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Second Party Opinion

Arçelik Sustainability-Linked Financing Framework

May 6, 2024

Editor's note: This SPO report is based on S&P Global Ratings' "[Analytical Approach: Second Party Opinions And Transaction Evaluations](#)" dated Dec. 7, 2022, which was partly superseded by S&P Global Ratings' "[Analytical Approach: Second Party Opinions: Use of Proceeds](#)," dated Jul. 27, 2023, following the launch of our integrated use-of-proceeds SPOs.

Arçelik Anonim Sirketi is a multinational household appliance manufacturer based in Türkiye. Together with its subsidiaries, it produces and markets durable goods, components, consumer electronics, and after-sale services in Türkiye and internationally. As of April 2022, Arçelik's wholly owned subsidiary Beko B.V. and Whirlpool Corporation's wholly owned subsidiary Whirlpool EMEA Holdings LLC have successfully completed a contribution agreement leading to the establishment of Beko Europe. As a result of this acquisition, Arçelik will have operations across 57 markets with about 55,000 employees. The company's annual production capacity will also expand significantly as the total number of production facilities increases to 45 in 13 countries, from 31 in nine countries in 2023. Arçelik will have 22 brands, owned or used with a limited license, namely Arçelik, Beko, Whirlpool, Grundig, Hotpoint, Arctic, Ariston, Leisure, Indesit, Blomberg, Defy, Dawlance, Hitachi, Voltas Beko, Singer, ElektraBregenz, Flavel, Bauknecht, Privileg, Altus, Ignis, and Polar. With this agreement Arçelik has become the largest white goods company in Europe as measured by market share based on volumes. Established in 1955, Arçelik is 50.2% owned by Koç Group, which is the largest industrial conglomerate in Turkey, and 12.05% by Teknosan Büro Makina ve Levazımı Tic.ve San. A.Ş. The remaining shares belong to Arçelik (10.19%), Koc Holding Pension and Aid Fund Foundation (4.27%), Temel Ticaret ve Yatırım A.S.(2.75%), Vehbi Koc Foundation (0.12%), Burla Ticaret ve Yatırım A.S (5.56%), and are in free float (14.96%).- In 2023, the group's revenue was Turkish lira (TRY) 257 billion (about \$7.9 billion) and its S&P Global Rating-adjusted EBITDA was TRY 20 billion.

In our view, Arçelik's Sustainability-Linked Financing Framework, published on May 6, 2024 is aligned with:

- ✓ Sustainability-Linked Bond Principles, ICMA, 2023
- ✓ Sustainability-Linked Loan Principles, LMA/LSTA/APLMA, 2023

Issuer's Sustainability Objectives

Arçelik's sustainability strategy focuses on responsible production and consumption in line with circular economy practices and climate change mitigation. It is reducing its environmental footprint via technology innovations and operational efficiency gains. In 2024 it revised its climate targets to align with the Paris Agreement goal of maintaining the global temperature increase to

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1.5°C by century end (1.5°C scenario). It aims to reduce scopes 1, 2, and 3 greenhouse gas emissions from the use-phase of sold products by 42% by 2030 (2022 baseline). The Science-Based Targets initiative (SBTi) is validating this target for alignment with the Net Zero Standard.

Arçelik is also committed to promoting gender equality in its operations. As such, the company has set a target to increase the percentage of women in its workforce to 35% by 2030. It plans to implement specific practices aimed at attracting more women such as ensuring job postings use neutral language and enhancing the visibility of female employees as role models.

Arçelik has developed its sustainability-linked financing framework to align its value proposition with its funding strategy and, in this way, achieve its sustainability ambitions.

Selected Key Performance Indicators (KPIs) And Sustainability Performance Targets (SPTs)

The analysis of Arçelik's Sustainability-Linked Financing Framework was carried out before Beko B.V. and Whirlpool EMEA Holdings LLC successfully completed the contribution agreement. Hence Beko Europe is out of scope for this SPO, and for the Framework's KPI's and SPTs. We understand that Arçelik will update its framework and targets to include Beko Europe, in line with the framework's recalculation policy.

KPI	SPT	Baseline	2023 performance
Absolute scope 1 and 2 GHG emissions calculated as tCO ₂ eq	Reduce scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 baseline year	175,448 tonnes CO ₂ e (2022)	147,485 tonnes CO ₂ e
Absolute scope 3 GHG emissions from use of sold products calculated as tCO ₂ eq	Reduce scope 3 GHG emissions from use of sold products by 42% by 2030	23,259,032 tonnes CO ₂ e (2022)	23,032,519 tonnes CO ₂ e
Percentage of women in the total workforce	Increase the percentage of women in the total workforce to 35% by 2030	NA	27.5%

Second Party Opinion Summary

Selection of key performance indicators (KPIs)

Alignment  Arçelik's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

KPI 1	Absolute scope 1 and 2 GHG emissions calculated as tCO2eq	Not aligned	Aligned	Strong	Advanced
KPI 2	Absolute scope 3 GHG emissions from use of sold products calculated as tCO2eq	Not aligned	Aligned	Strong	Advanced
KPI 3	Percentage of women in the total workforce	Not aligned	Aligned	Strong	Advanced

Calibration of sustainability performance targets (SPTs)

Alignment  Arçelik's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

SPT 1	Reduce scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 baseline year	Not aligned	Aligned	Strong	Advanced
SPT 2	Reduce scope 3 GHG emissions from use of sold products by 42% by 2030 from a 2022 baseline year	Not aligned	Aligned	Strong	Advanced
SPT 3	Increase the percentage of women in the total workforce to 35% by 2030	Not aligned	Aligned	Strong	Advanced

Arçelik has set annual interim targets for all SPTs.

Instrument characteristics

Alignment  Arçelik's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

Instruments issued under the framework will be subject to various potential changes in the financial characteristics triggered by a failure to achieve the stated SPTs. Such variations may include coupon step-up(s), coupon step-down(s), and/or a higher repayment amount, and/or structural (non-financial) characteristics. The ultimate characteristics will be specified in the relevant transaction documentations of each specific instrument. The framework includes a fallback mechanism by which the financial characteristics will be affected if the issuer fails to comply with reporting and verification obligations.

Reporting

Alignment  Arçelik's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

Score	Not aligned	Aligned	Strong	Advanced
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Arçelik commits to annually disclose the performance of the SPTs for all KPIs set out in the framework within its sustainability report, or in any equivalent publication made available through its website. Additionally, it commits to disclose up-to-date

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information on the performance of the targets, as well as an annual verification assurance report on the performance achieved. It will also provide any other relevant information enabling lenders or investors to monitor the ambition of the SPTs including any reassessment of the KPIs, and/or restatement of the SPTs, and/or pro forma adjustments to the scope or baseline.

Post-issuance review

Alignment  Arçelik's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

Arçelik commits to have an annual independent and external verification of its performance against all KPIs, and a verification assurance issued on the observation date(s) as to whether the relevant SPTs have been achieved. The issuer will integrate these in its sustainability report.

Framework Assessment

The analysis of Arçelik's Sustainability-Linked Financing Framework was carried out before Beko B.V. and Whirlpool EMEA Holdings LLC successfully completed the contribution agreement. Hence Beko Europe is out of scope for this SPO, and for the Framework's KPI's and SPTs. We understand that Arçelik will update its framework and targets to include Beko Europe, in line with the framework's recalculation policy.

Selection of key performance indicators (KPIs)

The Principles make optional recommendations for stronger structuring practices, which inform our relevancy opinion as aligned, strong, or advanced. For each KPI, we consider how relevant the KPI is for sustainability by exploring the clarity and characteristics of the defined KPI; its significance for the issuer's sustainability disclosures; and how material it is to the issuer's industry and strategy.

 Arçelik's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

We view positively that Arçelik commits to include the three KPIs listed below in all future issuances under the framework.

KPI 1 Absolute scope 1 and 2 GHG emissions calculated as tCO₂eq

Not aligned

Aligned

Strong

Advanced

We consider the selected KPI to be aligned with the Principles given that the scope, objective, and calculation methodology are clearly articulated in the framework. The KPI, which covers all manufacturing plants worldwide including joint ventures, aims to track a relative reduction in absolute scope 1 and 2 emissions from the company's operations. It is directly linked to Arçelik's sustainability strategy and contributes to the global effort to address climate change, which we consider material for the consumer goods sector. While we view scope 1 and 2 emissions as less material than scope 3 emissions for both the company and the sector, we have assessed the KPI as strong because the issuer commits to combine KPIs 1 and 2 for all financing instruments issued under the framework.

We view positively that the selected KPI is directly linked to the issuer's sustainability strategy and the group's overarching goal of reducing emissions in line with the 2015 U.N. Paris Agreement. It is one of the most frequently used KPIs in the market, allowing for external benchmarking. That it is expressed in absolute terms is a strength, in our view, considering a reduction in emissions intensity could still be accompanied by an overall increase in total emissions. Furthermore, the KPI has been calculated in line with Intergovernmental Panel on Climate Change (IPCC) guidelines, the GHG Protocol, and the ISO 14064-1 Greenhouse Gases Standards, the most widely used international standards.

Arçelik calculates its indirect scope 2 emissions—which stem from the generation of purchased electricity and steam consumption—using a location-based approach, by measuring emissions in each country where it has production plants. The location-based method to calculate emissions closely tracks reductions at the company and global levels, making it more useful than a market-based approach, in our view. A market-based approach might not necessarily indicate improvements in emissions because it allows companies to report emissions based on contracted agreements with energy suppliers for any procured renewable energy ([Source: Purchased Energy Emissions in Second Party Opinion and ESG Evaluations, S&P Global Ratings](#)). We also view positively that the company has a long record of disclosing and verifying its scope 1 and 2 emissions in its annual sustainability report.

Reducing scope 1 and 2 emissions is necessary if the company is to achieve its sustainability objectives; however, this KPI represents less than 1% of Arçelik's overall carbon footprint, with scope 3 emissions accounting for over 99%, in line with other industry players. As such, while we consider this KPI somewhat relevant for the company, we believe that tracking other KPIs could enhance Arçelik's GHG emissions reduction efforts. This said, we view positively that the

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framework also includes a KPI for scope 3 emissions from the use of sold products (KPI 2), and that both KPIs will be used together for any financing issued under the framework.

KPI 2	Absolute scope 3 GHG emissions from use of sold products calculated as tCO ₂ eq	Not aligned	Aligned	Strong	Advanced
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We assess the second KPI as strong given its clarity, rationale, objective, and scope. It is directly aligned with Arçelik's sustainability strategy and contributes to the global effort to combat climate change, which we view as one of the key issues the consumer goods sector faces.

The KPI's objective and applicable scope are clearly articulated in the framework. The aim is to reduce scope 3 GHG emissions from the use of sold products, including major domestic appliances, electronics, and cooling and ventilation systems sold by Arçelik's own brands. The KPI excludes small domestic appliances (except vacuum cleaners) because they do not have an energy label to track energy consumption. Also, the KPI does not include all scope 3 categories; Arçelik decided to target the main sources of its indirect emissions, considering their relevance to the company and its ability to reduce them via reduction strategies (including emissions related to other scope 3 categories could limit Arçelik's ability to ensure a positive performance against the KPI, for instance if changes in consumer or supplier behavior are required).

To calculate GHG emissions, Arçelik uses IPCC guidelines, the GHG Protocol, and the ISO 14064-1 Greenhouse Gases Standard, which all allow for external benchmarking. Arçelik has also been measuring, reporting, and verifying its scope 3 emissions since 2020, providing a solid track-record under the KPI. We view positively that the KPI is expressed as a sustainability outcome rather than a financial proxy.

While the consumer goods sector is not emissions intensive from a scope 1 and 2 perspective, it is indirectly responsible for significant scope 3 emissions across its value chain. Downstream emissions are particularly significant for household appliance producers like Arçelik, mostly resulting from the use of energy during the consumption phase. According to the European commission, in 2021 households represented 27% of the final energy consumption in the EU. About 40% of household energy consumption comes from the use of electronic appliances for heating and cooling, among others. As such, we view combating climate change as one of the main issues the consumer goods sector faces, particularly white goods companies.

As part of its sustainability strategy, Arçelik has pledged to become a net-zero emissions company by 2050. This implies a reduction in its absolute emissions (scopes 1, 2, and 3) by 90% in that timeframe. While scope 3 emissions represent over 99% of Arçelik's total carbon footprint, close to 85% of these arise from the use of sold products alone. As such, we believe this KPI is highly relevant for the company and its strategy.

KPI 3	Percentage of women in the total workforce	Not aligned	Aligned	Strong	Advanced
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We assess this KPI as aligned with the Principles because the objective, scope, and calculation methodology are clearly articulated in the framework. The KPI has a direct link with the issuer's sustainability strategy and contributes to improving gender equality, which we view as a relevant issue for the consumer goods sector, particularly in some of Arçelik's regions of operation.

The company considers the percentage of women in its total global workforce for 100% of its operations, which makes the KPI comparable to industry peers and sector trends. The KPI also follows the guidance in the joint report by the International Finance Corporation, International Capital Market Association, and UN Women, "Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality", which we view as a strength. We also view positively that the company has a long record of disclosing and verifying the metric in its annual sustainability report.

On the other hand, the KPI lacks transparency as to how the representation of women will be reflected across different hierarchical levels (such as administrative, executive, and junior and senior management positions) and work scopes (such as operations and revenue-generating

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functions). We view these as important considerations for gender diversity within corporations, and hence regard it as a limitation of the KPI.

ICMA's 2022 KPI registry does not consider gender diversity to be among the most material factors for the consumer goods sector. However, gender inequality persists in the Turkish workforce despite recent advancements. Women face challenges such as limited access to employment opportunities, wage disparities, and cultural biases. Increasing the representation of women in sectors like white goods companies not only addresses these disparities, but also contributes to regional economic growth by utilizing the untapped potential of half the population. Additionally, promoting gender diversity aligns with global trends toward more inclusive and equitable workplaces. As such, we consider the KPI to be relevant for both the sector and the regions where Arçelik has operations. Furthermore, it is a highly material topic under the company's latest double materiality assessment, which means that this topic is material from both a financial and nonfinancial perspective for the issuer.

Calibration of sustainability performance targets (SPTs)

The Principles make optional recommendations for stronger structuring practices, which inform our ambition opinion as aligned, strong, or advanced. We consider the level of ambition for each target by assessing its clarity and characteristics, how the issuer defines the target with reference either to its past performance, or to external or competitor benchmarks, and how it explains what factors could influence future performance.

✓ Arçelik's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

SPT 1	Reduce scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 baseline year.	Not aligned	Aligned	Strong	Advanced
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We consider the ambition, clarity, and characteristics of SPT 1 to be aligned with the requirements of the Principles. The framework outlines the strategy to reach the target as well as the relevant observation dates and trigger events. Specifically, it aims for a 42% reduction of absolute scopes 1 and 2 GHG emissions by 2030 (about a 6.6% reduction annually). The framework lays out annual SPTs until the final target observation date in 2030 and provides historical performance data as of 2021, in line with the Principles' three-year requirement.

We view positively that the issuer conducted a benchmarking exercise against sector peers, to ensure the ambitiousness of the target. While the issuer has set a smaller scope 1 and 2 reduction target than its relevant peers, its chosen baseline, 2022, is more recent, and therefore is a more demanding starting point, in our view, as it hides previous progress.

Achieving the target by 2030 will hinge on greater GHG emissions reduction than the company has achieved in the past. In our view, this showcases both the target's ambition and the effort needed to achieve it by the target observation date. Notable, the KPIs' scope increased in 2022 with the inclusion of scope 1 and 2 GHG emissions derived from joint ventures, which we view as a strength of the framework. However, it somewhat limits our ability to compare the historical performance against the expected trajectory, which we view as a framework limitation. We also note the risk that 2023 data could change as it has not yet been subject to external verification.

In 2024, Arçelik revised its scope 1 and 2 emissions reduction target to align it with the SBTi's Net Zero Standard. We view positively that it is now more ambitious, and committed to aligning with the 1.5°C scenario. The target is to reach net zero by 2050. SBTi validation of the revised target is expected by end-2024. According to the SBTi, only 14 other companies from the consumer durables, household, and personal products sector have validated net-zero targets. Of these only one is directly comparable to Arçelik.

The framework provides information on the strategy to reach the target, which includes among other measures the implementation of energy efficiency projects, increasing the use of renewable energy in manufacturing plants, and aiming for 100% renewable electricity with installed renewable energy systems for consumption, energy attribute certificates and power purchase agreements in its manufacturing plants globally. We view positively that the framework

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identifies the key risks beyond its control which may impact the issuer's ability to meet the target.

Baseline	Reduce Scope 1 and 2 GHG emissions from use of sold products by 42% by 2030 (tCO2e)							
2022	2023	2024	2025	2026	2027	2028	2029	2030
175,448	147,485	157,026	147,815	138,604	129,393	120,182	110,971	101,760
	Equivalent to 15.9% reduction	Equivalent to 10.5% reduction	Equivalent to 17.75% reduction	Equivalent to 21% reduction	Equivalent to 26.25% reduction	Equivalent to 31.5% reduction	Equivalent to 36.75% reduction	Equivalent to 42% reduction

SPT 2 Reduce scope 3 GHG emissions from use of sold products by 42% by 2030 from a 2022 baseline year

Not aligned

Aligned

Strong

Advanced

We assess the ambition, clarity, and characteristics of SPT 2 as strong. Furthermore, the framework outlines the strategy to reach the target, including external factors beyond Arçelik's control that could affect its ability to meet its objectives. The framework also provides relevant information on past and expected future GHG emissions reduction.

Arçelik's target is to reduce scope 3 emissions from the use of sold products by 42% by 2030 from a 2022 base year. This will require an average annual rate of reduction of 5.3%. The framework lays out annual SPTs until the final target observation date in 2030 and provides historical performance data as of 2021, in line with the Principles' three-year requirement.

While in-scope emissions increased by about 2% between 2021 and 2022, we understand that this relates to an increase in product groups covered by the calculation, including joint-venture data (Hitachi and Voltbek) that the issuer did not collect until 2022. However, in-scope emissions decreased slightly in 2023, showing some progress toward the target. Like for SPT 1, we note that the 2023 data could change because it has not yet been subject to external verification.

We view positively that Arçelik has set the SPT as part of its recently revised climate strategy to become net zero by 2050. Its emission reduction targets are now more ambitious, to align with the 1.5°C scenario, which we view as a strength of the framework. The newly revised targets are pending SBTi validation, but we expect it to attain this by year-end, as the targets have been determined using SBTi's net zero standard criteria and calculation tool.

To demonstrate the SPT's ambition, Arçelik has provided a benchmarking exercise against relevant peers in the sector. It shows that, while reducing emissions from the use of sold products is a general concern for market players, Arçelik's ambition is above average, which we view as a strength of the framework.

Finally, the framework outlines the strategy to reach the SPT. It includes increasing R&D for efficient and affordable products; increasing the penetration of such products globally (including countries without energy regulation) such as solar-powered refrigerators in South Africa, Pakistan, India, and Bangladesh; and accelerating the phase out of high GWP refrigerants. It wants to transition to low GWP refrigerants in all its products. Also, we view positively that the framework identifies external factors beyond the issuer's control that may affect the SPT, such as the difficulty of passing on price increases to customers as the manufacture of products becomes more expensive.

Baseline	Reduce Scope 3 GHG emissions from use of sold products by 42% by 2030 (tCO2e)							
2022	2023	2024	2025	2026	2027	2028	2029	2030
23,259,032	23,032,519	20,816,834	19,595,734	18,374,635	17,153,536	15,932,437	14,711,338	13,490,239
	Equivalent to 1% reduction	Equivalent to 10.5% reduction	Equivalent to 17.75% reduction	Equivalent to 21% reduction	Equivalent to 26.25% reduction	Equivalent to 31.5% reduction	Equivalent to 36.75% reduction	Equivalent to 42% reduction

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SPT 3 Increase the percentage of women in the total workforce to 35% by 2030

Not aligned

Aligned

Strong

Advanced

We assess the ambition, clarity, and characteristics of the SPT selected for female representation within the company's total workforce as aligned with the Principles. The framework also includes information on the company's past performance regarding gender balance, and outlines its strategy for achieving the target.

The SPT is benchmarked against Arçelik's performance since 2021, which is in line with the Principles' three-year requirement. We note that there is no base year for this target. The issuer says that this is to ensure that the target is not affected by structural changes such as acquisition, divestitures, or mergers. The progress of the targeted improvement will be based on the number of employees in each target year. We also note the risk that 2023 data could change because it has not yet been subject to external verification.

To reach its targets, Arçelik will ensure that for each job position at least 50% of candidates are female. This will mean that two or more women are short-listed, fostering a balanced and equitable selection process. The company also plans to integrate relevant KPIs into the hiring process to assess progress on gender diversity, and to implement practices aimed at attracting more women, ensuring job postings are inclusive and use gender-neutral language, among others. We view Arçelik's strategy as robust. After 2023, the ratio is expected to increase at an average annualized rate of 1%, above the average annualized increase of 0.75% for 2021-2023. We view the targets as more ambitious than those achieved previously, in line with the Principles' requirements.

We view positively that the framework identifies external factors beyond the issuer's control that could affect the SPT, such as hiring freezes during economic downturns, an insufficient talent pool, and retention challenges as well as M&A procedures.

Increase the percentage of women in the total workforce to 35% by 2030

2023	2024	2025	2026	2027	2028	2029	2030
27.5%	29%	30%	31%	32%	33%	34%	35%

Instrument characteristics

The Principles require disclosure of the type of financial and/or structural impact involving trigger event(s), as well as the potential variation of the instrument's financial and/or structural characteristics.

 Arçelik's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

Instruments issued under the framework will be subject to potential changes in the financial characteristics triggered by a failure to achieve the stated SPTs by the target observation dates. Such variations can include coupon step-up(s), coupon step-down(s), and/or a higher repayment amount, and/or structural (non-financial) characteristics. The ultimate characteristics will be specified in the relevant transaction documentations for each specific instrument. The framework also includes a fallback mechanism by which the financial characteristics of the instrument will change should the issuer fail to comply with the annual reporting and verification obligations stated in the framework.

The issuer also commits to disclose annual targets in the terms and conditions of the loans, based on the expected SPT trajectories linked to any loan instrument issued under the framework, in line with the requirements of the Sustainability-Linked Loan Principles.

Reporting

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The Principles make optional recommendations for stronger disclosure practices, which inform our disclosure opinion as aligned, strong, or advanced. We consider plans for updates on the sustainability performance of the issuer for general purpose funding, or the sustainability performance of the financed projects over the lifetime of any dedicated funding, including any commitments to post-issuance reporting.

✓ Arçelik's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

Disclosure score

Not aligned

Aligned

Strong

Advanced

We consider Arçelik's overall reporting practices to be strong.

Arçelik commits to annually disclose the performance of the SPTs for all KPIs set out in the framework within its sustainability report, or in any equivalent publication made available through its website.

The issuer also commits to disclose annual targets in the terms and conditions of the loans, based on the expected SPT trajectories linked to any loan instrument issued under the framework, in line with the requirements of the Sustainability-Linked Loan Principles.

Additionally, it commits to disclose up-to-date information on the performance of the targets for all KPIs included in the framework, as well as an annual verification assurance report on the performance achieved. It will also provide any other relevant information enabling lenders or investors to monitor the ambition and progress of the SPTs including relevant updates to its sustainability strategy, among others. Finally, the issuer commits to disclose any reassessment of the KPIs, and/or restatement of the SPTs, and/or pro forma adjustments to the scope or baseline, which we view positively.

Post-issuance review

The Principles require post-issuance review commitments including the type of post-issuance third-party verification, periodicity, and how this will be made available to key stakeholders. Our opinion describes whether the documentation is aligned or not aligned with these requirements. Please note, our second party opinion is not itself a post-issuance review.

✓ Arçelik's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

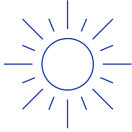



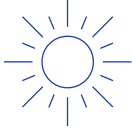
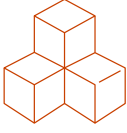




Arçelik commits to have the performance against all SPTs verified annually through the verification of the annual sustainability report. The issuer commits to make the assurance statement readily available to investors on its website.

In this regard, an external independent auditor will verify the group's annual report annually, including the performance against the SPTs for each KPI in the framework.

Mapping To The U.N.'s Sustainable Development Goals

The Sustainable Development Goals (SDGs), which the United Nations (U.N.) set up in 2015, form an agenda for achieving sustainable development by 2030.

Arçelik's Sustainability-Linked Financing Framework intends to contribute to the following SDGs:

KPI	SDGs			
Absolute scope 1 and 2 GHG emissions calculated as tCO ₂ eq				
	7. Affordable and clean energy*	9. Industry, innovation and infrastructure*	12. Responsible consumption and production*	13. Climate action
Absolute scope 3 GHG emissions from use of sold products calculated as tCO ₂ eq				
	7. Affordable and clean energy*	9. Industry, innovation and infrastructure*	12. Responsible consumption and production*	13. Climate action*
Percentage of women in the total workforce				
	5. Gender equality*	8. Decent work and economic growth*		

*The KPI is likely to contribute to the SDGs.

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