

DOĞAN HOLDING

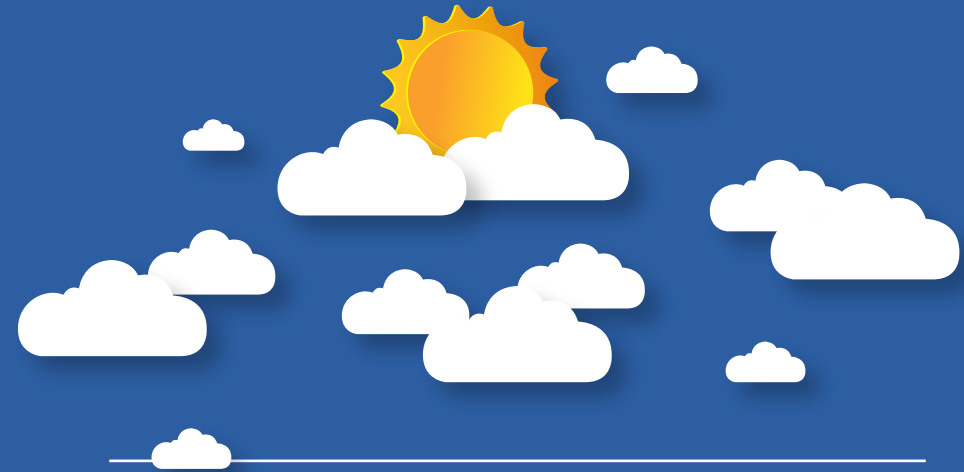
Sustainability

GUIDE 2022



KNOWS
AND
CREATES
VALUE

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Begüm Doğan Faralyalı
Chairperson

MESSAGE FROM THE CHAIRPERSON

Esteemed Stakeholders,

In the last few years, the global agenda revolved around the COVID-19 pandemic, which started in China and quickly spread around the world. The pandemic had significant negative impact on both developed and developing countries in financial and social terms. As social mobility was restricted, ways of doing business also changed radically. In the process, values such as resilience, agility, adaptability and digitalization came to the forefront for the business world.

The fact that the pandemic hit the vulnerable communities hardest financially and socially brought more visibility to the social inequalities around the world. If we fail to eliminate inequalities in areas such as gender equality and access to education and healthcare, we will not be able to ensure the sustainability of the established systems. And this fact started to gain wider traction.

All of these developments show us that we truly need a systemic transformation that includes partnerships for a better future and adoption of a stakeholder-based approach.

The World Economic Forum's 2022 Global Risks Report highlights climate crisis, erosion of social cohesion, and inequality in global recovery among the major risks. As climate crisis tops the global agenda, we see technology and digitalization starting to become a global trend that will shape this period and continue to transform companies.

To find solutions to these global risks, we will require more collaboration, R&D and innovation investments and inclusion. All stakeholders, starting with the public and private sectors, need to act quickly, effectively and in unity.

At Doğan Holding, we consider society as a whole and nature as stakeholders as well beyond only our shareholders and employees. In line with the United Nations Sustainable Development Goals and the principles of stakeholder capitalism, we define the concept of stakeholder in the broadest sense. Accordingly, we position Doğan Holding, with a long history of 63 years, as a "VALUE-DRIVEN, RESPONSIBLE INVESTMENT HOLDING." And our motto, "Better is Possible," guides us as a responsible investment holding that will add value to the country and contribute to people, the environment and society as we plan for the future. Doğan Impact Plan, as we call this plan, serves as our guide to improve and monitor our environmental, social and governance performance for a sustainable world.

As part of this plan, we aim to derive our energy only from renewable sources, adopt an innovative business model in the industry and invest in innovative technologies. Our goal is to reuse all the water we consume and to achieve waste-free production by 2030. Also in line with this plan, we apply gender equality in recruitment and job movements in all the Group companies and strive to empower women, promote gender equality, and fight discrimination and violence across our value chain.

Promoting circular economy, fulfilling and exceeding our responsibilities for ecological crises, laying the foundations for a safer and more inclusive society, and designing the future of our dreams are the key components of our vision.

We believe that "Better is Possible" if we truly want it and act on it. And we invite you to work, produce, recover and restore together to make better possible.

One of the goals that we intend to achieve with this Sustainability Guide is: to develop a common language and ground for all of us to step up to the plate.

This Guide will provide information on global trends and details about how we understand, address and manage sustainability across the Group. You will also find sustainability best practices from our Group Companies.

We hope that you will find inspiration in our efforts and want to thank everyone for their contributions to creating this Guide and accompanying us on this journey.

Sincerely,



Çağlar Göğüş
CEO

MESSAGE FROM THE CEO

Esteemed Stakeholders,

The Covid-19 pandemic that emerged in late 2019 and took hold of the whole world showed that the companies, which demonstrate resilience when faced with crises and come out stronger, are those with good ESG (Environmental, Social and Governance) performance. The companies that manage non-financial risks well and develop resilience to such risks were less affected in terms of financial standing compared to those with low ESG performance.

More importantly, these companies took significant steps toward doing their part in response to the Sustainable Development Goals' global call for action by reducing their environmental impact and carbon footprint.

At Doğan Group, we also heed this call and do our part.

We integrate sustainability into our business strategy to gather our sustainability efforts under one umbrella and manage them systematically. In this process, we identified our short- and medium-term material topics and included them in our Group's business strategy as a key component. We also set our 2030 targets and started to define the actions to reach them.

The Doğan Impact Plan, which we designed to contribute to the solution of the ecological, social and financial problems we face, also guides the sustainability strategies of our Group companies in which we have a vested interest to invest in the world, an inclusive society and the future.

We also monitor performance and follow our processes gradually to ensure that those plans move past the words. We also continue to engage in activities to raise sustainability awareness among all our stakeholders.

With this Sustainability Guide, we aim to move forward to a more sustainable future together with all our internal and external stakeholders and inspire all by sharing the best practices implemented within our Group.

We hope that this guide will be a valuable resource for all, starting with our colleagues, stakeholders and anyone who wants to take action for sustainability.

Sincerely,



We prepared Doğan Group Sustainability Guide to communicate our sustainability approach to all our internal and external stakeholders in an effective way.

This guide includes information on how we understand, respond to and manage sustainability issues across our Group. Moreover, from a holistic perspective, we added brief notes to shed light on global trends.

At Doğan Group, we do not intend sustainability to be only a job for one or more departments; we want it to be seen as a responsibility and even passion for all our colleagues. We know that we can only reach our sustainability goals when expertise in many different fields comes together.

Therefore, we believe that it is very important for all of our colleagues to gain literacy in this field, internalize sustainability, use a common language while integrating sustainability into our Group companies' business strategies, and ultimately contribute to sustainability by coming together around a shared vision, set of values and goals.

We hope that all our Group employees and external stakeholders will benefit from this guide and use it to build a better future.

With warm regards,

Neslihan Sadıkoğlu
Vice President
Corporate Communications and Sustainability



PURPOSE OF THE GUIDE



WHAT IS SUSTAINABILITY?

Sustainability is one of those concepts that has long been on the global agenda but with the least consensus on its meaning.

In its simplest definition, sustainability of something means that it is able to maintain its current state or renew itself.

Historically, the notion of sustainability evolved from this meaning of the word into the more general concept of **leaving a better world with sustainable ecological, economic and social conditions to future generations.**

This meaning of sustainability was shaped after the report “Our Common Future” was published by the United Nations in 1987. According to the report,

sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Since then, this definition has been widely used when talking about sustainability.

The concept of sustainability, which many individuals and institutions have long classified simply as “environmental” or which is confused with corporate social responsibility, has today become an integral part of company strategies with its social and economic aspects gaining importance and a better understanding over time.

SUSTAINABILITY OVERVIEW



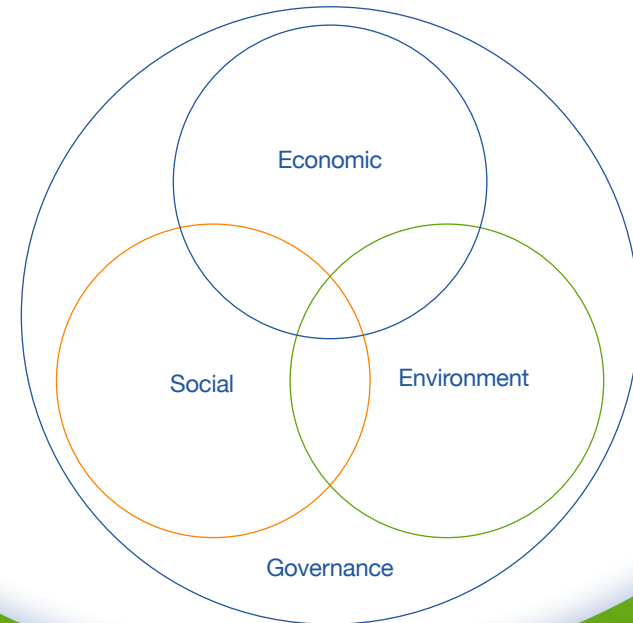
Aspects of Sustainability

Economic: Companies should create economic value for themselves and their stakeholders to maintain their existence. Companies will not survive if they do not make a profit, regularly pay their employees and suppliers, and satisfy their customers. Therefore, the economic aspect of sustainability is primarily related to the capability of companies to create long-term economic value.

Social: Companies are part of communities. And Companies may only thrive when their communities thrive. Therefore, companies are expected to contribute (through education, entrepreneurship, assistance, etc.) to the development of society as a whole, starting with their employees and work to reduce inequalities.

Environment: Companies need natural resources for production and services. Yet, natural resources are finite. When the balance in nature is disrupted, renewable resources are also impacted and may not renew themselves. Companies should not only minimize natural resource utilization but also mitigate their negative impact on the environment.

Governance: Successful and sustainable companies should consider stakeholder engagement when making decisions, adopt transparency and accountability as a principle, treat their stakeholders fairly and consistently, and build the infrastructure to earn trust in the organization.



Sustainability Management

In the current dynamic and global market environment, companies continue to shift their resources more toward innovation, R&D and customer satisfaction to stay ahead of the curve.

However, while these focus areas are important for the success of companies, sustainability and Environmental, Social and Governance (ESG) aspects emerge as equally important topics. As addressed in more detail in the following chapters of this guide, intangible assets or non-financial assets are gaining more significance in the companies' market values.



In sustainability management, ideally sustainability should be fully integrated into the corporate strategy and become an integral part of it. However, in many companies, sustainability starts as a secondary strategy and evolves naturally over time to become integrated into the main strategy. In this sense, the efforts to integrate all sustainability-related into the main strategy could be called the “Sustainability Strategy.”

To integrate their sustainability strategies into their corporate strategies, companies should start with anticipating the future of their respective industries, define a vision based on their insights, and then implement them.

For instance, the potential spikes in oil prices may impact the supply chain of the sector negatively. On the other hand, with the changes in water access and water consumption costs increasing the companies' costs, they may be forced to develop alternative solutions.

Furthermore, global risks and opportunities such as evolving consumer behavior, technology and digitalization, climate change, increasing pressure on resources, and demographic changes should also be addressed since they affect all industries.

Companies with strong insights tend to take advantage of the growth potential that responsible environmental and social policies provide and develop business strategies that guide sustainable business practices through value chains.

Companies that integrate sustainability into their activities:

- Have easier access to financial capital
- Improve brand value and reputation
- Achieve cost savings and increase productivity
- Improve the effectiveness of risk management by considering ESG-related risks
- Seize new business opportunities and reach new markets
- Attract and retain skilled workforce better
- Maintain their existence by integrating sustainability into business processes



Sustainability Strategy in 4 Steps

1. Where are we? (status study)

This step involves conducting a status study and materiality analysis, including sustainability-related practices, stakeholder expectations, and local and global trends regarding each unit of the organization.

2. Where do we want to be? (Vision)

In this step, the organization defines where and how the company wants to be positioned in terms of the medium- and long-term material sustainability issues and then presents them to its stakeholders.

3. How do we get there? (Strategy, goal setting and implementation)

This step includes stages such as setting targets (Key Performance Criteria – KPI) to assess risks and

opportunities in material topics and action plans to reach them, building capacity within the organization, and ensuring that the employees take ownership of the topic (integration into the corporate culture).

4. How do we know we have reached our target? (Monitoring and reporting performance)

The stages in this step include establishing up management systems to monitor KPIs, determining teams, goals and processes and implementing action plans, and sharing the progress with internal and external stakeholders and collecting feedback.



Sustainable Development Goals

Responsibility for Earth and humankind falls not only on governments but also all people and economic actors.

The UN Sustainable Development Summit was convened in 2015 to adopt the 2030 Agenda for Sustainable Development, which includes the 17 Sustainable Development Goals (SDGs) and 169 targets, creating a much broader spectrum than the Millennium Development Goals (MDGs).

SDGs were shaped as a result of a three-year dialogue between stakeholders, with many participants from all global sectors actively participating in the process.

The SDGs address some very critical issues that were not included in the MDGs, such as climate crisis, responsible production and consumption, innovation, and peace. As another key difference, the SDGs propose active participation of governments as well as companies and individuals

Several companies in the world and in Turkey integrate the SDGs into their sustainability strategies, identify which of the 17 SDGs are affected by their operations the most, and determine the SDGs they contribute the most with their activities.



GLOBAL SUSTAINABILITY AGENDA



European Green Deal

The European Green Deal is anticipated to significantly affect the trade between Turkey and the European Union, one of the country's major trading partners.

The European Green Deal (EGD) is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050.

With the EGD Plan, the European Commission not only introduces an “environmental” strategy but also defines a new international trade system and distribution of responsibilities that concern Turkey as well.

EGD's overarching targets are:

- Reducing greenhouse gas emissions to net zero by 2050
- Decoupling economic growth from resource use
- Leaving no citizens and regions behind (not excluding any citizens and regions from these policies)

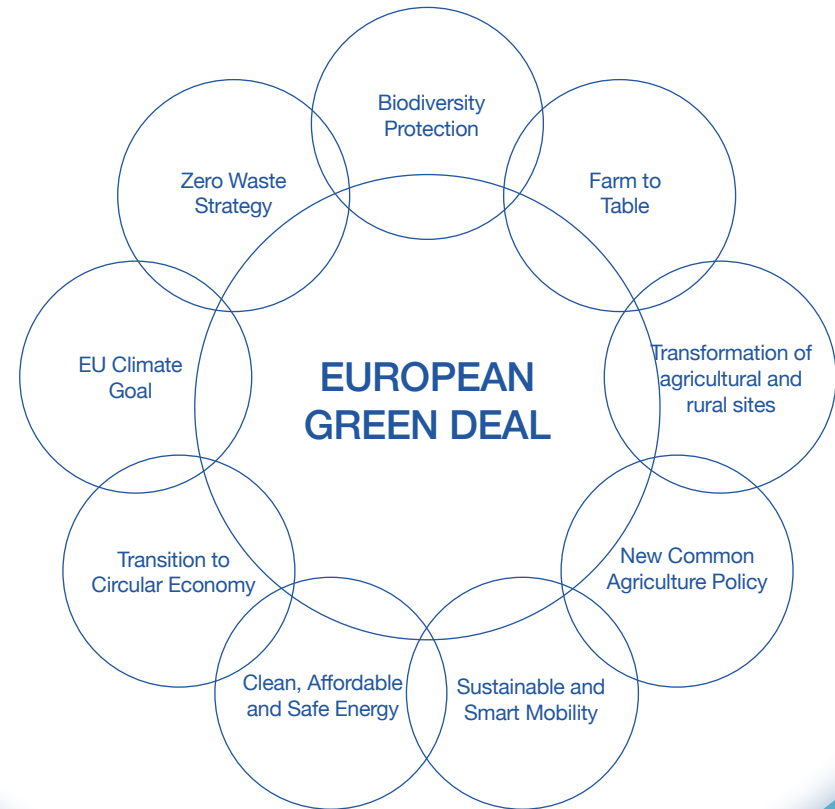




As part of Europe's carbon neutrality target, the iron-steel, automotive, and machinery industries are expected to be affected much more than the other initially.

The European Green Deal highlights the following topics:

- Carbon-related financial burden that the Carbon Border Adjustment Mechanism may bring
- Low-carbon industries, investments in cloud-based industry applications
- The Ecodesign Directive, which aims for electronic devices to be designed for energy efficiency, durability, reparability, reuse and recycling
- Reducing the use of waste and plastic, transition to circular economy
- Preventing the use of dangerous chemicals in production





Carbon Border Adjustment Mechanism (CBAM)

Carbon Border Adjustment Mechanism can be summarized, as the carbon pricing that will be imposed on certain goods imported from non-EU countries that have yet to implement regulations comparable to the climate change policies in the EU.

CBAM is a tool designed to prevent carbon leakage and reduce greenhouse gas emissions. This mechanism is based on the establishment of a regulatory system for imposing a charge on certain imports that is equal to the charge imposed on domestic goods within the EU's emission trading system.

According to the European Union (EU) resolution passed in July 2021 within the framework of the Green Deal and Fit for 55 Program, the Carbon Border Adjustment Mechanism, which envisages imposing charges on imported products based on their carbon content, will be implemented in stages after the transition phase that only involves reporting from 2023 to 2026.



GLOBAL TRENDS

The pandemic that the whole world faced in 2020 changed all the dynamics and the global agenda, leading to people, institutions, and organizations reviewing and rewriting their strategies.

As a result, we may expect to see new trends, approaches, behaviors and attitudes entering our lives in the times to come.

Understanding the relationship between these changes and the business world will be critical for us to anticipate the risks and opportunities that will arise and to set the direction as we build a sustainable future.

In this section, we address the global trends that are likely to affect the business world, especially in terms of sustainability.

World Economic Forum Global Risks Report 2022

According to the latest insights gleaned from the Global Risks Report that the World Economic Forum publishes every year, climate crisis, increasing social cohesion erosion and inequalities in global recovery are among the highest risks in addition to the impact of the pandemic.

In the next decade, climate action failure ranks at the top of the most critical risks in terms of impact, followed by other environmental risks such as extreme weather conditions and loss of biodiversity. The list also includes erosion of social cohesion, livelihood crises, infectious diseases, environmental damage caused by humans, natural resource crises, debt crises, and geoeconomic confrontations.

Looking at when these risks will become a critical threat to the world, the nearest threats, likely to materialize within the next two years, are extreme weather, livelihood crises, climate action failure, social cohesion erosion, infectious diseases, mental health deterioration, cyber security, debt crises, digital inequalities, and asset bubble burst.

Risks such as geoeconomic conflicts and loss of biodiversity are anticipated to become more significant in 3-5 years. Risks such as social cohesion erosion, involuntary migration, and the negative impact of technological advancements along with environmental risks will most likely increase in the next 5-10 year period.

Critical risks (2022)



● Economic ● Environmental ● Geopolitical ● Societal

Short-term Global Risks (0-2 years)



● Economic ● Environmental ● Geopolitical ● Societal ● Technological

Medium-term Global Risks (2-5 years)



● Economic ● Environmental ● Geopolitical ● Societal ● Technological

Long-term Global Risks (5-10 years)



● Economic ● Environmental ● Geopolitical ● Societal

Climate crisis is here, now.

Climate crisis is undoubtedly one of the most critical issues of our time as its impact is felt much faster than expected.

As economic growth continues, so does the increase in CO₂ emissions with the energy demand growing in parallel. Earth is currently 1.2°C warmer on average compared to the 19th century while CO₂ gases in the atmosphere have increased by 50% in the same period.

Scientists emphasize that we must keep the average increase in temperature within maximum 1.5°C by the end of the 21st century if we want to avoid the worst consequences of climate change.

However, based on the current calculations, the temperature increase could reach 2°C by the end of the century unless serious steps are taken in addition to the commitments declared so far.

The 197 countries that ratified the Paris Agreement signed in 2015 have agreed to keep the temperature increase below 2°C, preferably 1.5°C, to avoid the devastating impacts of climate change.

The latest report of the UN Intergovernmental Panel on Climate Change (IPCC) released in 2021 warns that climate change is “expanding, accelerating and worsening.”

Similarly, the World Resources Institute (WRI) and Climate Analytics underlined the need for serious action if the G20 countries want to achieve their goal of limiting global warming to 1.5°C.

During the 26th UN Climate Change Conference (COP26), in Glasgow, Scotland in 2021, countries signed an agreement that includes a series of measures against climate change. The agreement includes important decisions such as a commitment to phasing out coal, regular review of emission reduction plans, and more financial support to developing countries.

However, despite the fact that COP26 ended with a proposal to take the strongest measures in 30 years of climate talks, they are still lacking in the fight against climate change.

The European Green Deal, announced in 2020, aims to achieve carbon neutrality in the European Union by 2050. Moreover, to attain this target, the EU intends to reduce carbon emissions by at least 55% by 2030 compared to 1990.

As more regulations are introduced to restrict carbon emissions, the business world is also expected to take steps to reduce greenhouse gases and adapt to the impacts of climate change, and to generate new, innovative solutions. Renewable energy, energy efficiency, carbon credits, and developing carbon sequestration and storage technologies will be important tools to tackle climate change.

CLIMATE CRISIS



DEMOGRAPHIC CHANGES

The world population is increasing. The middle class is expanding. Moreover, the new generation is changing the business world.

The United Nations projects that the world population will reach 8.5 billion by 2030, 9.7 billion by 2050 and 11.2 billion by 2100. The increase from the current population of nearly 8 billion will no doubt create a much greater need for resources such as energy, food and water in the near future.

However, the world population will not grow equally in every region. Population growth in developing countries is expected to be six times faster than in developed countries.

The population change also varies depending on different generations. By 2050, one in six people in the world is expected to be over 65. This rate is projected as one in four people in Europe and North America. Based on these developments, it could be assumed that new products and services will be needed for the aging population while pension funds, healthcare and health insurance will become even more important.

Another demographic trend shaping our future is urbanization.

By the year 2008, more than half of the world's population were living in the cities, marking a first in history. Cities cover less than 2% of the world's total surface but generate more than 80% of global GDP and accommodate 54% of the world population.

According to UN projections, another 2.4 billion people will live in the cities by 2050 and urban populations will reach 6.3 billion, accounting for 67% of the world's population. Furthermore, a population equivalent to the total urban population of the last 4,000 years will have been born by 2050.

With the rising urban population, many challenges will emerge, such as providing the necessary infrastructure in the cities, increasing housing demand and prices, alternative public transportation solutions, infrastructure financing, alternative real estate solutions, sustainable and smart city solutions, security, and increase in crime.

The growing urban population will also expand the middle class. The global middle class is expected to reach 5.5 billion people by 2030 and nearly 87% of the upper middle class population will be Asian. Middle class spending is projected to rise from \$37 trillion in 2017 to \$64 trillion in 2030, accounting for one-third of GDP growth.

According to a new study that claims the pandemic will only be a temporary pause in the global economy's major demographic shift, more than 1 billion Asians will join the global middle class by 2030.

As the middle class continues to expand, changes such as higher consumption and demand in the automotive and electrical household appliances industries, increasing energy needs and demand for financial services, evolving consumer habits and heightened consumer awareness will also gain momentum.

Demographic changes will also lead to significant shifts in employment trends.



The young talent of today not only focuses on the financial performance of companies, but also considers corporate governance, social and environmental values as key criteria when applying for a job. The new generation employees know that an organization's respectability, brand loyalty and reputation, long-term sustainability, and the opportunities they offer to their employees are interconnected. And they regard the social benefit aspect of the work they do as an essential criterion.

As the whole world faced an environment of uncertainty due to the COVID-19 pandemic, Gen Y and Gen Z also gained a heightened awareness of about responsibility. Gen Y and Gen Z now feel more responsible for the ongoing political uncertainties, class and racial discrimination, and climate events. Members of these generations think it falls on them to drive change to build a more equitable and sustainable world and they want to do their part.

In this framework, adaptability and participation strategies such as value proposition, talent management, workforce diversity, flexible working hours, horizontal hierarchies, etc. will become more important for next-generation employees. And to manage generational transition in a healthy manner, lifelong education and occupational activities will increase.

DEMOGRAPHIC CHANGES



Technology and digitalization in all aspects of life.

The unprecedented developments in technology, accelerated by the pandemic, will continue to bring about major global changes in management, education, healthcare, communication, transportation and many other areas.

Developments such as the internet, mobile devices, data analytics, cloud technologies, traffic sensors, autonomous vehicles, waste management sensors, smart lighting, fire detection systems, smart meters and networks, intelligent logistics, vehicle fleet communication, wearable technologies, internet of things, and metaverse, etc. continues to create massive changes in the world.

The rapid growth of the “Internet of Things” has been a key factor in digital transformation. It is estimated that 100 billion devices worldwide will be connected to the internet by 2030. On the other hand, the market size of artificial intelligence, which was \$51 billion in 2020, is expected to reach \$641 billion by 2028 with an annual growth rate of 36%.

Furthermore, a 38% reduction is anticipated in the cost of diagnostics with the help of artificial intelligence and a 7% reduction in fuel consumption with autonomous vehicles.

By 2025, spending on robotic technologies is expected to reach \$67 billion. Robotics will not only increase productivity in manufacturing, but they will also gradually replace human power. So much so that 47% of occupations in developed economies are at risk of losing to automation in the next 20 years.

On the other hand, rapid technological change and the demands the “digital citizen” for speed, transparency and access will continue to create significant need for infrastructure investments. As the big data market keeps growing by the day, technologies will recognize people’s preferences better, leading to the development of personalized products and services.

Digital transformation requires prioritization of information security and defense against cyber threats but it will also continue to offer new opportunities to companies that want to stay ahead of the curve and respond to changing consumer demands.

TECHNOLOGY AND DIGITAL TRANSFORMATION



Non-financial assets will gain more prominence as the demand for transparency will continue to increase.

Non-financial assets such as brand value, human capital, relationship capital, patents, etc. gain more prominence by the day.

In 1975, financial assets constituted 83% and non-financial assets 17% of the total market value of the S&P 500 companies whereas these ratios were distributed as 16% in financial and 84% in non-financial assets in 2015.

The climate crisis, natural resource problems, corruption, and the increasing sustainability awareness lend to a heightened sensibility among investors to protect material and moral values.

In addition to more transparency and accountability, investors also want the companies in their portfolios to take firmer steps for the future.

At this point, ESG (Environmental-Social-Governance) performance, which expands with the addition of economic performance to the social, environmental and governance performances as the investors' valuation criteria, is becoming more important as well.

Furthermore, trends such as green finance, social impact bonds, green bonds, circular economy, and sharing economy are also gaining prominence.

With access to information getting easier than ever, people and stakeholders are evolving and becoming more aware, expecting more transparency and demanding more socially and environmentally responsible production and service. Reputation becomes the most valuable asset for companies while companies that define their risks and opportunities, integrate them into their business strategies and prefer transparent communication lead the way.

At Doğan Group, we strive to minimize environmental risks for the future of humankind and nature and turn opportunities into achievements that create added value.

We recognize that sustainability is the most important asset that should be adopted today and in the future and we develop in-depth solutions to global and local problems based on this approach.

We regard protecting the environment for a better future as one of our main duties. And we go beyond that, adopting a value-driven approach to create positive impact. We also invest in areas that will solve problems and create added value for the future.

We communicate our Sustainability Policy, the foundation of our corporate management system, to all from our employees and suppliers to our customers, business partners, and everyone and every organization we engage with.

GOVERNANCE

United Nations Global Compact

Since 2021, as a signatory of UN Global Compact, the world's largest corporate sustainability initiative, we have pledged to comply with the 10 principles, including human rights, labor standards, environment, and anti-corruption. By signing this international commitment, we build on our sustainability practices, in line with the UN Sustainable Development Goals, and take it to the next level.

United Nations Women's Empowerment Principles

In 2021, we also became a signatory of the UN Women's Empowerment Principles (WEPs). Established by UN Women and United Nations Global Compact, WEPs provide a guide for companies in their gender equality efforts.

WEPs will help our Group continue its successful policies regarding women employees and women's leadership with an even more systematic and planned approach. WEPs will shed a light to shape the internal gender equality policies in all our companies in global standards.

Corporate Memberships

We take active part in various platforms in Turkey to raise sustainability awareness and promote the impact of sustainable development in the business world:

Foreign Economic Relations Board of Turkey (DEİK)
Global Compact Turkey (UNGC)
Sustainable Development Association (SKD)
Turkish Industry and Business Association (TÜSİAD)

Turkish Investor Relations Society (TÜYİD)
Corporate Governance Association of Turkey (TKYD)
Corporate Volunteers Association (ÖSGD)

SUSTAINABILITY APPROACH



We recognize that any impact spreads beyond its domain to affect others, that a drop of water can make waves in the ocean, that an idea can fuel the future, and a person the entire humanity.

With this awareness, we shape all stages of our operations in line with the United Nations 2030 Sustainable Development Goals.

We take determined actions against climate change to protect our planet, support society by upholding equality and promoting local production, and add value to the future through continuous innovation. We know that a better world is possible when we have the will to act.

We designed the Doğan Impact Plan to fulfill our responsibilities and to build a better future in collaboration with our stakeholders. The Plan, embracing the approach of “investing in the planet, a more inclusive society, and the future,” allows us to evaluate the sustainability performances of our Group companies. We defined the three components of this approach to solve the current ecological, social and financial problems.

We aim to help build a safe and peaceful future society by implementing innovative solutions. This will enable us to do our part in fulfilling the responsibilities that fall on the private sector.

DOĞAN IMPACT PLAN



A. OUR VALUES

We add value to the future

We believe in the power of innovation to build a better future. We foster our entrepreneurial vision through open innovation and cross-industry collaborations and partnerships. In addition, we promote an innovative, resilient and flexible management approach in all our companies to encourage out-of-the-box business ideas as we commit to fulfilling our global responsibility every step of the way.

We add value to society

We recognize that every individual has an impact on society and together, we embrace a shared values approach as a business strategy to elevate both the individual and society. As we redefine our principles for creating benefit, we also adopt an egalitarian and inclusive business model that benefits all stakeholders, from the employees and business partners to the supply chain and customers.

We add value to the planet

We value every being on this planet. We act as stewards of our planet by taking concrete steps against climate change. We believe that sustainability should be assured in production and business processes and we aim to positively affect the environment by doing more than just reducing our impact.



The first efforts aimed at identifying material sustainability topics at Doğan Holding started in 2018. In the process, we observed how sustainability was addressed in the industries in which we operate and sought feedback from our stakeholders. Drawing from our stakeholders' expectations and priorities, which we collect through various channels, we review our material

topics every year. In the process, we also consider emerging global trends and developments, and take as basis investor approaches that consider environmental, social and governance (ESG) criteria that agencies like MSCI (Morgan Stanley Capital International) and Vigeo EIRIS use.

Very High Priority	High Priority	Priority
Climate change and energy	Responsible procurement	Data security and customer privacy
Ethics and transparency	Social investment programs	Direct and indirect economic impact
Environmental footprint	Risk management	Customer experience
Digitalization and technology	Occupational health and safety	Multi-stakeholder enterprises and collaborations
Equal opportunity and diversity	Stakeholder engagement	Guidance for holding companies and synergy
Employee rights	Value-added products and services	
Corporate governance	Talent management	
Innovation		

B. MATERIAL TOPICS










Doğan Holding Material Topics

Material topics are areas where we focus our efforts and transparently share our performance with stakeholders. In determining our reporting scope, we categorize the material topics as very high and high priority for both our stakeholders and in line with

Doğan Group's strategy and developments of the previous year. We associate the progress achieved in each material topic with our contribution to the United Nations Sustainable Development Goals (SDGs).

Focus Area	Material Topic	How we identify material topics	Relevant Sustainable Development Goal
Economic Value	Direct and indirect economic impact	We aim to create long-term economic value in all sectors in which we operate. We continuously improve our financial performance and profitability, and create employment in benefit of our country. We support stakeholders in reducing their environmental impact and providing social benefits by diversifying the range of responsible investment instruments available to them.	    
	Digitalization and technology	Technology and digitalization are among the fundamental global trends that contain both risks and opportunities for our operations. We focus on technology investments to adapt to these trends and make our business models sustainable	 
	Corporate Governance, Ethics and Transparency	Doğan Holding and Group Companies establish fair, transparent, responsible and accountable relationships with all stakeholders.	



Focus Area	Material Topic	How we identify material topics	Relevant Sustainable Development Goal
Social Value	Talent Management	We offer a working environment that is compatible with the changing trends, and focus on the continuous learning and development of our employees by developing innovative training programs and practices. We focus on continuously improving upon our performance management system. As part of our talent management, we aim to attract and retain the best talent and improve their potential, and create value by implementing effective HR policies, systems and processes focusing on the digital and employees.	 
	Equal Opportunity and Diversity	Gender equality in the society, equality in the workplace and equal right and opportunities for all employers are among the key factors to ensure a successful working environment. We offer equal opportunities to all employees of Doğan Group companies from the moment of their recruitment, and actively benefit from diversity and inclusion.	 
	Occupational Health and Safety	We focus on the health and safety of our employees and conduct all of our operations with the goal of zero accidents and occupational diseases, improving our relevant systems on an annual basis to ensure a safe working environment. We focus on effective and efficient management of OHS risks	 
	Social Investments	We reach people all across Turkey with our diversified business lines. In order to realize sustainable development, we support active participation into cultural life, protect tangible and intangible cultural heritage to facilitate the development of cultural freedoms at individual and social levels, and provide the youth with quality education to prepare them for the future in a rapidly changing world and to close the talent gap. We create value for the society with our investments, while our activities in the fields of education, social change and culture & arts help contribute to social development.	  



Environmental Impact

Focus Area	Material Topic	How we identify material topics	Relevant Sustainable Development Goal
Environmental Impact	Climate Change and Energy	The risks associated with the climate crisis are of particular interest to our business as well. We are committed to investing in business models that promote responsible use of resources, transition to alternative fuels to the highest possible extent, reduce energy consumption and increase energy efficiency, and as a result, reduce our carbon emissions.	 
	Water Management	We endeavor to ensure water efficiency in all of our operations, improve water reclamation and reuse and to dispose of wastewater in an eco-friendly manner.	 
	Natural Resource and Waste Management	We carry out efforts to reduce waste generation, dispose of water at its source and prevent environmental pollution in all stages of our operations, from the design and production of products and services to packaging, logistics, and delivery to customer	 
	Biodiversity	Our sectors, particularly energy, have a significant impact on biodiversity. We focus on identifying and mitigating these impacts to preserve biodiversity.	 

C. GOALS AND PERFORMANCE MANAGEMENT

Group Goals

Following the Doğan Impact Plan, we define key goals for all the Group companies. In defining these goals, we take into account several factors such as global trends, business strategy, material topics, stakeholder expectations, and past performance and future projections of the Group companies.

What matters to us is to ensure that the Doğan Impact Plan creates real impact through a realistic and robust structure that continuously evolves.

We add value to the planet

- Doğan Group's goal is to become carbon neutral (Scope 1+2) by 2030
- Recover 100% of the water consumed by 2030
- Reduce Scope 3 emissions
- Increase the recycling rate of the main material used production (e.g. steel)
- Achieve zero waste across the Group

We add value to society

- Increase the ratio of female Board members to at least 30% and female managers to at least 40% by 2025
- Increase the effectiveness (SROI) of Doğan Group's social investments
- Maintain employee loyalty above industry/region averages of the respective Group companies
- Increase the ratio of the audited strategic suppliers; support the development of the suppliers with the supplier academy

We add value to the future

- Increase the share of sustainability investments across the Doğan Group by 2030
- Increase sustainability-related R&D spending across the Group
- Increase total Group revenues from sustainable products



We manage Doğan Holding's activities, performance and practices related to material sustainability topics at the Board level.

We formed the Doğan Group Sustainability Committee in 2020 to promote and manage our sustainability approach and practices across the organization. And we plan to develop this structure further starting in 2022.

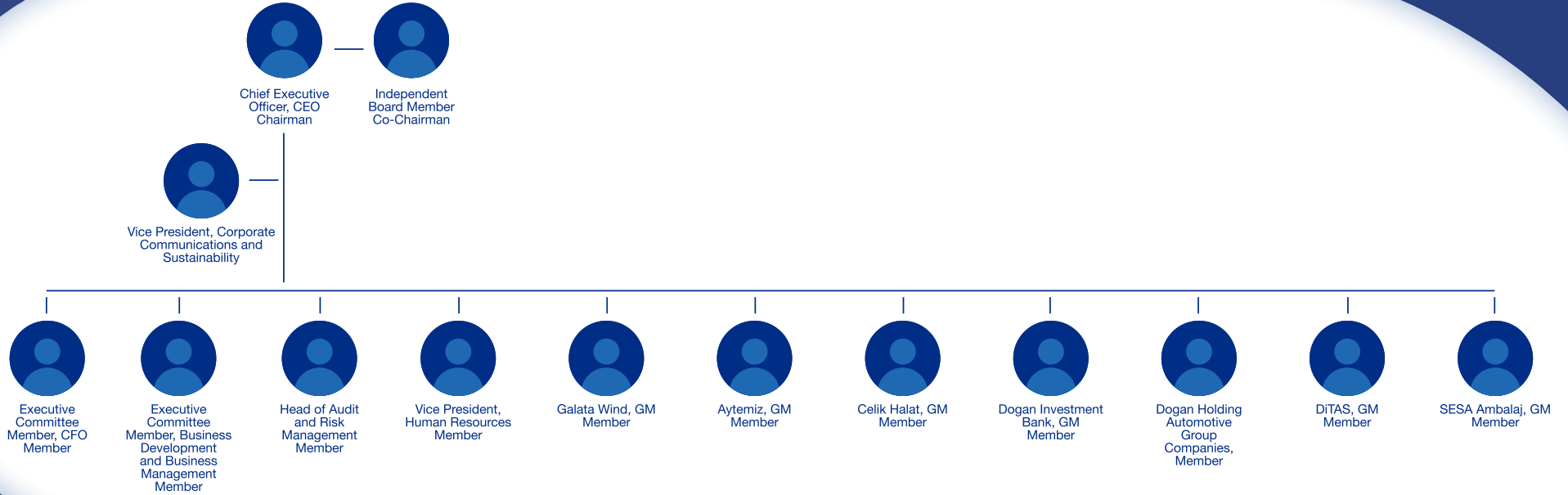
The sustainability-related policies drawn up in line with Doğan Impact Plan are reported to the Board of Directors. Currently, the Corporate Governance Committee and the Board of Directors are responsible for the implementation of Environmental, Social, Corporate Governance (ESG) Policies.

We continue to prepare implementation plans in line with the short- and long-term targets specified in the Doğan Impact Plan.

Starting this year, we will publish our Sustainability Reports annually. We also participate in CDP's Climate Change Program to disclose our Group's sustainability efforts and the value created as a result accurately and transparently.

Please click [here](#) for Doğan Holding Sustainability Report.

SUSTAINABILITY GOVERNANCE MODEL



The Sustainability Committee, positioned under the Board of Directors, is responsible for determining the Holding's sustainability strategy covering environmental, social and

corporate governance, ensuring coordination among Group companies, and implementing, monitoring and overseeing the sustainability policies, goals, and practices.

For more information on the Doğan Group Sustainability Committee, please click [here](#).

A. SUSTAINABILITY COMMITTEE



Sustainability Committee's Duties and Responsibilities

- To draw up Doğan Holding's sustainability strategy and submit it to the Board of Directors
- To follow through the implementation of the strategy in Doğan Holding and Group companies and to submit the strategy roadmap to the Board of Directors for approval
- To ensure that the activities at Doğan Holding and Group companies are carried out in line with the sustainability goals and objectives, action plans and applicable performance criteria
- To review the sustainability-related policies, management systems, operating principles, related practices, targets, performance realizations periodically and at least once a year, and to submit proposals for change, if needed, to the Board of Directors for approval

Sustainability Committee's Terms of Reference

- Doğan Holding Sustainability Committee reports to the CEO.
- Doğan Holding Sustainability Committee convenes with absolute majority at least three times a year.
- The Committee Head may call member to convene as needed.
- The meeting agenda is determined with input from the Committee Head (CEO) and other members may add items to the agenda, provided that they are communicated in advance.
- The Committee may invite managers or independent experts to the meetings as needed to seek their opinions.
- The Committee passes resolutions with absolute majority.
- CEOs and Group Heads are responsible for integrating the sustainability vision into their respective companies' core business strategies and implementing the Committees' decisions in the Group Companies.
- Doğan Holding Corporate Communications and Sustainability Department is responsible for convening the Sustainability Committee, monitoring its activities, implementing the sustainability strategy and targets at Doğan Holding and its Group Companies, organizing training programs and preparing the Doğan Holding Sustainability Report.
- The resolutions passed by the Committee are documented by the Corporate Communications and Sustainability Department and shared with the members after the committee meeting, and then archived.

A. SUSTAINABILITY COMMITTEE



Doğan Holding Sustainability Committee may establish working groups consisting of experts, who may be Committee members or external individuals.

Working groups support the Doğan Holding Sustainability Committee regarding sustainability issues on their own agenda and create an environment for

learning, sharing experiences and developing joint projects between companies.

As of 2022, Doğan Impact Team's active working groups consist of the following.

We add value to the future	We add value to society	We add value to planet
Environment Working Group	Community Relations Working Group	Sustainable Finance Working Group
R&D and Innovation Working Group	Employees and GE Working Group	Corporate Governance Working Group
Supply Chain Working Group		

- They are responsible for the monitoring and implementing the 2025 and 2030 targets of Doğan Holding and Group companies
- Sustainability Coordinators provide reporting on the implementation and monitoring of the targets
- Company Coordinators are natural members of the Doğan Impact Team. They are responsible for

collecting the data needed for the Doğan Holding Sustainability Report, which is prepared every year, from the companies they are responsible for and transmitting it to the Corporate Communications and Sustainability Department for reporting

B. WORKING GROUPS



At Doğan Holding and Group companies, we have long worked on sustainability. The Group companies carry out activities that benefit business models, society and the environment in many different areas and develop

alternative solutions to our daily business practices.

In the following pages, we share sustainability best practices from Group companies.

Doğan Holding's investments continue at full steam

At Doğan Holding, we adopt sustainable development-focused business models for new investments in line with our responsible investment approach while also transforming our existing business models. In July 2021, 70% of Sesa Ambalaj, fast on track toward becoming a global brand in the specialty recyclable packaging field, was acquired. In addition, in February 2022, SESA Ambalaj acquired 70% of Maksipak Ambalaj. As an "A" class supplier of leading commercial vehicle manufacturers in Turkey and in the world, DİTAŞ (Doğan Yedek Parça ve Üretim A.Ş.) acquired Profil Sanayi ve Ticaret A.Ş., operating in the automotive industry for many years, and 70% of 3S Kalıp Aparat Makina Sanayi ve Ticaret A.Ş. as part of its investment strategy.

We established Doğan Investment Bank with a capital of TL 200 million to deepen our operations in the financial sector. We also continued to contribute to sustainable growth through Galat Wind, our renewable energy company.

Öncü GSYO (Venture Capital), maintaining its efficient and profitable growth trend, participated in the establishment of Doğan Trend Sigorta with our culture of investing in innovative business models and invested in the field of insurtech, a field that gained more prominence, especially during the pandemic.

SUSTAINABILITY BEST PRACTICES AT DOĞAN GROUP



Doğan Holding generates its own energy with solar panels installed by Galata Wind

Sunflower, a subsidiary of Galata Wind Energy, which generates electricity from 100% renewable resources installed a 99kWp SPP system on the roof of Doğan Holding's head office building. With the commissioning of the system, Doğan Holding will achieve annual energy savings of 120 MWh.

Anticipating that clean energy, generated by investing in

existing energy resources as well as investments in new storage and distribution technologies for commercial needs, would contribute to the future of our country, Galata Wind Energy established Sunflower as a subsidiary with the vision of 'A Clean Future for Clean Energy'. With Sunflower, Galata Wind aims to enable every house and workplace to generate its own clean energy.

BİST Sustainability Index

Following the assessments conducted to identify the companies that will be included in the BIST Sustainability Index, whose constituents are listed companies with high corporate sustainability

performance, in the December 2020 – October 2021 period, it was decided that Doğan Holding would be included in the Index starting on 1 December 2020.

Galata Wind: Contributing to sustainable growth with clean energy

At Galata Wind, Turkey's first green IPO, we contribute to sustainable growth with three Wind Power Plants

(Şah, Mersin and Taşpınar) and two Solar Power Plants (Çorum and Erzurum).

SUSTAINABILITY BEST PRACTICES AT DOĞAN GROUP



SUSTAINABILITY BEST PRACTICES AT DOĞAN GROUP

Şah WPP:

Following the second verification process in 2018, it was confirmed that 901,912 tons of CO2 emission reduction was achieved from 2011 to 2018. Validation process for the 2019-2026 period is ongoing.

Mersin WPP:

Following the second verification process in 2018, it was confirmed that 530,586 tons of CO2 emission reduction was achieved from 2010 to 2018. Validation process for the 2019-2026 period is ongoing.

Taşpınar WPP:

As part the carbon emission reduction practices, it was confirmed that Taşpınar WPP would reduce 101,596 tons of CO2 emissions annually.

Çorum SPP:

As part the carbon emission reduction practices, it was confirmed that Çorum SPP would reduce 7,880 tons of CO2 emissions annually.

Erzurum SPP:

It was confirmed that 11,377 tons of annual CO2 emission reduction would be achieved in Aziziye and 7,711 tons of annual CO2 emission reduction in Hınıs.

Aslancık HEPP:

The carbon validation process for Aslancık HEPP was completed while the verification process is ongoing. Following the verification process, Aslancık HEPP is anticipated to achieve 678,074 tons of CO2 emission reduction from 2014 to 2018.

Boyabat HEPP:

As part of the VCS carbon verification process completed at Boyabat HEPP, the plant is anticipated to achieve 1,885,282 tons of CO2 emission reduction from 2012 to 2018.

SUSTAINABILITY BEST PRACTICES AT DOĞAN GROUP



Aytemiz: Increased synergy through a customer-centric approach

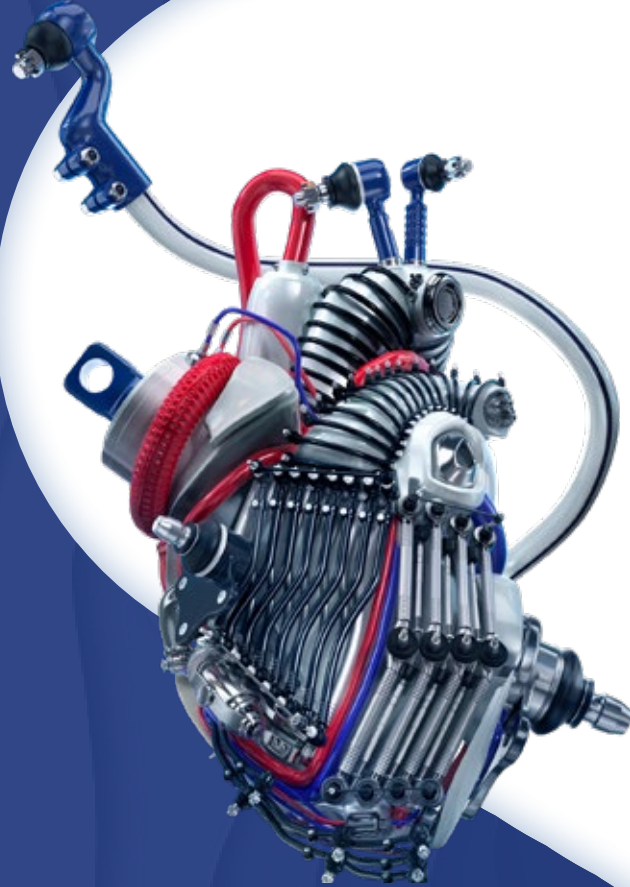
Aytemiz, operating with 541 stations across Turkey, contributes to the national economy while focusing on ensuring customer satisfaction. As the renovation work is ongoing at its stations, Aytemiz also launched a new technology product, named “Vaay”.

Digital Innovations and Vaay App at Aytemiz

With the contactless payment becoming the preferred method during the pandemic, Aytemiz accelerated its efforts in this area and launched the Vaay project, born from the combination of the “Pay in Your Car” service, facilitating consumers’ payments since 2016, and the mobile payment system, successfully managed since 2018. The Vaay system, which offers the “Pay in Your Car “ and “mobile payment” options in one application, enables the customers to experience the whole contactless digital journey at every stage from determining the fuel quantity to fill the vehicle’s tank to the receipt/invoice process at advantageous prices.

Doğan Investment Bank: Sustainable financing

Doğan Investment Bank, established in 2021, is the financing power behind innovative and sustainable business models, facilitating valuable investments in Turkey. The Bank also provides its clients consultancy and brokerage services on sustainability transformations and access to sustainability-related financing.



Ditaş: Turkey's leading steering wheel and suspension parts manufacturer

With long years of experience and expertise in the automotive industry, Ditaş is Turkey's leading manufacturer of steering wheel and suspension parts.

In 2020, Ditaş renewed its digital transformation roadmap and also entered the business of manufacturing parts for the passenger car segment for the first time.

In 2020, Ditaş reducing the total amount of electricity consumed to 8,875 MWh and its annual greenhouse gas emissions by 5.14 tons (CO2 emissions/tons) thanks to the recycling a total of 31.45 kg of paper, cardboard and plastic waste generated at the factory. As a result, 128,104 kWh of energy savings was achieved and 531 trees were prevented from being felled.

Çelik Halat

Çelik Halat continues its efforts to minimize the environmental impact of its production activities.

In 2020, the total amount of electricity consumed by Çelik Halat decreased by 3.2% YoY to 26,319 MWh. Due to the increase in natural gas unit prices in 2020, the cost of electricity generation rose and the cogeneration unit was not operated, resulting in recovering 2 MWh of electricity.

Customer Relationship Management System (CRM) at Çelik Halat

With the deployment of the CRM module, customer relations are now managed via a portal, bringing customer insights, intelligence, meeting notes, visit notes, follow-up with prospective customers, and offer management and reporting together on a single platform. All the details, correspondence, negotiations and agreements regarding each customer are now available in the system.

SUSTAINABILITY BEST PRACTICES AT DOĞAN GROUP



Sesa Ambalaj

Sesa Ambalaj develops ecofriendly, biodegradable and recyclable products to solve the plastic waste problem, a major issue around the world.

Every month, 32 tons of waste plastic is reprocessed and granulated in the granule crushing plants to produce non-food packaging materials. As a result, approximately 64 tons of carbon emissions are saved per month.

Doğan Trend Automotive

Doğan Trend Automotive began to accelerate its investments in sustainable electric mobility vehicles in 2021. The company aims to be a key player in the sustainable mobility transformation in Turkey with the new brands in its distribution portfolio and the digital platforms it has launched.

The company recently expanded its electric bicycle and scooter portfolio with the Dutch brand BIMAS BIKES. The Spanish brand, leader of the European electric scooter market, was offered to the Turkish market by Doğan Trend Automotive. The legendary British automobile brand MG, distributed in Turkey by Doğan Trend Automotive, also introduced its first model in Turkey: the all-electric ZS EV.

The company, which is the exclusive distributor of Wallbox, the godfather of charging stations, will also offer the all-electric Piaggio One model of Piaggio, the epitome of Italian design excellence, to the Turkish motorcycle fans in 2022.

SUSTAINABILITY BEST PRACTICES AT DOĞAN GROUP



Doğan Yayıncılık: Turkey's leading book and magazine publisher

In 2020, Doğan Publishing maintained its status as the publishing house with the largest collection of audiobooks and recorded remarkable growth in digital

publishing, with a digital product portfolio now reaching 1,250 with new digital deals, audiobooks and e-books.

Duygu Asena Novel Award

The Duygu Asena Novel Award has been presented since 2007 in memory of Duygu Asena, the novelist who introduced Turkey to "firsts" in women's rights, freedom and equality, to recognized literary achievements.

The Duygu Asena Novel Award is a tribute to the memory of the author, whose books paved the way to developing a new approach to the women's issues in Turkey. The award, which draws from her seminal book,

titled "Women Have No Name," aims to raise awareness by emphasizing that the challenges women face still continue in our country.

The selection committee for the Duygu Asena Novel Award convened online in 2020 due to the pandemic restrictions and decided that present the award to Irmak Zileli for her novel "Last Look."

SUSTAINABILITY BEST PRACTICES AT DOĞAN GROUP

Restaurants At Home

Doğan Burda, which extends support to various foundations and universities every year, launched a project to support restaurant employees who faced dire conditions during the pandemic in 2020.

The “Restaurants At Home” project, which compiled more than 100 recipes from Istanbul and the food stories of the city, was prepared with the contribution of several organizations and individuals to support the food and beverage industry that suffered significantly during the pandemic. In addition to featuring more than 100 recipes unique to Istanbul, the “Restaurants at Home” also provided extensive content on the gastronomy culture with articles reminding us of the values this sector adds to our lives.



Doğan Burda: Pioneer of magazine publishing

Doğan Burda, the leading magazine publisher in Turkey, continued to bring many brands, existing and new publications, to the readers in both print and digital format in 2020.

SUSTAINABILITY BEST PRACTICES AT DOĞAN GROUP



Aydın Doğan Foundation

Aydın Doğan Foundation, established in 1996, engages in activities in various fields to support the development of Turkey. Aydın Doğan Foundation, which has always focused on representing Doğan Group's social responsibility approach since its establishment, is known for its successful work in many fields and events that have earned high esteem in the local and international platforms.

The education of young girls is a priority focus area of support that Aydın Doğan Foundation has always pursued as a mission. In addition to building educational institutions and dorms to serve the youth, the Foundation also supports achievements in various fields, including healthcare, culture and arts, and sports by organizing national and international competitions.

Remote Education Support

With the COVID-19 pandemic taking hold of the entire world, we started to support remote education practices. With the classes moving to the digital platforms, the children and youth in socioeconomically vulnerable communities were impacted particularly worse. Therefore, we launched a remote education support program to contribute to social solidarity with the belief that every child should have equal opportunity in education. After the applications were evaluated, we delivered 810 laptops and 260 tablets to the selected children and youth across the country.

Solidarity, Our Shared Value

In 2021, when Turkey recorded the worst wildfires in its history, Doğan Group provided support to the fire zones through NGOs. In addition to donating 100,000 saplings to the campaign launched by Tema Foundation, Doğan Holding also partnered with Haytap and made donations to the efforts to build field hospitals in Muğla, Manavgat and Marmaris for the swift treatment of the animals harmed in the wildfires.

The Holding also facilitated the delivery of a high-capacity fire extinguishing helicopter to Turkey in coordination with WWF-Turkey (World Wildlife Fund), with permission from the Turkish Ministry of Agriculture and Forestry, and in cooperation with the Muğla Metropolitan Municipality.

SUSTAINABILITY BEST PRACTICES AT DOĞAN GROUP

-UN: Growing at a slower pace, world population is expected to reach 9.7 billion in 2050 and could peak at nearly 11 billion around 2100

<https://www.un.org/sustainabledevelopment/blog/2016/05/sachs-op-ed-financing-health-and-education-for-all/>

-UN projects world population to reach 8.5 billion by 2030, driven by growth in developing countries

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