

## Environmental Policies

Koç Group is committed to compliance with all national and international regulations and environmental standards in all business activities, and is continuously improving its standards by monitoring and accelerating its progress in meeting its environmental commitment. Koç Group aims to enhance its environmental performance by seeking cooperative solutions to local and global environmental issues by sharing its experience with the industry, and strives to be Turkey's leading industrial group vis-à-vis its approach to environmental, health and safety standards. These commitments are also in line with the environmental principles of the UN Global Compact, which Koç Group signed in 2006. Koç Group invests in technologies that are sensitive to the environment and seeks to develop products for the future while also supporting the public's efforts to safeguard the environment.

Sustainability and environmental awareness are essential to the way Koç Group does business and the Group companies continuously focus on developing innovative products that are environment-friendly and help conserve energy.

All Group companies operate to the standards of "Environment Policies and Vision". Koç Group established the Environmental Coordination Board and Energy Efficiency Task Force with the objective to spread the use of best practices within the Group and to develop joint long term plans among Group companies.

Koç Group "Environment Policies and Vision" is available on [www.koc.com.tr](http://www.koc.com.tr) and further details on our environmentally-friendly practices can be found in our Corporate Social Responsibility Report. Every two years, Audit Group and Environment Board jointly organize an environment audit in Group Companies to increase awareness of environmental issues and detect potential risks. Areas for improvement as detected during these audits are then assigned by the CEO to the companies' executive management as performance targets. On the Group basis, environmental parameters are monitored with indicators vis-à-vis sustainability criteria.

## Making a Difference with Our Commitment to the Environment

Koç Group is fully committed to protecting national and natural resources, to use these resources as efficiently as possible, to reduce waste at the source or to recycle the waste.

### Climate Change Policies

Koç Group views "Low Carbon Economy" as a means to create new and important business and employment opportunities rather than considering climate change activities as a costly burden.

Koç Group developed its greenhouse gas emission calculation method in compliance with international norms, established a common data entry system, calculated the greenhouse gas emissions for each Group company and confirmed the method with the Turkish Statistical Institute. A greenhouse gas strategic plan was drawn up for 2020 defining the Group companies' estimated greenhouse gas emission levels, reduction plans and related investment requirements. Koç Group Climate Change Strategy is provided below:

#### Products:

- Koç Group will promote environmental sensitivity in all the products it manufactures and will pursue transparency on the environmental impact of its products.
- Koç Group will work on developing innovative products and technologies that are compliant with low carbon economy in all its business lines.

#### Operations and Manufacturing Processes:

- Koç Group will measure the environmental impact of its operations and manufacturing processes, decrease greenhouse gas emissions and environmental impacts parallel to the sectoral benchmarks in an effort for continuous improvement and will be one of the leading industrial groups in Turkey in this endeavor.
- Koç Group will analyze and harmonize its manufacturing processes with the "best available technologies".
- Koç Group will work to increase the usage of renewable energy resources in its processes.

#### Suppliers and Customers:

- Koç Group will work to increase the environmental awareness of its suppliers, customers and the public.
- Koç Group aims to base its procurement systems on environmental purchase criteria.

#### Contribution to the Development of Environmental Policies:

- Koç Group will work actively with non-governmental organizations and state institutions, exchange information and support the establishment of national environment and climate change policies.
- Koç Group will support the process by active participation in international policy making platforms.

#### Innovation:

- Koç Group will work in cooperation with universities, related R&D institutions and centers to develop creative and innovative products, production technologies, operation and business models that are environmentally compliant and with less climate impact. Effort will be made to increase Turkey's knowledge of low carbon economy technologies.
- Koç Group will work to develop creative and innovative business areas and models that are compliant with the low carbon economy.

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