

**Koç Group**

**Environmental Policy**

## Table of Contents

1.	PURPOSE AND SCOPE.....	3
2.	DEFINITIONS .....	3
3.	GENERAL PRINCIPLES .....	4
4.	APPLICATION BASICS OF THE POLICY .....	4
5.	AUTHORITY AND RESPONSIBILITIES.....	5
6.	REVISION HISTORY .....	5

## 1. PURPOSE AND SCOPE

This Environmental Policy (“**the Policy**”) is a guide that reflects Koç Group’s approach and standards in relation to Environmental Management in line with Koç Group sustainability strategy, “Lead.Together” and shows the importance Koç Group attributes in respect to Environmental Management.

All companies and all employees, of Koç Group shall comply with this Policy. Each Koç Group company also expects and takes necessary steps to ensure that all its business partners and all stakeholders - to the extent applicable - complies with and/or acts in line with this Policy.

## 2. DEFINITIONS

“**The UN**” means the United Nations.

“**The UN Global Compact**”<sup>1</sup> is a global pact initiated by the United Nations, to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labor, the environment and anti-corruption.

“**Sustainable Development Goals**”<sup>2</sup>, is a universal call for action, which is aimed to be achieved by the member states of the United Nations by the end of 2030, which includes the objectives of eradicating poverty, protecting our planet, and combating inequality and injustice.

“**Business Partners**” include suppliers, distributors, authorized service providers, representatives, independent contractors and consultants.

“**Koç Group**” means Koç Holding A.Ş., companies which are controlled directly or indirectly, jointly or individually by Koç Holding A.Ş. and the joint venture companies listed in its latest consolidated financial report.

“**Koç Group Environmental Committee**” is the structure that brings together managers and experts responsible for environmental management of Koç Group companies, constitutes Koç Group’s environmental standards and coordinates practices of the Group.

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<sup>1</sup> <https://www.unglobalcompact.org/what-is-gc/mission/principles>

<sup>2</sup> <https://sdgs.un.org/goals>

### **3. GENERAL PRINCIPLES**

UN Global Compact and UN Sustainable Development Goals constitute the general framework of Koç Group's Environmental Management principles.

The Environmental Management principles of Koç Group companies are determined together with the basic principles and principles within the framework of the environmental legislation of the countries in which they operate, international agreements, standards, initiatives and national legislations regarding environmental management. Group companies continue their activities by developing environmental policies and strategies in line with this policy and Group strategies, taking into account the expectations and needs of the sector.

Strategies, procedures and standards regarding environmental management at Koç Group level are determined by the Koç Group Environmental Committee, under the coordination of Koç Holding.

### **4. APPLICATION BASICS OF THE POLICY**

Koç Group;

- Complies with the national and international legal regulations and other obligations regarding the environment in the geographies where it operates.
- Sets targets to improve environmental performance, plans the actions, follows the results and focuses on continuous improvement.
- Evaluates the environmental impacts of new investments, ensures the establishment of environmentally conscious facilities, protection of the environment, management of the emergencies and environmental risks.
- Carries out activities to combat the climate crisis and contribute to transition to a low carbon economy, taking into account the climate-related risks and opportunities of its activities.
- Aims to control the environmental impacts of the goods and services throughout their life cycle, and conducts studies to reduce these impacts by developing environmental-friendly products.
- Focuses on reducing energy consumption, water consumption, resource consumption by using the best available techniques and cleaner production technologies, and using natural resources efficiently.
- Aims to increase energy efficiency studies as well as use of renewable energy resources.
- Determines the water risks arising from the sectors and geographies in which it operates and conducts studies to manage these risks.
- Prioritizes preventing waste generation, reducing waste, increases recycling, recovery, reuse, reviewing the design processes by considering these principles and using waste as a resource whenever possible in line with the principles of Circular Economy.

- Focuses on protecting ecosystems, habitats, all species especially endangered species and endemic species, preventing land degradation, maintaining, continuously improving and developing the capacity of natural ecosystems and aims to manage impacts on bio-diversity in a sustainable manner.
- Carries out activities for the implementation of this Policy by its employees, dealers, authorized services, suppliers, subcontractors and other operational stakeholders; encourages its business partners to reduce their environmental impact, increase their environmental performance and improve their capacities.
- Communicates and cooperates with relevant institutions and organizations in developing legal regulations, other requirements, policies and standards regarding environmental management.
- Closely follows global developments, scientific research and technologies in terms of environmental management.
- Aims to be a leader in the field of environment in the sectors in which it operates, creates synergy, shares good practices, develops and expands cooperation, integrates good practice principles and standards into business processes.

## **5. AUTHORITY AND RESPONSIBILITIES**

All companies, employees, directors, officers of Koç Group shall comply with this Policy. Each Koç Group company also expects and takes necessary steps to ensure that all its Business Partners to the extent applicable complies with and/or acts in line with this Policy. If there is a discrepancy between the local laws and regulations, applicable in the countries where Koç Group operates, and this Policy, subject to such practice not being a violation of the relevant local laws and regulations, the stricter of the two, supersede.

Koç Holding Corporate Communications and External Relations Directorate is the responsible function to provide guidance to Koç Group Companies, if needed.

If you become aware of any action you believe to be inconsistent with this Policy, the applicable law or Koç Group procedures and standards, you may seek guidance or report this incident to your line managers or Koç Holding Corporate Communications and External Relations Directorate.

## **6. REVISION HISTORY**

This Policy takes effect on March 1st, 2021 as of the date approved by the Board of Directors and is maintained by Koç Holding Corporate Communications and External Relations Directorate.

<b>Revision</b>	<b>Date</b>	<b>Comment</b>