

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Teknosa İç ve Dış Ticaret A.Ş. was established in 2000 within the body of Sabancı Holding and has been traded on BIST since 2012. With the philosophy of "Technology for Everyone", the company facilitates access to technology and offers a pleasant shopping and experience environment by being with its customers anytime, anywhere. Teknosa, which makes a difference in its sector thanks to its dynamic, innovative, and progressive structure through its prevalence, service quality, reliability, and product diversity, shapes its future with its stakeholders. While Teknosa continues its activities with a focus on sustainability, it continues to work to offer more value to the society it is in and to all its stakeholders.

The activities of Teknosa, which has left behind 22 years in the sector, are evaluated under two groups: retailing/e-commerce and dealer network. The Company, which retails consumer electronics, imaging, information technology, telecom products, and household appliances in stores and online channels, also operates in the air conditioning sector. Teknosa continues to lead the sector by continuously investing in its brand and employees, raising expert human resources, pioneering innovative services for customer satisfaction, creating the most appropriate channel structure and product mix according to the needs of consumers, and taking bold steps. Introducing the concept of the technology market to consumers for the first time in Turkey, Teknosa is today the closest technology retail chain to its customers with its vast store network, teknosa.com, and mobile platforms. Teknosa also operates in the air conditioning sector with its dealer group brand, İklimsa.

Teknosa offers innovative services to its customers in the omnichannel model with its applications that blend digital and physical channels according to customer expectations. Teknosa, which carries out digital transformation starting from the supply chain, reaching the end consumer of the product, and including the after-sales, adopts a data-based management culture; in this direction, CRM investments continue without slowing down. The Company, which analyzes data with artificial intelligence algorithms, implements new applications to optimize the experience offered to its customers. Continuing its efforts for the Teknosa of the Future without slowing down, the Company will continue to be the pioneer of the holistic experience in retail with the opening of the marketplace, the expansion of the service scope, and customer-oriented breakthroughs within the scope of digital transformation in the coming period.

Teknosa increased the number of provinces it serve to 67 and increased the number of the Company's stores to 189 with a store area of 100.000 m² and have 2.458 employees in Turkey during the reporting period. In 2022, Teknosa achieved TL 17.4 billion turnover and TL 525 million net profit. The Company grew by 132% in turnover in 2022 compared to 2021, thanks to smart operations and broad experience in the omnichannel model offered to customers. The Company will also continue to transform what it has gained into a benefit for its stakeholders and its country.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1 2022

End date

December 31 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for

1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

Turkey

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	TRETKNO00010

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board Chair	<p>Teknosa Chairperson of the Board is the final decision maker of Teknosa. CEO reports to the Board issues related to sustainability and climate change. Teknosa Chairperson of the Board also serves as SAHOL (Sabancı Holding) Human Resources and Sustainability Group President.</p> <p>Teknosa Chairperson of the Board also chairs The Sustainability Leadership Committee. This committee ensures the alignment of the Holding and Group companies on sustainability goals, targets and actions.</p> <p>Board chair also review and approve the Teknosa Sustainability Committee's decisions. The board chair's responsibility is therefore as follows:</p> <ul style="list-style-type: none">• To ensure the development of sustainable products and services• Approval of the corporate sustainability strategy• Approving the sustainability performance criteria and targets of the company• Monitoring sustainability risks and opportunities• Supporting the transition to a low-carbon and circular economy as part of the fight against the climate crisis. <p>SAHOL, of which we are a member, determines a common sustainability approach for all holding companies. Teknosa, on the other hand, shape the main program and basic objectives with their own sector realities and take actions accordingly as the chair of The Sustainability Leadership Committee. Community sustainability teams meet periodically during the year through "Thematic Task Forces" (TDG) meetings and exchange ideas on the goals and developments on the agenda. The Sustainability Leadership Committee is also responsible for monitoring the progress in the goals and actions included in the Group's Sustainability Roadmap and monitoring the efforts to manage risks that may adversely affect Sabancı's reputation and operations in ESG areas.</p>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<p>Reviewing and guiding annual budgets</p> <p>Overseeing and guiding employee incentives</p> <p>Reviewing and guiding strategy</p> <p>Overseeing and guiding the development of a transition plan</p> <p>Overseeing and guiding scenario analysis</p> <p>Overseeing the setting of corporate targets</p> <p>Monitoring progress towards corporate targets</p> <p>Reviewing and guiding the risk management process</p>	<Not Applicable>	<p>With the establishment of the sustainability committee in 2023, the committee will report directly to the board. The sustainability committee is established by the board in order to monitor climate change issues continuously and in detail.</p> <p>The Board meets quarterly and Sustainability and climate change issues are discussed under the relevant agenda at the meetings when needed, within the scope of the company's work within the scope of sustainability. The issues to be discussed at the Board of Directors meeting are determined by the CEO and the executive board. The members of the board of directors also receive agenda suggestions from time to time and these issues are also included in the meeting.</p> <p>Sabancı Holding (SAHOL), of which we are a member, determines a common sustainability approach for all holding companies. Teknosa, on the other hand, shape the main program and basic objectives with their own sector realities and take actions accordingly. Community sustainability teams meet periodically during the year through "Thematic Task Forces" (TDG) meetings and exchange ideas on the goals and developments on the agenda. In 2021, the sustainability unit was established to comprehensively manage the sustainability processes. The performance of the unit employees is determined by their work on sustainability. It takes part in determining sustainability targets, monitoring the progress in targets, developing strategies on the subject, conducting awareness studies, establishing relevant cooperations, following climate-related trends and complying with legislation, identifying risks and opportunities, and taking necessary actions. Sustainability and climate change (including the 2050 Net Zero target) is one of the focal points of our company and is among the priority agenda items of the meetings.</p>

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>Teknosa Chairperson of the Board also serves as SAHOL Human Resources and Sustainability Group President. The Sustainability Leadership Committee, chaired by the Human Resources and Sustainability Group President in the Executive Board, ensures the alignment of the Holding and Group companies on sustainability goals, targets, and actions.</p> <p>Teknosa Chairperson of the Board is also the Assistant Chairperson of the Board at SabancıDx and Çimsa companies, and a member of the Board at Enerjisa Enerji and Enerjisa Üretim companies. The Chairperson of the Board also takes part in NGOs such as the Sustainable Development Association Turkey (SKDT) and the World Sustainable Business and Development Council (WBSCD).</p> <p>Our Chairperson of the Board holds a bachelor's degree from Istanbul University's Department of Economics in English and a master's degree from Sabancı University's Department of Energy and Technology Management and has been serving as the Human Resources and Sustainability Group President at the Sabancı Group since February 2018. Due to his success in various sectors over the years, he has experience in reflecting sustainability on his business models. These criteria provide the competence on climate-related issues of Teknosa Chairperson of the Board.</p>	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

- Managing annual budgets for climate mitigation activities
- Developing a climate transition plan
- Integrating climate-related issues into the strategy
- Setting climate-related corporate targets
- Monitoring progress against climate-related corporate targets
- Managing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Half-yearly

Please explain

According to the Directors' Meeting held half-yearly by the CEO and executive board, sustainability is considered a priority, and the studies on the subject and the importance of the matter are mentioned.

As the chair of the Teknosa Sustainability Committee, CEO's responsibilities are as follows:

- To ensure the development of sustainable products and services
- Determining the corporate sustainability strategy and presenting it to the Board of Directors
- Determining the sustainability performance criteria and targets of the company
- Identifying and tracking sustainability risks and opportunities
- Supporting the transition to a low-carbon and circular economy as part of the fight against the climate crisis.

Executive board focus on important climate related issues whenever needed. CEO leads the sustainability related issues within the executive board.

In 2022, as Teknosa, we carried out our efforts to define a strategy for our 2050 net zero targets, the CEO also participated in all of the roadmap and target-setting processes and determined the route of the organization in this regard. CEO also approves the sustainability budget and climate-related expenditures and have a meeting related to budget annually.

On the other hand, the CEO underlines that sustainability is one of the priority issues of Teknosa in store openings and press releases. CEO tracks progress towards our 2050 Net Zero target and she is the most authoritative person in the management of sustainability issues at Teknosa and the foremost spokesperson on the subject.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Sustainability targets are included in the remuneration of Group Presidents and CEOs at Teknosa at a rate of 10% and 15%, respectively. ESG performance are embedded in senior management's performance goals at the rates of 10-15%. 100% of the scorecard of Human Resources and Sustainability (AGM) Assistant General Manager and Manager is consisting of sustainability criteria, including increasing transparency and the management of climate issues at Teknosa. Retail Sales AGM, Human Resources and Sustainability AGM, Category Management and Supply Chain AGM, Strategic Growth Areas AGM, Technology AGM have KPIs related to climate change. Construction and Design Manager, Category Managers also have sustainability KPIs. In addition, Climate -related KPIs affect year-end performance also affect the amount of annual premium. Climate -related KPI topics we have; emission reduction, sustainable products and services, renewable energy supply, paper usage reduction, reduction of plastic use, etc.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Reduction in absolute emissions

Increased share of revenue from low-carbon products or services in product or service portfolio

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

Sustainability and climate-related KPIs of Teknosa CEO in 2022 include an increased share of low-carbon products and absolute emission reduction in scope 1 and scope 2.

With the achievement of these KPIs, CEO is rewarded with 10% of their salary at the end of the year.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

As Teknosa, we prepared our road map to reach our net zero targets.

These KPIs on sustainability and climate change also play an important role in the smooth progress of Teknosa's climate transition strategy.

KPIs for reducing emissions and increasing low-carbon products at the management level support the sustainability of Teknosa's actions to achieve its long-term goals.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	The timeframes defined here are used to effectively identify the Company's risks and opportunities.
Medium-term	1	3	The timeframes defined here are used to effectively identify the Company's risks and opportunities.
Long-term	3	10	The timeframes defined here are used to effectively identify the Company's risks and opportunities.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

In accordance with Article 378 of the Turkish Commercial Code No. 6102 of the Board of Directors of the Company and the provisions of the Corporate Governance Communiqué of the Capital Markets Board, an Early Detection of Risk Committee (EDRC) was established to be authorized and competent. The Committee operates with the aim of early detection of strategic, operational, financial, compliance and any other risks that may endanger the existence, development and continuation of the Company, the implementation of the necessary measures and remedies for this purpose and the management of the risk. Teknosa classified its risks into seven main categories such as financial, operational, strategic, market share, health & safety at work, and information security risks. Climate related risk was determined under the operational risk which also constitutes procurement, efficiency, capacity and utilization, pricing, sales, customer satisfaction, product / service development, human resources, information security and business continuity, health and safety of employees, environmental health and safety, information processing and technologies, tax, legal, brand management, reputation, performance management, external reporting and compliance, internal reporting, monitoring and control, authorization and limit risks. Besides, the Sustainability Committee is responsible for identifying, tracking, recording and reporting on ESG impact areas, challenges, risks and opportunities. The chairman of the committee (CEO) reports the ESG risks and opportunities identified in the committee to the board of directors.

Teknosa categorizes each identified risk in the following groups:

Very Critic: It is the value that will cause a loss of 25% or more in the company's profitability, a long-term decline in stock prices, company value, brand confidence index, market share.

High: It is the value that will cause a loss in the range of 25% - 5% in the company's profitability, a medium-term decline in stock prices, company value, brand confidence index, in the market month.

Medium: It is the level of risk that leads to a loss of less than 5% in the company's profitability.

Low: It is the level of risk that has no effect on turnover, company profitability, stock prices, market share, company value, brand confidence index, image.

Risks that are classified as major or severe will be escalated to the Board, whereas minor and moderate risks are handled by the appropriate committee or risk owners.

In line with this classification, the financial strategic impact is 25% of Net profit. This makes $525,291,315.52 \text{ TRY} * 0.25 = 131,322,829 \text{ TRY}$

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

In accordance with Article 378 of the Turkish Commercial Code No. 6102 of the Board of Directors of the Company and the provisions of the Corporate Governance Communiqué of the Capital Markets Board, an Early Detection of Risk Committee (EDRC) was established to be authorized and competent. The Committee operates with the aim of early detection of strategic, operational, financial, compliance and any other risks that may endanger the existence, development and continuation of the Company, the implementation of the necessary measures and remedies for this purpose and the management of the risk.

Teknosa classified its risks into four main categories such as financial, operational, strategic, and external risks. Climate related risk was determined under the operational risk which also constitutes procurement, efficiency, capacity and utilization, pricing, sales, customer satisfaction, product /service development, human resources, information security and business continuity, health and safety of employees, environmental health and safety, information processing and technologies, tax, legal, brand management, reputation, performance management, external reporting and compliance, internal reporting, monitoring and control, authorization and limit risks.

During the assessment process, the risks are categorized based on their nature under four clusters, i.e. financial, strategic (incl. reputational and sustainability risks), operational and compliance. Each cluster is then rated based on parameters such as 'impact', 'likelihood', 'vulnerability' and 'speed of onset'. The 'impact' is determined based on multiple dimensions such as financial, operational, legal, reputational, H&S, human resources and environmental. Additionally, in order to reduce the emissions generated by its operations in the short term, emission reduction activities were taken place during the reporting period.

Climate risk studies at Teknosa are discussed with the relevant departments, and climate-related risks are determined, based on requests and incentives from the holding.

The Sustainability Department identifies climate risks with other units and shares them with the Holding.

The level of importance of the risks is also determined by the sustainability department. Risk identification processes have started to be carried out within the scope of the Sustainability Committee as of 2023.

After the risks are determined, the effects of the risks are evaluated with the support of the relevant units in the sustainability committee.

The actions to be taken are discussed within the committee as a result of the evaluation. Depending on the impact and size of the risk, the approval of the actions to be taken is communicated to the board of directors' level.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The most recent legal obligation in Turkey is the Regulation on Monitoring, Reporting and Verification of Greenhouse Gas Emissions, which came into force in 2015 and is valid for emission-intensive sectors. This regulation is expected to form the basis of a legally binding carbon pricing mechanism in the future. In order to reduce the risk of compliance with this regulation, which may affect Teknosa. In line with the Turkey's Zero Waste regulation, Teknosa is obligated to adapt zero waste business in all of its locations. In terms of a non-compliance to regulation, Teknosa may face reputational and financial risks. Therefore, current regulations are followed closely in Teknosa risk assessment process.
Emerging regulation	Relevant, always included	Turkey ratified the Paris Agreement in 2021 and took the first step to create the necessary legal and institutional framework for adaptation to climate change with the Climate Change Draft Law. In order to reduce non-compliance with this upcoming law, Teknosa considers environmental, social, and economic benefits by determining the relevant technical and financial requirements to reduce greenhouse gas emissions gradually and to establish the necessary legal and institutional framework for adaptation to climate change. Although there is no carbon pricing mechanism in Turkey, Carbon Border Adjustment Mechanism (CBAM) may force the implementation of a national pricing mechanisms i.e carbon tax or ETS. This mechanism might affect Teknosa's business with the additional indirect costs since the price of raw materials of Teknosa's suppliers may increase due to EU emerging regulations.
Technology	Relevant, always included	Teknosa closely monitors technological developments and conduct improvements into its operations in order to reduce its carbon footprint and include climate-related technological risks in its risk management processes . For example, the global chip crisis is a risk for Teknosa's suppliers. Since most of the products sold by Teknosa depends on these chips, in terms of suppliers' production slows down, Teknosa may also face a decrease in its supplies. However, with the increased alternatives of suppliers and with a planned storage of products Teknosa can eliminate these risks. Additionally, with the digital label and electronic label applications implemented in Teknosa stores, it has reduced paper and toner consumption. With the electronic label, all labels renew themselves automatically and digitally. Digital label and the screens of the products are used. The electronic tag is used in 12 stores as of the end of 2022. The annual savings per store are approximately 960,000 pieces of paper. The digital label system is used in all stores. The annual savings per store are approximately 11,520,000 pieces of paper and avoided 60,130.9 tons CO2.
Legal	Relevant, always included	In terms of non-compliance with legislations in Turkey, Teknosa business may face litigation and financial penalties. Since, Teknosa is not directly a emissions intensive sector, there are no climate related legal risks expected yet. However, current regulations such as Zero waste in Turkey applies to Teknosa. After all, Teknosa is obligated to adapt zero waste business in all of its locations. In terms of a non-compliance to regulation, Teknosa may face reputational and financial risks. Therefore, legal risks related to sustainability and climate change are followed closely in Teknosa risk assessment process.
Market	Relevant, always included	Since the customer expectations are changing very fast , Teknosa offers a total of 165 sustainable green product types. These consist of 148 household appliances and 17 air conditioners. With these types of products, as of 2022, the company gained TRY 114,152,864, and it is expected to increase on this category. Comparing to the last year results, Teknosa increased its revenue 238%from low-carbon energy during the reporting period.
Reputation	Relevant, always included	Reputational risks related to climate change are considered by Teknosa. For environmental sustainability, we continue to work on the efficient use of natural resources, energy efficiency, waste management, waste recycling and raising awareness.
Acute physical	Relevant, always included	With the increasing effects of climate change, extreme weather events have the potential to negatively affect the supply chain. In Teknosa's risk assessment process, the probability and the impact of extreme weather phenomena on Teknosa's operations are considered.
Chronic physical	Relevant, always included	With the increasing effects of climate change, extreme weather events have the potential to negatively affect the supply chain. In Teknosa's risk assessment process, the probability and the impact of extreme weather phenomena on Teknosa's operations are considered.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

As stated in C2.2a, the regulations concerning the carbon border adjustment mechanism are regarded as a considerable risk to the continuity of Teknosa's operations, owing to the emerging regulations. Given the increasing importance of climate-related regulations and the transition towards a low-carbon economy, Teknosa, like many other international companies, must proactively assess and manage the risks associated with the carbon border adjustment mechanism to ensure the continuity and sustainability of its operations within the EU market.

Turkey, a signatory to the Paris Agreement, is yet to set sector-based reduction targets and implement a carbon pricing mechanism. Many countries have committed to mitigation or carbon neutrality for the 1.5°C target. The IPCC's 6th Assessment Report confirms anthropogenic impact on climate change, indicating an earlier than estimated 1.5°C global temperature increase. The EU is pursuing the 1.5°C target through various initiatives, including the EU ETS system, EU Green Deal, and carbon border adjustment mechanism (CBAM), which is expected to cover all sectors gradually. Turkey shares similar views with the EU on sustainability and climate change through the Green Deal Action Plan. The country is currently evaluating its position on carbon pricing and its impact on sectors as part of the action plan. Considering the ongoing Regulation on the Monitoring of Greenhouse Gas Emissions since 2015, Turkey may soon activate a carbon pricing mechanism.

With possible carbon pricing, an extra cost will be incurred for Teknosa emissions from its operations, and Teknosa will have to implement mitigation-driven projects to reduce its greenhouse gas impact. In addition, possible pricing will affect and change all suppliers, its logistics network, and consumer behavior due to cost increase. Details such as which company in the value chain will bear the cost in the possible carbon pricing mechanism, whether the cost will occur on the product level or on the corporate footprint level, are not fully clarified. Therefore, the possible financial risk analysis may differ according to the principles of the future regulation.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

12087284

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

There are options as carbon tax or emissions trading system (ETS) for possible carbon pricing mechanism. In both options, it is foreseen that the cost per greenhouse gas will be determined similarly to the EU ETS system. Currently, the cost per ton of greenhouse gas emissions in the EU ETS system is in the € 62 band. In addition, it is not clear to what extent companies will be subject to pricing mechanism. In case Teknosa will be priced at the Scope 1 emissions level, a financial risk will arise in direct costs at the extent of the scope 1 emission amount. Calculation method: Scope 1 emissions in 2022 x TRY/EUR exchange rate x 62 Euro (carbon price) = TRY 12,087,284 .

Cost of response to risk

0

Description of response and explanation of cost calculation

As stated in the company-specific description of our risk, possible carbon pricing would lead to additional costs for Teknosa's emissions from its operations, necessitating the implementation of mitigation-driven projects to reduce its greenhouse gas impact. For this reason, Teknosa has developed a projection to implement mitigation projects aimed at managing risk, reducing impact, and incorporating a transition plan into the strategies for a low-carbon market, in the event of carbon pricing being adopted. The most significant projects targeted for possible reduction are energy efficiency initiatives, including the use of renewable energy and sustainable logistics activities, which will be taken into consideration in both the short and the near term. For instance, Teknosa has already applied energy efficiency projects and reduced energy consumption, accordingly, greenhouse gas emissions year by year. Projects that are deemed appropriate will be implemented gradually to reduce the financial risk associated with potential carbon pricing depending on the timescale of the future projections.

Although the projections related to transition for low-carbon products have been planned, there has not been any investments realized yet by Teknosa for these ventures in 2022.

Comment

No additional comment needed. All info was detailed in other cells.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

As the electricity supply in Turkey is mostly fossil-based, end users are leaning towards products that consume less electricity and therefore cause lower emissions. This is specifically important in Teknosa customers businesses since every sector is taking actions towards decarbonization. Using low-carbon technology machinery and products in their processes, Teknosa Customers can decrease their emissions. Therefore, they prefer electrical and electronic appliances that consume less energy and emit less greenhouse gas emissions. In household use, end users choose more environmentally friendly products, also taking into account electricity prices. Being aware of this trend, Teknosa diversifies its product range with low-emission products and tries to meet the expectations of the sector.

Teknosa has determined its criteria in order to be able to classify low-emission and sustainable products through the studies it has carried out with Sabancı Holding. Teknosa offers a total of 165 sustainable green product types. These consist of 148 household appliances and 17 air conditioners. In 2022, TRY 114,152,864 revenue was achieved in the sale of these green products. Additionally, Teknosa has started to operate in SES (Solar Energy Systems), a brand-new area creating added value within the framework of sustainability with a realized revenue TRY 1.6 million. Other than sustainable and green products, Teknosa provides refurbished products services under the roof of Teknogaranti which realizes TRY 5.75 million revenue by restoring and reselling of electronic devices (phones, etc.) to customers. The other services evaluated within the scope of supportive products are Teknogaranti, technology support package, in-store service package and non-warranty repair services. It is predicted that the number of sales will increase with the increasing demand in the coming years.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

744032426

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In 2022, a turnover of approximately 744 million TRY was achieved due to higher energy efficiency appliances including green products, solar energy systems and/or services that extend product life and provides technical customer services within Teknogaranti. This actualized revenue consists of the revenue coming from energy efficient products (household appliances, air conditioners) and solar systems as well as the services for refurbished products and customer services, etc. It is foreseen that the relevant purchases will not be realized in the case of any energy efficient products were not included in the product range which results in a loss of demand. This situation has also impact on the potential sales of other products along with sustainable products. The value of turnover is taken directly from our internal systems.

Cost to realize opportunity

120894370.7

Strategy to realize opportunity and explanation of cost calculation

Actions taken for detecting our opportunities: Category and sales departments follow customer trend and suppliers' product ranges through market research. Thus, before a possible demand occurs, Teknosa can position its product range to meet this demand. For market research, both outsource support is received and inhouse employees are employed. In addition, with Teknosa Academy trainings, sales personnel are trained on the environmental features of products. Teknosa has planned to increase the amount of green and sustainable products provided to customers and invest in low-carbon technology for our processes, thereby offering low-carbon products and services. These projects support decarbonization in the near term. For instance, we projected to increase the number of green products by 5% in 2024, 15% in 2026, and 10% for each year until the end of 2028. We have foreseen that with these sustainable products offered to end-users, we will make a significant contribution to the decarbonization process in the medium and long term.

The cost to realize our detected opportunities is calculated based on the internal processes of the company. For instance, if an additional discount is offered to customers in the sale of sustainable products, the cost of this discount, equivalent to 174,000 TRY in 2022, is also included in the total cost. The total value of discount offered in the sale of sustainable products is directly taken from our internal systems. On the other hand, a sum of TRY 4,636,281 was directly invested in the sustainable product category, specifically targeting 17 different types of air conditioners. Additionally, an investment of TRY 116,084,089.7 was allocated to support 148 types of white goods in 2022.

Based on these expenditures, the total cost for Teknosa to realize its opportunity is calculated as below;

Cost to realize the opportunity: $116,084,089.7 + 4,636,281 + 174,000 = 120,894,370.70$ TRY

Comment

N/A

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

Publicly available climate transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your climate transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)

<Not Applicable>

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

As Teknosa, we started to pursue the sustainability strategy that covers the direct operations of the company during the reporting period. This strategy will be in line with the strategy of Sabancı Holding (Teknosa’s parent company). We are moving forward with the goal of Net-Zero Emission and Zero Waste in all our operations until 2050. Teknosa has targets to reduce emissions, reduce water use, and reduce waste for 2022. In this context, we aim to increase the number of Sustainable Products and Services by 5% in 2024 and 60% in 2028. We aim to increase the use of renewable electricity energy in all of our operations to 50% by 2025 and to 100% by 2045. However, we aim to reduce our emissions (scope 1 and 2) by 42% by 2030, and we have a 2050 net-zero target.

In addition, the Holding started to measure key performance indicators for each leg of the Sustainability Roadmap in 2021 and received independent assurance services for the entire Group (including Teknosa) in 2022 for these data.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative, but we plan to add quantitative in the next two years	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices		
<table border="1"> <tr> <td>Transition scenarios</td> <td>IEA NZE 2050</td> </tr> </table>	Transition scenarios	IEA NZE 2050	Company-wide	<Not Applicable>	<p>Teknosa recognizes a wide time horizon of 2020-2050 for scenario analysis in line with NZE 2050. Global sources, such as the IPCC Special Report on Global Warming of 1.5°C and the IEA’s Energy Perspectives are referenced in our climate scenario. We created initiatives applied company-wide to establish our carbon reduction projects in order to keep global climate change at 1.5°C. Within the projections of net-zero strategy of Teknosa, there are 5 major groups categorized into supplier engagement, procurement policy and choice, customer engagement, product/service design and business model. Within the scope of these main categories, the following levers will be implemented to achieve the target: influence suppliers to set reduction targets, select suppliers with lower carbon footprint, shift toward low-carbon alternatives, product labels, in-store communication, incentivize highly effective product categories, design for efficiency and lifecycle emission savings, integrating circular economy principles in design and extending product lifetime. These levers were selected according to financial requirements, emission reduction impact, operational impact, feasibility and positive reputation impact criteria.</p> <p>Renewable energy sourcing options include the acquisitions of renewable energy certificates (RECs), on-site & off-site RE installations under the Power Purchase Agreements (PPAs), and the installations for renewable energy self-generation. Low-carbon Logistics options that will enable shifting from fossil fuels to alternative sources are Electrification, RNG (renewable natural gas), and Hydrogen. In addition, considering 52% of Teknosa’s suppliers have committed to SBTi, our roadmap promises to achieve emission reduction targets in the long term.</p> <p>The abatement potentials considered by Teknosa are based on the assumptions stated below,</p> <ul style="list-style-type: none"> - 99% of the Teknosa Scope 3 emission profile is due to suppliers/customers, - The potential based on suppliers’ abilities to reduce emissions from production and product use, - The decarbonization approach of suppliers in their value chain which will result in an emission reduction realized by Teknosa, - The degree to which these benefits are passed on depends on the relative emissions impacts of the specific products purchased by Teknosa, etc.
Transition scenarios	IEA NZE 2050				

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

- Teknosa prioritizes developing a climate scenario analysis stemming from several factors such as climate-related risks for our business, reputation and stakeholder engagement, and business resilience and competitiveness, etc. Some of focal questions that we searched through our climate transition scenario analysis are listed below;
- What is Teknosa's ambition for decarbonization?
 - Which lever are suitable for Teknosa in terms of financial requirements, emission reduction impact, operational impact, feasibility and positive reputation impact criteria to reach the 2050 net-zero target?
 - What is the motivation of Teknosa for developing a climate scenario analysis for a transition to lower-carbon industry?
 - What energy efficiency measures can be implemented to reduce energy consumption and minimize carbon emissions and how can Teknosa integrate them in its operations?
 - Are there opportunities for on-site renewable energy generation, such as solar panels or wind turbines?
 - How can Teknosa collaborate with customers, communities, and other stakeholders to drive collective climate action both in the short and the long term?

Results of the climate-related scenario analysis with respect to the focal questions

Teknosa recognizes the potential risks and impacts of climate change on its operations and supply chain. By conducting a climate scenario analysis, Teknosa aims to better understand and assess the specific risks and vulnerabilities it may face and to be prepared for and comply with existing and future climate-related regulations and policies. On the other hand, understanding climate-related risks and opportunities can help Teknosa enhance its business resilience and long-term planning, develop strategies to mitigate those risks, and capitalize on emerging opportunities in a lower-carbon industry. Since stakeholders (customers, investors, and employees) increasingly expect companies to take concrete actions to address climate change, Teknosa demonstrates its commitment to sustainability and responsible business practices, enhancing its reputation and stakeholder relationships by conducting a climate scenario analysis.

There are several energy efficiency measures applied by Teknosa in offices, stores, and warehouses, such as lighting upgrades, HVAC optimization, and energy management systems that allow for real-time monitoring, control, and optimization of energy usage. In addition to these small-scale improvements, which have also been gradually implemented in our stores and offices as part of our short-term targets, Teknosa is planning to integrate lower-carbon alternatives into its operations. This includes renewable energy sourcing through the acquisition of Renewable Energy Certificates (RECs) and the installation of on-site and off-site renewable energy systems for self-generation. We are also exploring low-carbon logistics options, such as electrification, renewable natural gas, and hydrogen, which are being evaluated based on financial requirements, emission reduction impact, operational impact, and feasibility. These measures are planned to be implemented within Teknosa's medium and long-term projections.

Teknosa has integrated renewable energy self-generation options as a roof top system of some stores since 2021 and targeted to increase the amount of self-generated renewable electricity consumption with these type of projects since then. In addition to this, Teknosa has given importance to on-site and off-site RE installations for self-generation not just for its operations but also for its suppliers' operation in the scope of net-zero strategy.

Decision or action in relation to the focal questions including associated timelines: As Teknosa started to cooperate with suppliers to increase energy efficiency throughout the supply chain for energy saving, in 2023 it will develop the Supplier Loyalty concept, which consists of two different levels: 'influencing suppliers in setting reduction targets' and 'executing the Supplier Loyalty Program'. As well as optimizing transportation logistics, selecting energy-efficient suppliers, and promoting sustainable practices within the supply chain all serve to reduce its own emission.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of Influence
Products and services	Yes	<p>Due to the global shift in customer behavior from conventional products to low-carbon ones, products, and services in our operations are considered in terms of risk and opportunity perspective for short, medium, and long term. Being aware of this trend, Teknosa diversifies its product range with low-emission products and tries to meet the expectations of the sector. Teknosa has determined its criteria in order to be able to classify low-emission and sustainable products through the studies it has carried out with Sabancı Holding.</p> <p>In 2022, such customized services as Buyback and refurbished product sales service, repair service, product rental services, and customer support service of a call center started in new markets which leads to pave the way for the products are reused; thus, both environmental and economic recycling is achieved. The service evaluated within the scope of supportive products are Teknogaranti, technology support package, in-store service package and non-warranty repair services.</p> <p>Teknosa offers a total of 165 green product types which consist of 148 household appliances and 17 air conditioners. In 2022, TRY 114,152,864 revenue was achieved in the sale of these green products.</p> <p>Additionally, Teknosa also provides refurbished products that are restored to their factory settings and the necessary parts are replaced. For instance, the phones that pass all the tests reach their new users as refurbished phones. With our refurbished product sales service that started in May 2022, we bought back 42.571 products until December 2022, and by selling 15.241 refurbished products, we prevented 12.3 tons of e-waste and 0.22 tons of CO2e emissions as well as we achieved TRY 5.753.391 revenue. It is predicted that the number of sales of the refurbished and green products will increase with the increasing demand in the coming years.</p>
Supply chain and/or value chain	Yes	<p>With the increasing effects of climate change, extreme weather events have the potential to negatively affect the supply chain. In Teknosa's risk & opportunity assessment process for short, medium, and long term, the probability, and the impact of extreme weather phenomena on our operations are considered.</p> <p>During the due diligence of suppliers, it is planned to include additional requirements for the products' energy labels. This will provide an extra source of energy efficiency information for the product. It is also planned to implement the responsible supplier processes in purchasing. These actions will indirectly affect the indirect-use phase emissions of Teknosa.</p>
Investment in R&D	Yes	<p>Teknosa closely monitors technological developments and conducts improvements into its operations in order to reduce its carbon footprint. Teknosa made TRY 11,470,154 investment and 61,925.59 tons of emission were reduced with the help of these initiatives. Additionally, With the digital label and electronic label applications implemented in Teknosa stores, it has reduced paper and toner consumption. With the electronic label, all labels renew themselves automatically and digitally. Digital labels and the screens of the products are used. The electronic tag is used in 12 stores as of the end of 2022. The annual savings per store are approximately 960,000 pieces of paper. The digital label system is used in all stores. The annual savings per store are approximately 11,520,000 pieces of paper and avoided 60,130.9 tons CO2.</p>
Operations	Yes	<p>As seen with the cases in recent years, the number of floods has increased in Turkey with the effect of climate change. As a result of the disasters, the priorities of the people of the region are changing and the demand for technological products is decreasing. In addition, sales stores in the flood zone can be directly affected by the flood, resulting in problems in product supply and damage to stored products. For the analysis of the financial impact that may occur because of the flood, the recent cases where was in Kastamonu, Bartın and Sinop were chosen as case study. Possible effects are included in the risk and opportunity determination process for short, medium, and long term. Also, Teknosa operations require a good amount of heating and cooling energy since customers visit Teknosa shops. Additionally, in order to keep the technological products safe from extreme heats, cooling technology is needed. Even though it is not a material risk right now, in line with the increasing average temperatures we experience extreme heats more frequently each year. Therefore, to be able to manage that, Teknosa may need to use cooling systems more intense which would increase the operational costs and emissions.</p>

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures	Climate-related risks and opportunities have influenced our financial planning for direct costs, capital expenditures and revenues as well. Teknosa closely monitors technological developments and conducts improvements into its operations in order to reduce its carbon footprint. Teknosa made TRY 11,470,154 investment and 61,925.59 tons of emission were reduced with the help of these initiatives which are related to direct costs and capital expenditures. As revenue, Teknosa diversifies its product range with low-emission products and tries to meet the expectations of the sector. Teknosa has determined its criteria in order to be able to classify low-emission and sustainable products through the studies it has carried out with Sabancı Holding. Teknosa offers a total of 165 green product types consisting of 148 household appliances and 17 air conditioners and also refurbished electronic products by restoring them to the factory settings, replacing some of the parts if required, then putting them to test and finally releasing to the market after the test achieved. In 2022, TRY 114,152,864 and TRY 5,753,391 revenue was achieved, respectively, in the sale of green and refurbished products in 2022. It is predicted that the number of sales will increase with the increasing demand in the coming years.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with a sustainable finance taxonomy	At the company level only

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

Revenue/Turnover

Type of alignment being reported for this financial metric

Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported

Other, please specify (Green Bond Initiative)

Objective under which alignment is being reported

Climate change mitigation

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

629879562

Percentage share of selected financial metric aligned in the reporting year (%)

3.61

Percentage share of selected financial metric planned to align in 2025 (%)

0.85

Percentage share of selected financial metric planned to align in 2030 (%)

1.7

Describe the methodology used to identify spending/revenue that is aligned

Green Product: Our green products are A+++ and A++ white goods products and air conditioners which is a total of 165 green product types consisting of 148 household appliances and 17 air conditioners. We carry out special campaigns (discounts, etc.) that support the sale of environmentally friendly products.

İklimsa Solar Energy System Solutions: We have started to operate in SES (Solar Energy Systems), a brand-new area creating added value within the framework of sustainability. In 2022, through strong collaborations in the Solar SES (Solar Energy Systems) field, an agreement was made concerning numerous important projects, including housing, agricultural irrigation, and industrial facilities.

Refurbished Business: After the products are restored to their factory settings and the necessary parts are replaced, the phones that pass all the tests reach their new users as refurbished phones. With our refurbished product sales service that started in May 2022, we bought back 42,571 products until December 2022, and by selling 15,241 refurbished products, we prevented 12.3 tons of e-waste and 0.22 tons of CO2e emissions, we achieved a revenue from these products 5,753,391 TRY.

C3.5c

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

N/A

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition

1.5°C aligned

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2021

Base year Scope 1 emissions covered by target (metric tons CO2e)

2141

Base year Scope 2 emissions covered by target (metric tons CO2e)

8831

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

10972

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
42

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
6363.76

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
2080.95

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
6205.86

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
8286.81

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
58.2693175702655

Target status in reporting year
New

Please explain target coverage and identify any exclusions

Teknosa aims to reduce scope 1 & 2 emissions 42% from a 2021 base year by the 2030 target year in compliance with SBT initiative based on our targets to transition to become a low-carbon retailing company. This target covers all of our operations carried out in all locations without any emissions sources are excluded. This target is in line with the SBTi V.5 criteria documents, which is 4.2% linear annual reduction to meet a total reduction of 42% in 2030.

Plan for achieving target, and progress made to the end of the reporting year

Teknosa are establishing energy efficiency projects such as SPP installation in collaboration with Enerjisa Enerji in order to replace our activities with low-carbon alternatives. In addition to energy efficiency projects to reduce our scope 1 & 2 emissions, Teknosa is engaged in initiatives that directly reduce operational impact, such as replacing company vehicles with low-carbon options. In 2022, Teknosa has achieved renewable energy production through solar panels with a capacity of 175 kWh installed at its Adana store. Furthermore, we aim to maintain reductions in our market-based emissions by purchasing IREC (International Renewable Energy Certificate). We achieved 58.27% of this target in the reporting year.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2021

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	MWh
----------------------------------	-----

Target denominator (intensity targets only)

MWh

Base year

2021

Figure or percentage in base year

0

Target year

2022

Figure or percentage in target year

30

Figure or percentage in reporting year

33

% of target achieved relative to base year [auto-calculated]

110

Target status in reporting year

Achieved

Is this target part of an emissions target?

No.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

The target metric is the ratio of renewable electricity used to total electricity use. Renewable electricity sources are Teknosa's own production in Adana and electricity with the certificates of I-REC. The total value in 2022 is 6,804,000 kWh/ 20,908,216 kWh. That makes 33% of total electricity use is from renewable sources. In 2021 this value was 0.

Plan for achieving target, and progress made to the end of the reporting year

<Not Applicable>

List the actions which contributed most to achieving this target

- Increasing the amount of renewable energy used in our operations,
- Increasing the ratio of consumed electricity from renewable sources,
- Increasing the investment in the certificate of I-REC.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

No, but we anticipate setting one in the next two years

Please explain target coverage and identify any exclusions

As Teknosa, we have set Net Zero Emissions target in all operations until 2050. Sub-targets have been set in the focus on water consumption, emissions and waste. In addition, the proportion of sustainable products and services in revenues will be increased to 80 by 2030. Similarly, renewable energy consumption is targeted to be 50% in 2025 and 100% in 2045.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

Sub-targets have been set in the focus on water consumption, emissions and waste. In addition, the proportion of sustainable products and services in revenues will be increased to 80 by 2030. Similarly, renewable energy consumption is targeted to be 50% in 2025 and 100% in 2045.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	1	1910.6
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

1910.6

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

9170154

Investment required (unit currency – as specified in C0.4)

1870154

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

N/A

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for other emissions reduction activities	Teknosa dedicated sustainability capex budget funded an additional TRY 5,193,100 in energy efficiency projects in 2022, including LED retrofit projects, digital and electronic label transformation (detailed in C4.3b)
Employee engagement	In 2021, a Sustainability Unit was established for the comprehensive management of sustainability processes. The performance of the employees of the unit is determined by their studies on sustainability. The unit takes part in determining sustainability targets, following the progress in the targets, developing strategies on the subject, carrying out awareness studies, establishing relevant collaborations, following climate-related trends and complying with regulations, identifying risks and opportunities and taking necessary actions.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify (The EU labelling)

Type of product(s) or service(s)

Other	Other, please specify (Household appliances)
-------	--

Description of product(s) or service(s)

Teknosa offers a total of 165 sustainable green product types classified as A++ and A+++ based on the Energy Star Label Tool. These consist of 148 household appliances and 17 air conditioners.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

<Not Applicable>

Functional unit used

<Not Applicable>

Reference product/service or baseline scenario used

<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario

<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.65

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

(C5.2) Provide your base year and base year emissions.**Scope 1****Base year start**

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

2141

Comment

We started to calculate our Scope 1 emissions in 2020. We defined 2021 as base year for this scope.

Scope 2 (location-based)**Base year start**

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

9347

Comment

We have started to measure and monitor Scope 2 emissions since 2020. However, we defined 2021 emissions as a base year for Scope 2 emissions.

Scope 2 (market-based)**Base year start**

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

8831

Comment

We have started to measure and monitor Scope 2 emissions since 2020. However, we had no operations where we can access electricity supplier emission factors or residual emission factors, and are unable to report a Scope 2, market-based figure until 2021. Currently, we have been able to measure and report Scope 2, market-based figure which we also defined as a base year for this scope.

Scope 3 category 1: Purchased goods and services**Base year start**

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

196621

Comment

This category includes the emissions of suppliers their manufacturing and transportation of the products retailed by Teknosa. As this is material for Teknosa, the emissions originated from purchased goods and services has included in the scope of monitoring of emissions in 2021.

Scope 3 category 2: Capital goods**Base year start**

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)**Comment**

This category has not been included in the GHG inventory in 2021. It could be included if spend data is provided for purchased fixed assets during reporting year in which any material has not been identified during Scope 3 workshop.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**Base year start**

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)**Comment**

It could be applicable for energy related activities; purchased electricity and fuel. This category has not been identified material during Scope 3 workshop in 2021.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

Comment

This category has not been included in the GHG inventory in 2021. It could be included if transportation data was available for purchased goods.

Scope 3 category 5: Waste generated in operations

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

95.56

Comment

We started to calculate our Scope 3 emissions caused by waste generated in our operations in 2021. This category is considered relevant although it is not material for Retail business.

Scope 3 category 6: Business travel

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

66

Comment

We started our Scope 3 emissions resulting from our business travel in 2020.

Scope 3 category 7: Employee commuting

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

53

Comment

We started our Scope 3 emissions resulting from the commuting of our employees in 2020.

Scope 3 category 8: Upstream leased assets

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

Comment

This category was not relevant for Teknosa, since there is no upstream leased assets in 2021.

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

604

Comment

We started our Scope 3 emissions caused by downstream transportation and distribution in 2021. This category is considered relevant although it is not material for Retail business.

Scope 3 category 10: Processing of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)**Comment**

As Teknosa, we do not sell intermediate products that require processing into final products. For this reason, we don't have any emissions in this category.

Scope 3 category 11: Use of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

668441

Comment

This category is relevant for Teknosa, as we are a retail company. We started to calculate our Scope 3 emissions caused by the use of sold products in 2021.

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)**Comment**

This category has not been identified material and not included in the GHG inventory due to lack of available information for the disposal of sold products.

Scope 3 category 13: Downstream leased assets

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)**Comment**

This category has not been identified relevant as there was no any downstream leased assets in 2021.

Scope 3 category 14: Franchises

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)**Comment**

This category has not been included due to the lack of data from Iklimsa distribution and after sale service stores.

Scope 3 category 15: Investments

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)**Comment**

No significant investments.

Scope 3: Other (upstream)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)**Comment**

N/A

Scope 3: Other (downstream)

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

Comment

N/A

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

2080.95

Start date

January 1 2022

End date

December 31 2022

Comment

Gross global Scope 1 emissions of Teknosa was calculated 2,080.95 tons CO2e in the reporting year period (1st January 2022 - 31st December 2022).

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

2141

Start date

January 1 2021

End date

December 31 2021

Comment

Gross global Scope 1 emissions of Teknosa was calculated 2,141 tons CO2e in the previous reporting year period (1st January 2021 – 31st December 2021).

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Reporting Period: 1st January 2022 – 31st December 2022

We have been reporting both Scope 2, location-based figure and market-based figure since 2021 as we have operations where we can utilize renewable energy sources in our operations.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

9141.54

Scope 2, market-based (if applicable)

6205.86

Start date

January 1 2022

End date

December 31 2022

Comment

NA

Past year 1

Scope 2, location-based

9347

Scope 2, market-based (if applicable)

8831

Start date

January 1 2021

End date

December 31 2021

Comment

NA

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

344487.56

Emissions calculation methodology

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions were calculated using the spend of purchased products based on the data provided by Teknosa for Purchased Goods and Services which all are mapped by suppliers and categories, and using Life cycle emission figures from Exiobase 2019 GHG emissions AR5 (GWP100) factor. Location data was not available per product; therefore, TR emission factors were considered for EXIOBASE.

Capital goods

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category has not been included in the GHG inventory in 2022. It could be included if spend data is provided for purchased fixed assets during reporting year in which any material has not been identified during Scope 3 workshop.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

It could be applicable for energy related activities; purchased electricity and fuel. This category has not been identified material during Scope 3 workshop in 2022.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category has not been included in the GHG inventory. It could be included if transportation data was available for purchased goods in the reporting year.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

87.9

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The amounts of waste generated in Teknosa's operations were obtained by following the waste management reports. The emissions caused by the retreatment, such as recycling and landfilling, of waste indicated within scope 3, are calculated by multiplying them with the emission factor obtained from DEFRA 2022. All wastes are categorized into two groups: hazardous and non-hazardous waste. The former includes batteries, accumulators, and toners (300 kg in total), while the latter contains recyclable wastes such as paper (120 tons), mixed packaging materials (126.7 tons), plastic (48 tons), scrap (18.5 tons), electronics (1.5 tons), and solid waste (173.9 tons).

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

130.8

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions from business travel of Teknosa were calculated using both short-haul and long-haul flights (867,623.67 kilometers). Emissions were calculated using GHG Protocol - Corporate Value Chain (Scope 3) Accounting and Reporting Standard and DEFRA 2022 factors for UK, Average passengers.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

72.06

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Employee commuting was only realized by employees of Teknosa Headquarter and Logistic Center in 2022. The total travelled distance was 746,698.00 kilometers. Emissions were calculated using GHG Protocol - Corporate Value Chain (Scope 3) Accounting and Reporting Standard and DEFRA 2022 factors for business travel of average local bus.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category was not relevant for Teknosa, since there was no upstream leased assets in 2022.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

702.12

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The downstream transportation and distribution data of Teknosa were calculated separately based on the product volume and quantity carried by each of the five suppliers and the distance they transport these products. The total transportation and distribution emissions value is the sum of emissions caused by the five different suppliers. The calculations are made using GHG Protocol - Corporate Value Chain (Scope 3) Accounting and Reporting Standard as well as DEFRA 2022 factors for fuel diesel. A 100% of the information of transportation and distribution was provided by the suppliers of Teknosa.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As Teknosa does not sell intermediate products that require processing into final products, this category was considered not relevant. Correspondingly, we don't have any emissions in this category.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

817698.81

Emissions calculation methodology

Hybrid method

Methodology for indirect use phase emissions, please specify (Energy Star Label Tool)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This category includes the emissions (e.g., electricity) that consumers generate when using the products they purchased at Teknosa. We have been calculating our Scope 3 emissions caused by the use of sold products since 2021. Teknosa's emissions for the Use of Sold Products are calculated for Teknosa, Preo, Iklimsa, and air conditioning after-sales service product category. The Energy Star Label tool is used to obtain energy consumption data based on the quantity sold by Teknosa. For the product categories applicable under the Energy Star Label, it is assumed that half of the electronics products have an Energy Star label. Grid emission factors are assumed to be constant throughout the lifetime of the product.

Supporting devices such as headphones, mouse, keyboard, etc. (anything that works with a connection to an electronic device) and cameras are not included in the calculations due to their energy consumption being via charging or battery.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category was considered not relevant since it has not been identified material and not included in the GHG inventory due to lack of available information for the disposal of sold products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category has not been identified relevant as there was no any downstream leased assets in 2022.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category has not been identified relevant, accordingly, not included due to the lack of data from Iklimsa distribution and after sale service stores.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Teknosa has not considered this relevant since there was no any significant investments.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

N/A

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

N/A

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1 2021

End date

December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)

196621

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

95.56

Scope 3: Business travel (metric tons CO2e)

66

Scope 3: Employee commuting (metric tons CO2e)

53

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

604

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

668441

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

N/A

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000158

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

8286.81

Metric denominator

unit total revenue

Metric denominator: Unit total

525291316

Scope 2 figure used

Market-based

% change from previous year

81

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption

Other emissions reduction activities

Change in revenue

Please explain

Our emissions intensity in metric tons CO2e (market-based) per our net revenue has decreased by 81%. Our intensity figure for the previous year was calculated as 0.000083 (10,971.73 tons CO2e/ 131,500,000 TRY). The reporting year intensity metric is 0.0000158 (8,286.81 tons CO2e/525,291,316 TRY). This is due to the fact that our Scope 1 + 2 emissions decreased by 24% and that our revenue increased by 299%. After the adverse impacts of Covid-19 was gradually phased out, we had so much better financial performance in the reporting period.

Intensity figure

3.37

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

8286.81

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

2458

Scope 2 figure used

Market-based

% change from previous year

29.17

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption

Other emissions reduction activities

Change in physical operating conditions

Please explain

Our emissions intensity in metric tons CO2e (market-based) per our total number of full-time employees has decreased by 29.17%. Our intensity figure for the previous year was calculated as 4.76 (10,971.73 tons CO2e/2303 employees). The reporting year intensity metric is 3.37 (10971.73 tons CO2e/2303 employees). This is due to the fact that our Scope 1 + 2 emissions decreased by 24% and that our number of employees increased by 7%. Since our denominator employee number was increased, Intensity figure was decreased in the reporting year.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	1841.23	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	6.53	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	6.62	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Turkey	2080.95

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Diesel consumption for company vehicles	42.39
Gasoline consumption for company vehicles	444.4
Natural gas consumption	1356.49
Refrigerant leakage	226.57
Diesel consumption of emergency generators	10.26
Diesel consumption of off road vehicles	0.84

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	9141.54	6205.86

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electricity consumption in operations	9141.54	6205.86

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2625.14	Decreased	23.93	Due to 'Change in renewable energy consumption' implemented during the year, despite an increase in operations, emissions have not grown as high as could be expected. Last year 2,625.14 tons of CO2e were reduced by renewable energy use through I-REC, and our total Scope 1 and Scope 2 market based emissions in the previous year was 10,971.68 tCO2e, therefore we arrived at -23.93% through $(-2625.14/10971.68) * 100 = -23.93\%$ (i.e. a 23.93% decrease in emissions).
Other emissions reduction activities	1910.6	Decreased	17.41	Due to 'other emissions reduction activities' implemented during the year, despite an increase in operations, emissions have not grown as high as could be expected. Last year 59.73 tons of CO2e were reduced by our emissions reduction projects, and our total Scope 1 and Scope 2 emissions in the previous year was 10,971.68 tCO2e, therefore we arrived at -17.41% through $(-1910.6/10971.68) * 100 = -17.41\%$ (i.e. a 17.41% decrease in emissions).
Divestment		<Not Applicable >		N/A
Acquisitions		<Not Applicable >		N/A
Mergers		<Not Applicable >		N/A
Change in output	1850.87	Increased	16.87	Change of output emissions is calculated by subtracting the emission achieved through renewable energy use and emission reduction activities realized in 2022 and the emissions in 2021 from the emissions in 2022. The change in output is calculated as 1,850.87 tCO2e in 2022. The increase in the emissions of output led to a 16.87% increase in total. The percentage is obtained from the division of percentage of change by Scope 1 & 2 emissions in 2021. The percentage: $1,850.87/10,971.68 = 16.87\%$
Change in methodology		<Not Applicable >		N/A
Change in boundary		<Not Applicable >		N/A
Change in physical operating conditions		<Not Applicable >		N/A
Unidentified		<Not Applicable >		N/A
Other		<Not Applicable >		N/A

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	8172.15	8172.15
Consumption of purchased or acquired electricity	<Not Applicable>	6672	14236.22	20908.22
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	145	<Not Applicable>	145
Total energy consumption	<Not Applicable>	6817	22408.37	29225.37

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

We do not have a sustainable biomass fuel consumption.

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

We do not have a other biomass fuel consumption.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

We do not have a other renewable fuel consumption in 2022.

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

We do not have a coal fuel consumption.

Oil

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

We do not have a oil fuel consumption.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

6254.68

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

N/A

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

1917.47

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

N/A

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

8172.47

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

N/A

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	145	145	145	145
Heat				
Steam				
Cooling				

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

Turkey

Sourcing method

Purchase from an on-site installation owned by a third party (on-site PPA)

Energy carrier

Electricity

Low-carbon technology type

Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

145

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

Turkey

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2022

Comment

N/A

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Turkey

Consumption of purchased electricity (MWh)

20908.22

Consumption of self-generated electricity (MWh)

145

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

21053.22

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

488.9

Metric numerator

tonnes

Metric denominator (intensity metric only)

N/A

% change from previous year

4.32

Direction of change

Increased

Please explain

The amount of total waste production in 2021 was 511 tons. In 2022, as a result of waste reduction efforts, Teknosa managed to reduce it to 488.9 tons indicating a decrease of 4.32%. The increase was determined as follows: $[1 - (488.90/511)] * 100 = 4.32\%$

Description

Energy usage

Metric value

20908.22

Metric numerator

MWh

Metric denominator (intensity metric only)

N/A

% change from previous year

26

Direction of change

Decreased

Please explain

The energy consumption of Teknosa in 2021 was 28,108.23 MWh. On the other hand, the energy consumption of Teknosa was 20,908.22 MWh which means we managed to decrease energy consumption compared to the previous year by 26% in the reporting year.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Teknosa 2022_Assurance Report.pdf

Page/ section reference

Scope: 1

GHG Statement: 4

Assurance Level: 4

Opinion: 4

Emission Values: 11 (Appendix 1)

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Teknosa 2022_Assurance Report.pdf

Page/ section reference

Scope: 1

GHG Statement: 4

Assurance Level: 4

Opinion: 4

Emission Values: 11 (Appendix 1)

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel
Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Teknosa 2022_Assurance Report.pdf

Page/section reference

Scope: 1
GHG Statement: 4
Assurance Level: 4
Opinion: 4
Emission Values: 12 (Appendix 1)

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C0. Introduction	Other, please specify (Total number of employees)	ISAE 3410 standard (emission related figures) ISAE 3000 standard (other figures)	The total number of employees shared in the C0.1 section of the report has been verified.
C8. Energy	Energy consumption	ISAE 3410 standard (emission related figures) ISAE 3000 standard (other figures)	The energy consumption data shared in section C8 of the report has been verified.
C9. Additional metrics	Other, please specify (The amount of waste)	ISAE 3410 standard (emission related figures) ISAE 3000 standard (other figures)	The amount of waste data shared in section C9 of the report has been verified.
C9. Additional metrics	Energy consumption	ISAE 3410 standard (emission related figures) ISAE 3000 standard (other figures)	The energy consumption data shared in section C9 of the report has been verified.

Teknosa 2022_Assurance Report.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

As a technology retail company, the majority of Teknosa's CO2 emissions, accounting for over 90% of our business activities, arise from selling product. The remaining portion is attributed to electric consumption, fuel consumption, encompassing city gas and gasoline, among other sources. Although the direct financial impact of the carbon tax on Teknosa is currently minimal, we recognize the possibility of governments, including Turkey, imposing carbon taxes as the global transition to a low-carbon society gains momentum. According to the IEA 450 scenario, the carbon tax is projected to reach 100 USD per t-CO2 by 2030.

To proactively address potential increases in compliance costs related to such taxes and safeguard our business activities and financial performance, we have taken decisive steps. Teknosa has initiated a process of monitoring our CO2 emissions, strategically managing the sources of our electricity consumption and preparing decarbonisation plan. By doing so, we aim to reduce our overall CO2 footprint.

Our strategy aligns with the requirements of IEA 450 scenario by reducing our Scope 3 emissions with the following levers which projected be applied: setting supplier reduction targets, choosing suppliers with a lower carbon footprint, switching to low-carbon alternatives, product labels, in-store communication, promoting high-impact product categories, designing for efficiency and lifecycle emissions savings, integrating circular economy principles into design, and extending product life. By taking this initiative, we are proactively preparing ourselves for the transition to a low-carbon society and proactively addressing the potential impact of future carbon taxes in the medium- and long-term.

Through our collective efforts and commitment to renewable energy, we aspire to make a positive contribution to mitigating climate change and building a more sustainable future for our planet. As we move forward, we remain dedicated to promoting environmental responsibility and sustainability across all aspects of our business operations.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Alignment with the price of allowances under an Emissions Trading Scheme

Alignment with the price of a carbon tax

Objective(s) for implementing this internal carbon price

Change internal behavior

Navigate GHG regulations

Stakeholder expectations

Scope(s) covered

Scope 1

Scope 2

Pricing approach used – spatial variance

Differentiated

Pricing approach used – temporal variance

Evolutionary

Indicate how you expect the price to change over time

Although the direct financial impact of the carbon tax on Teknosa is currently minimal, we recognize the possibility of governments, including Turkey, imposing carbon taxes as the global transition to a low-carbon society gains momentum. According to the IEA 450 scenario, the carbon tax is projected to reach 100 USD per t-CO₂ by 2030.

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO₂e)

80

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO₂e)

110

Business decision-making processes this internal carbon price is applied to

Operations

Procurement

Risk management

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for some decision-making processes, please specify (As the Company specific examples, there are LED lighting transformation in the stores, automated sensors placed in the stores for remote control and energy saving, which they mentioned in C4.3b.)

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

As a technology retail company, the majority of Teknosa's CO₂ emissions, accounting for over 90% of our business activities, arise from selling product. The remaining portion is attributed to electric consumption, fuel consumption, encompassing city gas and gasoline, among other sources. Although the direct financial impact of the carbon tax on Teknosa is currently minimal, we recognize the possibility of governments, including Turkey, imposing carbon taxes as the global transition to a low-carbon society gains momentum. According to the IEA 450 scenario, the carbon tax is projected to reach 100 USD per t-CO₂ by 2030.

To proactively address potential increases in compliance costs related to such taxes and safeguard our business activities and financial performance, we have taken decisive steps. Teknosa has initiated a process of monitoring our CO₂ emissions, strategically managing the sources of our electricity consumption and preparing decarbonisation plan. By doing so, we aim to reduce our overall CO₂ footprint.

The following levers will be applied to reduce our Scope 3 emissions: setting supplier reduction targets, choosing suppliers with a lower carbon footprint, switching to low-carbon alternatives, product labels, in-store communication, promoting high-impact product categories, designing for efficiency and lifecycle emissions savings, integrating circular economy principles into design, and extending product life. By taking this initiative, we are proactively preparing ourselves for the transition to a low-carbon society and proactively addressing the potential impact of future carbon taxes.

Through our collective efforts and commitment to renewable energy, we aspire to make a positive contribution to mitigating climate change and building a more sustainable future for our planet. As we move forward, we remain dedicated to promoting environmental responsibility and sustainability across all aspects of our business operations. In addition, evaluating internal carbon pricing enabled the identification of risks related to this issue and increased investments within the scope of combating climate change.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Provide training, support, and best practices on how to set science-based targets

% of suppliers by number

48

% total procurement spend (direct and indirect)

48

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

Reducing our company's emissions involves working with our key suppliers to drive supplier improvements and persuade them to reduce their emissions along the value chain. We also communicate decarbonization expectations to our suppliers and motivate them to set targets as well. While 52% of our suppliers have already set Science-Based Targets (SBTi), we are now focusing on the remaining suppliers, for whom we plan to provide training.

Abatement Potential & Rationale

- 99% of the Teknosa Scope 3 emission profile is due to suppliers/customers
- Abatement potential based on suppliers' abilities to reduce emissions from production and product use
- As suppliers decarbonize their value chains, these emission reductions will also be realized by Teknosa
- The degree to which these benefits are passed on depends on the relative emissions impacts of the specific products purchased by Teknosa

Impact of engagement, including measures of success

The measure of success for Teknosa's engagement with suppliers is defined as the extent to which the company effectively collaborates with its suppliers to achieve mutually beneficial goals and targets. Success in engagement is also seen as a driving force that encourages suppliers to have a positive impact on supply chain sustainability, transparency, and accountability. With these perspectives in mind, Teknosa has determined the success measurement as the ratio of suppliers aligned with the requirements of a 1.5-degree world, which is evidenced by 52% of our suppliers committing to SBTi. The primary impact is projected to be on Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products), specifically through indirect impacts dependent on emission reductions realized by suppliers in the production process and product efficiency. Teknosa has an opportunity to develop relationships with suppliers as well as work together with other retailers (particularly in Euronics network), banding together to increase chances of good outcome. In addition, Teknosa will submit the SBTi target in 2023.

During the reporting year, Teknosa took a proactive step towards sustainability by sending out a comprehensive questionnaire to its suppliers. Through this survey, suppliers were informed about Teknosa's sustainability vision and objectives. As a result of this initiative, Teknosa gained valuable insights into its material issues, allowing the company to refine and strengthen its sustainability approach. The questionnaire served as a significant tool in aligning Teknosa's sustainability goals with the perspectives of its suppliers, fostering a collaborative effort towards a more sustainable future.

Our first sustainability report; We published it in the reporting year to share our climate change strategy transparently with our customers, suppliers and all stakeholders. (https://yatirimci.teknosa.com/Content/files/Teknosa_Sustainability%20Report-2021.pdf)

Comment

N/A

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Share information about your products and relevant certification schemes (i.e. Energy STAR)
-------------------------------	---

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

Teknosa acknowledges the growing consumer demand for environmentally friendly products, with customers increasingly considering electricity prices as well. To align with this trend, Teknosa has taken proactive steps to diversify its product range by offering low-emission alternatives, catering to the evolving expectations of the sector.

To identify and classify these sustainable products effectively, Teknosa has collaborated with Sabancı Holding, conducting comprehensive studies to establish specific criteria. This ensures that Teknosa's product portfolio includes environmentally conscious options, empowering end-users to make greener choices.

Furthermore, Teknosa places significant emphasis on sustainability, not only by offering low-emission products but also by providing information and additional discounts to customers who opt for A+++ products. This approach aims to encourage the adoption of more eco-friendly options and further supports the promotion of sustainable practices within the community.

As part of our commitment to raising awareness about sustainability among our customers, Teknosa engages in various differentiated activities. Recognizing the impact of digital marketing and in-store initiatives, we have implemented omnichannel efforts to spread knowledge and foster a sense of environmental responsibility among our valued customers. By integrating sustainability into our marketing strategies, we strive to contribute to a more sustainable future while meeting the evolving needs of our consumers.

Impact of engagement, including measures of success

Teknosa offers a total of 165 sustainable product types. These consist of 148 white goods and 17 air conditioners. Comparing to the last year results, Teknosa increased its revenue 238.04% from low-carbon energy during the reporting period.

Teknosa's proactive efforts to inform and educate customers about its products through bulletins, labels, and campaigns have yielded positive outcomes. These initiatives have led to a notable increase in the consumption of targeted products, consequently boosting sales figures. The measure of success is closely tied to the rise in product consumption, and in turn, the growth in sales.

Teknosa sets a specific threshold for success, aiming for an annual increase of 0.1% in the consumption of targeted products. Over the years, the company has seen a consistent upward trend in sales figures. To be exemplified, in the reporting year (2022), the ratio of revenue generated from these products to overall sales increased from 0.45% to 0.65%, demonstrating the achievement of success against the set measure.

In the operational context, Teknosa's climate-related supplier engagement strategy assumes paramount importance, considering the company's extensive reach to hundreds of thousands of people. The proactive engagement with all customers on climate-related issues is a crucial element of the company's overall climate strategy. In the reporting year, Teknosa took further steps to enhance sustainability communication in its stores, setting key performance indicators (KPIs) for store managers and employees. This strategic approach reinforces the company's commitment to promoting sustainable practices and positively impacting its operational sphere.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services
-------------------------------	---

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

Teknosa boasts an impressive global community, with approximately 1.2 million Teknoclub registered members, 19 million customers and 156 million online customers. The potential for significant change is huge as we strive to make a positive impact on our customers' lifestyles through our net zero goal and many of our climate change initiatives. We believe that not only in-store activities, but also digital marketing will affect impact and increase the level of sustainability knowledge of the customers. For this reason, we are conducting omni-channel studies on this subject.

To further this mission, we have developed two informative landing pages in 2022. The first is a Sustainability Page, accessible at <https://yatirimci.teknosa.com/our-sustainability-approach>, where we aim to educate our customers about the climate change impact of individual lifestyles through our services. Our second page can be found at <https://www.teknosa.com/kurumsal/surdurulebilirlik/>. These pages are dedicated to informing our customers of Teknosa's dedication to the climate change initiatives and providing updates on our progress towards our sustainability targets.

We conducted surveys with visitors to measure the effectiveness of our pages and the level of interest they generate. These surveys help us understand how our content resonates with our customers and encourage them to take meaningful action towards sustainability. By continually improving and adapting our efforts based on customer feedback, we are committed to creating a greener and more sustainable future together with our loyal community.

Both landing pages and surveys are kept active throughout the year, and it is ensured that all our valued customers can access information whenever they want. We believe knowledgeable customers have the authority to take action and make a positive impact on sustainability.

Our first sustainability report; We published it in the reporting year to share our climate change strategy transparently with our customers, suppliers, and all stakeholders. (https://yatirimci.teknosa.com/Content/files/Teknosa_Sustainability%20Report-2021.pdf)

Impact of engagement, including measures of success

Throughout the reporting year, our sustainability pages garnered an impressive 2592 clicks, showcasing the growing interest and engagement of our customers in sustainability-related content. Additionally, we received valuable feedback from 906 of our customers who participated in our sustainability survey.

Looking ahead, we are determined to build on this momentum and further increase our impact. Our goal is to reach an even broader audience of customers in the coming years, spreading awareness and fostering a culture of sustainability. By continuously expanding our reach and encouraging more customers to participate in our initiatives, we aim to drive positive change and make a meaningful contribution to a more sustainable future for all.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

TÜSİAD's activities are aimed at creating a social cohesion based on the competitive market economy, sustainable development, and participatory democracy. Teknosa takes a role in the environment and climate change working group of TÜSİAD. Within the scope of these working groups, we evaluate many issues such as legal regulations on climate change, regulation proposals for climate change, sector-specific good practice examples.

We are supporting the actions in favor of developing low-carbon economy in Turkey. As Teknosa, we contribute to projects voluntarily until the first phases of the PMR, which is known as the MRV 1 and MRV 2 phases: by attending many meetings with Sabancı Group companies and experienced experts, and by providing feedback to the authorities.

In accordance with Sabancı Group's mission to be a pioneer and an example in the field of sustainability, Teknosa takes pioneering steps in its sector. In addition to its business operations, the Company focuses on creating value for today and the future as a good corporate. In 2022, Teknosa participated in the "Sabancı Republic Mobilization" activities initiated by Sabancı Holding on the 98th anniversary of the establishment of the Republic of Turkey, which supported the promise made that the values of the Republic would be kept alive by working and adding value to the environment.

Between October 27 and November 8, the company carried out volunteer work for school renovation, support for biodiversity, planting saplings, soil revitalization and environmental cleaning within the scope of activities organized in 11 cities. During the reporting year, Teknosa embarked on the "Awareness of Future" project in collaboration with the Habitat association. As part of this initiative, workshops, trainings, and other activities were organized to raise awareness among customers about climate change and the importance of handling e-waste responsibly. These informative sessions took place during the fixfest events, which were held as a part of the "Awareness of Future" project. In 2022, a total of 2,655 people actively participated in these training sessions, demonstrating the success of the project in educating and engaging individuals on critical environmental issues.

In order to raise awareness of social responsibility among its employees, Teknosa also carries out volunteer activities with NGO collaborations under the leadership of Teknosa Volunteers Club and contributes to Sabancı Volunteers projects. Within this framework, we carry out activities that will lead to meaningful changes in society on issues such as transparency, environmental sensitivity, and responsible sourcing.

Throughout the year 2022, Teknosa partnered with WWF to conduct a series of trainings, events, and initiatives focusing on various critical subjects, including climate change and energy conservation. The concerted efforts in these areas proved successful, as Teknosa effectively achieved the targets set at the beginning of the year. As a recognition of its commitment to sustainable practices, Teknosa earned the prestigious Green Office Diploma. This achievement reflects the company's dedication to environmental responsibility and signifies its proactive steps towards promoting a greener and more sustainable future.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Setting a science-based emissions reduction target

Description of this climate related requirement

In accordance with the targets to mitigate the environmental impact of the company's supply chain by making emission reduction a priority for its suppliers, Teknosa has pursued a strategy to lead its suppliers to set an emission targets align with SBTi in order to foster Teknosa's sustainability efforts by establishing ambitious and evidence-based emission reduction goals. Within this scope;

- We engage in constructive dialogue with our suppliers, explaining the importance of adopting science-based targets to reduce greenhouse gas emissions,
- We offer guidance, resources, and technical support to suppliers in setting science-based targets,
- We foster collaboration between our company and our suppliers to identify and implement innovative technologies and practices that can further reduce emissions and promote sustainability.

We believe that setting science-based initiative targets for our suppliers enable our company demonstrates a leadership in addressing climate change and encourages the supply chain partners to be proactive in reducing their carbon footprint.

% suppliers by procurement spend that have to comply with this climate-related requirement

48

% suppliers by procurement spend in compliance with this climate-related requirement

48

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Teknosa_Sustainability Report-2021.pdf
tknfrae2022uyg9-3.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

In accordance with Sabancı Group's mission to be a pioneer and an example in the field of sustainability, Teknosa takes pioneering steps in its sector. In addition to its business operations, the Company focuses on creating value for today and the future as a good corporate. In 2021, Teknosa participated in the "Sabancı Republic Mobilization" activities initiated by Sabancı Holding on the 98th anniversary of the establishment of the Republic of Turkey, which supported the promise made that the values of the Republic would be kept alive by working and adding value to the environment. Between October 27 and November 8, the company carried out volunteer work for school renovation, support for biodiversity, planting saplings, soil revitalization and environmental cleaning within the scope of activities organized in 11 cities. In order to raise awareness of social responsibility among its employees, Teknosa also carries out volunteer activities with NGO collaborations under the leadership of Teknosa Volunteers Club and contributes to Sabancı Volunteers projects. Within this framework, we carry out activities that will lead to meaningful changes in society on issues such as transparency, environmental sensitivity, and responsible sourcing.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (TÜSİAD)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

TÜSİAD's activities are aimed at creating a social cohesion based on the competitive market economy, sustainable development, and participatory democracy. Teknosa takes a role in the environment and climate change working group of TÜSİAD. Within the scope of these working groups, we evaluate many issues such as legal regulations on climate change, regulation proposals for climate change, sector-specific best practice examples. All Teknosa sustainability team members are members of TÜSİAD and take part in the environment and climate change working groups. This membership is covered by Sabancı Holding. For this reason, Teknosa does not pay a funding.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

0

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

BSCD Turkey

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

15000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

Teknosa has established a strong collaborative partnership with BCSD Turkey (SKD Türkiye), a prominent sustainability platform led by business leaders. Through this close cooperation, they engage in diverse research activities and initiatives focused on climate-related matters. Furthermore, in 2021, Teknosa actively participated in studies conducted by BCSD Turkey to address e-waste challenges, aiming to identify areas for improvement.

As a valuable outcome of this joint effort, a comprehensive report was compiled based on the findings of the study. To further solidify their commitment to sustainability and strengthen their ties with BCSD Turkey, Teknosa became a paid member of the organization in the reporting year. This step marks an important milestone in their dedication to promoting sustainable practices and advancing the cause of environmental responsibility in the business community.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

Teknosa_Greenhouse_Gas_Emissions_Report_2022_2.pdf
 tknfræ2022uyg9-3.pdf

Page/Section reference

Governance: 44 – 59
 Strategy: 60 – 63
 Emission targets: 61
 Emission figures: 13

Content elements

Governance
 Strategy
 Emissions figures
 Emission targets

Comment

As Teknosa, we have been transparently sharing our sustainability performance in economic, social, and environmental issues and the value we create with our activities every year since 2012 with our stakeholders through annual reports. In 2022, we also published a separate report specifically focused on our Emission Figures, attached to this question and also available at our website (https://yatirimci.teknosa.com/Content/files/Teknosa_Greenhouse_Gas_Emissions_Report_2022_5.pdf). The page/section numbers given above for emission figures refer to this emission report.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
Row 1	Other, please specify (Euronics)	<p>Teknosa is a signatory of Euronics, which is the largest Electrical Buying Group in Europe, with 30 Member countries. With this membership, Teknosa has become well-known and the most preferred technology retail Company in Turkey since it provides after sale services which is ensured by the Teknosa’s suppliers who are also a member of EURONICS platform. Euronics, an organization that pursue a goal of gathering community and encouraging them, enables customers to buy the power of a large company with all the savings associated with it. That means a customer benefits from the after-sale service and customer care of a local with the very best service available when choosing to purchase a product from a Euronics store.</p> <p>Euronics places a strong emphasis on sustainability, actively evaluating issues related to environmental responsibility. In pursuit of identifying and promoting the best sustainability practices among companies and suppliers, presentations are conducted across various countries. Through these presentations, exemplary approaches to sustainability are showcased and celebrated.</p> <p>Furthermore, Euronics conducts comprehensive sustainability surveys to assess the current status of companies and their commitment to environmentally friendly practices. These surveys play a crucial role in evaluating the overall sustainability performance of suppliers.</p> <p>As part of our commitment to working in collaboration with Euronics, we actively supports suppliers on various fronts, including setting Science-Based Targets Initiative (SBTi) goals. Within the framework of this commitment, our role is encouraging sustainable practices by promoting and fostering such initiatives in order to contribute to a greener and more sustainable future for businesses and society at large throughout this collaboration.</p>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, but we plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have endorsed initiatives only	<Not Applicable>	SDG

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	State and benefit indicators

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Impacts on biodiversity	We included our work and our impact on biodiversity on pages 70 of the report (https://yatirimci.teknosa.com/Content/Files/tknfrae2022uyg9-3.pdf).

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

NA

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Sustainability & Safety Manager	Environment/Sustainability manager

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms