

Respects
THE GLOBE
Respected
GLOBALLY



Arçelik A.Ş.
Sustainability Report 2012

Respects
THE GLOBE
Respected
GLOBALLY

We are conscious of our responsibilities.
We strive to leave a better world behind for next generations.
Our corporate vision leads our way towards meeting
these responsibilities.

About the Report

We see sustainability reporting practice as an important instrument for becoming a transparent and accountable organization as we provide our stakeholders with an open and honest summary of the social and environmental impacts stemming from our activities, and commitments, practices, objectives and performance results regarding the management of our impacts.

The main content of Arçelik A.Ş. Sustainability Report 2012 is formed by the studies which were realized in compliance with the theme and stakeholder materiality techniques proposed by GRI Standards and with the participation of Arçelik A.Ş. Sustainability Working group whereby all functions of our organization is represented. As in the previous reporting practices, we have used GRI Reporting Standard principles in determining the scope of the report, content structure and quality and data calculation and disclosure techniques. We have realized this report in GRI B+ application level as the emission data is subjected to limited third party assurance by an independent international audit company (BSI). The content of this report discloses the annual performance in between January 1 2012 and December 31 2012.

In the disclosures we made in Arçelik A.Ş. Sustainability Report 2012, the performance data of Turkey operation was taken as basis with regards to its significant effect in sustainability performance in production, sales and employment volume, in accordance with the scope determining principles presented by GRI Standard. However, in certain cases, company's overall performance data was utilized; necessary remarks were made where these sorts of disclosures are present.

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Distinguished Stakeholders,

I am happy to share with you the fifth report of Arçelik A.Ş. on its successful performance built upon "sustainable development". We aim to present you our company's sustainability priorities and practices in this report organized under the headings of "management approach", "talent management", "combating climate change", "use of natural resources and waste management" and "sustainability in value chain".

In line with our vision of "Respects the Globe, Respected Globally", while we continue to expand our global presence each and every day, we also continued to improve our processes and practices being aware of our responsibilities in terms of sustainability. We maintained our growth; we achieved a consolidated turnover of TL 10.6 billion by increasing both our market share and price index in countries we operate, and we became one of the key and differentiating players in the world.

We take our strength from our global organization

Among the factors that make us one of the leading actors in global arena is our competent and qualified human resources. This is why we invest in our people's development and encourage their active participation into processes. With this understanding, we offered a total of 310,344 hours of training to our employees in 2012. In addition, we combined various communication projects towards increasing the satisfaction and motivation of our employees under one roof.

In order to offer a safer working environment and to increase the occupational health and safety consciousness, we offered 38,166 person*hours of occupational health and safety training within the reporting period. We achieved a 5% improvement in our accident frequency rates compared to the previous year with the aid of our strong occupational health and safety system, awareness of our employees and improvements in practice.

We maintain our sensitivity in combating climate change

We sustained our efforts in combating the climate change in 2012. In this context, we represented Turkey in Doha Climate Change Summit as the term Spokesman of the Turkish Climate Platform of "Corporate Leaders Group On Climate Change" established to lead in implementing national and international policies during transition to low carbon economy.

The title "Carbon Disclosure Leader in Turkey" awarded with the results of Carbon Disclosure Project 2012 Report on Turkey, considered as the most prestigious and widespread environmental initiative in the world where companies share strategies on greenhouse gas emissions and climate change with the international investors, is a good indicator of our commitment.

We continue to work on minimizing our environmental impact

We continue to work on reducing our products' environmental impact by developing products that consume less energy and water in order to minimize CO₂ emissions created during the usage.

In production, we achieved 6.8% energy savings and a reduction of 10,760 tons CO₂e GHG emissions with 134 energy efficiency projects. With water recovery and consumption reduction projects, we saved about 110,000 m³ of water. Since June 2012, Arçelik A.Ş. uses electricity generated from 100% renewable energy resources in its headquarters.

We received a verification certificate from an independent international audit company by calculating our greenhouse gas emissions for the last three years according to ISO Standard 14064-1. We also received ISO 50001 Energy Management Certificate for our operations in Turkey that is based on using the consumed energy efficiently.

We develop innovative and energy-efficient products continuously

By implementing innovative technologies with the help of our R&D studies, we continue to develop and produce, and even pioneer in eco-friendly, high-quality and innovative products that increase the quality of life of our customers and have high levels of energy and water efficiency. In 2012, as a result of our efforts for reducing the environmental impact of our products, we developed a washing machine 40% more energy efficient than A+++ energy class; a combi No-Frost refrigerator with the lowest energy consumption in the world with A+++ - 10% energy level; a dryer with A+++ energy level, and an oven with the lowest energy consumption in the world with A- 40% energy level.

In addition to these innovative products, Arçelik Cactus Dishwasher has represented Turkey in Rio+20 United Nations Sustainable Development Conference (Rio+20) by being included amongst the Best Country Applications that support "Sustainable Development" and "Green Economy" concepts.

Our sustainability targets lie across our R&D and innovation investments

With the aid of our technological competence and innovation ability based on a background of R&D know-how for more than 20 years and that allows effective analysis of consumers' needs and expectations, we are able to design and manufacture outstanding products suitable for different markets. Being aware of the fact that R&D and technological superiority have a critical significance in achieving our global targets, we continued our investments in this field during the reporting term.

We protect our R&D studies that support our competitiveness with patents. Turkey's unrivalled patent champion for years, our Company holds more than 1/3 of Turkey's international patent applications to World Intellectual Property Organization (WIPO).

Arçelik A.Ş. is the only Turkish company in WIPO's list of the "Top 500 Companies Filing Applications". Additionally, according to 2011 Annual Report of European Patent Office (EPO), half of the Turkish patent applications registered by EPO belong to Arçelik A.Ş. In 2012, we also had great achievements in the scope of intellectual rights management. In Intellectual Rights Management competition organized by Fraunhofer Institute, we won the second place as Arçelik A.Ş. Furthermore, Turkish Exporters Assembly crowned our efforts in this field with the "Most Innovative Company" award.

We manage our supply processes with a sustainability approach

We know that to be able to offer high-quality, affordable and eco-friendly products to our customers, we need to have supply chain applications responsible for managing the environmental, social and economic effects through product life cycle. This is why we only incorporate suppliers who have high work ethics and operate with high environment and quality standards to our supplier pool; we also implement various applications in order to improve their sustainability practices and boost their performances. With this understanding in mind, during the reporting period, we organized "Technology and Innovation Days" in order to develop joint projects starting from the design phase of the products. We provided competitive advantages to our suppliers with the projects initiated to support their infrastructure improvements. We organized an "Arçelik Supplier Day" with more than 500 participants from 32 different countries and 420 different firms and strengthened our communication with our suppliers. When Defy, South Africa's leading white goods brand joined us, we achieved a significant boost in our purchasing activity in this region. With "Defy Supplier Day", we had a chance to share our business model with our South African suppliers.

We value social development

In addition to economic added value we create in regions we operate, we also try to make a contribution to social and cultural development, organize social responsibility projects that support social development, and encourage all our employees, dealers, services and stakeholders to participate in these projects on a "voluntary" basis.

In this direction, we completed "Standing United for Education with Arçelik A.Ş. Program" started to increase the educational and developmental standards of 200,000 children and support their growth in becoming valuable members of society. Additionally, we are proud to sponsor basketball for years - a sport that has an important role in development of youngsters.



We continue to support Koç Holding's "Vocational Education: A crucial matter for the Nation" social responsibility project. In this context, we created a program called "Electrical Appliances Technical Training Program Arçelik Laboratories" in order to train a labor force who knows new technologies in this sector in Turkey.

We continue to support Koç Holding's "No Barriers for My Country" project targeting to improve the quality of life for disabled people every way we can.

We will keep working for our world and our common future

Like previous periods, prepared in line with international reporting standard Global Reporting Initiative (GRI) principles and external audit implementation, our report allows us to share company's performance on sustainability priorities and its relevant practices to our all stakeholders along the lines of our principle of transparency and accountability.

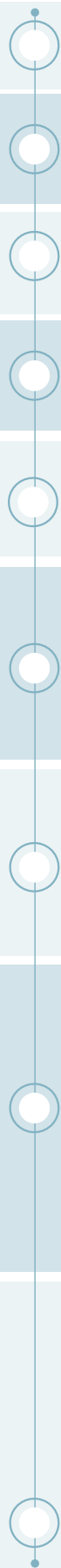
With the target of becoming a global organization, we will continue to work for our world and our common future conscious of our responsibilities.

I would like to thank all our employees, authorized dealers and services, suppliers and business partners who are the most significant factor in our successful performance and our ability to set ambitious targets for the future; our customers who inspire us in becoming innovative and our shareholders who continue to support us all the time.

Sincerely,

Levent Çakıroğlu
President, Koç Holding Durable Goods
CEO, Arçelik A.Ş.

Sustainability Journey

- 
- 2003
- We adopted the Corporate Governance Principles (CGP) declared by Capital Markets Board of Turkey.
- 2004
- We started to publish CGP Compliance Report both in Annual Reports and our website.
 - Packaging waste compliance was realized in Turkey before the regulations were published.
- 2005
- We signed the Code of Conduct issued by CECED (European Committee of Domestic Equipment Manufacturers).
 - We started university – industry cooperation studies with different universities.
- 2006
- We redefined HR policy and procedures according to UNGC.
 - We published Arçelik HR Policy, Code of Ethics and Business Conduct and shared it with all our employees.
- 2007
- Lean 6 Sigma implementations started.
 - Initiated “Work Life Evaluation and Improvement” survey practices in our international manufacturing sites besides Turkey.
- 2008
- We published our first Sustainability Report.
 - Full RoHS compliance in Turkey before the regulations took effect.
 - Arçelik Call Center was entitled “Best Call Center” in its category.
 - According to Nielsen Brand Survey, Arçelik is the first brand coming to mind and the brand to which customers feel closest for the last decade.
- 2009
- We published “Arçelik Disclosure Policy”.
 - We received our first corporate governance rating as 8.21 out of 10.
 - We restructured our OHS organization.
 - We restructured our HR Department.
- 2010
- We published 2008-2009 Arçelik Sustainability Report in GRI C level according to GRI G3 Principles.
 - Our corporate governance rating has been raised to 8.55 out of 10.
 - We were ranked first in the “Management” category of European Business Awards for the Environment in Turkey, and we became one of the top three in Europe.
 - An agreement between our Company and Turkish Ministry of Energy and Natural Resources, UNDP, White Goods Manufacturers' Association (TURKBESD) was signed for cooperation on the public awareness raising campaign “Market Transformation of Energy Efficient Appliances in Turkey”.
 - We started calculating our GHG emission in accordance with ISO 14064-1 standard and we received a Verification Certificate from an international independent accredited organization.
- 2011
- We published our 2010 Sustainability Report in compliance with GRI principles at B+ level.
 - Our corporate governance rating was raised to 8.59 out of 10.
 - We celebrated the 20th year of our R&D Department.
 - 7 different R&D centers of Arçelik A.Ş. set in different locations were granted “R&D Center Certificates” by Turkish Ministry of Industry and Commerce.
 - We were ranked the 95th company in WIPO's list of “the top 500 patent filing applicant” companies.
 - We have signed 2 °C Challenge Communiqué as a member and term spokesperson of the Turkish Climate Platform of the Corporate Leaders Group.
 - Arctic S.A. was granted the “Award for Excellence in Consistent TPM Commitment” by Japanese public institution JIPM, becoming the first company in Romania to receive this award.
 - We represented Turkey as Turkish Climate Platform's term spokesperson at Durban Climate Conference.
 - We started calculating our GHG emission in accordance with ISO 14064-1 standard and we received a Verification Certificate from an international independent accredited organization.

2012

- 4 independent members were elected to the Board of Directors consisting of 12 members.
- Our corporate governance rating was raised to 9.11 out of 10.
- We represented Turkey as Turkish Climate Platform's term spokesperson at Doha Climate Conferences.
- We were named "Turkish Carbon Transparency Leader" by CDP thanks to our strategies dealing with climate change, the pioneering work we accomplished in this field, our style of managing climate change risks and opportunities and our transparency.
- We ranked among Best Country Practices and represented Turkey in Brazil at Rio+20 United Nations Sustainable Development Conference (Rio+20) with our Cactus Dishwasher.
- We calculated our GHG emission in accordance with ISO 14064-1 standard and received a Verification Certificate from an international independent accredited organization.
- We accommodated our energy management process to comply with ISO 50001 standard and we were certified by an international independent accredited organization.
- We signed a 7 year term loan worth 100 million Euros with European Investment Bank (EIB) for the financing of Research and Development activities.
- We were granted "Turkey's Most Innovative Company" award at the "Innovation Week" event organized by Turkish Exporters Assembly.



Founded in 1955, Arçelik A.Ş. operates in consumer durables and consumer electronics sectors with its production, marketing and after-sales services. Koc Group, to which Arçelik A.Ş. belongs, is the only Turkish company to be included among the first 250 companies of Fortune Global 500 List in 2011.

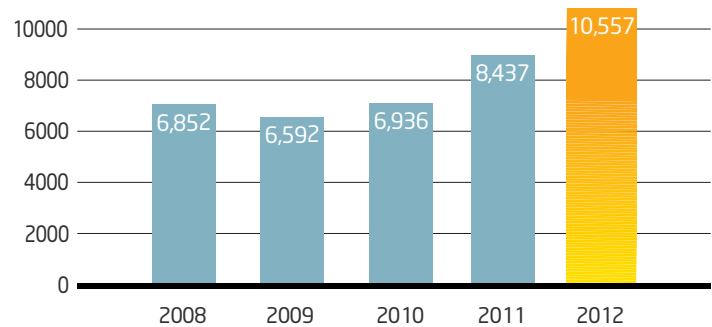
Arçelik A.Ş. has 14 production plants throughout the world; in Turkey, Romania, Russia, China and South Africa. The Company provides products and services to its consumers in more than 100 countries with sales and marketing offices in 25 countries and 10 brands (Arçelik, Beko, Grundig, Blomberg, Elektrabregenz, Arctic, Leisure, Flavel, Altus, Defy). For further information about Arçelik and our products please visit www.arcelikas.com.



Net Sales
2012
10,557
TR million

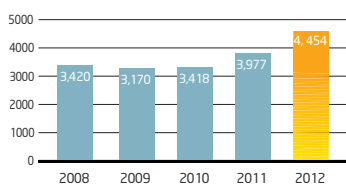
Net Sales

(TRY Million)



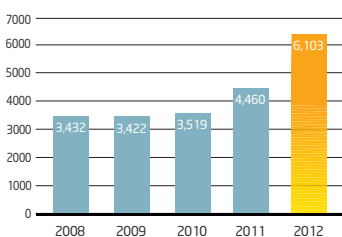
Net sales - Turkey

(TRY Million)



Net sales - International

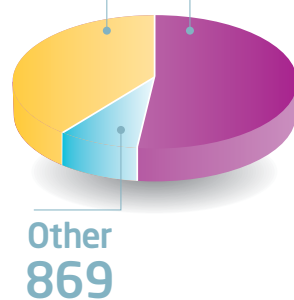
(TRY Million)



Regional Distribution of Net Sales

Million Euro 2012

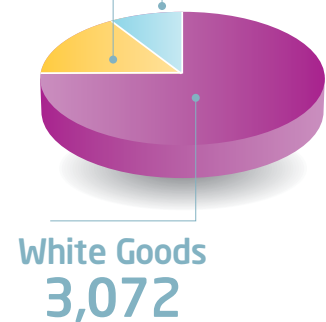
Europe 1,779
Turkey 1,933

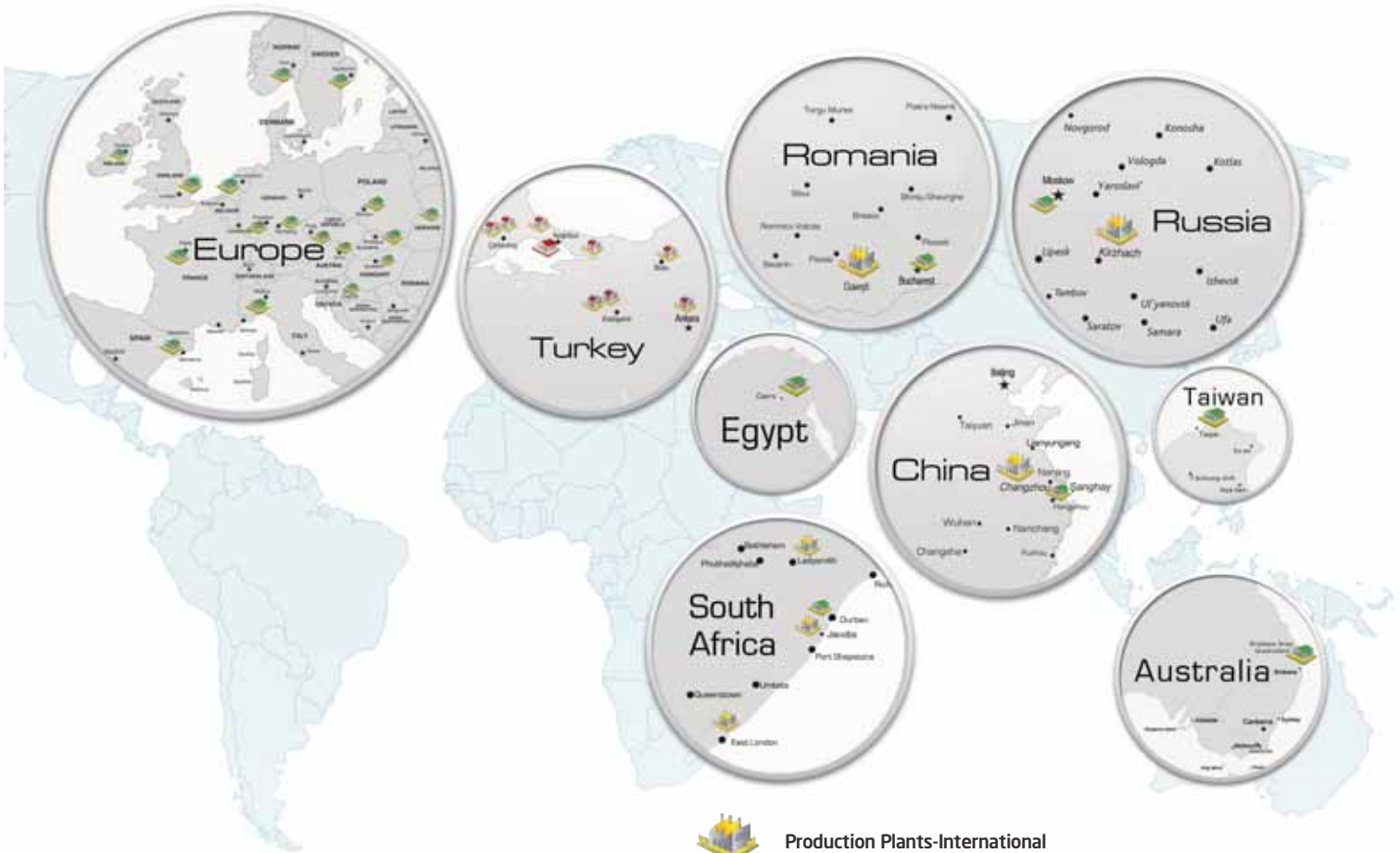


Net Sales by Product Group

Million Euro 2012

Customer Electronics 780
Other 729





Headquarters
Turkey/Istanbul



Production Plants-Turkey
Eskişehir, Turkey
İstanbul, Tuzla, Turkey
İstanbul, Beylikdüzü, Turkey
Bolu, Turkey
Ankara, Turkey
Tekirdağ, Çerkezköy, Turkey

Refrigerator Plant
Washing Machine Plant
Electronics Plant
Cooking Appliances Plant
Dishwasher Plant
Tumble Dryer Plant



Production Plants-International

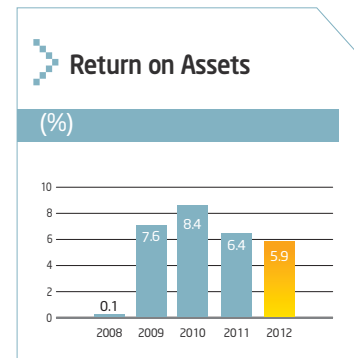
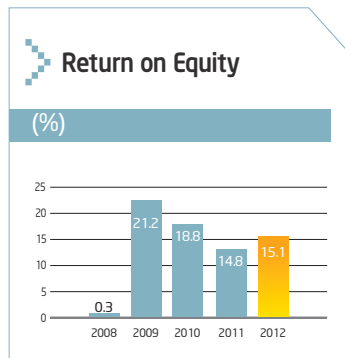
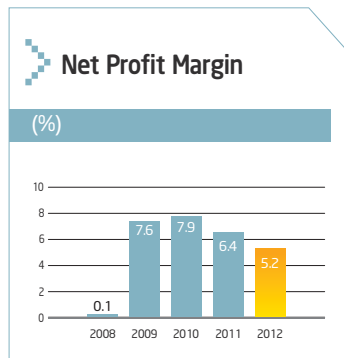
Romania
Russia
China
South Africa
South Africa
South Africa
SC Arctic S.A.
Beko LLC
Changzhou Beko Electrical Appliances Co. Ltd.
Jacobs Cookin Appliances and Tumble Dryer Plant
Ezakheni, Ladysmith Cooling Appliances Plant
East London, Refrigerator Plant



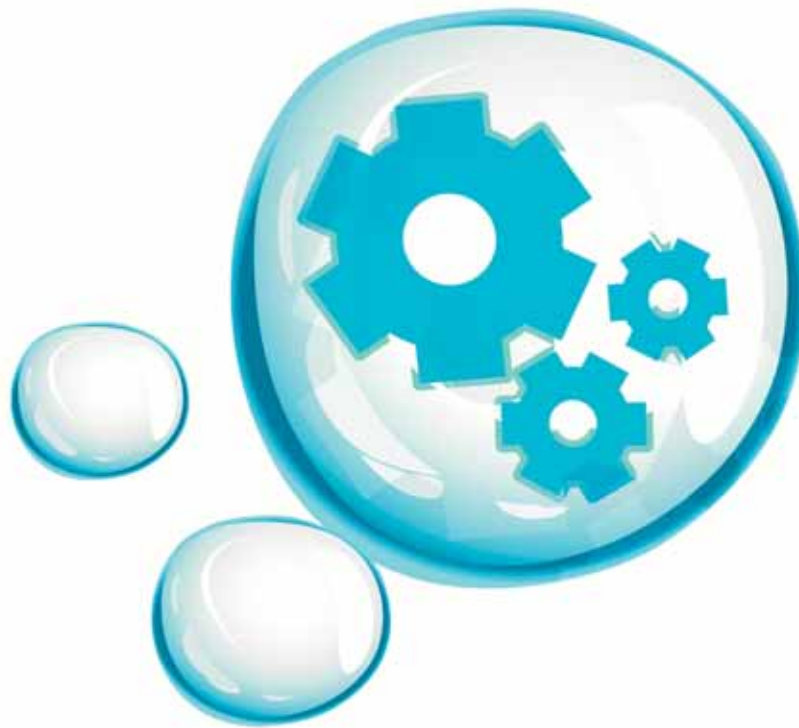
International Sales and Marketing

Germany
Austria
Czech Republic
China (Shanghai)
France
UK
Spain
Italy
Slovakia
Poland
The Netherlands
Australia
Taiwan
Romania
Russia
China
South Africa
Egypt
Ukraine
Beko Deutschland GmbH
Elektra Bregenz AG
Beko S.A. Cesko
Beko Shanghai Trading Co.
Beko France S.A.S.
Beko Plc.
Beko Electronics Espana S.L.
Beko Italy S.r.l.
Beko Slovakia S.R.O.
Beko S.A.
Grundig Multimedia B.V.*
Beko A and NZ Pty Ltd.
Ar Dutch B.V.
SC Arctic SA
Beko LLC
Changzhou Beko Electrical Appliances Co. Ltd.
Defy Appliances (PTY) Ltd.**
Beko Egypt Trading LLC
Beko Ukraine LLC

*Established in Holland, Grundig Multi Media is a Holding company with 10 subsidiaries.
**Defy Appliances (PTY) Ltd.'s headquarters is located in the city of Durban, Jacobs, SA.



Management Approach



While acting along our principle “Respects the Globe, Respected Globally”, we recognize our stakeholders’ expectations as our main guidance. We carry out processes that will create added value for all the links in our value chain with the business experience we have gained over the years in our industry. Aware that our target of steady growth can only be realized by efficient and sustainable business processes; we follow technological advances closely to continuously improve our operational performance, we conduct studies in order to spread our working culture created in the light of the concepts of responsibility and sustainability throughout our value chain.

We put our superior ethics and management approach, which is our most valuable heritage, to the service of our stakeholders while improving our operational efficiency and increasing our profitability. We know that we can maintain our sustainable growth trend achieved by continuously improving our social, environmental and common economic performance only by developing in these same fields, and we shape our managerial approach in line with targets we set forth in these fields.

- √ Our corporate governance rating was raised to 9.11 out of 10.
- √ 4 independent members were elected to our Board of Directors consisting of 12 members.

Strong Governance for Sustainable Growth

As a member of Koç Group, one of the long-established organizations in Turkey, the most valuable legacy that Arçelik A.Ş. carries on from its more than half a century long history to the present is the continuous development and institutionalization oriented working culture with superior ethics and management approach. Our goal is to improve this legacy with modern managerial principles and systems and to carry it in to the future. To achieve this goal, we operate with a robust corporate governance, a responsible understanding of sustainability and supreme standards and systems.

Corporate Governance

The principles defining our corporate governance understanding are accountability, responsibility, equality, openness and transparency. We continuously develop the organization and practices that we form in the light of these principles, and increase our corporate governance performance. The most significant indicator of the progress we made in this field is the improvements of our governance rating from 82.09% in 2009 to 85.53% in 2010, to 85.91% in 2011 and to 91.07% in 2012, and the pursuant acceptance to the ISE Corporate Governance Index.

Arçelik A.Ş.'s management structure is a single stage system based on a Board of Directors selected by the General Assembly. The only executive member on the Board of Directors, which consists of 12 members, is the General Manager and there are 4 independent members. All members of Arçelik A.Ş. Board of Directors are responsible for the economic performance of the company. As to the executive responsibility for social and environmental performance, it belongs to the General Manager. The offices of the General Manager who is at the top of the executive body and that of the Chairman of the Board are held by separate individuals.

In order to conduct its duties and responsibilities in a healthy manner, Arçelik A.Ş. Board of Directors benefits from various specialty committees. For this purpose, there is an Audit Committee, comprised of two independent Board members.

There is a Corporate Governance Committee which presents suggestions to the Board of Directors regarding compliance with and improvements upon Corporate Governance Principles and fulfills the duties of a Nomination Committee and a Compensation Committee. It is comprised of two non-executive independent Board members. Furthermore, Risk Management Committee was founded in order to determine operational, strategic, financial and all other risks and manage them, with the participation of the non-executive Chairman and two independent Board members. Executive Committee was also founded, with the participation of 6 non-executive Board members, in order to plan the strategic orientations regarding company operations and support the Board of Directors in following practices and investments.

For detailed information regarding Arçelik A.Ş.'s corporate governance structure, members of the Board of Directors and senior management, you can visit the "About Arçelik A.Ş." and "Investor Relations" tabs at www.arcelikas.com

Risk Management

At Arçelik A.Ş. risks are managed with a holistic approach. Strategic, operational, financial and other aspects posing risks for our short and long term objectives are evaluated, in every level of the organization starting from the Board of Directors. In this regard, the Risk Management Committee was founded in order to determine and evaluate risks, to calculate their impacts and likelihood, to manage and report them, to take them into account in decision making, to form active internal control systems and to make suggestions to the Board of Directors.

In line with the decisions taken by and evaluation of the Board of Directors regarding strategic risks, Risk Management Committee determines the procedures concerning major risk groups, which is to be applied in integration with relevant business processes. Process managers apply these procedures within their workflow routine. "Risk Management Department" which is organized within the company provides technical support to process managers in managing risks, follows the emerging risks and performs their analysis and reporting.

At Arçelik A.Ş. internal control practices are managed by Internal Audit Department organized under Assistant General Manager, Finance and Accounting. The Audit Committee follows the functioning and efficiency of the control system.



Sustainability Management

Forming a sustainable, responsible and accountable business model is a significant part of Arçelik A.Ş.'s business strategy. Henceforth, we monitor the social, economic, environmental and ethical aspects of our operations in line with our business objectives, manage them with corporate policies, pursue improvement studies in accordance with stakeholder expectations and performance achievements, and share the outcomes we get with the public.

We adopt a risk-based and holistic approach in corporate sustainability management. In the reporting period, a workshop was organized with the participation of Arçelik A.Ş. Sustainability Work Group where every aspect of our activities and organizational structure is represented, and the materiality study and stakeholder studies which were realized in the previous period were reviewed. The work group examined industry-specific sustainability issues and the sustainability domains of Global Reporting Initiative at the workshop. The emergent issues were evaluated in terms of their effects on the Company and on the stakeholders' perception of Arçelik and they were prioritized by the work group. The issue prioritization aspects made use of in the study were defined and used in compliance with AA1000 Stakeholder Engagement Standard (AA1000SES) and Global Reporting Initiative (GRI) Reporting Standard. Also in this study, the social, economic, environmental and ethical dimensions of our activities were examined, risks and opportunities we may encounter and stakeholder expectations were evaluated.

As Arçelik A.Ş. we evaluate and manage our sustainability performance under 5 focal points: System, People, Supply Chain, Product and Social Development. In our 2012 report, we adopted the issue based reporting approach. While we did not decrease the number of indicators being tracked, we gave more weight in the report to issues that were distinguished by the materiality study and we included other sustainability performances in the "Performance Indicators Table". The issues we prioritize within the scope of sustainability management were determined as risk management, business ethics, green approach in business processes, talent management, occupational health and safety, sustainability management in the value chain, innovative and environmental products, quality and safety of products, sales and after-sales services and contribution to social development.

The infrastructure of our sustainability management is constituted by focal point-based policy documents. Thanks to these documents, particularly Ethical Values, Environment Policy, Energy Policy, Quality Policy, Occupational Health and Safety Policy, Human Resources Policy, Supplier Working Conditions and Public Disclosure Policy which define working principles and procedures, we conduct sustainability management and realize performance improving studies. Our stakeholders can access Arçelik A.Ş.'s corporate policy documents at "Investor Relations," "Sustainability," "Human Resources" and "Purchasing" tabs of the corporate website www.arcelikas.com

Arçelik A.Ş. Management System is the sum of workforce and workflows organized towards the corporate vision. We employ various standards and methodologies to increase the efficiency of the management system. While we form our working systematic in all our facilities, we adopt standards such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 50001 Energy Management System, OHSAS 18001 Occupational Health and Safety Management System, ISO 10002 Customer Satisfaction Management System, ISO 17025 Laboratory Management System and methodologies such as Product Life-cycle Management (PLM), Total Productive Maintenance (TPM), Six Sigma. We manage these standards and methodologies in an integrated manner under the umbrella of EFQM Excellence Model. We use variety of central systems and software such as Document and Process Management Software (QDMS) which is unique to Arçelik A.Ş. and works over the company's intranet (ARPORT). We evaluate the realizations we get as a consequence of our target oriented studies within the frame of a performance measuring system and we present the findings to our stakeholders through various communication methods. We employ the feedback we obtain to develop our strategic directions, systems, processes, products and practice.

As a matter of its working principles, Arçelik A.Ş. pursues its practices in total compliance with all legal regulations regarding activity processes and product quality. Apart from the legal regulations, we also comply with voluntary codes, initiatives and regulations determining working principles and product qualities regarding social, economic and environmental aspects at sectorial, national and regional levels.

In 2006, Koç Holding became a signatory of UN Global Compact. As a Koç Holding subsidiary, Arçelik A.Ş. complies with the UN Global Compact. Apart from our corporate practices, we also follow the working principles of Global Compact in the supplier evaluation processes.

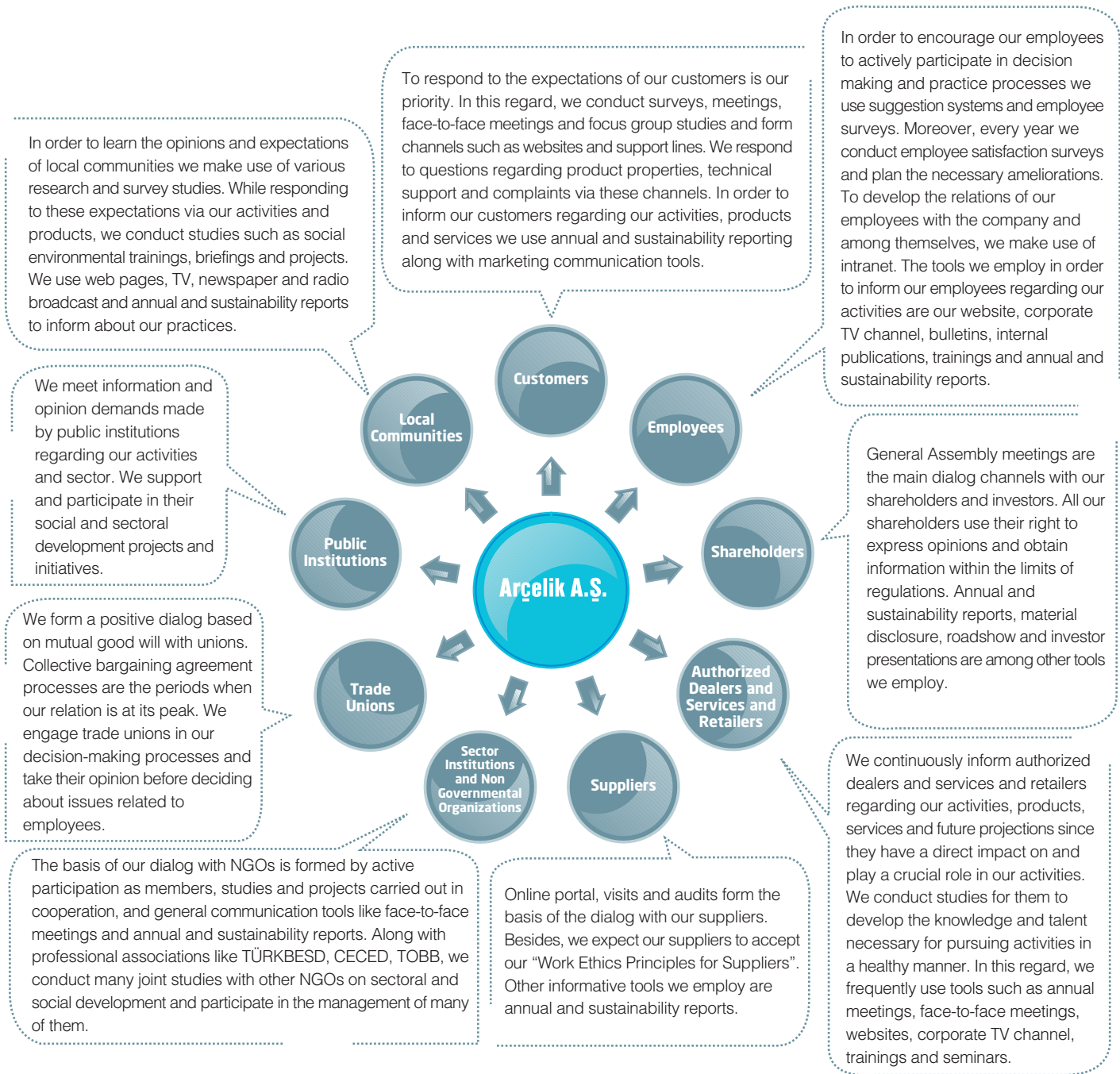
Domestic and overseas production plants of Arçelik A.Ş. have been audited by an independent auditing firm and received compliance reports, based on the criteria of BSCI (Business Social Compliance Initiative) and Sedex (Suppliers Ethical Data Exchange), which are used commonly across the European Union.

Arçelik A.Ş. holds 37 national and 7 general compliance certificates with regards to its product qualities. A major part of the content of these compliance certificates is formed by products' environmental and social impact. Besides, as an active member of European Committee of Domestic Equipment Manufacturers (CECED) Arçelik A.Ş. has been complying with European Union's relevant directives and participating in stakeholder dialogues for cohesion of the Turkish regulations. In this regard, we comply with the Energy Using Products Directive (EuP), Waste Electrical and Electronic Equipment Directive (WEEE), Restriction of Hazardous Substances Directive (RoHS) and EU's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations. For detailed information regarding the directives Arçelik A.Ş. complies with, you can visit the "Sustainability" segment at www.arcelikas.com



Dialog with Stakeholders

We adopt a transparent, accountable and participatory management approach at Arçelik A.Ş. We form an open communication platform and we value our stakeholders' expectations and suggestions as an important component in the improvement of our performance. In determining the structure and practice frequency of the channels of communication with our stakeholders, we acknowledge the characteristics of our stakeholders and their position in our practices as our basis.



As Arçelik A.Ş. we are a member of various organizations such as associations, foundations, research institutions, unions and sector chambers. Through various platforms, we meet with stakeholders in order to seek solutions for social, environmental and industry development issues. Via these platforms, work meetings are held, project groups are organized and reports are prepared. Information is disclosed to the public and to relevant authorities through NGOs as to represent all stakeholders.

FOUNDATIONS	PARTICIPATION
European Committee of Domestic Equipment Manufacturers (CECED)	Membership to Board of Directors and other work group memberships
White Goods Suppliers Association	Membership to Board of Directors
Foreign Economic Relations Board (DEİK)	Membership to Board of Directors and Founding Vice Presidency, Business Council Representation Presidency, business councils in various
Electronic Equipments Manufacturers' Association (ECID)	Vice Presidency and Office of the Secretary General
Air Conditioning & Refrigeration Manufacturers' Association (ISKID)	Original Membership
Turkish Electro Technology (TET)	Chairman of the Board
Istanbul Foundation for Culture and Arts (IKSV)	Membership to Board of Trustees
Istanbul Chamber of Industry (ISO)	Membership to several technical boards
Turkish Business Council for Sustainable Development (SKD)	Membership to several work groups
Turkish Quality Association (KALDER)	Various original memberships
Regional Environment Center Climate Platform	Term Spokesperson
Chambers of Industry and Commerce	Memberships to General Assembly and Committees in various chambers Professional
Turkish Confederation of Employer Unions (TİSK)	Provincial Representative
Turkish Electronic Industrialists Association (TESİD)	Membership to Board of Directors and representation high level
Turkish Industry & Business Association (TÜSİAD)	Membership to General Assembly, high level with memberships to 18 different working / advisory groups representation
Turkish White Good Manufacturers' Association (TÜRKBEŞD)	Membership to Board of Directors and Technical Committees Memberships to other
Turkish Informatics Foundation (TBV)	Membership to General Assembly
Turkish Foreign Trade Association (TURKTRADE)	Chairman of the Board, Memberships to Work Groups
Turkish Exporters Assembly (TİM)	Membership to General Assembly
The Union of Chambers and Commodity Exchanges of Turkey (TOBB)	Chairman of Household Appliances level representation in sector board Board and high
Turkish Investor Relations Association (TÜYİD)	Founding Membership
Personnel Management Association (PERYÖN)	Membership to Board of Directors
Turkish Employers' Association of Metal Industries (MESS)	OHS Committee and other memberships
Corporate Governance Association of Turkey (TKYD)	High level representation



Talent Management



As Arçelik A.Ş. we acknowledge the direct relation of the sustainable business processes bear to our human resources and we strive to present our employees -our most valuable capital- with an egalitarian fair and safe workplace respecting human dignity. While continuously supporting our employees in line with their professional and individual developments, we constantly improve the communication channels which allows them to manage operations.

- √ We provided new employment opportunities and raised our employee number to 22,552.
- √ We provided our employees and subcontractors with 9,167 man*hour environmental and energy trainings.
- √ Our employees in Turkey gave a total of 3,516 suggestions and 46% of these were actualized.
- √ We realized a total of 38,166 man*hour training concerning occupational health and safety company-wide.



Sustainable Success

The sustainability of our global competitive power depends on our employees. Rendering our employees more competent with modern human resources practices and providing them with a working environment where they will be more happy are among our foremost responsibilities. Within the context of our integrated human resources system we realize the development of our employees most effectively by using evaluation methods such as performance management, competence evaluation, potential evaluation and leadership competence evaluation. We support our integrated human resources practices with internal communication practices and platforms where we evaluate our employees' feedback and they get a chance to contribute to management processes.

At the basis of all our human resources practices is respect for human rights. All employees within Arçelik A.Ş. are recognized as equals regardless of ethnic background, race, language, religion, age, gender, nationality or disability. Starting with our recruitment policy, this approach is based on principles such as right person for the right job, equal wage for equal job, merit based on success and equal opportunities for all.

Our working conditions are not only evaluated within our own system, the significance we attribute to the issue is supported by modern practices. Arçelik A.Ş. is one of the first signatories of the Code of Conduct on Corporate Social Responsibility prepared by CECED (European Committee of Domestic Equipment Manufacturers). Arçelik A.Ş. is a member of BSCI (Business Social Compliance Initiative) through its subsidiaries abroad. Within the compass of its membership, Arçelik A.Ş. accepted for all its relevant production plants to be audited by independent auditing organizations, on practices related to legal compliance, freedom of association and collective bargaining, prevention of discrimination, wages, working hours, occupational health and safety, job security, management systems and other relevant social responsibility principles.

Our efforts to constantly improve working conditions and respect human rights are supported by our Ethical Rules of Conduct. The healthy implementation these rules is ensured by the Ethical Conduct Board. The board, which consists of the General Manager, related Deputy General Manager, Human Resources Director

and Legal Advisor, has received no complaints in the year 2012.

Arçelik A.Ş. commits to comply with all laws and regulations regarding equal rights and prevention of discrimination, ensures that the working environment is devoid of discrimination and prevents child and forced labor in line with labor legislation and policies developed in this context. In case of individual or collective dismissals or reassignments, the notice period provisions of respective national labor legislation and collective agreements are applied.

You can reach our Company's Ethical Rules of Conduct and Implementation Principles at

<http://www.arcelikas.com/UserFiles/file/PDF/TR/EDI.pdf>
http://www.arcelikas.com/page/855/Etik_Davranis_Kurallarimiz



Freedom of Association and Collective Bargaining

At Arçelik A.Ş., we respect freedom of association and unionization rights, which are the most fundamental rights of our employees. Arçelik A.Ş. acknowledges trade unions as a significant stakeholder. Within the context of our Industrial Relations Policy, we pay special attention to the regularity of our relations with trade unions. In parallel with this understanding, better working conditions, occupational health and safety, social benefits such as birth, death, education and marriage benefits are included in the collective agreements and these are implemented with the utmost care.

Arçelik A.Ş. is a member of MESS (Turkish Employers' Association of Metal Industries) and its blue-collar employees are members of the Union of Metal Workers of Turkey. In the year 2010, Collective Bargaining Agreement, which covers 01.09.2010 – 31.08.2012 period, was signed between MESS and Turkish Metal Trade Union. The Collective Bargaining Agreement covering 01.09.2012 – 31.08.2014 period, including the last four months of 2012, is to be signed in May 2013. Regulations regarding Occupational Health and Safety are included in the agreement.

Percentage of Employees Covered by Collective Bargaining Agreement in 2012

Collective Bargaining Agreement	Total Number of Employees	Employees Covered by Collective Bargaining Agreement	Employees Covered %
Turkey	14,787	12,567	85
Companies Abroad	7,765	4,476	58

Internal Communication

One of the fundamental keys to the success of Arçelik A.Ş. is constantly being in communication with its employees. Thanks to different communication methods provided for Arçelik A.Ş. employees, both improvements concerning business processes and suggestions regarding employees' business life are reciprocally shared.

The Suggestion System which is an important tool to realize innovative practices in our business processes, allows our employees to share their suggestions of improvement in all matters. Suggestions provided by employees are evaluated in committees and appropriate projects are realized. Employees earn points for every suggestion they make and they are rewarded accordingly.

In the year 2012, our employees in Turkey operations made a total of 3,516 suggestions and 46% of these suggestions were immediately actualized.

Internal communication practices hold the utmost significance for the constant informing of our employees about developments and their active engagement. With our global intranet system renewed in 2012, we have formed a platform that ensures our employees are constantly in communication and encourages them to be even more creative. We continuously inform our employees through internal communication practices such as our online magazine Aydabir, internal announcements, newsletters, and e-mails.

In the year 2012, the brand "Pause & Play" was created as an internal communication project. This brand was formed in order to use a common language in the communication of all internal communication activities, aimed at raising employee satisfaction and motivation. Communion, entertainment, energy, celebration and surprise oriented activities offered to our employees and their families are within the scope of this brand.

Communication and Exchange Meetings organized at different levels allow our employees to present their opinions concerning the operability of main corporate processes and to provide active support towards achieving primary business objectives.



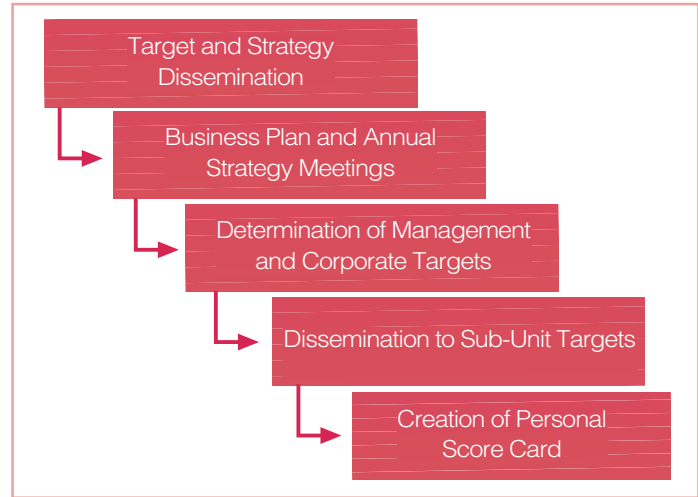
As Arçelik A.Ş. we care about the motivation of our employees. With regard to the practices on employee commitment, which is invariably on our senior management's agenda, local business plans were formed subsequent to the 2012 Employee Commitment Survey, and project groups and consultancy committees comprised of senior managers were constituted throughout the Company. Studies were conducted within the context of the annual project plans of project teams, immediate actions were taken for the actualization of practices.

Employee Development

Arçelik A.Ş. aims to incorporate the most qualified youngsters and experienced professionals, to improve the talents it has in this way. The individual successes of our employees form the basis of the successes we have achieved or will achieve as Arçelik A.Ş. In line with this approach and pursuant to our objectives, the improvement of such competences that will increase the success and performance of our employees is a crucial matter supported by various development management systems practices.

The improvement of our employees' talents and competences is supported by several processes starting with their recruitment. In accordance with our goal to incorporate the most competent and qualified professionals, we closely track the performance of all employees we hire. Target dissemination, performance management, competence and potential evaluation methods are other methods we employ in this process for the most efficient improvement.

With target dissemination, our objectives and strategies are disseminated from the top levels of organization to departments and individuals. Hence, it is ensured that all employees adopt common objectives and strive for them while business results are measured and evaluated with accurate indicators.



All of our white and blue-collar employees in Turkey are included in the performance evaluation process. Studies to expand the system in our operations out of Turkey are still being pursued.

Our employees' career plans are formed in line with knowledge, skills and competences. At annually held human resources planning meetings, critical positions and potential employees who will carry the company to the future are determined, the performances of potential employees are tracked and their developments are supported, thus being prepared for their future probable roles. As a result of these practices, in the year 2012, 10% of our employees in Turkey underwent a rotation, appointment or promotion process.



Training and Development in Arçelik A.Ş. aims to continuously increase the performance of the company and the individual. Within this frame, our employees are included in development programs designed at various levels to support and strengthen the global structure of Arçelik A.Ş. These programs are defined as talent development programs focusing on adaptation to the position and the company, and on technical and behavioral development, developing leadership skills and preparing leader candidates for their future roles.

Trainings realized in 2012

	Total Training Hours	Hours per Employee
Blue Collar	77,570	35
White Collar	232,774	18
Total	310,344	21

As regards development in Arçelik A.Ş., on the one hand, we focus on paving the way for the achievement of corporate objectives and improving our performance. On the other hand, we put emphasis on developing employees' knowledge, skills and competences to keep their personal competences updated. In this direction, orientation, foreign language, leadership, personal development programs along with technical and functional educations are prepared.

With the aim of raising active leaders who will strengthen our global organization, our employees are evaluated by leadership competences evaluation center studies and their developments are supported by international management development and leadership programs.

- **Leader and Business / Leader and Efficient Team:** This is a development program planned for the purpose of preparing potential employees who do not have administrative roles for their next role and supporting their development. In this reporting period, 97 employees have participated in this program.

- **Managerial Skills Development Program:** This program was formed to ensure newly appointed managers' rapid adaptation to their new roles and to support their developments. Following trainings, the program is designed with on-the-job learning methods and it is supported by coaching seances. Managers working both in the domestic and international organization may be included in this program. In the year 2012, 67 employees have participated in the program.

- **Leader and Strategy/ Leader and People:** This program is designed for supporting the developments of potential managers for senior management positions. In the year 2012, 13 employees participated in these programs.

- **International Manager Development Program:** This is a training program that supports the developments of employees candidate for intercountry assignments and prepares them to their new roles. Our trainings, called Global Manager, have been designed and realized in cooperation with Koç University. 24 employees in our global organization have participated this program.

- **Mentoring Program:** This is a program that allows experienced Arçelik A.Ş. managers to share their knowledge, skills and experiences with employees newly appointed to intercountry assignments and support their personal, career and professional developments. In the year 2012, 21 employees participated in this program.

- **Talent Program:** This is a development program designed for potential employees who will take office in management positions in the future, which was put in use in 2012. Within the scope of the program, we aim for the development of participants in different fields through trainings, experience sharing meetings and workshops.

- **Functional Development Programs:** These are development programs prepared for various functions and processes. (ex: Sales, Purchasing, Human Resources, IT, Financial Affairs, etc.) Marketing functional development program has been put in use this year, whereas Purchasing, Sales and Finance programs are planned to be put in use in the year 2013.

In addition, seminars on various issues intended at the development of our employees are frequently organized. The seminar themed "Positive Communication" for our Blue Collar employees was completed within this year, with the participation of our employees at all our locations.

From Campus to Career

The joint studies we create with universities and university students and the values resulting from these studies have an important place among our investments in the future as Arçelik A.Ş. Among these projects we realize in collaboration with the academia, internship opportunities, university – industry collaborations and international collaborations are included. The reciprocal gains acquired with the meeting of theory and practice through all these practices are growing every passing term.

University – Industry Collaboration Studies

We realize many studies based on mutual protocols with universities in both technical and social fields. As part of University – Industry Collaboration studies, we realize studies in technical fields such as R&D, engineering, production and information technologies, as well as studies in sales, marketing, human resources and financial affairs.

CEMS

CEMS is a program that aims to train the managers of the future, with profiles appropriate for the needs of international corporations, which is designed in cooperation with universities and the business world. In cooperation with Koç University Graduate School of Business, Arçelik A.Ş. has become the first company from Turkey to participate in CEMS which has a worldwide strategic web, and has taken on the significant task of contributing to the upbringing of future global leaders.

Internship

As Arçelik A.Ş., internships form a significant aspect of our relations with the academia. Considering the fact that 40%-50% of the recruitment we realize within a year consists of new graduates, internship is a practice we actively employ to determine candidates who have a potential to work at Arçelik A.Ş. and to communicate with them. Following the completion of their internship, graduated students are offered

the opportunity to work with fixed term contracts or as part time employees. Similar internship opportunities are provided to high school students as well.

For detailed information regarding the internship opportunities provided by Arçelik A.Ş. you can visit <http://www.arcelikas.com/page/199/Internships>

Arçelik Electrical Household Appliances Technical Training Program

With this program which has been jointly conducted in 2011 with the Ministry of National Education Directorate General of Technical Education for Boys within the scope of Vocational Education: A Crucial Matter for the Nation project, we aim to raise a workforce informed with the developments in household appliances and the new technologies, and to make the employment of the students in the relevant vocational high schools easier. For this purpose laboratories in the field of electrical household appliances technical service, equipped with measurement tools and devices based on new technologies were founded. The training the students receive at Arçelik A.Ş. laboratories aims for them to become able electrical household appliances technicians.

In schools that got started in the 2011 school year, 115 students have started 12th grade and did their internships at our authorized services, in the year 2012. Also, 104 new students in 11th grade have started their trainings in our department. The total number of students participating in the program in the 2012-2013 school year is 219.

In the year 2012, 27 educators working in the schools where we have departments were provided 4,840 man*hour training about electrical household appliances (coolers, heaters, cookers, small house appliances, air conditioners, washers).

The new schools to be opened in the year 2012 were determined, the required studies were realized and the necessary actions were taken with school headships and the Ministry of National Education Directorate General of Technical Education. A training plan was made for 30 educators who will work at schools in the 2013-2014 school year.

İŞKUR Occupational Training Project

Within the scope of the Vocational Training Project, started in 2009 with the collaboration of İŞKUR, which is still on in 2012, Arçelik A.Ş. educators provide trainings aimed at employment. Trainings were provided for 4.5 months, in needed branches such as electrical household appliances, air-conditioning installation, cooling systems, audio and video systems. 60% of the participants who have successfully finished their trainings have been recruited in our authorized services and factories.

Occupational Health and Safety

Becoming a pioneer and an exemplary institution in the field of Occupational Health and Safety in the consumer durables sector and “zero work accident and zero occupational disease” are among our primary objectives as Arçelik A.Ş. The continuity of a healthy and safe working environment is of great importance for Arçelik A.Ş. In line with this understanding, we manage occupational health and safety issues integrated with Quality and Environmental Management Systems. We provide the integrity of business processes with national and international legal regulations through our Occupational Health and Safety Policy.

In line with our occupational health and safety policy, the issue of occupational health and safety is included in the objectives of relevant departments and employees, and followed within the scope of “Performance Management System”. Indicators controlled within the system such as accident frequency rate, accident gravity rate, occupational health and safety training hours and lost working days are also tracked. In addition to the practices realized within the system, employees are encouraged to be in communication, in relevant matters, among themselves and with their managers by various practices.

You can reach Arçelik A.Ş. Occupational Health and Safety Policy at http://www.arcelikas.com/sayfa/195/Is_Sagligi_ve_Guvenligi

Within Arçelik A.Ş. there are 10 active Occupational Health and Safety Committees which have 160 members and 39 employee representatives. These committees help audit employee health and work safety programs and provide suggestions regarding those.





Occupational Health and Safety Indicators in Turkey	2010	2011	2012
Accident Frequency Rate (F)*	8.41	5.73	5.00
Accident Gravity Rate (G)**	0.085	0.078	0.085
Safety Factor***	0.718	0.448	0.426

* Accident Frequency Rate (F) = (Total number of work accidents / total working hours)*1,000,000

** Accident Gravity Rate (G) = (Total number of workdays lost due to work accidents / total working hours)*1,000

*** Safety Factor: (F)*(G)

In the year 2012, the Accident Frequency Rate which is an indicator of the frequency of working accidents as per total working hours was realized as 5.00 and the Accident Gravity Rate which indicates the frequency of workdays lost due to work accidents as per total working hours was realized as 0.085. No occupational disease or fatal work accident has occurred within the reporting period.

Occupational health and safety works realized in the countries where Arçelik A.Ş. has production plants (Romania, China South Africa and Russia) are audited with the systematic employed in Turkey and improvement works are carried out. In parallel with this practice, works are being conducted to spread the good practices of the production plants in our countries of operation, in our plants located in other countries.

As Arçelik A.Ş. we believe in the necessity of continuous development and learning in the field of occupational health and safety. In line with this understanding we organize trainings to share developments in related topics with our employees and to spread awareness of occupational health and safety. In the year 2012, a total of 38,166 man*hour occupational health and safety trainings were provided throughout Arçelik A.Ş.

The trainings of technical personnel at our authorized services and regions required by the Notice Concerning Occupational Trainings of Laborers Employed at Heavy-Duty and Hazardous Occupations, were completed with a protocol made between Yakacik EML – Iseda and Arçelik A.Ş. Consumer Services Directorate. With this protocol 6,940 employees working as technical personnel in white goods and 1,310 employees working as technical service personnel in electronics received 3 trainings and 8,250 technical personnel were entitled to a certificate of training approved by the Ministry of Education, following examinations.

Trainings provided within the context of health and safety are not limited to the participation of our employees. In the year 2012, seminars regarding the effect of noise on health, ergonomics, flu and hygiene and woman's health; child development support program for fathers; the distribution of educational pamphlets for quitting smoking; flu, hepatitis B and tetanus vaccines for employees and their families, messages for waist and neck health, oral and dental health, health and safety were included within the scope of health and safety programs directed to our employees and their families.

Ensuring the physical security of our working environments is another matter we put emphasis on as Arçelik A.Ş. In this regard, all security personnel working at Arçelik A.Ş. receive training on relevant legal articles, company policies and procedures, customer satisfaction and stress management, effective communication and guest welcoming and emergencies, and these training data are being recorded. In addition to these, security personnel, both our own employees and those employed by subcontractors, receive trainings every 5 years and renewal of their certification is followed. In this reporting period, physical safety audits have been conducted in every Arçelik A.Ş. location. As a result of the audits held, amendatory activities were planned and works were initiated for those fields determined as open for improvement.

Environmental and Energy Management



As a major player in the sectors of consumer durables and consumer electronics we acknowledge our tasks and responsibilities in relation to climate change. We realize practices that will ensure energy efficiency and minimize our carbon footprint in our production processes, our products' use and all other stages of our value chain. We participate in platforms that work towards a solution to combat climate change, and we effectuate practices that are exemplary both for our sector and the communities we operate in.

- √ We established ISO 50001 Energy Management System and were certified.
- √ With the 134 energy efficiency projects, we achieved a total of 10,760 tons CO₂e reduction.
- √ We switched to renewable energy use at our Headquarters and 17 offices.
- √ We produced the most energy efficient "Combi No-Frost Refrigerator" in its class (A+++ -%10), which was awarded the "Eco Top Ten Prize" for its low energy consumption.
- √ We produced the first the A+++ energy class Dishwasher in the world.
- √ We produced "the Most Energy Efficient Built-In Oven" in the world providing 40% energy saving compared to A energy class by consuming 580Wh, the "Quietest Built-in Oven in the World" with its 43dBa noise level.
- √ We became the Carbon Disclosure Project (CDP) Leader.

Environmental and Energy Management

As a principle, “environmental approach throughout the product life-cycle” defines our general outlook on environmental management. Therefore, we aim to minimize the environmental impacts of all our processes from raw material to product consumption. Efficiency in resource consumption is our prime focus in these efforts.

We run the management of environmental impacts resulting from production processes by way of procedures defined by national and international systems and standards and an organizational structure that is in charge of environmental management. Arçelik A.Ş. Environmental Policy defines the main framework of our environmental management. ISO 14001 Environmental Management System Standard, which is integrated with ISO 9001 Quality Management System Standard and ISO 50001 Energy Management System Standard, forms the basis of strategies formed in line with this policy.

For more detailed information on Arçelik A.Ş. Environmental Policy, You can visit http://www.arcelikas.com/page/211/environmentalist_approach

Our Central Energy and Environment Department leads our environmental management practices. Arçelik A.Ş. Environmental Coordination Board is a committee attended by staff in charge of the environmental aspects of all production and non-production processes. By reflecting the goals identified in line with environmental policies and business strategies onto personal performance indicators, environmental management organization enables the active participation of all employees. The Central Energy and Environmental Department helps realize targets, ensures compliance with all national and international legislation as well as other systems and standards Arçelik A.Ş. follows, forms new action plans with the results produced and executes all legal procedures. In addition to external auditing conducted by independent institutions, regularly conducted internal auditing guarantees the efficiency and continuity of the environmental management system. All our environmental activities and performance results are reported regularly to Arçelik A.Ş. senior management and to our stakeholders.

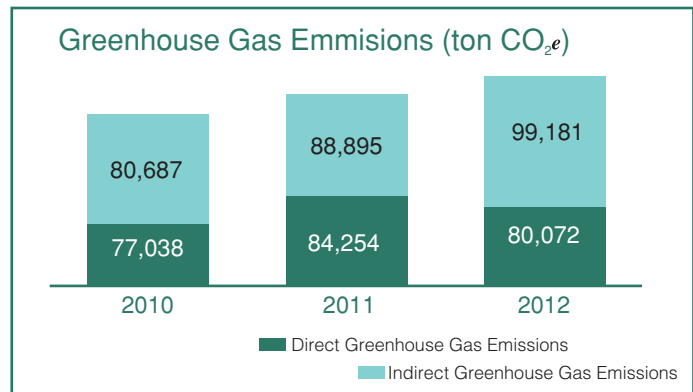
At Arçelik A.Ş., energy management is composed of practices such as measurement, monitoring, analysis and reduction of energy consumption values. Energy Committees established at plants work in collaboration with TPM office and Environmental Coordination Council, hence forming the energy management organization together. Every month the efficiency practices conducted in line with the performance objectives set and their outcomes are disclosed to the related stakeholders via company-wide energy reports. A systematic management structure is ensured by complying with EN ISO 50001 Energy Management System Standard. Arçelik A.Ş. who fulfilled all the requirements of this system in a short

time and was entitled to a certification, has successfully completed the audits performed in all domestic production plants and the Headquarters by BSI (British Standards Institute).

For more detailed information on Arçelik A.Ş. Energy Policy you can visit http://www.arcelikas.com/page/209/Energy_efficiency

Our greenhouse gas emission for 2012 is reported within the framework of the ISO 14064-1 standard and the methodology for the related calculations is based on IPCC 2006 Guidelines. Our greenhouse gas emission value for the reporting period has been audited and verified at a “reasonable assurance level” by an independent accreditation body. For 2012, the total greenhouse gas emission of six campus areas in Turkey including our production plants, storage units, administrative buildings and facilities as well as Arçelik A.Ş. HQ amounts to 179,253 tons.

Total greenhouse gas emissions compared to 2011 despite increased greenhouse gas emissions per turnover has decreased by 18%.



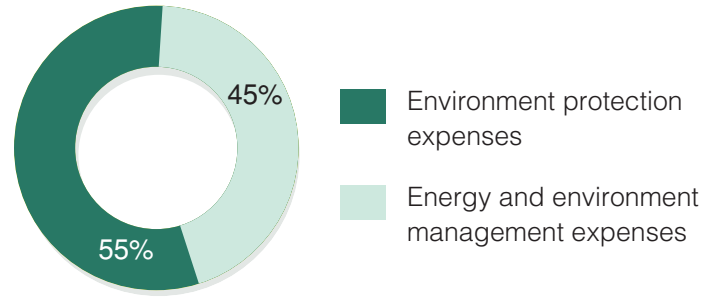
The emission management of Arçelik A.Ş. not only includes climate change and greenhouse gas emissions but also covers practices for the management of other emissions in order to protect air quality. We disclose our compliance to the defined emissions levels via emissions reports containing the results of measurements carried out by independent and accredited laboratories. We continuously implement improvement projects focused on improving air quality and hence increase our performance in that area. Since 2006, we have replaced traditional dyeing processes with powder coating method, which leads to a reduction in volatile organic compound (VOC) emission, and we have also ensured reduction in other emissions by conducting energy efficiency projects as well as introducing the use of different energy resources.

As a result of studies on refrigerant gases used in the refrigerators manufactured, we have reduced greenhouse gas impact of the products manufactured since 1995 by 62 times in total and by 222 times per product.

Environmental Protection and Investment Expenses

With regard to the significance we pay to the elimination of the impact of our activities on environment, every year we transfer considerable amounts of resource to the environment management and investment processes. Within this scope, we realized 13,801,490 TL environmental investments and expenses in 2012.

Environmental protection expenses are composed of expense items such as measurement and analysis costs, waste management costs, spending on supervision, accreditation and permission, training expenses, maintenance and repair costs.



Objectives for 2012	Realization Status	Realization
Saving 5% on energy through energy efficiency projects thereby reducing greenhouse gas emission	√	134 energy efficiency projects undertaken resulted in saving 6.8% energy along with 10,760 tons of CO ₂ e greenhouse gas reduction.
Supplying electricity by renewable energy resources	√	As of June 2012, the electricity provided for Arçelik A.Ş. HQ facilities is generated from 100% renewable energy (1,431,156 kwh) resources.
Establishing and getting certification for Arçelik ISO 50001 Energy Management System	√	British Standards Institution has certified 8 production plants of Arçelik A.Ş in Turkey as well as HQ facilities within the scope of ISO 50001.
Continuity of the certificates covering Arçelik ISO 14001 Environmental Management System and ISO 14064-1 GHG Emissions Reporting Standard	√	Greenhouse gas emissions for 2012 have been verified within the framework of ISO 14064-1 Greenhouse Gas Reporting Standard while continuity of ISO 14001.
Undertaking various efforts to raise further public awareness with the "Market Transformation of Energy Efficient Products" project until the end of 2015.	□	The project has been extended to 2015. Arçelik A.Ş. has completed its operations within the scope of the project activities.

√ : Project completed.
□ : Project in progress.

Objectives for 2013

- Saving 5% on energy via energy efficiency projects thereby reducing our greenhouse gas emission
- Increasing electricity supply generated through renewable energy resources
- Ensuring continuity of the following certificates: ISO 14001 Environmental Management System, ISO 14064- 1 Greenhouse Gas Inventory Reporting Standard and ISO 50001 Energy Management System.

Trainings on Energy, Emission and Environmental Management

The key to enhancing Energy, Emission and Environmental management performance is well-informed employees with a high level of awareness. Our trainings cover not only regular employees but also our interns, subcontractors and employees working for the project period. Orientation trainings given to our employees and interns feature information on issues such

as energy, emission and environmental management as well. Within the scope of training programs on energy and environmental management systems, emission management, environmental legislations, chemicals management, emergency protocol, waste management and hygiene our employees received 8,412 man*hour training; our subcontractors and interns received 755 man*hour training in 2012 while 1,329 man*hour training was provided for social responsibility purposes.

Combatting Climate Change

The surge in global energy consumption in modern times has made our planet unable to adjust its sensitive balance through natural capabilities. In time climate change has become not only an environmental but also a social and economic threat. At Arçelik A.Ş. we take climate change as a significant risk to the future of the earth and sustainability of our company, and as a responsible corporate citizen we pursue serious studies to combat this problem.

Also accounting for a significant component of our approach on environmental management, our strategy for combatting climate change is focused on 3 main aspects: to continuously enhance resource efficiency in our entire operational processes from supply to distribution; to provide our customers with environmentally friendly products with the highest water and energy saving values; to conduct informative studies with a view to raising social awareness about climate change and to promote initiatives seeking a solution to the problem.

In 2011 Arçelik A.Ş. became a member of the Climate Platform, which was founded as an independent and non-profit initiative by Regional Environment Center Turkey (REC) and TÜSİAD (Turkish Industry and Business Association) to promote studies on transition to a low carbon economy and combatting climate change. Arçelik A.Ş. CEO Levent Çakıroğlu, who has been the term spokesperson for the Turkish Corporate Leaders Group on Climate Change for 2 years, represented Turkey in the World Climate Summit 2012 held in Doha Qatar as the "Term Spokesperson of Turkish Corporate Leaders Group on Climate Change".

Supporting projects undertaken by the business world with a view to reducing impact of climate change, Arçelik A.Ş. signed the 2°C Challenge Communiqué in 2011. Moreover, after the announcement of the 2012 Turkey Report by Carbon Disclosure Project (CDP), which is accepted as the world's most prestigious and widespread environmental initiative, the Carbon Disclosure Leader Award went to Arçelik A.Ş. thanks to company's pioneering studies in this area along with its management style and disclosure of climate change risks and opportunities.

Within the scope of the Montreal Protocol on Substances that Deplete the Ozone Layer, of which Turkey is a signatory, the "New Program on Substances that Deplete the Ozone Layer (OTİM)" has been drawn up and announced on the official website of the Ministry of Environment and Urbanization <http://online.cevre.gov.tr> in an effort to monitor the use of chemicals causing global warming. We have fulfilled our responsibilities stemming from the "New OTİM Program". From the import process of Freon-22 (R-22) gas to its consumption, the records on Arçelik A.Ş. (Customer Services Directorate) and all the domestic Arçelik Authorized services have been updated respectively as Distributor Company and end users while all our authorized service shops have been informed on the issues they need to take into consideration regarding the related process.

Respect for Biodiversity

As Arçelik A.Ş., it is our responsibility to prevent the negative impact of our activities on the physical integrity of our operational field and neighbouring environment, and the various species and humans living on it. In this regard, we take all the necessary precautions with care and responsibility. We start to discharge this responsibility right from the beginning, in the selection of production locations. When we establish a new production plant, or conduct a new physical investment, within the feasibility process, we make the impact-risk analysis of the planned investment in addition to the social and physical advantages it will generate, and ensure the appropriate investment conditions in accordance with the research results. As a result of these studies, we avoid the negative impact of our activities on soil, water resources and species inhabiting them, while preventing the negative social and physical impact on humans.

Due to our field of activity, our operational plants reside in locations determined to be appropriate for industrial production. Hence none of our facilities reside at natural protected areas, special environmental areas determined by laws, international agreements or areas covered by RAMSAR (Convention on Wetlands of International Importance). There are no locations of this kind within the impact area of our plants. Our activities do not cause any significant impact upon biodiversity nor on natural habitats, thanks to our location selections, tight precautions we take and environmental impact reducing studies we do.

We attempt to enhance the biodiversity value of our impact areas via protection and improvement studies we pursue for the sake of the natural environment. For instance, "Bolu Mountain Hazelnut" has come to the brink of extinction as a species because of various challenges involved in its germinating process. 100 of them were planted in 2012 by our Bolu Cooking Appliances Plant as part of a project undertaken in collaboration with Directorate of Bolu Forest and Water Affairs along with Western Black Sea Institute for Forestry Research. The plants are also now protected in line with Ex-situ method. In addition to that, as a result of an Endemic Plant study implemented at the Cooking Appliances Plant, 8 alliaceous plant taxon, which are classified as either rare and/or endemic plants, have been taken under protection and are being grown. This study too is conducted in collaboration with Western Black Sea Institute for Forestry Research, the HQ of which is located in Bolu.



Energy Efficiency in Production

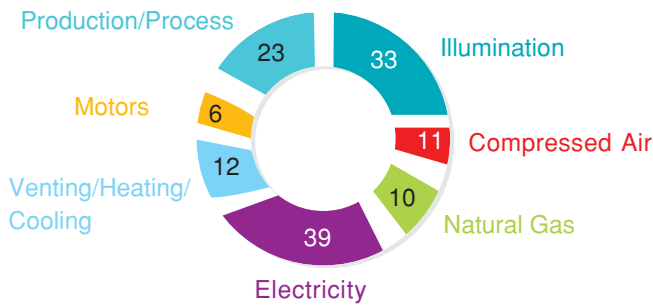
Our total energy consumption actually declined when compared with 2011 as a result of 134 energy efficiency projects we completed, reconditioning studies undertaken at the trigeneration facility of Eskişehir Refrigerator Plant as well as fair weather conditions experienced although the total number of products manufactured rose by 11% and our turnover went up by 28% in 2012 when compared with 2011.

Arçelik A.Ş. Plants are “energy efficient” zones. As part of the energy efficiency projects conducted, measuring devices in the consumption sectors are used to measure the energy consumption and question the energy efficiency in that work unit covered so that necessary projects could be materialized. As of 1 June 1012 Arçelik A.Ş. HQ and other administrative buildings began to consume electricity generated from 100% renewable energy resources.

When performance of the last 3 years is viewed in terms of electric power consumed per product, the energy efficiency projects materialized reduced;

- Electricity consumption at Electronics Plant per unit product by 46%
- Electricity consumption at Refrigerator Plant per unit product by 28.2%
- Electricity consumption at Tumble Dryer Plant per unit product by 27%
- Electricity consumption at Washing Machine Plant per unit product by 16.1%
- Electricity consumption at Dishwasher Plant per unit product by 9.6%
- Electricity consumption at Oven per unit product by 8.4%
- Electricity consumption at Electric Motors Plant per unit product by 19.2%
- Electricity consumption at Compressor Plant per unit product by 16.1%

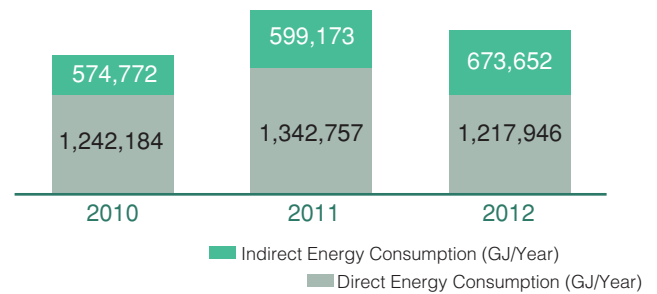
Distribution of Energy Efficiency Projects by Subject



134 energy efficiency projects were conducted in 2012 at production plants, which resulted in saving 17,061,021 kWh on electricity and 690,811 m³ on natural gas; thereby ensuring that 90,463 GJ energy was saved in total. Moreover, thanks to those projects implemented, greenhouse gas emission was reduced directly by 1,647 tons of CO_{2e}, indirectly by 9,113 tons of CO_{2e} and hence by 10,760 tons of CO_{2e} in total. Some of those studies are mentioned below;

Introduction of variable speed control to plastic injection machines at Electronics Plant saved 1.84 M kWh of electricity on an annual basis and prevented annually 982 tons of CO_{2e} greenhouse gas emission again on an annual basis. Regular monitoring and elimination of air leaks at Arçelik A.Ş. Electric Motors Plant saved 1.08 M kWh of electricity on an annual basis. The project prevented an annual greenhouse gas emission of 576 tons of CO_{2e}. Implementation of variable speed compressors at Arçelik A.Ş. Cooking Appliances Plant annually saved 807.000 kWh of electricity and annually prevented 430 tons of CO_{2e} greenhouse gas emission.

Energy Consumption (GJ/year)



Energy Efficiency in Products

Having adopted a holistic approach on environmental management, Arçelik A.Ş. continues its studies to minimize the environmental impact of its products. Through its studies on R&D as well as innovative technologies, Arçelik A.Ş., with its vision defined as “Respects the Globe, Respected Globally”, continues to develop and manufacture products consuming less power, less water and are “not only environmentally friendly but also innovative while enhancing standard of life for customers”. Some of the energy saving products manufactured during the reporting period can be found below:

Heat Pump Tumble Dryer with the Least Energy

Consumption in the World: Developed in 2012, the tumble dryer consumes 10% less energy than A+++ energy class with a heat pump technology featuring an inverter compressor. Launched at the IFA fair as the tumble dryer that has the least energy consumption in the world, the product capacity is 8 kg with an annual energy consumption of 155 kWh.

Energy Efficient Washing Machines: Arçelik washing machines boast the highest levels of energy efficiency as in 9 kg capacity with A+++ -20% efficiency, 8 kg capacity with A+++ -30% efficiency, 7 kg capacity with A+++ -10% efficiency, 6 kg capacity with A+++ efficiency and 5 kg capacity with A++ efficiency.

Innovative Oven: In new products from cooking appliances category in 2012, Arçelik A.Ş. maintained its leadership as far as energy consumption and noise levels are concerned. Launched in 2011 thanks to R&D studies, the oven consuming 40% less energy when compared with similar A class products remained as the world’s least energy consuming oven in 2012 too.

Arçelik ovens comply with the stand-by regulation that took effect in 2012. Once stand-by energy consumption levels of products with electronic clocks at homes in 15 European countries has been reduced from 5W to 0.8 W, 231,000 tons of greenhouse gas emission will be prevented. In Turkey alone 21,000 tons of greenhouse gas emission will be prevented.

The World’s Least Energy Consuming Refrigerator: In 2012 with an energy index value of A+++ -10%, a combi no-frost type refrigerator was displayed at the IFA Fair. The product, which is the world’s least energy consuming combi no-frost model in the world, consumes 64% less energy than A class and features advanced applications such as panel with vacuum isolation, variable speed compressor and improved heat exchangers.

A+++ energy level saves 60% more energy when compared with A energy class refrigerators. Thanks to R&D studies conducted in 2012, a refrigerator with A+++ -10% energy level for the base model of K70475NE was designed. K70475NE A+++ -10% is the refrigerator with the highest energy efficiency level in the world in its category. Almost the entire refrigerator product range of Arçelik A.Ş. features an environmentally friendly refrigerant (R600a).

Energy Efficient Compressor: Hermetic compressors manufactured by Eskişehir Compressor Plant achieved 2.0 W/W in cooling efficiency coefficient (COP) value. The studies completed led to the production of the world’s most energy efficient compressor prototype. The goal is to start mass production of this model in 2013.

Innovative TV: Studies show that the total energy consumed by all the electronic appliances on stand-by in a house account for 11% of the total energy consumption in that house. That is why additional studies have been necessary to deal with the energy spent by appliances when they are on stand-by. In line with the ErP directives set for the European market, while the energy consumption of the TV sets on stand-by has been lowered below 0.5 W, their energy consumption levels when they are in use have also been significantly reduced. A large portion of the related Arçelik product range has been designed to comply with A and A+ energy class requirements, the highest energy efficiency levels defined for TVs. Furthermore, Grundig has managed to become the first Turkish manufacturer to obtain “Eco Flower” approval for Arçelik 40”/46” TV models.

LED-backlit LCD panels (LED TV) consume less energy when compared with regular LCD panels. Monitoring technological developments closely, Arçelik A.Ş. has increased the use of LED panels in its new products and projects thereby achieving considerable improvement levels in energy consumption.

Energy Saving Dishwasher: With an annual energy consumption level of 194 kWh (0.68 kWh/cycle) and thereby spending A+++ -10% less energy, 63109 HIT has managed to be the dishwasher with the least energy consumption in the world.



Use of Natural Resources and Waste Management



Apart from waste and water management practices we pursue in manufacturing processes along with efficient use of materials, in an effort to minimize our environmental impact, we develop proper and effective packaging waste management processes, design products ensuring efficient water consumption levels, lead the sector in that respect and implement practices we constantly develop for reusing and recycling products.

- √ Thanks to water consumption reduction and water recovery projects completed, 110,000 m³ of water was saved.
- √ Use of environmentally friendly, nanotechnology product in manufacturing process led to a considerable level of reduction in chemical and energy usage while phosphate sludge was completely eliminated.
- √ 97% of the waste from our plants was recovered.
- √ "Shrink" packaging use in our products was reduced by 27%.

Integrated Waste Management

Pursuing an efficient integrated waste management policy is one of the most effective ways of natural resource protection, especially today when natural resources available are gradually on decline. Thanks to developments in recycling technology, waste management enables the use of materials and raw materials with lower emission rates by reducing the use of primary materials. Arçelik A.Ş. attaches great importance to integrated waste management because of the key role it plays for the reduction of the environmental impacts and for the improvement of efficiency levels in resource use. 3R principle (Reduce, Reuse, Recycle) constitutes the main character of Arçelik A.Ş.'s integrated waste management.

Objectives for 2012	Realization Status	Explanation
Making studies for saving and recovering water more widespread	√	110,000 m ³ of water was saved thanks to projects for reducing water consumption and recovering water.
Further developing integrated waste management operations further	√	Many studies were carried out at our plants for waste reduction, reuse and recovery.
Conducting packaging waste reduction project	√	Many studies were completed at our plants to reduce packaging and packaging waste.
Establishing a system to measure, collect and recover rainwater	√	A study was completed at our Washing Machine Plant collect and recover rainwater. 100 m ³ of rainwater was recovered and used in 2012.
√ : Project completed.		

Objectives for 2013

- Undertaking studies for saving and recovering water
- Executing and further developing integrated waste management operations
- Undertaking studies for resource efficiency

Efficiency in Material Use

Using raw materials and materials provided by our suppliers and subcontractors in production processes, we register and monitor consumption of those materials so that we are not only able to keep our material flow costs under control but are also able to implement projects focused on reducing material usage thereby ensuring resource efficiency. Some of the studies we completed during the reporting period are mentioned below;

Integration process for introducing "Environmentally Friendly Nanotechnology Product" has been underway for the entire plants since 2009 in an effort to reduce the use of pre-treatment chemicals and energy during the surface finishing before the implementation of sheet piece powder coating. Thanks to this new product, the related process is completed at 25 °C instead of 50-55 °C hence a significant level of energy is saved while the process also no longer produces any phosphate sludge.

“Cataphoresis Chemical System Change” project, transition of which will be completed in 2013, is to reduce resin consumption by 16%. A study has begun to use powder coating instead of wet paint. The project will result in eliminating Volatile Organic Compounds (VOC). A study conducted on LCD TVs at the Electronics Plant led to an annual reduction of 13.2 ton plastic per product. As a result of the improvements made in 2012, the use of metal materials in the total sum of products manufactured was reduced approximately by 26 tons when compared with 2011. The reuse ratio of the wet enamel left in the white undercoating tanks at the Cooking Appliances Plant rose from 16% to 50%.

While taking necessary legal requirements into account, ensuring that the user guides provided with the products are plain and brief with further detailed information available on demand over the corporate website saved 22,370 pine trees from being cut down.

The paint shop process at the Dishwasher Plant was selected as the Best Available Technique (BAT) by the Ministry of Environment and Urbanization in 2012.

Within the scope of efforts to develop environmentally friendly products, studies are undertaken to design more environmentally friendly products with the use of less materials and resources thereby ensuring further resource efficiency while not compromising the quality of products. Some of the studies implemented to reduce the weight of products are mentioned below:

- Weight of 60 cm solo type dishwashers has been reduced by 33% since 2004.
- Washing machine motor weight has been reduced by 5.6% since 1995.
- Dishwasher motor weight has been reduced by 9.5% since 1995.
- Mini type compressor weight has been reduced by 12% since 1995.
- Midi type compressor weight has been reduced by 15.7% since 1995.

Raw materials and other materials use in production plants in Turkey for the year 2012 (tons)

Raw Materials	2012
Plastic Raw Materials	108,076
Metal Raw Materials	290,929
Materials (1)	354,080
Chemicals (2)	8,136
Total	761,221

(1) The figures stated cover every kind of material turning into a part of the finished product including semi-finished materials and isolation materials.

(2) The figures stated include adhesives, lubricants, paint, enamel, operational and all other kinds of chemicals.

- Weight of 60 cm built-in ovens with static function has been reduced by 20.5% since 2008.
- Weight of 32" LCD TVs has been reduced by 68% since 2005.

Arçelik A.Ş. conducts studies within the framework of its efforts to ensure compliance with Restriction of Hazardous Substances Directive (RoHS); Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); Polyaromatic Hydrocarbon (PAH) Standard, which is a voluntary standard. Coordinated by the Energy and Environmental Management, those studies are undertaken by Arçelik – Green Chemistry Team, which is composed of experts from related units. To guarantee compliance of the materials procured, a related procedure ([A1] : GCP-16329 – Chemical Substances that Require Prohibition and/or Limited Use Procedure) was launched.

Arçelik A.Ş. was the first home appliances manufacturer to produce the first CFC free refrigerator in Turkey 11 years before the actual 2006 deadline set for Turkey within the framework of the Montreal Protocol designed to limit the use of the substances depleting the ozone layer.

Waste from the Production Processes

The wastes arising from our activities are firstly classified, then gathered at their source with regard to the type of waste and regulations, then transported with appropriate licensed vehicles, later to be recovered in licensed facilities and are finally disposed. The waste treatment is determined with regard to the waste type and legal regulations and only those wastes, which cannot be recovered, are sent for disposal.

Waste Arising from Factories in Turkey in 2012 (tons)

	Recovered	Disposed	Recovery Ratio (%)
Hazardous Waste	2,342	215	92
Non-Hazardous Waste	71,548	1,477*	98
Total	73,890	1,692	97

* : mainly domestic waste which cannot be recycled.



Some of the waste reduction studies implemented at our production plants in 2012:

The total amount of waste oil was reduced by 25 tons thanks to an improvement study undertaken at the Refrigerator Plant.

While the waste generated per product at the Washing Machine Plant for 2012 was meant to be 5.26 kg/product; 5.05 kg waste was eventually generated at the end of the year per product thereby showing that 4% more improvement was achieved than it had originally been aimed for. In addition to that, boron oil automatic dosage and feeding system modernization projects reduced the annual total amount of waste oil generated from 65.05 tons in 2011 to 56.80 tons in 2012.

Hazardous waste generated per product at the Dishwasher Plant was reduced by 10%.

Solder slag from wave soldering operation process is removed as waste at the Electronic Plant. In 2012 a study launched to reuse the solder slag resulted in turning 35-40% of the waste solder slag into slag ready for reuse. Improvement studies completed at the plant reduced hazardous waste amount in 2012 by 5% when compared with 2011.

Studies to enable reusing of powder coating paint at the Electric Motors and Tumble Dryer Plants led to a reduction in the waste generated. Moreover, the paint that has turned into residue or attained too dark a tone are taken to paint manufacturers licensed by the Ministry of Environment and Urbanization. As a result, approximately 100% of the powder coating paint is recovered. The grease on the metal surfaces to be painted is cleared at the degreasing unit, which helps the waste water taken to the treatment facility enjoy a lower pollution load level thereby reducing related chemical consumption and amount of sludge generated.

The ratio of the reuse of the enamel left in the white undercoating tank filters at the Cooking Appliances Plant has been increased from 16% to 50%, hence reducing the enamel related waste generation. In addition to that, performance improvement studies made at the wastewater treatment facility reduced the amount of sludge by 30%. Furthermore, the plant has begun to reuse the hydraulic oil, which resulted in decreasing the amount of waste oil from 5.4 tons in 2011 to 3.7 tons in 2012.

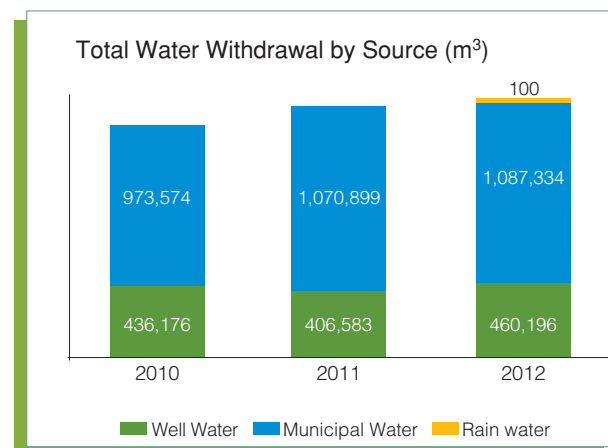
Affiliated with Koç Group, Arçelik A.Ş. participates in the Koç Group Recycling Project launched in 2010. Koç Group, a member of the Global Recycling Network, aims to raise awareness among its employees regarding recycling; to ensure the collection and recycling of paper, glass, metal and plastic waste according to a common standard as

well as achieving an increase in the total amount of waste collected.

Within the scope of the project in 2012, 9.2 tons of domestic glass waste, 210 tons of paper, 1.6 tons of metal waste and 32.4 tons of plastic waste were collected at the Arçelik A.Ş. facilities.

Use, Recovery and Discharge of Water in Production

In 2012 the production quantity at all the Arçelik A.Ş. plants located in Turkey rose by 11% on average. In spite of this development, thanks to the improvement and recovery studies undertaken, the total rate of increase in water consumption remained at 4.8% amounting to 1,547,630 m³. In 2012 we met 29.5% of our need for water, one of the main inputs of our production processes, from wells while meeting 70% of our water need from municipal water and 100 m³ from rainwater.



Thanks to studies we realized in 2012 to reduce water consumption and recover more water, we managed to save 110,000 m³ of water.

At the Washing Machine Plant, automatic turning off of the water flow to paint shop phosphate line degreasing and fresh ring at pauses and stops saved 3,116 m³ of water annually while a study on optimizing product tests saved 4,891 m³, laboratory modernization and relocation saved 1,000 m³, using dry cooler in cogeneration saved an additional 6,000 m³ on well and municipal water annually.

At the Cooking Appliances Plant, a portion of the discharged wastewater is recovered and used at the toilet tanks. Annually 14,000 m³ part of the discharged water is recovered.

At the Dishwasher Plant, advanced treatment of the water released from the wastewater treatment facility saves 7,463 m³ of water annually.

Use of Natural Resources and Waste Management

At the Refrigerator Plant, improvement studies completed at the rinsing baths saved 72,000 m³ of water. At the Electronics Plant, the condensate from the positive ventilation air conditioning units is collected and used to fill the fire truck tank and the steam boiler tank, which results in saving 900 m³ of water.

In addition to that, a project was developed in 2012 to recover and use the water leaving the biological treatment facility and rainwater in the manufacturing process. The project aims to save 105,000 m³ of water annually.

The water used by the paint shop baths at all Arçelik A.Ş. Plants is constantly circulated and chemical analyses are carried out to determine whether to change water. In other words the water is not regarded as wastewater unless sufficiently polluted. Circulating less polluted water in the highly polluted baths reduces water consumption and wastewater generation.

In an effort to protect the quality of the ground and surface water resources, to prevent water pollution and avoid imposing a negative impact on biodiversity, we discharge the water from our entire plants only when it has been treated to comply with the water discharge standards at the chemical and biological treatment facilities built in line with the characteristics of the water.

The production quantity at all the Arçelik A.Ş. plants located in Turkey rose by 11% on average in 2012 the total while the increase in the total amount of domestic and industrial wastewater discharged was limited to 3.7%.

We check and monitor the compliance of the discharged water quality with the norms set by the legal regulations through periodical analyses and we are also carrying out projects to achieve values even better than the legal limits allowed for the discharged water. Thanks to our approach, the COD (Chemical Oxygen Demand) values pertaining to the water discharged by our plants are considerably lower than the highest legal limit values required in Turkey.

Some of the improvement studies undertaken on water discharge during the reporting period:

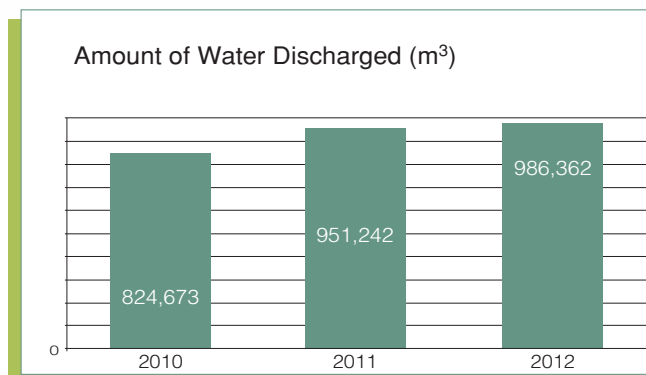
In 2012 we developed a project on how to recover and use the water leaving the biological treatment facility and rainwater in manufacturing process. The project aims to save 105,000 m³ of water annually. By starting to use the water from the basic surface coating material at the Wastewater Treatment Facility, the amount of sludge has been reduced by 93% (85 tons in total) since 2009 at the Refrigerator Plant. Thanks to the launch of the Wastewater Recovery Unit at the Electronics Plant, the amount of wastewater with plastic paint delivered to the Wastewater Treatment Facility has significantly been reduced and reached an almost non-existing level since 2009. An air dryer installed at the entrance of the Wastewater Treatment Facility to dry the air delivered from the compressor to the facility has reduced the need for changing oil, which is used as conditioner. The discharge parameters of the Cooking Appliances Plant Wastewater Treatment Facility are way lower than the legal limits set and close to 700 carp fish have been living in the water discharged from the facility for 2 years now.

In line with the principle of achieving continuous improvement, cooperation studies with universities are made to improve the wastewater treatment facilities further. A wastewater treatment facility performance improvement project was materialized during the reporting period at the Cooking Appliances Plant in cooperation with İstanbul Technical University (İTÜ) Department of Environmental Engineering. Within the scope of the project wastewater pollution load and wastewater properties were analysed, the treatment performance of the facility was examined with areas identified for improvement. As a result, wastewater treatment facility chemical consumption was reduced by 40%.



COD values of discharged water (mg/l)[1]				
Plant*	2010	2011	2012	COD Legal Limit Value (mg/l)**
Cooking Appliances	22	39	50	100
Dishwasher	58.6	106.8	164.3	1,000
Electronics	44	51	44.5	600
Refrigerator and Compressor	22	<30	19.25	100
Tumble Dryer	30	30	200	1,000
Washing Machine	123.6	40	130	600

[1]
*: Since the industrial waste water amount from the Electric Motors Plant is insignificant, it is disposed by licensed disposal facilities in line with the legal regulations. The domestic wastewater from the plant is treated by the wastewater treatment facilities of the Organized Industrial Zone.
**: According to the Turkish legal regulations, the water discharge limit values depend on the properties of the water as well as the receiving environment. COD: Chemical Oxygen Demand.



Products Saving Water

Sensitivity of Arçelik A.Ş. to the use of resources is reflected on products as well through development of products with minimized impact on environment thereby further boosting the multiplier effect of the company's environmental approach.

Dishwasher with the Least Water Consumption in the World:

Launched in 2011, Arçelik 92104 PFEI, Cactus model is the world's least water-consuming dishwasher in the world with 6 litres of water consumption and is classified A++ in terms of its energy efficiency. The aluminium isolation material, which is only utilized by Arçelik in the world, helps the product save 10% on energy. Re-filtering the cleanest water of the washing-cycle, which is the rinsing water, and re-using it in the next washing-cycle, Cactus saves 14% on water, thus making it the world's most water efficient dishwasher.

According to the European Committee of Domestic Equipment Manufacturers (CECED) database, 70% of all dishwashers used in Turkey are A energy class products with 15 litres of water consumption on average. If all these dishwashers were replaced with Cactus models, 22 million tons of water, which amounts to 500,000 people's consumption of water on annual basis, and 900 GWh of energy could be saved and 420,000 tons of greenhouse gas emission could be prevented.

By using aluminium isolation material instead of oil-based isolation materials, Cactus dishwasher has been produced as an environmentally friendly product with high resource efficiency. Selected as one of the Best Practices in the country promoting concepts of "Sustainable Development" and "Green Economy", Arçelik Cactus Dishwasher represented Turkey at the Rio+20 United Nations Conference on Sustainable Development held in June 2012, Brazil.

Use of Packages and Packaging Waste Management

The environmental performance we have achieved with our products is further supported through effective packaging waste management practices. For that purpose, we continue our studies on reducing amount of packaging used in general, introduce more recyclable green packaging materials whenever possible and realize new projects to minimize resource consumption from packaging.



Packaging Types Used for Our Products:

Packaging Material:	Cardboard	Plastic	Wood
Dishwasher	√	√	√
Refrigerator	√	√	√
Washing Machine	√	√	x
Tumble Dryer	√	√	√
Cooking Devices	√	√	√
Electronic Devices	√	√	x

The volume and weight of our products' packaging are designed to generate as little waste as possible. We cooperate with recycling companies licensed in Turkey and abroad for packaging waste management. 60% of the cardboards used in our cardboard packaging come from recycled materials and all our product packaging is fully recyclable.

Thanks to studies we launched in 2011, the shrink packaging material used in the packaging of washing machines, ovens, tumble dryers and dishwashers was reduced by 27% (344 tons) in 2012.

Some of the other studies made on plant basis:

Introduction of plastic pallets, which are more durable in carrying products, has prevented the use of 15,620 wooden pallets (468.6 tons) on an annual basis at the Dishwasher Plant. An improvement project materialized has eliminated the need for 7 million (406 tons) cardboard support, which was used to prevent cardboard packaging from being torn apart.

Replacing the cardboard boxes used to carry electronic cards with plastic cases saved 111,000 cardboard boxes along with cardboard separators found in each of the boxes at the Washing Machine Plant in 2012. As a result, a single packaging was sufficient to make all the deliveries. Introduction of plastic and metal cases to carry loads at the Electric Motors Plant has increased the ratio of reuse and prevented the packaging waste at its source. Another project implemented at the Cooking Appliances Plant has reduced the use of cardboard used at the product by 60% while cutting down the packaging weight by 2.5-3 kg thereby reducing the amount of packaging waste.



Reuse, Recycling and Disposal of Products

As Arçelik A.Ş., we operate with the same responsible approach in the reuse, recycling and disposal of our products as we do in their production and delivery to the customers. In this respect, we monitor all the legal regulations that we need to comply with during the entire product life cycles and take the ISO 14001 Environmental Management Standards as our basis. Mechanisms installed by Arçelik A.Ş. for collecting and recycling products ensure the compliance of its products sold in the market with the Waste Electrical and Electronic Equipment Directive (WEEE Directive), which needs to be adhered to in the EU member countries. Moreover, we provide our voluntary support for and participate in studies on ensuring compliance with the WEEE Directive in the markets outside the EU too. As part of a project we began in 2011, we determine which activities are to be pursued within the framework of ensuring compliance with the WEEE Directive in Turkey and cooperate with the White Goods Manufacturers' Association of Turkey (TÜRKBEŞD) for that purpose. Refrigerators manufactured before 1995 with CFC-11 refrigerant were examined in detail within the scope of the project and a survey was held among consumers to find out how their old products could be covered by the WEEE system. In an effort to encourage reuse and resource efficiency, "Recycling Centers" have been available at our entire plants since 1997.

Raising Public Awareness on Resource Consumption

The majority of the environmental impact during the lifecycle of white goods and consumer electronics takes place during the use of those products. Developing environmentally products is one of the main activities we pursue for the reduction of this impact based on resource consumption such as use of water and energy. However, conscious consumers who are aware of the importance of saving resources and methods are also essential to achieve the intended effect. Hence a significant pillar to our climate change strategy is the awareness raising activities we organize for the public.

In drawing the attention of the consumers to energy and water efficient products, the tool we most frequently use is the advertisements. While using this channel, we bring the environment-friendly qualities of our products to the foreground.

As Arçelik A.Ş. in 2010, we launched the "Market Transformation of Energy Efficient Products" project in cooperation with the United Nations Development Program (UNDP), Global Environment Fund (GEF), White Goods Manufacturers' Association of Turkey (TÜRKBEŞD), Turkish Ministry of Industry and Commerce as well as with the General Directorate of Electrical Power Resources Survey and Development Administration (EİE). In 2012, we continued this project, which will last to the end of 2015. The goal of the project is to reduce the domestic consumption of electric energy, and therefore reduce the related greenhouse gas emissions, by speeding up the transformation to electrical home appliances consuming less energy.

Furthermore, various informative activities were organized in 2012 at various Universities and schools as in Yıldız Technical University Energy Efficiency Panel Meeting Presentation, Yıldız Technical University Green Sector Seminar along with environmental awareness trainings given at Muhsine Zeynep Secondary School, Kadir Has Primary School, Celal Avşar Secondary School and Ahmet Rasim Primary School.

Raw materials and other materials used in our products recycling rates

Materials	Status
Metals	100% recyclable
Plastic	100% recyclable
Glass	100% recyclable
Chemicals*	Cannot be recycled
Rubber	100% recyclable
Others	81% recyclable
Components	80% recyclable

*Chemicals do not include oil. 78% of oil can be recycled.

Our products and their ratio for recyclability: Washing Machines: 99%, Condenser Tumble Dryers %98, Refrigerators 99%, Dishwashers 84%, Electronic Devices 88-92%, Ovens 91%.





Sustainability Management in Value Chain



As Arçelik A.Ş., we regard all the processes from procurement of raw materials to the use of our products by consumers as links of our value chain and implement practices with a view to enhancing efficiency in all the stages of that chain while supporting sustainable growth. In an effort to provide superior products at suitable costs, we develop efficient and sustainable supply chain processes, carry out leading R&D activities to minimize the environmental impact stemming from the use of our products and to make the lives of our consumers easier, and accompany the constant development of our authorized dealer and service network to provide an even better a service in all the markets we operate.

- √ We have expanded our supply chain and worked with over 1,700 suppliers for direct material procurements.
- √ 43.7% of our direct material procurement was made in Turkey.
- √ We manage a procurement volume of 2.5 billion Euros in our growing supply chain.



Innovation Champion Arçelik

Since 1990 Arçelik A.Ş. has invested in R&D and technology without slowing down, which has made eventually turned it one of the leading companies on the international markets as well. Thanks to its innovative products with superior technology and quality, Arçelik A.Ş. is one of the leading actors that make a difference in R&D- one that is capable of marketing the products designed and manufactured on its own under its own brands in over 100 countries.

Arçelik A.Ş., which has played an active role in developing culture of R&D in Turkey, successfully continues its R&D activities on a local and global scale. Arçelik A.Ş. produces its own technologies without using licenses and protects its technologies through the patent applications it makes. It has been the "Patent Champion" by far on the list filed by the Turkish Patent Institute for long years and keeps that title.

Arçelik A.Ş. owns 1/3 of the total sum of the international and European patent applications made from Turkey to WIPO.

For the last 5 years, Arçelik A.Ş. has been the first and only Turkish company that has made it to the first 200 of the "Top 500" companies list issued by the World Intellectual Property Organization (WIPO). According to the 2011 Annual Report published by the European Patent Office (EPO), half of the total Turkish patent applications registered by the EPO belonged to Arçelik A.Ş.

Our Environmentally Friendly R&D Investments

In an effort to minimize the CO₂ emission caused during the product use, we work hard to produce environmentally friendly products. We therefore continuously carry on with our studies to reduce the environmental impact of our products by developing products with less CO₂ emission, less energy and water requirements. Within the scope of those studies, we spared 24,442,039 TL for our R&D investment and expenses focused on developing environmentally friendly products.

Organized annually by Arçelik A.Ş. for the last 14 years, the "Invention Day" activity was held in 2012 too and inventors that have enjoyed significant success in producing technology and developing innovative products were awarded as part of the activity.

Our company enjoyed significant success in the management of intellectual property in 2012 as well. Arçelik A.Ş. won the second prize in the IP-Management Award 2012 held by Fraunhofer Institute. While protecting our inventions through patent applications we make, we share our accumulation of knowledge by publishing some of our studies in scientific magazines, conferences. Many of our studies were published and announced in both national and international magazines, conferences and seminars in 2012 too.



National and International Cooperation

Since it founded the Ar-Ge Department, Arçelik A.Ş. has acted in compliance with consciousness that Ar-Ge operations can not be held in a closed organization with only its own sources but, the department should provide the information through necessary sources, taking part in technical networks and use it according to its needs. In 2012 the prominent collaborations which are conducted with foundations and firms in the field are as follows:

“Advanced Fluid Dynamics Analysis Laboratory” was opened in 2012 at Department of Mechanical Engineering, İstanbul Technical University (İTÜ) along with the “Material Development Laboratory” at Chemical and Metallurgical Engineering Faculty. Various cooperation projects with Industrial Theses Program (San-Tez) and Scientific and Technological Research Council of Turkey (TÜBİTAK) are realized at those two new laboratories while a number of equipment and experimental mechanisms are introduced too for undergraduate and graduate students to work on.

In 2012 Arçelik A.Ş. became a member of IKV, which specializes on Polymer Processes at Aachen University. A series of joint projects was launched on perceived quality at Dresden University, Germany.

Arçelik A.Ş. continued its cooperation in 2012 with various national universities with a leading reputation in their fields of research such as Koç University, Middle East Technical University, Boğaziçi University, İstanbul Technical University, Yıldız Technical University, Anadolu University, Mediterranean University and Süleyman Demirel University as well as leading international universities and research institutions such as Surrey University, Bremen University, Institut Fuer Rundfunktechnik GmbH (IRT) and Fraunhofer Institute.

By means of a number of projects, platforms and funds, Arçelik A.Ş. continues its R&D activities on an international scale in an increasingly growing fashion and takes an active role in various organizations. Arçelik A.Ş. has been actively participating in the innovative projects platform of the EU. Increasing its international cooperation further, the company maintained its leading position in the 7th Framework Program and EUEKA.

The EU 7th Framework Programme seeks to ensure that Turkey integrates with the European Field of Research in science, technology and innovation. Arçelik A.Ş. enjoyed great success once again in this respect and managed to rank first on the “Most Successful 5 Companies in the 7th Framework Programme According to the Number of Partnerships” category published in the EU 7th Framework Programme Mid-Term Evaluation Report (1 January 2007 – 30 June 2012)” booklet issued by the TÜBİTAK EU Framework Programmes National Coordination Office.

Apart from being a signatory of the 7th Framework Programme, Arçelik A.Ş. joined the Marie Curie Programme for the first time in 2011 and kept contributing to a brain drain in Turkey’s favour from the EU and non-EU countries by submitting new projects within the scope of this programme in 2012. Arçelik A.Ş. has so far completed 2 projects and is currently undertaking 5 other projects as part of the EUREKA, an international cooperation platform providing support for the development of market oriented products and processes that could be commercialized in a short period of time.

Networked and Electronic Media (NEM) brings leading institutions in digital media/content production and network technologies. Organized by the NEM Initiative, annual NEM Summit was held in İstanbul this time on 16-18 October 2012. As a sponsor of this summit, we participated in many workshops and sessions.





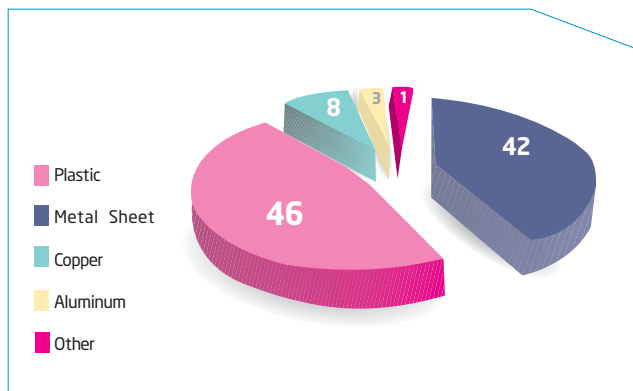
Global Procurement

Arçelik A.Ş. has grown fast and turned into a global company. In parallel with that development, the procurement organization of the company has shaped itself accordingly in time. Our main goal is to provide our customers with quality, affordable, accessible and environmentally friendly products.

As of 2000, a central procurement organization was established thereby giving Arçelik A.Ş. benefits of scale economy while also bringing experiences from different locations together. Global procurement organization has played an important role in Arçelik A.Ş.'s decision to manufacture in Romania, Russia, China, South Africa and other locations abroad in the future. Arçelik A.Ş. boasts a truly global procurement organization with procurement offices located in 10 different cities all over the world with a HQ in İstanbul.

Raw materials accounted for the 35% of the Direct Material procurement made in 2012.

Distribution of Purchasing of Raw Materials (%)

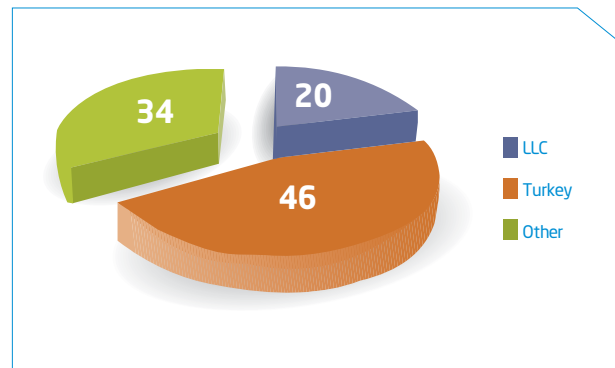


Procurement activities of Arçelik A.Ş. include procurement of direct materials, indirect materials, services and investment goods for the white goods and electronics production facilities located in Turkey and abroad. In addition to these operations, logistics services and product provision are also attended.

Central procurement organization of Arçelik A.Ş. manage a procurement volume of 2.5 billion Euros including especially direct materials (which are composed of raw materials, processed metal/plastic materials and components used in products), indirect material/service procurement and investment goods.

Arçelik A.Ş. works with over 1,700 suppliers for procuring "Direct Materials", which include procurement of raw materials, materials and components used in the manufacturing of white goods and electronic devices.

Direct Material Procurement from Low Cost Countries (%)



In 2012 the ratio of direct material procurement from "Low Cost Countries" was 19.40%. In an effort to contribute to competitive advantage of the company, various improvements are made to the cost of materials through projects implemented by our manufacturing plants and international procurement organization.



We try to advance cooperation with our suppliers at every step starting from the design of products. For that purpose, the crucial communication tools for maintaining long-term partnerships for us with our suppliers is holding regular meetings, paying reciprocal visits, sharing information through our portal, establishing an organizational structure in regions with high levels of procurement and holding suppliers' days. Cooperation in Technology and Innovation Days, supplier day organizations as well as studies of our Supplier Development Department were among the practices that stood out in 2012.

Technology and innovation days organized seek to share more of the roadmaps for our products and trigger joint projects with our suppliers. In this context, 40 "Technology and Innovation Days" were held in 2012 with 30 different suppliers.

Supplier Day

Arçelik A.Ş. Supplier Day was held in May in İstanbul with view to strengthening our communication our suppliers and sharing our strategy as well as our expectations with them. Over 500 participants from 32 countries and 420 companies were present in the event. On Supplier Day it was stressed that we need to benefit further from the expertise and experience of our suppliers, ensure that they participate further in design and innovation processes while the expectations of Arçelik from the suppliers were pointed out as listed below:

- To believe in and support goals of Arçelik A.Ş.,
- To establish a high level of cooperation with Arçelik A.Ş. at every stage starting from design,
- To provide visionary, innovative technologies and products which continuously develop further,
- To be able to adjust themselves to the growth rate and flexibility of Arçelik,
- To operate in harmony with our sustainable supply chain approach,
- To respect human beings, society and environment.

Thanks to the projects it initiated in 2012 again to support related industries to improve their infrastructures, Supplier Development Department gave competitive advantage for the companies participating in the projects and helped them increase their quality. Furthermore, efficiency projects based on "gain sharing" models are introduced to assist suppliers enhance their quality through "goal based" management.

When Defy Home Appliances, one of the leading white goods manufacturers in the Republic of South Africa, became affiliated with Arçelik A.Ş in 2012, our procurement operations in this region gained significant impetus.

In March 2012, an organization was held with the participation of our suppliers in the Republic of South Africa. Arçelik A.Ş. global procurement organization, its strategy and goals were shared with our suppliers.

Expectations from Our Suppliers

In addition to compliance with the product specifications and quality expectations, and satisfaction of technical and organizational requirements, all our suppliers are expected to operate in compliance with global conditions of quality management system, environmental management system and work ethic standards.

Within the framework of the "Environmental Compliance Management" practices to ensure that all the materials supplied for Arçelik A.Ş. fulfill the related national and international legal requirements, a specification depicting universally banned materials has been drawn up. Apart from the reports, test results and declarations received from our suppliers to confirm the compliance of the materials with the related specifications, we also use the analysis equipment at our plants to verify the compliance of the materials with the RoHS. Moreover, we regularly send queries to our suppliers regarding "Substances of Very High Concern" to guarantee our compliance with the REACH.

Some of the environmentally friendly practices we undertook in 2012:

- Making the materials used in product packaging more environmentally friendly.
- Making the use of recycled materials by our suppliers more widespread.
- New materials and processes developed for our surface coating processes eliminates waste generation completely and reduces water consumption in our manufacturing processes by 25%.
- Replacing the single-use cardboard boxes for carrying electronic cards with durable and recyclable plastic cases, hence reducing annual paper consumption by 100 tons.
- Introducing improvements we have achieved regarding our in-house processes in energy and environmental aspects to our suppliers so that those improvements could be more widespread.
- Mostly replacing the copper windings with aluminium windings on the compressors manufactured in-house or supplied from outside so that they weigh less in transportation thereby decreasing related CO₂ emissions.
- Regarding components used in our products, procuring the component models with less energy consumption at lower prices so that the product range consuming less natural resources could grow further. (Efficient motors and compressors, halogen bulbs, precise sensors etc.)

Distribution and Authorized Dealer Network

We operate in a sector where we need to meet the requests of our customers in a fast and efficient fashion to ensure customer satisfaction. That is why the optimization of our distribution and sales network is of utmost importance. We constantly work to develop our order-production-delivery flexibility further, develop our infrastructure in that context while coming up with innovative solutions.

Communication with the Authorized Dealers

Thanks to our authorized dealers, our products meet customers at 3,600 locations all over Turkey. They play an important role in the success achieved by Arçelik A.Ş. and we therefore always seek to enhance the talent, competence and knowledge of our dealers through an active communication mechanism we have established. We are always in contact with our dealers in line with our goal for constant development and improvement by means of practices such as “Arçelik TV” and “Beko TV” closed circuit television channel broadcasts, continuous trainings over the internet and TV broadcasts for the LCD TVs placed for show on stores.

On top of those practices, “E-Academy”, our training platform over the Internet, enables the representatives working at our authorized dealers to participate in the trainings provided any time and place they choose. We monitor the development levels of our sales representatives by means of tests given before and after the trainings within the scope of the practice. As of late 2012, 748 employee representatives were trained over this platform.

73 training programs on products and sales techniques were held in total for the sales representatives working at Arçelik and Beko authorized dealers in 2012. 1,205 sales representatives from our Arçelik and Beko authorized dealers participated in those programs. As far as those training programs are concerned, 785 sales representatives participated in the 42 trainings with the theme “Basic Product and Sales Techniques” while 377 sales representatives participated in the 30 trainings with the theme “Product Trainings” focused on a product group. In the same period, in cooperation with Boğaziçi University Lifelong Learning Center, 264 sales representatives that completed the “Basic Product and Sales Techniques” and the trainings given over the Internet, passed the exams held and therefore obtained a “Certificate of Success”.

In 2012, our 140 Authorized Dealers participated in the “Human Resources Management” training prepared for the owners of the shops. In the year ahead, we seek to make those trainings available for our other Authorized Dealers as well. We organize programs called “White Tour” for our authorized dealers to visit our production plants. White Tour was held in 2012 and 26 Authorized Dealers took part in it and got the opportunity to see our plants for themselves. We enhance our quality of service through improvement and development activities in the related processes thanks to the feedback we receive from our authorized dealers. The Authorized Dealer Meetings we hold for that purpose allow us to inform them on the goals of Arçelik A.Ş. and to receive feedback from our authorized dealers.



Our Environmentally Friendly Approach during Product Storage and Distribution

Below is a list of the practices we pursued in 2012 regarding our supply operations in line with our environmentally friendly approach and awareness of the need to act in that way:

- “Dynamic Routing” practice we implement in the product distribution operations in Turkey has not only lowered costs, shortened delivery times, improved quality of customer services but has also shortened the distance covered in distribution, reduced carbon emission, ensured process efficiency and labor force optimization.
- “Route and Load Optimization System” ensures the use of ideal number of vehicles thereby reducing the emission of polluting gases related to transportation.
- Dealer Shared Warehouse (DSW), one of the significant projects, went on to be come widespread on a provincial basis in 2012. As of late 2012, there are DSW warehouses active in 7 provinces. Using shared warehouses allows direct delivery of our products to customers therefore eliminating the middle step in transportation operations and reducing carbon emission. The practice will be made more widespread in 2013 too.
- In line with our approach to export products from Turkey in ways sensitive to environment, maritime transport is preferred as much as possible for the distribution of our products once they have reached ports. 74% of the exports from 2011 were delivered via sea while 24% of them were delivered via roads and 2 percent via railroads. In 2012 the ratio of maritime transport was increased to as high 83%. In the same year, the use of land roads in exports fell by 38% to 15%. Despite the infrastructure studies and interrupted services received, the railroad kept its 2% share in 2012.
- Projects focused on saving energy in product warehouses went on in an increasing fashion in 2012. Replacing projectors with energy saving illumination systems, ensuring more use of daylight and introduction of transportation vehicles running on electricity instead of those run on gas to the warehouses have helped CO₂ reduction. Cancellation of illumination points coinciding with the top of the stacking points also helps saving energy.
- Sending packaging materials such as cardboard, styrofoam, nylon, wood, pallets, wooden brackets back to plants reduces the total sum of waste generated and save on costs.
- In an effort to increase environmental awareness of the staff working at the warehouses, regular trainings on environmental and waste management are given especially to the new recruits.
- Recollecting and reusing the air cushions used in certain export loads ensure that less waste is generated while costs are lowered.
- In 2011 79% of our imports were delivered via sea while in 2012 this ratio rose to 86%. 14% of the remaining imports were made via land roads and 1% was made via railroads. The share of using maritime transport has been regularly on the increase annually.

After Sales

Our after sales services complement our understanding of quality, which is very high in our products and is constantly developed further. Expanding our services network and making it more widespread in an improved fashion is a top priority for us. Certificated by ISO 10002 Customer Satisfaction standard, after sales processes ensure that customer satisfaction is covered by the ISO quality standards. Our authorized dealer and service network is the largest of service provision network of their kind in Turkish durable consumer goods sector.

Our technical staff are trained and certificated by the Technical Services and Training Management unit. In addition to this, via Service TV practices, our service personnel receive training on product specifications. By utilizing palm-computers, work distribution for the authorized technical staff in the field is completed fast in an optimized fashion thereby ensuring quality of service and enhancement in efficiency.

Since 1998, Arçelik A.Ş. has been offering a 3-year warranty for its products even though the Turkish laws require a minimum 2-year warranty for the related product range. Moreover, although the related law requires 6-month guarantee for replacement parts, Arçelik A.Ş. offers 1-year guarantee for the replacement parts installed.

Arçelik A.Ş. Consumer Services serve our customers with 330,000 different replacement parts. Although the law does not provide any replacement part service provision for products older than 10 years, 350,000 services were provided for 13,000 different replacement parts we provided in 2012 thereby ensuring customer satisfaction.



Call Center

In an effort to evaluate feedback, recommendations and requests from consumers as soon as possible thereby ensuring the highest level of consumer satisfaction, Arçelik Call Center serve our consumers for 7/24. This way our consumers are able to be in contact with Arçelik in the healthiest and most efficient fashion. Delivering consumer recommendations and criticism to related departments, hence contributing to the production of new products is one of the key missions of Arçelik Call Center.

Operating since 1991 with superior technological infrastructure and equipment, Arçelik Call Center not only answers consumer demands made through modern communication channels such as telephone and e-mail but also through conventional channels such as faxes and letters. A significant portion of the demands from our customers are resolved with the “First Step Support” service on the phone without having to pay a visit to the house of the customer. Arçelik Call Center organizes satisfaction surveys in Turkey and abroad to improve its service quality and receive customer feedback.

Launched by our Call Center Directorate in 2011, the ongoing “Home Agent” project provides an opportunity for many disabled young people to work while granting a new work system opportunity for our staff who prefer to work from home.

Social Development



As Arçelik A.Ş., we engage in a series of practices to support social development in our wide operational geography; pioneer various platforms working in this field; create projects in an attempt to seek solutions for social, cultural, environmental problems and needs, considering the participation of our stakeholders to be one of the core values of our projects and implementations to ensure the sustainability of these processes.

- √ We have reached 200,000 students studying at 300 Regional Primary Boarding Schools across 60 cities with the Standing United for Education with Arçelik A.Ş. Program.
- √ We granted 275 students scholarships in the reporting period, adding up to 1,283 scholarship in total since the onset of the Vocational Education: A Crucial Matter for the Nation Project initiated by Koç Holding.



Social Responsibility Approach

As Arçelik A.Ş., we believe in the importance of sustainable social development and we create value for our stakeholders both through the support we give to the social practices of Koç Holding we are affiliated with and through our social responsibility projects aiming to solve the problems of our operational geography. We consider the participation of our stakeholders to be a vital contribution to the projects we develop and realize in light of our corporate values. All the rings of our value chain starting with our employees, authorized services and dealers in the first place play active roles in our practices.

We ensure the permanence of our projects with this principle we name social voluntarism and create long-lasting activities by continuing our practices with the aim to develop social standards. Besides the employment we create, and the direct and indirect positive economic impact we have on our operational geography, we carry out development-oriented projects in the fields of sports, culture and arts, believing that social development will be possible by a positive momentum activated in all these fields.

Social Projects and Support Activities

Standing United for Education with Arçelik A.Ş. Program – Turkey



With the Standing United for Education Program, which was launched in 2004 in cooperation with the Ministry of National Education, Arçelik A.Ş. aims to reach children of primary education age based on the awareness that contributions to individual educational development must begin during the earlier stages of an individual's life. The purpose of the program is to improve the educational and developmental standards of the students, who are studying at Regional Primary Boarding Schools and come from financially disadvantaged families, and to raise them as role models in society. In the reporting period, Arçelik reached 200,000 students studying at 300 Regional Primary Boarding Schools spread across 60 cities through this program.

Within the framework of the program, students who have graduated with distinction from Regional Primary Boarding Schools but do not have the necessary financial resources to pursue secondary education have been offered scholarships for their secondary education. Arçelik has provided teachers and school heads working at these Regional Primary Boarding Schools with a series of seminars and workshops to contribute to their personal and professional development. The Volunteer Family Council, which is comprised of Arçelik A.Ş. employees, authorized dealers and services, has organized many important events, ranging from "career days" to book/toy campaigns, school and plant visits to "environmental awareness competitions" in order to contribute to the students' personal development.



“No Barriers for My Country”

Seminars for Accurate Approach to Disabled Persons (Turkey)

“No Barriers for My Country” Project, which aims to improve the life qualities of disabled individuals, is voluntarily supported by Arçelik employees. The project is implemented by Koç Holding in cooperation with the United Nations Development Program (UNDP) and Alternative Life Association (AYDER).

Within the scope of the project, Arçelik employees completed the “Volunteer Instructor Trainings” with the support of AYDER. During the reporting period, 36 voluntary instructors gave training courses on “disability and how to communicate with disabled individuals” at Arçelik campuses in order to promote the project and provide employees with more information on the subject. 60 training sessions were held, reaching 4,625 Arçelik A.Ş. employees.

We carried out various studies to make the working environment disabled-friendly in our plants and authorized dealers. The first step in this direction was taken and necessary arrangements were made in Çayırova campus in the reporting period. Works to convert Arçelik A.Ş. products into disabled-friendly products are underway. The number of disabled employees working both from their homes and at the work place has increased due to the fact that Arçelik A.Ş. gives priority to disabled citizens in jobs they can handle and supports their occupational development.

“We Read Books for You” Project

Another part of the “No Barriers for My Country” Project is the voluntary “We read books for you” project which was realized by the cooperation of Arçelik A.Ş. employees and Assistive Technology and Education Laboratory for Individuals with Visual Disabilities (GETEM) at Bosphorus University. The volunteers read the books chosen by visually disabled individuals or the ones of their choice to contribute to the audio library, which the visually disabled individuals can benefit from.

In 2012, 40 of our employees participated in the training held at Sütlüce campus and 25 volunteers supported the project by reading books at the end of the training.





Vocational High School Coaches (Turkey)

"Vocational Education: A Crucial Matter for the Nation" is a social responsibility project carried out by Koç Holding since 2006 and is supported by the employees, authorized dealers and services of Arçelik A.Ş. which has assumed responsibility for 26 schools within the framework of the project. A 28-person team composing of company employees, authorized dealers and services offer voluntary coaching to students as "Vocational High School Coaches" and prepare them for the challenges of their future professional lives by contributing to their personal development and serving as role models. A total of 1,283 students, 275 of whom continued their education during the reporting period, have been selected to receive scholarships since the launch of the project. All the scholarship recipients will have graduated by June 2013.

Electrical Household Appliances Technical Training Program - Arçelik Laboratories (Turkey)

The Electrical Household Appliances Technical Training Program - Arçelik Laboratories, which Arçelik A.Ş. launched in cooperation with the Ministry of National Education and General Directorate of Technical Training for Boys, aims to train a workforce that can follow developments and new technologies in the Turkish household appliances industry and create new employment opportunities. Accordingly, Arçelik established four new electrical household appliances technical service labs furnished with the latest measuring instruments and equipment at three schools in Istanbul

(Kartal, Beykoz, Zeytinburnu) and at one school in Diyarbakır in the academic year of 2011-2012. The curriculum to be pursued at these labs has been redesigned in cooperation with the Ministry of National Education and the teachers have been trained at the Arçelik Academy.

At these schools, 226 students were participating in trainings attended by 29 teachers as part of the Arçelik Electrical Household Appliances Technical Training Program created at the Electric-Electronic Technologies - Electrical Household Appliances Technical Service Department by the end of the reporting period. Arçelik labs strive to train the students to be eligible for employment as technicians in the white goods and air conditioner product groups. The students will be provided with internship opportunities at Arçelik-authorized services. The project was created as an industry-specific practice for the establishment and continuation of training-employment relationship and is the first of its kind in Turkey. Within the scope of the project, those students who want to work at Arçelik-authorized dealers or at Arçelik itself and who have completed certain stages of training successfully will be offered certificates and employment opportunities.





White Fish Playrooms (Turkey)

White Fish Playroom Project was launched in 2011 with the voluntary participation of Arçelik A.Ş. employees to initiate the establishment of special playrooms at oncology departments of hospitals to give morale and motivation to children suffering from cancer. A parallel is drawn between white blood cells active in the immune system and white fish, which give the project its name. The project aims to give hope and motivation to hundreds of children. The first room within the scope of the project opened its door to little patients at the Children's Ward of Marmara University Training and Research Hospital in 2011. In the reporting period, the scope of the project was expanded to build a playroom and library at the Children's Ward of Süreyyapaşa Hospital to boost the morale of children who require long-term inpatient treatment.

Besides, all the walls of the children's polyclinic were painted with cartoon characters by the painting studio team of Arçelik A.Ş. Çayırova. The financial resources needed to open the rooms were obtained via the sales of old stocks to Arçelik employees. The project aims to build a playroom in each hospital where one is needed and is managed by Arçelik A.Ş. Volunteer Teams and the employees of the Supply Chain Directorship Planning Group Management.

Arçelik Search & Rescue Teams (Turkey)

In the aftermath of the Van Earthquake, the members of the search & rescue team organized regular meetings through the coordination of Koç Holding to share knowledge and experience among companies about earthquakes and other emergencies. Initiatives were started to share emergency equipment and start cooperation for joint trainings. An Emergency Equipment Catalogue was prepared and offered to group companies. The Koç Holding Emergency Handbook was updated.

In order to share and enhance their knowledge and experience, search & rescue teams at Bolu, Çerkezköy and Eskişehir campuses participated in the emergency drills and trainings offered by Civil Defence units, fire authorities and NGO's working during disasters in their respective provinces. Necessary planning studies were started to update the training of search & rescue teams at other Arçelik campuses. A fully equipped search and rescue vehicle was procured to enable Arçelik Search and Rescue Teams to reach disaster regions as soon as possible in case of an emergency.



Support to Krasnodar, Krymsk Flood Region Donation (Beko, Russia)

The city of Krymsk in the Krasnodar region to the South of Russia was hit by a big disaster when heavy rain continued for two days and caused 7-metre long waves that devastated the city in a few minutes. 171 people died and more than 34,000 were injured in the disaster ravaging all the buildings and leaving the urban residents homeless. In the period after the calamity, the Russian government promised to build new buildings until October 2012 and new apartments were provided for all the citizens of Krymsk. During this period, Beko LLC sent 100 product sets consisting of washing machines, refrigerators and ovens to the region free of charge to support the city.

Support to Pro Juventute (Elektrabregenz, Austria)

Elektrabregenz, a long-established Austrian brand, has been supporting the charitable foundation Pro Juventute, which is dedicated to supporting homeless and needy children and youth, since 2011-2012. Elektrabregenz has granted products to the child and youth care centers Pro Juventute renovated and has contributed to the practices the foundation is undertaking to create social awareness and gain support.

Foundation of AmaZulu Society (Defy, South Africa)

The AmaZulu Community Trust was formed in 2009 to focus on the upliftment of communities in South Africa using the power of football. It carries on life-skills programs, HIV-AIDS trainings and gives incentives. Defy partners with the AmaZulu Community Trust in running development projects in the areas of Ezakheni, Durban and East London. More importantly is the rolling out of life-skills programs that will benefit the underprivileged citizens. Top talent is also given an opportunity to join a bursary program donated by Defy. The children who receive scholarships are entitled to attend the senior class free of charge at one of the best schools in the region.

LIV Village (Defy, South Africa)

LIV aims to raise the children orphaned due to various reasons -such as HIV-AIDS and poverty in particular- as a generation to contribute to positive change in South Africa, the whole continent and the world. It gives these children the opportunity to be raised in an environment similar to a family setting with regards to psychological education and care. Defy continued its support for LIV in the reporting period, granting 26 gas stoves in 2012.



Ethelbert Children's Home (Defy, South Africa)

Ethelbert Children's Home is a child care center and shelter for 65 children orphaned because of HIV-AIDS, or removed from their families due to physical and/or sexual abuse, neglect or abandonment. Ethelbert Children's Home consists of six cottages, each with two residing child care workers and a maximum of twelve children. Besides donating white goods and electronic appliances in parallel with the necessities of Ethelbert Children's Home, Defy also made cash donations in 2012.

We Give More Life to Your Clothes Campaign (Beko, Spain)

The award winning "We Give More Life to Your Clothes" campaign was launched by Beko Spain in November 2011. Within the scope of the campaign, 2.5 tons of clothes were collected and granted to SOS African NGO Foundation in the framework of the African Continent Cooperation Organization. These clothes were later distributed among the members of a large community in Dadaab, Kenya.

During the campaign, 300 shops throughout 150 cities established solidarity corners to support the project. Thousands of people from all over Spain visited these shops to donate clothes. 2,578 kilos of clothes were collected, 1 ton of which was brought to the shops in Madrid. All the clothes were then exhibited in the giant

washing machine built by Beko at the center of Madrid. The campaign was honoured with the Gold Award at the sixth annual European Excellence Awards among the Spanish projects. The campaign also won the Bronze Award in the category of Best Social Responsibility Projects at Evento Plus Awards in Spain in July.

The Tabaluga Musical (Grundig, Germany)

In the reporting period, Grundig provided 50 poor children from orphanages the chance to watch Tabaluga, the most famous musical of Germany staged in Munich. The musical turned out to be an unforgettable night full of adventure and amusement for all the children attending the performance. Grundig gave support by installing TV's in the performance area and for the Tabaluga management.



10 Years, 10 Cities, 10 Schools Project (Beko, Bosnia)

The social responsibility project “10 years, 10 Cities, 10 Schools” marks the 10th year Beko is celebrating in Bosnia-Herzegovina and is among Beko projects aiming to support sports. Beko completed the first stage of the project together with its distributor from Bosnia-Herzegovina, Omega, in June 2012. Beko made donations to the most needy primary schools and orphanages in the cities of Tuzla, Lukavac, Sarajevo, Kakanj and Zenica in parallel with their necessities and renovated the basketball courts at these schools. Gifts such as t-shirts, flasks and basketballs were given to children at opening ceremonies. Among the celebrities who supported the project was the ex-national basketball coach Nenad Markovic of Bosnia-Herzegovina, who spent amusing time with the children. The basketball courts of the other 5 schools were in Banja Luka, Novi Travnik, Cazin, Mostar and Posu - which were opened with ceremonies in September.

Ecology from A to Z (Arctic – Romania)

Arctic launched an education campaign to offer a serious incentive to consumers to start appropriating an eco-friendly life style on the 5th of June, World Environment Day. Besides, Arctic has created a green webpage available at www.arcticpentrutine.ro web: Visitors are provided with practical information on matters related to a healthier and more environment-friendly life and making longer-term savings possible.



Studies to Protect the Environment and Nature

Little Hands Which Transform Waste

A project competition with the theme “Little Hands Which Give Life to Waste” was held in Bolu by the Bolu Office of the Turkish Foundation for Combating Soil Erosion, Reforestation and Protection of Natural Habitats (TEMA) and Arçelik A.Ş. Cooking Appliances Plant in 2012. 6th, 7th and 8th grade students from the general primary schools in Bolu entered the competition. The awards were given at a ceremony on World Environment Day.

Cloth Bags Instead of Plastic Bags

Electric Motors and Tumble Dryer Plants distributed cloth bags to the people of Çerkezköy within the scope of the project on 5 June 2012, World Environment Day, informing the public about the subject.

The Most Natural Way to Burn Waste Oil

Electric Motors and Tumble Dryer Plants launched the campaign “The Most Natural Way to Burn Waste Oil” in 2012. The purpose of the campaign was to make the employees bring the waste vegetable frying oil from their homes before pouring it into the washbasin so that it can be collected by the plant and sent for recycling to be transformed into biodiesel.

Beach Cleanup on Uzunkum Beach

A beach cleanup was carried out at the Washing Machine Plant with the help of the plant’s employees and DenizTemiz Association (TURMEPA) along the Uzunkum Beach in Şile in June 2012. The total weight of the waste collected amounted to 52.5 kilograms in the categories of paper, plastic, glass, and mixed waste categories.

Planting Trees

100 mountain hazelnuts, endemic to the region, and several other plants of 4 other endemic species were planted by the Bolu Plant to protect the natural habitat. The saplings planted by the Eskişehir Refrigerator and Compressor Plant, Çayırova Plant and Ankara Plant in 2011 were looked after in 2012.

Planting Trees (Beko, China)

Beko Electrical Appliances planted 1,500 Seabuckthorn saplings, which have a 20-year-lifespan, in the Gansu area with the help of a public institution called China Green Foundation to draw attention to the importance it gives to the environment. In addition to these trees, each of which helps reduce the carbon emission by 1.66 kilos every year, Beko planted another tree named Adinandramilletii in the area of Guangxi. Each of these trees reduces the carbon emission by 8.3 kilos, that is, 5 times as much as Seabuckthorn.



Support for Sports



Beko Basketball League (Turkey)

Supporting Turkish basketball through sponsorships, the Beko brand took the first action in this respect in 2006 by lending its name to the Turkish Basketball League. This sponsorship, which still continues today, is the first step in associating the Beko brand with basketball through which the company aims to reach its long-term brand goals. Beko not only lent its name to the Turkish Basketball League, which has been renamed the Beko Turkish Basketball League after the launch of the sponsorship program, but also to the All-Star games, which has been renamed the Beko All-Star games. Beko's investments in basketball, which have moved forward in parallel with the brand's "Global Brand" vision, have expanded beyond the borders of the country and have taken to the international stage.

Among the future plans of Beko is to become the "Presenting Sponsor" (the biggest sponsor, who presents the championships to the entire world) of the FIBA European Basketball Championships to be held in Slovenia between 4 - 22 September 2013 and the FIBA World Basketball Championships to be held in Spain between 30 August-14 September 2014.

Beko Basketball Bundesliga (Germany)

The German Basketball League has been organized under the name of "Beko Basketball Bundesliga" from the start of the 2009-2010 season. Beko also sponsored sports events such as the Beko Basketball Bundesliga All Star Day, Beko BBL Top Four, Beko BBL Champions Cup and Beko Super Cup in 2011.

In the reporting period, Beko also presented the basketball audience with a big organization under the name of Beko Cup 2012 when it brought together the strongest teams of the countries the leagues of which it sponsors. The championship was held in the German city of Munich between 22-23 September 2012. The host team was Bayern Munich, and CSKA Moscow, ZalgirisKaunas and Beşiktaş Gymnastics Club competed against one another.



Beko Basketball League (Russia)

The Russia Basketball League has been organized under the name of Beko Professional League since 2010. During the season, Beko carries out several BTL activities before the matches start at basketball courts. In addition to its contribution to the professional basketball league, Beko supported the big basketball tournament organized at the Luzhniki Big Sports Arena in September 2012, named Moscow Open Championship 3x3 within the context of the Moscow Day celebrations. 411 street basketball teams competed at 35 basketball courts and more than 100,000 people visited the one-day event

Beko Basketball (Lithuania)

Beko also became the sponsor of the Lithuanian Basketball League in 2011. The Lithuanian Basketball League has been organized under the title of "Beko LKL League" starting from the 2011-2012 season.

Beko Basketball (Italy)

After the league sponsorships of Germany, Russia and Lithuania, the Beko brand launched a name sponsorship for the Italian Basketball League "Lega Basket Serie A".



Beko Football Cup (FA Cup, England)

After showing itself in the pitches of various England Premier League teams in the last 4 years, Beko has become the official supporter of FA Cup –the oldest cup of the world with a history of 141 years and the most important tournament of the English football- throughout the 2012-2013 and 2013-2014 seasons.



Grundig "Bundesliga Official Technology Partner" (Germany)

Grundig became the "Official Technology Partner" of Bundesliga with the sponsorship agreement made in the 2011/2012 season. The Grundig logo will continue to be displayed permanently during all Bundesliga and Bundesliga 2 broadcasts including the opening, return and relegation games during the 2012/2013 season -a practice that increases brand awareness in Germany and worldwide to a great extent.

You can reach the details about the donations and sponsorships carried out by Arçelik A.Ş. in the reporting period at: <http://www.arcelikas.com/page/181/KulturSanatveSporaDestek>

Awards and Achievements in 2012



Environment Awards – Achievements

- Elektrabrengenz won the “Green Brand” award in the House Appliances category from Austria Employers’ Union.
- Arçelik A.Ş. won the “Turkey Carbon Disclosure Leader Award” within the scope of the Carbon Disclosure Project undertaken by Sabancı University Corporate Governance Forum.
- The factory of Beko in China has been upgraded to Platinum level in terms of “Energy Efficient Green Factories” grading.
- After successfully passing the inspections made by the BSI (British Standards Institution), Arçelik A.Ş. has obtained the ISO 50001 Energy Management System certificate, which is based on the principle of ensuring that the energy consumed is used in a sustainably efficient fashion.
- Arçelik A.Ş. won two awards from the China State Information Center in China on brand and model basis. Beko WCB 81241 PTLMS model won the “Smart and Environmentally Friendly Washing Machine” award under the “China White Goods Washing Machine Star Product” category in the 2012 Washing Machine Forum organized by the China Household Electrical Appliances Association (CHEAA). Moreover, Beko brand was awarded the “2012 China Energy Saving Leading Brand”.
- Arçelik A.Ş. Cactus Dishwasher Project was selected as one of the best practices to represent Turkey in promoting sustainable development and green economy concepts at the Rio+20 United Nations Conference on Sustainable Development held in June 2012, Brazil.
- Built-in oven and built-in gas cookers of Beko obtained the privilege to use the Energy Saving Trust “EST” label, which is granted to energy efficient products by the most prestigious, independent and voluntary accreditation institution in the UK, Energy Saving Trust “EST”.
- Beko DCU8230 model tumble dryer was categorized as a “Best Buy” and “Energy Saver” product by the Which? Magazine, the leading consumer organization in the UK with the broadest participation.
- Within the framework of its cooperation with United Nations Development Programme (UNDP), Arçelik A.Ş. participated in the 3rd National Energy Efficiency Forum and Fair in an effort to raise environmental awareness of consumers.
- Arçelik A.Ş. received the “Eco Friendly” certificate in the 4th Global Warming Convention organized by the Association of Economy Reporters.
- Koç Holding Durable Goods Group President and Arçelik A.Ş. CEO Levent Çakıroğlu represented Turkey in the 3rd World Climate Summit 2012 as the “Term Spokesperson of Turkish Corporate Leaders Group on Climate Change”.

Corporate Awards – Achievements

- Under the “Large Corporation” category Arçelik A.Ş. won the “Product Development Process Award” for its “Induction Cooker for Built-In Kitchens” within the scope of the “TESİD 2012 Innovative Creativity Awards” organized by Turkish Electronics Industrialists Association.
- Arçelik A.Ş. won the “Most Innovative Company” award in the “Turkish Innovation Week” organized by the Turkish Exporters Assembly for the first time this year.
- Arçelik A.Ş. won awards for the designs of its 6 products in the Electrical Home Appliances category of the Design Turkey 2012 Industrial Design Awards. The new Hand Blender product of Arçelik won the “Superior Design” award while the Toaster, Blender set, Filter Coffee Machine and Kettle from the New Small Home Appliances family; “A La Chef” built-in oven with its new User Interface and the new Washing Machine from the “InLove” series won the “Design Turkey 2012 Good Design Award” each.

- Arçelik A.Ş. won an award in the 1st University – Industry Cooperation Summit, which awarded successful universities and companies in the field of university-industry cooperation and Industrial Theses Program (SAN-TEZ).
- Beko PLC company was selected as the “Best Turkish Investor” within the scope of the “Most Successful Turks” awards organized by the Business Network Association.
- Blomberg brand was given the “Durable Goods Supplier of the Year” award by the Electrical Retail Trade (ERT) Magazine, one of the leading magazines on trade in the UK.
- Arçelik turned out to be the most appreciated brand in the “Electronics – Manufacturer Retail” category as a result of the Most Appreciated and Preferred Retail Brands at Malls survey organized by the Mall Investors Association (AYD) and GfK Turkey.
- In the 1st R&D Centers Summit organized by the Ministry of Science, Industry and Technology, Arçelik A.Ş. won an award in the “University – Industry Cooperation” category for the company’s Central R&D Directorate while another award was granted in the “Intellectual Property Rights” category for the Eskişehir Refrigerator Plant R&D Center.
- In the 8th China Electrical Home Appliance Innovation Award ceremony organized by the China Household Electric Appliance Research Institute (CHEARI) within the scope of the Berlin IFA Fair, the section on the 3 doors No-Frost refrigerators for keeping rice won the “Innovative Product” award.
- Beko won the “Broze Award” in the for its “We Give Life to Your Clothes” project in the “Best Corporate Social Responsibility Project” branch at “Eventoplus Awards” evaluating and awarding the social responsibility projects in Spain and Portugal.
- “We Give More Life to Your Clothes” campaign of Beko in Spain won the Golden Award among the projects from Spain in the 6th European Excellence Awards.
- Sponsored by Arçelik A.Ş., EUREKA Term Presidency Opening Conference was held with international guests for Turkey was taking over the term presidency of EUREKA. Arçelik A.Ş. Assistant General Manager responsible for Production and Technology İsmail Hakkı Sağır participated in the conference as a keynote speaker while Arçelik A.Ş. Refrigerator Plant Director Dr. Cemil İnan chaired a panel meeting titled “Company Perspective for Cooperative Innovation” organized within the scope of the conference.
- Arçelik A.Ş. won two awards, one in the Creative Innovators category for its “Sirius Project” and another in the Those Creating Customer Satisfaction category for the “Most Silent Refrigerator in the World Project” in the “Most Successful Koç Members Awards” organized in 2012
- The corporate governance rating of Arçelik A.Ş. was announced as 8,59 on 1 August 2011. Saha Corporate Governance and Credit Rating A.Ş. upgraded the aforementioned rating to 9,11 hence granting the Arçelik A.Ş. the highest Corporate Governance Rating in Turkey.
- In a competition annually organized by the League of American Communications Professionals (LACP) on an international platform, the annual reports of over 5,500 leading companies of the world from 24 countries in different sectors. 2011 Annual Report of Arçelik A.Ş. won five awards, including the “Golden Award”, in the durable goods sector. In addition to the Golden Award, Arçelik A.Ş. won the awards given in the following categories: “The Best 100 Annual Reports in the World”, “The Best 50 Annual Reports in the EMEA Region”, “The Most Comprehensive Annual Report Bronze Special Award – EMEA Region”, “The Best 25 Annual Reports from Turkey for 2011”.
- Arçelik A.Ş. 2010 Sustainability Report won the “Golden Level” award in its turnover class independent of the sector while also won the awards for the “Best 50 Sustainability Report in the EMEA Region”, and the “Best 25 Sustainability Reports” categories in the competition organized by the League of American Communications Professionals (LACP).
- According to Social Security Institution (SGK), Arçelik A.Ş. was the company the third company paying the highest total amount of premium in Turkey among the top 10 employers paying the highest premiums with no premium debts.
- Beko LLC company won the first prize in the “Best Durable Goods Manufacturer” category of the “Best Companies and Plants in Russia – 2011” contest. As a result of this achievement and 2011 results, Beko LLC made it to the “Best 100 Companies” list in the Russian Federation.
- Çerkezköy Electric Motors Plant and Bolu Cooking Appliances Plant won the Total Productive Management Award given by the Japan Institute of Plant Maintenance (JIPM).
- Among the 48 participating companies, Arçelik A.Ş. won the second prize in the Intellectual Property Management (IP Management) Competition organized by the Fraunhofer IAO in Germany for the fifth time.
- The report covering sustainability performance of Arçelik A.Ş. for 2011 was issued. The report complies with the Global Reporting Initiative (GRI) standard, which is a reporting standard used by leading companies in the world, on a B+ level.
- Beko DPU7340X model washing machine with 7 kg capacity and consuming 30 percent less energy than the A class products was selected as a “Test GUT” product by the most prestigious Testing and Research Institute in Germany, Stiftung Warentest (StiWa).
- Blomberg TKF 7451 W50 model tumble dryer with 7 kg capacity and consuming 50% less energy than the A class products was selected as the Test SIEGER (Test Champion) product by the most prestigious Testing and Research Institute in Germany, Stiftung Warentest (StiWa).
- In a report issued as part of the the 7th Framework Programme, an international platform established by the EU to provide funds for R&D projects, Arçelik A.Ş. was mentioned as one of the two companies ranking top in the “Most Successful 5 Companies According to Number of Partnerships” category. Moreover, Arçelik A.Ş. ranked third in on the “Most Successful 5 Companies According to Sum of Support”. After the report was issued, another project application was accepted to the 7th Framework Programme therefore making Arçelik A.Ş. the company with the highest number of projects from Turkey as far as the programme is concerned.

Performance data (*)

2008

2009

2010

2011

2012

ECONOMICAL and MANAGEMENT PERFORMANCE DATA

Net Sales (Million EURO)	3,615	3,065	3,487	3,633	4,581
By region					
Turkey (Million EURO)	1,804	1,474	1,718	1,712	1,933
Europe (Million EURO)	1,398	1,238	1,329	1,437	1,779
Other (Million EURO)	413	353	440	484	869
By product group					
White goods (Million EURO)	2,241	2,044	2,208	2,394	3,072
Consumer electronics (Million EURO)	749	554	631	625	780
Other (Million EURO)	625	467	648	614	729
Gross profit (Million EURO)	1,027	1,011	1,040	1,094	1,325
Operating profit (Million EURO)	232	348	321	278	329
Income before tax (Million EURO)	15	268	330	265	273
Net income (Million EURO)	3	234	276	233	239
Total assets (Million EURO)	3,204	2,975	3,573	3,764	4,349
Total current liabilities (Million EURO)	1,397	1,472	1,143	1,445	1,680
Total liabilities (Million EURO)	2,269	1,705	1,910	2,269	2,679
Total equity (Million EURO)	935	1,270	1,663	1,494	1,670
Dividends paid (Million EURO)	54	1	55	113	150
Capital expenditures (Million EURO)	187	96	127	157	209
Dividend per share (EURO)	0.013	0.069	0.186	0.191	0.228
Year-end share price (EURO)	0.96	2.71	3.81	2.50	4.98
Year-end market value (Million EURO)	385	1,830	2,572	1,692	3,362
Corporate Governance Rating	-	8.21	8.55	8.59	9.11
Economic value generated (Million TL)	7,639	7,170	7,347	8,927	10,991
Revenues (Million TL)	7,639	7,170	7,347	8,927	10,991
Economic value distributed (Million TL)	7,855	6,353	6,911	8,774	10,997
Operating cost total (Million TL)	5,893	5,379	5,745	7,135	9,049
Personnel expenses (Million TL)	625	577	706	824	995
Payments to Providers of Funds (Million TL)	1,266	333	389	736	844
Payments to Governments as Income Tax (Million TL)	65	63	62	71	82
Community Investments (Million TL)	6	1	9	8	7
Economic Value Retained (Million TL)	(216)	817	436	153	14

ENVIRONMENTAL PERFORMANCE DATA

Raw Materials and Other Material Use - Total (Tons)	-	-	656,999	681,431	761,221
Raw Materials - Plastics (Tons)	-	-	59,263	73,493	108,076
Raw Materials - Metals (Tons)	-	-	244,045	295,863	290,929
Raw Materials - Others (Tons)((1)	-	-	186	192	-
Materials (Tons)(2)	-	-	343,630	304,404	354,080
Chemicals (Tons)(3)	-	-	9,875	7,479	8,136

Performance data (*)

	2008	2009	2010	2011	2012
Total Water Withdrawal by Source (m ³) (7)	1,286,771	1,301,498	1,409,750	1,477,482	1,547,630
Well water (m ³)	374,866	374,187	436,176	406,583	460,196
Municipal Water (m ³)	911,905	927,311	973,574	1,070,899	1,087,334
Total Water Discharge by Destination (m ³)	800,478	857,147	824,673	951,242	986,362
Public Tailrace Connection Discharge (m ³)	233,155	328,421	230,083	303,454	288,640
Receiving Systems (m ³)	205,920	135,002	171,770	190,940	205,208
Industrial Zone Sewage Systems (m ³)	361,203	393,724	422,820	456,848	492,514
COD Values of Discharged Water					
Cooking Appliances (mg/l)(limit value: 100)	30	30	22	39	50
Dishwasher (mg/l)(limit value: 1,000)	81.30	94.80	58.60	106.80	164.30
Electronics (mg/l)(limit value: 600)	89	198	44	51	44.5
Refrigerator and Compressor (mg/l)(limit value: 100)	<10	17	22	<30	19.25
Tumble Dryer (mg/l)(limit value: 1,000)	130	130	30	30	200
Washing Machine (mg/l)(limit value: 600)	142.7	114	123.6	40	130
Direct Energy Consumption by Primary Source (GJ)***	1,209,492	1,080,419	1,242,184	1,342,757	1,217,946
Diesel (GJ)	4,378	5,691	14,727	15,198	17,242
Fuel-oil (GJ)	93,248	59,969	53,669	54,984	39,286
LNG (GJ)	180,201	12,355	0	0	0
LPG (GJ)	71,393	34,336	55,539	47,750	44,487
Natural Gas (GJ)	860,272	968,068	1,103,733	1,210,327	1,100,528
Gasolin	-	-	14,476	14,498	16,403
Indirect Energy Consumption by Source (GJ)***	581,591	524,158	574,772	599,173	673,652
Electricity (GJ)	581,591	524,158	574,772	599,173	668,500
Electricity-Renewable Energy (GJ)	-	-	-	-	5,152
Total GHG Emissions (Tons CO ₂ e)	-	-	157,725	173,149	179,253
Direct GHG Emissions (Tons CO ₂ e)	-	-	77,038	84,254	80,072
Indirect GHG Emissions (Tons CO ₂ e)	-	-	80,687	88,895	99,181
Total GHG Reduced Through Efficiency Projects (Tons CO ₂ e)	-	-	7,560	11,090	10,760
Direct GHG Emissions Reduced (Tons CO ₂ e)	-	-	1,551	3,761	1,647
Indirect GHG Emissions Reduced (Tons CO ₂ e)	-	-	6,009	7,329	9,113
Total Wastes by Type (Tons)			65,805	60,383	75,582
Hazardous Wastes (Tons)	-	-	1,970	2,107	2,557
Non-Hazardous Wastes (Tons)	-	-	63,835	58,276	73,025
Direct GHG Emissions by Campus (Ton CO ₂ e)					
Headquarters	-	-	-	1,090	1,541
Refrigerator and Compressor	-	-	-	30,628	20,641
Dishwasher	-	-	-	3,886	3,289
Cooking Appliances	-	-	-	14,806	15,776
Washing Machine	-	-	-	21,535	21,813
Electronics	-	-	-	6,613	7,001
Electric Motors and Tumble Dryer	-	-	-	5,695	10,011

	2008	2009	2010	2011	2012
Indirect GHG Emissions by Campus (Ton CO ₂ e)					
Headquarters	-	-	-	1,401	739
Refrigerator and Compressor	-	-	-	28,302	36,835
Dishwasher	-	-	-	7,318	7,674
Cooking Appliances	-	-	-	12,534	13,348
Washing Machine	-	-	-	11,284	11,236
Electronics	-	-	-	15,942	16,992
Electric Motors and Tumble Dryer	-	-	-	12,115	12,357
Total Wastes by Treatment Method (Tons)					
Wastes Recovered (Tons)	-	-	64,366	58,012	73,890
Wastes Disposed (Tons)	-	-	1,439	2,371	1,692
Environmental Protection Expenditures and Investments (TL)	-	-	4,443,260	6,333,821	13,801,490
Environmental Trainings (person*hour)					
Employee Trainings (person*hour)	-	-	11,055	15,904	8,412
Subcontractor Trainings (person*hour)	-	-	680	303	755
Community Trainings (person*hour)	-	-	1,100	255	1,329
SOCIAL PERFORMANCE DATA					
Total Number of Employees	-	-	14,070	14,631	14,787
Employee Breakdown by Status					
Blue Collars	-	-	12,030	12,454	12,567
White Collars	-	-	2,040	2,177	2,220
Employee Breakdown by Gender					
Female****	-	-	1,326	1,415	1,432
Male	-	-	12,744	13,216	13,355
Employee Breakdown by Contract Type					
Permenant	-	-	12,974	13,337	13,400
Temporary	-	-	1,096	1,294	1,387
Average Age by Employee Category					
Top Management	47	46	46	47	46
Mid-Management	42	42	42	44	41
Experts & Staff	34	36	35	35	34
Average Seniority by Employee Category					
Top Management	18	15	15	16	17
Mid-Management	15	14	14	16	14
Experts & Staff	8	9	8	9	8
Employees Covered by Collective Bargaining Agreement (%)	86	85	85	85	85
Employee Trainings (person*hour)					
Blue Collars (person*hour)	176,046	137,278	247,849	220,402	232,774
White Collars (person*hour)	89,761	42,743	48,336	86,341	77,570

	2008	2009	2010	2011	2012
Accident Frequency Rate(F) (4)	16.45	10.49	8.41	5.73	5
Accident Gravity Rate (G) (5)	0.152	0.113	0.085	0.078	0.085
Safety Factor (6)	2.500	1.185	0.718	0.448	0.426
Employee Turnover (%)	7.4	9.5	9.6	13.1	9
Employee Turnover by Gender (%)**					
Female (%)	3.3	6.6	4.7	6.9	3.9
Male (%)	10.8	8.2	11	14.9	10.6
Employee Turnover by Age (%)					
<30 (%)	-	-	28	69	51
<30-50> (%)	-	-	69	28	47
50> (%)	-	-	2.9	2.1	3
Senior Management by Gender					
Female (%)	-	-	12	10	11
Male (%)	-	-	88	90	89

(*) Data presented covers for operations in Turkey in accordance with reporting boundaries.

(**) Gender based turnover is calculated in line with the ratio of total employee number according to gender.

(1) Presented data reflect isolation raw material consumption.

(2) Presented data reflect all materials and semi-finished products employed as a part of finished products

(3) Adhesives, lubricants, paints, enamels, operational and all other chemicals are included to the presented data.

(4) $F = (\text{Total Number of Accidents} / \text{Total Working Hours}) * 1,000,000$

(5) $G = (\text{Total Number of Lost Days Due to Accidents} / \text{Total Working Hours}) * 1,000$

(6) Safety Factor = (F*G)

(7) Source of usage of 100 m³ water is rain water in 2012.

*** Since 2010, data is reported within the framework of the ISO 14064-1 Standard comprises of 8 campuses in Turkey including our production plants, AR-GE departments, storage - logistic units, administrative buildings and facilities as well as Arçelik A.Ş. HQ. All motorine and fuel oil data cover the companies employees' car pool consumption.

All renewable energy is purchased from the companies producing electricity from 100 % renewable energy sources.

**** The number of female employees in 2011 Sustainability Report covers all the female employees in the Company.

GRI Indicators Table

GRI INDICATORS	REFERENCES	PAGES	NOTES	RESPONSE LEVEL
Profile Indicators				
1.1	Message From the CEO	2-3		Full
1.2	Message From the CEO	2-3		Full
	Corporate Governance	9		
	Risk Management	9		
	Sustainability Management	10		
2.1	Contact	Inside Back Cover		Full
2.2	Arçelik A.Ş. 2012 Annual Report	20	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Full
	Corporate Website	-	http://www.arcelikas.com/page/80/Brands	
2.3	Corporate Website	-	http://www.arcelikas.com/page/74/management	Full
	About Arçelik A.Ş.	6-7	http://www.arcelikas.com/page/59/Worldwide	
	Corporate Website	-	http://www.arcelikas.com/page/57/Plants	
	Arçelik A.Ş. 2012 Annual Report	21	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	
2.4	Contact	Inside Back Cover		Full
	Corporate Website	-	http://www.arcelikas.com/page/264/Contact	
2.5	About Arçelik A.Ş.	6-7		Full
	About the Report	Inside Front Cover		
2.6	Arçelik A.Ş. 2012 Annual Report	21	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Full
	Arçelik A.Ş. 2012 Annual Report	15	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	
2.7	About Arçelik A.Ş.	6-7		Full
	Arçelik A.Ş. 2012 Annual Report	21-31	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	
2.8	Arçelik A.Ş. 2012 Annual Report	10-14; 20; 22-31; 88-89	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Full
2.9	Arçelik A.Ş. 2012 Annual Report	15-17	Detailed information about significant changes in reporting period can be obtained from Investor Relations/ Latest Developments section located at our corporate website. http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Full
2.10	Corporate Awards and Achievements	55-56		Full
3.1	About the Report	Inside Front Cover		Full
3.2	Corporate Website	-	http://www.arcelikas.com/UserFiles/file/surdurulebilirlik/KSS%20Sustainability%20Report%202010.pdf	Full
3.3	About the Report	Inside Front Cover		Full
3.4	Contact	Inside Back Cover		Full
3.5	Sustainability Management	10		Full
	Dialogue with Stakeholders	12		
	About the Report	Inside Front Cover		
3.6	About the Report	Inside Front Cover		Full
3.7	About the Report	Inside Front Cover		Full
3.8	About the Report	Inside Front Cover		Full
3.9	About the Report	Inside Front Cover		Full
3.10	About the Report	Inside Front Cover		Full
3.11	About the Report	Inside Front Cover		Full
3.12	GRI Indicators Table	61-65		Full
3.13	Independent External Assurance Report	66-67	The carbon emission data within the scope of the report, which are detailed in Reporting Guideline Annex-1 and which covers the year ending 31.12.2012 were subjected to limited independent audit by BSI, an international independent auditing organization.	Full
4.1	Corporate Governance	9		Full
	Risk Management	9		
	Sustainability Management	10		
	Corporate Website	-	http://www.arcelikas.com/page/75/board_directors	
4.2	Corporate Governance	9		Full
4.3	Corporate Governance	9		Full
4.4	Sustainability Management	10		Full
	Dialogue with Stakeholders	12		
	Internal Communication	16-17		
	Arçelik A.Ş. 2012 Annual Report	50, 62-63	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	
4.5	Arçelik A.Ş. 2012 Annual Report	106	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Full
4.6	Corporate Website	-	http://www.arcelikas.com/UserFiles/file/PDF/TR/Etik%20De%C4%9Ferler%20%C4%B0ngilizce.pdf	Full
	Arçelik A.Ş. 2012 Annual Report	46-47	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	
4.7	Corporate Governance	9		Full
	Arçelik A.Ş. 2012 Annual Report	57	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	

GRI Indicators Table

GRI INDICATORS		REFERENCES	PAGES	NOTES	RESPONSE LEVEL
4.8	Corporate Governance		9	http://www.arcelikas.com/UserFiles/file/PDF/TR/Etik%20De%C4%9Ferler%20%C4%B0ngilizce.pdf	Full
	Sustainability Management		10		
	Sustainable Success		15		
	Environment and Energy Management		23		
	Occupational Health and Safety		20-21		
	Corporate Website		-		
4.9	Risk Management		9		Full
	Sustainability Management		10		
4.10	Corporate Governance		9	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Full
	Arçelik A.Ş. 2012 Annual Report		57		
4.11	Risk Management		9	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Full
	Arçelik A.Ş. 2012 Annual Report		18-19		
4.12	Sustainability Management		10		Full
	Environment and Energy Management		22-27		
	Environment and Energy Management		23		
	Efficiency in Material Use		29-30		
	Energy and Emission Management		25-26		
	Sustainable Success		15		
4.13	Expectations from Our Suppliers		40-41		Full
	Sustainability Management		10		
4.14	Dialogue with Stakeholders		12		Full
	Sustainability Management		10		
4.15	Dialogue with Stakeholders		12		Full
	Sustainability Management		10		
4.16	Dialogue with Stakeholders		12		Full
	Sustainability Management		10		
4.17	Call Center		43	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Full
	After Sales		43		
	Arçelik A.Ş. 2012 Annual Report		48-49		
Management Approach					
DMA EC	Environment and Energy Management		22-27	Risk Management (p.9), Sustainability Management (p.10), Dialogue with Stakeholders (p.12)	Full
	Message From the CEO		2-3		
	Raising Public Awareness on Resource Consumption		34		
	Environment and Energy Management		23		
	Performance Data		57		
	Global Procurement		40-41		
	Innovation Champion Arçelik		38		
	Standing United for Education with Arçelik A.Ş. Program		45		
	Arçelik A.Ş. Search & Rescue Teams		48		
	Ethelbert Children's Home		50		
DMA EN	No Barriers for My Country		46	Risk Management (p.9), Sustainability Management (p.10), Dialogue with Stakeholders (p.12)	Full
	Vocational High School Coaches		47		
	Efficiency in Material Use		29-30		
	Reuse, Recycling and Disposal of Product		34		
	Message From the CEO		2-3		
	Environment and Energy Management		23		
	Energy Efficiency in Production		26		
	Innovation Champion Arçelik		37-38		
	Performance Data		57-58		
	Sustainability Management		12		
DMA LA	Use, Recovery and Discharge of Water in Production		31-32	Risk Management (p.9), Sustainability Management (p.10), Dialogue with Stakeholders (p.12)	Full
	Integrated Waste Management		29		
	Our Environmentally Friendly Approaches during Product Storage and Distribution		42		
	Use of Packages and Packaging Waste Management		33		
DMA LA	Talent Management		14-21	Risk Management (p.9), Sustainability Management (p.10), Dialogue with Stakeholders (p.12)	Full
	Performance Data		59-60		
	Freedom of Association and Collective Bargaining		16		
	Sustainable Success		15		
	Occupational Health and Safety		20-21		
	Employee Development		17-19		

GRI Indicators Table

GRI INDICATORS		REFERENCES	PAGES	NOTES	RESPONSE LEVEL
DMA HR	Global Procurement		38-39	Risk Management (p.9), Sustainability Management (p.10), Dialogue with Stakeholders (p.12)	Full
	Sustainable Success		15		
	Occupational Health and Safety		20-21		
DMA SO	Sustainability Management		10	Risk Management (p.9), Sustainability Management (p.10), Dialogue with Stakeholders (p.12)	Full
	Risk Management		9		
	Direct Answer SO6		65		
DMA PR	Sustainability Management		10	Risk Management (p.9), Sustainability Management (p.10), Dialogue with Stakeholders (p.12)	Full
	Efficiency in Material Use		29		
	Expectations from Our Suppliers		40-41		
	Innovation Champion Arçelik		37-38		
	After Sales		43		
	Call Center		43		
National and International Collaborations		38			
Performance Indicators					
EC1	Arçelik A.Ş. 2012 Annual Report Performance Data		14 57	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Full
EC2	Combatting Climate Change		22-26		Partial
	Message From the CEO		2-3		
	Environmental and Energy Management		23		
	Raising Public Awareness on Resource Consumption		34		
EC4	Arçelik A.Ş. 2012 Annual Report		148	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Full
EC8	Standing United for Education with Arçelik A.Ş. Program		45		Full
	No Barriers for My Country		46		
	Vocational High School Coaches		47		
	Arçelik A.Ş. Search & Rescue		48		
	Ethelbert Children's Home		50		
EC9	Vocational High School Coaches		47		Full
	Innovation Champion Arçelik A.Ş.		37-38		
	Global Procurement		38-39		
EN1	Our Distribution and Authorized Dealer Network		41-42		Full
	Efficiency in Material Use		29		
	Reuse, Recycling and Disposal of Products		34		
EN2	Environmental and Energy Management		23		Partial
EN3	Performance Data		58		Full
	Environmental and Energy Management		23		Partial
EN4	Performance Data		58		Full
	Energy Efficiency in Production		26		Full
EN5	Message From the CEO		2-3		Full
	Energy Efficiency in Products		27		
	Innovation Champion Arçelik		37-38		
EN6	Energy Efficiency in Production		26		Full
	Environmental and Energy Management		23		
EN7	Use, Recovery and Discharge of Water in Production		31-32		Full
	Performance Data		58		
EN8	Respect for Biodiversity		25	Since the most significant share of the water used is withdrawn from the municipal systems and no water bodies with RAMSAR or similar protection status are employed, Arçelik operations does not result in any stress on water bodies.	Full
	Use, Recovery and Discharge of Water in Production		32		
EN9	Sustainability Management		10		Full
	Respect for Biodiversity		25		
EN10	Sustainability Management		10		Full
	Respect for Biodiversity		25		
EN11	Sustainability Management		10		Full
	Respect for Biodiversity		25		
EN12	Sustainability Management		10		Full
	Respect for Biodiversity		25		
EN13	Environmental and Energy Management		23		Full
	Performance Data		58-59		

GRI Indicators Table

GRI INDICATORS		REFERENCES	PAGES	NOTES	RESPONSE LEVEL
EN18	Energy Efficiency in Production Performance Data		26 58		Full
EN19	Efficiency in Material Use		29-30		Full
EN21	Use, Recovery and Discharge of Water in Production Performance Data		32 58	Water discharged from Arçelik's plants is not used by other organizations.	Full
EN22	Wastes from the Production Processes Performance Data		30-31 58-59		Full
EN25	GRI Indicators Table		64	The most significant share in waste water occurred in Arçelik's plants is charged to public or industrial zone sewage systems. Only a small portion is discharged to receiving environments. Since waste water is discharged only after the treatment process and reached to the quality level required by legal regulations, biodiversity value of no receiving environment is harmed.	Full
EN26	Message From the CEO Energy Efficiency in Products Innovation Champion Arçelik Products Saving Water Our Environmentally Friendly Approaches during Product Storage and Distribution Reuse, Recycling and Disposal of Products Use of Packages and Packaging Waste Management		2-3 27 37-38 33 42 34 33		Full
EN27	Use of Packages and Packaging Waste Management Performance Data		33 58-59		Partial
EN28	GRI Indicators Table		64	No fines occurred for non-compliance with environmental legislation during the reporting period.	Full
EN29	Our Environmentally Friendly Approaches during Product Storage and Distribution		42		Partial
EN30	Environmental and Energy Management		23		Full
LA1	Performance Data		59	As the report covers only the activities and projects in Turkey, no regional breakdown is provided.	Full
LA2	Performance Data		60	As the report covers only the activities and projects in Turkey, no regional breakdown is provided.	Full
LA3	Sustainable Success Corporate Website		15 -	http://www.arcelikas.com/page/197/Compensation%20and%20Benefits	Full
LA4	Freedom of Association and Collective Bargaining Performance Data		16 59		Full
LA5	Sustainable Success		15		Full
LA6	Occupational Health and Safety		20-21		Full
LA7	Performance Data		60		Partial
LA8	Occupational Health and Safety		20-21		Full
LA9	Freedom of Association and Collective Bargaining		16		Full
LA10	Employee Development Performance Data		17-19 59		Full
LA11	Employee Development From Campus to Career		17-19 19		Full
LA12	Employee Development		17-19		Full
LA13	Performance Data		59-60		Partial
LA14	GRI Indicators Table		64	None of the employees are subjected to different practices due to their personal characteristics. Salaries might differ according to employee performance results and job responsibilities. However, gender discrimination is strictly prohibited in remuneration.	Full
HR2	Expectations from Our Suppliers		40-41		Partial
HR4	Sustainable Success		15	No such case occurred and no complaints are received during the reporting period.	Full
HR5	Sustainable Success		15	Collective bargaining, organization and unionization rights of all blue collar workers are secured. All employees are free to become a member of the labor union they prefer and to benefit from collective bargaining rights. During the reporting period, no related breach or risk is identified within Arçelik organization.	Full

GRI Indicators Table

GRI INDICATORS	REFERENCES	PAGES	NOTES	RESPONSE LEVEL
HR6	Sustainable Success	15	No child labor is employed in Arçelik operations. No related breach or risk is identified within Arçelik organization during the reporting period.	Full
	Sustainability Management	10		
HR7	Sustainable Success	15	No forced or compulsory labor is employed in Arçelik operations. No related breach or risk is identified within Arçelik organization during the reporting period.	Full
	Sustainability Management	10		
HR8	Occupational Health and Safety	20-21		Full
SO1	Sustainability Management	10		Full
	Respect for Biodiversity	25		
SO2	Risk Management	9	http://www.arcelikas.com/UserFiles/file/2012ARN.pdf	Partial
	Arçelik A.Ş. 2012 Annual Report	115		
SO6	GRI Indicators Table	65	No political ideology or agenda; accordingly no political opinion or opinion; no political party, movement or initiative is directly or indirectly supported by Arçelik A.Ş.	Full
PR1	Innovation Champion Arçelik	37-38		Full
PR2	GRI Indicators Table	65	There have been no cases presented for non-compliance with regulations and voluntary codes concerning the health and safety impacts of Arçelik A.Ş. products and services during the reporting period.	Full
PR3	Sustainability Management	10		Full
	Efficiency in Material Use	29-30		
	Expectations from the Suppliers	40-41		
	After Sales	43		
PR5	Call Center	43		Full
	After Sales	43		
PR6	Sustainability Management	10	"We inform our customers on the consumption performance of our products via "Energy Labels". in the framework of our active membership to the Advertisers' Association of Turkey, we also support adherence to the principles and ethical standards of presenting accurate and reliable information to our customers."	Full
	Efficiency in Material Use	29-30		
	Sustainability Management	10		

Arçelik A.Ş. Greenhouse Gas Emissions Inventory Summary Report, 2012

General Principles and Scope

Arçelik A.Ş. calculated the greenhouse gas emissions sourced by its activities according to "ISO 14064-1: 2006 Greenhouse Gases, Part 1 - Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals Standard" and shares with all its shareholders via this report.

This report is the summary of Arçelik A.Ş.'s Greenhouse Gas (GHG) Emission Report 2012, including the general principles of the calculation methodologies and the GHG management.

This inventory includes greenhouse gas emissions sourced by 6 campuses in Turkey including production plants, storage units, administrative buildings, other facilities and the Headquarter, between 01.01.2012 - 31.12.2012.

The basis year for Arçelik A.Ş.'s Greenhouse Gas Emissions Inventory is 2010 year.

Arçelik A.Ş. documented the greenhouse gas emission inventory management methodology into its "GCP-16344 Greenhouse Gas Management System Procedure".

Greenhouse Gas Emissions Inventory Boundaries

Arçelik A.Ş. adopted control approach into its Greenhouse Gas Emissions Inventory, 2012.

Within this scope, 6 campuses and the Headquarter under financial and administrative control of Arçelik A.Ş. in Turkey have been included in the inventory.

Abroad campuses, other activities that are outside of the campus areas, warehouses, service centers and dealers are not included in the Greenhouse Gas Emission Inventory.

The boundaries of the Arçelik A.Ş. Greenhouse Gas Inventory are as follows:

- **The Headquarter (Sütlüce Campus)** : There are two administrative offices.
- **Çerkezköy Campus**: There are electrical motors production plant, dryer production plant and warehouses.
- **Beylikdüzü Campus**: There are electronics production plant and warehouses.
- **Çayırova Campus**: There are washing machine production plant, cogeneration, administrative buildings and facilities and warehouses.
- **Bolu Campus**: There are cooking appliances production plant, other facilities and warehouse.
- **Eskişehir Campus**: There are refrigerator and compressor production plants, cogeneration and warehouses.
- **Ankara Campus**: There are dishwasher production plant and warehouse.

Greenhouse Gas Emissions and Activity Boundaries

Arçelik A.Ş.'s greenhouse gas emissions are in 3 categories :

- Direct greenhouse gas emissions,
- Indirect greenhouse gas emissions,
- Other indirect greenhouse gas emissions.

Direct greenhouse gas emissions are within the scope of Scope 1, indirect greenhouse gas emissions are within the scope of Scope 2 and other indirect greenhouse gas emissions are within the scope of Scope 3. Scope 1 and Scope 2 emissions are under the financial and administrative control of Arçelik A.Ş. Scope 3 emissions are not under financial and administrative control of Arçelik A.Ş., thus the Scope 3 emissions not included in the greenhouse gas emissions inventory.

• Direct Greenhouse Gas Emissions :

Arçelik A.Ş.'s direct greenhouse gas emissions are in three categories :

- Greenhouse gas emissions sourced by the stationary combustion,
- Greenhouse gas emissions sourced by the mobile combustion,

- Other direct greenhouse gas emissions.

Arçelik A.Ş.'s direct emission resources are; natural gas, diesel, fuel-oil, LPG, petrol, refrigerants, acetylene, propane and industrial oil.

- **Indirect Greenhouse Gas Emissions** : Arçelik A.Ş.'s indirect emission resource is electricity.

• Other Indirect Greenhouse Gas Emissions :

Other greenhouse gas emission resources are within the scope of Scope 3 which are not under the financial and administrative control of Arçelik A.Ş.

Arçelik A.Ş.'s other greenhouse gas emissions are personnel buses, subcontractor activities which are the outside of the campuses, food and drink automats, water dispensers, logistic activities and emissions sourced by waste disposal and recycling activities. Such emissions are not included in Arçelik A.Ş. Greenhouse Gas Emissions Inventory.

Greenhouse Gas Emissions Inventory Calculations

Arçelik A.Ş.'s Greenhouse Gas Emissions Inventory calculations are based on mainly "Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines".

The calculation methodologies and emission factors are as follows :

- The "IPCC-2006 Guidelines for National Greenhouse Gas Inventories, Volume 2: Energy, Chapter 2: Stationary Combustion" is used to calculate the greenhouse gas emissions sourced by stationary combustion.
- The "IPCC-2006 Guidelines for National Greenhouse Gas Inventories, Volume 2: Energy, Chapter 3: Mobile Combustion" is used to calculate the greenhouse gas emission sourced by the mobile combustion.
- Due to 2012 year national grid electricity emission factor is not published in Turkey, an average electricity emission factor has been calculated by using "IPCC-2006 Guidelines for National Greenhouse Gas Inventories, Volume 2: Energy, Chapter 2: Stationary Combustion" and TEİAŞ (Turkish Electricity Transmission Company) data. This emission factor is used to calculate the indirect greenhouse gas emissions.
- The "American Petroleum Industry Compendium (2009)", EPA's (U.S. Environmental Protection Agency) Ozone-Depleting Substances (ODS) GWP values "<http://www.epa.gov/ozone/science/ods>", "IPCC-2006 Guidelines for National Greenhouse Gas Inventories, Volume 3: Industrial Processes and Product Use, Chapter 7: Emissions of Fluorinated Substitutes for ODS", "IPCC-2006 Guidelines for National Greenhouse Gas Inventories, Chapter 2: Stationary Combustion, Volume 2: Energy" are used to calculate the other direct greenhouse gas emissions.

In addition to these calculations, the negligible emissions are calculated and the assumptions are documented in the Greenhouse Gas Emission Inventory.

Management of Uncertainties

The uncertainties can be caused by the measurement devices, potential record errors and deviations, possible deviations in calorific value and lower - upper values of the fuels.

The uncertainty is calculated regarding to Arçelik's direct greenhouse gas emission and Arçelik's indirect greenhouse gas emissions, separately.

Internal Audits and Control Methods

With data control purposes, internal audits are performed within the scope of ISO 14064-1 Standard and the finding are managed in accordance with the "GTP-16355 Corrective and Preventive Actions Procedure".

Opinion Restatement

Arçelik A.Ş.'s Greenhouse Gas Inventory 2012 is materially correct and is a fair representation of the data and is prepared in accordance with the related international standard on greenhouse gas and to relevant national standards of practices available. It has been agreed that the materiality is under 5%.

Independent Assurance Report



Ref No: 1106
Assurance Report
to the Top Management of Arçelik A.Ş.

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Executive Summary

We, as being a global independent business services organization providing standard-based solutions in more than 150 countries, have performed an independent verification audit in respect of Selected Data submitted by Arçelik A.Ş. for their eight production plants, established in six different locations and the headquarter in Turkey.

The Selected Data of the Carbon Emissions which refer to the year ended 31.12.2012, contained by the Arçelik A.Ş. Sustainability Report 2012 and detailed in Annex 1 has been verified with reasonable assurance.

Respective Responsibilities

It is the responsibility of the top management of Arçelik A.Ş. to collect and prepare the necessary data for verification review with high accuracy. The top management of Arçelik A.Ş. is also responsible for the content of the Sustainability Report 2012 which refers to the Selected Data in accordance with the criteria set out in Annex 1.

Principles of the verification service that we perform are as follows:

- Impartiality
- Competence
- Factual approach to decision making
- Openness
- Confidentiality

Our verification audit based on reasonable assurance procedures to check whether the Greenhouse Gas assertion is materially correct and the Greenhouse Gas data and information submitted to our verification team is prepared in all material respects in accordance with Annex 1.

The assurance engagement performed is fully in compliance with the applicable independence and competency requirements as laid down in ISO14064-3:2006 Specification with Guidance for the Validation and the Verification of Greenhouse Gas Assertions published by the International Organization for Standardization.

This report, including the Opinion Statement, has been prepared for the top managers of Arçelik A.Ş. to assist their Sustainability Report 2012 referring to the Arçelik A.Ş.'s carbon emission monitoring and control performance. For the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the top managers of Arçelik A.Ş. for our verification audit or this assurance report.

Methodology Used for the Provision of Audit

We conducted this reasonable assurance engagement in accordance with ISO14064-1:2006 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals published by ISO (International Organization for Standardization).

A reasonable assurance engagement provides a reasonable but not absolute level of assurance that Arçelik A.Ş.'s Greenhouse Gas assertion is materially correct under ISO 14064-1:2006. In a reasonable assurance work, duration and extent of the procedures for gathering sufficient appropriate evidence are reasonably more than a limited assurance engagement.

To perform this assurance work, we have visited all locations and checked all information submitted by Arçelik A.Ş.

Our reasonable assurance procedures require from the verification team to assess the followings:

- Inventory design, scope & boundary,
- Specific Greenhouse Gas (GHG) activity and technology,
- Identification and selection of GHG sources, sinks or reservoirs,
- Quantification, monitoring and reporting, including relevant technical and sector issues,
- Situations that may affect the materiality of the GHG assertion, including typical and atypical operating conditions.

The verifier or verification team have expertise to evaluate the implications of financial, operational, contractual or other agreements that may affect organization boundaries, including any legal requirements related to the GHG assertion.

Restrictions

The absence of a manual prepared by the national authority has lead both parties to have some assumptions especially related to the grid emission factors and some measurement and calculation techniques which can result in materially different calculations and can impact the comparability. Therefore the accuracy of different calculations may also vary from company to company in Turkey. Furthermore, the nature and the methods used to determine such information, as well as the measurement criteria and the accuracy thereof, may change overtime. The methodology and references given for the Selected Data are documented in the context of Annex 1.

Opinion Statement

Based on the results of the verification audit we delivered according to our procedures, the Greenhouse Gas assertion of Arçelik A.Ş. reported in their Sustainability Report 2012 is materially correct and is a fair representation of the data and information and is prepared in accordance with the related international standard on Greenhouse Gas quantification, monitoring and reporting and to relevant national standards or practices available at the time verification audit performed.

BSI (British Standards Institution)
 BSi Group Eurasia Belgelendirme Hizmetleri Ltd.Şti

Özlem Ürsal
 Managing Director
 İstanbul, 19/09/2013



Annex 1 : Arçelik A.Ş. Greenhouse Gas Emissions Inventory Summary Report, 2012



Statement GRI Application Level Check

GRI hereby states that **Arçelik A.Ş.** has presented its report "Arçelik A.Ş. Sustainability Report 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 9 December 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Arçelik A.Ş. has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 2 December 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

Disclaimer

This Report contains information and analysis on corporate statements as well as forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the information and analysis are correct and expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ, materially.

Neither Arçelik, nor any of its managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this Report.

The content of this Report may not be copied, modified or distributed without the express written permission of Arçelik A.Şi. Arçelik A.Ş. reserves all rights.

We appreciate your feedback and inquiries regarding this Report
and Arçelik A.Ş.'s sustainability activities.

For Arçelik A.Ş.'s latest Annual Report and Sustainability Report you may
visit the following website:
www.arcelikas.com

2012 Arçelik A.Ş. Annual Report-Gold Award
2011 Arçelik A.Ş. Annual Report-Gold Award
2011 Arçelik A.Ş. Sustainability Report-Gold Award
by the LACP (League of American Communication Professionals)

2012 Arçelik A.Ş. Annual Report-Gold Award
2011 Arçelik A.Ş. Sustainability Report-Silver Award
by the Mercomm (ARC Awards)

Arçelik A.Ş. Communication

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Company advising on the contents
and the structure of the report

KIYMET-
harbiye



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