



**KAMUYU AYDINLATMA PLATFORMU**

# **KOÇ HOLDİNG A.Ş.**

## **Sustainability Compliance Report**

### **2024 - Annual Notification**

#### **Summary**

CMB Sustainability Principles Compliance Report



Related Companies

Related Funds

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				Koç Holding A.Ş. handles its sustainability-related activities within the frame of the company strategy “Lead. Together” which has been approved by Koç Holding Board of Directors and publicly disclosed.	<a href="https://www.koc.com.tr/surdurulebilirlik/surdurulebilirlik-raporlari-ve-politikalar">https://www.koc.com.tr/surdurulebilirlik/surdurulebilirlik-raporlari-ve-politikalar</a> Koç Holding Annual Report, Sustainability
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				Sustainability-related policies Koç Holding A.Ş. put into implementation within the scope of the company strategy “Lead. Together” can be found on the company website	<a href="https://www.koc.com.tr/surdurulebilirlik/surdurulebilirlik-raporlari-ve-politikalar">https://www.koc.com.tr/surdurulebilirlik/surdurulebilirlik-raporlari-ve-politikalar</a> Declaration of Compliance with Sustainability Principles
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				Koç Holding targets to reduce its Scope 1 and Scope 2 GHG emissions by 27% by 2030 and by 49% by 2040 as compared to 2017 baseline year in accordance with its carbon neutral by 2050 target. Pursuant to the Board Diversity Policy ratified in March 2021, Koç Holding targets to maintain the percentage of women members on Board of Directors seats at 30% minimum at all times	Koç Holding Annual Report, Sustainability, <a href="https://www.kap.org.tr/en/Bildirim/1009191">https://www.kap.org.tr/en/Bildirim/1009191</a> <a href="https://www.kap.org.tr/en/Bildirim/914140">https://www.kap.org.tr/en/Bildirim/914140</a>
A2. Implementation/Monitoring						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				Focused on managing its sustainability efforts at the highest level, Koç Holding reports the progress in relation to its strategy “Lead. Together” and material topics to the Board of Directors via the Corporate Governance Committee within the scope of “CMB Sustainability Principles Compliance” reporting. Climate risks and opportunities are followed up and managed under the	Koç Holding Annual Report, Sustainability

				Carbon Transition Program; the Risk Committee under the Board of Directors is kept regularly informed of climate risks and opportunities. The Sustainability Unit under the Corporate Communication and Relations Directorate that reports to Koç Holding CEO executes the strategy and provides coordination with the various units within the company	
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X			The Board of Directors is kept informed about Sustainability Principles Compliance efforts by the Corporate Governance Committee and Risk Committee set up thereunder.	Koç Holding Annual Report, Sustainability
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X			Koç Holding has set its target to become carbon neutral by 2050 in response to the increasing importance attached by stakeholders to the combat against climate crisis and the European Green Deal . To create the low-carbon transition pathway and action plans necessary to achieve this target, the Group-wide Carbon Transition Program has been launched.	Koç Holding Annual Report, Sustainability
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X			Koç Holding has been monitoring ESG key performance indicators for more than 10 years; the Company studies domestic and international best practices, and reviews its set of indicators within the frame of common trends. The publicly disclosed indicators from out of the data set followed up at the Group level cover the change over the course of the last three years.	Koç Holding Annual Report, Sustainability
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Koç Holding Annual Report, Sustainability Koç Holding Annual Report, R&D
A3. Reporting					
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				Koç Holding Annual Report, Sustainability
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				Koç Holding Annual Report, Sustainability
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	X				Koç Holding Annual Report, Legal Disclosures Koç Holding Annual Report, Sustainability
A4. Verification					

A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.	X			Holding consolidated Scope for the year 2023 Scope 1, 2. The verification process of greenhouse gas emissions, waste and water data has been verified in accordance with AA1000AS and the data have been disclosed in the 2023 Sustainability Report published in the year 2024. Scope 3 Greenhouse gas emissions for 2023 have been verified in accordance with AA1000AS in 2024. The verification process of the Holding's consolidated Scope 1 , 2 and 3 greenhouse gas emission, waste, water and social indicators for the year 2024 will be verified in accordance with GDS3000 and GDS3410, and the data will be announced in the 2024 Sustainability Report to be published in 2025. In the coming years, it is planned to develop strategies for monitoring and mitigation at the Community level on a consolidated basis. In parallel, science-based target setting studies are also carried out at the level of the relevant Koç Group companies	Koç Holding Annual Report, Declaration of Compliance with Sustainability Principles Koç Holding Annual Report, Sustainability
B. ENVIRONMENTAL PRINCIPLES					
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				Koç Holding Annual Report, Sustainability
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				Koç Holding Annual Report, Sustainability
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).	X			KoçKoç Diyalog, i.e. the performance management system of Koç Holding, uses the OKR (Objectives and Key Results) method whereby employees set objectives and key results aligned with the Company targets and strategies and objectives are dynamically revised according to priorities that change during the year. Climate related targets are included in the OKRs of Koç Holding CEO, CFO, Sustainability Managers and employees.	Koç Holding Annual Report, Sustainability
B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X				Koç Holding Annual Report, Sustainability

B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X					Koç Holding Annual Report, Sustainability
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collabrations with these organizations has been disclosed.	X					Koç Holding Annual Report, Sustainability
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				Holding consolidated Scope for the year 2023 Scope 1, 2. The verification process of greenhouse gas emissions, waste and water data has been verified in accordance with AA1000AS and the data have been disclosed in the 2023 Sustainability Report published in the year 2024. Scope 3 Greenhouse gas emissions for 2023 have been verified in accordance with AA1000AS in 2024. The verification process of the Holding's consolidated Scope 1 , 2 and 3 greenhouse gas emission, waste, water and social indicators for the year 2024 will be verified in accordance with GDS3000 and GDS3410, and the data will be announced in the 2024 Sustainability Report to be published in 2025. In the coming years, it is planned to develop strategies for monitoring and mitigation at the Community level on a consolidated basis. In parallel, science-based target setting studies are also carried out at the level of the relevant Koç Group companies	Koç Holding Annual Report, Declaration of Compliance with Sustainability Principles
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X					Koç Holding Annual Report, Sustainability
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X					Koç Holding Annual Report, Sustainability
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X					Koç Holding Annual Report, Sustainability
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X					Koç Holding Annual Report, Sustainability
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.				X	Koç Holding A.Ş. undertakes investment activities at holding level and information about the products and/or services of companies invested in can be found in the relevant sections of Koç Holding Annual Report and the sustainability reports	

					of relevant companies.	
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.			X		Koç Holding A.Ş. undertakes investment activities at holding level and information about the products and/or services of companies invested in can be found in the relevant sections of Koç Holding Annual Report and the sustainability reports of relevant companies.	
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X					Koç Holding Annual Report, Sustainability
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				Scope 1 and Scope 2 GHG emissions are regularly calculated within the scope of sustainability efforts. Similarly, energy consumption data are also reported broken down into “renewables/ non-renewables” to correspond to the expectations of international sustainability indices.	Koç Holding Annual Report, Sustainability
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X					Koç Holding Annual Report, Sustainability
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X					Koç Holding Annual Report, Sustainability
B19. The renewable energy production and usage data has been publicly disclosed.	X					Koç Holding Annual Report, Sustainability
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X					Koç Holding Annual Report, Sustainability
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X					Koç Holding Annual Report, Sustainability
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).			X		Since regulatory framework governing carbon pricing system has yet to be finalized in our country, the Company is not included in any carbon pricing system. Different tools are considered for deployment across the Koç Group for low-carbon transition and those deemed necessary will be put into implementation within the scope of the strategy developed.	Koç Holding Annual Report, Declaration of Compliance with Sustainability Principles
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.			X		No carbon credits were saved or purchased during the reporting period across the Koç Group	Koç Holding Annual Report, Declaration of Compliance with Sustainability Principles
					Since regulatory framework governing carbon pricing system has yet to be finalized in our country, the Company is not included in any carbon pricing system. Notwithstanding,	

B24. If carbon pricing is applied within the Company, the details have been disclosed.		X			internal carbon pricing efforts are carried out at some Koç Group companies, but they are not rolled out across the Koç Group . Different tools are considered for deployment across the Koç Group for low-carbon transition and those deemed appropriate will be put into implementation within the scope of the strategy developed.	Koç Holding Annual Report, Sustainability
B25. The platforms where the Company discloses its environmental information have been disclosed.	X					Koç Holding Annual Report, Sustainability
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the ligh of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officals that responsible for the implementation of it have been determined and disclosed.	X					Koç Group Human Rights Policy <a href="https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/3-human-rights-policy_eng_040324.pdf">https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/3-human-rights-policy_eng_040324.pdf</a> Koç Holding Annual Report, Sustainability
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race , religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X					Koç Group Human Rights Policy <a href="https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/3-human-rights-policy_eng_040324.pdf">https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/3-human-rights-policy_eng_040324.pdf</a> Koç Holding Annual Report, Sustainability
C1.3. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X					Koç Group Human Rights Policy, <a href="https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/3-human-rights-policy_eng_040324.pdf">https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/3-human-rights-policy_eng_040324.pdf</a> Sustainability Report, “Diversity and Inclusion -Generation Equality Forum” Annual Report Page 49 “Empower People. Together – Equal Opportunity and Diversity”
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X					Koç Group Human Rights Policy Page 5-6 "Freedom of Association and Collective Bargaining"; "Working Hours and Remuneraton", "Personal Development" <a href="https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/3-human-rights-policy_eng_040324.pdf">https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/3-human-rights-policy_eng_040324.pdf</a> Koç Holding Annual Report, "Empower People. Together - Human Rights and Labor Rights" Koç Holding Annual Report, Sustainability
C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X					Koç Group Human Rights Policy Page 5-6 "Freedom of Association and Collective Bargaining"; "Working Hours and Remuneraton", "Personal Development" <a href="https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/3-human-rights-policy_eng_040324.pdf">https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/3-human-rights-policy_eng_040324.pdf</a> <a href="https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/politikalar/insan-haklari-politikasi.pdf">https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/politikalar/insan-haklari-politikasi.pdf</a>
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X					Whistleblowing Policy, <a href="https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/politikalar/koctoplulugu-ihbar-politikasi.pdf">https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/politikalar/koctoplulugu-ihbar-politikasi.pdf</a>
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X					2023 Sustainability Report “Empower People. Together”
C1.6. The occupational health and safety policies have been established and disclosed.	X					Occupational Health and Safety Policy <a href="https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/koc-group-h-s-policy.pdf">https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/koc-group-h-s-policy.pdf</a> Koç Holding Annual Report, Sustainability
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X					2023 Sustainability Report “Occupational Health and Safety” Koç Holding Annual Report, Sustainability
C1.7. The personal data protection and data security policies have been established and disclosed.	X					Personal Data Protection Policy <a href="https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/14kvk-personal-data-protection-policy_eng-040324.pdf">https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/14kvk-personal-data-protection-policy_eng-040324.pdf</a>
C1.8. The ethics policy have been established and disclosed.	X					Code of Ethics <a href="https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/01-koc_toplulugu_etik_ilkeleri_eng-040324.pdf">https://cdn.koc.com.tr/cmscontainer/kocholding/media/koc/01hakkinda/uyum/2024/01-koc_toplulugu_etik_ilkeleri_eng-040324.pdf</a>
C1.9. The studies related to social investment, social responsibility, finansal inclusivity and access to finance have been explained.	X					

C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X					Koç Holding Annual Report, Sustainability
C2. Stakeholders, International Standards and Initiatives						
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.				X	Koç Holding A.Ş. carries out investment activities at holding level; hence the question is deemed irrelevant.	
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X					Koç Holding Annual Report, Sustainability
C2.3. The international reporting standards that adopted in reporting have been explained.	X					Koç Holding Annual Report, Sustainability
C2.4. The principles adopted regarding sustainability,the signatory or member international organizations, committees and principles have been disclosed.	X					Koç Holding Annual Report, Sustainability
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	X				Koç Holding works to qualify for, and improve its performance on, internationally leading sustainability indices including Borsa İstanbul, and reports the indices that it is a constituent of.	Koç Holding Annual Report, Sustainability
D. CORPORATE GOVERNANCE PRINCIPLES						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				The company conducted a strategic materiality analysis in 2023 to identify risks and opportunities related to environmental, social, and corporate governance issues, aligning with changing stakeholder expectations and global trends, as well as the preceding years of 2015, 2017, and 2020. This analysis encompassed both internal stakeholders , comprising employees from all levels, and external stakeholders, such as academia, civil society, industry association members , suppliers, customers, and investors	Koç Holding Annual Report, Sustainability
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X					Koç Holding Annual Report, Sustainability