel & Construction Projects, Digital Solutions and Public Sales Departments under a single roof. Vestel My Project Partner offers professional and most appropriate solutions to all needs in public and private sector projects, starting from the design phase.

To this end, corporate clients' needs, demands and current challenges are identified and analyzed to design customized products accordingly.

Vestel International

The website <https://vestelinternational.com/> has been redesigned to reflect Vestel's corporate strength and advanced technology and innovation-focused vision, with the investor relations website incorporated into it. With this new design that prioritizes user experience, it offers an easier and more holistic experience, particularly by increasing accessibility in mobile use.

E-commerce

As a result of changing consumer habits and rapidly increasing digitalization, the e-commerce sector continues to grow worldwide. E-commerce is driving significant changes in retailers' strategies, with many retail companies starting to create an omni-channel presence and placing as much importance on online platforms as on physical stores. E-commerce platforms, which stand out in customer experience and ease of use, continue to develop in terms of creating benefits for the customer.

In line with this vision, Vestel aims to deliver an uninterrupted, high-quality customer experience through innovative applications and services by prioritizing its customers at every step. With an integrated retail approach, it embraces a shopping philosophy focused on customer needs. Vestel continues its efforts to improve the shopping experience both on [Vestel.com.tr](https://www.vestel.com.tr) and in its corporate stores on leading online marketplaces to enrich the customer journey.

As of 2024, Vestel has expanded its global e-commerce vision with the website launched in Germany (<https://www.vestel.com/de>). This structure, supported by in-store smart screen solutions, offers customers an end-to-end seamless shopping experience by integrating physical and digital channels through an integrated retail understanding.

Thanks to its cloud-based e-commerce infrastructure, Vestel meets technical needs more effectively by centralizing online customer data and aims to combine its services under a secure shopping

platform. Through an integrated retail approach and a multi-channel strategy, customers are offered a comprehensive Vestel experience, ensuring continuous improvement of the customer journey.

The e-commerce infrastructure has been strengthened for secure shopping through the Trust Stamp, ETBİS QR code, and the completed Security Test Report.

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



In a world where consumers need more flexible options, Vestel diversifies its services to stand by consumers at every step of the customer journey through both online and physical stores. In addition to being able to access the product they want on the website, consumers can see which store stocks the product they are interested in with the Find Stock service. Via the e-appointment service, customers can choose the time they want for the delivery and installation of their orders. With detailed shipment tracking, it is possible to access all steps of the orders from the website to delivery. Products that do not require installation can be returned from the corporate store, even if they are purchased online. If a return request is created on the website, the products to be returned through the authorized service providers are received from the customers' door. Multiple credit card payment options are offered to customers, allowing them to pay with different cards. Payment convenience is provided to customers through shopping credit options available on both [vestel.com.tr](https://www.vestel.com.tr) and at selected stores.

Thanks to Vestel's smart ordering algorithm and its extensive dealer and service network, orders received via online channels are directed to the nearest and most convenient store, and the products are delivered and installed within 24 hours. Products are delivered to consumers quickly and safely with the **Delivery in 24 Hours** service.

Vestel launched the customer reviews project to help customers make more informed purchasing decisions by sharing the experiences of other users. This project aims to provide a sincere, transparent, and secure shopping environment with diverse perspectives while strengthening the brand image. Customer reviews are regularly analyzed, and based on these analyses, areas for improvement in products and services are identified to provide customers with a better experience.

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

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

Vestel has implemented an AI assistant through the **Vestel Assistant** project, providing customers with 24/7 support before, during, and after sales. Vestel Assistant is designed and developed to provide information and services at every step of the customer journey, and it is continuously improved accordingly.

Vestel supports redirecting human resources towards more value-added tasks through the use of technology. Direct communication with Customer Services is possible through the Vestel Assistant service. Vestel Assistant support service is offered to our customers through both [vestel.com.tr](https://www.vestel.com.tr) and WhatsApp channels.

With the **Digital File** service, [vestel.com.tr](https://www.vestel.com.tr) members can access all the information they need, such as remaining warranty periods, user manuals, invoice details, shipping status, and serial numbers of purchased products through a single platform.

Support Center

The Vestel website has been renewed with a user-friendly interface and launched as "Support Center." This platform allows customers to resolve product malfunctions with more than 600 information and solution content without needing a technician, examine product features, and shop through <https://www.vestel.com.tr/> redirection. It also develops an environmentally friendly service model by digitally offering many processes, such as creating malfunction and installation records, and accessing extended warranty and maintenance requests.

With our new service model **"Install-Run,"** customers can set up products such as televisions, refrigerators, and deep freezers themselves in just a few steps. This application reduces carbon emissions by decreasing field visits while saving customers time.

ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

Vestel Ventures brings together the start-ups in which it invests with Zorlu Group companies, ensuring the establishment of new business lines with the speed and agility of startups, thus stepping into new areas of activity.

AFFILIATES

VESTEL VENTURES

Vestel Ventures Ar-Ge AŞ (Vestel Ventures) is an investment company founded by Vestel Elektronik in 2015 to support new ventures and add new areas of business to Zorlu Holding. In addition to investing in 35 startups, Vestel Ventures established various programs and organizations to develop the entrepreneurial ecosystem, developed various programs within Zorlu Holding to render innovation a way of doing business, and offered training to countless employees on this subject.

Believing that startups will liberate life, increase social impact and efficiency, and make a difference with their innovative style thanks to their areas of focus and ways of doing business, Vestel Ventures offers entrepreneurs Vestel's know-how and facilities at all stages of productization such as product design, industrial design, multi-screen interface design, prototyping,

testing, certification and production. The Company provides support with its experts in various areas where initiatives need help, such as marketing, accounting, human resources, patent, and legislation. Vestel Ventures is a company that various corporate firms consult on the establishment, and management of their investment departments as well as the execution of their innovation activities and it also helps external companies in order to develop the ecosystem throughout these activities.

Vestel Ventures brings together the start-ups in which it invests with Zorlu Group companies, ensuring the establishment of new business lines with the speed and agility of startups, thus stepping into new areas of activity. The experiences gained in different sectors expand the pool of knowledge, enhance competencies, and facilitate transitions into new fields.

Vestel Ventures also plays an intermediary role in bringing entrepreneurs and companies together under Zorlu Holding, making them the customers of startups and collaborating with them. The outputs achieved as a result of these collaborations contribute to Vestel's intellectual property rights and lay the groundwork for ideas that will improve the patent pool.

Apart from the ventures in which it invests, Vestel Ventures also organizes many different support programs for other domestic and foreign startups with strong innovative features in the ecosystem, mentoring entrepreneurs and facilitating their introductions to Zorlu Holding companies. The creative and entrepreneurial human capital of these startups, which develops with the leverage of Vestel, has the opportunity to collaborate with Vestel employees. This synergy fosters a cultural interaction between the entrepreneurs and the employees of the Zorlu Group.

Vestel Ventures offers entrepreneurs access to Vestel's strength in R&D and design, as well as its experience in production, marketing, distribution, sales channels, legal issues, human resources, business network resources and management as a strategic partner. Vestel Ventures also facilitates entrepreneurs in accessing these funds through Vestel's experience in state-backed grant funds in Türkiye and its network of venture capital funds in Europe and the US. Entrepreneurs receive guidance on intellectual property rights both domestically and internationally along with support for research and application processes. Vestel supports successful startups in expanding beyond Türkiye's borders and provides know-how assistance through its resources, including top academics, industry experts, and international consultants from around the world.

Established at the end of 2022 and co-managed by Vestel Ventures, Tacirler Portföy Future Impact Fund contributed to the development of the entrepreneurship ecosystem by investing in seven technologically strong startups such as Rierino, Mindsite, Megafortuna, Brandefense, and Novus.

Detailed information about Vestel Ventures and the projects supported thereby is available [here](#).



META NİKEL KOBALT MADENCİLİK

Established as Türkiye's first nickel-cobalt mining enterprise in Gördes district of Manisa, Meta Nikel Kobalt Madencilik Sanayi ve Ticaret AŞ (META) is a modern and next generation mining company processing extracted ores and operates in a closed system as the pioneer of nickel mining in Türkiye. Zorlu Group acquired all shares of META in 2016. Vestel Elektronik acquired 50% of META shares from Zorlu Group in 2018. META is accounted for using the equity method in the consolidated financial statements of Vestel Elektronik.

META continues to perform its mineral exploration, operation, export, R&D and investment activities. The Company has a nickel-cobalt mining facility in Manisa-Gördes, as well as nickel reserves in Eskişehir and Uşak. Continuing to produce ore in Eskişehir, META conducts geological surveys in Uşak and nickel and cobalt mineral exploration surveys across various regions of Türkiye.

Nickel is primarily used in the stainless steel industry, as well as in corrosion-resistant alloys, armor plating, and the defense industry. Nowadays, nickel and cobalt elements are also used in the composition of batteries for electric vehicles and energy storage systems. Research has shown that increasing the nickel content in battery compositions, in line with technological advancements, extends battery life. It is anticipated that the demand for nickel will grow rapidly in the near future with the gradual increase in nickel usage in batteries and energy storage systems.

META continues to obtain certifications for the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 50001 Energy Management System, aligning with its established targets. These certifications reflect META's commitment to quality, environmental sustainability, and occupational health and safety.



ACCESSIBLE AND SMART SOLUTIONS THAT MAKE LIFE EASIER

META reviews and renews its activities for a sustainable life in line with Zorlu Holding's Smart Life 2030 strategy.

Efforts are made to promote the recycling of waste batteries to recover the precious metals they contain and support resource sustainability, while mitigating the adverse environmental and economic impact of lost batteries in production. This effort addresses the mounting battery waste resulting from their end-of-life and the increase in the domains where they are used.

In 2024, META successfully completed customer audits in accordance with the OECD Due Diligence Guidelines, EU Battery Regulations, and IRMA Critical Requirements. These audits not only reaffirmed adherence to international standards but also strengthened risk management practices.

To deepen customer relations and improve operational transparency, META regularly reviews audit findings and implements necessary actions.

META periodically assesses its targets to ensure compliance of its products and services with international standards, develops a sustainable business model, and evaluates the social and environmental impacts of all stakeholders in the supply chain.

Regarding R&D efforts, META conducted studies on various subjects using diverse methods, completing projects in the fields of mining, chemistry, metallurgy, and materials. These studies primarily focused on new product development, process improvement, cost reduction, rare earth element (REE) recovery, recovery of precious metal salts, gold recovery, and metallic product recovery. Additionally, closely monitoring scientific research both in Türkiye and globally has significantly contributed to the diversification of its research topics.

Open calls and suitable projects are pursued to foster a Research and Development culture, expand the number of projects and research areas, and take advantage of national and international incentives. Relevant papers are written, presented, and patent applications are pursued for studies, all of which meet the standards for articles, publications, and patents.

As part of R&D projects, META focuses on obtaining high-purity metallic nickel and cobalt end products from the intermediate product (MHP - Mixed Hydroxide Precipitate). This initiative supports the domestic sourcing and nationalization of raw materials for the aviation and defense industry.

Rechargeable NMC-type lithium-ion batteries supply the energy required by various technological devices, including electric vehicles, smartphones, and computers, with demand growing in line with technology advancements. For NMC-type lithium-ion batteries, META extracts nickel, cobalt, and manganese compounds -key raw materials used in the production of cathode active materials- from its ore at battery quality and conducts the processes for producing these materials.

Efforts are made to promote the recycling of waste batteries to recover the precious metals they contain and support resource sustainability, while mitigating the adverse environmental and economic impact of lost batteries in production. This effort addresses the mounting battery waste resulting from their end-of-life and the increase in the domains where they are used.

Efforts are underway to reduce the impurity content of the Waste Storage Facility (WSF) dam, where wastewater from the hydrometallurgical plant (HPAL) is stored to produce value-added products and recycle water back into the process. Once successful, this will eliminate the need to draw water from the Çiçekli Pond and create an additional revenue stream by transforming waste into valuable products.



Additionally, pre-leaching and tank leaching studies are being conducted to increase the capacity and efficiency of the plant. As part of the initiative to increase MHP production capacity, design studies for the Tank Leaching Project have commenced. Upon completion, this project is expected to raise nickel production capacity to 17,000 tons of Ni metal conjugate.

In light of new investment projects, there are plans for an acid plant that will utilize sulfur raw materials with a production capacity of 1 million tons per year.

Currently, the presence of calcium (Ca) and magnesium (Mg) in the ore increases acid consumption and raises MHP production costs. To address this, efforts are underway to recover these acid-consuming elements before the HPAL process, with ongoing R&D studies for the project. The goal is to reduce MHP production costs by selling MgO and CaO and decreasing acid consumption.

Detailed information about META is available [here](#).

LENTATEK
With its advanced know-how in technology and expertise of nearly a quarter century, Lentatek Uzun Havaçılık ve Teknoloji AŞ (Lentatek) offers a wide range of products and services from design and development to production in all areas requiring critical technology such as Unmanned and Autonomous Systems, Hydrogen and Fuel Cell Technologies, Space Technologies, Critical Facility and Border Security Technologies, Digital Health Technologies. In response to the growing demand for new technologies both locally and globally, Lentatek is committed to ongoing R&D investments and product development.

As Türkiye's leading UAV platform manufacturer, Lentatek focuses on designing and developing innovative products in the unmanned systems sector. The Company enhances the defense and aerospace industry by investing in R&D for systems that are entirely developed using national resources.

Lentatek is one of the few companies globally specializing in Hydrogen and Fuel Cell Technologies. With hundreds of R&D studies to its credit, the Company conducts its award-winning research in advanced technology through university-industry collaboration. This work is carried out in state-of-the-art laboratories aligned with Zorlu Group's Smart Life 2030 vision, which serves as the foundation for its sustainability practices, shaping the future of green energy.

Detailed information about Lentatek is available [here](#).

AYESAŞ
Aydın Yazılım Elektronik ve Sanayi AŞ (AYESAŞ) is a leading supplier in the Turkish defense industry, specializing in the production and supply of advanced solutions in command and control systems, avionics systems, electronic and electromechanical systems for the defense and aerospace industries. The Company offers a wide range of products and services from design and development to production, system engineering, integration, and safety-critical embedded software development.

AYESAŞ designs and manufactures consoles, cabinets, high-tech electronic cards, and cabling for next-generation defense industry platforms. Additionally, the Company develops digital scrolling maps and mission planning systems for airborne platforms, as well as interface software for various applications. This positions AYESAŞ as a trusted partner for prominent firms in the defense and aerospace sectors, both in Türkiye and internationally. With 35 years of experience in civilian applications, AYESAŞ also develops accident warning devices and offers cutting-edge rail system solutions.

Detailed information about AYESAŞ is available [here](#).

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

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

GENERAL INFORMATION	
Reporting Period:	01.01.2024 - 31.12.2024
Name of the Company:	Vestel Elektronik Sanayi ve Ticaret AŞ
Trade Registry Information:	Istanbul Trade Registry Office, No. 193621
Registered Capital Ceiling:	TL 2,000,000,000
Paid-in/Issued Capital:	TL 335,456,275
Contact Information for the Headquarters and Branches:	Head Office Levent 199 Büyükdere Cad. No: 199 34394 Şişli/İSTANBUL Phone: +90 (212) 456 22 00
	Manisa Branch Keçiliköy OSB Mahallesi Cumhuriyet Bulvarı No: 19 Organize Sanayi Bölgesi, 45030, MANİSA Phone: +90 (236) 226 01 31
	Manisa Teknokent Branch Muradiye Mahallesi Celal Bayar Üniversitesi Kampüsü Küme Evleri No: 22 Yunusemre/MANİSA Phone: +90 (236) 226 01 31
	Manisa Protected Workplace Branch Keçiliköy OSB Mahallesi, 5639 Sk. No: 17/2, İç Kapı No: 4 Yunusemre/MANİSA Phone: +90 (236) 226 01 31
	Software Center Branch Çınarlı Mahallesi, Şehit Polis Fethi Sekin Sokak No: 5 İç Kapı No: 901 Konak/İZMİR Phone: +90 (236) 226 01 31
Company Website:	www.vestel.com.tr
Investor Relations Website:	https://vestelinternational.com/tr/yatirimci-iliskileri

Shareholding Structure and Capital Distribution

As of 31.12.2024, Vestel Elektronik's paid-in capital is TL 335,456,275, and the Company's shareholding structure is as follows:

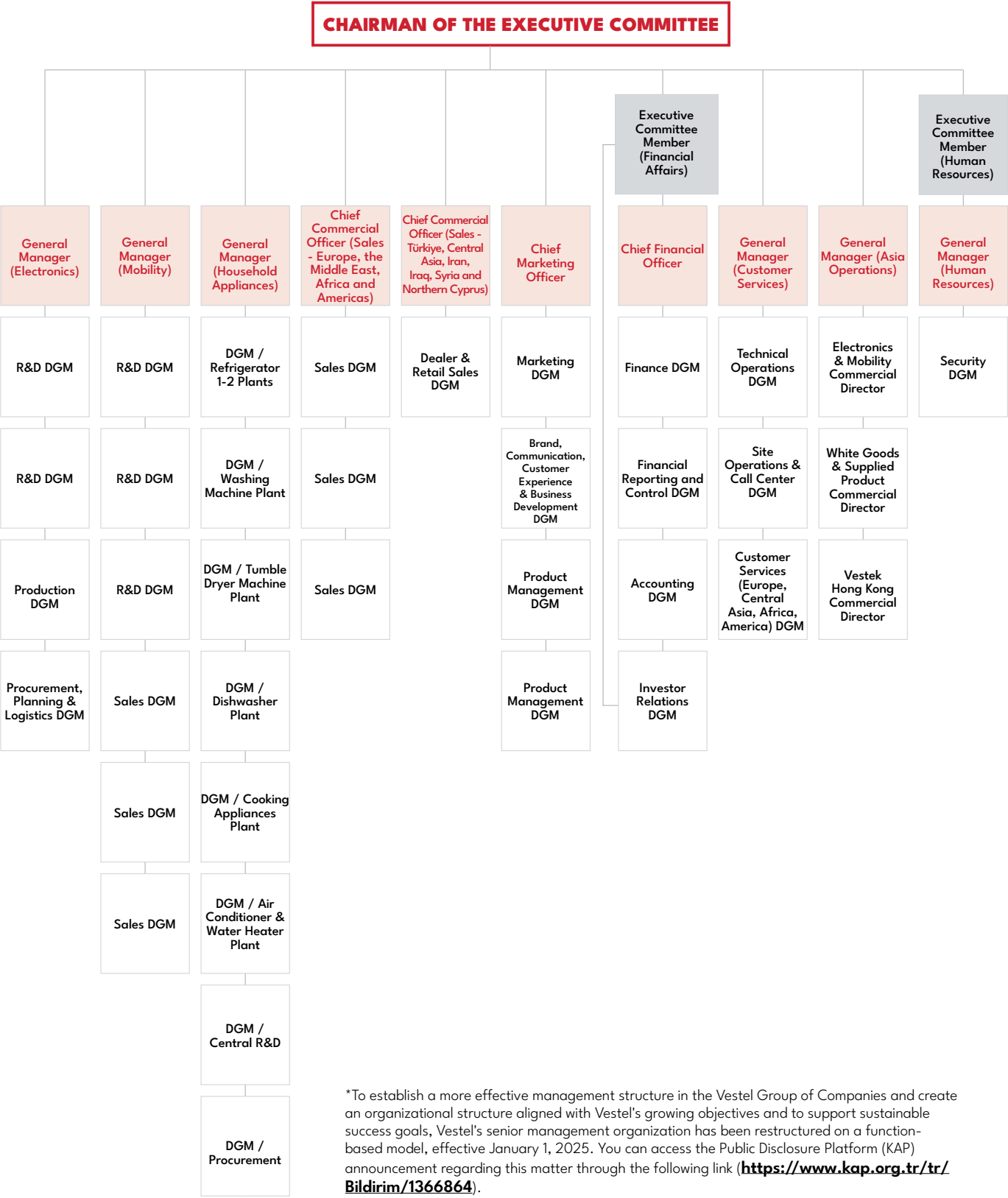
Shareholder's Trade Name/Name and Surname	Nominal Share Amount (TL)	Share in Capital (%)
Zorlu Holding AŞ	177,018,793	52.77
Other (Free Float)	158,437,482	47.23
Total	335,456,275	100.00

Zorlu Holding AŞ's stake in the Company dropped from 55.69% to 52.77% following the sale of shares to institutional investors through a special order on Borsa Istanbul in 2024.

Privileged Shares and Voting Rights of Shares

There are no privileged shares in the Company.

ORGANIZATIONAL CHART OF VESTEL ELEKTRONİK



*To establish a more effective management structure in the Vestel Group of Companies and create an organizational structure aligned with Vestel's growing objectives and to support sustainable success goals, Vestel's senior management organization has been restructured on a function-based model, effective January 1, 2025. You can access the Public Disclosure Platform (KAP) announcement regarding this matter through the following link (<https://www.kap.org.tr/tr/Bildirim/1366864>).

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

THE BOARD OF DIRECTORS

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

The members of the Board of Directors who were elected at the Company's Ordinary General Meeting for the year 2023, held on May 29, 2024, and who served during the period, together with their terms of office, are presented in the table below.

Name Surname	Duty	Term of Office		Current Positions Held Within the Group	Current Positions Held Outside the Group	Membership Classification	Board Membership in Other Publicly Listed Companies
		Beginning	End				
Ahmet Nazif Zorlu	Chairperson	29 May 2024	Until 2024 Ordinary General Meeting	Chairman of the Board of Zorlu Group companies	-	Non-executive	Vestel Beyaz Eşya Sanayi ve Ticaret AŞ, Zorlu Enerji Elektrik Üretim AŞ
Ayşegül İlideniz	Vice Chairperson	29 May 2024	Until 2024 Ordinary General Meeting	Board Member at Vestel Beyaz Eşya Sanayi ve Ticaret AŞ	Board Member at Doğan Şirketler Grubu Holding AŞ and Pegasus Hava Taşımacılığı AŞ	Independent Member	Vestel Beyaz Eşya Sanayi ve Ticaret AŞ, Doğan Şirketler Grubu Holding AŞ, Pegasus Hava Taşımacılığı AŞ
Olgun Zorlu	Board Member	29 May 2024	Until 2024 Ordinary General Meeting	Vice Chairman and Board Memberships at Zorlu Group Companies	-	Non-executive	Vestel Beyaz Eşya Sanayi ve Ticaret AŞ
Bekir Cem Köksal	Board Member	29 May 2024	Until 2024 Ordinary General Meeting	CEO of Zorlu Holding and Board Memberships at Zorlu Group Companies	-	Executive	Vestel Beyaz Eşya Sanayi ve Ticaret AŞ, Zorlu Enerji Elektrik Üretim AŞ
Mümin Cengiz Ultav	Board Member	29 May 2024	Until 2024 Ordinary General Meeting	Board Member at Zorlu Group Companies	-	Non-executive	Vestel Beyaz Eşya Sanayi ve Ticaret AŞ, Zorlu Enerji Elektrik Üretim AŞ
Adnan Yıldırım	Board Member	29 May 2024	Until 2024 Ordinary General Meeting	Board Member at Vestel Beyaz Eşya Sanayi ve Ticaret AŞ	Founding partner at Batı Yeminli Mali Müşavirlik ve Bağımsız Denetim AŞ, founding partner at Pamukkale Danışmanlık AŞ, Board Member at Mistral Gayrimenkul Yatırım Ortaklığı AŞ, Meditera Tıbbi Malzeme Sanayi ve Ticaret AŞ, Alkim Kağıt Sanayi ve Ticaret AŞ, Disera Tıbbi Malzeme Lojistik Sanayi ve Ticaret AŞ and Agrilink Tarım Ürünleri Hayvancılık Turizm Sanayi ve Ticaret AŞ	Independent Member	Vestel Beyaz Eşya Sanayi ve Ticaret AŞ, Mistral Gayrimenkul Yatırım Ortaklığı AŞ, Meditera Tıbbi Malzeme Sanayi ve Ticaret AŞ, Alkim Kağıt Sanayi ve Ticaret AŞ
Emin Ataç	Board Member	29 May 2024	Until 2024 Ordinary General Meeting	Board Member at Vestel Beyaz Eşya Sanayi ve Ticaret AŞ	CEO of Farplas Automotive	Independent Member	Vestel Beyaz Eşya Sanayi ve Ticaret AŞ

Changes in the Board of Directors during the Reporting Period

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

Duties and Authorities of the Members of the Board of Directors

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

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

The Board of Directors convened 12 times in 2024. The Board meetings were held in person in 2024, while online participation has been provided for members with excuses. Physical attendance is essential for meetings. Board members have largely participated in meetings regularly, with a 90% attendance rate for Board members.

SENIOR MANAGEMENT

Name Surname	Duty
Ergün Güler	Chairman of the Executive Committee/CEO
Bekir Cem Köksal	Executive Committee Member
Alp Dayı	Executive Committee Member
Necmi Kavuşturan	Executive Committee Member
Bülent Kiracioğlu	Chief Financial Officer of the Vestel Group of Companies
Ender Yüksel	General Manager of Vestel Elektronik Sanayi ve Ticaret AŞ
Hasan Uğur	General Manager of Vestel Beyaz Eşya Sanayi ve Ticaret AŞ
Ömer Hakan Kutlu	General Manager of Vestel E-Mobility
Nezihe Duygu Badem Uylukçuoğlu	Chief Marketing Officer
Seçkin Mazlum Gençoğlu	Chief Commercial Officer for Europe, the Middle East, Africa and Americas
Tanık Leloğlu	Chief Commercial Officer for Türkiye, Central Asia, Iran, Iraq, Syria, and Northern Cyprus
Ulaş Özcan	General Manager of Asia Operations
Özgür Yılmaz	General Manager in charge of Customer Services
Zeynep Tarhan	Vestel Human Resources General Manager

Changes in the Senior Management During the Year

Alp Dayı, Vestel Chief Financial Officer, was appointed Zorlu Holding Chief Financial Officer effective March 1, 2024.

Bülent Kiracioğlu, Vestel Deputy General Manager of Finance, was appointed Vestel Chief Financial Officer effective March 1, 2024.

Zeynep Tarhan, Vestel Deputy General Manager of Human Resources, was appointed as Vestel Chief Human Resources Officer effective September 1, 2024.

To establish a more effective management structure in the Vestel Group of Companies and create an organizational structure aligned with Vestel's growing objectives and to support sustainable success goals, Vestel's senior management organization has been restructured on a function-based model, effective January 1, 2025. You can access the Public Disclosure Platform (KAP) announcement regarding this matter through the following link (<https://www.kap.org.tr/tr/Bildirim/1366864>).

Information on Employee Count

As of 31.12.2024, the total number of employees of the Company is TL 19,509.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

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

At the Ordinary General Meeting held on May 29, 2024, the Board members were granted permission to conduct transactions within the framework of Articles 395 and 396 of the Turkish Commercial Code for the year 2024.

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

All employee rights and interests in the Company are protected and observed under Labor Law No. 4857. The 1st Term Collective Labor Agreement between the Company and Türk Metal Union was signed for the period of January 1, 2024 - December 31, 2025. The rights and benefits provided to personnel and workers are explained within the total 40 articles of the Collective Labor Agreement.

Amendments to the Articles of Association

No changes were made to the Company's Articles of Association during the accounting period of January 1, 2024 - December 31, 2024.

COMPENSATION AND MONETARY BENEFITS PROVIDED TO BOARD MEMBERS AND SENIOR MANAGERS

According to the resolution passed at the Company's Ordinary General Meeting for the year 2023, held on May 29, 2024, it was decided to pay each independent Board member a monthly net fee (attendance fee) of TL 80,000 for the 2024 operating year, while no payment would be made to other Board members.

In the twelve months ending on 31.12.2024, the total compensation and monetary benefits provided to the chairperson and members of the Board of Directors and senior management amounted to TL 296,487 thousand in total.

COMPANY'S ACTIVITIES AND IMPORTANT DEVELOPMENTS RELATED TO THE ACTIVITIES

Capacity and Production

Unit	Factory Closed Area (m²)
TV Sets	312,171
Household Appliances	640,873
Digital Products	76,722
Total	1,029,766

In 2024, white goods production capacity utilization rate was 71% (compared to 76% in 2023). In television production, the Company's capacity utilization rate, which was 62% in 2023, corresponded to 54% in 2023.

Production

The Company's production quantities increased by 5% yoy in 2024.

Sales

In the first 12 months of the year, gross sales totaled TL 156,337,065 thousand, with TL 92,959,206 thousand derived from international sales. 49% of total sales were made to European countries, 41% to the domestic market, and 11% to other countries. During this period, domestic sales revenues fell by 2% in real terms year-on-year, while international sales revenues decreased by 16%.

In 2024, net sales revenues declined by 12% in real terms compared to 2023, while unit sales remained unchanged.

Investments and Investment Incentives

In the first 12 months of the year, total capital expenditures reached TL 7,062,982 thousand (USD 201 million).

The breakdown of capital expenditures is as follows: 21% was allocated to research and development activities, 18% to machinery and equipment purchases, 26% to land and building investments, 15% to mold investments, and 20% to other investments.

Information on Direct and Indirect Subsidiaries and Ownership Interests

As of 31 December 2024, the Company’s major subsidiaries are as follows:

Consolidated subsidiaries	31.12.2024		31.12.2023	
	Voting Right (%)	Effective Ownership (%)	Voting Right (%)	Effective Ownership (%)
Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	77.3	77.3	77.3	77.3
Vestel Mobilite Sanayi ve Ticaret A.Ş.	100	100	100	100
Vestel Ticaret AŞ	100	100	100	100
Vestel CIS Ltd.	100	100	100	100
Vestel Holland BV Iberia Branch Office	100	100	100	100
Vestel France SA	100	100	100	100
Vestel Holland BV	100	100	100	100
Vestel Holland BV Germany Branch Office	100	100	100	100
Cabot Communications Ltd.	90.8	90.8	90.8	90.8
Vestel UK Ltd.	100	100	100	100
Vestel Holland BV UK Branch Office	100	100	100	100
Vestek Elektronik Araştırma Geliştirme AŞ	100	100	100	100
Vestel Trade Ltd.	100	100	100	100
Intertechnika LLC	99.9	99.9	99.9	99.9
Vestel Central Asia LLP	100	100	100	100
Vestel Holland BV Poland Branch Office	100	100	100	100
Vestel Electronics Gulf DMC	100	100	100	100
Vestel Electronics Shanghai Trading Co. Ltd.	100	100	100	100
Vestel Electronica SRL	100	100	100	100
Vestel USA	100	100	100	100
Vestel Ventures Ar-ge A.Ş.	100	100	100	100
Levent Baza Gayrimenkul Yatırım A.Ş. (**)	100	100	-	-
Cylinda AB(*)	100	100	-	-
Vestel Trade India Private Ltd.	100	100	-	-
Vestel Hong Kong Ltd.	100	100	-	-

(*) As of May 31, 2024, after adjustments were made based on financial and commercial obligations, it was decided that Vestel Holland B.V., a subsidiary of the Group, would acquire the entire 25,000 shares held by Elektroskandia Sverige AB in Cylinda AB, representing Cylinda AB's share capital of 25,000 Swedish Krona (SEK), each with a nominal value of 1 SEK, for a total payment of 69,464,282 SEK (6.08 million EUR), paid in full and upfront. The share transfer process was completed on June 4, 2024.

(**) As of December 4, 2024, it was decided that Vestel Ticaret A.Ş., a subsidiary of the Group, would acquire the entire shareholding of Levent Baza Gayrimenkul Yatırım A.Ş., owned by Zorlu Gayrimenkul Geliştirme ve Yatırım A.Ş., for a total upfront payment of TL 502,464 thousand. Of this amount, TL 192,100 thousand was paid in cash by Vestel Ticaret A.Ş., while TL 310,364 thousand was settled by Zorlu Holding A.Ş. through the offsetting of Vestel Ticaret A.Ş.'s receivables from Zorlu Holding A.Ş.

Information on the Company’s Acquisition of its Own Shares

No treasury shares were acquired by the Company during the accounting period of January 1, 2024 - December 31, 2024.

Information on Special Audit and Public Audit

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

The firm PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ was selected at the Ordinary General Meeting held on May 29, 2024, to conduct the independent audit of the Company's 2024 accounts and transactions in accordance with the Capital Markets Law and the Turkish Commercial Code and related legislation.

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

During the accounting period of January 1, 2024 - December 31, 2024, there were no lawsuits filed against the Company that could affect the Company's financial status and activities.

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

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

General Meetings of Shareholders

The resolutions adopted at the Company’s Ordinary General Meeting held on May 29, 2024, have been implemented.

No Extraordinary General Meeting was held during the year.

Donations and Social Responsibility Projects

In 2024, the total donations and aids made in line with the Company’s Donation and Aid Policy reached TL 22,795,481.

Conclusion Section of the Affiliated Company Report Prepared Within the Scope of Article 199 of the Turkish Commercial Code

In accordance with the provisions of the Turkish Commercial Code, Vestel Elektronik was an affiliated company of Zorlu Holding AŞ during the fiscal year 2024. Pursuant to the Article 199 of the Turkish Commercial Code, Vestel Elektronik’s Board of Directors issued the following declaration in its affiliation report, which was prepared regarding the Company’s relationships with the controlling company or an affiliated company of the controlling company:

“Our Company’s legal actions taken with the controlling company or the companies affiliated to the controlling company for the benefit of the controlling company, or a company affiliated to it under the direction of the controlling company and any and all measures taken or avoided in favor of the controlling company, or a company affiliated to it in the 2024 operating year were evaluated based on the circumstances and conditions known to us. As a result of this evaluation, we declare that in all transactions in the 2024 operating year, an appropriate remuneration was received by our Company in accordance with the circumstances and conditions known to us, and that there was no measure taken or avoided that could harm the Company.”

Information on Transactions

No transaction was taken within this scope.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

FINANCIAL POSITION

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

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

Characteristics and Amount of Issued Capital Market Instruments

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

ISIN Code	Issue Date	Maturity Period (Days)	Maturity (Date)	Nominal Amount (TL)	Interest Rate Type	Interest Rate (%)	Coupon Payment	Principal Payment
TRSVSTL22412	8.02.2024	384	26.02.2025	370,000,000	Floating Rate	For the first coupon, an annual simple interest rate of 47.50% applies. For other coupons, the applicable rate will be the higher of either 47.50% annual simple interest rate or the sum of TLREF + 2% (which consists of the change in the BIST TLREF Index plus an additional 200 basis points).	Quarterly	At maturity
TRFVSTL12527	21.08.2024	161	29.01.2025	220,000,000	Fixed	52% Annual Simple Interest	Single Coupon at Redemption	At maturity
TRFVSTL12519	21.08.2024	161	29.01.2025	209,000,000	Fixed	52% Annual Simple Interest	Single Coupon at Redemption	At maturity
TRFVEST22513	21.08.2024	175	12.02.2025	200,000,000	Fixed	52% Annual Simple Interest	Single Coupon at Redemption	At maturity
TRFVEST22521	18.09.2024	147	12.02.2025	800,000,000	Fixed	52.5% Annual Simple Interest	Single Coupon at Redemption	At maturity
TRFVEST42511	1.11.2024	175	25.04.2025	395,000,000	Fixed	51% Annual Simple Interest	Single Coupon at Redemption	At maturity
TRFVSTL52515	26.11.2024	182	27.05.2025	675,000,000	Fixed	50% Annual Simple Interest	Single Coupon at Redemption	At maturity
TRSVSTLA2514	5.12.2024	379	19.12.2025	340,000,000	Floating Rate	For the first coupon, an annual simple interest rate of 49.50% applies. For subsequent coupons, the applicable rate will be the higher of either 48.50% annual simple interest rate or the sum of TLREF + 0.25% (which consists of the change in the BIST TLREF Index plus an additional 25 basis points).	Quarterly	At maturity
TRFVSTL62514	12.12.2024	183	13.06.2025	224,000,000	Fixed	50% Annual Simple Interest	Single Coupon at Redemption	At maturity
TRFVEST62519	27.12.2024	181	26.06.2025	800,000,000	Fixed	51% Annual Simple Interest	Single Coupon at Redemption	At maturity

*TLREF: Turkish Lira Overnight Reference Interest Rate

Corporate Credit Rating	
JCR Eurasia Rating - Long-Term National Corporate Credit Rating/Outlook	A (tr)/Negative
JCR Eurasia Rating - Long-Term Local and Foreign Currency Corporate Credit Rating/Outlook	BB/Stable
Fitch Long-Term Local and Foreign Currency Rating	B+/Negative
Moody’s Issuer Credit Rating	B3/Stable

In its periodic review process conducted in December, JCR-Eurasia Rating assessed the consolidated structure of Vestel Elektronik Sanayi ve Ticaret AŞ and assigned a Long-Term National Rating of 'A (tr)', with a 'Negative' outlook for the rating. The Company's Long-Term International Foreign and Local Currency Ratings and outlooks are rated as "BB / Stable."

In November, the international rating agency Fitch Ratings revised the local currency credit rating of Vestel Elektronik Sanayi ve Ticaret AŞ from "BB-" to "B+". The Company's Long-Term Foreign Currency Issuer Default Rating was maintained at "B+", while the outlook on these ratings was adjusted to "Negative."

In May, the international rating agency Moody’s assigned Vestel Elektronik Sanayi ve Ticaret AŞ an issuer credit rating of B3 with a Stable outlook.

Profit Distribution Policy

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

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

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

In accordance with the Capital Markets Board ("CMB") Communiqué on Principles of Financial Reporting in Capital Markets (II-14.1) and the Turkish Financial Reporting Standards established by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), the Company's consolidated financial statements for the 2023 fiscal year were prepared following the formats set by the POA and CMB, and audited by PwC Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik A.Ş. The consolidated financial statements show a net profit for the period attributable to the parent company of TL 1,449,625,000. In contrast, the financial statements prepared under the relevant provisions of the Tax Procedure Law No. 213 ("TPL") indicate a net loss for the period before inflation adjustment of TL 1,688,979,363.

Based on the information provided and in line with the Board of Directors' decision on 03.05.2024 (numbered 2024/25), which proposed that shareholders consider the matter of not distributing dividends at the 2023 Ordinary General Assembly Meeting due to the lack of distributable profit in the Company's financial statements prepared according to the Tax Procedure Law (TPL), the attendees at the General Assembly unanimously approved the proposal to forgo dividend distribution for the 2023 fiscal year.

OTHER MATTERS

Information on Conflicts of Interest between the Company and the Institutions from which the Company Obtains Investment Consultancy, Rating and Similar Services, and the Measures Taken to Prevent such Conflicts of Interest
None.

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

There were no legislative changes in 2024 that could significantly affect the Company’s activities.

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

None.

Required Information on Related Party Transactions and Balances

The required information on the Company’s transactions with related parties is provided in the footnotes of the financial statements dated December 31, 2024.

CORPORATE GOVERNANCE

INTERNAL AUDIT ACTIVITIES, INTERNAL CONTROL AND CORPORATE RISK MANAGEMENT SYSTEM

The Audit Department and Its Activities

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

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

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

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

Internal Audit Activities

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

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

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

The Zorlu Group supports and encourages the 12-person Internal Audit Team's professional development through training programs, memberships in relevant associations (such as the Institute of Internal Auditing Türkiye - TİDE), and obtaining international professional certifications to bolster and strengthen their existing knowledge, skills, and other qualifications. The team includes 3 CFEs (Certified Fraud Examiners), 1 CRMA (Certification in Risk Management Assurance), 1 CPA (Certified Public Accountant), 1 ISO 27001 LA (Information Security Lead Auditor), 1 CMB Advanced Level License, and 1 CMB Derivatives License.

Financial Audit Activities

The Financial Audit Department began conducting audits in Zorlu Group companies starting from 2012. Currently, a team of 5 people is conducting the audit work.

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

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

The Financial Audit Team includes 4 CPAs (Certified Public Accountants).

Organization and Activities of the General Directorate of Internal Control and Corporate Risk Management

The General Directorate of Internal Control and Corporate Risk Management coordinates the development of risk management and internal control systems that support the achievement of objectives, taking into account new business models, increasingly complex risks, and technological requirements brought about by the changing business world, while contributing to Vestel Group of Companies' development in terms of corporate governance and sustainability goals.

Internal Control Department Organization and Activities

The Internal Control function in Vestel Group Companies is coordinated under the Zorlu Holding umbrella and executed in a centralized structure, as it is in other Zorlu Group Companies. The purpose, duties, and authorities, and the working principles of the Internal Control Department and the professional and ethical rules to which it adheres, are defined by the documents such as the “Internal Control Regulation” and the “Internal Control Manual,” which were shared with the relevant managers. In addition, the fundamental internal control principles intended to be implemented throughout our Group have been established through the "Zorlu Holding Internal Control Framework" and are shared in their current form for employees to access.

"The internal control system is a system implemented by the Organization's Board of Directors, managers, and employees to provide reasonable assurance for achieving effectiveness and efficiency of operations, reliability of financial reporting systems, and compliance with legal requirements." The Internal Control Department provides guidance and coordination to process owners and managers who conduct operations in establishing and maintaining effective and efficient internal controls, with the goal of developing processes and internal control structures that will ensure effective risk management throughout the Zorlu Group.

The Internal Control Department supports managers and employees in identifying areas that need improvement in processes and internal control systems, determining necessary steps, utilizing information technologies as much as possible during implementation, executing decided actions, and regularly monitoring the status of these actions. In addition, the department offers ongoing mentorship to managers and process owners concerning these issues, and lends its expertise in internal control, risk mitigation, and process development through its involvement in the task forces of key projects aimed at improving both process efficiency and information technologies infrastructure. It is the collective responsibility of, and contribution from, all pertinent managers and employees within the Group companies to ensure the establishment, oversight, appraisal, and enactment of requisite actions pertaining to the internal control framework.

The Internal Control Department prepares an annual risk-based internal control work plan to conduct its activities in a systematic, continuous, and disciplined manner. The formulation of the internal control work plan is significantly influenced by risk-oriented evaluations performed by the Internal Control Department, requests originating from the Risk Committee, the Board of Directors, and management, internal control observations ascertained during audit procedures by the Audit Department, and the establishment of corporate risk matrices. The annual internal control work plan is submitted for approval and information to the CEO and the Risk Committee.

The Internal Control team of the Zorlu Group is composed of professionals who exhibit sophisticated proficiencies in domains including internal control, risk management, process development, system application controls, and project management, coupled with a breadth of cross-industry expertise. Furthermore, the Zorlu Group actively promotes and facilitates the enhancement of the team's current expertise and skill set through educational programs, affiliations with pertinent professional organizations, and the pursuit of internationally recognized professional credentials (including but not limited to CIA, CPA, CISA, CFE, CICA, CRMA).

CORPORATE GOVERNANCE

Organization and Activities of the Corporate Risk Management Department

Within the Vestel Group of Companies, the corporate risk management function is executed by the Corporate Risk Management Department, which operates under the Internal Control and Corporate Risk Management General Directorate—a division directly subordinate to the Zorlu Holding Chief Executive Officer as of January 2023. Zorlu Holding Corporate Risk Management Department discharges its responsibilities through collaborative endeavors with the Sector Corporate Risk Management Coordinator appointed within the Vestel Group of Companies and the pertinent administrative bodies.

In order to provide a sufficient level of supervision over corporate risk management procedures, the Early Detection of Risk Committee (EDRC) meetings, comprising independent members of the Board of Directors, were systematically held in 2024 according to the predetermined schedule, focusing on the principal risks within the organization’s risk management structure, emerging risks, risk appetite and corporate culture, risk assessment results, stipulated risk mitigation measures, and the current state of these initiatives. The resolutions adopted by the Committee as a result of its assessments, in conjunction with the risk-related data and reports, are duly submitted to the Board of Directors for their consideration. Action follow-up, meeting agendas, and reporting for the Committee sessions is undertaken by the Internal Control and Corporate Risk Management General Directorate; the Sector President maintains a standing invitation, and company general managers and functional leads may be invited to participate based on the specific subjects under discussion. Furthermore, the Corporate Risk Management Department holds a permanent seat on the Sustainability Coordination Board.

The Corporate Risk Management team of the Zorlu Group is composed of professionals who exhibit sophisticated proficiencies in domains including internal control, risk management, process development, system application controls, and project management, coupled with a breadth of cross-industry expertise. Zorlu Group actively facilitates and promotes the enhancement of the team's current expertise and skill set by providing access to educational programs at both domestic and international professional forums, fostering representation within pertinent professional organizations, and supporting membership acquisition.

Training and Awareness

To underscore the Group's dedication to Corporate Risk Management, the “**Corporate Risk Management Policy,**” which articulates the foundational principles of its risk management approach and has been scrutinized and sanctioned by the Risk Committee, along with the “**Corporate Risk Management Regulation,**” specifying the aims, responsibilities, and competencies of the Corporate Risk Management Department, its modus operandi, and the duties of all personnel, especially managerial staff, in this respect, are available for reference on the organization's online portals. Annual revisions are conducted, and the updated versions are provided for the entire workforce. In addition, to elevate corporate risk management awareness, an exhaustive training curriculum, encompassing the organization's operational protocols and the accountability of all personnel concerning these matters, has been mandated for employees across all hierarchical tiers, and the completion ratios are tracked via the performance evaluation metrics of both managerial and staff members.

Functioning of Corporate Risk Management

In its methodology for corporate risk management (CRM), the Vestel Group of Companies is committed to discerning the prospective ramifications of circumstances that may jeopardize the sustained operation of the Group, foreseeing occurrences that might obstruct the attainment of its corporate goals, evaluating the risks inherent in such events, allocating resources for preemptive actions, and establishing and upholding a framework that guarantees the ongoing surveillance of risks. In this context, it is aimed to integrate corporate risk management into the strategies and corporate culture of Group companies, to take it into account at every stage, from strategic management decisions to the execution of daily operations, to approach risks from the perspective of threats and opportunities as part of the performance of all employees, and thus to contribute to sustainable growth. Throughout the Vestel Group of Companies, performance metrics concerning the management of critical risks and the execution of risk mitigation strategies are integrated into the financial, strategic, and operational/organizational objectives of the corporate leadership, commencing with the Sector President; these factors are likewise considered during performance appraisals.

Corporate Risk Management is a systematic set of processes that affects the management of Vestel Group of Companies and all employees, starting with the Board of Directors. It operates in integration with the strategic planning process, aims to identify, measure, and manage the risks that prevent the Company from achieving its short- and long-term strategic goals within the risk tolerances set by the management, and thereby add value to the Company and its stakeholders. Aware of the importance of identifying non-financial risks as well as financial risks and developing a proactive approach towards them, Vestel Group of Companies gives the management of non-financial assets, such as human, innovation, and environmental capital, an important place in its corporate governance approach. Integral to the framework of risk management, the Group's propensity for risk and its threshold of acceptable risk are duly regarded, thereby playing a determinative role in the assessment of risk magnitudes. The assessment of these elements extends beyond financial considerations to encompass a rigorous evaluation of their implications on reputation, innovation, sustainability, occupational health and safety, human rights, environmental stewardship, operational efficiency, staff and customer satisfaction, and the Group's steadfast adherence to its Ethical Principles.

In the framework of the corporate risk management methodology, each employee within the Vestel Group of Companies bears the principal accountability for the determination, assessment, and effective management of risks pertinent to their operational duties and procedural responsibilities. The objective is to ensure that process owners take into account the organization's risk appetite and acceptable levels of risk when administering their respective processes and during all stages of decision-making.

In accordance with the specifications outlined in the “**Corporate Risk Management Handbook**” and the educational programs delivered to all managerial staff, risk universes, which are structured with a focus on the core value chain, undergo prioritization via scoring through impact-probability criteria matrices—developed in alignment with risk appetite and tolerance thresholds—during hierarchical workshops executed with risk owners, comprising middle and upper management personnel positioned at the first line of operations. The risk management strategies, or risk mitigation actions, formulated for the prioritized risks are subject to approval and subsequent monitoring by both the Risk Committee and the Board of Directors. The monitoring of pertinent actions is executed quarterly; however, the list and magnitudes of prioritized risks are subject to reviews and, when necessary, revisions with requisite approvals, in consideration of contemporary developments and prospective hazards; a holistic assessment of the entire risk landscape is performed at a minimum of once per annum.

Corporate risk management practices are conducted in accordance with the tenets of international standards, namely those established by the IIA, COSO, and ISO 31000. The department ensures ongoing dialogue with process and risk-holding functions operating at the frontline by means of advisory services and collaborative coordination. The Corporate Risk Management Department maintains a tight-knit cooperative relationship with the Internal Control Department, which similarly occupies the second line of defense, facilitating information exchange concerning the present and intended internal control frameworks for risks and the maturity assessments of the associated operational procedures. The Internal Audit Group Presidency, which occupies the third line of defense, considers the outcomes of the corporate risk assessment as a constituent element in the development of the yearly internal audit blueprint. Furthermore, a communicative and collaborative relationship is sustained between the two departments with respect to emerging risks and promptly evolving occurrences pertaining to risk-related matters.

The Corporate **Risk Management Model Framework** used at the Vestel Group of Companies is summarized below.

Risk Management process is composed of six sub-processes:

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



CORPORATE GOVERNANCE

Corporate Risk Management Model: The corporate risk management model encompasses directives, particularly essential policies and regulations, the risk management framework containing scope and methodology in detail, and the organizational chart that renders the operational structure visible, all necessary for conducting corporate risk management activities in an effective and sustainable manner.

Risk Assessment: When identifying, analyzing, and determining the levels of risks, the sector and dynamics in which the Company operates are considered, with internal and external expectations taken into account through systematic and collective reasoning.

Risk Management Strategies: Action plans must be established for risks that have been identified, named, and defined, and whose impact, probability, and severity have been determined through scenario analysis. Risk action plans serve as the instrumental mechanism through which risk strategies are meticulously elaborated into tangible objectives, subject to ongoing surveillance and enhancement.

Communication and Consultation: One of the prerequisites for the success of the corporate risk management framework and management system is the effective communication of corporate risk management concepts, outputs and results from studies, their benefits, documents and internal/external benchmark studies to relevant employees.

Monitoring and Review: The purpose of monitoring and review is to guarantee and enhance the quality and efficacy of the corporate risk management process, encompassing its design, implementation, and consequential results. The systematic monitoring and periodic evaluation of corporate risk management procedures and their results are an integral, pre-planned component of the risk management framework, within which responsibilities are distinctly delineated.

Reporting: The outputs of the corporate risk management analyses are disseminated via reports structured at differing tiers, contingent upon their significance and the magnitude of the associated risks.

Risk Types

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

- **Strategic Risks:** Structural risks that may prevent an organization from achieving its short-, medium-, or long-term goals can be classified under this heading. Risks such as planning, business model, market and competition, corporate communication, reputation, and corporate governance are typical examples of strategic risks.
- **Financial Risks:** Financial risks refer to the risks that arise as a result of the organization's financial position and choices. Financial risks primarily include credit, interest rate, and liquidity risks.
- **Operational Risks:** Operational risks refer to risks that may prevent an organization from fulfilling its core business activities. They include some risk items such as natural disasters, business interruptions, procurement, and machine breakage/failure.
- **Compliance Risks:** This refers to legal sanctions, material financial losses, or reputation losses that the organization may face if it fails to comply with laws, regulations, Zorlu Group Ethical Principles, and good practice standards.

Business Continuity Management

Mirroring the organizational framework of Corporate Risk Management, **Business Continuity Management Coordinators** are designated from within the managerial echelons of the Companies, and annual training programs and workshops are conducted under centralized coordination. In order to address potential disruptions to operational continuity, communication protocols for hierarchical notifications, alongside crisis communication strategies and administrative structures tailored to specific incidents, have been implemented.

The Early Detection of Risk Committee was established under the Turkish Commercial Code, the Company's Articles of Association, and the Capital Markets Board's Corporate Governance Communiqué for early detection of risks that may jeopardize the existence, development, and continuity of the Company, implementation of the necessary measures about the risks identified, and management of the risks. The Committee continues its efforts to identify threats in advance that may have negative consequences on the continuity and development of the Company, to take action plans against these threats, and to manage risks effectively. The Early Detection of Risk Committee convened 6 times in 2024 to supervise corporate risk management processes adequately.

2023 Annual General Meeting

Information pertaining to the 2023 Ordinary General Assembly Meeting, inclusive of the statements of independence from the prospective independent members of the Board of Directors, is available for review within the General Assembly Information Document, accessible through the Company's official web portal at the following URL: (<https://vestelinternational.com/tr/yatirimci-iliskileri/kurumsal-yonetim/genel-kurul-toplantilari/2023>).

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Corporate governance activities were initiated at Vestel Elektronik Sanayi ve Ticaret AŞ (“Company” or “Vestel Elektronik”), which takes utmost care to comply with the “Corporate Governance Principles” of the Capital Markets Board (“CMB”) in late 2004. In order to have an independent evaluation of the Company’s corporate governance practices and share the results with the public, the Company has been obtaining corporate governance rating services for the past sixteen years. The Corporate Governance Rating of Vestel Elektronik, which is also included in the BIST Corporate Governance Index, has been steadily improving since 2007. Based on the corporate governance rating study conducted by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri AŞ (SAHA Corporate Governance and Credit Rating Services Inc.), which has been certified by the Capital Markets Board to perform corporate governance rating assessment in accordance with the Corporate Governance Principles in Türkiye, Vestel Elektronik’s corporate governance rating was revised up to 9.62 (96.22%) out of a scale of 10 as of February 14, 2024. This high score yet again confirms the importance that Vestel Elektronik attaches to corporate governance and its commitment to achieving further progress in this area.

The breakdown of the Company’s Corporate Governance Rating by sub-categories is as follows:

	Shareholders	Public Disclosure and Transparency	Stakeholders	Board of Directors	Corporate Governance Principles Compliance Rating
Corporate Governance Compliance Rating Score					
Weight	25%	25%	15%	35%	100%
Rating Received	95.81	98.44	99.51	93.52	96.22

Corporate Governance Rating Reports can be found on the Company's website at <https://vestelinternational.com/tr/yatirimci-iliskileri>.

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

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

For the accounting period ending December 31, 2024, explanations regarding compliance with corporate governance principles contained in the appendix to the Corporate Governance Communiqué and principles not yet complied with are included in the Corporate Governance Compliance Report ("CGCR"), the Corporate Governance Information Form ("CGIF"), and other relevant sections of the report.

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

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Compliance Status					Explanation
	Yes	Partial	No	Exempt	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDERS RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	In 2024, there were no transactions in this scope.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10- The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				The General Assembly agenda includes a separate item to inform shareholders about donations and grants. During the General Assembly, general information is provided regarding the total amount of donations and grants made during the relevant accounting period, within the upper limit set at the previous year's General Assembly, and, when necessary, in response to shareholders' requests for detailed information, about the beneficiaries of these donations and grants. The application is planned to continue in this direction in the following General Assemblies as well.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	The Company does not have any cross-shareholding relationship that brings with it a controlling relationship.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The scope of minority rights has not been expanded in the Articles of Association and the provisions of the relevant legislation are applied. No amendment to the Articles of Association is planned in this regard.

	Compliance Status					Explanation
	Yes	Partial	No	Exempt	Not Applicable	
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares of real person shareholders owning more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					

CORPORATE GOVERNANCE

	Compliance Status					Explanation
	Yes	Partial	No	Exempt	Not Applicable	
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					The Company signed a collective bargaining agreement with Türk Metal Union for the period from January 1, 2024, to December 31, 2025. One representative room has been created, and a Turkish Metal Union Vestel Branch has been established exclusively for Vestel companies.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					Zorlu Holding Ethical Principles Zorlu Holding Human Rights Policy Necessary measures are taken with the Complaint Request Evaluation System practices.
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					Our company respects the right of employees to join and not to join organizations. A first-term collective bargaining agreement has been signed between the Turkish Metal Union and the workplace for the period from January 1, 2024, to December 31, 2025. 99% of the employees covered by the union have become members. Our staff visits the branch and representative rooms on various matters, union representatives fulfill their legal union duties, and the personnel participate in the union's awareness and technical training sessions.
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1- The Company measured customer satisfaction, and operated to ensure unconditional customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					

	Compliance Status					Explanation
	Yes	Partial	No	Exempt	Not Applicable	
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2- The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategic targets, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					

	Compliance Status					Explanation
	Yes	Partial	No	Exempt	Not Applicable	
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Although there is no written policy or target regarding the selection of female members for the Board of Directors, diversity is given importance in the candidate selection process. The creation of a written policy is being considered for the future. In order to create an inclusive and diversity-driven corporate culture and take a step closer to ensuring equality in society, particularly in the business world, the “Eşit Bi’Hayat (An Equal Life) Manifesto” (https://vestelinternational.com/Content/files/uploads/640/ZH_TCE_Manifesto.pdf) prepared by Zorlu Holding, the Company’s indirect controlling shareholder, is used as a guide in all business processes. Zorlu Holding is one of the founders of the 30% Club in Türkiye, which aims to increase the percentage of women to 30% in corporate decision-making bodies, boards of directors, and senior management. It is also a corporate supporter of the Women on Boards Association.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attend the majority of the board meetings in person or via an electronic board meeting system.	X					The Board meetings were held in person in 2024 while online participation has been provided for members with excuses. Physical attendance at meetings is essential.
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	Although it is possible to submit opinions, no member was unable to attend the Board of Directors meetings in the relevant period and submitted his/her opinions in writing to the Board of Directors.
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director’s dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members’ external commitments at the General Assembly Meeting.		X				Due to the significant contributions made by the Board of Directors members through their work experience and industry expertise, there are no restrictions on them taking on other roles outside the Company, and there are no plans to impose any limitations in this regard. The roles taken by the Board of Directors members outside the Company are presented to the shareholders at the General Assembly by being included in the annual activity report and the general assembly information document.

	Compliance Status					Explanation
	Yes	Partial	No	Exempt	Not Applicable	
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.		X				Three independent Board members serve on more than one committee. No change is planned in the current situation due to the number of independent Board members.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					An independent consultancy company, which is not affiliated with the Company, has provided services for the nomination of independent candidates for the Board of Directors.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.			X			Remuneration of Board members and senior executives is disclosed collectively in the annual report in line with general practice. Considering the legislation on the protection of personal data, the practice of disclosing fees on an individual basis will continue to be monitored.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	During the year, a total of 67 meetings were held with investors and analysts by phone, video conference or face-to-face, two investor conferences organized by brokerage houses were attended, and a roadshow on Eurobond issuance was organized abroad.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	There was no request for the appointment of a special auditor during the reporting period.
The number of special audit requests that were accepted at the General Shareholders' Meeting	None.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1281314
Whether the general assembly meeting documents were presented in Turkish and English languages simultaneously	Yes, they were presented.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There was no such transaction in 2024.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There was no transaction carried out within the scope of Article 9 in 2024.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/1291713
The name of the section on the corporate website that demonstrates the donation policy of the company	Corporate Governance / Policies / Donation and Charity Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/1292312
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None.
Information regarding the stakeholders who attend general assemblies	Although there is no restriction regarding the participation of stakeholders in the AGM, there was no participation thereby other than the shareholders.
1.4. Voting Rights	
Whether there are any privileged voting rights	No
In case there are voting privileges, indicate the privileged shareholders and their voting percentages.	None.
Shareholding rate of the majority shareholder	52.77%
1.5. Minority Rights	
Whether the scope of minority rights is expanded (in terms of content or percentage) in the Articles of the Association	No
If yes, specify the relevant provision of the articles of association.	There is no such policy.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Stock and Bond Information / Dividend Distribution Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	For the Company's 2023 fiscal year, in accordance with the Capital Markets Board ("CMB")'s Communiqué No. II.14.1 titled "Principles of Financial Reporting in the Capital Markets," based on the Turkish Financial Reporting Standards enacted by the Public Oversight Accounting and Auditing Standards Authority ("POA"), and in compliance with the formats determined by POA and CMB, the consolidated financial statements, audited by PwC Independent Auditing and Independent Accounting and Financial Consultancy Inc., show a net profit for the period attributable to the parent company of TL 1,449,625,000. On the other hand, in the financial statements prepared in accordance with the relevant provisions of the Tax Procedure Law ("VUK") No. 213, the net loss for the period before inflation adjustment amounts to TL 1,688,979,363. Within the framework of the information explained above, it was unanimously resolved at the General Assembly to accept the proposal not to distribute dividend for the accounting period of 2023 within the scope of the Board of Directors' decision dated 03.05.2024 and numbered 2024/25 regarding the submission of the matter regarding the non-distribution of dividend to the approval of the shareholders at the Ordinary General Assembly meeting of 2023 since the Company has no distributable profit in the financial statements prepared in accordance with the VUK principles.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/1292312

General Assembly Meetings

General Assembly Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations received by insiders by the board of directors	The PDP link of the general assembly notification
29.05.2024	None.	58.2555%	0.0008%	58.2547%	Corporate Governance / General Meetings of Shareholders	Corporate Governance / General Meetings of Shareholders	None.	None.	https://www.kap.org.tr/tr/Bildirim/1292312

2. PUBLIC DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website	
The headings of the sections on the corporate website that include information required by the corporate governance principle numbered 2.1.1	The information requested in the corporate governance principle numbered 2.1.1. is available on the Company's Investor Relations website under the sections "About Us, News, Corporate Governance, Financials, Stock Information and Frequently Asked Questions."
The heading of the section on the corporate website that includes the list of real person shareholders who own more than 5% of the Company's shares, directly or indirectly	Corporate Governance / Ownership Structure
List of languages for which the website is available	Turkish & English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	It is presented in the Board of Directors and Senior Management sections of the annual report. Statements of independence were presented in the Corporate Governance section of the Annual Report.
b) Page number or heading of the section in the annual report that provides information on the committees established under the Board of Directors	It is presented in the Corporate Governance section of the annual report.
c) Page number or heading of the section in the annual report that includes the number of board meetings held throughout the year, and the members' attendance status	It is presented in the Additional Disclosures Required by Legislation section of the annual report.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Presented in the Additional Disclosures Required by Legislation section of the annual report.
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	It is presented in the Additional Disclosures Required by Legislation section of the annual report.
f) Page number or heading of the section in the annual report that provides information on the conflicts of interest between the Company and entities providing investment advisory and rating services to the Company, and the precautions taken to prevent these	It is presented in the Additional Disclosures Required by Legislation section of the annual report.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Presented in the Additional Disclosures Required by Legislation section of the annual report.
h) Page number or heading of the section that provides information on employees' benefits and professional training, as well as other corporate social responsibility activities related to the Company's operations that have social and environmental impacts	It is presented in the Employees and Corporate Citizenship sections of the annual report.

CORPORATE GOVERNANCE

3. STAKEHOLDERS	
3.1. Corporation’s Policy on Stakeholders	
The heading of the section on the corporate website that includes the policy on compensation	Corporate Governance / Policies / Employee Compensation Policy
The number of final court verdicts against the Company that result from violation of employee rights	45
The title of the individual in charge of the whistleblowing programme	Zorlu Holding Deputy General Manager for Internal Audit & Ethics on behalf of Zorlu Holding AŞ’s Ethics Committee (Senem Dal - senem.dal@zorlu.com)
Contact information of the Company’s mechanism to report	Code of Ethics Hotlines: etik@zorlu.com; etik@vestel.com.tr 0 212 456 23 23 / 0 850 226 23 23
3.2. Supporting the Participation of the Stakeholders in the Corporation’s Management	
The heading of the section on the corporate website that includes internal regulations on employees’ participation in the managerial bodies of the Company	The Complaint/Suggestion/Request Evaluation System, which has been created to assess complaints, wishes, and requests from employees, and to enhance employee motivation, satisfaction, and productivity, is available on a corporate portal kiosk mobile application that is exclusively accessible to company employees.
Corporate bodies where employees are represented	Occupational Health and Safety Committee, Happy Employee Committee, Meal Satisfaction and Menu Selection Committee, Disciplinary Board and Annual Leave Committee. A collective bargaining agreement has been signed, effective from January 1, 2024, which has increased the representation of employees.
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The succession plan for the Company’s key management positions (Deputy General Manager and above) is implemented within the scope of Zorlu Group Senior Management Talent Management practices, under the coordination of Zorlu Holding Chief Human Resources Officer, taking the recommendations of the Corporate Governance Committee and following the opinion and approval of the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	The Vestel Group of Companies’ Recruitment and Placement Regulation, which includes the criteria for equal opportunities and recruitment of personnel, is available on the Company’s corporate portal. The Regulation sets out the general rules regarding the employment of individuals, who are compatible with the vision, mission, work requirements and values of the Vestel Group of Companies, by offering them an equal opportunity and by evaluating them fairly and objectively to meet the human resource needs of the Group companies. The Human Resources Policy is available in the Corporate Governance / Policies section on the corporate website.
Whether the company provides an employee stock ownership programme	There is no employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also, provide a summary of relevant parts of the human resource policy.	The Human Resources Policy is available in the Corporate Governance / Policies / Human Resources Policy section. It is specifically mentioned in all regulations: “No discrimination is permitted in applications on the basis of gender, age, religion, race, sect, social status, physical appearance, ethnic origin, nationality, sexual orientation or any other personal characteristics.”
The number of definitive convictions the company is subject to in relation to health and safety measures	4
3.5. Ethical Rules and Social Responsibility	
The heading of the section on the corporate website that includes the policy on ethical principles	Corporate Governance / Code of Ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If there is no report on corporate social responsibility, precautions taken with respect to the environmental, social and corporate governance issues	It is presented in the Sustainability section of the corporate website under the “Environmental Sustainability,” “Social Sustainability” and “Corporate Sustainability” headings.
Any measures combating any kind of corruption including embezzlement and bribery	These measures are included in the Zorlu Holding Ethical Principles, which is available under the heading of the Code of Ethics in the Corporate Governance section on the Company’s corporate website.

4. BOARD OF DIRECTORS-I	
4.2. Principles of Activity of the Board of Directors	
Date of the last board evaluation conducted	May 2024
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Chairman of the Board: Ahmet Nazif Zorlu, Deputy Chairman of the Board of Directors: Ayşegül İldeniz. With the resolution of the Board of Directors dated 30.05.2024 and numbered 2024/34, Ahmet Nazif Zorlu and Olgun Zorlu jointly or any one of Ahmet Nazif Zorlu and Olgun Zorlu and any one of Alp Dayı and Bekir Cem Köksal jointly were authorized to represent and bind the Company for a period of 1 year without any monetary limitation in all matters.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	8
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	It is presented in the Corporate Governance section of the annual report.
Name of the Chair	Ahmet Nazif Zorlu
Name of the CEO	Ergün Güler
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	They are different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company’s capital	https://www.kap.org.tr/tr/Bildirim/1310408
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None.
The number and ratio of female directors within the Board of Directors	Number: 1 Ratio: 14%

COMPOSITION OF BOARD OF DIRECTORS							
Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that includes the Independency Declaration	Whether the Independent Director considered by the Nomination Committee	Whether She/He is the Director who ceased to satisfy the Independence or Not	Whether the Director has at least 5 years of experience on Audit, Accounting and/or Finance or Not
Ahmet Nazif Zorlu	Non-executive	Not independent director	23.12.1994	-	-	-	-
Ayşegül İldeniz	Non-executive	Independent director	09.05.2018	https://www.kap.org.tr/tr/Bildirim/1282588	Considered	No	-
Olgun Zorlu	Non-executive	Not independent director	23.12.1994	-	-	-	-
Bekir Cem Köksal	Executive	Not Independent Director	31.05.2023	-	-	-	Yes
Mümin Cengiz Ultav	Non-executive	Not Independent Director	26.05.2011	-	-	-	-
Adnan Yıldırım	Non-executive	Independent director	29.05.2024	https://www.kap.org.tr/tr/Bildirim/1282588	Considered	No	Yes
Emin Ataç	Non-executive	Independent director	29.05.2024	https://www.kap.org.tr/tr/Bildirim/1282588	Considered	No	-

CORPORATE GOVERNANCE

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	The Board meetings were held in person in 2024 while online participation has been provided for members with excuses. Physical attendance at meetings is essential. A total of 12 meetings were held in this way in 2024.
Director average attendance rate at board meetings	90%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	1 week before the meeting
The name of the section on the corporate website that demonstrates information about the board charter	It is specified in the Article 16 of the Articles of Association which is available in the Corporate Governance section of the website.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	It is presented in the Corporate Governance section of the annual report.
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/220052 https://www.kap.org.tr/tr/Bildirim/267337 https://www.kap.org.tr/tr/Bildirim/348328 https://www.kap.org.tr/tr/Bildirim/348330 https://www.kap.org.tr/tr/Bildirim/348331

COMPOSITION OF BOARD COMMITTEES-I				
Names of the Board Committees	Name of Committees Defined as “Other” in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	-	Adnan Yıldırım	Yes	Independent Board member
Audit Committee	-	Emin Ataç	No	Independent Board member
Corporate Governance Committee	-	Ayşegül İldeniz	Yes	Independent Board member
Corporate Governance Committee	-	Adnan Yıldırım	No	Independent Board member
Corporate Governance Committee	-	Ayca Ersoy	No	Not board member
Risk Committee	-	Adnan Yıldırım	Yes	Independent Board member
Committee of Early Detection of Risk	-	Emin Ataç	No	Independent Board member
Other	Strategy, Investment and R&D Committee	Ayşegül İldeniz	Yes	Independent Board member
Other	Strategy, Investment and R&D Committee	Emin Ataç	No	Independent Board member
Other	Strategy, Investment and R&D Committee	Bekir Cem Köksal	No	Board Member
Other	Sustainability Committee	Emin Ataç	Yes	Independent Board member
Other	Sustainability Committee	Ergün Güler	No	Not board member

4. BOARD OF DIRECTORS-III	
4.5. Committees Established under the Board of Directors-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/ website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	It is presented in the Message from the CEO, Financial Performance and Evaluation of Product Groups for the Year 2024 sections of the annual report.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Corporate Governance / Policies / Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	It is presented in the Additional Disclosures Required by Legislation section of the annual report.

COMPOSITION OF BOARD COMMITTEES-II					
Names of the Board Committees	Name of Committees Defined as “Other” in the First Column	Percentage of Non-executive Directors	Percentage of Independent Directors in the Committee	Number of Meetings Held in Person	Number of Reports on Its Activities Submitted to the Board
Audit Committee		100%	100%	5	5
Corporate Governance Committee		67%	67%	5	2
Risk Committee		100%	100%	6	6
Other	Strategy, Investment and R&D Committee	67%	67%	4	2
Other	Sustainability Committee	50%	50%	4	3

CORPORATE GOVERNANCE

STRUCTURE OF THE BOARD OF DIRECTORS

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

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

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

Board members are elected for a period of minimum of one and maximum of three years. Board members whose term of office expires may be re-elected. General Assembly may replace board members at any time. In the event of a vacancy in the Board of Directors, the Board of Directors shall make an appointment to the vacant membership in accordance with these Articles of Association and the relevant articles of the Turkish Commercial Code. If the vacant position is for an independent member of the Board, the appointment shall be made in accordance with the regulations of the Capital Markets Board. The consent of the shareholders shall be obtained for the newly appointed member at the first General Assembly. The member approved by the General Assembly shall complete the term of office of his/her predecessor.

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

Vestel Elektronik’s Board of Directors consists of a total of 7 members, three (43%) of whom are independent. 6 Board members are non-executive. Independent members fulfill the independence criteria envisaged in the CMB’s Communiqué on Corporate Governance No. II-17.1. Independent board member candidates were determined by the resolution of the Board of Directors based on the evaluation and proposal of the Corporate Governance Committee. The candidates for independent board membership submitted their written statements of independence within the framework of the legislation, Articles of Association and the independence criteria set forth in the Communiqué on Corporate Governance to the Corporate Governance Committee at the time of their nomination. The Committee submitted its evaluation reports on whether these candidates fulfill the independence criteria to the Board of Directors and the Board decided that these candidates would be submitted to the approval of shareholders at the General Assembly to be elected as independent members to the Board.

One female member serves on the Board of Directors, who is an independent director and the ratio of female members on the Board is 14%.

The board members were elected to serve for one year at the Annual General Meeting held on May 29, 2024.

The average term of office for the current board members is 11.9 years.

No board member, including the chairperson, has a preferential voting right. Each member possesses an equal vote.

Chairperson and CEO are separate individuals.

DUTIES AND AUTHORITIES OF THE BOARD OF DIRECTORS

The Board of Directors manages and represents the Company. In addition to this main task, the Board of Directors is also responsible to the Company’s stakeholders (customers, employees, suppliers and other stakeholders). The following are the non-transferable and inalienable duties and powers of the Board of Directors:

- Managing the company at a high level and including the issue of instructions,
- Determining the management organization of the company,
- Establishing the necessary order for accounting, financial auditing, and financial planning as required by the company’s management,
- Appointment and dismissal of managers and persons serving the same purpose and who hold the authority to sign,
- Higher supervision of whether the persons responsible for management act in accordance with the laws, articles of association, internal guidelines and written instructions of the Board of Directors,
- Keeping the books of shares, the Board of Directors’ resolutions and minutes of the general shareholders’ meetings, preparation of the annual report and corporate governance report and submission to the General Assembly, organization of the General Shareholders’ Meetings and execution of the General Assembly decisions,
- Taking the measures stipulated in the Article 376 of the Turkish Commercial Code in case of loss of capital or insolvency.

In this context, the responsibilities of the Board of Directors are as follows:

- To act cautiously in line with duty of care and supervision,
- To determine the company’s short- and long-term goals,
- To examine the strategies which will be implemented to achieve the company’s goals, to contribute to their development and to ensure their implementation,
- To examine the strategic and financial performance of the company and to take measures for improvement,
- To select the general manager, evaluate him/her in accordance with certain performance criteria and to determine his/her remuneration,
- To ensure the administrative and financial audit of the company,
- To ensure that the Board of Directors has the structure and function required to ensure the effective and efficient operation of the sub-committees of the Board of Directors and senior management, and to determine their performance criteria,
- To determine the company’s approach to communication and relationships with stakeholders and external authorities,
- To determine and implement business ethics rules for the company and its employees,
- To ensure that the Company’s internal and external activities and actions comply with the relevant legislation.

The Board of Directors is authorized to take decisions on all kinds of work and transactions as required to perform the Company’s business activities, except those to be taken by the General Assembly in accordance with the law and the Articles of Association.

CORPORATE GOVERNANCE

BOARD COMMITTEES

- In order to assist the Board of Directors to perform its duties and responsibilities more effectively, a Corporate Governance Committee, an Early Detection of Risk Committee and an Audit Committee have been set up under the Board in line with the Capital Markets Board's Corporate Governance Principles. Owing to the nature of the Board structure, the Company has not set up a separate “Remuneration Committee” or a “Nomination Committee,” the duties of which are performed by the Corporate Governance Committee.
- As per the Corporate Governance Principle No. 4.5.3, all members of the Audit Committee and the chairpersons of other committees are elected from among the independent members of the Board.
- The independent board members, Ms. Aysegül İldeniz, Mr. Adnan Yıldırım and Mr. Emin Ataç serve on more than one committee due to the number of the Board members and the committee formation requirements in accordance with the CMB's Corporate Governance Principles.
- Committees convene at intervals stipulated by the legislation and the related Committee's working principles or upon a request from a member. The committees submit their reports containing information about their work and meeting results to the Board of Directors.
- Any and all resources and support required for the committees to fulfill their duties effectively are provided by the Board of Directors. The committees can invite anyone they deem necessary to their meetings and seek their opinions.
- Duties, working principles and the members of the Committees are determined by the Board of Directors and are disclosed to the public on the Public Disclosure Platform and the Company website.

Audit Committee

- The Audit Committee was set up for the effective oversight of the Company's financial and operational activities pursuant to the Article 3 of the CMB's Communiqué Serial X, No. 19. The Committee is responsible for the supervision of the Company's accounting system, public disclosure of financial information, independent audit and the functioning and efficiency of the Company's internal control and internal audit system.
- Pursuant to the CMB's Communiqué on Corporate Governance No. II-17.1, the “Working Principles of the Audit Committee” were revised and approved at the Board of Directors' meeting dated March 27, 2014. The revised working principles were made available to the shareholders through the Public Disclosure Platform and the Company website.
- The Audit Committee is structured in accordance with the Capital Markets Board's Corporate Governance Principles and comprises two members. The Committee consists of two members.
- The Chairman of the Committee was elected from among the independent members of the Board and certain criteria were taken into account in the election process. Care is taken to ensure that the Chairperson of the Committee previously held a similar role, has the knowledge to analyze financial statements, is well-versed in accounting standards, and is highly qualified.
- Both members of the Audit Committee were elected from among the independent Directors. The Chairman of the Committee is Mr. Adnan Yıldırım, and the other member is Mr. Emin Ataç.

The structure of the Committee and membership information are as follows as per the decision taken in the Company's Board meeting on June 10, 2024:

Committee Members	Duty	Status
Adnan Yıldırım	Chairman of the Committee	Independent Board Member
Emin Ataç	Member of the Committee	Independent Board Member

- In principle, the Audit Committee shall convene at least four times a year, being once in each quarter. The Committee convened five times in 2024.
- The Committee carries out its activities in line with the working principles set out in detail and in writing.
- In 2024, the Audit Committee performed the following functions:
 - Monitoring the Company's financial and operational activities,
 - Supervision and approval of the compliance of the annual and interim financial statements to be disclosed to the public with the accounting principles followed by the Company as well as their accuracy and veracity,
 - Selection of the independent audit firm, preparation of the independent audit contract and initiation of the independent audit process,
 - Monitoring the effectiveness and performance of the independent audit activity,
 - Overseeing the functioning and effectiveness of the internal control and internal audit system,
 - Reviewing the reports relating to the internal control and internal audit studies conducted during the reporting period.

Corporate Governance Committee

- The Corporate Governance Committee was established to monitor the Company's compliance with the CMB's Corporate Governance Principles, carry out studies for improvement and make proposals to the Board of Directors in order to improve the implementation of corporate governance practices.
- Pursuant to the CMB's Communiqué on Corporate Governance No. II-17.1, the “Working Principles of the Corporate Governance Committee” were revised and approved at the Board of Directors' meeting dated 27 March 2014. The revised version of the working principles was disclosed to shareholders via the Public Disclosure Platform and the Company website.
- The Corporate Governance Committee is composed of at least three members, including two non-executive Board Members and the Investor Relations Director. The Chairperson of the Committee is Ms. Aysegül İldeniz, who has been selected from among the independent members.
- Corporate Governance Committee also fulfills the duties of the Nomination Committee and the Remuneration Committee.

In accordance with the decision taken at the meeting of the Board of Directors of our Company held on June 10, 2024 and January 1, 2025, the Committee's distribution of duties is as follows:

Committee Members	Duty	Status
Aysegül İldeniz	Chairperson of the Committee	Independent Board Member
Adnan Yıldırım	Member of the Committee	Independent Board Member
Ayca Ersoy	Member of the Committee	Investor Relations Manager

- In principle, the Committee convenes at least twice a year in order to ensure the effective performance of its duties. Corporate Governance Committee convened five times in 2024.
- In 2024, an independent consultancy company, which is not affiliated with our company, provided services for the nomination of independent board candidates.
- The activities carried out by the Committee in 2024, in line with the working principles put into writing in detail, are presented below:
 - Making proposals to the Board of Directors to improve corporate governance practices within the scope of compliance with the Capital Markets Board's Communiqué on Corporate Governance no. II-17.1 and engaging in and overseeing activities required for compliance with the legislation within the Company,
 - Preparing the evaluation reports on the independence of the independent Board member candidates for submission to the Board of Directors,
 - Overseeing the activities of the Investor Relations Department,
 - Carrying out the activities related with the Corporate Governance Rating,
 - Within the scope of the Remuneration Committee duties, submission to the Board of its proposal for the compensation to be paid to the members of the Board of Directors and executives with administrative responsibility for the year 2024, considering the degree of attainment of the criteria used in remuneration.

Early Detection of Risk Committee

- The Early Detection of Risk Committee was established pursuant to the Board of Directors' Resolution dated 15 March 2013, in order to identify risks which could threaten the existence, development and continuity of the Company, take necessary measures against these risks and undertake risk management activities in line with the Turkish Commercial Code, Articles of Association and CMB's Communiqué on Corporate Governance. The Committee continues its activities with regard to the early detection of threats which may have negative consequences on the development and continuity of the Company and manage the risks effectively by developing action plans against such threats.
- Pursuant to the CMB's Communiqué on Corporate Governance No. II-17.1, the “Working Principles of the Early Detection of Risk Committee” were revised and approved at the Board of Directors' meeting dated 27 March 2014. The revised working principles were made available to the shareholders through the Public Disclosure Platform and the Company website.
- The Early Detection of Risk Committee is composed of at least two Board members. In case the Committee has only two members, both of them, and in case it has more than two members, the majority of them, must be non-executive Board members. The Chairperson of the Committee is Mr. Adnan Yıldırım, who has been selected from among the independent members. The other member of the Risk Early Detection Committee is Mr. Emin Ataç, an independent Board of Directors member.
- Early Detection of Risk Committee submits a report to the Board of Directors every two months.

CORPORATE GOVERNANCE

The structure of the Committee and membership information are as follows as per the decision taken in the Company's Board meeting on June 10, 2024:

Committee Members	Duty	Status
Adnan Yıldırım	Chairman of the Committee	Independent Board Member
Emin Ataç	Member of the Committee	Independent Board Member

- The Early Detection of Risk Committee convenes at least 3 times a year, but as often as necessary for the effectiveness of its activities and as explained in its working principles. The Committee held six meetings in 2024 and presented six risk reports to the Board of Directors.
- The activities carried out by the Committee in 2024, in line with the working principles put into writing in detail, are presented below:
 - Risk assessment has been conducted at all levels, and an inventory of risks critical to the company in strategic, financial, and operational areas has been compiled.
 - Risks were classified according to the following criteria on the risk map, where they are positioned according to their impact and probability levels.

By Level of Potential Impact:

- o Negligible
- o Minor
- o Moderate
- o Serious
- o Critical

According to the Likelihood:

- o Rare
- o Low
- o Possible
- o High
- o Almost Certain

As a result of these assessments, it was seen that the risks were generally concentrated under the main headings of Strategic, Financial, Compliance and Operational Risks.

- As a result of the risk inventory and the Enterprise Risk Management Department’s research, risk reports were prepared and submitted to the Committee in order to ensure early detection of risks which may jeopardize the Company’s existence, development and continuity and adoption of the necessary measures against these risks and management of risk. These reports are as follows:
 - o Enterprise Risk Management Risk Assessment Criteria
 - o Developments in Business Continuity Management
 - o Vestel Corporate Risk Management Activities and Roadmap
 - o Corporate Risk Management and Internal Control Current Situation and Developments Briefing
 - o Business Continuity Management Actions Current Situation and Developments
 - o Vestel Group Beyaz Eşya Corporate Risk Assessment Results

In 2024, in accordance with Article 366, Paragraph 2 of the Turkish Commercial Code, the Strategy, Investment, and R&D Committee, as well as the Sustainability Committee, have been established to work under the Board of Directors, with the aim of assisting the Board in fulfilling its supervisory responsibilities through advisory decisions.

Strategy, Investment and R&D Committee

The Committee may include at least one independent member, non-executive members and executive members to be determined by the Board of Directors. The Committee is chaired by an independent member.

The Committee regularly reviews investments (including M&A projects). The Committee evaluates the investment projects under the authority of the Board of Directors prior to the approval of the Board of Directors and forms the Committee's advisory opinion. It advises the Board of Directors on priorities for the utilization of the investment budget. Conducts studies on other strategic issues assigned by the Board of Directors. Discuss and evaluate the developments that will affect Vestel's current business and strategic initiatives. It takes the development of strategic plans on its agenda every three months and evaluates them. The realization of strategic objectives is presented as an interim report every six months. Provides recommendations on the necessary management and organizational structure in line with strategic objectives.

The structure of the Committee and membership information are as follows as per the decision taken in the Company’s Board meeting on June 10, 2024:

Committee Members	Duty	Status
Ayşegül İldeniz	Chairperson of the Committee	Independent Board Member
Emin Ataç	Member of the Committee	Independent Board Member
Bekir Cem Köksal	Member of the Committee	Board Member

Sustainability Committee:

The Committee may include at least one independent member, non-executive members and executive members to be determined by the Board of Directors. The Committee is chaired by an independent member.

The Committee reviews the sustainability strategy, targets and policies by following current developments and submits its recommendations to the Board of Directors. Informs the Board of Directors about preventive/improvement measures, different areas and operational results to ensure the implementation of sustainability principles. Provides recommendations on the necessary management and organizational structure in line with the sustainability strategy and goals. Recommends local international memberships and collaborations to support the achievement of the sustainability strategy and goals.

The structure of the Committee and membership information are as follows as per the decision taken in the Company’s Board meeting on June 10, 2024:

Committee Members	Duty	Status
Emin Ataç	Chairman of the Committee	Independent Board Member
Ergün Güler	Member of the Committee	Chairman of the Executive Committee

CORPORATE GOVERNANCE

EVALUATION OF THE BOARD OF DIRECTORS REGARDING THE WORKING PRINCIPLES AND EFFECTIVENESS OF THE BOARD COMMITTEES

In accordance with the Corporate Governance Principles of the Capital Markets Board, and to ensure the effective fulfillment of the Board of Directors' duties and responsibilities, the following committees have been established to work under the Board of Directors, as per the Board's decision dated June 10, 2024:

- o Elect Ms. Ayşegül İldeniz, Independent Member of the Board, as the Chairperson of the Corporate Governance Committee and Mr. Adnan Yıldırım, Independent Member of the Board, and Ms. Serap Mutlu, Investor Relations Director, as Committee members (With the decision of the Board of Directors dated January 1, 2025, Ms. Ms. Serap Mutlu has been replaced by Ms. Ms. Ayça Ersoy was appointed),
- o Independent Board Member Mr. Adnan Yıldırım has been appointed as the Chairperson of the Audit Committee, and Independent Board Member Mr. Emin Ataç has been selected as a committee member,
- o Independent Board Member Mr. Adnan Yıldırım has been appointed as the Chairperson of the Risk Early Detection Committee, and Independent Board Member Emin Ataç has been selected as a committee member.

Due to the structure of the Board, the Company did not establish a separate “Remuneration Committee” and a “Nomination Committee.” The duties of these committees are fulfilled by the Corporate Governance Committee.

The “Working Principles” of the Board Committees were revised in accordance with the CMB’s Communiqué on Corporate Governance No. II-17.1 and approved at the Board meeting held on 27 March 2014. The revised working principles were made available to the shareholders through the Public Disclosure Platform and the Company's website (<https://vestelinternational.com/tr/yatirimci-iliskileri>).

In 2024, in accordance with Article 366, Paragraph 2 of the Turkish Commercial Code, the Strategy, Investment, and R&D Committee, as well as the Sustainability Committee, have been established to work under the Board of Directors, with the aim of assisting the Board in fulfilling its supervisory responsibilities through advisory decisions.

By decision of the Board of Directors dated June 10, 2024;

- Ms. Ayşegül İldeniz has been appointed as the Chairperson of the Strategy, Investment, and R&D Committee, and Independent Board Member Mr. Emin Ataç and Board Member Mr. Bekir Cem Köksal have been selected as committee members.
- o Independent Board Member Mr. Emin Ataç has been appointed as the Chairperson of the Sustainability Committee, and Mr. Ergün Güler, the CEO of Vestel Group of Companies, has been selected as a committee member.

In 2024, all Board of Directors Committees have fulfilled their duties and responsibilities in accordance with the Corporate Governance Principles and their own Working Principles, and have operated effectively.

In compliance with the way required for the effectiveness of their functions, their Working Principles and annual meeting schedules, in 2024:

- o The Corporate Governance Committee convened three times,
- o The Corporate Governance Committee convened once to fulfill the duties of the Nomination Committee,
- o The Corporate Governance Committee convened once to fulfill the duties of the Remuneration Committee,
- o The Audit Committee convened five times,
- o The Early Detection of Risk Committee convened six times,
- o Strategy, Investment and R&D Committee 4 times
- o The Sustainability Committee convened four times. The Committees submitted reports on their activities and the results of their meetings to the Board of Directors.

According to these meetings:

- o The “Corporate Governance Committee,” which was established in line with the Capital Markets Board's Communiqué on Corporate Governance in order to monitor the Company’s compliance with the Corporate Governance Principles, carry out studies for improvement, and submit proposals to the Board of Directors, monitored the Company’s compliance with the Corporate Governance Principles, made recommendations to the Board to improve compliance with the non-mandatory principles and oversaw the activities of the Investor Relations Department.
- o The Corporate Governance Committee also fulfills the duties of the Nomination Committee. Within the scope of its duties as the Nomination Committee, the Corporate Governance Committee evaluated the applications for independent board membership by assessing the independence status of the board member candidates according to the independence criteria. The Committee prepared a report on its evaluations and submitted it to the Board of Directors for approval.
- o The Corporate Governance Committee, which also fulfills the duties of the Remuneration Committee, submitted its proposal to the Board of Directors regarding the remuneration of the Company’s Board members and executives with administrative responsibilities for the year 2024, taking into account the degree of attainment of the criteria used in remuneration within the scope of the duties of this committee.
- o The “Audit Committee,” which was established for the supervision of the Company’s accounting system, the independent audit, public disclosure of financial information, and functioning and efficiency of the Company’s internal control and internal audit system, presented its views and recommendations in the areas of its responsibility to the Board of Directors.
- o The “Early Detection of Risk Committee,” which was established for the early detection of risks that could threaten the Company’s existence, development and continuity, implementation of necessary measures against these risks and management of risk, carried out a high-level risk assessment, compiled an inventory of risks critical to the Company in strategic, financial and operational areas and prepared and submitted six Risk Reports to the Board based on the risk inventories and Enterprise Risk Management Department’s research during the year within the scope of its duties set forth in its Working Principles.

DECLARATIONS OF INDEPENDENCE OF INDEPENDENT BOARD MEMBERS DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to serve as an "independent member" on the Board of Directors of Vestel Elektronik Sanayi ve Ticaret AŞ ("Company") within the scope of the criteria set forth in the legislation, Articles of Association and the Capital Markets Board's Corporate Governance Communiqué No. II-17.1;

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,
- b) In the last five years, I have not been a partner (5% or more), an employee in a managerial position with significant duties and responsibilities or a member of the Board of Directors in companies from which the company has purchased or sold services or products to a significant extent within the framework of the agreements made, especially in the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when services or products were purchased or sold,
- c) I have the educational background, knowledge, and experience necessary for me to duly perform the tasks I will assume as an Independent Board Member,
- d) In accordance with the legislation to which I am bound, I will not work full-time in public institutions and organizations after being elected as a member, except for university faculty membership,
- e) I am considered a resident in Türkiye according to the Income Tax Law no.193 dated 31/12/1960,
- f) I possess strong ethical standards, professional credibility, and experience that are necessary for making positive contributions to the Company’s operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,
- g) I will make sufficient time for keeping track of the company’s activities and for fully performing my duties on behalf of the Company,
- h) I have not been a member of the Board of Directors of the Company for more than six years within the last ten years,
- i) I have not served as an independent member of the Board of Directors in more than three of the companies controlled by the Company or the shareholders who control the management of the Company and in more than five of the companies traded on the stock exchange in total,
- j) I have not been registered and announced on behalf of the legal entity elected as a member of the Board of Directors.

Emin Ataç

DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to serve as an "independent member" on the Board of Directors of Vestel Elektronik Sanayi ve Ticaret AŞ ("Company") within the scope of the criteria set forth in the legislation, Articles of Association and the Capital Markets Board's Corporate Governance Communiqué No. II-17.1;

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,
- b) In the last five years, I have not been a partner (5% or more), an employee in a managerial position with significant duties and responsibilities or a member of the Board of Directors in companies from which the company has purchased or sold services or products to a significant extent within the framework of the agreements made, especially in the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when services or products were purchased or sold,
- c) I have the educational background, knowledge, and experience necessary for me to duly perform the tasks I will assume as an independent board member,
- d) In accordance with the legislation to which I am bound, I will not work full-time in public institutions and organizations after being elected as a member, except for university faculty membership,
- e) I am considered a resident in Türkiye according to the Income Tax Law no.193 dated 31/12/1960,
- f) I possess strong ethical standards, professional credibility, and experience that are necessary for making positive contributions to the Company’s operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,
- g) I will make sufficient time for keeping track of the company's activities and for fully performing my duties on behalf of the Company,
- h) I have not been a member of the Board of Directors of the Company for more than six years within the last ten years,
- i) I have not served as an independent member of the Board of Directors in more than three of the companies controlled by the Company or the shareholders who control the management of the Company and in more than five of the companies traded on the stock exchange in total,
- j) I have not been registered and announced on behalf of the legal entity elected as a member of the Board of Directors.

Adnan Yıldırım

DECLARATION OF INDEPENDENCE

I hereby declare that I am a candidate to serve as an "independent member" on the Board of Directors of Vestel Elektronik Sanayi ve Ticaret AŞ ("Company") within the scope of the criteria set forth in the legislation, Articles of Association and the Capital Markets Board's Corporate Governance Communiqué No. II-17.1 (the "Communiqué") (under the framework of Article 6, paragraph 5 of the Communiqué; subject to obtaining the approval of the Capital Markets Board and the exemption stipulated in Article 4.3.6(g) of the Corporate Governance Principles, limited to a temporary period of up to one year);

- a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,
- b) In the last five years, I have not been a partner (5% or more), an employee in a managerial position with significant duties and responsibilities or a member of the Board of Directors in companies from which the company has purchased or sold services or products to a significant extent within the framework of the agreements made, especially in the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when services or products were purchased or sold,
- c) I have the educational background, knowledge, and experience necessary for me to duly perform the tasks I will assume as an independent board member,
- d) In accordance with the legislation to which I am bound, I will not work full-time in public institutions and organizations after being elected as a member, except for university faculty membership,
- e) I am considered a resident in Türkiye according to the Income Tax Law no.193 dated 31/12/1960,
- f) I possess strong ethical standards, professional credibility, and experience that are necessary for making positive contributions to the Company’s operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,
- g) I will make sufficient time for keeping track of the company’s activities and for fully performing my duties on behalf of the Company,
- h) I have not been a member of the Board of Directors of the Company for more than six years within the last ten years,
- i) I have not served as an independent member of the Board of Directors in more than three of the companies controlled by the Company or the shareholders who control the management of the Company and in more than five of the companies traded on the stock exchange in total,
- j) I have not been registered and announced on behalf of the legal entity elected as a member of the Board of Directors.

Ayşegül İldeniz

ANNEX 1: ABOUT THE REPORT

This report includes Vestel Elektronik Sanayi ve Ticaret A.Ş.'s business model and strategy, material issues and future plans that create long-term value for its stakeholders. The report covers financial information as well as sustainability and climate-related governance, strategy, risk management and metrics and targets.

Scope

Unless otherwise stated, the information and data in this report include the data of Vestel Elektronik Sanayi ve Ticaret A.Ş. and its subsidiaries covering the period between January 1 - December 31, 2024.

Environmental performance indicators cover the production facilities and internal warehouses of Vestel Elektronik, Vestel Komünikasyon, and Vestel Beyaz Eşya. Vestel Elektronik's seven plants (electronic card, EPS, plastics, pre-assembly, High-End, digital factory, and product renewal area) are located in the Manisa Organized Industrial Zone. The Vestel Komünikasyon plant, operating for the production of electric vehicle chargers, set-top boxes, LED lighting and batteries, is located in the Aegean Free Zone. Vestel Beyaz Eşya produces at six production facilities (Refrigerator Factories I-II, Washing Machine Plant, Tumble Dryer Plant, Dishwasher Plant, Air Conditioner - Water Heater - Cooking Appliances Plant) in Vestel City.

Standards and Principles Used in the Report

This report has been prepared in accordance with the Integrated Reporting Framework and GRI Standards. In line with our materiality assessment determined in accordance with the European Sustainability Reporting Standards (ESRS), we have addressed the key sustainability issues that shape our sustainability disclosures.

In addition, Turkish Sustainability Reporting Standards (TSRS) 1 "General Provisions on Disclosure of Sustainability-Related Financial Information" and TSRS 2 "Climate-related Disclosures" were taken as basis in the report preparation process. The report also encompasses Vestel Beyaz Eşya's progress achieved under the United Nations Global Compact (UNGC) and its contributions to the United Nations (UN) Sustainable Development Goals (SDGs). The table prepared based on UNGC principles is presented in Annex 9.

Vestel Elektronik continues to work towards full compliance with sustainability principles. Detailed information on this issue can be found in the Sustainability Principles Compliance Report in Annex 10. In addition, the metrics specified in the SASB Electronic Manufacturing Services and Original Design Production standard are included in our sustainability statements.

ANNEX 2: STAKEHOLDER RELATIONS

Communication and collaboration with stakeholders constitute one of the key elements of Vestel's value creation model. Dialog is established with different stakeholders through different channels and their views are included in decision-making processes. Under the stakeholder analysis conducted in 2021, Vestel reached employees, suppliers, analysts, investors, customers, authorized dealers and service providers, universities, sectoral associations and initiatives, CSOs, media, and local governments and received the opinions of its stakeholders on its sustainability priorities. Under the strategy that it has shaped depending on these priorities, Vestel aims to annually share its performance with the public through its integrated report. Vestel participates in multi-stakeholder initiatives, takes part in associations and initiatives, and contributes to the development of public policies. The Company has been actively involved in the TÜSİAD Environment and Climate Change Working Group since 2019. Joining the newly established Circular Economy Sub-Working Group in 2020 alongside the main working group, Vestel has been a member of the Circular Economy and Waste Management, Climate Change and the Paris Agreement, and EU and International R&D Support Programs sub-working groups since 2021.

Vestel adopts sustainability and circularity as a principle by taking part in many platforms where it carries out active policies with its stakeholders. It plays an active role in the working groups of many platforms, including the European White Goods Manufacturers Association (APPLiA), TOBB, İSKİD, TÜSİAD, and TÜRKBESD, as well as many national organizations in Europe. It closely monitors developments within the scope of the European Union Green Deal policy and develops strategies focused on green and digital transformation. Accordingly, Vestel Beyaz Eşya chairs the 'Eco-Design Task Force for Sustainable Products', which was established at TÜRKBESD in the last quarter of 2023. Furthermore, within the scope of environmental regulations, it continues to participate in policy and legislative development studies carried out to control fluorinated greenhouse gases and reduce emissions through the İSKİD F-Gas Working Group.

Since 2022, Vestel has been voluntarily participating with industry stakeholders in the development of the Code of Conduct (CoC) policy for Energy Smart Appliances (ESA), led by the European Union Joint Research Center (JRC). The aim of this "Code of Conduct" is to describe and increase the number of interoperable ESAs available on the EU market. This aims to improve the environmental impact of energy use over the whole energy system in the near future. Energy smart products are expected to generate less carbon emissions with a smart energy grid management system. The second phase of the ESA project, which started last year with version 1.0 and in which Vestel is a stakeholder, has begun. On September 18, 2024 in Brussels, Belgium, the kick-off workshop of the second phase of the Code of Conduct project aimed at establishing a common framework for interoperability of Energy Smart Products took place. This workshop was organized to introduce the objectives of the project and provide direction for future work. Vestel was also a stakeholder in CoC 2.0, the second phase of ESA. The ESA scope was expanded to include energy management systems, photovoltaic inverters (PVI) and electric vehicle chargers (EVC) and the first version of the CoC was updated in line with new solutions and protocols. The workshop attracted a broad participation from the energy management sector and provided a platform for presentations, discussions and opportunities for collaboration among participants.

Vestel Beyaz Eşya aims to develop effective solutions in the fight against climate change, energy efficiency, hydrogen technologies and many other areas. In this context, Horizon programs, which include bilateral and multiple collaborations and consortia, continue to work by developing joint projects with TÜBİTAK supports, universities and leading companies in the sector. It also carries out processes to evaluate potential project and cooperation opportunities in line with sustainability goals. In order to reduce environmental impact and develop innovative solutions, Vestel Beyaz Eşya carries out projects such as the use of hydrogen, biogas production, the use of methane and oxygen mixture in household stoves, heat pump technologies and training activities in the field of clean energy. The industry-academia consortium formed under the TÜBİTAK 1832 SAYEM call aims to develop hydrogen technologies, while contributing to energy conversion through biogas production from factory food waste. At the same time, low-emission fuel systems for its products are being studied and university students are being trained in clean energy technologies, encouraging the transfer of academic knowledge to industrial applications. Within the scope of decarbonization targets, R&D activities on energy-efficient, low-carbon emission heat pump technologies are ongoing and Vestel Beyaz Eşya is committed to contributing to a sustainable future by fulfilling its environmental responsibilities. Vestel Beyaz Eşya carries out a strong interaction and cooperation process with both internal and external stakeholders for the projects carried out and for which applications are pending.

Vestel CEO is a board member of TURKTRADE.

Methods for Communication with Stakeholders

Stakeholder Group	Communication Channels	Frequency of Communication	Communication Channels	Outputs of the Topics Addressed	Evaluation of Feedback Received
Employees	In-house information in different formats (e-mail, digital screens, online platforms, face-to-face meetings, Corporate portal) Surveys, opinion and recommendation kiosks Trainings Annual corporate meetings Integrated reports Online and physical in-house leader communication sessions Principles of Industrial Excellence	Daily	- Sharing all kinds of announcements with employees via e-mail, SMS, Vestel Corporate Portal and notifications on the employee information screen (mobile page/application) - Collecting, responding to and monitoring employees' complaints, suggestions and questions through the employee information screen (mobile page/application)	- Categorization and reporting of suggestions, complaints and questions received through the employee information screen (mobile page/application) - Making strategic decisions in the light of this data	Taking actions when necessary in line with the feedback received from employees
Sectoral Organizations and Associations, CSOs, International Organizations	Membership in professional associations Presidency of the board of directors in professional and sectoral associations Integrated reports Research reports Participation in seminars and summits	Monthly	- Sharing sectoral knowledge and developing joint projects - Evaluating opportunities for cooperation - Leading the sector by assuming a leadership role - Strengthening inter-organizational cooperation - Analysis and recommendations on sectoral developments - Trend analysis at national and international level - Following sectoral updates - Integration into global developments and sharing of experience	- Realization of joint projects and events - Strengthening solidarity within the sector - Taking strategic steps that shape the sector - Increasing the effectiveness of organizations - Creating data-driven strategic decisions - Drawing a road map by analyzing the current situation of the sector - Expanding the global network - Implementation of technological and sectoral innovations within the organization	- Reflecting the suggestions of the association members to the projects - Taking actions in line with sectoral demands - Producing solutions to sectoral problems with the feedback received
Suppliers	Supplier Code of Conduct Trainings Audits and counts Periodic review meetings Announcements Integrated reports	Weekly, Monthly, Quarterly	- Submission of the procurement principles document online at in a standardized manner when suppliers apply to Vestel - Weekly, monthly and quarterly meetings with suppliers on market situation and commercial issues depending on the category of purchase - Auditing and visiting all suppliers from which direct materials are purchased by quality assurance teams at the company location - Organizing company visits for periodic counts and reconciliations for sub-industry companies - Conducting audits and trainings on business ethics and sustainability with critical suppliers and third party audit firm - Organizing scorecards for automotive suppliers and sharing them with suppliers	- Better collaboration on issues that require instant reaction such as price, forecast, market changes - Sustainability awareness created in our suppliers - Quality and supply continuity - Increased synergies in cooperation and partnerships	- Taking actions for development areas as a result of audit activities - Evaluation of supplier notifications by purchasing management, - Reorganization of strategic procurement targets

Stakeholder Group	Communication Channels	Frequency of Communication	Communication Channels	Outputs of the Topics Addressed	Evaluation of Feedback Received
Investors, Shareholders and Analysts	Disclosures on the Public Disclosure Platform Press releases Investor Relations website Integrated reports One-on-one meetings and e-mail correspondence Phone calls Video conferences Investor conferences and roadshows General Assembly meetings Annual and interim financial statements and annual reports Presentations for investors Intermediary firm reports	Daily / Quarterly / Annual	- Publicly available financial and operational information - Company strategy - Important developments related to company operations - Industry, regulatory and competition developments - Corporate Governance issues - Macroeconomic developments - Sustainability efforts - Other investor questions	- Understanding of company strategy, financials and operations by investors and analysts - Supporting investor confidence - Support for investors' investment decisions - Minimizing fluctuations in share value	- Evaluation of feedback at senior management level - Evaluation of feedback by the Corporate Governance Committee - Evaluation of feedback at Board level
Public Institutions	One-on-one visits Team meetings with relevant institutions Reports, analyses Public events	Monthly	- Promotion of special projects to relevant public institutions - Discussions on regulatory compliance and joint projects - Cooperation on regional development and public funded projects - Developing public-private partnerships - Participation in joint events with ministries and local governments - Workshops, seminars and regional development meetings - Publicizing social responsibility projects	- Strengthening relations with public institutions - Creating a roadmap for public support of projects - Faster realization of joint projects - Improving projects with guidance and suggestions from public institutions - Increased brand awareness in public projects - Event results that contribute positively to public policy	- Reorganization of strategic objectives based on feedback - Improving cooperation processes according to the assessments of public authorities - Analyses provide a basis for inter-institutional cooperation - Developing more effective communication strategies in public events
Media	Press releases and interviews Ads Social media Website Press conferences Fair visits Reports and surveys	Weekly	- Introduction of new products and technologies - The company's growth strategies - Sustainability efforts - Collaborations and partnership announcements - Product campaigns - Brand awareness raising efforts - Featured technologies and innovations - Engagement-driven campaigns - Announcing corporate social responsibility projects - Strengthening brand image - Sector trend analysis - Corporate sustainability progress - Innovation and R&D results	- Increased media visibility - Rate of reaching the target audience - Gaining public awareness and recognition - Number of news in the press - Participants' feedback - Collaborations and deal potentials - Engagement metrics such as likes, shares, comments - Increase in the number of followers - Problems and suggestions frequently raised by users - Page visitor rates - Increase in conversion rates - Improvements based on user feedback	- Analysis of tone and feedback in news - Positive/negative media visibility assessment - Customer behavior analysis after the campaign - Change in product/brand perception - Updates based on user experience and accessibility feedback - Optimization in line with new content and page demands - Requests from new customers and business partners - Identification of gaps and areas of opportunity in the market

Methods for Communication with Stakeholders

Stakeholder Group	Communication Channels	Frequency of Communication	Communication Channels	Outputs of the Topics Addressed	Evaluation of Feedback Received
Consumers and Customers	Press releases and interviews One-on-one meetings with corporate clients Ads Social media Web site Customer service Integrated reports	Daily			- Evaluating the impact of the messages and the public reaction - Updating the communication strategy according to positive/negative feedback - Making product/service improvements based on customer demands and feedback - Creating action plans for customized solutions - Analyzing campaign performance and customer interest - Optimizing ad content and visual strategies - Increasing speed and efficiency in problem solving - Making process improvements by learning from feedback - Supporting decision-making mechanisms based on feedback in strategic planning - Identifying actions to increase customer satisfaction based on feedback
			- New product announcements - Customer satisfaction and success stories - Sustainability and social responsibility projects - Campaigns and special offers - Collaboration and solutions - Special service requests - Feedback collection and expectation analysis - Requests received via call center and live support - Complaint and suggestion follow-up - Improving problem resolution rates	- Increased brand visibility in the media - Increased demand for products and services - Reinforcing consumer confidence - Creating individual solutions - Increasing opportunities for corporate collaboration - Identifying improvement steps - based on feedback - Increased campaign conversion rates - Increased sales and customer reach - Increase in solution time and satisfaction rate - Taking actions to prevent recurrence of problems	

Stakeholder Group	Communication Channels	Frequency of Communication	Communication Channels	Outputs of the Topics Addressed	Evaluation of Feedback Received
Local Community	Regular visits Integrated reports Seminars and training activities Social responsibility projects	Quarterly	- On-site observation of community needs - Developing solutions for local problems - Ensuring sustainable communication with stakeholders - Performance analysis for social projects - Assessment of local community feedback - Trainings for professional development and employment - Seminars to raise sustainability and environmental awareness - Information meetings about technological innovations - Environmental cleaning, afforestation and recycling projects - Support to the local community in education, health and sports - Gender equality and inclusion activities	- Development of projects in line with community needs - Strengthening community-brand relations - Strengthening social responsibility strategies - Increase in local employment after training - Raising the level of awareness and knowledge in society - Improving the quality of community life - Contributing to the environment and local development	- Improving projects with feedback from the local community - Creating new projects based on needs analysis - Updating action plans in line with performance evaluations - Restructuring activities in terms of social benefit - Organizing education content according to social needs - Making programs more effective with participant feedback
Universities	University career events University and student club sponsorships Reports and surveys Joint ventures and projects	Monthly	- Realization of meetings regarding career activities planned to be organized during the academic year - Learning the details of the planned events (student profile to participate, scope of the event, other participating companies, etc.) and proceeding to the approval stage whether to participate or not	Participating in various university career events within the scope of talent attraction in line with the strategies determined by our company and ensuring that students benefit from internship and job opportunities within the scope of talent attraction	Receiving feedback from university students at the events attended

ANNEX 3: ASSOCIATION MEMBERSHIPS AND SUPPORTED INITIATIVES

German-Turkish Chamber of Commerce and Industry	Manisa Chamber of Commerce and Industry
APPLiA	Muradiye Organized Industrial Zone
Avere Electronic Mobility Association	Open Charge Alliance
Association of Lighting Equipment Manufacturers (AGID)	PWC
United Brands Association of Türkiye	Advertisers Association
CHAdemo Association	SAFE EV
Charging Interface Initiative	Society for Information Display
Call Centers Association	Automotive Suppliers' Association (TAYSAD)
Foreign Economic Relations Board (DEIK)	TechUK
Digital Illumination Interface Alliance	Informatics Industrialists Association (TÜBİSAD)
DVD Copy Control Association	White Goods Manufacturers' Association of Türkiye (TURKBESD)
European Telecommunications Standards Institute (ETSI)	Foreign Trade Association of Türkiye (TURKTRADE)
Association for the Protection of Intellectual Property	Quality Association of Türkiye (KALDER)
HDR10+	Turkish Investor Relations Society (TUYID)
Air-Conditioning and Refrigeration Manufacturers' Association (İSKİD)	UHD Alliance
Interactive Advertisers Association	Association of University Industry Cooperation Centers
Istanbul Chamber of Industry	WIFI Alliance
Istanbul Chamber of Commerce	Wireless Power Consortium
Business World Plastics Initiative (IPG)	World Design Organization
Izmir Chamber of Commerce	Authorized Economic Operator Association
Global Compact Signatories Association	Chain Stores Association
Manisa Organized Industrial Zone	

	2021	2022	2023	2024
Amount spent on memberships (TL)	1,623,104	3,505,554	6,494,081	12,591,484

ANNEX 4: INTEGRATED MANAGEMENT SYSTEMS AND ENVIRONMENTAL MANAGEMENT

Activities carried out under the umbrella of the Integrated Management System are performed as per TS EN ISO 9001 Quality Management System, TS EN ISO 14001 Environmental Management System, TS EN ISO 50001 Energy Management System, TS EN ISO 14064 Greenhouse Gas Calculation and Verification Standards, 14046 Water Footprint Standards, TS ISO 45001 Occupational Health and Safety Management System and TS EN ISO 27001 Information Security Management System. Vestel Elektronik also holds the IATF 16949 Automotive Quality Management System Certificate.

Integrated Management Systems (environment, energy, occupational health and safety, information security and quality) Policies of Vestel Elektronik and Vestel Beyaz Eşya are available [here](#).

Certificate	Ratio of Facilities Covered by the Certificate ⁵ (%)
ISO 9001	100
ISO 14001	100
ISO 14064	100
ISO 27001	60
ISO 45001	100
ISO 50001	93
IATF 16949	7

⁵ The certified facility ratio covers Vestel Group of Companies' factories and internal warehouses.

In Vestel Elektronik and Vestel Komünikasyon, the Management Systems team reporting to the Quality Group Department carries out environmental management as Vestel Elektronik Environmental Officer and Environmental Management Representative, together with the Environmental Working Group. Vestel Beyaz Eşya's Environmental Coordination Group ensures that environmental issues are handled with a broader structure along with the Environment Working Group. Management Systems and Customer Relations Manager is responsible for the environmental management as Vestel Beyaz Eşya Environmental Official and Environmental Management Representative.

Through environmental management systems, Vestel analyzes and records all environmental outputs according to the ISO 14001 standard. In this context, the Company drafts various reports on a monthly and annual basis. It monitors wastewater pollution analyses, energy and water consumption, water and carbon footprint, diesel consumption and hazardous and non-hazardous waste quantities on a monthly basis. As per environmental legislation, Vestel indicates this information in the monthly evaluation report. It uses environmental monitoring and measurement tracking programs to collect and calculate environmental data. The Company tracks energy and water consumption data through invoices and meters, and waste through the registration system. In electronics and household appliances factories, carbon footprint is reported according to ISO 14064 standard and water footprint is reported according to ISO 14046 standard and they are verified by independent third parties.

A total of TL 19,762,604 of environmental investments and expenditures were made in 2024.

In addition to complying with all national laws, determined by the Ministry of Environment and Urbanization of the Republic of Türkiye, especially the Environmental Law, full compliance is also ensured with the following European and global legal regulations for the sector:

- Directive on Waste Electrical and Electronic Equipment (WEEE),
- RoHS - Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment,
- Regulation of the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH),
- Ecodesign Framework Directive for Energy-Related Products,
- Energy Efficiency Law and the Regulation on Increasing Efficiency in the Use of Energy Re-sources and Energy,
- Applicable energy labeling regulations specific to each product group,
- Environmental Law No. 2872 and related regulations.

Biodiversity

There is no habitat for the species which are of importance for scientific studies and/or are or may be endangered as well as the endemic species for our country, biosphere reserve, biotope, biogenetic reserve area, unique geological and geomorphological formation in Manisa Organized Industrial Zone (MOIZ) and Aegean Free Zone (ESBAŞ), where Vestel's production areas are located. All production facilities were examined under the Environmental Impact Assessment (EIA) Regulation during the establishment phase and within the scope of process change and/or capacity increase, and the negative environmental impacts that may arise from construction and operation activities were evaluated. As a result of previous environmental impact assessments, it was found that the species under protection did not live and endangered flora species did not grow within the Company’s operating area. No flora and fauna study is carried out due to the fact that the production facilities are located in the Organized Industrial Zone and the Free Zone, the places where the operations are carried out are industrial areas, and there are only industrial areas within a 2 km radius of the areas where the operations are carried out. Vestel is committed to complying with the Environmental Law No. 2872 and the regulations issued pursuant to this law regarding potential measures.

Air Emissions

In addition to greenhouse gas emissions, various air emissions occur as a result of production processes. In order to keep emissions within the limits of regulations, the Company measures emissions every two years as per the Regulation on the Control of Industrial Air Pollution. Relevant studies are being carried out for the 2024 values.

Annual total air emissions ⁶ (tons)	2020	2022
NOx	33.85	43.47
SOx	0.14	0.77
Persistent organic pollutants (POP)	-	-
Volatile organic compounds (VOC)	3.32	9.44
Dust (PM)	12.27	39.05

⁶ Measurement is carried out every two years within the scope of legal compliance. There is no perfluorocarbon emission.

Wastewater Discharge

The factories located in Manisa campus have domestic and industrial wastewater. This wastewater is discharged into the sewage network of Manisa Organized Industrial Zone. The facility holds a Connection Permit Certificate and Connection Quality Control Permit Certificate issued by Manisa OIZ under the Regulation on Water Pollution Control. Pollution loads of wastewater are measured by MOIZ by taking samples every 15 days. Measurement values were found to be below the limit values specified in the Regulation on Water Pollution Control. The factory in İzmir has domestic wastewater. This wastewater is discharged into the sewage network of the İzmir Organized Industrial Zone. The facility holds a Connection Permit Certificate and Connection Quality Control Permit Certificate issued by İzmir ESBAŞ under the Regulation on Water Pollution Control. Pollution loads of wastewater are measured by ESBAŞ every year by sampling. Measurement values were found to be below the limit values specified in the Regulation on Water Pollution Control.

Wastewater Discharge Values (mg/l)	2022	2023	2024
Chemical oxygen demand (COD)	768	717	711.6
Total suspended solids	180	167	193.6

ANNEX 5: AWARDS

Design Awards
Plus X Awards Türkiye's technology giant Vestel received 5 awards in the categories of 'High Quality, Design, Ease of Use, Functionality and Sustainability' for its EVC12 Vesper DC Electric Vehicle Charger at the Plus X Awards, one of the world's most prestigious design and innovation awards. In addition, Block TV and VOi Eco Remote Control products won a total of 4 awards each in the "High Quality, Design, Ease of Use and Functionality" categories.
Best Brand of the Year 2024 Award to Vestel Elektronik Vestel Elektronik won the Best Brand of 2025 award in the "Consumer Electronics" category at the Plus X Awards, the world's largest design and innovation competition.
International Design Awards Vestel received a total of 9 awards in the consumer electronics, environmental design and automotive products categories at the International Design Awards, one of the world's leading award programs. The company won 1 Gold, 1 Silver and 7 Bronze awards with its products that stand out with their sustainability and innovative design approach.
European Product Design Award Vestel won a total of 8 awards at the European Product Design Award, one of Europe's most prestigious design awards, for its innovative products developed with a superior design approach. Vestel received awards in the categories of household products, consumer electronics, concept designs and automotive technologies.
Good Design Awards Vestel, Türkiye's technology giant, received a total of seven awards at the Good Design Awards, an international award platform, for its outstanding achievements in design and innovation. TVs and electric vehicle chargers that stand out with their innovative and aesthetic designs won awards.
11 Awards to Vestel Beyaz Eşya from Which? Magazine Vestel Beyaz Eşya won a total of 11 awards in the Best Buy, Great Value, and Eco Buy categories in Which? Magazine, the most important independent consumer evaluation organization in the UK market.
iF Design Awards In 2023, Vestel won one award in the UX Design category at the world-renowned design competition iF Design Awards with its VeeZy mobile application. Vestel's four-door refrigerator with inventory tracking system, washing machine with microfiber filter, and B series dishwasher with sonic wash technology were also recognized with three awards
Digitalization-Technology-Sustainability Awards
Low Carbon Hero Award to Vestel Shaping all its activities around the principle of sustainability, Vestel won the "Low Carbon Hero" award at the 9th Istanbul Carbon Summit with its "Sustainable packaging with eco-design packaging solutions" project.
Innovation Award for Vestel Washing Machine with Microfiber Filter Vestel Beyaz Eşya, with its technologies that support sustainable living, has been awarded the "Sustainable Product" award in the prestigious Sustainability Environmental Achievement and Leadership (SEAL) competition. This recognition was given for its washing machine equipped with the 'Aqua Microfiber Filter' technology, which prevents the release of microfibers into nature after washing clothes.
Çetin Ceviz Project Manager Awards At the 11th Çetin Ceviz Project Manager Awards organized by NORM-TPYME, the Professional Institute of Turkish Project Managers, Vestel Elektronik received two different awards this year. Vestel Elektronik won awards in the categories of "Support to Domestic Production in Automotive Project / Installation of TOGG Lines - Best Project" and "Best Male Project Manager."
Best Machinery Company Award to Vestel In 2024, Vestel received the “BEST MACHINERY COMPANY OF THE YEAR” award at the sixth Hacettepe University Crystal Deer Awards.
Social Benefit Awards As Dünya Gazetesi, Toplumsal Fayda Ödülleri (Social Benefit Awards), which aim to raise social responsibility awareness across the country and create public awarenness through impactful and sustainable initiatives, has recognized Vestel Beyaz Eşya for its "Vestel'le Kendin Yap Atölyeleri" project in the Creative Volunteering Activities category. This award-winning project is expected to become a tradition in the coming years.

Customer Services Awards
Stevie Awards At the Stevie Awards, Vestel Customer Services received a Gold award for its "White Goods Analytics" project and Bronze awards for its "Installing Software on White Goods Products: Veslink" and "No Signal" projects, winning a total of 1 Gold and 2 Bronze awards.
Golden Headset Award Vestel received an award at the 6 th Golden Headset Awards organized by the Customer Experience Management and Technologies Association. Simge Piringçi, Customer Representative at Vestel Call Center, won the Golden Headset Award in the "Most Sincere Customer Experience Story" category.
Türkiye Customer Experience Awards Vestel Customer Services was awarded Gold in the "Best Use of Customer Insight and Feedback Strategy" category and Silver in the "Best Product or Service Development" category at the Türkiye Customer Experience Awards (TCXA'23) organized by Awards International.
Quality Association of Türkiye (KalDer) Successful Team of the Year Awards Vestel Customer Services received the Bronze award for its end-to-end service quality practices at the Successful Team of the Year Awards organized annually by the Quality Association of Türkiye (KalDer).
Globee Awards Competing in the Globee Sales, Marketing, Customer Success, and Operations Awards, in which brands from all over the world participate, Vestel received one Gold and one Silver prize for its customer service programs.
Marketing and Corporate Communications Awards
Crystal Apple Awards Vestel received 4 awards at the Crystal Apple Awards, organized annually by the "Association of Advertising Agencies" to raise the level of creativity in marketing communications in Türkiye and to certify the unique achievements of agencies, employees, and other parties contributing to the practice.
Felis Awards Vestel received 1 awards in 2023 at the Felis Awards organized by MediaCat to emphasize the role of effective creativity in marketing efforts in the advertising and marketing industry and to reward the achievements of all teams contributing to the creative sphere.
Ace of Mice Vestel received 2 awards from Age of MICE, which aims to guide the sustainable growth of the meetings and events sector, to create a desire to achieve excellence for the institutions and organizations serving the sector and to increase the awareness of the Turkish MICE sector on a global scale.
Hammers Awards Vestel received 12 awards at The Hammers, where marketing teams are rewarded every year around seminal cases that set an example for the sector and from which all parties in the sector can learn lessons.
Gigi Awards Organized under the leadership of the Association of Marketing Communicators, the GIGI Awards will bring a breath of fresh air to the marketing world and undertake the mission of rewarding remarkable achievements in the sector. Vestel returned from the Gigi Awards with 5 awards.
A Awards Vestel received 6 awards at the A Awards, where works in the outdoor sector are rewarded.
Brandverse Awards Vestel received 10 awards at the Brandverse Awards, which recognizes projects, brands, and agencies that demonstrate success throughout the year by covering the world of brands 360 degrees with all its old and new-generation marketing communication and advertising activities.
MMA Smarties Awards For years, the MMA Smarties Awards have highlighted and recognized outstanding marketing achievements through innovative strategies and technologies that drive business results and positively impact lives. These awards highlight the industry's most effective and creative solutions in the marketing world. Vestel won an award in the Emerging Tech Marketing / Programmatic category.
Mixx Awards Focusing on digital creativity and its results, MIXX Awards is the only competition that evaluates digital advertising in all its layers, from strategy to creative work and execution, from media planning to integration, from efficiency to return on investment. Vestel received 2 awards in this competition.
Other Awards
With export revenues of USD 2.4 billion in the Electric-Electronics sector, Vestel not only became the export champion for the 26 th time in a row, but also ranked as the 6 th largest exporter in the country.
Vestel ranked first in the category of exports of iron and steel products in the "Metallic Stars of Export" awards given to successful exporters by the Istanbul Ferrous and Non-Ferrous Metals Exporters' Association.
The Transformation Leaders team, which implemented the Line Transformation and Integration project in the paint shop department, received the award for the Best Project Team at the Çetin Ceviz Project Manager Awards.
At the Successful Team of the Year Awards organized annually by the Quality Association of Türkiye (KalDer), the Vestel Elektronik Management Systems team received the Silver Award for its SUMARS project and the Vestel Customer Services team received the KalDer 2023 Successful Team of the Year Bronze Award for its End-to-End Service Quality.
Vestel Beyaz Eşya won the second prize in the Intellectual Property and Commercialization categories at the Manisa Teknokent 2 nd Innovation and Technology Awards 2024.
Vestel Beyaz Eşya, which received awards in all categories of the OSBÜK (Supreme Organization of Organized Industrial Zones) OSB STARS survey in 2024, was entitled to receive 6 awards, including a special award. Vestel Beyaz Eşya ranked third in the category of the company with the highest R&D expenditures, second among the companies with the highest sales, and first in the categories of the company with the highest exports, the company with the highest employment and the company with the highest female employment in OIZs.

ANNEX 6: PERFORMANCE INDICATORS

The data below is the consolidated data of Vestel Group of Companies. Indicators do not cover foreign subsidiaries. Data marked between 2021 and 2023 were verified last year. For 2024 data, a separate verification service was received this year.

SOCIAL PERFORMANCE INDICATORS

Employees by Gender	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees	6,408	12,288	6,767	13,209	6,477	12,290	6,688	12,274
Total	18,696		19,976		18,767		18,962	

Employees by Category	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
White-collar	1,209	2,509	1,363	2,817	1,287	2,681	1,588	2,876
Blue-collar	5,199	9,779	5,404	10,392	5,190	9,609	5,100	9,398

Employees by Duration of Employment	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
Employed for 0-5 Years	3,878	6,307	3,979	6,867	3,840	6,637	3,926	5,663
Employed for 5-10 Years	1,843	2,968	1,951	3,035	1,681	2,673	1,357	2,420
Employed for 10 Years or More	687	3,013	837	3,307	956	2,980	1,405	4,191
Average Duration of Employment (Year)	5	6	5	6	5	6	5	8

Employees by Gender and Age	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
50 and Above	90	397	134	577	130	495	149	555
30-50 Years	3,489	7,214	3,769	7,780	3,530	7,236	3,681	7,285
30 and Below	2,829	4,677	2,864	4,852	2,817	4,559	2,858	4,434

Managers by Gender and Age	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
50 and Above	6	38	12	61	10	39	11	45
30-50 Years	157	526	168	529	135	419	169	463
30 and Below	11	21	9	18	14	25	16	21
Total	759		797		642		725	

Managers by Categories	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees in First Level Management Positions	114	268	120	274	113	267	142	300
Number of Employees in Middle Management Positions	54	280	61	296	39	178	47	188
Number of Employees in Senior Management Positions	6	37	8	38	7	38	7	41
Number of Managerial Employees in Revenue-Generating Functions	50	143	52	145	41	113	68	150
Ratio of Female Employees at the First Level of Management	30%		30%		30%		32%	
Ratio of Female Employees at Middle Management Level	16%		17%		18%		20%	
Ratio of Female Employees at Senior Management Level	14%		17%		16%		15%	
Ratio of Female Employees at Management Level in Revenue Generating Positions	26%		26%		27%		31%	

	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees in Science, Technology, Engineering and Math (STEM) Positions	523	1,439	583	1,589	524	1,408	573	1,478
Ratio of Female Employees in STEM Positions	27%		27%		27%		28%	
Number of Full-Time Employees in R&D Department	320	1,202	349	1,344	326	1,276	308	1,275
Number of Employees with Disabilities	127	329	135	330	134	324	142	312

New Hires by Gender and Age	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
50 and Above	1	10	1	6	1	6	7	5
30-50 Years	453	846	565	871	452	676	902	693
30 and Below	1,248	2,483	1,317	2,811	1,227	2,221	2,908	1,765
Total	5,041		5,571		4,583		6,280	

Employees Leaving Their Jobs by Gender and Age and Employee Turnover	2021	2022	2023	2024
Employee Turnover Rate	26%	22%	31%	32%
Turnover Rate for Employees Voluntarily Leaving Their Jobs	24%	19%	27%	27%
Ratio of Vacant Positions Filled with In-house Candidates	19%	15%	6%	62%
Ratio of Women Who Quit Their Jobs	31%	36%	34%	37%

Maternity Leave	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
Employees on Parental Leave	257	501	289	550	273	566	233	491
Employees Returning from Parental Leave	163	501	176	550	99	566	115	491

Performance Review	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
Total Number of Employees Subjected to a Regular Performance and Career Development Review	1,060	2,280	1,202	2,432	1,243	2,562	1,428	2,630

Subcontracted Employees by Gender	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Subcontracted Employees	430	567	512	594	386	500	434	482
Total	997		1,106		886		916	

Employee Trainings	2021	2022	2023	2024
Training Hours Provided to Employees	323,891	408,769	342,131	341,712

Subcontractor Trainings	2021	2022	2023	2024
Training Hours Provided to Subcontractors	50,811	29,549	230	26,045

OHS Trainings	2021	2022	2023	2024
OHS Training Hours Provided to Employees	139,035	150,991	134,522	161,766
OHS Training Hours Provided to Subcontracted Employees	3,750	4,738	2,748	8,758

Environment and Waste Trainings	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees Receiving Environmental Waste Training	-	-	1,339	2,351	2,372	4,875	3,201	5,648

ENVIRONMENTAL PERFORMANCE INDICATORS

The data below covers all production facilities and internal warehouses of the Vestel Group of Companies, including Vestel Elektronik (seven plants), Vestel Komünikasyon (one plant) and Vestel Beyaz Eşya (six plants). Data marked between 2021 and 2023 were verified last year. For 2024 data, a separate verification service was received this year.

Energy Consumption (MWh)	2021	2022	2023	2024
Natural Gas	90,753	89,204	89,739	86,602
Diesel	3,600	1,890	1,950	1,603
Electricity	203,879	209,469	211,992	208,723
Renewable Energy (Electricity)	76	175	170	188
Steam	56,733	58,462	67,144	48,971
Hot Water	20,231	18,292	16,838	10,781
Total	375,272	377,492	387,868	356,867

Greenhouse Gas Emissions (tons CO ₂ e) ⁷	2021	2022	2023	2024
Scope 1 ⁸	20,780	19,839	19,153	17,388
Scope 2 ⁹	132,390	111,721	112,644	102,990
Total (Scope 1 and Scope 2)	153,170	131,560	131,797	120,377
Scope 3 ¹⁰	15,174,094	14,573,406	12,024,226	11,164,690
Category 1			1,010,238	676,597
Category 2			9,695	34,183
Category 4			95,038	94,472
Category 5			1,649	1,856
Category 6			1,450	1,488
Category 7			8,195	14,089
Category 9			245,146	90,119
Category 11			10,636,061	10,247,358
Category 12			16,753	4,528

⁷ Vestel calculated its carbon footprint under the GHG Protocol standard and reported it under the requirements in Article “9.3 Content of the greenhouse gas report” in TS EN ISO 14064-1 standard. IPCC 5th Assessment Report was taken as a basis for emission factors in carbon footprint calculations made under the Tier 1 method. For emission factors that could not be determined through the IPCC report, DEFRA, EPA and Ecoinvent version 3.6 sources were used.

⁸ Scope 1: Direct emissions such as natural gas consumed, fuels in processes and plants, refrigerants

⁹ Scope 2: Electricity, steam, and heat energy purchased by Vestel Elektronik; electricity and heat energy purchased by Vestel Komünikasyon and Vestel Beyaz Eşya

¹⁰ Scope 3: Calculations for 2021 are for categories 1, 4, 6, 7 and 11. Calculations for 2022 are made for category 11.

Direct and indirect emissions within the boundaries of the organization are verified by independent third parties according to the ISO 14064 standard.

Water Withdrawal (m³)	2021	2022	2023	2024
Mains Water	794,548	792,127	884,185	1,078,635
Groundwater	677,700	618,917	435,582	421,294
Rainwater	-	1,263	9,193	10,279
Total Water Withdrawal	1,472,248	1,413,507	1,328,960	1,510,208
Amount of Wastewater Discharged to the Network	1,325,023	1,271,077	1,156,937	1,285,956
Total Net Water Consumption ¹¹	147,225	142,430	132,949	224,252
Amount of Recycled Water	465	25,158	111,027	83,231

¹¹Total Net Water Consumption = Total Water Withdrawal - Water Discharged
Water footprint is verified by independent third parties according to ISO 14046 standard.

Amount of Waste ¹² (tons)	2021	2022	2023	2024
Total Amount of Hazardous Waste	2,342	2,328	1,801	2,579
Hazardous Waste Incinerated for Energy Generation	858	836	868	756
Recovered Hazardous Waste	1,400	1,446	933	1,822
Hazardous Waste Sent to Landfill/Solid Waste Site	84	46	1	0.9
Total Amount of Non-Hazardous Waste	64,215	63,108	66,559	64,913
Non-Hazardous Waste Incinerated for Energy Generation	3,243	3,270	4,114	4,295
Recycled Non-Hazardous Waste	59,400	58,383	62,445	60,618
Non-Hazardous Waste Sent to Landfill/Solid Waste Site	1,572	1,453	0	0
Total Waste Amount	66,558	65,436	68,361	67,492
Total Recycled/Recovered Waste	60,801	59,829	63,378	62,440
Total Waste Disposed	5,757	5,605	4,982	5,052
Total Waste Sent to Landfill/Solid Waste Site	1,656	1,499	1	0.9
Total Waste Incinerated for Energy Generation	4,101	4,106	4,981	5,051
Waste Recycling Rate (%)	91%	91%	93%	93%

¹² Waste is recycled or disposed of off-site

Raw Material Consumption ¹³ (tons)	2021	2022	2023	2024
Steel	242,614	242,104	289,287	225,743
Plastics	179,119	181,886	189,959	160,637
Glass	46,535	48,553	36,772	16,995
Paper - Cardboard	28,897	29,333	26,477	21,586
Aluminum	4,036	5,410	4,393	7,753
Copper	1,405	1,852	1,150	1,003

¹³ Raw materials of the ready-made components were not included in the analysis.

ANNEX-7: VESTEL ELEKTRONİK INTEGRATED ANNUAL REPORT 2024 - REPORTING PRINCIPLES

This reporting principles ("Principles") provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in Vestel Elektronik ("Company" or "Vestel Elektronik") in the Vestel Elektronik Integrated Annual Report 2024 ("Integrated Annual Report 2024").

The indicators include social indicators and environmental indicators. It is the responsibility of the Company’s management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the principles.

The information included in this guide is for the FY 24 fiscal year ending December 31, 2024 (January 1 - December 31, 2024) and as detailed in the “Key Definitions and Reporting Scope” section comprises only the relevant operations of the Company that are the responsibility of the Company by excluding information about subcontractors.

Social indicators cover Vestel Elektronik’s consolidated data excluding foreign subsidiaries. The companies included in the scope of social indicators are Vestel Elektronik San. And Tic. A.Ş., Vestel Beyaz Eşya San. And Tic. A.Ş., Vestel Mobilite San. ve Tic. A.Ş. and Vestel Ticaret A.Ş. and Vestel Ticaret A.Ş. Istanbul Branch. As for environmental indicators, Vestel Elektronik San. ve Tic. A.Ş. and Vestel Ticaret A.Ş. Istanbul Branch, which comprise all Vestel Elektronik's production facilities and internal warehouses. And Tic. A.Ş., Vestel Mobility San. And Tic. A.Ş. and Vestel Beyaz Eşya San. And Tic. A.Ş. companies. The indicators that include subcontractors are specified in the "Basic Definitions and Scope of Reporting” section, and subcontractors

General Reporting Principles

- In preparing this guidance document, consideration has been given to following principles:
- Information Preparation – to highlight to users of the information the primary principles of relevance and reliability of information; and
 - Information Reporting – to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users

Key Definitions and Reporting Scope

For the purpose of this report, the Company makes the following definitions:

Type	Indicator	Scope
Environmental	Energy consumption (MWh)	
	Natural Gas (MWh)	It refers to the amount of natural gas consumed during the reporting period, which is tracked from the invoices received by the Company from service providers (12 months) and can be mapped with financial reporting systems. The amount of consumption includes the amount used for industrial operations and the amount used for domestic purposes.
	Diesel (MWh)	In the reporting period, it refers to the amount of diesel fuel consumed in relation to the use of stationary combustion generators and the use of factory vehicles (off-road), which can be tracked from the invoices received by the Company from service providers and mapped with financial reporting systems. Only the amount used for industrial operations is included in the consumption amount.
	Electricity (MWh)	Refers to the total amount of electricity purchased during the reporting period (12 months), which is tracked from the invoices received by the Company from service providers. Consumption amount includes the amount used for industrial operations and domestic use.
	Steam (MWh)	Refers to the amount of vapor tracked from the invoices received by the Company from service providers during the reporting period. Only the amount used for industrial operations is included in the consumption amount.
	Hot Water (MWh)	This refers to the amount of hot water that is tracked from the invoices received by the Company from service providers during the reporting period. Only the amount used for industrial operations is included in the consumption amount.
	Renewable Energy (MWh)	Refers to the amount of renewable energy generation generated from the solar panels of Vestel Elektronik Company during the reporting period, the amount of which is monitored through the Vestel database portal and tracking system.
	Total (MWh)	Refers to the sum of natural gas, diesel, electricity, steam, hot water and renewable energy consumption during the reporting period.
	Energy Intensity (MWh / Million USD)	In the reporting period, the ratio of total energy consumption to total turnover that can be mapped in the financial report.
	Greenhouse Gas Emissions (tCO ₂ e)	
	Scope 1 Emissions (tCO ₂ e)	In the reporting period, the amount of the Company's natural gas, the amount of diesel, gasoline and LPG in company vehicles tracked from the invoices of service providers, the amount of direct greenhouse gas emissions from fixed combustion generators (diesel), mobile combustion factory vehicles and chemicals (refrigerant gases and fire extinguishers). The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level"

Type	Indicator	Scope
Environmental	Scope 2 Emissions (tCO ₂ e)	Refers to the amount of indirect greenhouse gas emissions arising from the Company's electricity, steam and hot water consumption during the reporting period. The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Total Greenhouse Gas Emissions (Scope 1 and 2) (tCO ₂ e)	Refers to the sum of the Company’s Scope 1 Emissions and Scope 2 Emissions in the reporting period.
	Greenhouse Gas Intensity (tCO ₂ e (million USD)	Refers to the ratio of total Scope 1 and Scope 2 emissions to total turnover that can be mapped in the financial report during the reporting period.
	Scope 3 - Category 1 Emissions (tCO ₂ e)	In the reporting period, it refers to the indirect greenhouse gas emissions arising from the Company's purchases of goods and services, rental warehouse services and municipal water consumption, which can be mapped with financial reporting systems, and which are included in Category 1 of the categories in the Greenhouse Gas Protocol (GHG Protocol). The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Scope 3 - Category 2 Emissions (tCO ₂ e)	In the reporting period, it refers to the indirect greenhouse gas emissions arising from all capital asset purchases of the Company that can be mapped with financial reporting systems, which are in Category 2 within the categories in the Company's GHG Protocol (Greenhouse Gas Protocol). The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Entity Level".
	Scope 3 - Category 4 Emissions (tCO ₂ e)	In the reporting period, it refers to the indirect greenhouse gas emissions arising from the transportation and distribution of products purchased by the Company between the Company's suppliers and its own operations (in vehicles and facilities not owned or controlled by the Company), which are included in Category 4 of the categories in the Company's GHG Protocol (Greenhouse Gas Protocol). The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Entity Level".
	Scope 3 - Category 5 Emissions (tCO ₂ e)	In the reporting period, it refers to the indirect greenhouse gas emissions arising from the disposal and processing of wastes generated as a result of the Company's activities by third parties, which are included in Category 5 of the categories in the Greenhouse Gas Protocol (GHG Protocol). Emissions from electrical appliances, mixed paper and cardboard, wood, mineral oil, mixed metal, glass, mixed plastic, household waste, batteries, medical waste, mixed hazardous waste and wastewater discharge are included in the calculation. The Company calculates greenhouse gas emissions in accordance with the standard "TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Scope 3 - Category 6 Emissions (tCO2e)	In the reporting period, it refers to the indirect greenhouse gas emissions arising from flights, taxi use and accommodation by employees as part of the Company's activities, which are included in Category 6 of the categories in the Company's GHG Protocol (Greenhouse Gas Protocol) and monitored by data received from service provider companies. The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Scope 3 - Category 7 Emissions (tCO ₂ e)	In the reporting period, it refers to the indirect greenhouse gas emissions arising from the employee shuttles used for the transportation of the Company's employees to and from work, which are included in Category 7 of the categories in the Company's GHG Protocol (Greenhouse Gas Protocol) and tracked by the invoices of the service provider companies. The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Scope 3 - Category 9 Emissions (tCO ₂ e)	In the reporting period, it refers to the indirect greenhouse gas emissions arising from the transportation and distribution of products sold by the Company, which are included in Category 9 of the categories in the Company's GHG Protocol (Greenhouse Gas Protocol). Includes only emissions from the transportation and distribution of after-sales products. The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2019 Greenhouse Gases-Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Scope 3 - Category 11 Emissions (tCO ₂ e)	In the reporting period, it refers to the indirect greenhouse gas emissions resulting from the lifetime use of the products sold by the Company, which are included in Category 11 of the categories in the Company's GHG Protocol (Greenhouse Gas Protocol). The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2019 Greenhouse Gases-Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".
	Scope 3 - Category 12 Emissions (tCO ₂ e)	In the reporting period, it refers to the indirect greenhouse gas emissions arising from the disposal of waste generated at the end of the life of the products sold by the Company, which are included in Category 12 of the categories in the Company's GHG Protocol (Greenhouse Gas Protocol). The Company calculates greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2019 Greenhouse Gases - Part 1: Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level".

Type	Indicator	Scope
Environmental	Water Withdrawal(m³)	
	Mains Water (m³)	Refers to the amount of mains water consumed during the reporting period, which is taken from the Company's Manisa Organized Industrial Zone (MOSB) and tracked from invoices (12 months) and can be mapped with financial reporting systems.
	Groundwater (m³)	Refers to the amount of groundwater consumed during the reporting period, which is taken from the Company's Manisa Organized Industrial Zone (MOSB) and tracked from invoices (12 months), which can be mapped with financial reporting systems.
	Rainwater (m³)	Refers to the amount of rainwater consumed during the reporting period, obtained from flow meters in the Company's rain collection tanks and monitored through Vestel database portal.
	Total Water Withdrawal (m³)	Refers to the sum of the Company's Mains Water, Ground Water and Rainwater consumption during the reporting period.
	Amount of Wastewater Discharged to Network (m³)	Refers to the amount of wastewater received from Manisa Organized Industrial Zone (MOSB) and discharged during the reporting period, which is monitored through the monthly usage documents of the Mains Water shared by MOSB. Vestel Mobilite San. Tic. A.Ş.'s Mains Water withdrawal is assumed to be approximately 90% wastewater.
	Total Net Water Consumption (m³)	Refers to the amount of Wastewater Discharged to the Network less the Total Water Withdrawal of the Company during the reporting period.
	Amount of Recycled Water (m³)	Refers to the total amount of water recovered during the reporting period, which is monitored by the meters in the Company's recovery units and reused in production.
	Water Density (m³ / USD million)	Refers to the ratio of total water withdrawal to total turnover that can be mapped with the financial report during the reporting period.
	Waste Amount (tons)	
	Total Amount of Hazardous Waste (tons)	In the reporting period, it refers to the sum of the amount of Hazardous Waste Recovered for Energy Generation, the amount of Hazardous Waste Recovered and the amount of Hazardous Waste Sent to Landfill/Solid Waste Site, which are monitored by the Mobile Waste Tracking System (MOTAT) of the Ministry of Environment, Urbanization and Climate Change and declared to the Integrated Environmental Information System.
	Hazardous Waste Incinerated for Energy Generation (tons)	In the reporting period, it refers to the amount of waste declared to the Integrated Environmental Information System of the Ministry of Environment, Urbanization and Climate Change with the Waste Declaration for the years 2020 and 2021, monitored by the Ministry's Mobile Waste Tracking System (MOTAT) for the year 2024, and recycled by the licensed waste processing facility for energy generation with the "R" code.
	Recovered Hazardous Waste (tons)	In the reporting period, it refers to the amount of waste declared to the Integrated Environmental Information System of the Ministry of Environment, Urbanization and Climate Change with the Waste Declaration for the years 2020 and 2021, monitored by the Ministry's Mobile Waste Tracking System (MOTAT) for the year 2024, and recovered with the "R" code of the licensed waste treatment facility.
	Hazardous Waste Sent to Landfill/Solid Waste Site (tons)	In the reporting period, it refers to the amount of waste declared to the Integrated Environmental Information System of the Ministry of Environment, Urbanization and Climate Change with the Waste Declaration for the years 2020 and 2021, monitored by the Ministry's Mobile Waste Tracking System (MOTAT) for the year 2024, and sent to the landfill & solid waste site of the licensed waste processing facility with the "D" code.
	Total Amount of Non-Hazardous Waste (tons)	In the reporting period, the amount of Non-Hazardous Waste Recovered for Energy Generation, the amount of Non-Hazardous Waste Recycled and the amount of Non-Hazardous Waste Sent to Landfill are the total amount of Non-Hazardous Waste Recovered for Energy Generation, the amount of Non-Hazardous Waste Recycled and the amount of Non-Hazardous Waste Sent to Landfill, based on the reconciliation and delivery note & weighbridge receipts received from licensed waste processing companies authorized by the Ministry of Environment, Urbanization and Climate Change.
	Non-hazardous Waste Incinerated for Energy Generation (tons)	During the reporting period, the amount of recycled waste that is subjected to recycling process for energy generation purposes and declared to the Ministry of Environment, Urbanization and Climate Change, which is tracked with the scale receipt & delivery note documents received from the Company's licensed waste processing company.
	Recycled Non-Hazardous Waste (tons)	In the reporting period, it refers to the amount of recycled waste that is subjected to recycling process and declared to the Ministry of Environment, Urbanization and Climate Change, which is tracked with the scale receipt & delivery note documents received from the licensed waste processing company of the Company.
	Non-hazardous Waste Sent to Landfill/Solid Waste Site (tons)	In the reporting period, it refers to the amount of recycled waste that is subjected to landfill and disposal process and declared to the Ministry of Environment, Urbanization and Climate Change, which is tracked with the scale receipt & delivery note documents received from the licensed waste processing company of the Company.
	Total Waste (tons)	Refers to the sum of the Company's Total Hazardous Waste amount and Total Non-Hazardous Waste amount during the reporting period.
	Total Recycled/Recovered Waste (tons)	During the reporting period, it refers to the sum of the Company's Recovered Hazardous Waste amount and Recycled Non-Hazardous Waste amount.

Type	Indicator	Scope
Environmental	Total Waste Disposed (tons)	In the reporting period, it refers to the Company's Total Waste amount minus the Total Recycled/Recovered Waste amount.
	Total Waste Sent to Landfill/Solid Waste Site (tons)	Refers to the sum of the Company's Non-Hazardous Waste Sent to Landfill/Solid Waste Site and Hazardous Waste Sent to Landfill/Solid Waste Site during the reporting period.
	Total Waste Incinerated for Energy Generation (tons)	Refers to the sum of the Company's Non-Hazardous Waste Recovered for Energy Generation and Hazardous Waste Recovered for Energy Generation during the reporting period.
	Waste Recycling Rate (%)	Refers to the ratio of the Company's Total Recycled Waste amount to the Total Waste amount during the reporting period.
Social	Employees by gender (#)	Refers to the gender breakdown of the total number of employees who were tracked through the Company's Human Resources data platform during the reporting period, covering all employees logged into the platform as of 31.12.2024, and for whom the Social Security Institution has been notified of employment.
	Employees by category (#)	In the reporting period, it refers to the number of male and female employees who are tracked by the Company's Human Resources data platform and defined as "white collar" for monthly wage employees and "blue collar" for hourly wage employees.
	Employees by Duration of Employment (#)	Refers to the number of male and female employees with 0-5 years, 5-10 years and more than 10 years of seniority, as declared to the Social Security Institution through the Employment Entry Declaration, which is monitored through the Company's Human Resources data platform during the reporting period.
	Average Duration of Employment (Year)	Refers to the number of employees, broken down by male and female, who are monitored through the Company's Human Resources data platform, declared to the Social Security Institution through the Employment Declaration, and whose average duration is calculated based on their working hours as of 31.12.2024.
	Employees by Gender and Age (#)	In the reporting period, it expresses the number of employees aged 50 and over, 30-50 years old, 30-50 years old, 30 years old and under, in terms of men and women, which are monitored by the Company's Human Resources data platform, declared to the Social Security Institution through the Employment Entry Declaration and created with the date of birth information in the personnel files.
	Managers by Gender and Age (#)	In the reporting period, it refers to the total number of people working at the lower management level Senior Manager and Manager positions, middle management level Manager positions and upper management level Chief Executive Officer, General Manager, Assistant General Manager positions in total, in terms of men and women, with the breakdowns of 50 years and over, 30-50 years, 30 years and under, covering all employees who are monitored by the Company's Human Resources data platform, entered into the platform as of 31.12.2024, and created with the date of birth information in the personnel files by making the Employment Entry Declaration to the Social Security Institution.
	Managers by Category (#)	In the reporting period, the number of women and men working in the first level management positions of Senior Manager and Manager, mid-level management positions of Manager, and senior management positions of Chief Executive Officer, General Manager, Assistant General Manager, as determined by the Company.
	Number of Management Level Employees in Revenue Generating Positions (#)	In the reporting period, it refers to the number of men and women working in the following positions, which the Company defines as revenue-generating positions and which are monitored through the Company's Human Resources data platform: Chief Executive Officer, General Manager and Assistant General Manager, Purchasing department managers, Financial affairs department, finance department managers and all managers working in foreign trade.
	Ratio of Female Employees in Management Positions (%)	In the reporting period, the ratio of the number of female employees working at lower management level Senior Manager and Manager positions, middle management level Manager positions and upper management level Chief Executive Officer, General Manager, Assistant General Manager positions to the total number of employees working at management level.
	Ratio of Female Employees at Management Level in Revenue Generating Positions (%)	The ratio of the number of female employees at the management level in revenue-generating positions to the total number of employees at the management level in revenue-generating positions in the reporting period.
	Number of Employees in STEM Positions (#)	In the reporting period, it refers to the number of men and women working in the R&D function, which the Company defines as STEM (Science, Technology, Engineering, Math) positions, and who have a bachelor's degree in Engineering, tracked through the Company's Human Resources data platform.
	Number of Full-Time Employees in the R&D Department (#)	In the reporting period, it refers to the number of full-time male and female employees who are tracked through the Company's Human Resources data platform, whose organization is the R&D department and who work full-time within the scope of Labor Law No. 4857, which is defined as 7.5 hours of work per day and 45 hours of work per week.
	Ratio of Female Employees in STEM Positions (%)	In the reporting period, the ratio of the number of female employees with a bachelor's degree in Engineering who work in the R&D function, which the Company defines as STEM (Science, Technology, Engineering, Math) positions, tracked through the Company's Human Resources data platform, to the number of employees in STEM positions.

Type	Indicator	Scope
Social	Number of Employees with Disabilities (#)	In the reporting period, it refers to the number of men and women employees of the Company who fall within the definition of disabled in the Law No. 5378 on Disabled Persons and who were declared to the Social Security Institution with the Employment Declaration within the reporting year.
	Ratio of Non-Managerial Employees (%)	In the reporting period, it refers to the ratio of employees who are monitored through the Company's Human Resources data platform, declared to the Social Security Institution through the Employment Declaration, and who are not included in the company's first level, middle level and senior level definitions, to the total number of employees.
	Promotion Rate (%)	It expresses the ratio of the number of male and female employees who were promoted during the reporting period to the total number of employees who were promoted during the reporting period as of 31.12.2024, which is monitored by the Company's Human Resources data platform and declared to the Social Security Institution through the Employment Entry Declaration, in gender breakdown.
	New Hires by Gender and Age (#)	Refers to the number of male and female employees aged 50 years and over, 30-50 years and 30 years and under, who were recruited by the Company during the reporting period and who were declared to the Social Security Institution with the Employment Declaration during the reporting year, and who are tracked in the Breakdown of Number of Management Level Employees.
	Employee Turnover Rate (%)	The ratio of the number of male and female employees to the total number of employees declared to the Social Security Institution in the reporting period.
	Voluntary Separation Employee Turnover Rate (%)	It expresses the ratio of the number of male and female employees, who were declared to the Social Security Institution of the Company in the reporting period with the Declaration of Leaving Employment within the reporting year and who are followed in the breakdown of those who left voluntarily, to the total number of employees.
	Ratio of Vacancies Filled with Internal Candidates (%)	In the reporting period, it expresses the ratio of the number of vacant positions filled with internal candidates followed by job change / rotation and internal promotion announcements within the approval of the Company's senior management to the total number of vacant positions.
	Ratio of Women who quit their jobs (%)	It expresses the ratio of the number of women who left their jobs as of 31.12.2024 to the total number of employees who left their jobs as of 31.12.2024, which was declared to the Social Security Institution of the Company with the Declaration of Leaving Work within the reporting period.
	Employees on Parental Leave (#)	In the reporting period, within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave, it refers to the number of employees who took maternity and paternity leave within the periods specified in the regulation.
	Employees Returning from Parental Leave (#)	In the reporting period, within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave, it refers to the number of male and female employees of the Company who returned from maternity and paternity leave within the periods specified in the regulation.
	Total Number of Employees Subjected to Regular Performance and Career Development Evaluation (#)	In the reporting period, it expresses the number of people in terms of men and women within the scope of 2 different evaluation systems that are monitored with performance evaluation forms as "Competency Based Performance Evaluation" made with white collar employees who have completed 6 months as of the start date of the Company's year-end performance evaluation period and "Target & Competency Based Performance Evaluation" made with active white collar employees as of the beginning of the year performance period.
	Number of Subcontracted Employees (#)	Refers to the total number of employees, in terms of men and women, working for the Company in ISS and EuroServe, which are the subcontractors of the Company, during the reporting period.
	Training Hours Provided to Employees (hours)	During the reporting period, the total number of training hours that were monitored through the Company's Vestel Academy Training Portal, tracked and recorded with the Company-specific information of the employees, and covering all trainings within the Company, including OHS Trainings.
	Training Hours Provided to Subcontractors (hours)	During the reporting period, ISS and Euroserve, the subcontractors that the Company works with, have been appointed by Vestel Beyaz Eşya San. ve Tic. A.Ş. and Vestel Elektronik San. ve Tic. A.Ş. and Vestel Elektronik San ve Tic. A.Ş., which are subcontractors working for the Company, and which are recorded, and which cover all trainings including OHS Trainings.
	OHS Training Hours Provided to Subcontracted Employees (hours)	During the reporting period, the Company's training programs, which are monitored through the Vestel Academy Training Portal, were organized by ISS and Euroserve Vestel Beyaz Eşya San. ve Tic. A.Ş. and Vestel Elektronik San. ve Tic. A.Ş. and Vestel Elektronik San. ve Tic. A.Ş., which are subcontracted to the Company by the ISS and Euroserve Vestel Beyaz Eşya San ve Tic. A.Ş. and Vestel Elektronik San ve Tic. A.Ş., refers to the total number of compulsory or non-compulsory Occupational Health and Safety training hours provided to the personnel of Vestel Elektronik San ve Tic.
	OHS Training Hours Provided to Employees (hours)	Refers to the total number of compulsory or non-compulsory Occupational Health and Safety training hours during the reporting period, which are tracked and recorded through the Company's Vestel Academy Training Portal, and which are tracked and recorded with the Company-specific information of the employees, and for which topics are created according to the hazard class within the scope of the Occupational Health and Safety Law No. 6331.
	Number of Employees Receiving Environmental and Zero Waste Training (#)	Refers to the number of male and female employees who received Environment, Zero Waste and Sustainability Training during the reporting period, which is tracked and recorded through the Company's Vestel Academy Training Portal, and tracked and recorded with employees' Company-specific information.

Type	Indicator	Scope
Social	OHS Performance Indicators	
	Number of Fatalities (#) (Employees, Subcontractors, Total)	During the reporting period, employees of the Company and subcontractors ISS and EuroServe Vestel Beyaz Eşya San. ve Tic. A.Ş. and Vestel Elektronik San. ve Tic. A.Ş. employees, which fall under the definition of "Fatal Occupational Accident" within the scope of the Occupational Health and Safety Law No. 6331, and which are monitored through notifications made to the Social Security Institution.
	Occupational Disease (#)	During the reporting period, employees of the Company and subcontractors ISS and EuroServe Vestel Beyaz Eşya San. ve Tic. A.Ş. and Vestel Elektronik San. ve Tic. A.Ş. employees, which fall under the definition of "Occupational Disease" within the scope of the Occupational Health and Safety Law No. 6331, and which are monitored through notifications made to the Social Security Institution.
	Number of Accidents (#) (Employees, Subcontractors, Total)	During the reporting period, employees of the Company and the subcontractors ISS and EuroServe, Vestel Beyaz Eşya San. ve Tic. A.Ş. and Vestel Elektronik San. ve Tic. A.Ş. employees during activities defined by occupational safety laws and regulations, resulting in death, loss of working days, limited loss of working days and medical treatment, which are monitored through notifications made to the Social Security Institution.
	Number of Lost Days (#) (Employees, Subcontractors, Total)	During the reporting period, employees of the Company and the subcontractors ISS and EuroServe, Vestel Beyaz Eşya San. ve Tic. A.Ş. and Vestel Elektronik San. ve Tic. A.Ş. employees during activities defined by occupational safety laws and regulations, and prevented the employee from coming to the workplace on the next shift or working day, which is monitored through notifications made to the Social Security Institution.
	Lost time accident frequency rate (%) (Employees, Subcontractors, Total)	Refers to the ratio of the total number of lost time occupational accidents resulting in loss of working days, which occurred during the reporting period during the activities defined by the occupational safety laws and regulations of the Company's employees and the subcontractors that the Company works with, and which are monitored through notifications made to the Social Security Institution (SSI), multiplied by 1,000,000, to the Company's total working hours in the reporting period.
	Total injury rate (Accident frequency rate) (%) (Employees, Subcontractors, Total)	Refers to the ratio of the total number of occupational accidents that occurred to the Company's employees and subcontractors during the reporting period, which are monitored through notifications made to the Social Security Institution (SSI), multiplied by 1,000,000 to the Company's total working hours during the reporting period.
	Accident severity rate (%) (Employees, Subcontractors, Total)	In the reporting period, the total number of lost working days as a result of the total number of occupational accidents that occurred to the Company's employees and the subcontractors that the Company works with and that are monitored through notifications made to the Social Security Institution (SSI), multiplied by 100 and divided by the Company's (Total working days - Number of non-working days).

Data Preparation

1. Environmental Indicators

Energy consumption (MWh)

The following conversion factors were used in the sub-headings that constitute energy consumption.

Lt-MWh = MWh x 0.01008 (diesel)

Scope 1 Emissions (tCO₂e)

Scope-1 emissions calculation includes direct greenhouse gas emissions from natural gas, diesel fuel, diesel fuel, gasoline and LPG in company vehicles, stationary combustion generators (diesel fuel), LPG used in process, mobile combustion factory vehicles and chemicals (refrigerants and fire extinguishers).

Formula:
Emission Amount = Activity Data * Emission Factor * Amplification Factor
Activity Data = Consumption Quantity*Net Calorific Value (TJ)
Oxidation Factor = 1

GWP coefficients were taken from the IPCC 6th Assessment Report and calculated by multiplying the composite ton CO₂-e value by the appropriate coefficients.

Emission Source	NKD	Density	Emission Factors	Unit	References
Natural Gas (sm³)	34.54 TJ/10 ⁶ m³	0.094 m³/kWh	0.182	kgCO ₂ e/kWh	IPCC 6 th AR
Generator - Diesel (lt)	43 TJ/Gg	0.845 kg/lt	2,722.00	kgCO ₂ e/liter	IPCC 6 th AR
Fuel Consumption in Process - LPG	47.31 TJ/kton	—	2,988.00	kgCO ₂ e/kg	IPCC 6 th AR
Company Vehicles for Transportation - Gasoline (lt)	44.8 TJ/kton	0.775 kg/lt	2,506.00	kgCO ₂ e/liter	IPCC 6 th AR
Company Vehicles for Transportation - Diesel (lt)	43.33 TJ/kton	0.845 kg/lt	2,756.00	kgCO ₂ e/liter	IPCC 6 th AR
Company Vehicles for Transportation Purposes - LPG	47.31 TJ/kton	—	3.07	kgCO ₂ e/kg	IPCC (2006), Vol 2, Chapter 3, Table 3.2.1 and Table 3.2.2
Factory Vehicles - Moving Combustion - Diesel (on-road) (lt)	43.33 TJ/kton	0.845 kg/lt	2,756.00	kgCO ₂ e/liter	IPCC 6 th AR
Factory Vehicles - Stationary Combustion - Diesel (off-road) (lt)	43.33 TJ/kton	0.845 kg/lt	3.00	kgCO ₂ e/liter	IPCC 6 th AR
Refrigerants - R22	-	-	1,960.00	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerants - R32	-	-	771.00	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerants - R410A	-	-	2,256.00	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerants -R134A	-	-	1,530.00	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerant Gases -407-C	-	-	1,908.00	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerant Gases -407-A	-	-	2,262.2	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerant Gases -600-A	-	-	0.006	kgCO ₂ e/kg	IPCC 6 th AR
Refrigerants - SF6	-	-	24,300.00	kgCO ₂ e/kg	IPCC 6 th AR
Fire Extinguishers - CO ₂	-	-	1.00	kgCO ₂ e/kg	IPCC 6 th AR

Scope 2 Emissions (tCO₂e)

Indirect greenhouse gas emissions from the Company's electricity, steam and hot water consumption are included in the Scope-2 emissions calculation.

Formula:
Emission Amount = Activity Data*Emission Factor*Reduction Factor
Activity Data = Consumption Quantity*Net Calorific Value (TJ)
Oxidation Factor= 1

Emission Source	Emission Factors	Unit	References
Electricity	0.442	kgCO ₂ e/kWh	Türkiye Grid Electricity Emission Factor Information Form
Hot Water	0.1797	kgCO ₂ e/kWh	Defra 2024 -Heat and Steam
Steam	0.1797	kgCO ₂ e/kWh	Defra 2024 – Heat and Steam

Scope 3 Emissions (tCO₂e)

The Company's Scope 3 greenhouse gas emissions in accordance with ISO 14064-1 are those that arise from the activities of the organization but cannot be directly controlled.

- Category 1: Purchased Goods and Services
- Category 2: Capital Goods owned and used by the Company
- Category 4: Upstream Transportation and Distribution
- Category 5: Disposal and recycling of waste generated as a result of the Company's operations
- Category 6: Business travel of Company Employees
- Category 7: Personnel Services
- Category 9: Downstream Transportation and Distribution
- Category 11: Use of Sold Products
- Category 12: Waste and disposal of products at the end of their useful life

categories of greenhouse gas emissions. Emission factors, units and references used in emission calculations are specified in the "scope 3 categories" table.

Formula:
Emission Amount = Activity Data*Emission Factor

Category 1: Purchased Goods and Services

During the reporting period, the Company purchased raw materials such as electronic capacitors and electrical components (resistors, coils, transformers, connectors and other components, etc.) for Vestel Elektronik and Mobilite, raw material metals and electronic components (steel sheet, metal castings, plastic parts, motherboards and inventors, etc.) for Vestel Beyaz Eşya, which are directly used in the Company's production processes.) production materials and greenhouse gas emissions arising from energy consumption and carbon footprint in the production and processing of indirect purchases of products and services that support the operations of the Company and purchases of municipal water services, which are not directly involved in the production process.

Category 2: Capital Goods Owned and Used by the Company

It includes greenhouse gas emissions arising from the purchase of fixed assets such as machinery, equipment and buildings that the Company directly owns and uses in its production processes, service provision and operations during the reporting period.

Category 4: Upstream Transportation and Distribution

It includes greenhouse gas emissions resulting from the transportation of raw materials, metals, plastics, electronic components and packaging materials imported by the Company throughout the supply process from the production site to the facility. The procurement process is carried out by ship, plane, train and trucks.

Category 5: Disposal and recycling of waste generated as a result of the Company's operations

It includes greenhouse gas emissions resulting from the disposal and recycling of waste generated as a result of the Company's operations. Emissions from electrical appliances, mixed paper and cardboard, wood, mixed metal, mixed plastic, household waste, batteries, medical waste, mixed hazardous waste and wastewater discharge are included in the calculation.

Category 6: Business Travel and Accommodation for Company Employees

It includes greenhouse gas emissions resulting from flights and accommodation of company employees for business travel. When calculating emissions, the number of trips for one-time transportation is calculated and summed separately.

Category 7: Employee Commuting

It includes greenhouse gas emissions resulting from the use of shuttle buses and taxis provided for the transportation of the Company's employees to and from work.

Category 9: Downstream Transportation and Distribution

It covers greenhouse gas emissions resulting from the export, distribution to local supply centers and retail sales of the products produced by the Company. The delivery process is carried out by ship, airplane, truck, train and trucks.

Category 11: Use of Sold Products

It covers the natural gas, electricity and LPG greenhouse gas emissions consumed during the sales and usage period of the products produced by the Company and sold as end products (TVs, VSs, STBs, EVCs and batteries for Vestel Electronics and Mobility and dishwashers, ovens, dryers, refrigerators, air conditioners, water heaters and washing machines for Vestel Beyaz Eşya). Energy consumption varies according to product type.

Category 12: Waste and disposal of products at the end of their useful life

It covers the greenhouse gas emissions resulting from the recycling of mixed electronic waste and metals (based on the average weight of the products) generated after the end-of-life of the products produced by the Company and sold as end products such as TVs, VSs, STBs, EVCs and batteries for Vestel Electronics and Mobility and dishwashers, ovens, dryers, refrigerators, air conditioners, water heaters and washing machines for Vestel Beyaz Eşya.

Scope 3 Categories	Emission Factor Unit	Reference Source
Category 1 - Purchased Goods and Services	kgCO ₂ e/USD	EPA 2007, Supply Chain Emission Factors for US Industries Commodities v1.3
Category 2 - Capital Assets	kgCO ₂ e/USD	EPA 2007, Supply Chain Emission Factors for US Industries Commodities v1.2
Category 4 - Upstream Transportation and Distribution	tCO ₂ e/ton*km	DEFRA 2024, Freightng goods
Category 5 - Waste Generated in Operations	kgCO ₂ e/ton	DEFRA 2024, Waste Disposal
Category 6 - Business Travel	Flights: kgCO ₂ e/km	DEFRA 2024, Business Travels, Air DEFRA 2024, Hotel Stay
Category 7 – Employee Commuting	kgCO ₂ e/km	IPCC (2006), Vol 2, Chapter 3, Table 3.2.1 & Table 3.2.2
Category 9 - Downstream Transportation and Distribution	kgCO ₂ e/ton*km	DEFRA 2024, Freightng Goods
Category 11 - Use of Products Sold - Electricity	tonCO ₂ e/kWh	Türkiye: Türkiye Electricity Emission Factor & IEA Emissions Factors Other Countries: Ember Climate
Category 12 - End of Life Transactions of Sold Products	kgCO ₂ /kg	DEFRA 2024, Waste Disposal

Total Amount of Hazardous Waste (tons)

Formula:
Total Amount of Waste (tons) = Hazardous Waste Recovered for Energy Generation + Recovered Hazardous Waste + Hazardous Waste Sent to Landfill/Solid Waste Site

Total Amount of Non-Hazardous Waste (tons)

Formula:
Total Amount of Non-Hazardous Waste (tons) = Non-Hazardous Waste Recovered for Energy Generation + Non-Hazardous Waste Recycled + Non-Hazardous Waste Sent to Landfill

Total Waste (tons)

Formula:
Total Waste (tons) = Total Amount of Hazardous Waste + Total Amount of Non-Hazardous Waste

Waste Recycling Rate (%)

Formula:
Waste Recycling Rate (%) = Total Recycled Waste / Total Waste

2. Social Indicators

Average Duration of Employment (Year)

Formula:
Total Working Hours (Female) / Total Number of Female Employees
Total Working Hours (Male) / Total Number of Male Employees

Ratio of Female Employees at Management Level (%)

Ratio of Female Employees at the Lower Management Level:

Formula:
Number of Female Employees at the Lower Level of Management / Number of Employees at the Lower Management Level
Ratio of Female Employees at Middle Management Level:

Formula:
Number of Female Employees at Middle Management Level / Number of Employees at Middle Management Level
Ratio of Female Employees at Senior Management Level

Formula:
Number of Female Employees at Senior Management Level / Number of Employees at Senior Management Level

Ratio of Female Employees at Management Level in Revenue Generating Positions (%)

Formula:
Number of Female Employees at Management Level in Revenue Generating Positions / Number of Employees at Management Level in Revenue Generating Positions

Ratio of Female Employees in STEM Positions (%)

Formula:
Number of Female Employees in STEM Positions / Number of Employees in STEM Positions

Percentage of Non-Managerial Employees (%) Female

Formula:
Total Number of Female Non-managerial Employees /Total Number of Non-managerial Employees

Percentage of Non-Managerial Employees (%) Male

Formula:
Total Number of Male Non-Managerial Employees /Total Number of Non-Managerial Employees

Promotion Rate (%)

Formula:
Number of Female Employees Promoted / Total Number of Employees Promoted
Number of Male Employees Promoted / Total Number of Employees Promoted

Employee Turnover Rate (%)

Formula:
Number of Quits / Total Number of Employees

Voluntary Separation Employee Turnover Rate (%)

Formula:
Number of Voluntary Quits / Total Number of Employees

Ratio of Vacancies Filled with Internal Candidates (%)

Formula:
Number of Employees Filled with Internal Candidates / Total Number of Open Positions

Ratio of Women who Quit Their Jobs (%)

Formula:
Number of Women who quit their jobs / Total Number of Employees who quit their jobs

2.1 Social Indicators - OHS Performance

Lost Time Accident Frequency Rate (%)

Formula:
(Total Number of Lost Time Work Accidents x 1.000.000) / (Total Working Hours)

Total Injury Rate (%)

Formula:
(Total Number of Work Accidents x 1.000.000) / (Total Working Hours)

Accident Severity Rate (%)

Formula:
(Total Number of Lost Days x 100) / (Total Working Days - Number of Non-Working Days)

Restatement

The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Company level.



ANNEX 8: LIMITED ASSURANCE REPORT

Limited Assurance Report to the Board of Directors of Vestel Elektronik Sanayi ve Ticaret A.Ş.

We have been engaged by the Board of Directors of Vestel Elektronik Sanayi ve Ticaret A.Ş. (“Company” or “Vestel Elektronik”) to perform a limited assurance engagement in respect of the Selected Sustainability Information (the “Selected Information”) stated in the Vestel Elektronik Integrated Annual Report 2024 (the “Integrated Report 2024”) for the year ended 31 December 2024 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2024, which is subject to our limited assurance work, set out in the pages 111, 121, 127, 199, 200, 201, 202 and 203 of the Integrated Report 2024 with the sign “🟢” is summarized below:

Social Indicators

Social Performance Indicators

- o Employees by Gender (#)
- o Employees by Category (#)
- o Employees by Duration of Employment (#)
- o Average Duration of Employment (#)
- o Employees by Gender and Age (#)
- o Managers by Gender and Age (#)
- o Managers by Categories (#)
- o Number of Managerial Employees in Revenue-Generating Functions (#)
- o Ratio of Female Employees at Management Level in Revenue Generating Positions (%)
- o Number of Employees in Science, Technology, Engineering and Math (STEM)–related Positions (#)
- o Ratio of Female Employees in STEM Positions (%)
- o Number of Full-Time Employees in R&D Department (#)
- o Number of Employees with Disabilities (#)
- o Newly-Hired Employees by Gender and Age (#)
- o Employee Turnover Rate (%)
- o Turnover Rate for Employees Voluntarily Leaving Their Jobs (%)
- o Ratio of Vacant Positions Filled with In-house Candidates (%)
- o Ratio of Women Who Quit Their Jobs (%)
- o Employees on Parental Leave (#)
- o Employees Returning from Parental Leave (#)
- o Total Number of Employees Subjected to a Regular Performance and Career Development Review (#)
- o Number of Subcontracted Employees (#)
- o Training Hours Provided to Employees (hour)
- o Training Hours Provided to Subcontractors (hour)
- o OHS Training Hours Provided to Employees (hour)
- o OHS Training Hours Provided to Subcontracted Employees (hour)
- o Number of Employees Receiving Environmental and Waste Training Number of Employees (#)
- o Number of Fatalities (#) (employees, subcontractors, total)
- o Lost-Time Injury/Accident Frequency Rate (%) (employees, subcontractors, total)
- o Accident Severity Rate (%) (employees, subcontractors, total)
- o Occupational Disease (#) (employees, subcontractors, total)
- o Total Injury Rate (%) (employees, subcontractors, total)
- o Number of Accidents (#) (employees, subcontractors, total)
- o Number of Lost Workdays (#) (employees, subcontractors, total)



Environmental Performance Indicators

Energy Consumption (MWh)

- o Natural Gas (MWh)
- o Diesel (MWh)
- o Electricity (MWh)
- o Renewable Energy (Electricity) (MWh)
- o Steam (MWh)
- o Hot Water (MWh)
- o Total (MWh)
- o Energy Intensity (MWh / mEUR)

Greenhouse Gas Emissions (tons CO₂e)

- o Scope 1 Greenhouse Gas Emissions (tons CO₂e)
- o Scope 2 Greenhouse Gas Emissions (tons CO₂e)
- o Total (Scope 1 and Scope 2) Greenhouse Gas Emissions (tons CO₂e)
- o Scope 3 Total Greenhouse Gas Emissions (tons CO₂e)
- o Category 1 Greenhouse Gas Emissions (tons CO₂e)
- o Category 2 Greenhouse Gas Emissions (tons CO₂e)
- o Category 4 Greenhouse Gas Emissions (tons CO₂e)
- o Category 5 Greenhouse Gas Emissions (tons CO₂e)
- o Category 6 Greenhouse Gas Emissions (tons CO₂e)
- o Category 7 Greenhouse Gas Emissions (tons CO₂e)
- o Category 9 Greenhouse Gas Emissions (tons CO₂e)
- o Category 11 Greenhouse Gas Emissions (tons CO₂e)
- o Category 12 Greenhouse Gas Emissions (tons CO₂e)
- o Greenhouse Gas Concentration (ton CO₂e / mUSD)

Water Withdrawal (m³)

- o Mains Water (m³)
- o Groundwater (m³)
- o Rainwater (m³)
- o Total Water Withdrawal (m³)
- o Amount of Waste Water Discharged to the Network (m³)
- o Total Net Water Consumption (m³)
- o Amount of Recycled Water (m³)
- o Water Density (m³ / mUSD)



• Amount of Waste (tons)

- o Total Amount of Hazardous Waste (tons)
- o Hazardous Waste Incinerated for Energy Generation (tons)
- o Recovered Hazardous Waste (tons)
- o Hazardous Waste Sent to Landfill / Solid Waste Site (tons)
- o Total Amount of Non-Hazardous Waste (tons)
- o Non-Hazardous Waste Incinerated for Energy Generation (tons)
- o Recycled Non-Hazardous Waste (tons)
- o Non-Hazardous Waste Sent to Landfill / Solid Waste Site (tons)
- o Total Waste (tons)
- o Total Recycled / Recovered Waste (tons)
- o Total Waste Disposed (tons)
- o Total Waste Sent to Landfill / Solid Waste Site (tons)
- o Total Waste Incinerated for Energy Generation (tons)
- o Recyclability Rate of Waste (%)

Our assurance was with respect to the Selected Information marked with “🟡” in the in the 2024 Integrated Report, and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with “🟢” in the 2024 Integrated Report and, any other elements included in the 2024 Integrated Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Selected Information is set out in section the “Vestel Elektronik Integrated Annual Report 2024 – Reporting Principles” (the “Reporting Principles”) on pages 204, 205, 206, 207, 208, 209, 210, 211, 212 and 213 of the Integrated Report 2024.

The Company’s Responsibility

The Company is responsible for the content of the Integrated Report 2024 and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work did not include examination of the derivation of those factors and other third-party information.



Our Independence and Quality Management

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

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

Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information’, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised) and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Made inquiries of the persons responsible for the Selected Information;
- Understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- Evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- Performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company and;
- Undertook analytical procedures over the reported data.

ANNEXES



Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company’s Selected Information for the year ended 31 December 2024, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Company as a body, to assist the Board of Directors in reporting Company’s performance and activities related to the Selected Information. We permit the disclosure of this report within the Integrated Annual Report 2024 for the year ended 31 December 2024, to enable the Board of Directors of the Company to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Vestel Elektronik Sanayi ve Ticaret A.Ş. as a body Vestel Elektronik Sanayi ve Ticaret A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Selma Canbul Çorum, SMMM
Independent Auditor

Istanbul, 14 May 2025

ANNEX 9: UN GLOBAL COMPACT (UNGC) PROGRESS TABLE

Area	Principles	Relevant Department
Human Rights	Principle 1: Businesses should support, and respect proclaimed human rights.	Gender Equality, Human Rights and Inclusion, Ethical Principles
	Principle 2: Businesses should not be complicit in human rights abuses.	
Labor Standards	Principle 3: Businesses should support workers' freedom of association and collective bargaining.	The Company does not employ any personnel working under the Collective Bargaining Agreement. All employee rights and interests are protected and overseen under the Labour Law No. 4857. The Company signed a collective bargaining agreement with Türk Metal Union on January 30, 2024.
	Principle 4: End forced and compulsory labor.	Gender Equality, Human Rights and Inclusion, Ethical Principles Ethical Principles, Supply Chain
	Principle 5: All forms of child labor should be stopped.	
	Principle 6: Eliminate discrimination in recruitment and placement.	Gender Equality, Human Rights and Inclusion, Ethical Principles
Environment	Principle 7: Businesses should support precautionary approaches to environmental problems.	A Net Zero Company Annex 4: Integrated Management Systems and Environmental Management Environmental Performance Indicators
	Principle 8: It should support all kinds of activities and formations that will increase environmental responsibility.	A Net Zero Company Annex 2: Stakeholder Relations Annex 4: Integrated Management Systems and Environmental Management
	Principle 9: Support the development and diffusion of environmentally friendly technologies.	A Net Zero Company Products and Solutions Creating Benefits
Anti-Corruption	Principle 10: Business should fight all forms of corruption, including bribery and extortion	Ethical Principles

ANNEX 10: SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

PRINCIPLE	Compliance Status				Description	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	No	Partial	Not applicable		
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Targets						
A1.1	The prioritized environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	x			Risks and opportunities related to ESG issues are presented in the Global Trends, Risks and Opportunities section.	Vestel Elektronik Integrated Annual Report Related Section(s) Global Trends, Risks and Opportunities: Page 52
	The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	x			The ESG policies are explained in the Employees and Quality and Product Safety sections, and the Management Systems Policy can be accessed from here , while the Zorlu Holding Human Rights Policy can be accessed from here .	Vestel Elektronik Integrated Annual Report Related Section(s) Employees: Page 98 Quality and Product Safety: Page 140
A1.2	The short and long-term targets set within the scope of ESG policies have been disclosed to the public	x			The targets set within the scope of ESG policies are discussed in general in the Strategic Approach section of the integrated annual report and detailed in the table Targets and Results.	Vestel Elektronik Integrated Annual Report Related Section(s) Strategic Approach: Page 36 Targets and Results: Page 43
A2. Implementation/Monitoring						
A2.1	The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	x			The governance structure designed for activities within the scope of sustainability is discussed in detail in the Sustainability Management section	Vestel Elektronik Integrated Annual Report Related Section(s) Sustainability Management: Page 46
	The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	x			It has been conveyed in the Sustainability Management department.	Vestel Elektronik Integrated Annual Report Related Section(s) Sustainability Management: Page 46
A2.2	In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	x			Strategy areas and action plans are presented in the Strategic Approach section.	Vestel Elektronik Integrated Annual Report Related Section(s) Strategic Approach: Page 36
A2.3	The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	x			Detailed information is provided in Annex 6.	Vestel Elektronik Integrated Annual Report Related Section(s) Annex 6: Performance Indicators: Page 199

PRINCIPLE	Compliance Status				Description	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	No	Partial	Not applicable		
A2.4	x				The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	Explanations on these processes, products and services are provided in the Production and Innovation Power, A Net Zero Company, Accessible and Smart Products that Make Life Easier. Vestel Elektronik Integrated Annual Report Related Section(s) Production and Innovation Power: Page 81 A Net Zero Company: Page 118 Accessible and Smart Solutions That Make Life Easier: Page 130
A3. Reporting						
A3.1	x				The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	The report states to which targets the projects launched contribute under each Sustainable Development Goal. Vestel Elektronik Integrated Annual Report Related Section(s) Strategic Approach: Page 36
A3.2	x				The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	The report states to which targets the projects launched contribute under each Sustainable Development Goal. Vestel Elektronik Integrated Annual Report Related Section(s) Strategic Approach: Page 36
A3.3	x				The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	It is explained in the Ethical Principles section. Vestel Elektronik Integrated Annual Report Related Section(s) Ethical Principles: Page 50
A4. Verification						
A4.1	x				The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed	Environmental performance indicators, social performance indicators, carbon and water footprint are verified by independent third parties. Vestel Elektronik Integrated Annual Report Related Section(s) Annex 6: Performance Indicators: Page 199
B. Environmental Principles						
B1	x				The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs of the Company in the field of environmental management are disclosed.	Annex 4: It is explained in the Integrated Management Systems and Environmental Management section. Vestel Elektronik Integrated Annual Report Related Section(s) Annex 4: Integrated Management Systems and Environmental Management: Page 195
B2	x				The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	Necessary explanations are given in Annex 1, Annex 4 and Annex 6. Vestel Elektronik Integrated Annual Report Related Section(s) Annex 1: About the Report: Page 188 Annex 4: Integrated Management Systems and Environmental Management: Page 195 Annex 6: Performance Indicators: Page 199

PRINCIPLE	Compliance Status				Description	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	No	Partial	Not applicable		
B4			x		Although there are sustainability criteria included in the performance system, efforts are underway to increase and diversify these criteria.	Vestel Elektronik Integrated Annual Report Related Section(s) Sustainability Management: Page 46
B5	x				Detailed in the A Net Zero Company section.	Vestel Elektronik Integrated Annual Report Related Section(s) A Net Zero Company: Page 118
B7	x				It is presented in the Supply Chain section.	Vestel Elektronik Integrated Annual Report Related Section(s) Supply Chain: Page 114
B8	x				A Net Zero Company is disclosed in Annex 2 and Annex 3.	Vestel Elektronik Integrated Annual Report Related Section(s) A Net Zero Company: Page 118 Annex 2: Stakeholder Relations: Page 189 Annex 3: Association Memberships and Supported Initiatives: Page 194
B9	x				Annex 4: Reported in the Integrated Management Systems and Environmental Management and Environmental Performance Indicators section.	Vestel Elektronik Integrated Annual Report Related Section(s) Annex 4: Integrated Management Systems and Environmental Management: Page 195 Environmental Performance Indicators: Page 202
B10	x				Annex 4: It is detailed in the Integrated Management Systems and Environmental Management section.	Vestel Elektronik Integrated Annual Report Related Section(s) Annex 4: Integrated Management Systems and Environmental Management: Page 195
B11	x				Reported in the Environmental Performance Indicators section, increases and decreases are detailed in the Targets and Results section.	Vestel Elektronik Integrated Annual Report Related Section(s) Environmental Performance Indicators: Page 202 Targets and Results: Page 43

PRINCIPLE	Compliance Status				Description	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	No	Partial	Not applicable		
B12	x				Reported in the Environmental Performance Indicators section and progress is detailed in the Targets and Results section.	Vestel Elektronik Integrated Annual Report Related Section(s) The Journey to Net Zero: Page 119 Environmental Performance Indicators: Page 202 Targets and Results: Page 43
B13	x				The strategy to tackle the climate crisis is detailed in the Journey to Net Zero section.	Vestel Elektronik Integrated Annual Report Related Section(s) The Journey to Net Zero: Page 119
B14	x				All details regarding the Company's environmentally friendly products and practices are discussed in the Beneficial Products and Solutions section.	Vestel Elektronik Integrated Annual Report Related Section(s) Products and Solutions Creating Benefits: Page 131
	x				The Vestel Supplier Monitoring and Development Program was launched to enable suppliers to effectively participate in sustainability processes, understand and improve their current levels.	Vestel Elektronik Integrated Annual Report Related Section(s) Supply Chain: Page 114
B15	x				Detailed in the A Net Zero Company section.	Vestel Elektronik Integrated Annual Report Related Section(s) A Net Zero Company: Page 118
B16	x				Scope-1 and Scope-2 emissions are reported in the Environmental Performance Indicators section for the last 3 years.	Vestel Elektronik Integrated Annual Report Related Section(s) Environmental Performance Indicators: Page 202
B17	x				Explained in the A Net Zero Company and Environmental Performance Indicators sections.	Vestel Elektronik Integrated Annual Report Related Section(s) A Net Zero Company: Page 118 Environmental Performance Indicators: Page 202
B18	x				Presented in the Journey to Net Zero Company section.	Vestel Elektronik Integrated Annual Report Related Section(s) The Journey to Net Zero: Page 119

PRINCIPLE		Compliance Status				Description	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	No	Partial	Not applicable		
B19	The renewable energy production and usage data has been publicly disclosed.	x				Renewable energy generation and utilization data are reported in The Journey to Net Zero and Environmental Performance Indicators sections.	Vestel Elektronik Integrated Annual Report Related Section(s) The Journey to Net Zero: Page 119 Environmental Performance Indicators: Page 202
B20	The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	x				Detailed information is provided in the Energy Efficiency section.	Vestel Elektronik Integrated Annual Report Related Section(s) Energy Efficiency: Page 121
B21	The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	x				Located in the Environmental Performance Indicators section	Vestel Elektronik Integrated Annual Report Related Section(s) Environmental Performance Indicators: Page 202
B22	The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).				x	Vestel is not included in the carbon pricing system.	
B23	The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.				x	There is no carbon credit purchased.	
B24	If carbon pricing is applied within the Company, the details have been disclosed.				x	Carbon pricing is not applied.	
B25	The platforms where the Company discloses its environmental information have been disclosed.	x				Explained in the A Net Zero Company and Annex 4: Integrated Management Systems and Environmental Management sections.	Vestel Elektronik Integrated Annual Report Related Section(s) A Net Zero Company: Page 118 Annex 4: Integrated Management Systems and Environmental Management: Page 195

PRINCIPLE		Compliance Status				Description	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	No	Partial	Not applicable		
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	x				Gender Equality is explained in the Human Rights and Inclusion section and Zorlu Holding Human Rights Policy, Zorlu Holding Code of Ethics and Equal Bi’Hayat Gender Equality Manifesto can be accessed from the links below. <u>Zorlu Holding Human Rights Policy</u> <u>Ethical Principles</u> <u>Eşit Bi’ Hayat (An Equal Life) Gender Equality Manifesto</u>	Vestel Elektronik Integrated Annual Report Related Section(s) Gender Equality, Human Rights and Inclusion: Page 98
C1.2	Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women’s employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	x				Explained in detail in the Gender Equality, Human Rights and Inclusion section.	Vestel Elektronik Integrated Annual Report Related Section(s) Gender Equality, Human Rights and Inclusion: Page 98
C1.3	The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	x				Explained in the sections on Gender Equality, Human Rights, and Inclusion, and Supply Chain.	Vestel Elektronik Integrated Annual Report Related Section(s) Gender Equality, Human Rights and Inclusion: Page 98 Supply Chain: Page 114
C1.4	The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	x				Detailed in the section on Gender Equality, Human Rights, and Inclusivity, and Supply Chain.	Vestel Elektronik Integrated Annual Report Related Section(s) Gender Equality, Human Rights and Inclusion: Page 98 Supply Chain: Page 114

PRINCIPLE	Compliance Status				Description	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	No	Partial	Not applicable		
C1.5	x				Reported in the Employees section.	Vestel Elektronik Integrated Annual Report Related Section(s) Employees: Page 98
						Vestel Elektronik Integrated Annual Report Related Section(s) Employees: Page 98
	x				Reported in the Employees section.	Vestel Elektronik Integrated Annual Report Related Section(s) Employees: Page 98
C1.6	x				Explained in the Occupational Health and Safety section, and the relevant data is reported in the Social Performance Indicators section.	Vestel Elektronik Integrated Annual Report Related Section(s) Occupational Health and Safety: Page 110 Social Performance Indicators: Page 199
						Vestel Elektronik Integrated Annual Report Related Section(s) Occupational Health and Safety: Page 110 Social Performance Indicators: Page 199
	x				Measures taken to prevent occupational accidents and protect health are reported in the Occupational Health and Safety section and accident statistics are reported in the Social Performance Indicators section.	Occupational Health and Safety: Page 110 Social Performance Indicators: Page 199
C1.7	x				Explained in the Data Security and Cyber Risks section and the Privacy Policy and Clarification Text Links are shared below. Privacy Policy Disclosure Text	Vestel Elektronik Integrated Annual Report Related Section(s) Data Security and Cyber Risks: Page 95
C1.8	x				Vestel adopts a business manner on the basis of Zorlu Holding Ethical Principles. Zorlu Holding Ethical Principles are available here .	Vestel Elektronik Integrated Annual Report Related Section(s) Ethical Principles: Page 50
C1.9	x				Explained in the Community Support section.	Vestel Elektronik Integrated Annual Report Related Section(s) Corporate Citizenship: Page 112
C1.10	x				Information and trainings on ESG are reported in Sustainability Management, Ethical Principles, Employees and Annex 4: Integrated Management Systems and Environmental Management.	Vestel Elektronik Integrated Annual Report Related Section(s) Sustainability Management: Page 46 Ethical Principles: Page 50 Employees: Page 98 Annex 4: Integrated Management Systems and Environmental Management: Page 195

PRINCIPLE	Compliance Status				Description	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	No	Partial	Not applicable		
C2. Stakeholders, International Standards and Initiatives						
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	x			Customer Satisfaction Policy is detailed under the heading Customer Experience and can be accessed here .	Vestel Elektronik Integrated Annual Report Related Section(s) Customer Experience: Page 144
C2.2	The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	x			Stakeholder Relations are detailed in Annex 2.	Vestel Elektronik Integrated Annual Report Related Section(s) Annex 2: Stakeholder Relations: Page 189
C2.3	The international reporting standards that adopted in reporting have been explained.	x			The international reporting standards adopted are provided in Appendix 1: About the Report and Journey to Net Zero Company.	Vestel Elektronik Integrated Annual Report Related Section(s) Annex 1: About the Report: Page 188 The Journey to Net Zero: Page 119
C2.4	The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	x			Member Associations and Supported Initiatives are given in Annex 3.	Vestel Elektronik Integrated Annual Report Related Section(s) Annex 3: Association Memberships and Supported Initiatives: Page 194
C2.5	The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	x			What is done to be included in sustainability indices is explained in detail in the Sustainability Management section	Vestel Elektronik Integrated Annual Report Related Section(s) Sustainability Management: Page 46
D. Corporate Governance Principles						
D1	The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	x			The prioritization analysis was based on the views of 2,372 stakeholders.	Vestel Elektronik Integrated Annual Report Related Section(s) Materiality Analysis: Page 38 Annex 2: Stakeholder Relations: Page 189
D2	The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	x			Explained in the Ethical Principles, Employees and Social Support sections.	Vestel Elektronik Integrated Annual Report Related Section(s) Ethical Principles: Page 50 Employees: Page 98 Social Support: Page 112

ANNEX 11: TCFD INDEX

TCFD Recommendations	Disclosures	Reference
Governance	The Boards of Directors' oversight of climate-related risks and opportunities	46-49
	Management's role in assessing and managing risks and opportunities	46-49, 52-54
Strategy	Climate-related risks and opportunities the organization has identified over the short, medium, and long term	60-64
	The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	60-64
	The resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a +2°C scenario or lower	60-64
Risk Management	The organisation's processes for identifying and assessing climate-related risks	60-64
	The organisation's processes for managing climate-related risks	60-64
	How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	60-64
Metrics and Targets	The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	43, 60-64
	Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	40, 202
	The targets used by the organization to manage climate-related risks and opportunities and performance against targets	43

ANNEX 12: SASB INDEX

Accounting Metric	Code	References
Water Management		
(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	TC-ES-140a.1	Water Management p. 127, Environmental Performance Indicators p. 203 Vestel Electronics CDP Water Security Program 2024, 9.2.4
Waste Management		
(1) Amount of hazardous waste from manufacturing, (2) percentage recycled	TC-ES-150a.1	Environmental Performance Indicators p. 203
Labour Practices		
(1) Number of work stoppages and (2) total days idle	TC-ES-31 Oa.l	Occupational Health and Safety, p. 110-111
Workforce Conditions, Health & Safety		
(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	TC-ES-320a.1	Occupational Health and Safety, p. 110-111
Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	TC-ES-320a.2	Occupational Health and Safety, p. 110-111
(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority nonconformances and (b) other nonconformances, disaggregated by (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	TC-ES-320a.3	Occupational Health and Safety, p. 110-111
Product Lifecycle Management		
Weight of end-of-life products and e-waste recovered; percentage recycled	TC-ES-41 Oa.l	Circular Economy, p. 124
Materials Sourcing		
Description of the management of risks associated with the use of critical materials	TC-ES-440a.1	Environmental Performance Indicators, p. 203

ANNEX 13: ESRS COMPLIANCE TABLE

ESRS Standard	DR	Description	Page Number
ESRS 2	BP-1	General Basis for Preparation of Sustainability Statement	188
ESRS 2	BP-2	Disclosures in Relation to Specific Circumstances	188
ESRS 2	GOV-1	The Role of the Administrative, Management and Supervisory Bodies	46-49, 180-187
ESRS 2	GOV-2	Information Provided to, and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies	46-49
ESRS 2	GOV-3	Integration of Sustainability-Related Performance in Incentive Schemes	46
ESRS 2	GOV-4	Statement on due Diligence	101
ESRS 2	GOV-5	Risk Management and Internal Controls Over Sustainability Reporting	46-49
ESRS 2	SBM-1	Strategy, Business Model and Value Chain	32-37
ESRS 2	SBM-2	Interests and View of Stakeholders	189-193
ESRS 2	SBM-3	Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model	38-42, 52-65
ESRS 2	IRO-1	Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities	38-42
ESRS 2	IRO-2	Disclosure Requirements in ESRS Covered by the Undertaking's Sustainability Statement	40, 188
E1	E1-1	Transition Plan Climate Change Mitigation	119-121
E1	E1-2	Policies Related to Climate Change Mitigation and Adaptation	119-121
E1	E1-3	Actions and Resources in Relation to Climate Change Policies	119-121
E1	E1-4	Targets Related to Climate Change Mitigation and Adaptation	43, 119-121
E1	E1-5	Energy Consumption	120-121, 202

ESRS Standard	DR	Description	Page Number
E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG Emissions	202
E1	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	-
E1	E1-8	Internal carbon pricing	-
E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	60-64
E5	E5-1	Policies Related to Resource Use and Circular Economy	124-126
E5	E5-2	Actions and Resources Related to Resource Use and Circular Economy	124-126
E5	E5-3	Targets Related to Resource Use and Circular Economy	43,124-126
E5	E5-4	Resource Inflows	124-126
E5	E5-5	Resource Outflows	124-126
E5	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	57
S1	S1-1	Policies Related to Own Workforce	98-102
S1	S1-2	Process for Engaging with Own Workforce and Workers' Representatives About Impacts	98-102
S1	S1-3	Process to Remediate Negative Impacts and Channels for Own Workforce to Raise Concerns	98-102
S1	S1-4	Taking Action on Material Impacts on Own Workforce and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of Those Actions	98-102, 110-111
S1	S1-5	Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts and Managing Material Risks and Opportunities	43
S1	S1-6	Characteristics of the Undertaking's Employees	98-99, 199-200

ESRS Standard	DR	Description	Page Number
S1	S1-7	Characteristics of Non-Employees in the Undertaking's Own Workforce	201
S1	S1-8	Collective Bargaining Coverage and Social Dialogue	101, 156
S1	S1-9	Diversity Metrics	199-200
S1	S1-10	Adequate Wages	101
S1	S1-11	Social Protection	156
S1	S1-12	Persons with Disabilities	100, 200
S1	S1-13	Training and Skills	102-107, 201
S1	S1-14	Health and Safety Metrics	110-111
S1	S1-15	Work-Life Balance Metrics	109
S1	S1-16	Remuneration Metrics (Pay Gap and Total Remuneration)	100
S1	S1-17	Incidents, Complaints and Severe Human Rights Impacts	51, 101
S2	S2-1	Policies Related to Value Chain Workers	114
S2	S2-2	Processes for Engaging with Value Chain Workers About Impacts	114-117, 190
S2	S2-3	Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns	50
S2	S2-4	Taking Action on Material Impacts on Value Chain Workers, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Value Chain Workers, and Effectiveness of Those Actions	110-111, 117

ESRS Standard	DR	Description	Page Number
S2	S2-5	Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities	110, 43
S4	S4-1	Policies Related to Consumers and End-Users	140, 144
S4	S4-2	Process for Engaging with Consumers and End-Users About Impacts	144, 92
S4	S4-3	Process to Remediate Negative Impacts and Channels for Consumers and End-Users to Raise Concerns	50
S4	S4-4	Taking Action on Material Impacts on Consumers and End-Users, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Consumers And End-Users, and Effectiveness of Those Actions	140-151
S4	S4-5	Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities	43, 144
G1	G1-1	Corporate Culture and Business Conduct Policies	50-51
G1	G1-2	Management of Relationships with Suppliers	114
G1	G1-3	Prevention and Detection of Corruption and Bribery	50-51
G1	G1-5	Political Influence and Lobbying Activities	-
G1	G1-6	Payment Practices	115

ANNEX 14: SUSTAINABILITY RISKS AND OPPORTUNITIES

Risk Identification: TR ETS Risk

Explanation	The majority of Vestel operations take place in Türkiye and in the short term, the Company is likely to be affected by the Turkish Emissions Trading System (TR ETS), which is expected to be implemented for emission-intensive production facilities. With the entry into force of the regulation, Türkiye will adopt a system similar to the European Union Emissions Trading System (EU ETS).
Effect on Financial Position	With the implementation of the TR ETS, Vestel will be subject to carbon pricing, particularly for Scope 1 emissions. This can lead to a direct cost increase in the company's production activities. Although free emission rights will be allocated and carbon prices will be kept low in the first phase, this temporary situation may have a negative impact on Vestel's financial performance and cash flows in the long term. Over time, free emission rights are expected to be reduced and carbon prices are expected to rise. This may increase Vestel's operating costs and reduce its profitability. In addition, fluctuations in carbon prices can create uncertainty in budget planning and cash flow management. Carbon costs are expected to put a greater burden on the company's financial position in the future, especially if emission-reducing investments are not made in production facilities. These risks may require Vestel to reassess its capital expenditures and long-term financial strategies.
Expected Financial Impact	TL 1,686,250
Financial Impact Statement	Vestel's average Scope 1 emissions in recent years have been calculated as approximately 19,000 tCO₂e. Assessments to be made under the TR ETS will be based on this amount. In the first phase of the TR ETS, it is envisaged to provide producers with free allowances of 75-100% of their Scope 1 emissions. Accordingly, in the worst case scenario, Vestel would be obliged to pay for 25% of its Scope 1 emissions. In the scenario where Vestel is required to pay 25% of its average Scope 1 emissions, the company's obligation is calculated as 4.750 tCO₂e: (19,000 tCO₂e) × (25%) = 4,750 tCO₂e It is stated that the relevant amount of carbon will be taxed under the TR ETS and a tax of €10 per ton is envisaged by the authorities. In this case, the cost of the risk that Vestel may face in the first stage is calculated as follows: (4,750 tCO₂e) × (10 €/tCO₂e) = 47,500 € This cost corresponds to TL 1,686,250 at the average EUR/TRY exchange rate.
Cost of Response to Risk	TL 12,835,441
Description of Cost Calculation	In order to be minimally affected by the TR ETS, Vestel carries out various projects to reduce Scope 1 emissions. These projects include measures such as reducing the temperature in dyeing ovens, implementing an online energy consumption system and testing different systems. The total investment cost of 4 different projects realized within this scope was calculated as TL 12,835,441.
Description of Response	Vestel has implemented measures such as reducing the temperature in the dyeing ovens, installing an online energy consumption monitoring system and testing different systems to identify the most effective solutions.

Risk Identification: Water Risk

Explanation	Water risk includes issues such as water scarcity, drought or water quality problems in the region where the company operates.
Effect on Financial Position	The expected impact that the company will face due to water stress is increased costs due to operational disruptions.
Expected Financial Impact	TL 2,244,314,680
Financial Impact Statement	Due to its location in a region with water shortages, Vestel faces the risk of daily or short-term production interruptions. Vestel City factories, in particular, are located in a region with a risk of water scarcity of over 75% according to the optimistic, pessimistic and business-as-usual scenarios of the WRI index. In case of a 7-11 day production outage, there may be a risk of a net sales loss of approximately 2-3% of total turnover due to production stoppages.
Cost of Response to Risk	TL 36,000,000
Description of Cost Calculation	The Company continuously works to reduce water consumption and discharge data. Cost refers to the total cost of water efficiency projects planned and implemented between 2023-2027.
Description of Response	Within the scope of water efficiency projects, efforts such as capacity increase, establishment of water recycling facilities, replacement of cooling towers, use of cooling tower wastewater in the production process and establishment of recycling systems in the dyeing facility are being carried out.

Risk Identification: CBAM Risk

Explanation	The Carbon Border Adjustment Mechanism (CBAM) under the European Green Deal forces importers of certain carbon-intensive goods to report the embedded emissions of imported products and obtain certificates reflecting these emissions. Initially, the EU CBAM will cover sectors such as iron and steel, aluminum, cement, fertilizer, electricity and hydrogen. In the first years of implementation, the European Commission will evaluate CBAM and may propose to extend it to cover indirect emissions and other products and services at risk of carbon leakage.
	This mechanism is expected to increase costs for importers, as the price of CBAM certificates will be aligned with EU ETS allocation prices, leading to imported steel and other raw materials becoming more expensive.
	The average annual usage of steel, one of Vestel's main raw materials, is approximately 250,000 tons, and a direct cost increase risk is foreseen in the Company's operations.
Effect on Financial Position	The entry into force of the CBAM may create a significant cost increase risk on Vestel's financial position, financial performance and cash flows.
Expected Financial Impact	TL 887,500,000
Financial Impact Statement	Vestel purchased a total of 250 thousand tons of steel raw materials. The iron and steel sector is a product group under CBAM. Therefore, a calculation of 2 tCO ₂ /tons was made for steel under CBAM taxation. Prices in the European carbon market are estimated in the range of 50-60 €/tCO ₂ . In this context, Vestel's CBAM tax liability was calculated by multiplying all relevant values and converted to TL, which is the reporting currency.
Cost of Response to Risk	TL 168,476,356
Description of Cost Calculation	Vestel carries out 26 improvement works to reduce Scope 1 and 2 emissions. The total investment in these 26 separate projects amounted to TL 168,476,356.
Description of Response	Vestel carried out these improvement efforts to enhance its environmental performance and comply with its sustainability targets.

Risk Identification: UK - CBAM Risk

Explanation	The UK government has published its own CBAM proposal, which is scheduled to enter into force on January 1, 2027. This mechanism will cover imports into the UK and will include sectors such as aluminum, cement, ceramics, fertilizers, glass, hydrogen, iron and steel.
	In particular, unlike the EU, the UK CBAM will also cover ceramic and glass product groups. Importers will have to pay a CBAM levy to the UK government, which will increase the cost of raw materials and intermediate products.
Effect on Financial Position	For Vestel, raw materials such as steel (34.4%), aluminum (2.7%), concrete (6.2%) and glass (3.6%) are among the elements at risk of direct cost increases due to CBAM.
Expected Financial Impact	TL 3,673,043
Financial Impact Statement	The direct cost increase caused by the tax on glass used in refrigerator shelves can be calculated as follows:
	First, the total number of refrigerators sold in the UK annually is determined and multiplied by the average weight of the glass shelves in each refrigerator to estimate the total amount of glass used. The average CO ₂ emissions caused by this amount of glass are then included in the calculation. Finally, this total value is multiplied by the approximate cost of the tradable carbon allowance to calculate an annual cost increase of € 103,466.
	(Annual number of refrigerators sold in the UK) × (Average weight of glass shelves in each refrigerator) × (Average CO ₂ emissions for glass) × (Commercial carbon allowance cost) = €103,466/year. As a result of this calculation, the total annual additional cost is estimated at TL 3,673,043.
Cost of Response to Risk	TL 12,035,565
Description of Cost Calculation	The cost calculation for switching from glass shelves to wire shelves (or clear plastic shelves) in refrigerators starts by determining the total number of refrigerators sold in the UK annually. This figure is then multiplied by the average number of glass shelves in each refrigerator to estimate the total number of glass shelves to be replaced. Then the approximate cost per unit of replacing glass shelves with wire shelves needs to be taken into account. In addition, the average cost of a glass shelf is factored into the equation. Multiplying these values, the estimated total cost of this transition is € 339,030 per year.
	The measure against the glass tax risk involves replacing traditional glass shelves used in refrigerators with alternative materials such as wire shelves or transparent plastic shelves (GPPS). This strategic decision aims to minimize the financial burden of the glass tax by reducing reliance on glass.
Description of Response	The use of wire or plastic shelving can provide additional advantages, such as being lighter, offering increased durability and potentially lower production costs in the long run.

Risk Identification: Single Use Plastic Risk

Explanation	In Australia, there are different state-based practices regarding single-use plastics. Plastic packaging bans in Western Australia are regulated under the Environmental Protection Regulations 2018, which prohibit cut or shaped packaging made from expanded plastic packaging from 1 July 2025. In this context, all extended packaging such as EPE, EPP, EPS would fall under the ban. However, packaging of products over 45 kg is exempted from this ban. Therefore, there is no risk for heavy product models (e.g. French Ban). However, there is still a risk for spare parts sourced from external suppliers.
Effect on Financial Position	There is a potential risk of lost revenue due to spare parts purchased from external suppliers.
Expected Financial Impact	TL 1,655,578
Financial Impact Statement	The potential revenue loss in Australia is calculated as follows: € 155,454 (annual revenue from spare parts sales in Western Australia) × 30% (spare parts with EPS packaging) = € 46,636/year
Cost of Response to Risk	TL 1,453,973
Description of Cost Calculation	The spare parts cost increase in Western Australia is calculated as follows: 3 € (average cost increase per spare part) × 45,508 (annual number of spare parts sold in Western Australia) × 30% (spare parts with EPS packaging) = 40,957 €/year
Description of Response	Vestel's procurement department has informed its spare parts suppliers about the ban. The costs of certain spare parts may increase due to the replacement of packaging items.

Opportunity Identity: Low Carbon Products

Explanation	Vestel develops low-carbon products and monitors the ratio of revenue generated from low-carbon products to total turnover in line with its goal of creating benefit with its products and solutions and realizing its 2050 net zero emission target. Low carbon products are defined as follows: - Based on GfK data for Türkiye and Europe, TV products that are below the average energy class (EEI) of the total products sold, chargers and batteries that use electricity instead of fossil fuels, and LED lighting products that save electricity are considered sustainable and low-carbon products. - In addition, products that consume less energy and water than the industry average, including products sold in countries outside Europe, are also included in this category based on the average consumption of products sold in Europe in 2024.
Effect on Financial Position	Low-carbon products make a positive contribution to total income.
Expected Financial Impact	TL 47,095,273,360
Financial Impact Statement	Revenue from low-carbon products accounts for 32.99% of total revenue. Amount of financial impact: 142,736,499,000*0.3299 = TL 47,095,273,360
Cost of Response to Risk	TL 795,889,511
Description of Cost Calculation	Vestel allocates R&D and Innovation budget for the development of low-carbon products and services. In 2024, this budget was set at TL 795,889,511.
Description of Response	Vestel aims to provide social benefit by reducing its environmental impact, to meet the needs of consumers in the best way possible and to make life easier with smart, high quality and safe products and services.

Opportunity Identity: Renewable Energy

Explanation	Vestel contributes to the transition to a zero carbon economy through renewable energy generation and energy efficiency investments.
Effect on Financial Position	Solar panel investments will reduce the cost of purchased electricity.
Expected Financial Impact	TL 35,646,000
Financial Impact Statement	11,882 MWh of electricity is planned to be generated with solar panels to be installed in 2024 - 2025. Electricity bill cost estimation: TL 35,646,000.
Cost of Response to Risk	TL 228,265,000
Description of Cost Calculation	Solar panels will be installed on the roofs of the Vestel Beyaz Eşya tumble dryer factory. Solar panel installation cost: TL 228,265,000 (€ 6,430,000).
Description of Response	Vestel aims to reduce energy costs and carbon emissions by expanding the use of solar energy to additional facilities.

Opportunity Identity: Spare Parts Recovery

Explanation	Vestel ensures the repair and reuse of defective materials and products within the scope of the Material Inspection and Recovery Project. Authorized services are responsible for collecting defective parts that are replaced on site, while the Recovery Unit is responsible for repairing, reusing them as spare parts and bringing them into the system.
Effect on Financial Position	Products replaced under warranty are delivered to the Replacement Product Evaluation Center (DÜDEM) at Vestel City, and those in repairable condition are refurbished at the Refurbishment Centers, Central Repair and Recovery Centers and offered for sale at Vestel Outlet stores and some dealers. A total of 82,616 products were renewed and brought into the economy in 2024. Non-renewable products are recycled through licensed recycling companies.
Expected Financial Impact	Vestel achieves additional savings by repairing the defective parts collected, reusing them as spare parts and bringing them back into the system.
Financial Impact Statement	TL 10,800,000
Cost of Response to Risk	In 2024, 26,971 spare parts were recovered, resulting in savings of TL 10.8 million.
Description of Cost Calculation	TL 4,000,000
Description of Response	A separate area has been allocated for the renovation operation. The cost of this process, including personnel and equipment, amounted to TL 4 million for Vestel.
Description of Response	In the after-sales process, Vestel carries out repair, reuse and renewal activities in order to extend the lifespan of products, facilitate their repairability and make them ready for reuse. The aim is to contribute to the circular economy by reducing costs through R&D activities. Accordingly, all parts are designed to be accessible to facilitate product repair. The repair and reuse of products is encouraged and work in this area is ongoing.

ANNEX 15: GRI INDEX

GRI Content Index			
Statement of use		Vestel Elektronik has reported in accordance with the GRI Standards for the January–December 2024 period.	
GRI 1 used		GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location/ Page No, Source and/or Direct Answers	Additional information and reasons for omission
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	10-11, 16-17	
	2-2 Entities included in the organization’s sustainability reporting	188	
	2-3 Reporting period, frequency and contact point	188	
	2-4 Restatements of information	There are no restatements of information.	
	2-5 External assurance	214	
	2-6 Activities, value chain and other business relationships	10-11, 16-17, 32-35, 156-158	
	2-7 Employees	98-109, 199-201	
	2-8 Workers who are not employees	199-201	
	2-9 Governance structure and composition	22-23, 26-29, 153, 154-155, 169-171, 175-187	
	2-10 Nomination and selection of the highest governance body	177-178	
	2-11 Chair of the highest governance body	177-178	
	2-12 Role of the highest governance body in overseeing the management of impacts	46-47	
	2-13 Delegation of responsibility for managing impacts	46-47	
	2-14 Role of the highest governance body in sustainability reporting	46-47	
	2-15 Conflicts of interest	165	
	2-16 Communication of critical concerns	162-164	
	2-17 Collective knowledge of the highest governance body	22-23, 154-156	
	2-18 Evaluation of the performance of the highest governance body	169-171	
	2-19 Remuneration policies	100-101, 189 https://vestelinternational.com/sustainability/policies	
	2-20 Process to determine remuneration	167-168	
	2-21 Annual total compensation ratio	-	It is not disclosed due to confidentiality.
	2-22 Statement on sustainable development strategy	21, 24-25, 36-37	

GRI Standard	Disclosure	Location/ Page No, Source and/or Direct Answers	Additional information and reasons for omission
GRI 2: General Disclosures 2021	2-23 Policy commitments	https://vestelinternational.com/sustainability/policies	
	2-24 Embedding policy commitments	https://vestelinternational.com/sustainability/policies	
	2-25 Processes to remediate negative impacts	36-37, 52-65	
	2-26 Mechanisms for seeking advice and raising concerns	99-101, 144	
	2-27 Compliance with laws and regulations	50-54, 162-164	
	2-28 Membership associations	194	
	2-29 Approach to stakeholder engagement	189-183	
	2-30 Collective bargaining agreements	101	
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	38-39	
	3-2 List of material topics	39-42	
	3-3 Management of material topics	38-43	
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	40-43, 114-117	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	114	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	50-51	
GRI 205: Anti-corruption 2016	"205-1 Operations assessed for risks related to corruption"	50-51	
	205-2 Communication and training about anti-corruption policies and procedures	50-51	
	205-3 Confirmed incidents of corruption and actions taken	51	
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	50-51	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	50-51	
Tax			
GRI 3: Material Topics 2021	3-3 Management of material topics	79	
GRI 207: Tax 2019	207-1 Approach to tax	79	
	207-2 Tax governance, control, and risk management	79, 160	

GRI Standard	Disclosure	Location/ Page No, Source and/or Direct Answers	Additional information and reasons for omission
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	124-126	
GRI 301: Materials 2016	301-2 Recycled input materials used	124-126, 203	
	301-3 Reclaimed products and their packaging materials	124-126, 203	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	40-43, 119-121	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	202	
	302-2 Energy consumption outside of the organization	202	
	302-4 Reduction of energy consumption	120-121	
	302-5 Reductions in energy requirements of products and services	135	
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	127	
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	127, 196	
	303-3 Water withdrawal	203	
	303-4 Water discharge	203	
	303-5 Water consumption	203	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	40-43, 119-122	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	202	
	305-2 Energy indirect (Scope 2) GHG emissions	202	
	305-3 Other indirect (Scope 3) GHG emissions	202	
	305-4 GHG emissions intensity	121	
	305-5 Reduction of GHG emissions	119-121, 202	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	196	

GRI Standard	Disclosure	Location/ Page No, Source and/or Direct Answers	Additional information and reasons for omission
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	40-43, 124-126	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	124-126	
	306-2 Management of significant waste-related impacts	124-126	
	306-3 Waste generated	203	
	306-4 Waste diverted from disposal	203	
	306-5 Waste directed to disposal	203	
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	40-43, 114	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	114-117	
	308-2 Negative environmental impacts in the supply chain and actions taken	114-117	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	40-43, 98-100	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	199-201	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	109	
	401-3 Parental leave	109, 201	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	110-111	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	110-111	
	403-2 Hazard identification, risk assessment, and incident investigation	110-111	
	403-3 Occupational health services	110-111	
	403-4 Worker participation, consultation, and communication on occupational health and safety	110-111	
	403-5 Worker training on occupational health and safety	110-111, 201	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	110-111	
	403-8 Workers covered by an occupational health and safety management system	110-111	
	403-9 Work-related injuries	111	
	403-10 Work-related ill health	111	

GRI Standard	Disclosure	Location/ Page No, Source and/or Direct Answers	Additional information and reasons for omission
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	102-103	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	103	
	404-2 Programs for upgrading employee skills and transition assistance programs	102-108	
	404-3 Percentage of employees receiving regular performance and career development reviews	102-103	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	98	Ethical Principles
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	99	
	405-2 Ratio of basic salary and remuneration of women to men	100	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	98, 101-102	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	98, 102	There were no cases of discrimination during the reporting period. Ethical Principles
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	40-43, 114	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	114-117	
	414-2 Negative social impacts in the supply chain and actions taken	114-117	

GRI Standard	Disclosure	Location/ Page No, Source and/or Direct Answers	Additional information and reasons for omission
Public policy			
GRI 415: Public Policy 2016	415-1 Political contributions		Vestel does not support any political organizations.
Customer health and safety			
GRI 416: Customer Health and Safety	"416-2 Incidents of non-compliance concerning the health and safety impacts of products and services"		No non-compliance incidents related to the health and safety impacts of products and services occurred during the reporting period.
Marketing and labeling			
GRI 417: Marketing and Labeling 2016	"417-1 Requirements for product and service information and labeling"	95, 128-129, 195	
	"417-2 Incidents of non-compliance concerning product and service information and labeling"		No non-compliance incidents related to product and service information and labeling occurred during the reporting period.
	"417-3 Incidents of non-compliance concerning marketing communications"		No incidents of non-compliance with marketing communications occurred during the reporting period.
Customer privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		During the reporting period, there were no confirmed complaints regarding the violation of customer privacy and loss of customer data.

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS AND ANNUAL REPORT

STATEMENT OF RESPONSIBILITY PURSUANT TO THE ARTICLE 9 OF THE SECOND PART OF THE CAPITAL MARKETS BOARD'S COMMUNIQUÉ ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS NUMBERED (II-14.1)

BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL OF FINANCIAL STATEMENTS AND ANNUAL REPORT

RESOLUTION DATE: 10.03.2025
RESOLUTION NUMBER: 2025/9

We hereby declare that the consolidated financial statements and the annual report for the accounting period from January 1, 2024, to December 31, 2024, prepared by our company, Vestel Elektronik Sanayi ve Ticaret AŞ, in accordance with the provisions of the Capital Markets Board ("CMB") Communiqué II-14.1 on "Principles of Financial Reporting in the Capital Markets" (the Communiqué) and the Decision on Inflation Accounting dated December 28, 2023, and in compliance with the Türkiye Accounting Standards/Türkiye Financial Reporting Standards published by the Public Oversight, Accounting and Auditing Standards Authority, as well as the formats set by the CMB, and audited by PWC Independent Auditing and SMMM Inc., in accordance with CMB regulations,

- a) have been examined by us,
- b) based on the information we have within our scope of duties and responsibilities at the company, we hereby declare that the consolidated financial statements and activity report do not contain any omissions that could lead to a misleading statement or misrepresentation as of the date the statement was made, with respect to material matters,
- c) based on the information we have within our scope of duties and responsibilities in the Company, the consolidated financial statements prepared in accordance with the Communiqué, together with those included in the scope of consolidation, give a true and fair view of the Company's assets, liabilities, financial position and profit and loss, and the annual report fairly reflects the development and performance of the business and the financial position of the Company, together with those included in the scope of consolidation, together with the significant risks and uncertainties it faces.

Adnan YILDIRIM
Chairman of the Audit Committee

Emin ATAÇ
Member of the Audit Committee

Bülent Kiracıoğlu
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi

1. Opinion

We have audited the annual report of Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2024 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 10 March 2025 on the full set consolidated financial statements for the 1 January - 31 December 2024 period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;
- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
 - events of particular importance that occurred in the Company after the operating year,
 - the Group's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT



5. Independent Auditor’s Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited consolidated financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Mehmet Karakurt, SMMM
Independent Auditor

Istanbul, 10 March 2025

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY– 31 DECEMBER 2024 TOGETHER WITH INDEPENDENT AUDITOR’S REPORTS



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR’S REPORT

To the General Assembly of Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters	How the key audit matter was addressed in the audit
Fair value measurements of lands, land improvements and buildings (Refer to Notes 2 and 13)	
As explained in Note 2 of the accompanying consolidated financial statements, in accordance with the relevant provisions of TAS 16 “Tangible Fixed Assets”, the Group measures its lands, land improvements and buildings at their fair values. As explained in Note 13 of the accompanying consolidated financial statements, as a result of the valuations made by the independent professional valuation firm appointed by the Group management as of 31 December 2024, the total fair value increase in the carrying values of lands, land improvements and buildings was TL5.614.690 thousands before deferred income tax and the total amount of the carrying value of those assets was TL43.375.219 thousands as of 31 December 2024. The aforementioned fair value increase was accounted for in the “Revaluation of Property, Plant and Equipment” reserve under shareholders’ equity in the accompanying consolidated statement of financial position by deducting the deferred income tax effect. We considered the fair value determination of lands, land improvements and buildings as a key audit matter, since the amount of those assets has a significant share in the Group’s assets as of 31 December 2024 and the valuations techniques applied include significant judgements and assumptions, such as determination of benchmark prices and construction costs per m2.	The following audit procedures were addressed in which our audit work for the fair value measurements of lands, land improvements and buildings: • The competency, capability and objectivity of the independent professional valuation company that was appointed by the Group management were assessed. • The consistency of the data used by the independent professional valuation company appointed by the Group management was checked with the Group ’s records on a sample basis. • We involved our auditor expert who holds the CMB accreditation and valuation licence, on a sample basis to evaluate the assumptions and methods used by the Group management and the independent professional valuation company. The following audit procedures were performed based on the sampling method with the support of the auditor’s expert: • Comparison of the location, ownership and square meter information for the lands included in reports with the land registers. • Evaluation of the qualifications of the lands, land improvements and buildings. • Evaluation of the appropriateness of the valuation methods and estimates used. • We assessed the adequacy and appropriateness of the disclosures related to revaluation of lands, land improvements and buildings in the consolidated financial statements in accordance with TFRS.

Key Audit Matters	How the key audit matter was addressed in the audit
Recoverability of trade receivables (Refer to Notes 2 and 8)	
Trade receivables from third parties amounting to TL19.063.375 thousands as of 31 December 2024, constitute a significant portion of the consolidated financial statements of the Group. The assessment of the recoverability of these receivables made by the Group management includes considerations of the amount of guarantees received from the customers, past collection performance, analysis of agings of receivables and litigations regarding receivables. As a result of all of these assessments, determination of doubtful receivables and setting of impairment provision for these receivables also include management judgements and estimates. On the other hand, these estimates are highly sensitive to the expected market conditions in the future. Therefore, recoverability of trade receivables is a key matter for our audit.	We performed the following procedures in relation to the audit of recoverability of trade receivables from third parties: • We understood and assessed the Group’s credit risk management and receivables monitoring policies including credit limits. • We tested receivables by obtaining both confirmation letters and alterantive audit procedures on a sample basis. • We analyzed the agings of receivables from third parties on a sample basis. • We tested, on a sample basis, collections in the subsequent period. • We tested, on a sample basis, guarantees held from customers and trade receivables insurances. • We performed inquiries with management in relation to any disputes or litigation for trade receivables from third parties and obtained formal assessment of legal counsels on outstanding litigations and disputes. • We performed inquiries with the Group management to assess the information that form the basis of impairment calculations. • We assessed the appropriateness and adequacy of disclosures in the notes to the consolidated financial statements related to recoverability of trade receivables from third parties in accordance with TFRS.



4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

5. Auditor’s responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor’s report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 10 March 2025.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Mehmet Karakurt, SMMM
Independent Auditor

Istanbul, 10 March 2025

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Consolidated Statement of Financial Positions (Balance Sheets)

as of 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	2.720.031	3.313.035
Financial Assets		92.236	51.011
Trade Receivables		20.210.352	25.736.818
Trade Receivables Due from Related Parties	7	1.146.977	659.150
Trade Receivables Due from Third Parties	8	19.063.375	25.077.668
Other Receivables		2.467.470	3.256.566
Other Receivables Due from Related Parties	7	1.040.620	1.283.979
Other Receivables Due from Third Parties	9	1.426.850	1.972.587
Derivative Financial Instruments	31	554.155	270.141
Inventories	10	27.467.413	33.944.827
Prepaid Expenses		1.599.074	2.200.208
Prepayments to Related Parties	7	510.454	-
Prepayments to Third Parties	11	1.088.620	2.200.208
Current Tax Assets	29	32.763	20.037
Other Current Assets		795.068	660.461
Other Current Assets Due from Third Parties	21	795.068	660.461
TOTAL CURRENT ASSETS		55.938.562	69.453.104
NON-CURRENT ASSETS			
Financial Assets		508.695	417.626
Associates Accounted by Using the Equity Method	12	5.055.946	8.456.656
Trade Receivables		564	1.186
Trade Receivables Due from Third Parties	8	564	1.186
Other Receivables		43.964.483	41.583.229
Other Receivables Due from Related Parties	7	43.863.204	41.534.562
Other Receivables Due from Third Parties	9	101.279	48.667
Investment Properties	14	1.598.625	-
Property, Plant and Equipment	13	56.601.625	50.014.842
Right of Use Assets	15	2.451.238	1.777.425
Intangible Assets	16	6.769.450	5.650.681
Prepaid Expenses		1.604.735	3.379.798
Prepayments to Related Parties	7	779.779	2.861.748
Prepayments to Third Parties	11	824.956	518.050
TOTAL NON-CURRENT ASSETS		118.555.361	111.281.443
TOTAL ASSETS		174.493.923	180.734.547

The accompanying notes are an integral part of these consolidated financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Consolidated Statement of Financial Positions (Balance Sheets)

as of 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
LIABILITIES			
CURRENT LIABILITIES			
Short Term Borrowings	6	37.349.932	34.741.743
Short Term Borrowings from Third Parties		37.349.932	34.741.743
Bank Loans	6	33.179.394	29.282.881
Lease Liabilities	6	324.243	333.460
Issued Debt Instruments	6	3.846.295	5.125.402
Current Portion of Long Term Borrowings		5.202.032	4.078.214
Current Portion of Long Term Borrowings from Third Parties		5.202.032	4.078.214
Bank Loans	6	2.830.621	4.078.214
Issued Debt Instruments	6	2.371.411	-
Other Financial Liabilities		996.781	1.818.741
Trade Payables		43.619.062	60.589.668
Trade Payables to Related Parties	7	162.431	162.466
Trade Payables to Third Parties	8	43.456.631	60.427.202
Payables Related to Employee Benefits	20	1.187.997	1.317.388
Other Payables		218.496	20.453
Other Payables to Third Parties	9	218.496	20.453
Derivative Financial Liabilities	31	216.008	904.331
Deferred Revenue		677.763	1.549.434
Deferred Revenue from Related Parties		-	5.807
Deferred Revenue from Third Parties	9	677.763	1.543.627
Current Tax Liabilities	29	17.170	22.622
Current Provisions		3.689.604	4.291.163
Other Current Provisions	18	3.689.604	4.291.163
Other Current Liabilities		2.724.989	3.480.337
Other Current Liabilities to Third Parties	21	2.724.989	3.480.337
TOTAL CURRENT LIABILITIES		95.899.834	112.814.094

The accompanying notes are an integral part of these consolidated financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Consolidated Statement of Financial Positions (Balance Sheets)

as of 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
NON-CURRENT LIABILITIES			
Long Term Borrowings		19.034.203	3.656.019
Long Term Borrowings from Third Parties		19.034.203	3.656.019
Bank Loans	6	1.936.598	2.696.240
Lease Liabilities	6	911.300	959.779
Issued Debt Instruments	6	16.186.305	-
Other Financial Liabilities		204.992	371.075
Trade Payables		122.946	257.246
Trade Payables to Third Parties	8	122.946	257.246
Non-current Provisions		2.789.662	2.786.530
Non-current Provisions for Employee Benefits	20	2.189.507	2.282.417
Other Non-current Provisions	18	600.155	504.113
Deferred Tax Liabilities	29	4.023.265	1.837.582
Other Non-current Liabilities		11.850	18.533
Other Non-current Liabilities to Third Parties		11.850	18.533
TOTAL NON-CURRENT LIABILITIES		26.186.918	8.926.985
TOTAL LIABILITIES		122.086.752	121.741.079

The accompanying notes are an integral part of these consolidated financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Consolidated Statement of Financial Positions (Balance Sheets)

as of 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
EQUITY			
Equity Attributable to Owners of Parent		44.734.592	52.040.254
Share Capital	22	335.456	335.456
Adjustments to Share Capital		22.548.527	22.548.527
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified to Profit or Loss		14.679.546	11.197.539
Gains (Losses) on Revaluation and Remeasurement		14.679.546	11.197.539
Revaluation of Property, Plant and Equipment	22	16.805.105	13.053.398
Gains (Losses) on Remeasurement of Defined Benefit Plans		(2.125.559)	(1.855.859)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified to Profit or Loss		2.330.493	2.173.005
Exchange Differences on Translation		2.140.956	2.323.749
Gains (Losses) on Hedge		127.356	(238.573)
Gains (Losses) on Cash Flow Hedges		127.356	(238.573)
Gains (Losses) on Revaluation and Reclassification		62.181	87.829
Financial Assets Measured of Fair Value through Other Compressive Income	22	62.181	87.829
Restricted Reserves Appropriated from Profits		1.809.347	1.809.347
Legal Reserves	22	1.809.347	1.809.347
Retained Earnings		14.051.915	11.883.429
Current Period Net Profit Or (Loss)		(11.020.692)	2.092.951
Non-controlling Interests		7.672.579	6.953.214
TOTAL EQUITY		52.407.171	58.993.468
TOTAL LIABILITIES AND EQUITY		174.493.923	180.734.547

Consolidated financial statements for the period 1 January - 31 December 2024, were approved by the Board of Directors of Vestel Elektronik Sanayi ve Ticaret A.Ş. on 10 March 2025. General Assembly and specified regulatory bodies have the right to make amendments to statutory financial statements after issue.

The accompanying notes are an integral part of these consolidated financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Periods 1 January – 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
PROFIT OR LOSS			
Revenue	23	142.736.499	162.015.698
Cost of Sales	23	(112.927.251)	(125.960.525)
GROSS PROFIT		29.809.248	36.055.173
General Administrative Expenses	25	(4.230.891)	(4.098.647)
Marketing Expenses	25	(19.790.832)	(20.349.227)
Research and Development Expense	25	(2.252.683)	(2.799.570)
Other Income from Operating Activities	26	4.074.625	3.038.755
Other Expenses from Operating Activities	26	(11.994.332)	(22.956.848)
LOSS FROM OPERATING ACTIVITIES		(4.384.865)	(11.110.364)
Share of Net Profit of Associates Accounted for Using the Equity Method	12	(3.515.707)	1.271.375
LOSS BEFORE FINANCING INCOME		(7.900.572)	(9.838.989)
Finance Income	27	14.006.373	26.610.648
Finance Costs	27	(24.023.510)	(26.479.315)
Monetary Gain	28	7.852.397	14.060.718
PROFIT / (LOSS) BEFORE INCOME TAX		(10.065.312)	4.353.062
Tax Expense, Continuing Operations		(781.853)	(987.362)
Current Tax Expense	29	(21.083)	(464.990)
Deferred Tax Loss	29	(760.770)	(522.372)
PROFIT / (LOSS) FOR THE PERIOD		(10.847.165)	3.365.700
Profit / (loss), attributable to			
Non-controlling Interests		173.527	1.272.749
Owners of Parent	30	(11.020.692)	2.092.951
Earnings per share with a Kr 1 of Par Value (TL)	30	(0,3285)	0,0624

The accompanying notes are an integral part of these consolidated financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Periods 1 January – 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
PROFIT / (LOSS) FOR THE PERIOD OTHER COMPREHENSIVE INCOME	(10.847.165)	3.365.700
Other Comprehensive Income that will not be Reclassified to Profit or Loss	4.316.692	10.250.716
Gains (Losses) on Revaluation of Property, Plant and Equipment	13 5.614.690	12.811.566
Gains (Losses) on Remeasurements of Defined Benefit Plans	(398.778)	(639.142)
Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss	53.561	(267.703)
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Profit or Loss	(952.781)	(1.654.005)
Taxes Relating to Gains (Losses) on Revaluation of Property, Plant and Equipment	(1.052.476)	(1.919.025)
Taxes Relating to Remeasurements of Defined Benefit Plans	99.695	265.020
Other Comprehensive Income that will be Reclassified to Profit or Loss	253.952	654.145
Foreign Exchange Differences on Translation	(244.165)	886.686
Gains (Losses) on Remeasuring or Reclassification Adjustments on Financial Assets Through Other Comprehensive Income	(34.197)	(41.577)
Other Comprehensive Income (Loss) Related with Cash Flow Hedges	616.524	99.061
Gains (Losses) on Cash Flow Hedges	616.524	99.061
Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss	61.372	(267.703)
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss	(145.582)	(22.322)
Taxes Relating to Gains (Losses) on Remeasuring or Reclassification Adjustments on Financial Assets Through Other Comprehensive Income	8.549	10.394
Taxes Relating to Cash Flow Hedges	(154.131)	(32.716)
OTHER COMPREHENSIVE INCOME	4.570.644	10.904.861
TOTAL COMPREHENSIVE INCOME	(6.276.521)	14.270.561
Total Comprehensive Income Attributable to		
Non-controlling Interests	1.029.141	2.564.186
Owners of Parent	(7.305.662)	11.706.375

The accompanying notes are an integral part of these consolidated financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Consolidated Statement of Changes In Shareholders’ Equity

for the Periods 1 January – 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

	Previous Period																	
	1 January -31 December 2023																	
	335.456	22.548.527	3.980.423	(1.543.402)	2.437.021	2.437.021	1.704.765	(307.761)	(307.761)	119.012	119.012	1.809.347	11.037.842	(160.744)	10.877.098	39.523.465	4.118.230	43.641.695
Opening Balance																		
Transfers	-	-	(192.470)	-	(192.470)	-	-	-	-	-	-	-	31.726	160.744	192.470	-	-	-
Total Comprehensive Income (Loss)	-	-	9.301.778	(336.621)	8.965.157	8.965.157	618.984	60.466	60.466	(31.183)	(31.183)	648.267	-	2.092.951	2.092.951	11.706.375	2.564.186	14.270.561
Profit (Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	2.092.951	2.092.951	2.092.951	1.272.749	3.365.700
Other Comprehensive Income (Loss)	-	-	9.301.778	(336.621)	8.965.157	8.965.157	618.984	60.466	60.466	(31.183)	(31.183)	648.267	-	-	-	9.613.424	1.291.437	10.904.861
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(165.099)	-	(165.099)
Transactions with non- controlling	-	-	(36.333)	24.164	(12.169)	(12.169)	-	8.722	8.722	-	-	8.722	813.861	-	-	810.414	435.897	1.246.311
Closing Balance	335.456	22.548.527	13.053.398	(1.855.859)	11.197.539	11.197.539	2.323.749	(238.573)	(238.573)	87.829	87.829	2.173.005	11.883.429	2.092.951	13.976.380	52.040.254	6.953.214	58.993.468
Current Period																		
1 January -31 December 2024																		
Opening Balance	335.456	22.548.527	13.053.398	(1.855.859)	11.197.539	11.197.539	2.323.749	(238.573)	(238.573)	87.829	87.829	2.173.005	11.883.429	2.092.951	13.976.380	52.040.254	6.953.214	58.993.468
Transfers	-	-	(75.535)	-	(75.535)	(75.535)	-	-	-	-	-	-	2.168.486	(2.092.951)	75.535	-	-	-
Total Comprehensive Income (Loss)	-	-	3.827.242	(269.700)	3.557.542	3.557.542	(182.793)	365.929	365.929	(25.648)	(25.648)	157.488	-	(11.020.692)	(11.020.692)	(7.305.662)	1.029.141	(6.276.521)
Profit (Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	(11.020.692)	(11,020.692)	(11,020.692)	173.527	(10.847.165)
Other Comprehensive Income (Loss)	-	-	3.827.242	(269.700)	3.557.542	3.557.542	(182.793)	365.929	365.929	(25.648)	(25.648)	157.488	-	-	-	3.715.030	855.614	4.570.644
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(309.776)	(309.776)
Closing Balance	335.456	22.548.527	16.805.105	(2.125.559)	14.679.546	14.679.546	2.140.956	127.356	127.356	62.181	62.181	2.330.493	14.051.915	(11.020.692)	3.031.223	44.734.592	7.672.579	52.407.171

The accompanying notes are an integral part of these consolidated financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Consolidated Statement of Cash Flow

for the Periods 1 January – 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		(3.460.598)	10.194.526
Profit / (Loss) for the Period		(10.847.165)	3.365.700
Profit / (Loss) from Continuing Operations		(10.847.165)	3.365.700
Adjustments to Reconcile Profit for the Period		2.810.113	(15.551.549)
Adjustments for Depreciation and Amortisation Expense	13	5.063.432	6.216.690
Adjustments for Impairment Loss (Reversal of Impairment Loss)		170.101	(332.851)
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables	8,9	317.904	(406.032)
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	10	(147.803)	73.181
Adjustments for Provisions		1.778.969	1.466.955
Adjustments for (Reversal of) Provisions Related with Employee Benefits	20	667.369	743.727
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions		45.029	(33.497)
Adjustments for (Reversal of) Warranty Provisions		872.604	1.291.589
Adjustments for (Reversal of) Other Provisions		193.967	(534.864)
Adjustments for Interest Expenses		6.751.506	3.377.057
Adjustments for Interest Income	27	(5.281.652)	(4.676.443)
Adjustments for Interest Expense	27	12.033.158	8.053.500
Adjustments for Unrealised Foreign			
Exchange Gains		(4.295.637)	(11.543.660)
Adjustments for Fair Value Losses (Gains)		(355.813)	(428.509)
Adjustments for Fair Value (Gains) Losses on			
Derivative Financial Instruments		(355.813)	(428.509)
Adjustments for Gains From Investments Accounted for Using Equity Method		3.515.707	(1.271.375)
Adjustments for Retained Earnings of Subsidiaries		3.515.707	(1.271.375)
Adjustments for Tax Expenses	29	781.853	987.362
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		116.374	(82.642)
Adjustments for Losses (Gains) Arised from Sale of Tangible Assets		116.374	(82.642)
Other Adjustments to Reconcile Profit (Loss)	5	10	20
Monetary Gain Loss		(10.716.389)	(13.940.596)

The accompanying notes are an integral part of these consolidated financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Consolidated Statement of Cash Flow
for the Periods 1 January – 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Changes in Working Capital		5.059.956	23.467.778
Decrease (Increase) in Financial Asset		(132.294)	1.064.860
Adjustments for Decrease (Increase) in Trade Accounts Receivable		(3.054.210)	(10.950.208)
Increase in Trade Accounts Receivables from Related Parties		(792.497)	(688.880)
Increase in Trade Accounts Receivables from Third Parties		(2.261.713)	(10.261.328)
Adjustments for Increase in Other Receivables Related with Operations		(122.161)	(297.033)
Increase in Other Third Party Receivables Related with Operations		(122.161)	(297.033)
Adjustments for Decrease (Increase) in Inventories		6.625.217	(1.452.173)
Increase in Prepaid Expenses		(86.270)	(1.202.623)
Adjustments for Increase (Decrease) in Trade Accounts Payable		1.782.151	34.295.211
Increase (Decrease) in Trade Accounts Payables to			
Related Parties		57.280	113.460
Increase in Trade Accounts Payables to Third Parties		1.724.871	34.181.751
Increase in Employee Benefit Liabilities		316.276	759.806
Adjustments for Increase in Other Operating Payables		234.535	18.850
Increase in Other Operating Payables to Third Parties		234.535	18.850
Decrease in Deferred Revenue		(453.861)	(297.713)
Other Adjustments for Other Increase (Decrease) in Working Capital		(49.427)	1.528.801
Decrease (Increase) in Other Assets Related with Operations		(409.205)	(462.380)
Increase (Decrease) in Other Payables Related with Operations		359.778	1.991.181
Cash Flows from (used in) Operations		(2.977.096)	11.281.929
Payments Related with Provisions for Employee Benefits	20	(448.154)	(847.340)
Income Taxes Paid	29	(35.348)	(240.063)

The accompanying notes are an integral part of these consolidated financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Consolidated Statement of Cash Flow
for the Periods 1 January – 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(11.206.630)	(11.124.910)
Proceeds from sales of Shares Without			
Change in Control of Subsidiaries or Other Businesses		-	1.246.311
Cash Flows Used in Obtaining Control of Subsidiaries or Other Businesses		(438.668)	-
Cash Outflows Arising from Purchase of Shares or Capital		(64)	(811.025)
Increase of Associates			
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		(78.095)	96.844
Proceeds from Sales of Property, Plant and Equipment		(78.095)	96.844
Purchase of Property, Plant, Equipment and Intangible Assets		(7.062.982)	(7.882.819)
Purchase of Property, Plant and Equipment	13	(5.310.469)	(5.647.863)
Purchase of Intangible Assets	16	(1.752.513)	(2.234.956)
Cash Advances and Loans		(3.626.821)	(3.774.221)
Cash Advances and Loans Made to Related Parties		(3.387.946)	(4.022.723)
Cash Advances and Loans Made to Third Parties		(238.875)	248.502
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		15.092.586	2.002.087
Proceeds from Borrowings	6	80.356.208	70.044.952
Proceeds from Loans		54.936.308	61.488.060
Proceeds from Issued Debt Instruments		25.419.900	8.556.892
Repayments of Borrowings		(52.678.790)	(60.198.717)
Loan Repayments	6	(45.245.830)	(59.326.482)
Issued bonds repayments	6	(6.816.000)	(2.607.394)
Cash Outflows from Other Financial Liabilities		(616.960)	1.735.159
Changes of Lease Liabilities	6	(427.603)	14.792
Dividends Paid	7	(309.776)	(165.099)
Interest Paid		(12.201.853)	(8.026.630)
Interest Received		354.400	332.789
EFFECT OF MONETARY GAIN / LOSS ON CASH AND CASH EQUIVALENTS		(1.013.231)	(1.576.765)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(587.873)	(505.062)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(5.121)	124.976
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(592.994)	(380.086)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	3.313.003	3.693.089
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		2.720.009	3.313.003

The accompanying notes are an integral part of these consolidated financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Consolidated Financial Statements
for the Periods 1 January – 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

NOTE 1 – GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi (“Vestel Elektronik” or “the Company”) and its subsidiaries (together “the Group”), mainly produce and sell a range of brown goods and white goods. The Company’s head office is located at Levent 199, Büyükdere Caddesi No: 199, 34394 Şişli / İstanbul. The Group’s facilities are located in Manisa Organized Industrial Zone, and İzmir Aegean Free Zone.

The ultimate controlling party of the Company is Zorlu Family.

Vestel Elektronik is registered to Capital Market Board (“CMB”) and its shares have been quoted to Borsa İstanbul (“BİST”) since 1990. As of 31 December 2024, 47,23 % of the Group’s shares are publicly traded (2023: 44,31%).

As of 31 December 2024 the number of personnel employed at Group is 19.509 (31 December 2023: 19.304).

The Company’s subsidiaries and associates are as follows:

Subsidiaries	Country	Nature of operations
Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	Turkey	Production
Vestel Mobilite Sanayi ve Ticaret A.Ş.	Turkey	Production
Vestel Ticaret A.Ş.	Turkey	Sales
Vestel CIS Ltd.	Russia	Sales
Vestel Electronica SRL	Romania	Sales
Vestel Holland B.V. Iberia Branch Office	Spain	Sales
Vestel France SA	France	Sales
Vestel Holland BV	Holland	Sales
Vestel Holland B.V. Germany Branch Office	Germany	Sales
Cabot Communications Ltd.	UK	Software
Vestel UK Ltd.	UK	Sales
Vestel Holland B.V. UK Branch Office	UK	Sales
Vestek Elektronik Araştırma Geliştirme A.Ş.	Turkey	Software
Vestel Trade Ltd.	Russia	Sales
Vestel Electronics Shanghai Trading Co. Ltd	China	Service
Intertechnika LLC	Russia	Service
Vestel Central Asia LLP	Kazakhstan	Sales
Vestel Ventures Ar-ge A.Ş.	Turkey	Service
Vestel Holland B.V. Poland Branch Office	Poland	Sales
Vestel Electronics Gulf DMC	UAE	Sales
Vestel U.S.A.	United States	Sales
Levent Baza Gayrimenkul Yatırım A.Ş. (¹)	Turkey	Real estate
Vestel Trade India Private Ltd.	India	Sales
Vestel Hong Kong Ltd.	China	Sales
Cylinda AB (¹)	Sweden	Sales

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Consolidated Financial Statements
for the Periods 1 January – 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

NOTE 1 – GROUP’S ORGANISATION AND NATURE OF OPERATIONS (Cont’d)

(¹) As of 31 May 2024, by making adjustments for financial and commercial liabilities the acquisition and transfer of all shares held by Elektroskandia Sverige AB in Cylinda AB, representing Cylinda AB’s share capital of 25.000 Swedish Krona (SEK), each with nominal value of 1 Swedish Krona (SEK) totaling 25.000 shares, for a total consideration of 69.464.282 Swedish Krona (SEK) (6,08 million EUR) by Group’s subsidiary, Vestel Holland B.V. through payment of the share purchase price in cash and upfront are completed on 4 June 2024.

(**)As of December 4, 2024, it has been resolved that the entirety of the shares representing the capital of Levent Baza Gayrimenkul Yatırım A.Ş, owned by Zorlu Gayrimenkul Geliştirme ve Yatırım A.Ş, will be acquired for a total cash consideration of 502,464 TL. Of this amount, 192,100 TL will be paid in cash by Vestel Ticaret A.Ş, a subsidiary of the Group, while the remaining 310,364 TL will be settled by Zorlu Holding A.Ş in offset against a receivable owed by Vestel Ticaret A.Ş to Zorlu Holding A.Ş.

Associates	Country	Nature of operations
Lentatek Uzay Havacılık ve Teknoloji A.Ş.	Turkey	Production/ Sales
Aydın Yazılım Elektronik ve Sanayi A.Ş.	Turkey	Software
Meta Nikel Kobalt Madencilik San. ve Tic. A.Ş. (“Meta”)	Turkey	Mining
Türkiye’nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (“TOGG”)	Turkey	Automotive

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Statement of compliance

The consolidated financial statements of Vestel Elektronik have been prepared in accordance with International/Turkish Financial Reporting Standards (“IFRS”) and interpretations issued by the IFRS Interpretation Committee applicable to the companies reporting under IFRS. The financial statements comply with IFRS as issued by International Accounting Standards Board (“IASB”). Also, the financial statements have been prepared in accordance with the Communiqué Serial II, No: 14.1, “Principals of Financial Reporting in Capital Markets” published in the Official Gazette numbered 28676 on 13 June 2013.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Consolidated Financial Statements
for the Periods 1 January – 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.1 Statement of compliance (Cont'd)

According to the article 5 of the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards (“TAS” / “TFRS”) and its addendum and interpretations (“IFRIC”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POAASA”) Turkish Accounting Standards Board. The significant accounting policies adopted in the preparation of these consolidated financial statements have been consistently applied to the years presented, unless otherwise stated.

The accompanying consolidated financial statements are prepared on the historical cost basis as adjusted for the effects of inflation on Turkish Lira at the reporting date based on International Accounting Standard (“IAS”) No. 29 “Financial Reporting in Hyperinflationary Economies” except for the monetary assets and liabilities and those assets and liabilities which are measured at fair value.

The Group and its subsidiaries operating in Turkey maintain their accounting records and prepare its statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The consolidated financial statements, except for land, buildings and land improvements and investment properties, the financial assets and liabilities presented with their fair values, are maintained under historical cost conversion in TL.

Consolidated subsidiaries operating in foreign countries have prepared their financial statements in accordance with the laws and regulations of the countries in which they operate with the required adjustments and reclassifications reflected in accordance with International Financial Reporting Standards (“IFRS”). These financial statements are based on the statutory records which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the IFRS.

Financial statements are presented in accordance with the formats determined in the “Announcement on TFRS Taxonomy” published by the POA on 3 July 2024 and in the Financial Statement Samples and User Guide published by the CMB.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Consolidated Financial Statements
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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.2 Financial Reporting in Hyperinflationary Economies

Since the cumulative three-year inflation rate has risen to above 100% as of March 2022, based on the Turkish nation-wide consumer price indices announced by the Turkish Statistical Institute (“TURKSTAT”), Turkey should be considered a hyperinflationary economy under IAS 29 starting from 30 April 2022.

The Company has prepared its financial statements for the year dated 31 December 2023 and ending on the same date, by applying TAS 29 “Financial Reporting in High Inflation Economies” Standard, based on the announcement made by the POA on 3 July 2024 and the “Implementation Guide on Financial Reporting in High Inflation Economies” published. In accordance with the said standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in the financial statements of the previous period. For this reason, the company has presented its financial statements as of 31 December 2023 on the basis of purchasing power as of 31 December 2024.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index of Türkiye (CPI) published by the Turkish Statistical Institute (“TURKSTAT”). As of 31 December 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date Index Adjustment Coefficient Three -Year Inflation Rate:

Date	Index	Coefficient of Correction	Three-Year Compound Inflation Rate
31 December 2024	2.684,55	1,00000	%291
31 December 2023	1.859,38	1,4438	%268
31 December 2022	1128,45	2,379	%156

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.2 Financial Reporting in Hyperinflationary Economies (Cont'd)

The main elements of the Group's adjustment for financial reporting purposes in hyperinflationary economies are as follows:

- The current period consolidated financial statements prepared in TL are expressed with the purchasing power at the balance sheet date, and the amounts from previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are currently expressed with current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net realizable value, the provisions of IAS/TAS 36 Impairment of Asset and IAS/TAS 2 Inventories are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been corrected using the relevant correction coefficient.
- All items included in the statement of comprehensive income, except those that affect the statement of comprehensive income of non-monetary items in the balance sheet, are indexed on a quarterly basis with coefficients calculated over the periods when the income and expense accounts are first reflected in the financial statements.
- The effect of inflation on the Group's net monetary liability position in the current period is recorded in the monetary gain account in the consolidated income statement.

The Group measures its lands, land improvements, buildings and investment properties at fair value by way of revaluation policy. As part of transition provisions in IAS/TAS 29 associated revaluation funds recognised under equity was reclassified to the retained earnings as of 1 January 2021.

2.1.3 Currency used

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Turkish Lira ("TL"), which is the functional currency of Vestel Elektronik and the presentation currency of the Group. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.3 Currency used (Cont'd)

ii) Transactions and balances

Transactions in foreign currencies have been translated into functional currency at the exchange rates prevailing at the date of the transaction. Exchange gains or losses arising from the settlement and translation of monetary assets and liabilities denominated in foreign currency at the exchange rates prevailing at the balance sheet dates are included in consolidated comprehensive income, except for the effective portion of foreign currency hedge of cash flow and net investment which are included under shareholders' equity.

iii) Translation of financial statements of subsidiaries having functional currency other than TL

Assets and liabilities of subsidiaries operating in foreign countries are translated into TL at the exchange rates prevailing at the balance sheet dates. Comprehensive income items of those subsidiaries are translated into TL using quarterly average exchange rates for the period (if the average exchange rates for the period do not reasonably reflect the exchange rate fluctuations, transactions are translated using the exchange rates prevailing at the date of the transaction) and then rearrangements made in accordance with IAS/TAS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the TURKSTAT.

2.1.4 Basis of consolidation

The consolidated financial statements include the accounts of the parent and its subsidiaries from the date on which the control is transferred to the Group until the date that the control ceases. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with IFRS/TFRS by applying uniform accounting policies and presentation.

a) Subsidiaries

The Group has power over an entity when it has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the entity's returns. On the other hand, the Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In order to be consistent with accounting policies accepted by the Group, accounting policies of the subsidiaries are modified where necessary.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.4 Basis of consolidation (Cont'd)

a) Subsidiaries (Cont'd)

The balance sheet and statement of income of the subsidiaries are consolidated on a line-by-line basis and all material intercompany payable /receivable balances and sales / purchase transactions are eliminated. The carrying value of the investment held by Vestel Elektronik and its subsidiaries is eliminated against the related shareholders' equity.

The non-controlling share in the net assets and results of subsidiaries for the period are separately classified as “non-controlling interest” in the consolidated statements of comprehensive income and the consolidated statements of changes in shareholders’ equity.

As of the balance sheet date, consolidated companies and the proportion of ownership interest of Vestel Elektronik in these subsidiaries are disclosed in note 3.

Financial assets in which the Group has direct or indirect voting rights equal to or above 50% which are immaterial to the Group financial results or over which a significant influence is not exercised by the Group are carried at cost less any provisions for impairment.

b) Investments in associates

Investments in associates are accounted for by the equity method and are initially recognized at cost. These are entities in which the Group has an interest which is more than 20% and less than 50% of the voting rights or over which a significant influence is exercised. Unrealized gains on transactions between the Group and its associate are eliminated to the extent of the Group’s interest in the associates, whereas unrealized losses are eliminated unless they do not address any impairment of the asset transferred. Net increase or decrease in the net asset of associates is included in the consolidated statements of comprehensive income in regards with the Group’s share.

The Group ceases to account the associate using the equity method if it loses the significant influence or the net investment in the associate becomes nil, unless it has entered to a liability or a commitment. After the Group’s interest in the associates becomes nil, additional losses are provided for, and a liability recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes including its share of those profits only after its share of the profits equals the share of net losses not recognized.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.4 Basis of consolidation (Cont'd)

b) Investments in associates (Cont'd)

The carrying amounts of the investments accounted for using the equity method are reviewed whether there is any indication of impairment at each reporting date. If such an indicator exists, the recoverable amount of the asset is estimated.

The recoverable amount of the investments accounted for using the equity method refers to the higher of value-in-use or fair value less cost to sell. Value-in-use is the present value of future cash flows expected to be generated from an asset or cash generating unit.

If the carrying amount of the investments accounted for using the equity method exceeds the recoverable amount, the impairment is accounted for. Impairments are recognized in profit and loss accounts.

Impairments are recorded in the statement of profit or loss. In investments accounted for using the equity method, impairments allocated in previous periods are re-evaluated in each reporting period in the event that impairment decreases or there are indicators that impairment is not valid. Impairment is reversed in case of changes in the estimates used when determining recoverable amount. The increase in the carrying amount of the investments due to the reversal of the impairment loss is accounted in such a way that it does not exceed the carrying amount determined if the impairment loss has not been included in the consolidated financial statements in the previous years.

Financial assets in which the Group has ownership interests below 20%, or in which a significant influence is not exercised by the Group that have quoted market prices in active markets and whose fair values can be reliably measured are classified as financial assets measured at fair value through other comprehensive income in the consolidated financial statements.

The non-controlling share in the net assets and results of Subsidiaries for the year are separately classified as “non-controlling interest” in the consolidated statements of financial position and consolidated statements of profit or loss.

2.2 Comparatives

Consolidated financial statements of the Group have been prepared comparatively with the preceding financial period, in order to enable determination of trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the consolidated financial statements.

Notes to the Consolidated Financial Statements
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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.2 Comparatives (Cont'd)

Except for the changes specified below, consistent accounting policies have been applied in the financial statements for the presented periods, and there have been no significant changes in accounting policies or estimates during the current period. In accordance with the 'Implementation Guide on Financial Reporting in High Inflation Economies' published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), monetary position gains and losses on cash and cash equivalents have been reflected in the cash flow statement. In line with the third approach outlined in the guide, the impact of inflation on cash flows arising from operating, investing, and financing activities has been attributed to the relevant activity class, and the inflation effect on cash and cash equivalents has been presented separately. In the Cash Flow Statement as of 31 December 2023, an amount of 13.609.866 TL has been classified between 'Changes in Working Capital' and 'Adjustments Related to Reconciliation of Net Income for the Period', and these classifications have been adjusted to the 2024 purchasing power. There have been no changes in the 'Cash Flows from Operating Activities'.

2.3 Changes in accounting policies and accounting estimates and errors

Major changes in accounting policies are applied retrospectively and any major accounting errors that have been detected are corrected and the financial statements of the previous period are restated. Changes in accounting policies resulting from the initial implementation of a new standard, if any, are implemented retrospectively or prospectively in accordance with the transition provisions. If the changes in accounting estimates only apply to one period, then they are applied in the current period in which the change occurred; if the changes also apply to future periods, they are applied in both the period of change and in the future periods, prospectively.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Amendments in International Financial Reporting Standards

Standards, amendments, and interpretations applicable as of 31 December 2024:

- **Amendment to IAS/TAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to IFRS/TFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS/TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to IAS/TAS 7 and IFRS/TFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **IFRS/TFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS/TFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Amendments in International Financial Reporting Standards (Cont'd)

Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

On 29 December 2023, the Public Oversight Authority (POA) published a Board Decision in the Official Gazette, announcing that certain businesses will be subject to mandatory sustainability reporting starting from 1 January 2024. The companies included in the scope of the sustainability application are determined in order to identify the businesses that will be subject to sustainability reporting within the scope of the “Board Decision on the Determination of Businesses Subject to Sustainability Reporting Within the Scope of the Application of Turkey Sustainability Reporting Standards (TSRS)” dated 16 Aralık 2024. The related standard changes do not have any significant impact on the Group’s financial statements.

- **Amendments to IAS/TAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to IFRS/TFRS 9 and IFRS/TFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Amendments in International Financial Reporting Standards (Cont'd)

Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024 (Cont'd):

- **Annual improvements to IFRS/TFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS/TFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS/TFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS/TFRS 9 Financial Instruments;
 - IFRS/TFRS 10 Consolidated Financial Statements; and
 - IAS/TAS 7 Statement of Cash Flows.
- **IFRS/TFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS/TFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.4 Amendments in International Financial Reporting Standards (Cont'd)

Standards, amendments, and interpretatioZns that are issued but not effective as of 31 December 2024 (Cont'd):

- **IFRS/TFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS/TFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS/TFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS/TFRS 19. IFRS/TFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS/TFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS/TFRS Accounting Standards.

2.5 Summary of significant accounting policies

2.5.1 Revenue recognition

Group recognizes revenue in accordance with IFRS/TFRS 15 “Revenue from contracts with customers” standard by applying the following five step model:

- Identification of customer contracts
- Identification of performance obligations
- Determination of transaction price in the contract
- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled.

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- b) Group can identify each party's rights regarding the goods or services to be transferred,

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5 Summary of significant accounting policies (Cont'd)

2.5.1 Revenue recognition (Cont'd)

- c) Group can identify the payment terms for the goods or services to be transferred,
- d) The contract has commercial substance,
- e) It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount that the group is entitled to collect may be lower than the price specified in the contract due to the offering of a price concession to the customer.

Revenue from sale of goods

Group recognizes revenue based on the production and sale of white goods, consumer electronics, air conditioners and home appliance. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with retrospective volume discounts based on aggregate sales. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see Note 18. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont’d)

2.5 Summary of significant accounting policies (Cont’d)

2.5.1 Revenue recognition (Cont’d)

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The Group is a principal if it controls a promised good or service before the group transfers the good or service to a customer. When a group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The group is an agent if its performance obligation is to arrange for the provision of goods or services by another party.

2.5.2 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory. Group uses moving weighted average method for costing.

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income in the period the write-down or loss occurred.

When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

2.5.3 Property, plant and equipment

Land, land improvements and buildings are stated at fair value less accumulated depreciation, based on valuations performed by independent valuers at 31 December 2024.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the relevant asset, and the net amount is the revalued amount of the asset.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.5 Summary of significant accounting policies (Cont’d)

2.5.3 Property, plant and equipment (Cont’d)

Property, plant and equipment except for land, land improvements and buildings are carried at cost in the equivalent purchasing power of TL as at 31 December 2024, less accumulated amortization and impairment losses, if any.

Any revaluation increase arising on the revaluation of such land, land improvements and buildings is credited in equity to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land, land improvements and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued land improvements and buildings is charged to profit or loss.

Each period, the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statements of comprehensive income) and the depreciation based on the asset’s original cost is transferred from revaluation reserves to the retained earnings.

Land is not depreciated. Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Useful lives of property, plant and equipment is as follows:

	Useful life
Land improvements	5 - 37 years
Buildings	10 - 52 years
Leasehold improvements	3 - 10 years
Plant and machinery	2 - 30 years
Motor vehicles	5 - 10 years
Furniture and fixtures	5 - 14 years

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Summary of significant accounting policies (Cont'd)

2.5.3 Property, plant and equipment (Cont'd)

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Gains or losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are included in the related income and expense accounts, as appropriate. On the disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to the retained earnings.

Subsequent costs such as repairs and maintenance or part replacement of plant and equipment are included in the asset's carrying value or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other costs are charged to the statements of comprehensive income during the financial period in which they are incurred.

Leases

The Group – as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset. The Group assess whether:

- a) The contract involved the use of an identified asset – this may be specified explicitly or implicitly.
- b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset, if the supplier has a substantive substitution right, the asset is not identified.
- c) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- d) The Group has the right to direct use of the asset, The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
 - i. The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Summary of significant accounting policies (Cont'd)

2.5.3 Property, plant and equipment (Cont'd)

Leases (Cont'd)

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the incremental borrowing rate of the relevant Group company. The alternative borrowing rate has been determined based on the borrowing rates of the group companies at the contract dates.

Lease payments included in the measurement of the lease liability comprise the following:

- a) Fixed payments, including in-substance fixed payments;
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date.
- c) The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewable period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain to terminate early.

After initial recognition, the lease liability is measured:

- a) Increasing the carrying amount to reflect interest on lease liability,
- b) Reducing the carrying amount to reflect the lease payments made and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The group reflects the remeasurement amount of the lease liability as an adjustment in its financial statements for the right-of-use asset.

The duration of the contracts, which constitute the lease obligation of the company, varies between 1 - 20 years.

The Group – as a lessor

The Group's activities as a lessor are not material.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.5 Summary of significant accounting policies (Cont’d)

2.5.3 Property, plant and equipment (Cont’d)

Right of use assets:

The cost of the right-of-use asset comprises:

- a) the amount of the initial measurement of the lease liability,
- b) any lease payments made at or before the commencement date, less any lease incentives received,
- c) any initial direct costs incurred by the Group

To apply the cost model, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The Group applies the depreciation requirements in IAS16 Property, Plant and Equipment in depreciating the right-of-use asset.

2.5.4 Investment properties

The investment properties held by the Group are measured at fair value in accordance with the provisions of IAS/TAS 40 “Investment Property”. Lands and buildings that are held for the purpose of earning rental income, capital appreciation, or both, rather than for use in the production of goods or services, for administrative purposes, or for sale in the ordinary course of business, are classified as investment properties and are measured using the fair value model. Any gain or loss arising from a change in the fair value of investment properties is recognized in the comprehensive income statement for the period in which it occurs.

An investment property is recognized as an asset only if it is probable that future economic benefits associated with the property will flow to the entity, and its cost can be reliably measured.

2.5.5 Intangible assets

a) Research and development costs

Research costs are recognized as expense in the period in which they are incurred. Intangible assets arising from development (or from the development phase of an internal project) are recognized as intangible assets when the following criteria are met;

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.5 Summary of significant accounting policies (Cont’d)

2.5.5 Intangible assets (Cont’d)

a) Research and development costs

- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

In other cases, development costs are expensed as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. In cases where it is difficult to separate the research phase from the development phase in a project, the entire project is treated as research and expensed immediately.

b) Rights and other intangible assets

Rights and other intangible assets consist of acquired computer software, computer software development costs and other identifiable rights. Rights and other intangible assets are recognized at their acquisition costs and are amortized on a straight-line basis over their expected useful lives which are less than fifteen years.

Useful life of intangible assets is as follows:

	Useful life
Rights	2 - 15 years
Development cost	2 - 10 years
Other	2 - 15 years

2.5.6 Financial instruments

a) Financial assets

The Group classifies its financial assets into the following specified categories: financial assets measured at amortised cost, financial assets measured at fair value through profit or loss and financial assets measured at fair value through other compressive income. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.5 Summary of significant accounting policies (Cont’d)

2.5.6 Financial instruments (Cont’d)

a) Financial assets (Cont’d)

Financial assets measured at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost.

The Group’s financial assets carried at amortized cost comprise “trade receivables”, “other assets” and “cash and cash equivalents” in the statement of financial position.

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision to the trade receivables as a result of a specific event, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected loss is performed based on the past experience of the Group and its expectations for the future indications.

Financial assets measured at fair value

Assets that are held by the Group for collection of contractual cash flows and for selling the financial assets are measured at their fair value.

If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make a choice for the equity instruments during the initial recognition and choose profit or loss or other comprehensive income for the presentation of fair value gain and loss:

- i) Financial assets carried at fair value through profit or loss Financial assets carried at fair value through profit or loss comprise of “derivative instruments” in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. Group’s financial instruments at fair value through profit or loss consist of forward contracts, and currency swaps.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.5 Summary of significant accounting policies (Cont’d)

2.5.6 Financial instruments (Cont’d)

a) Financial assets (Cont’d)

- ii) Financial assets carried at fair value through other comprehensive income Financial assets carried at fair value through other comprehensive income comprise of “financial assets” in the statement of financial position. Gains or losses arising from financial assets, other than impairment and exchange rate income or expenses, are recognized in other comprehensive income. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

b) Financial liabilities

Financial liabilities are measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value.

c) Derivative financial instruments and hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The derivative instruments of the Group mainly consist of foreign exchange forward contracts. These derivative transactions, even though providing effective economic hedges under risk accounting, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the financial statements. The fair value changes for these derivatives are recognised in the consolidated profit or loss statement.

The hedging transactions of the Group that qualify for hedge accounting are accounted regarding to IFRS/TFRS 9. As IFRS/TFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying the hedging requirements of IFRS/TFRS 9 will not have a significant impact on Group’s financial statements.

Cash flow hedges:

As long as a cash flow hedge meets the qualifying criteria, the hedging relationship shall be accounted for as follows:

- (a) the separate component of equity associated with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts):
 - (i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.5 Summary of significant accounting policies (Cont’d)

2.5.6 Financial instruments (Cont’d)

c) Derivative financial instruments and hedge accounting (Cont’d)

- (ii) the cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.
- (b) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income.
- (c) any remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognised in profit or loss.

2.5.7 Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

2.5.8 Related parties

Shareholders, key management personnel and board members, their close family members and companies controlled, jointly controlled or significantly influenced by them and Zorlu Holding Group companies are considered and referred to as related parties.

2.5.9 Taxation on income

Tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items directly recognized in equity. In that case, tax is recognized in shareholders’ equity.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.5 Summary of significant accounting policies (Cont’d)

2.5.9 Taxation on income (Cont’d)

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Investment incentives that are conducive to payment of corporate taxes at reduced rates are subject to deferred tax calculation when there is reasonable assurance that the Group will benefit from the related incentive.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.5.10 Employee benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Group is obliged to pay employment termination benefits to all personnel in cases of termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one-year service. Employment termination benefits are considered as being part of defined retirement benefit plan as per IAS/TAS 19. All actuarial gains and losses are recognized in consolidated statements of income.

The effects of the significant forecasts used in employment termination benefits provision calculations have been recognized as actuarial gains and losses and they have been explained in the relevant note.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.5 Summary of significant accounting policies (Cont’d)

2.5.11 Government grants

Government grants, including non-monetary grants at fair value, are recognized in consolidated financial statements when there is reasonable assurance that the entity will comply with the conditions attaching to them, and the grants will be received.

Incentives for research and development activities are recognized in consolidated financial statements when they are authorized by the related institutions.

2.5.12 Earnings/Losses per share

Earnings per share disclosed in the consolidated statement of income is determined by dividing consolidated net income attributable to equity holder of the parent by the weighted average number of such shares outstanding during the year concerned.

Earnings per share presented in the consolidated statements of profit or loss are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings or inflation adjustments. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

2.5.13 Statement of cash flows

In the consolidated statement of cash flows, cash flows are classified into three categories as operating, investment and financing activities. Cash flows from operating activities are those resulting from the Group’s production and sales activities. Cash flows from investment activities indicate cash inflows and outflows resulting from property, plant and equipment and financial investments. Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources. Cash and cash equivalents comprise of cash in hand accounts, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.5 Summary of significant accounting policies (Cont’d)

2.5.14 Contingent assets and liabilities:

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and are disclosed as contingent assets or liabilities Note 18. Contingent liabilities are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. If an outflow of resources has become probable, contingent liabilities are recognised in the financial statements. Contingent assets are not recognised in financial statements but disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

2.5.15 Segment reporting

Operating segments are identified on the same basis as financial information is reported internally to the Group’s chief operating decision maker. The Group Board of Directors has been identified as the Group’s chief operating decision maker who is responsible for allocating resources between segments and assessing their performances. The Group management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategical decisions.

The Group management evaluates the operational results at industrial and geographical level. Industrial segments are measured until gross profit level while geographical segments are measured only by revenue. An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses.

Group’s operations are reported under two industrial segments:

- Consumer and mobility electronic, other income
- Household appliances

Group’s operations are reported under three geographical segments:

- Turkey
- Europe
- Other

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Summary of significant accounting policies (Cont'd)

2.5.16 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales are presented as net if the nature of the transaction or the event qualify for offsetting.

2.5.17 Going Concern

The Group prepared consolidated financial statements in accordance with the going concern assumption.

2.5.18 Subsequent Events

Events after the balance sheet date, announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when balance sheet was authorized for issue.

In the case that events require a correction to be made occur subsequent to the balance sheet date, the Group makes the necessary corrections to the financial statements. Moreover, the events that occur subsequent to the balance sheet date and that do not require a correction to be made are disclosed in accompanying notes, where the decisions of the users of financial statements are affected.

2.5.19 Trade payables

Trade payables are recognized at their fair values.

2.5.20 Borrowings and borrowing costs

Borrowings are recognised initially at the proceeds received, net of any transaction costs incurred. In subsequent periods, borrowings are restated at amortized cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income as finance cost over the period of the borrowings. Borrowing costs are expensed as incurred. If the borrowings mature within 12 months, then they are classified in current liabilities, otherwise they are classified in non-current liabilities.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Summary of significant accounting policies (Cont'd)

2.5.20 Borrowings and borrowing costs (Cont'd)

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which (at least a period of one year) are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

In non-monetary items where borrowing costs are adjusted for the effect of inflation and capitalized, the portion of the borrowing costs corresponding to the effect of inflation is separated and expensed.

2.6. Critical accounting estimates and judgments

Preparation of consolidated financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the Group management's best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions.

Significant estimates of the Group management are as follows:

i. Revaluation of land, buildings, land improvements and investment properties:

Land, land improvements, buildings and investment properties are stated at fair value, based on valuations performed by independent valuers as at 31 December 2024 (Note 13, Note 14).

As there were no recent similar buying/selling transactions nearby, revaluations of land and investment properties were based on the method of reference comparison whereas revaluations of buildings and land improvements were based on the method of cost approach and based on the following valuation techniques and assumptions:

- Revaluations of land and investment properties were based on the method of reference comparison whereas revaluations of buildings and land improvements were based on the method of cost approach, considering existing utilization of the aforementioned land, building and land improvements are consistent to the highest and best use approach.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.6. Critical accounting estimates and judgments (Cont’d)

i. Revaluation of land, buildings, land improvements and investment properties (Cont’d):

- In the market comparison method, current market information was utilized, taking into consideration the comparable market prices for the recent transactions in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m2 sale value was determined for the lands subject to the valuation. The similar pieces of land found were compared in terms of location, size, settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the estate market, also, current information and experience of the professional valuation company was utilized.
- In the cost approaches using quoted market prices for similar items when available and replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

The carrying values of land, land improvements and buildings do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties.

As of initial recognition and as of balance sheet date, the Group performs impairment assessment for buildings and land improvements of which valuations are based on cost approach, accordance with the IAS/TAS 36 “Impairment of Assets”.

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NOTE 3 – INTERESTS IN OTHER ENTITIES

Subsidiaries:

As of 31 December 2024 and 31 December 2023 the Group’s major subsidiaries are as follows:

Consolidated subsidiaries	Currency	31 December 2024		31 December 2023	
		Voting rights	Effective ownership	Voting rights	Effective ownership
Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	TL	77,3	77,3	77,3	77,3
Vestel Mobilite Sanayi ve Ticaret A.Ş.	TL	100	100	100	100
Vestel Ticaret A.Ş.	TL	100	100	100	100
Vestel CIS Ltd.	RUB	100	100	100	100
Vestel Holland B.V. Iberia Branch Office	EUR	100	100	100	100
Vestel France SA	EUR	100	100	100	100
Vestel Holland B.V.	EUR	100	100	100	100
Vestel Holland B.V. Germany Branch Office	EUR	100	100	100	100
Cabot Communications Ltd.	GBP	90,8	90,8	90,8	90,8
Vestel UK Ltd.	GBP	100	100	100	100
Vestel Holland B.V. UK Branch Office	GBP	100	100	100	100
Vestek Elektronik Araştırma Geliştirme A.Ş.	TL	100	100	100	100
Vestel Trade Ltd.	RUB	100	100	100	100
Intertechnika LLC	RUB	99,9	99,9	99,9	99,9
Vestel Central Asia LLP	KZT	100	100	100	100
Vestel Holland B.V. Poland Branch Office	PLN	100	100	100	100
Vestel Electronics Gulf DMC	AED	100	100	100	100
Vestel Electronics Shanghai Trading Co. Ltd.	CNY	100	100	100	100
Vestel Electronica SRL	RON	100	100	100	100
Vestel USA	USD	100	100	100	100
Vestel Ventures Ar-ge A.Ş.	USD	100	100	100	100
Levent Baza Gayrimenkul Yatırım A.Ş.	TL	100	100	-	-
Vestel Trade India Private Ltd.	INR	100	100	-	-
Vestel Hong Kong Ltd.	CNY	100	100	-	-
Cylinda AB	SEK	100	100	-	-

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NOTE 3 – INTERESTS IN OTHER ENTITIES (Cont'd)

Subsidiaries (Cont'd):

Financial information of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. which is not wholly owned by the Group and has significant non-controlling interests is as follows.

	31 December 2024	31 December 2023
Accumulated non-controlling interests	7.672.579	7.066.479
Comprehensive income attributable to non-controlling interests as of 31 December 2024 - 2023	1.029.141	2.564.186

The financial statements of the subsidiary is adjusted to include the effects of revaluation of land, buildings and land improvements in accordance with the Group's accounting policies applied in preparation of the consolidated financial statements.

Balance sheet:

	31 December 2024	31 December 2023
Current assets	31.412.895	38.253.662
Non-current assets	40.158.725	35.255.384
Current liabilities	(32.100.393)	(36.400.106)
Non-current liabilities	(5.626.589)	(5.937.881)
Net assets	33.844.638	31.171.059

Statement of comprehensive income:

	1 January - 31 December 2024	1 January - 31 December 2023
Net sales	75.327.153	88.171.978
Income before tax	132.585	7.941.820
Tax income / (expense)	133.243	(1.120.711)
Net income for the period	265.828	6.821.109
Total comprehensive income	4.040.038	12.385.909

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NOTE 3 – INTERESTS IN OTHER ENTITIES (Cont'd)

Subsidiaries (Cont'd):

Statement of cash flows:

	1 January - 31 December 2024	1 January - 31 December 2023
Operating activities:		
Changes in working capital	3.974.863	2.323.917
Net cash provided by operating activities	7.741.435	5.641.269
Investing activities:		
Net cash used in investing activities	(4.495.005)	(2.732.824)
Financing activities:		
Proceeds from bank borrowings	9.603.163	8.224.244
Repayment of bank borrowings	(4.445.275)	(11.587.479)
Net cash (used in) / provided by financing activities	(2.883.821)	(2.744.153)
Cash and cash equivalents at the beginning of the period	1.053.269	1.376.836
Cash and cash equivalents at the end of the period	1.092.117	1.053.269

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NOTE 4 - SEGMENT REPORTING

Operating segments are identified on the same basis as financial information is reported internally to the Group's chief operating decision maker. The Group Board of Directors has been identified as the Group's chief operating decision maker who is responsible for allocating resources between segments and assessing their performances. The Group management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategical decisions.

Considering the fact that the Group's risks and rate of returns are dissimilar between product types and between geographical areas, the group management uses industrial segments as the primary reporting format and geographic regions as the secondary reporting format.

Industrial segments

	Consumer, mobility electronics and other	Household appliances	Total
1 January -31 December 2024			
Revenue	50.948.417	91.788.082	142.736.499
Cost of sales	(41.962.721)	(70.964.530)	(112.927.251)
Gross profit	8.985.696	20.823.552	29.809.248
Depreciation and amortization	2.249.388	2.814.044	5.063.432
1 January -31 December 2023			
Revenue	57.901.518	104.114.180	162.015.698
Cost of sales	(51.012.937)	(74.947.588)	(125.960.525)
Gross profit	6.888.581	29.166.592	36.055.173
Depreciation and amortization	3.449.847	2.766.843	6.216.690

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NOTE 4 - SEGMENT REPORTING (Cont'd)

Purchase of Property, Plant, Equipment and Intangible Assets

	Consumer and mobility electronics	Household appliances	Total
1 January -31 December 2024	2.760.338	4.302.644	7.062.982
1 January -31 December 2023	2.204.846	5.677.973	7.882.819

Revenue by Geographic Location:

	1 January - 31 December 2024	1 January - 31 December 2023
Turkey	63.377.859	64.537.038
Europe	76.096.776	88.156.861
Other	16.862.430	21.927.494
Gross segment sales	156.337.065	174.621.393
Discounts (-)	(13.600.566)	(12.605.695)
Revenue	142.736.499	162.015.698

The amount of export for the period 1 January - 31 December 2024 is TL 92.959.206 (1 January - 31 December 2023: TL 110.084.355) Export sales are denominated in EUR, USD and other currencies as 66%, 24%, and 10% of total exports respectively. (1 January – 31 December 2023: 67% EUR, 22% USD, 11% other).

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 5 - CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash	9.586	20.870
Bank deposits		
-Demand deposits	2.189.635	2.978.857
-Time deposits	268.330	131.815
Cheques and notes	169.582	22.608
Other	82.876	158.853
	2.720.009	3.313.003
Blocked deposits	22	32
Cash and cash equivalents	2.720.031	3.313.035

The Group has has time deposits amounting to TL 267.354 and KZT 14.500 (31 December 2023: TL 108.645 and RUB 48.500 thousand). As of 31 December 2024 and 31 December 2023 the Group’s time deposits have an average maturity of less than 3 months.

Based on the independent data with respect to the credit risk assessment of the banks, at which the Group has deposits, the credit quality of the banks is sufficient. The market values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet date.

Effective interest rates

	31 December 2024	31 December 2023
TL	44,85%	34,45%
RUB	-	10,00%
KZT	12,50%	-

See Note 32 for the foreign currency details of the Group’s demand deposits.

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NOTE 6 – FINANCIAL LIABILITIES

	31 December 2024	31 December 2023
Short term financial liabilities		
Short term bank loans	33.179.394	29.282.881
Short term portion of long term bank loans	2.830.621	4.078.214
Short term portion of long term issued bonds (*)	2.371.411	-
Short term portion of long term lease liabilities	324.243	333.460
Short term issued bonds (*)	3.846.295	5.125.402
	42.551.964	38.819.957
Long term financial liabilities		
Long term bank loans	1.936.598	2.696.240
Long term lease liabilities	911.300	959.779
Long term issued bonds (*)	16.186.305	-
	19.034.203	3.656.019

- * The maturity of the bond with the ISIN code TRSVSTL22511, with a maturity of 384 days and a quarterly payment, amounting to 370.000 TL, which was issued to qualified investors on 8 February 2024, is 26 February 2025 and the annual simple interest rate of the coupon has been determined as 55,13%.
- * The maturity date of the bond with the ISIN code TRFVEST22513, amounting to TL 200.000, with a maturity of 175 days, a single coupon payment, issued to qualified investors on 21 August 2024 is 12 February 2025 and the annual simple interest rate of the coupon has been determined as 52%.
- * The maturity date of the bond with the ISIN code TRFVSTL12519, amounting to TL 209.000, with a maturity of 161 days, a single coupon payment, issued to qualified investors on 21 August 2024 is 29 January 2025 and the annual simple interest rate of the coupon has been determined as 52%.

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NOTE 6 – FINANCIAL LIABILITIES (Cont’d)

- * The maturity date of the bond with the ISIN code TRFVSTL12527, amounting to TL 220.000, with a maturity of 161 days, a single coupon payment, issued to qualified investors on 21 August 2024 is 29 January 2025 and the annual simple interest rate of the coupon has been determined as 52%.
- * The maturity date of the bond with the ISIN code TRFVSTL22521, amounting to TL 800.000, with a maturity of 147 days, a single coupon payment, issued to qualified investors on 18 September 2024 is 12 February 2025 and the annual simple interest rate of the coupon has been determined as 52,5%.
- * The Group issued a bond with a fixed interest payment coupon every 6 months, quoted on the Irish Stock Exchange, amounting to a total of USD 500 million, USD 450 million on 15 May 2024 and USD 50 million on 6 June 2024. The maturity of the bond is 15 May 2029 and the coupon interest rate is 9,75%. Vestel Mobilite Sanayi ve Ticaret A.Ş and Vestel Ticaret A.Ş are guarantors in issued bonds.
- * The maturity date of the bond with the ISIN code TRFVEST42511, amounting to TL 395.000, with a maturity of 175 days, a single coupon payment, issued to qualified investors on 1 November 2024 is 25 April 2025 and the annual simple interest rate of the coupon has been determined as 51%.
- * The maturity date of the bond with the ISIN code TRFVSTL52515, amounting to TL 675.000, with a maturity of 182 days, a single coupon payment, issued to qualified investors on 26 November 2024 is 27 May 2025 and the annual simple interest rate of the coupon has been determined as 50%.
- * The maturity of the bond with the ISIN code TRSVSTLA2514, with a maturity of 379 days and a semi-annually payment, amounting to 340.000 TL, which was issued to qualified investors on 5 December 2024, is 19 December 2025 and the annual simple interest rate of the coupon has been determined as 49,5%.
- * The maturity date of the bond with the ISIN code TRFVSTL62514, amounting to TL 224.000, with a maturity of 183 days, a single coupon payment, issued to qualified investors on 12 December 2024 is 13 June 2025 and the annual simple interest rate of the coupon has been determined as 50%.
- * The maturity date of the bond with the ISIN code TRFVEST62519, amounting to TL 800.000, with a maturity of 181 days, a single coupon payment, issued to qualified investors on 27 December 2024 is 26 June 2025 and the annual simple interest rate of the coupon has been determined as 51%.

The group is required to calculate certain financial ratios related to the bond in question. As of December 31, 2024, some of these ratios have exceeded the specified limits; however, this does not have any impact on the consolidated financial statements as of December 31, 2024.

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NOTE 6 – FINANCIAL LIABILITIES (Cont’d)

Details of the Group’s short term bank loans are given below:

31 December 2024				31 December 2023			
	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest	Original currency	TL Equivalent	
Currency							
- USD	9,10%	290.887	10.281.052	10,48%	317.322	13.511.309	
- EUR	8,33%	180.988	6.660.793	10,12%	105.507	4.970.915	
- TL	34,56%	16.193.111	16.193.111	37,80%	9.923.686	9.923.686	
- CNY	-	-	-	7,96%	145.484	876.971	
- GBP	7,50%	1.000	44.438	-	-	-	
			33.179.394				29.282.881

Details of the Group’s long term bank loans are given below:

31 December 2024				31 December 2023		
	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest	Original currency	TL Equivalent
Currency						
- USD	10,40%	67.608	2.389.524	11,03%	28.587	1.217.211
- EUR	-	-	-	10,96%	14.190	668.556
- TL	26,06%	441.097	441.097	29,96%	2.192.447	2.192.447
Short term portion		2.830.621				4.078.214
- USD	12,54%	24.157	853.800	11,21%	15.690	668.067
- EUR	-	-	-	10,96%	6.135	289.048
- TL	20,65%	1.082.798	1.082.798	20,65%	1.739.125	1.739.125
Long term portion			1.936.598			2.696.240
			4.767.219	6.774.454		

Total amount of Group’s floating bank loans is amounting to TL 17.838.640 (31 December 2023: TL 18.407.982).

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 6 – FINANCIAL LIABILITIES (Cont’d)

The maturity schedule of Group's long term bank loans (excluding bonds) is given below:

	31 December 2024	31 December 2023
One to two years	786.804	1.422.304
Two years and more	1.149.794	1.273.936
	1.936.598	2.696.240

The analysis of Group's bank loans in terms of periods remaining to contractual re-pricing dates is as follows:

	31 December 2024	31 December 2023
3 months or less	3.670.847	7.566.868
Between 3-6 months	5.700.786	4.476.016
Between 6-12 months	8.467.007	6.365.098
	17.838.640	18.407.982

Guarantees given for the bank loans are presented in Note 18.

Fair values of short-term bank borrowings are considered to approximate their carrying values. Fair values are determined using average effective annual interest rates. Long term bank borrowings are stated at amortized cost using effective interest rate method and their fair values are considered to approximate their carrying values since loans usually have a re-pricing period of six months.

As of 31 December 2024 and 31 December 2023, the Group's net financial debt reconciliation is shown below:

	31 December 2024	31 December 2023
Net financial debt as of 1 January	39.162.973	47.301.841
Cash inflows from loans and issued bonds	81.775.525	70.044.952
Cash outflows from loan and bonds payments	(52.061.830)	(61.933.876)
Changes of lease liabilities	(427.603)	14.792
Unrealized exchange gain	2.768.018	5.044.203
Changed interest	(331.907)	977.974
Change in cash and cash equivalents	592.994	380.086
Monetary loss	(12.612.012)	(22.666.999)
Net financial debt at the end of the period	58.866.158	39.162.973

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NOTE 7 – RELATED PARTY DISCLOSURES

a) Short term trade receivables from related parties

	31 December 2024	31 December 2023
ZES Dijital Ticaret A.Ş. ⁽¹⁾	219.459	36.312
Zorlu Enerji Elektrik Üretim A.Ş. ⁽¹⁾	432.439	277
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. ⁽⁴⁾	430.982	556.397
Other related parties	64.097	66.164
	1.146.977	659.150

b) Short term trade payables to related parties

	31 December 2024	31 December 2023
ABH Turizm Temsilcilik ve Ticaret A.Ş. ⁽¹⁾	13.048	25.261
Zorlu Holding A.Ş. ⁽²⁾	66.341	58.280
Other related parties	83.042	78.925
	162.431	162.466

c) Other short term receivables from related parties

	31 December 2024	31 December 2023
Lentatek Uzay Havacılık ve Teknoloji A.Ş. ⁽⁴⁾	1.040.620	1.283.979
	1.040.620	1.283.979

As of 31 December 2024, the annual average effective interest rate of other receivables in TL and USD are 50% and 9%. (31 December 2023: USD 8%, TL 50%).

d) Other long term receivables from related parties

	31 December 2024	31 December 2023
Zorlu Holding A.Ş. ⁽²⁾	13.905.851	16.360.377
Lentatek Uzay Havacılık ve Teknoloji A.Ş. ⁽⁴⁾	16.854.719	14.523.448
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A. Ş. ⁽⁴⁾	13.102.634	10.650.737
	43.863.204	41.534.562

As of 31 December 2024, the annual average effective interest rate of other receivables in TL 50% and in USD is 9%. (31 December 2023: USD 8%, TL 50%).

⁽¹⁾ Zorlu Holding Group Company, ⁽²⁾ Parent, ⁽³⁾ Subsidiary, ⁽⁴⁾ Associate

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NOTE 7 – RELATED PARTY DISCLOSURES (Cont’d)

e) Long-term prepaid expenses to related parties

	31 December 2024	31 December 2023
Zorlu Enerji Elektrik Üretim A.Ş. ⁽¹⁾	-	2.716.819
Rotor Elektrik Üretim A.Ş. ⁽¹⁾	742.614	-
Other	37.165	144.929
	779.779	2.861.748

f) Short-term prepaid expenses to related parties

	31 December 2024	31 December 2023
Rotor Elektrik Üretim A.Ş. ⁽¹⁾	493.473	-
Other related parties	16.981	-
	510.454	-

g) Transactions with related parties

	1 January - 31 December 2024-	1 January - 31 December 2023
Sales		
ZES Dijital Ticaret A.Ş. ⁽¹⁾	921.334	489.936
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. ⁽⁴⁾	1.585.318	1.464.318
Other related parties	76.106	129.485
	2.582.758	2.083.739

	1 January - 31 December 2024	1 January - 31 December 2023
Operating expenses		
Zorlu Holding A.Ş. ⁽²⁾	707.570	557.446
ABH Turizm Temsilcilik ve Ticaret A.Ş. ⁽¹⁾	220.340	204.968
Other related parties	207.674	219.871
	1.135.584	982.285

⁽¹⁾ Zorlu Holding Group Company, ⁽²⁾ Parent, ⁽³⁾ Subsidiary, ⁽⁴⁾ Associate

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NOTE 7 – RELATED PARTY DISCLOSURES (Cont’d)

g) Transactions with related parties (Cont’d)

	1 January - 31 December 2024	1 January - 31 December 2023
Other income from operating activities		
Other related parties	226.384	892.031
Other expense from operating activities		
Other related parties	37.098	32.822

	1 January - 31 December 2024	1 January - 31 December 2023
Financial income		
Zorlu Holding A.Ş. ⁽²⁾	4.211.111	7.821.707
Lentatek Uzay Havacılık ve Teknoloji A.Ş. ⁽⁴⁾	4.688.153	7.556.415
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A.Ş. ⁽⁴⁾	3.368.200	5.277.760
Other related parties	-	932.906
	12.267.464	21.588.788

Financial expense		
Other related parties	12.650	9.558
	12.650	9.558

	1 January - 31 December 2024	1 January - 31 December 2023
Dividend payment to non-controlling interests	309.776	165.099

- h) Guarantees received from and given to related parties are disclosed in note 18.
- i) Compensation paid to key management including directors, the Chairman and members of Board of Directors, general managers and assistant general managers for the year ended 31 December 2024 is TL 296.487 (1 January - 31 December 2023: 333.284).

- j) Financial income from related parties result from interest income from financial liabilities.

(1) Zorlu Holding Group Company, (2) Parent, (3) Subsidiary, (4) Associate

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NOTE 8 – TRADE RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Short term trade receivables		
Trade receivables		
-Related parties (Note 7)	1.146.977	659.150
-Other parties	18.498.188	22.889.667
Cheques and notes receivables	1.205.063	2.458.616
Other	77.340	117.092
	20.927.568	26.124.525
Unearned interest expense (-)		
- Other parties	(213.145)	(205.321)
Allowance for doubtful receivables (-)	(504.071)	(182.386)
Total short term trade receivables	20.210.352	25.736.818
Long term trade receivables		
Cheques and notes receivables	564	1.186
Total long term trade receivables	564	1.186

The Group has made a provision considering its past experience in collecting its trade receivables. Hence, the Group management made a provision assessment according to the expected credit losses model within the scope of IFRS/TFRS 9 and as of 31 December 2024, no additional doubtful trade receivables risk was detected.

	31 December 2024	31 December 2023
Short term trade payables		
Trade payables		
-Related parties (Note 7)	162.431	162.466
-Other parties	43.447.925	60.418.843
Other	8.706	8.359
	43.619.062	60.589.668
Long term trade payables		
Trade payables		
-Other parties	122.946	257.246
Total long term trade payables	122.946	257.246

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 9 – OTHER RECEIVABLES

	31 December 2024	31 December 2023
Short term other receivables		
Receivables from public institutions	1.004.378	1.613.593
Receivables from related parties (Note 7)	1.040.620	1.283.979
Deposits and guarantees given	226.417	330.076
Other	196.266	29.238
	2.467.681	3.256.886
Allowance for doubtful receivables (-)	(211)	(320)
	2.467.470	3.256.566
	31 December 2024	31 December 2023
Long term other receivables		
Deposits and guarantees given	36.356	29.766
Receivables from related parties (Note 7)	43.863.204	41.534.562
Other	73.202	30.852
	43.972.762	41.595.180
Allowance for doubtful receivables (-)	(8.279)	(11.951)
	43.964.483	41.583.229
Short term other payables		
Other payables		
- Other parties	218.496	20.453
	218.496	20.453
Deferred revenue		
- Other parties	677.763	1.543.627
	677.763	1.543.627

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NOTE 10 – INVENTORIES

	31 December 2024	31 December 2023
Raw materials	13.734.897	17.338.823
Work in process	693.245	833.374
Finished goods	11.796.053	14.629.217
Merchandise	1.558.551	1.609.749
Other	47.484	44.284
	27.830.230	34.455.447
Provision for impairment on inventories (-)	(362.817)	(510.620)
	27.467.413	33.944.827

Cost of the inventory included in the consolidated statement of comprehensive income in the period 1 January – 31 December 2024 is TL 95.383.286 (2023: TL 108.260.252).

As of 31 December 2024, the Group does not have inventories pledged as security for liabilities (31 December 2023: None).

NOTE 11 – PREPAID EXPENSES

	31 December 2024	31 December 2023
Prepaid expenses in current assets		
Order advances given	319.746	1.757.563
Prepaid expenses	764.064	430.112
Business advances given	4.810	12.533
	1.088.620	2.200.208
Prepaid expenses in non-current assets		
Advances given for fixed asset purchases	527.109	430.805
Prepaid expenses	297.847	87.245
	824.956	518.050

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NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31 December 2024		31 December 2023	
	%	Amount	%	Amount
Subsidiaries				
Türkiye’nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.	23%	5.055.946	23%	8.456.656
		5.055.946		8.456.656

Within the framework of Turkey’s Automobile Project, following the work undertaken by the Joint initiative Group, to which Group’s controlling shareholder, Zorlu Holding AŞ was a party, Vestel Elektronik Sanayi ve Ticaret AŞ decided to participated with 19% share in “Türkiye’nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.”, which was planned to be established to produce mainly electric passenger cars and carry outsupporting activities. In this respect, the Shareholders Agreement and Articles of Association have beensigned on 31 May 2018. Establishment of the new Group was completed on 28 June 2018.

Within the scope of the decision taken at the Annual General Meeting of TOGG which was held on 31 May 2021, the Group’s stake in TOGG has reached to 23%.

The movements of TOGG, which is an investment accounted for using the equity method during the period 1 January – 31 December 2024 and 2023 is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Balance at 1 January	8.456.656	5.452.167
Shares from profit / (loss)	(3.515.707)	2.227.461
Shares from other comprehensive income / (expense)	114.933	(33.997)
Capital Increase	64	811.025
Balances at 31 December 2024	5.055.946	8.456.656

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Disposals	Currency translation differences	Transfers	Fair value increase	31 December 2024
Cost or revaluation							
Land	19.780.422	398.185	-	(13.669)	-	5.619.141	25.784.079
Land improvements	623.228	-	-	(41.481)	5.569	21.188	608.504
Buildings	14.477.868	604.568	(182)	448.381	3.521.950	(1.567.706)	17.484.879
Leasehold improvements	1.999.984	16.056	(1.503)	(971.683)	389	-	1.043.243
Plant and machinery	48.236.872	1.592.974	(691.330)	(210.837)	612.641	-	49.540.320
Motor vehicles	92.812	4.392	(5.418)	(1.142)	17	-	90.661
Furniture and fixtures	8.298.496	484.600	(18.374)	(33.767)	117.541	-	8.848.496
Other tangible assets	19.966	-	-	-	-	-	19.966
Construction in progress	2.563.531	2.209.694	-	(836)	(4.262.357)	-	510.032
	96.093.179	5.310.469	(716.807)	(825.034)	(4.250)	4.072.623	103.930.180
Accumulated depreciation							
Land improvements	47.137	24.658	-	(12.912)	-	(20.303)	38.580
Buildings	565.844	709.883	(182)	709.882	-	(1.521.764)	463.663
Leasehold improvements	1.640.136	74.838	(1.026)	(887.370)	-	-	826.578
Plant and machinery	36.318.558	2.716.573	(677.071)	(203.268)	-	-	38.154.792
Motor vehicles	73.811	7.481	(3.867)	(558)	-	-	76.867
Furniture and fixtures	7.412.885	382.583	(17.040)	(30.319)	-	-	7.748.109
Other tangible assets	19.966	-	-	-	-	-	19.966
	46.078.337	3.916.016	(699.186)	(424.545)	-	(1.542.067)	47.328.555
Net book value	50.014.842						56.601.625

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	1 January 2023	Additions	Disposals	Currency translation differences	Transfers	Fair value increase	31 December 2023
Cost or revaluation							
Land	7.599.683	-	-	97.945	-	12.082.794	19.780.422
Land improvements	661.591	3.474	-	(44.284)	1.282	1.165	623.228
Buildings	12.259.287	226.777	(64)	(468.427)	2.218.716	241.579	14.477.868
Leasehold improvements	1.855.143	137.391	(563)	(1.206)	9.219	-	1.999.984
Plant and machinery	45.126.443	2.325.315	(1.447.085)	(215.259)	2.447.458	-	48.236.872
Motor vehicles	85.072	8.283	(2.496)	(904)	2.857	-	92.812
Furniture and fixtures	7.876.444	370.063	(28.290)	(10.798)	91.077	-	8.298.496
Other tangible assets	19.966	-	-	-	-	-	19.966
Construction in progress	4.764.410	2.576.560	-	-	(4.777.439)	-	2.563.531
	80.248.039	5.647.863	(1.478.498)	(642.933)	(6.830)	12.325.538	96.093.179
Accumulated depreciation							
Land improvements	44.124	30.110	-	(4.395)	-	(22.702)	47.137
Buildings	614.317	570.674	(7)	(155.814)	-	(463.326)	565.844
Leasehold improvements	1.562.391	78.915	(159)	(1.011)	-	-	1.640.136
Plant and machinery	34.693.520	3.292.210	(1.437.057)	(230.115)	-	-	36.318.558
Motor vehicles	71.130	6.048	(2.496)	(871)	-	-	73.811
Furniture and fixtures	7.061.860	388.565	(26.603)	(10.937)	-	-	7.412.885
Other tangible assets	19.966	-	-	-	-	-	19.966
	44.067.308	4.366.522	(1.466.322)	(403.143)	-	(486.028)	46.078.337
Net book value	36.180.731						50.014.842

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont’d)

Cost and accumulated depreciation of land, land improvements and buildings before revaluation are as follows:

	Land	Land improvements and buildings
31 December 2024		
Cost	1.727.604	13.713.881
Accumulated depreciation (-)	-	(2.704.989)
Net book value	1.727.604	11.008.892
31 December 2023		
Cost	1.325.421	8.619.697
Accumulated depreciation (-)	-	(2.386.779)
Net book value	1.325.421	6.232.918

As of 31 December 2024, the Group has collateral on property, plant and equipment amounting to TL3.000.000 (2023: TL 4.331.363).

Allocation of current year depreciation and amortization expenses is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales	2.860.157	3.905.954
Research and development expenses	1.165.414	1.569.834
Marketing, selling and distribution expenses	899.590	514.791
General administrative expenses	138.271	226.111
	5.063.432	6.216.690

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont’d)

31 December 2024	Level 1	Level 2	Level 3
Tangible Assets			
Lands	-	25.784.079	-
Buildings and land improvements	-	18.093.383	-
31 December 2023	Level 1	Level 2	Level 3
Tangible Assets			
Lands	-	19.780.422	-
Buildings and land improvements	-	15.101.096	-

NOTE 14 – INVESTMENT PROPERTIES

	1 January 2024	Additions	31 December 2024
Land	-	299.483	299.483
Buildings	-	1.299.142	1.299.142
Net book value	-	1.598.625	1.598.625

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NOTE 15 – RIGHT OF USE ASSETS

	1 January 2024	Additions	Disposals	31 December 2024
Cost				
Land and buildings	3.419.824	1.198.902	(60.075)	4.558.651
Motor vehicles	678.019	56.610	(1.218)	733.411
	4.097.843	1.255.512	(61.293)	5.292.062
Accumulated amortization				
Land and buildings	1.756.879	475.376	(8.957)	2.223.298
Motor vehicles	563.539	54.186	(199)	617.526
	2.320.418	529.562	(9.156)	2.840.824
Net book value	1.777.425			2.451.238

	1 January 2023	Additions	Disposals	31 December 2023
Cost				
Land and buildings	2.637.825	812.556	(30.557)	3.419.824
Motor vehicles	628.312	49.707	-	678.019
	3.266.137	862.263	(30.557)	4.097.843
Accumulated amortization				
Land and buildings	1.348.415	439.021	(30.557)	1.756.879
Motor vehicles	489.340	74.199	-	563.539
	1.837.755	513.220	(30.557)	2.320.418
Net book value	1.428.382			1.777.425

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NOTE 16 – INTANGIBLE ASSETS

	1 January 2024	Additions	Disposals	Currency translation differences	Transfers	31 December 2024
Cost						
Rights	866.809	396	-	(8.293)	-	858.912
Development cost	17.249.206	1.473.563	(19.218)	-	-	18.703.551
Other intangible assets	2.677.454	278.554	(1.739)	(9.876)	4.250	2.948.643
	20.793.469	1.752.513	(20.957)	(18.169)	4.250	22.511.106
Accumulated amortization						
Rights	728.090	34.705	-	(8.196)	-	754.599
Development cost	12.447.171	427.814	-	-	-	12.874.985
Other intangible assets	1.967.527	155.335	(299)	(10.491)	-	2.112.072
	15.142.788	617.854	(299)	(18.687)	-	15.741.656
Net book value	5.650.681					6.769.450

	1 January 2023	Additions	Disposals	Currency translation differences	Transfers	31 December 2023
Cost						
Rights	866.673	1.571	-	(1.435)	-	866.809
Development cost	15.209.873	2.039.333	-	-	-	17.249.206
Other intangible assets	2.488.440	194.052	(2.026)	(9.842)	6.830	2.677.454
	18.564.986	2.234.956	(2.026)	(11.277)	6.830	20.793.469
Accumulated amortization						
Rights	694.621	34.748	-	(1.279)	-	728.090
Development cost	11.239.643	1.207.528	-	-	-	12.447.171
Other intangible assets	1.883.483	94.672	-	(10.628)	-	1.967.527
	13.817.747	1.336.948	-	(11.907)	-	15.142.788
Net book value	4.747.239					5.650.681

Development costs, incurred by the Group on development projects relating to television and electronic devices, mobility, refrigerators, split air conditioners, washing machines, cookers, drying machines and dish washers are capitalized as intangible assets.

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NOTE 17 – GOVERNMENT GRANTS

There are investment incentive certificates to which the Group has been entitled by the official authorities in connection with certain capital expenditures. The grants obtained by the Group in nature are as follows:

- i) Exemption from customs duty on machinery and equipment to be imported,
- ii) VAT exemption with respect to purchases of investment goods both from domestic and export markets,
- iii) Incentives under the jurisdiction of the research and development law,(Note 29)
- iv) Inward processing permission certificates,
- v) Cash refund from Tübitak - Teydeb for research and development expenses,
- vi) Discounted corporate tax incentive,
- vii) Insurance premium employer share incentive
- viii) Brand support incentive (Turquality) given by Republic of Turkey Ministry of Economy
- ix) Interest incentive.

NOTE 18 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

	31 December 2024	31 December 2023
Short term provisions		
Warranty and assembly provision	1.699.502	1.718.499
Other provisions	1.874.369	2.462.210
Provision for lawsuit risks	115.733	110.454
	3.689.604	4.291.163
Long term provisions		
Warranty and assembly provision	600.155	504.113
	600.155	504.113

As of 31 December 2024, the amount of provision provided for the cases for which the probability of losing the case is assessed to be high by the Group management and legal advisors is TL 115.733 (2023: TL 110.454).

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NOTE 18 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

b) Guarantees received by the Group

Guarantee letters, collaterals, cheques and notes received

	31 December 2024	31 December 2023
Guarantee letters	5.545.175	5.272.131
Cheques and notes	3.258.355	2.983.301
Collaterals and pledges	7.050.029	6.484.658
	15.853.559	14.740.090

Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. and Vestel Ticaret A.Ş. has given collaterals to various banks on behalf of the Company for its forward contracts and loans utilized. The table above has been prepared based on the lower of the limits used or the amounts of guarantees received regarding the guarantees received by the Group. The amount of guarantees received by the Group, including the total collaterals amount, is 356.521.444 TL.

c) Collaterals, pledges and mortgages (“CPMB’s”) given by the Group

	USD (‘000)	EUR (‘000)	GBP (‘000)	TL	TL Equivalent
CPMB’s given by the Group					
31 December 2024					
A. CPMB’s given on behalf of its own legal entity	518.359	2.135	-	6.638.006	25.037.356
B. CPMB’s given on behalf of fully consolidated subsidiaries (*)	2.572.245	193.450	52.611	22.311.973	122.682.227
C. CPMB’s given on behalf of third parties for ordinary course of business	-	-	-	-	-
D. Total amount of other CPMB’s given	59.579	-	-	15.868	2.121.616
i. Total amount of CPMB’s given on behalf of the other group companies which are not in scope of B and C.	59.579	-	-	15.868	2.121.616
iii.Total amount of CPMB’s given on behalf of third parties which are not in scope of C.	-	-	-	-	-
Total	3.150.183	195.585	52.611	28.965.847	149.841.199

(*) Fully consolidated subsidiaries have given collaterals to various financial institutions on behalf of each other for their forward contracts and for the total amount of loans utilized.

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NOTE 18 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

c) Collaterals, pledges and mortgages (“CPMB’s”) given by the Group (Cont'd)

The table above has been prepared based on the lower of the limits used or the amounts of guarantees received regarding the guarantees given by the Group. The total guarantee amount, as well as the guarantees, pledges, mortgages and guarantees given by the Company, are 7.403.813 thousand USD, 489.191 thousand Euro, 52.650 thousands GBP and 41.424.401 TL, equivalent to a total of 323.446.346 TL.

CPMB’s given by the Group	USD ('000)	EUR ('000)	GBP ('000)	TL	TL Equivalent
31 December 2023					
A. CPMB’s given on behalf of its own legal entity	509	2.135	-	4.359.383	4.481.646
B. CPMB’s given on behalf of fully consolidated subsidiaries (*)	2.182.426	148.778	60.346	20.417.197	123.631.900
C. CPMB’s given on behalf of third parties for ordinary course of business	-	-	-	-	-
D. Total amount of other CPMB’s given	36.565	-	-	29.020	1.585.926
parent company	-	-	-	-	-
other group companies which are not in scope of B and C.	36.565	-	-	29.020	1.585.926
iii.Total amount of CPMB’s given on behalf of third parties which are not in scope of C.	-	-	-	-	-
Total	2.219.500	150.913	60.346	24.805.600	129.699.472

As of 31 December 2024, proportion of other CPM’s given by the Group to its equity is 4% (31 December 2023: 3%).

NOTE 19 – COMMITMENTS

As of the balance sheet date the Group has committed to realize exports amounting to 2.633.587 thousand USD (31 December 2023: 3.121.967 thousand USD) due to the export and investment incentive certificates obtained.

As of 31 December 2024, the Group has forward foreign currency purchase contract that amounts to USD 695.839 thousand, EUR 335.927 thousand, GBP 139.822 thousand, PLN 26.121 thousand, SEK 100.568 thousand and TL 1.940.500 against forward foreign currency sales contract that amounts to USD 589.656 thousand, EUR 507.886 thousand, GBP 90.040 thousand, PLN 47.893 thousand, RUB 953.771 thousand and SEK 181.368 thousand. (31 December 2023: USD 1.068.802 thousand, EUR 227.544 thousand, GBP 135.899 thousand, PLN 21.625 thousand and CNY 156.580 thousand against forward foreign currency sales contract that amounts to USD 419.731 thousand, EUR 704.294 thousand, GBP 142.433 thousand, PLN 60.525 thousand, RUB 987.000 and TL 4.029.267 against forward foreign currency sales contract).

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NOTE 20 – EMPLOYEE BENEFITS

Liabilities for employee benefits:

	31 December 2024	31 December 2023
Due to personnel	653.601	738.006
Social security payables	534.396	579.382
	1.187.997	1.317.388
Long-Term provisions for employee benefits:		
	31 December 2024	31 December 2023
Provision for employment termination benefits	2.189.507	2.282.417

Under Turkish law, the Group is required to pay employment termination benefits to each employee whose employment is terminated without due cause. In addition, under the existing Social Security Law No.506, clause No. 60, amended by the Labor Laws dated 6 March 1981, No.2422 and 25 August 1999, No.4447, the Group is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities.

The amount payable is the equivalent of one month’s salary for each year of service and is limited to a maximum of TL 41.828,42 /year as of 31 December 2024 (31 December 2023: TL 33.914,33 /year – in terms of purchasing power of TL as of 31 December 2024).

Provision for employment termination benefits is not subject to any funding.

The provision is calculated by estimating the present value of the future obligation of the Group arising from retirement of employees. IAS/ TAS 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined employee plans. Accordingly actuarial assumptions were used in the calculation of the total liability which are described below:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. An expected inflation rate and appropriate discount rate should both be determined, the net of these being real discount rate. Consequently, in the accompanying financial statements as of 31 December 2024, the provision is calculated by estimating the present value of the future obligation of the Group arising from retirement of employees. As of 31 December 2024 provision is calculated based on real discount rate of 2,47%, assuming 26,71% annual inflation rate and 11,54% discount rate (31 December 2023: 3,72% real discount rate, 49,25% inflation rate and 23,60% discount rate).

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NOTE 20 – EMPLOYEE BENEFITS (Cont'd)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TL 46.655,43 which is effective from 1 January 2025 (1 January 2024: TL 50.617,15 – in terms of the purchasing power of TL as of 31 December 2024) has been taken into consideration in calculating the provision for employment termination benefits of the Group which is calculated once in every six months.

The movement in the provision for employment termination benefit is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Balance at 1 January	2.282.417	2.949.939
Increase during the year	291.364	484.413
Payments during the year	(448.154)	(847.340)
Actuarial (gain) /loss	398.778	639.142
Interest expense	376.005	259.314
Monetary gain / (loss)	(710.903)	(1.203.051)
Balance at 31 December	2.189.507	2.282.417

NOTE 21 – OTHER ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
Other current assets		
VAT carried forward	233.097	68.944
Rebates from suppliers and incentives income accruals	174.488	202.634
Other	387.483	388.883
	795.068	660.461

	31 December 2024	31 December 2023
Other current liabilities		
Taxes payables	1.305.498	1.788.090
Other	1.419.491	1.692.247
	2.724.989	3.480.337

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NOTE 22 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid in capital

	31 December 2024	31 December 2023
Shares of par value Kr 1 each		
limit on registered share capital	2.000.000	2.000.000
Issued share capital	335.456	335.456

As of 31 December 2024 and 31 December 2023 the shareholding structures are as follows:

	Share		Amount	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Zorlu Holding A.Ş.	52,77%	55,69%	177.019	186.815
Other shareholders (Publicly Listed)	47,23%	44,31%	158.437	148.641
	100%	100%	335.456	335.456

b) Adjustment to share capital

Adjustment to share capital (restated to 31 December 2024 purchasing power of money) is the difference between restated share capital and historical share capital.

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NOTE 22 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont’d)

c) Share premium

Share premium account refers the difference between par value of the Company’s shares and the amount the company received for newly issued shares. The share premium account is disclosed under equity as a separate line item and may not be distributed. It may be used in capital increase.

d) Restricted Reserves Appropriated from Profits

The legal reserves consist of first and second legal reserves appropriated in accordance with the Turkish Commercial Code (“TCC”). The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company’s share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company’s share capital. Under TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid in share capital.

	31 December 2024	31 December 2023
Legal reserves	1.809.347	1.809.347

The differences arising from the conversion of the amounts below, which are adjusted for inflation in the company’s legal records, to amounts adjusted according to the CPI (Consumer Price Index) under IAS/TAS 29, have been recognized under the ‘Retained Earnings of Previous Years’ item.

	PPI - Indexed Legal Record	CPI Indexed Amounts	Differences Tracked in Retained Earnings
Capital Adjustment Gains / Losses	30.463.337	22.548.527	7.914.810
Appropriated Retained Earnings	2.385.753	1.809.347	576.407

e) Revaluation reserves

	31 December 2024	31 December 2023
Fair value gains on financial assets	62.181	87.829
Revaluation of property, plant and equipment	16.805.105	13.053.398
	16.867.286	13.141.227

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NOTE 22 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont’d)

f) Dividend distribution

For quoted companies dividends are distributed in accordance with the Communiqué Serial II -19.1 on “Principals Regarding Distribution of Interim Dividends” issued by the CMB effective from 1 February 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and in conformity with relevant legislations. The communiqué does not state a minimum dividend rate. Companies distribute dividends in accordance with the method defined in their dividend policy or articles of association. Additionally, dividend can be distributed in fixed or variable installments and dividend advances can be paid over the profit on interim financial statements.

Unless the general reserves that has to be appropriated in accordance with TCC or the dividend to shareholders as determined in the articles of association or dividend policy are set aside; no decision can be taken to set aside other reserves, to transfer reserves to the subsequent year or to distribute dividends to holders of usufruct right certificates, to board of directors members or to employees; and no dividend can be distributed to those unless the determined dividend to shareholders is paid in cash.

On the other hand, in accordance with the Articles of Association of the Company, the net period income is allocated after deducting the accumulated losses from the previous years, if any, as follows:

- a) As per Article 519 of the Turkish Commercial Code, 5% is allocated to a general legal reserve.
- b) A dividend is allocated from the remaining amount, at the rate determined by the General Assembly over an amount to be found after the addition of a donation, which is made in line with the Turkish Commercial Code and Capital Market Legislation.
- c) After the deductions above, the General Assembly has the right to decide how to allocate the dividend to members of the board of directors and officers, employees and workers, foundations established with various purposes, and similar persons and corporations.
- d) After the amounts stated in paragraph (a), (b) and (c) are deducted from the net period profit, the General Assembly is authorized to allocate the remaining amount as a second dividend or to allocate the remaining amount to its own reserve as per Article 521 of the Turkish Commercial Code.
- e) One tenth of the amount obtained after a dividend of 5% of the paid in capital and other legal reserve are deducted from the amount that is agreed to be allocated to the shareholders and other persons participating to the profit is added to the general legal reserve as per paragraph (c) of the second clause of article 519 of the Turkish Commercial Code.

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NOTE 23 – SALES

	1 January - 31 December 2024	1 January - 31 December 2023
Domestic sales	63.377.859	64.537.038
Export sales	92.959.206	110.084.355
Gross sales	156.337.065	174.621.393
Sales discounts (-)	(13.600.566)	(12.605.695)
Net sales	142.736.499	162.015.698
Cost of sales	(112.927.251)	(125.960.525)
Gross profit	29.809.248	36.055.173

NOTE 24 – EXPENSES BY NATURE

	1 January - 31 December 2024	1 January - 31 December 2023
Raw materials, supplies and finished goods	95.383.286	108.260.252
Personnel expenses	16.882.152	15.906.638
Depreciation and amortization	5.039.450	6.206.946
Export, transportation, warehouse expenses	5.352.772	7.265.598
Warranty and assembly expenses	4.703.843	4.477.913
Advertising expenses	1.985.212	1.438.378
Other	9.854.942	9.652.244
	139.201.657	153.207.969

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NOTE 24 – EXPENSES BY NATURE (Cont'd)

Fees for Services Provided by the Independent Auditor/Independent Audit Firm

The Group’s disclosure regarding the fees for services provided by the independent audit firm is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Independent audit fee for the reporting period	35.934	30.353
	35.934	30.353

NOTE 25 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

a) General administrative expenses:

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	1.745.046	1.633.158
Depreciation and amortization	138.271	226.111
Consultancy expenses	660.843	439.001
Information technology expenses	416.008	427.889
Tax and duties	134.177	83.481
Insurance expenses	77.617	81.224
Other	1.058.929	1.207.783
	4.230.891	4.098.647

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NOTE 25 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES
(Cont’d)

b) Marketing expenses:

	1 January - 31 December 2024	1 January - 31 December 2023
Export, transportation, warehouse expenses	5.028.406	6.911.517
Warranty and assembly expenses	4.703.843	4.477.913
Personnel expenses	4.298.544	4.206.510
Advertising expenses	1.977.501	1.433.613
Depreciation and amortization	899.590	514.791
Other	2.882.948	2.804.883
	19.790.832	20.349.227

c) Research and development expenses:

	1 January - 31 December 2024	1 January - 31 December 2023
Depreciation and amortization	1.165.414	1.569.834
Personnel expenses	646.654	669.905
Other	440.615	559.831
	2.252.683	2.799.570

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NOTE 26 – OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES

a) Other income from operating activities:

	1 January - 31 December 2024	1 January - 31 December 2023
Overdue interest charges	1.572.520	720.430
Foreign exchange gains arising from trading activities	1.597.923	1.863.750
Other income	904.182	454.575
	4.074.625	3.038.755

b) Other expense from operating activities:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest expense on term purchases	2.769.397	1.697.315
Foreign exchange expenses arising from trading activities	7.350.823	19.903.052
Other expenses	1.874.112	1.356.481
	11.994.332	22.956.848

NOTE 27 – FINANCIAL INCOME AND FINANCIAL EXPENSE

a) Financial income:

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange gains	7.091.701	17.635.795
Gains on derivative financial instruments	1.633.020	4.298.410
Interest income	5.281.652	4.676.443
	14.006.373	26.610.648

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NOTE 27 – FINANCIAL INCOME AND FINANCIAL EXPENSE (Cont’d)

b) Financial expense:

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange losses	5.538.446	10.032.076
Losses on derivative financial instruments	4.017.123	6.754.771
Interest expense	12.033.158	8.053.500
Commission and other finance expenses	2.434.783	1.638.968
	24.023.510	26.479.315

NOTE 28 – MONETARY GAIN / LOSS

Non monetary items	31 Aralık 2024
Balance sheet items	5.568.041
Inventory	3.468.790
Investments Valued by Equity Method, Financial Investments, Subsidiaries	2.639.711
Tangible and Intangible Fixed Assets	11.366.865
Right of Use Assets	1.133.375
Capital Adjustment Differences	(7.034.019)
Accumulated Other Comprehensive Income (Expense) Not to Be Reclassified to Profit or Loss	(568.832)
Accumulated Other Comprehensive Income (Expense) to be Reclassified to Profit or Loss	63.963
Restricted Reserves Allocated from Profit	(556.152)
Retained Earnings or Losses	(4.945.660)
Income statement items	2.284.356
Revenue	(18.059.235)
Cost of Goods Sold	15.492.940
General Administrative Expenses	488.802
Marketing Expenses	2.375.421
Research and Development Expenses	128.270
Other Operating Income	(645.885)
Other Operating Expenses	1.339.802
Finance Income	(1.639.054)
Finance Expenses	2.803.295
Net monetary gain	7.852.397

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NOTE 29 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	31 December 2024	31 December 2023
Corporation and income taxes	17.170	22.622
Prepaid taxes (-)	(32.763)	(20.037)
Current income tax liabilities - net	(15.593)	2.585
Deferred tax liabilities	(4.023.265)	(1.837.582)
Deferred tax liabilities - net	(4.023.265)	(1.837.582)

Pursuant to paragraph 1 of Article 6 of the Corporate Tax Law No. 5520, corporate tax is calculated on the net corporate income of the taxpayers for an accounting period.

Pursuant to paragraph 2 of the same article, by taking into account the provisions of Income Tax Law No. 193 on commercial income, pure corporate income is calculated by adding legally unacceptable expenses to the commercial income and deducting the exempt earnings and discounts from the commercial income.

With the amendment made to Article 32 of the Corporate Tax Law No. 5520 with Article 21 of the Law No. 7456, corporate taxpayers other than banks, companies within the scope of the Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies are subject to corporate tax at the rate of 25% on their net corporate earnings in 2023 and the following taxation periods.

With the amendment made to Article 32 of the Corporate Tax Law No. 5520 with Article 21 of the Law No. 7456, corporate taxpayers other than banks, companies within the scope of the Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies are subject to corporate tax at the rate of 25% on their net corporate earnings in 2024 and the following taxation periods.

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NOTE 29 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont’d)

In addition to the corporate tax levied on corporate income, withholding income/corporate tax burden may arise if all or part of the profits of corporations are subject to profit distribution.By full taxpayer corporations;

- Full taxpayer real persons,
- For non-income and corporate taxpayers,
- For those exempt from income tax,
- Limited taxpayer real persons,
- Limited taxpayers exempt from income tax,
- Institutions exempt from corporate tax,
- To limited taxpayers corporations or limited taxpayers exempt from corporate tax, except for those who obtain dividends through a place of business or permanent representative in Turkey.

In case of dividend distribution, 10% with holding income/corporate tax is payable. According to the Turkish tax legislation, capitalization of profit is not considered as dividend distribution.

Corporations are exempt from corporate tax on 75% of the gains arising from the sale of participation shares included in their assets for at least two full years and 25% of the gains arising from the sale of immovables included in their assets on July 15, 2023 for the same period.

In Türkiye, the Domestic Minimum Corporate Tax has entered into force with the laws published in the Official Gazette dated 2 August 2024. The regulation will be applied to corporate earnings for the taxation period of 2025. Within this scope, a regulation has been made stating that the corporate tax calculated cannot be less than 10% of the corporate earnings before deductions and exemptions. Since the application will start on the earnings of the corporations as of 1 January 2025, it will not have an impact on the current period tax expense in the financials dated 31 December 2024. On the other hand, the effects of the International Tax Reform - Second Pillar Model Rules on the financial position and performance of the Company have been evaluated and it has been determined that it does not have a significant impact.

Under Turkish tax legislation, tax losses carried forward can be carried forward to offset against future taxable income for up to 5 years. However, tax losses cannot be offset against retained earnings.

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NOTE 29 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont’d)

However, tax authorities may examine the accounting records within five years and the amount of tax payable may change if incorrect transactions are detected.

Earnings from the Company’s investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or completely until the investment contribution amount is reached.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Where it is probable that taxable income will be available, deferred tax assets are recognized in respect of deductible temporary differences.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Where it is probable that taxable income will be available, deferred tax assets are recognized in respect of deductible temporary differences, tax losses and tax advantages arising from investment incentives with indefinite useful lives that allow for the payment of reduced corporate income tax.

The tax results of Company’s subsidiaries in other countries are not material to consolidated financial statements.

As of 1 January - 31 December 2024 and 2023 tax benefit in the consolidated statement of income is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Current period tax expense	(21.083)	(464.990)
Deferred tax income / (loss)	(760.770)	(522.372)
Total tax expense	(781.853)	(987.362)

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NOTE 29 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont’d)

Reconciliation between the current period tax expense and deferred tax benefit as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
(Loss) / profit before tax	(10.065.312)	4.353.062
Local tax rate	25%	25%
Tax income calculated using local tax rate	2.516.328	(1.088.266)
Non-deductible expenses	(315.785)	(495.127)
Loss from equity accounted investment	(878.927)	(86.767)
Adjustments with no tax effects	(184.449)	(1.258.058)
Deduction and exemptions	592.319	1.296.988
Tax incentives	1.067.181	2.327.181
Deferred tax asset calculated on tax loss	174.853	-
Financial losses on which no tax is calculated ⁽¹⁾	(1.914.833)	-
Deferred tax effect of change in legal tax rate	-	310.154
Other	424.107	190.135
Monetary gain / loss	(2.262.647)	(2.183.602)
Total tax benefit	(781.853)	(987.362)

⁽¹⁾ A net loss was incurred in the financials for the accounting period of January 1 - December 31, 2024, prepared in accordance with the Group Tax Procedure Law, and no tax was calculated on the current year losses.

Due to modernization, plant extension and investments incentive documents in Manisa Organized Industrial Zone, the Group is subject to reduced rate due to incentives.

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Communiqué II, No. 14.1 and their statutory financial statements. These temporary differences usually result from the recognition of revenue and expenses in different reporting periods for the Communiqué and tax purposes.

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Communiqué II, No. 14.1 and their statutory financial statements. These temporary differences usually result from the recognition of revenue and expenses in different reporting periods for the Communiqué and tax purposes.

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NOTE 29 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont’d)

Deferred tax assets and liabilities (Cont’d)

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided using principal tax rate as of the balance sheet dates is as follows:

	Cumulative temporary differences		Deferred tax	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Deferred tax assets / (liabilities)				
Employment termination benefits	(2.189.507)	(2.282.417)	547.377	570.604
Investment incentive	-	-	1.201.998	1.070.975
Warranty provision	(2.299.657)	(2.222.612)	574.914	555.653
Provision for doubtful receivables	(504.071)	(182.386)	126.018	45.596
Net difference between book values and tax bases of property, plant and equipment and intangible asset	38.776.155	25.959.977	(8.078.974)	(4.933.193)
Net difference between book values and tax bases of inventories	2.342.532	2.587.955	(585.633)	(646.989)
Provision for derivative instruments	338.147	(634.190)	(84.537)	158.548
Deferred tax calculated on financial loss	-	-	174.853	-
R&D incentives	-	-	1.480.735	1.261.538
Other	(2.479.936)	(318.736)	619.984	79.686
Deferred tax assets / (liabilities) - net			(4.023.265)	(1.837.582)

The Group’s earnings from investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or fully until the investment contribution amount is reached.

Furthermore, financial statements consist of the deferred tax effect of the temporary differences accounted by the adjustments made regarding inflation accounting together with the notification of the Corporate Tax Law dated 30 December 2023 and numbered 32415.

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NOTE 29 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont’d)

Deferred tax assets and liabilities (Cont’d)

As of 31 December 2024, the tax advantage amounting to TL 1.201.998 that the Group will benefit from in the foreseeable future is reflected in the financial statements as deferred tax asset. In line with the precautionary principle of accounting and in line with the budget made by the Company, the tax advantage arising from the investment incentives that the Company expects to benefit from in the coming year has been recognized as deferred tax asset in the financial statements. However, the tax advantage amounting to TL 4.244.964 that the Company is entitled to use has not been recognized in deferred tax assets in accordance with the precautionary principle of accounting.

The Company assesses the recoverability of deferred tax assets related to investment incentives based on business models that include estimates of taxable profit. These business models include forward-looking management estimates such as sales volumes, selling prices and exchange rate expectations. As a result of the sensitivity analyses on the forward-looking use of investment incentives, it has been concluded that a 10% increase/decrease in the related estimates has no impact on the recoverability of the related deferred tax assets.

	31 December 2024	31 December 2023
Subsidiaries with net deferred tax liabilities	(4.023.265)	(1.837.582)

The movement of net deferred tax assets and liabilities is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance, 1 January	(1.837.582)	(23.563)
Tax expense recognized in income statement	(760.770)	(522.372)
Recognized in other comprehensive income	(1.098.363)	(1.676.327)
Currency translation differences	(326.550)	384.680
Deferred tax liabilities at the end of the period, net	(4.023.265)	(1.837.582)

The latest year of use of the deductible financial losses on which deferred tax assets are calculated as of December 31, 2024 is as follows:

	31 December 2024	31 December 2023
2029	699.412	-
	699.412	-

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NOTE 30 – EARNINGS PER SHARE

	1 January - 31 December 2024	1 January - 31 December 2023
Net income / (loss) attributable to equity holders of the parent	(11.020.692)	2.092.951
Weighted number of ordinary shares with a Kr 1 of par value (hundred shares)	33.545.600	33.545.600
Earnings per share	(0,3285)	0,0624

NOTE 31 – DERIVATIVE INSTRUMENTS

	31 December 2024		31 December 2023	
	Contract amount	Fair Value Assets / (Liabilities)	Contract amount	Fair Value Assets / (Liabilities)
Derivative financial instruments:				
Held for trading				
Forward foreign currency transactions	6.013.452	56.911	13.205.863	201.173
Cash flow hedge				
Forward foreign currency transactions	14.496.921	497.244	11.118.817	68.968
Derivative financial liabilities:				
Held for trading				
Forward foreign currency transactions	21.174.257	(212.391)	14.836.104	(232.808)
Cash flow hedge				
Forward foreign currency transactions	282.767	(3.617)	25.480.166	(671.523)
	41.967.397	338.147	64.640.950	(634.190)

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a) Capital risk management:

The Group manages its capital to ensure that it will maintain its status as a going concern while maximizing the return to stakeholders through optimization of the debt and equity balance.

The management considers the Group’s cost of capital and the risks associated with each class of capital. The management aims to balance its overall capital structure through the payment of dividends, share issues and proceeds from or repayments of debt.

As of 31 December 2024 and 31 December 2023 the Group’s net debt / total equity ratios are as follows:

	31 December 2024	31 December 2023
Total financial liabilities (Note 6)	61.586.167	42.475.976
Cash and cash equivalents (Note 5)	(2.720.009)	(3.313.003)
Net debt	58.866.158	39.162.973
Total shareholders equity	52.407.171	58.993.468
Total capital invested	111.273.329	98.156.441
Net debt/capital invested	53%	40%

b) Financial risk factors:

The Group’s activities expose it to a variety of financial risks including the foreign currency exchange rates risk, credit risk and liquidity risk. The Group’s overall risk management programme on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments in order to protect itself from various financial risks.

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont’d)

b) Financial risk factors (Cont’d):

b.1) Credit risk:

The Group is exposed to credit risk arising from receivables from credit finance sales and deposits with banks. Credit risk of receivables from third parties is managed by securing receivables with highest possible coverage. Methods used are:

- Bank guarantees (guarantee letters, etc.)
- Credit insurance
- Mortgages
- Cheque-notes

For customers receivables from which are not secured with collaterals, the credit quality of the customer is assessed by taking into account its financial position, past experience and other factors and individual risk limits are determined and monitored regularly.

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

31 December 2024	Receivables					
	Trade receivables			Other receivables		
	Related party	Other party	Related party	Other party	Bank deposits	Other
Maximum exposed credit risk as of 31 December 2024 (A+B+C+D)	1.146.977	19.063.939	44.903.824	1.528.129	2.457.965	262.066
- Secured portion of the maximum credit risk by guarantees, etc.	-	(15.228.827)	-	-	-	-
A.Net book value of financial assets either are not due or not impaired	1.146.977	13.514.455	44.903.824	1.528.129	2.457.965	262.066
- Secured portion by guarantees etc.	-	(11.481.659)	-	-	-	-
B. Financial assets with renegotiated conditions	-	-	-	-	-	-
C.Net book value of the overdue but not impaired financial assets	-	5.549.484	-	-	-	-
- Secured portion by guarantees etc.	-	(3.747.168)	-	-	-	-
D.Net book value of the impaired financial assets	-	-	-	-	-	-
-Over due (gross book value)	-	504.071	-	8.490	-	-
-Impairment (-)	-	(504.071)	-	(8.490)	-	-
-Secured portion of the net value by guarantees etc.	-	-	-	-	-	-

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

31 December 2023	Receivables					
	Trade receivables			Other receivables		
	Related party	Other party	Related party	Other party	Bank deposits	Other
Maximum exposed credit risk as of 31 December 2023 (A+B+C+D)	659.150	25.078.854	42.818.541	2.021.254	3.110.672	202.363
- Secured portion of the maximum credit risk by guarantees, etc.	-	(16.954.891)	-	-	-	-
A.Net book value of financial assets either are not due or not impaired	659.150	12.084.058	42.818.541	2.021.254	3.110.672	202.363
- Secured portion by guarantees etc.	-	(10.833.777)	-	-	-	-
B. Financial assets with renegotiated conditions	-	-	-	-	-	-
C.Net book value of the overdue but not impaired financial assets	-	12.994.796	-	-	-	-
- Secured portion by guarantees etc.	-	(6.121.114)	-	-	-	-
D.Net book value of the impaired financial assets	-	-	-	-	-	-
-Over due (gross book value)	-	254.738	-	12.271	-	-
-Impairment (-)	-	(254.738)	-	(12.271)	-	-
-Secured portion of the net value by guarantees etc.	-	-	-	-	-	-

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

Aging of trade receivable from other parties which are overdue but not impaired is as follows:

	31 December 2024	31 December 2023
Overdue 1 - 30 days	2.240.281	3.752.736
Overdue 1 - 3 months	2.096.265	2.756.107
Overdue 3 - 12 months	652.837	4.373.532
Overdue more than 1 year	300.931	2.112.421
Overdue more than 5 years	259.170	-
Total	5.549.484	12.994.796

The terms, including interest and maturity elements, of the Group's non-trade receivables from its related parties are reviewed according to market conditions and strategic plans, and necessary updates are made regularly.

b.2) Liquidity risk:

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.
The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Derivative financial liabilities are presented by undiscounted net inflows and outflows.

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

As of 31 December 2024, maturity analysis of the Group's financial liabilities is as follows:

Contractual maturities	Carrying value	Contractual cash flows	Up to 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities						
Financial and lease liabilities	61.586.167	65.788.846	12.918.109	32.963.790	18.745.757	1.161.190
Trade payables	43.742.008	44.045.131	39.270.003	4.307.918	384.725	82.485
Other payables and liabilities	218.496	218.496	218.496	-	-	-
	105.546.671	110.052.473	52.406.608	37.271.708	19.130.482	1.243.675
Derivative financial instruments						
Derivative cash inflows		41.967.397	34.189.639	7.777.758	-	-
Derivative cash outflows		(41.405.376)	(34.007.512)	(7.397.864)	-	-
	(338.147)	562.021	182.127	379.894	-	-

As of 31 December 2023, maturity analysis of the Group's financial liabilities is as follows:

Contractual maturities	Carrying value	Contractual cash flows	Up to 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities						
Financial and lease liabilities	42.475.976	48.965.875	13.998.216	28.719.802	4.023.627	2.224.230
Trade payables	60.846.914	60.982.033	51.098.503	9.098.705	619.773	165.052
Other payables and liabilities	20.453	20.453	20.453	-	-	-
	103.343.343	109.968.361	65.117.172	37.818.507	4.643.400	2.389.282
Derivative financial instruments						
Derivative cash inflows		64.640.950	41.251.381	23.389.569	-	-
Derivative cash outflows		(59.783.803)	(36.613.151)	(23.170.652)	-	-
	634.190	4.857.147	4.638.230	218.917	-	-

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont’d)

b.3) Foreign currency risk:

The Group is exposed to exchange rate risk due to its foreign currency denominated transactions. The main principle of foreign currency risk management is to maintain foreign exchange position at the level that minimizes the impact of foreign exchange fluctuations.

Derivative instruments are used in foreign currency risk management where necessary. In this respect the Group mainly prefers using foreign exchange forward contracts.

31 December 2024	USD (Thousand)	EUR (Thousand)	Other (TL Equivalent)	TL Equivalent
1. Trade receivables	138.209	248.494	1.356.827	15.361.607
2a. Monetary financial assets (including cash and cash equivalents)	16.274	18.480	5.725	1.258.762
2b. Non-monetary financial assets	-	-	-	-
3. Other	94.101	2.125	-	3.397.976
4. Current assets (1+2+3)	248.584	269.099	1.362.552	20.018.345
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	1.163.262	8.966	-	41.369.609
8. Non-current assets (5+6+7)	1.163.262	8.966	-	41.369.609
9. Total assets (4+8)	1.411.846	278.065	1.362.552	61.387.954
10. Trade payables	708.949	234.192	81.036	33.756.815
11. Financial liabilities	408.492	182.740	-	21.162.930
12a. Other monetary liabilities	2.490	1.282	-	135.187
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	1.119.931	418.214	81.036	55.054.932
14. Trade payables	-	3.340	-	122.920
15. Financial liabilities	482.124	5.570	-	17.245.084
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	482.124	8.910	-	17.368.004
18. Total liabilities (13+17)	1.602.055	427.124	81.036	72.422.936
19. Off-balance sheet derivative instruments	-	-	-	-
net asset / (liability) position (19a+19b) ⁽¹⁾	106.183	(171.959)	1.504.244	(1.137.773)
19a. Hedged total assets	695.839	335.927	10.281.454	47.171.544
19b. Hedged total liabilities	(589.656)	(507.886)	(8.777.210)	(48.309.317)
20. Net foreign currency asset/ (liability) position (9-18+19)	(84.026)	(321.018)	2.785.760	(12.172.755)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(190.209)	(149.059)	1.281.516	(11.034.982)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	338.147
23. Export	324.690	1.026.778	4.727.281	92.959.206
24. Import	1.275.441	165.953	64.106	51.250.506

⁽¹⁾ The net asset / (liability) positions of derivative instruments in foreign currency are included outside the statement of financial position.

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont’d)

31 December 2023	USD (Thousand)	EUR (Thousand)	Other (TL Equivalent)	TL Equivalent (Historic Date)	TL Equivalent
1. Trade receivables	92.538	238.713	1.575.155	12.075.124	17.433.916
2a. Monetary financial assets (including cash and cash equivalents)	-	-	-	-	-
	27.790	8.261	2.081	1.089.263	1.572.664
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	68.685	893	-	2.051.052	2.961.284
4. Current assets (1+2+3)	189.013	247.867	1.577.236	15.215.439	21.967.864
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	18.643	3.115	-	650.277	938.862
7. Other	819.838	51	-	24.136.218	34.847.575
8. Non-current assets (5+6+7)	838.481	3.166	-	24.786.495	35.786.438
9. Total assets (4+8)	1.027.494	251.033	1.577.236	40.001.934	57.754.301
10. Trade payables	857.466	187.826	154.204	31.571.227	45.582.150
11. Financial liabilities	345.908	118.528	599.569	14.668.741	21.178.548
12a. Other monetary liabilities	80	1.415	-	48.528	70.064
12b. Other non-monetary liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	1.203.454	307.769	753.773	46.288.497	66.830.763
14. Trade payables	-	5.460	-	178.174	257.246
15. Financial liabilities	15.690	16.633	-	1.005.474	1.451.691
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
17. Non-current liabilities (14+15+16)	15.690	22.093	-	1.183.648	1.708.936
18. Total liabilities (13+17)	1.219.144	329.862	753.773	47.472.145	68.539.701
19. Off-balance sheet derivative instruments	-	-	-	-	-
net asset / (liability) position (19a+19b)	649.071	(476.750)	108.175	3.692.531	5.331.231
19a. Hedged total assets	1.068.802	227.544	5.896.185	44.841.898	64.742.181
19b. Hedged total liabilities	(419.731)	(704.294)	(5.788.010)	(41.149.367)	(59.410.951)
20. Net foreign currency asset/ (liability) position (9-18+19)	457.421	(555.579)	931.638	(3.777.680)	(5.454.168)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(210.293)	(81.943)	823.463	(8.120.488)	(11.724.260)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(439.254)	(634.190)
23. Export	541.555	1.533.534	9.851.005	76.246.912	110.084.355
24. Import	1.404.462	207.252	542.079	39.158.737	56.536.903

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont’d)

As of 31 December 2024 and 31 December 2023 sensitivity analysis of foreign exchange rates is presented in below tables. Secured portions include impact of off-balance sheet derivative instruments.

	Gain / Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
31 December 2024				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(681.235)	681.235	(681.235)	681.235
Secured portion from USD risk (-)	(762.113)	762.113	(232.619)	232.619
USD net effect	(1.443.348)	1.443.348	(913.854)	913.854
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(550.413)	550.413	(550.413)	550.413
Secured portion from EUR risk (-)	388.433	(388.433)	(274.786)	274.786
EUR net effect	(161.980)	161.980	(825.199)	825.199
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	128.152	(128.152)	128.152	(128.152)
Secured portion from other currency risk (-)	216.277	(216.277)	364.474	(364.474)
Other currency net effect	344.429	(344.429)	492.626	(492.626)

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont’d)

	Gain / Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
31 December 2023				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(823.905)	823.905	(823.905)	823.905
Secured portion from USD risk (-)	7.512	(7.512)	1.071.085	(1.071.085)
USD net effect	(816.393)	816.393	247.180	(247.180)
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(373.525)	373.525	(373.525)	373.525
Secured portion from EUR risk (-)	229.008	(229.008)	(1.442.142)	1.442.142
EUR net effect	(144.517)	144.517	(1.815.667)	1.815.667
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	118.890	(118.890)	118.890	(118.890)
Secured portion from other currency risk (-)	288.566	(288.566)	879.222	(879.222)
Other currency net effect	407.456	(407.456)	998.112	(998.112)

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NOTE 32 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont’d)

b.4) Interest rate risk:

The Group is exposed to interest rate risk as the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate hedge contracts and forward interest rate contracts.
Analysis of financial instruments of the Group which are sensitive to interest rate changes is as follows:

	31 December 2024	31 December 2023
Financial instruments with fixed interest rates		
Bank deposits	268.330	131.815
Financial liabilities	43.747.527	27.458.794
Financial instruments with floating interest rates		
Financial liabilities	17.838.640	15.017.182

On 31 December 2024, if interest rates of all currency denominated financial assets and liabilities with variable interest rates has increased / decreased by 100 base point with all other variables held constant, income before taxes would have been TL 178.386 (2023: TL 166.167) lower / higher as a result of interest expenses.

NOTE 33 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)

Categories of financial instruments and fair values

Among Group’s financial assets, cash and cash equivalents (note 5), trade receivables (notes 7 and 8) and other receivables (notes 9), are classified as amortized cost, as fair value through other comprehensive income, derivative instruments (note 31) as fair value through profit or loss.

Group’s financial liabilities consist of financial liabilities (note 6), trade payables (note 7 and 8) and other payables (note 9) and are measured at amortized cost using the effective interest method, derivative instruments (note 31) are classified as fair value through profit or loss.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

Notes to the Consolidated Financial Statements
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NOTE 33 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont’d)

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgement is necessarily required interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange. Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

Monetary assets

The book value of foreign currency denominated balances which are translated to TL using exchange rates prevailing on the date of the balance sheet approximate their fair values. For financial assets measured at cost including cash and cash equivalents, the carrying amounts are the same with fair values due to their short term nature. Carrying amounts of trade receivables net of impairments approximate their fair values.

Monetary liabilities

The fair values of short term financial liabilities and other financial liabilities are estimated to be their fair values since they are short term. Fair value is calculated by discounting the cash out flows regarding due dates of financial liabilities considering the changing country risk premium and changes in the market interest rates.

Fair value hierarchy

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contains observable market inputs

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NOTE 33 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)

Fair value hierarchy tables as of 31 December 2024 and 31 December 2023 are as follows:

31 December 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	554.155	-	554.155
Financial investments	43.400	-	-	43.400
Financial liabilities				
Derivative financial liabilities	-	(216.008)	-	(216.008)
31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	270.141	-	270.141
Financial investments	60.062	-	-	60.062
Financial liabilities				
Derivative financial liabilities	-	(904.332)	-	(904.332)

An independent valuation of the Group’s land, land improvements and buildings were performed by valuers to determine the fair value of the land and buildings as at 31 December 2024. The fair value of land, land improvements and buildings were determined using the inputs other than quoted prices (Level 2), (Note 2.6.i).

NOTE 34 - SUBSEQUENT EVENTS

It has been resolved that the entire 120.000 shares, each with a nominal value of 1 Euro, of Gruppo Industriale Vesit S.p.A., a company incorporated and registered in Milan under Italian law, and a subsidiary of Vestel Holland B.V., which is based in the Netherlands, shall be acquired for a total amount of 120.000 Euros, to be paid in full in cash. A share transfer agreement will be executed for this purpose, and the transfer of shares was completed on 9 January 2025.

INVESTOR INFORMATION

GENERAL INFORMATION

Reporting Period: 01.01.2024 - 31.12.2024
Trade Name: Vestel Elektronik Sanayi ve Ticaret AŞ
Trade Registration No: Istanbul Trade Registry Office, No: 193621
Registered Capital Ceiling: TL 2,000,000,000
Paid-in/Issued Capital: TL 335,456,275

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FINANCIAL DATA AND COMPANY ANNOUNCEMENTS

Consolidated financial statements, auditor reports, annual reports and material event disclosures of Vestel Elektronik Sanayi ve Ticaret AŞ are available on the Company’s website at
<https://vestelinternational.com/tr/yatirimci-iliskileri>.

Additionally, requests for information can be submitted to the Investor Relations Directorate of the Vestel Group of Companies via phone and e-mail.

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VESTEL