



ANADOLU GROUP



Anadolu Group
Sustainability Report
2019

**FROM ANADOLU
TO THE FUTURE**



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About the Report

Anadolu Group's first Sustainability Report is based on the consolidated sustainability performance data of AG Anadolu Group Holding and all group companies in Turkey and abroad, covering the January 1, 2019 – December 31, 2019 activity year. The Report also includes the best practices carried out by Group companies under the From Anadolu to the Future brand, which represents the sustainability-based vision of Anadolu Group and its affiliates.

This report, prepared in accordance with the "Core" option of the GRI Standards, demonstrates our economic, social and environmental performance as well as our contribution to the United Nations Sustainable Development Goals.

Please contact us for your questions, comments and suggestions about the Report at sustainability@anadolugrubu.com.tr



ANADOLU
EFES

CCI

MIGROS

ANADOLU ISUZU

ÇELİK MOTÖR

ANADOLU
MOTOR

ANADOLU ETAP

PARAVANI
HEPP

AES

ASLANCIK
ELEKTRİK ÜRETİM A.Ş.

ADEL

McDonald's logo

AND
GAYRİMENKUL

EFES
TUR

AEH
AEH Sigorta Acenteliği A.Ş.

ANADOLU VAKFI

ANADOLU^H
In Affiliation with
JOHNS HOPKINS MEDICINE

ANADOLU
EFES
1976



Chairman's Message

Esteemed Stakeholders,

We all know that our key responsibility today is to ensure the sustainability of our lives, our society and our world. We all need to produce and work hard for the future, but we must also be very careful of the footprint we leave behind in the process. The current pandemic has reminded all the world once again how critical sustainability is. While every individual must assume responsibility in this regard, as today's businessmen and executives, we must

perform at highest level in our role as corporate citizens. We should create environmentally-friendly and sustainable business and life practices and be aware of our contributions and impacts throughout all our investments and activities. Above all, in the name of our common future, it is our highest responsibility to raise awareness of sustainability and support all current and potential initiatives related to it.

Anadolu Group strives to add value to the land on which it operates and to the people of that land for a more sustainable future. Since our inception 70 years ago, this has been our guiding principle. Operating in 19 countries with nearly 80 companies, 66 production facilities and employment of approximately 80,000 people, Anadolu Group maintains its operations with the target of sustainable growth for a sustainable future. Sustainability plays the key role in all our operational strategies in nine different industries. We make investments in agriculture, which we consider to be both the industry of today and the future and carry out comprehensive projects in this field with our Group companies. We have a history of implementing projects that will add value to people in many fields, particularly in health, education, sports, culture & art, and tourism. We carry out digital transformation projects that will determine our future business approach, focus on progressive R&D and innovation in all our industries, and support corporate entrepreneurship on the platforms we developed. In 2019, we established our brand **From Anadolu to the Future**, which represents the future-oriented sustainability vision of Anadolu Group. We published our new Anadolu Group Sustainable Development Goals Alignment Report, which we will update annually, to reveal our activities that contribute to the United Nations Sustainable Development Goals. Furthermore, we identified our Group's sustainability priorities to meet the dynamics and needs of different industries.

For years, Anadolu Group companies have led the way in sustainability, publishing sustainability reports and sharing their progress with their stakeholders on various platforms. Three of our publicly traded companies, Anadolu Efes, Coca-Cola İçecek and Migros are listed in the Borsa Istanbul Sustainability Index, which acknowledges companies with a successful sustainability performance. Furthermore, these three companies report their efforts on combating climate change to the Carbon Disclosure Project, the most reputable international institution in this context. In line with our primary sustainability goal to join multi-stakeholder initiatives to pioneer change, we participated in the Business Plastic Initiative founded by Global Compact Turkey, Business Council for Sustainable Development Turkey and TUSIAD to fight plastic pollution. We also aim to contribute to the solution sharing needed throughout the world by communicating our sustainability practices. Within this scope, along with our Group companies and stakeholders we run many ambitious projects, which we believe that will add value to the future.

We still have a long way to walk together in our goal to preserve and transfer the world heritage we received from our ancestors to future generations. Reducing environmental impacts, implementing socially contributing projects, offering innovative and value-adding products and services will continue to be our top priorities. With the strength we derive from Anatolia, we will continue to work for a better future. On behalf of Anadolu Group, I would like to extend my gratitude to all our stakeholders who have contributed to our sustainability journey.

Tuncay Özilhan
Anadolu Group Chairman

CEO's Message



Esteemed Stakeholders,

Sustainability lies at the foundation of the business strategy of Anadolu Group in its operations in 19 countries with nearly 80 companies, 66 production facilities and employment of approximately 80,000 people. Beyond seeing growth as an economic concept expressed only in numbers, we consider the environmental and social impacts of our activities and determine our values and strategies in line with our dream for a better future for our world and people.

As one of the key driving forces of our national economy, our Group concluded 2019, which was a particularly challenging year for Turkey and the world, with a 22% annual increase in the total proforma consolidated sales and reached TRL 51.7 billion. We made a strong start to the first quarter of our 70th year by increasing our operational profitability and continuing our growth. 2019 has been a year in which we made significant progress in our future-oriented efforts and we crowned it with our sustainability brand **From Anadolu to the Future**. Along with our companies in different industries, we integrate sustainability into our business models and improve our performance in this area further day by day.

Anadolu Efes has become the first Turkish company to sign the CEO Water Mandate, an initiative of the UN Global Compact. The company is providing social value through The Future is in Agriculture and The Future is in Tourism projects and is also actively contributing to the entrepreneurship ecosystem, culture, arts and sports. **Coca-Cola İçecek** has been the first and only Turkish company to be listed on the United Nations Global Compact 100 Index and focuses on environmental impact management through improved water and energy efficiency and sustainable packaging. In 2019, **Migros** remained the first and only food retail industry representative in the BIST Sustainability Index for the sixth consecutive time. The company became the only Turkish representative in the One Planet Business for Biodiversity Coalition, which was established with UN support to preserve biodiversity for sustainable agriculture. **Anadolu Isuzu** stands out with its R&D and innovation works on eco-friendly products and electric and autonomous vehicles. It focuses on the commercial vehicle segment of the automotive industry. **KIA Turkey** intends to vary its vehicle diversity in parallel with the automotive industry's global strategy to pivot towards alternative fuel vehicles. **Garenta** continues to grow its daily rental operations while invigorating the car-sharing economy with MOOV by Garenta, Turkey's first car-sharing service. At its R&D center, **Anadolu Motor** designs economic and innovative engines that will make life easier for farmers. Exporting its products to 60 countries from the Far East to the United States, **Anadolu Etap** invests in precision farming practices, smart production technologies and the future of agriculture industry. Our **energy** companies contribute to energy supply of Turkey and increase their investments in renewable energy. **Adel Kalemcilik** brought innovation to stationery sector with its R&D center and also contributes to the development of nearly 100,000 children and 10,000 teachers each year through its educational projects. **McDonald's** was the first in its industry to publish a sustainability report. Similarly, all company activities prioritize social and environmental responsibilities. **AND Gayrimenkul**, having signed the UN Global Compact in 2017, places sustainability at the center of its business model. **Efestur** offers efficient services to all its customers through digital transformation in the integrated management of travel solutions. **Anadolu Foundation** influences the lives of millions of people through its education and health projects. **Anadolu Medical Center** became the first clinical cancer center in Turkey and the surrounding region to receive OECD accreditation. **Anadolu Efes Sports Club** qualified for the EuroLeague finals in 2019, won the Turkish Basketball League Championship for the 14th time and also won the Presidential Cup.

In 2020, our priorities will be to maintain our business in the most efficient way, to carry out innovative and pioneering projects and to add value in all our operations. I am excited to share our first Sustainability Report, in which we reveal our sustainability efforts in economic, social, environmental and corporate governance. I would like to thank all of our stakeholders and, in particular, our employees and business partners, who contributed to the content of the report.

Hurşit Zorlu
Anadolu Group CEO

About Anadolu Group

Since its foundation, Anadolu Group has contributed to society and created value in our operating regions by connecting Anatolia to the world and the world to Anatolia. Our journey began in 1950 and continues with nearly 80 companies, 66 production facilities, approximately 58,000 direct employees and nearly 80,000 total employment today.

In 2019, the group turnover was

TRL **51.7** billion,

while total assets exceeded* TRL **63** billion.

(*) Excluding the IFRS 16

Our prestigious companies and brands are carrying out their activities in a broad range, with operations in the beer, soft drink, retail, agriculture, automotive, stationery, quick service restaurant, real estate and energy industries. We continue to add value to every region we operate in through partnerships with the world's leading brands and cooperation with multinational companies. The international business partners of Anadolu Group include AB InBev, The Coca-Cola Company, McDonald's, Faber-Castell, Isuzu, Kia, Johns Hopkins, Honda, Honda Marine and Kohler, all of which are leading international brands in their respective fields.

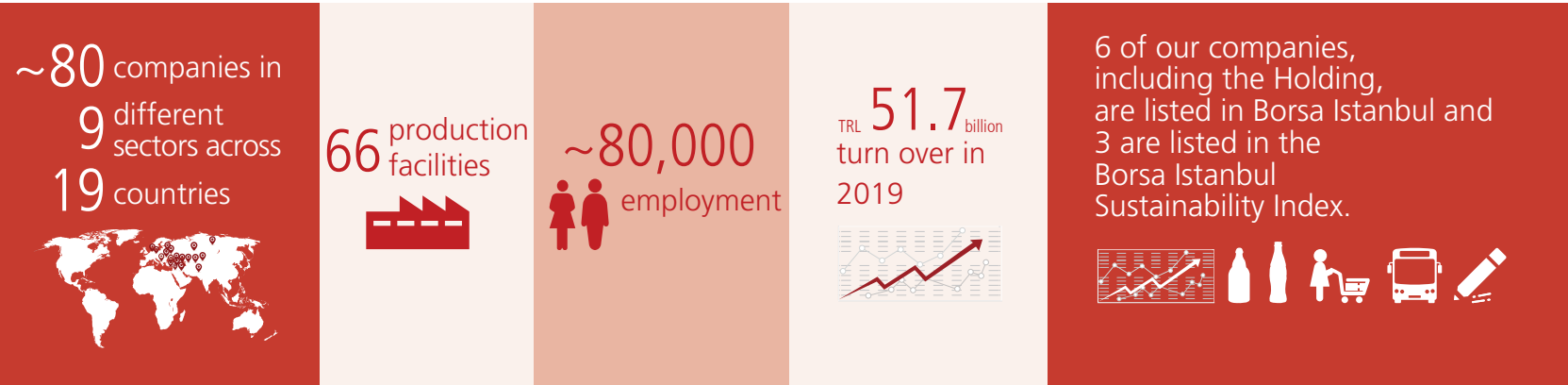


We contribute to society through Anadolu Foundation, Anadolu Medical Center, Anadolu Efes Sports Club, which are our social organizations in education, health and sports.

Three of the six publicly traded companies in our group are listed in the Borsa Istanbul Sustainability Index.

Vision: The star that links Anatolia to the world, and the world to Anatolia

Mission: To be a multinational, entrepreneurial group that thinks globally and acts locally



Group Companies

Anadolu Group carries out activities in 19 countries in the beer, soft drink, retail, agriculture, automotive, stationery, quick service restaurant, real estate and energy industries. The countries where we operate are as follows: Turkey, Germany, Azerbaijan, Belarus, Georgia, Netherlands, Iraq, Kazakhstan, Kyrgyzstan, Turkish Republic of Northern Cyprus, Macedonia, Moldova, Pakistan, Russia, Syria, Tajikistan, Turkmenistan, Ukraine and Jordan.



International Business Partners

Our Group shows sustainable growth in every region it operates in through partnerships with leading global brands and cooperation with multinational companies. The international business partners of Anadolu Group carry out key sustainability projects. By implementing these projects in our country, we are leading the industries in which we operate.





● Beer Group:

Operating in the alcoholic beverage market, Anadolu Efes reaches more than 400 million consumers in six countries (Turkey, Russia, Kazakhstan, Georgia, Moldova and Ukraine) and billions of consumers around the world. The

company operates with 21 breweries, five malt production facilities and one hop processing facility. As the fifth-largest beer company in Europe and one of the world's 10-largest beer companies in terms of sales volume, it has an annual production capacity of 48.4 million hectoliters of beer and 344,000 tons of malt as of the end of 2019.¹

Anadolu Efes contributes to the local economy by working with local suppliers throughout the value chain and creating employment. Additionally, it continues to support agriculture, tourism, culture and arts, and entrepreneurship with its social responsibility programs and sports with Anadolu Efes Sports Club.

The Positive Impact Plan is at the heart of Anadolu Efes' sustainability strategy. In this scope, it focuses on increasing its positive impact in four principal fields, namely: the environment, employees, society and value chain. Anadolu Efes is part of the global initiatives as the signatory of the UN Global Compact (UNGC), the UNGC CEO Water Mandate and the Women Empowerment Principles (WEPs). It is also listed in the Borsa Istanbul Sustainability Index and FTSE4Good. It publishes a sustainability report based on GRI Standards every year. It has responded to the Carbon Disclosure Project (CDP) since 2017.



● Soft Drink Group:



Coca-Cola İçecek (CCI) has 26 plants in 10 countries (Turkey, Pakistan, Kazakhstan, Azerbaijan, Kyrgyzstan, Turkmenistan, Tajikistan, Iraq, Jordan and Syria) and offers more than 25 local and international brands of the Coca-Cola Company to consumers.

Coca-Cola İçecek has published its sustainability performance through sustainability reports since 2008 and notably published the first sustainability report that meets the Global Reporting Initiative (GRI) standards in Turkey. Coca-Cola İçecek is also the first and only Turkish company in the United Nations Global Compact 100 index with its carbon and water transparency reports. Coca-Cola İçecek stands out

with its energy efficiency and water efforts and aims to minimize its carbon footprint with environmentally friendly practices throughout its value chain.

MiGROS

● Migros Group:

Migros serves its customers in the retail industry in a total of 2,198 stores in Kazakhstan, Northern Macedonia, 81 provinces of Turkey and through online channels. Migros is the top retailer in Turkey in terms of selling fresh products. In addition to its expertise in fresh products, it offers its customers good prices and service, rich variety and an enjoyable shopping experience.



Migros shares its sustainability performance through its annual sustainability reports prepared in line with GRI standards. Migros achieved an “A-” rating in 2019 for the third time with its report on combating climate change and was among the CDP Climate Leaders in Turkey. Its CDP Water program, which has been reported since 2018, achieved a “B” rating in management.

Migros is a member of the Consumer Goods Forum (CGF) at the management level, an active member of the OP2B (One Planet Business for Biodiversity) coalition since its foundation, a member of the Lead Network EU and has supported the establishment of Lead Network Turkey. In an effort to combat climate change, Migros aims to prevent food waste, support sustainable agriculture and biodiversity, develop collaborations that contribute to public health, increase the ratio of female executives and digitize and standardize product data while also reducing its carbon and water footprint.

● Automotive Group:

We began our operations in the automotive industry in the 1960s with truck production. Today, we are an industry leader and are continuing our operations with Anadolu Isuzu, Çelik Motor and Anadolu Motor. In the Automotive Group, we have partnerships with leading global brands, such as Isuzu, Kia, Kohler, Honda Power Products and Honda Marine.

ANADOLU ISUZU

Anadolu Isuzu



Anadolu Isuzu focuses on the commercial vehicle segment of the automotive industry and is one of the leading manufacturers in Turkey in trucks, light trucks, midibuses, buses and pick-up trucks. Its export share continues to rise. The company has been carrying out engineering activities since its foundation. Its R&D center, which was registered in 2009, has now completed its 10th year. Vehicles designed and

manufactured by Anadolu Isuzu are now exported to more than 40 markets. The company published its first sustainability report in 2019. The company is continuing its sustainable growth and working on new markets, products, digital processes; efficient after-sales services and products with reduced environmental impacts; diesel, CNG, electric and autonomous vehicles.



ÇELİK MOTOR

Çelik Motor

Çelik Motor has carried out its operations for 60 years. With its brands KIA, Garenta, MOOV by Garenta and ikinciye.com, it combines its automotive experience with business processes that complement a digital ecosystem. Since 2001, Çelik Motor has brought the South Korean brand KIA to Turkish users. With its experience in bringing other brands to Turkey, Çelik Motor has elevated KIA to an important industry player. KIA is also working hard to develop alternative fuel cars, which is a key initiative on the agenda of the automotive industry. In the 2000s, Çelik Motor took steps in line with the needs of the automotive ecosystem towards change and innovation. In 2014, it founded Garenta, Turkey's first 100-percent-capital corporate car rental brand. Çelik Motor broke new grounds in the Turkish vehicle-sharing industry under the "MOOV by Garenta" brand and served as a reference point in the second-hand vehicle industry with its ikinciye.com brand. As a platform, ikinciye.com highlights trends in the used automobile industry by sharing real past sales data on its website.



Anadolu Motor



Anadolu Motor is one of the leading companies in the industry with more than 50 years of engine production and marketing experience which produces and exports single-cylinder diesel engines with its own brand "Antor". It also offers a wide product portfolio including tiller machines, motor pumps, gasoline and diesel engine generators, under the Antrac brand.

Besides, Anadolu Motor continues to distribute 4XC design boats by Ranieri, H series inflatable boats by Highfield and Kohler diesel engines in addition to the Honda power products and Honda Marine outboard marine engines.

— Agribusiness, Energy and Industry Group:

Our companies Anadolu Etap, Anadolu Kafkasya, AES Elektrik, Aslancık Electricity, Adel Kalemcilik, McDonald's, AND Gayrimenkul and Efestur are carrying out their activities in Turkey and abroad in the agriculture, energy, stationery, quick service restaurant, real estate and tourism industries.



Anadolu Etap

Anadolu Etap is Turkey's leading fruit and fruit juice producer. Since 2010, it has conducted all its operations in line with the sustainability principles to leave a more habitable planet for future generations. Anadolu Etap, gaining

65% of its sales from export, provides qualified fresh fruits and fruit juice concentrates to a wide range of market area; including Japan, Europe and US. The company operates with its eight farms, three fruit juice factories, one packaging facility and two R&D centers in the different regions of Turkey. As the first agriculture and food company in Turkey to prepare and implement the Principles of Sustainable Agriculture, it focuses on economic, environmental and social sustainability in all of its operations and business conduct. In this context, Anadolu Etap has implemented many long-term projects that focus on sustainable agriculture, women and children and reports its sustainability projects with sustainability reports in line with the Global Reporting Initiative (GRI) standards.



Energy Companies:

We contribute to the fulfillment of Turkey's energy needs through our investments in the energy field with our group companies; Anadolu Kafkasya and Aslancık Electricity. In 2019, 375 million kWhs were produced in Paravani HPP, which has a 90-MW installed capacity in Georgia and 279 million kWhs of electricity were produced in Aslancık HPP, which has a 120-MW installed capacity in Giresun. The sale of the electricity produced in Aslancık HPP was carried out under the Renewable Energy Resources Support Mechanism (YEKDEM).



ADEL

Adel Kalemcilik

Founded in 1969 in cooperation with the world-renowned manufacturer of writing and coloring products, Faber-Castell and transforming this collaboration into a partnership in 1995, Adel Kalemcilik continues its operations as the largest pen manufacturer in Turkey and its neighboring regions with a 13% share in the production of pencils and stationery in Europe. Adel Kalemcilik supports the development of education in Turkey with its social projects for children and students.



McDonald's

Our Group has been a licensee of the fast food chain McDonald's in Turkey since 2005. With over 250 restaurants and 7,000 employees, McDonald's serves to 100 million people a year. It supplies nearly all of its products from Turkey, creating added value for our country in terms of labor and market. In 2014, McDonald's published the first sustainability report in the industry.



AND Gayrimenkul

AND Gayrimenkul, a subsidiary of Anadolu Group, began its operations in November 2011. AND Gayrimenkul was the only real estate development and investment company in Turkey to sign the UN Global Compact in 2017. In July 2018, AND Gayrimenkul published its first sustainability report and implemented projects that added value to society and reduced environmental impact. These included the Happy Workers Platform, the Accessible Life Project, Green Building Certification and Tree Transplantation. AND Gayrimenkul continued to operate in line with its United Nations Global Compact commitment in 2019 and carried out its activities while placing sustainability at the center of its business model.



EFES TUR

Efestur

Efestur has been an IATA member since its foundation in 1984 and a Group A travel agency. With a broad portfolio of customers ranging from SMEs to multinational companies, the company continues to provide travel and event management services to its corporate customers.



• Social Organizations:

We contribute to society through Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club, our Group's social organizations in education, health and sports.



ANADOLU VAKFI

Anadolu Foundation

Anadolu Foundation has continued its support to education and health since 1979. In education, it has awarded more than 29,000 scholarships in 81 provinces and built more than 50 educational institutions, dormitories, gyms, hospitals and health centers. The Foundation provided more than 600,000 free healthcare services to more than 50,000 people in need. The Foundation has reached nearly three million people through its projects.



Anadolu Medical Center

Founded by Anadolu Foundation, Anadolu Medical Center has been providing health service since 2005 in affiliation with Johns Hopkins Medicine, one of the most important health institutions in the United States.



Anadolu Medical Center has demonstrated its service quality with the JCI (Joint Commission International) Hospital Accreditation, OECI (European Association of Cancer Institutes) Accreditation, Planetree Person-Centered Care Gold Accreditation, ESMO (European Society of Medical Oncology) Certification and ISO Quality and Security Management System Accreditations (ISO 9001-2015 Quality Management System, ISO 14001-2015 Environmental Management System and OHSAS 18001-2007 Occupational Health and Safety). Anadolu Medical Center is a reference center specialized in the field of oncology and provides world-class healthcare service to both national and international patients. Its translation service covers over 15 languages to patients from more than 65 countries.

In cooperation with Anadolu Foundation, Anadolu Medical Center takes part in social responsibility projects, offering free healthcare to those in need every year.



Anadolu Efes Sports Club

Established in 1976, Anadolu Efes Sports Club has played an important role in reaching the masses and popularizing basketball in Turkey. The Club revolutionized Turkish basketball by accomplishing many historical achievements. Anadolu Efes Sports Club won the Korac Cup in 1996, becoming the first Turkish team to win a European cup. It was the first Turkish club to send a player to the NBA and has won the Turkish League 14 times, the Turkish Cup 11 times and the Presidential Cup 12 times. Anadolu Efes Sports Club is the Turkish team with the most championships in all of these cups.





2019 Highlights

Anadolu Efes, Coca-Cola İçecek and Migros were listed in the **Borsa Istanbul Sustainability Index** in the period between November 2018 and October 2019.

AG Anadolu Group Holding and Anadolu Efes, Coca-Cola İçecek and Migros from our group companies became members of the **Business Plastic Initiative**. This initiative was founded in collaboration with Global Compact Turkey, the Business Council for Sustainable Development and TUSIAD, with the aim of furthering the fight against plastic pollution.

The SAHA Corporate Governance and Credit Rating score of AG Anadolu Holding Group increased to **9.54**.

We have provided a total of **19,654** person-hours of training to employees on ethical principles and **16,304** person-hours of training on anti-bribery and anti-corruption.

The training provided by Anadolu Group and its companies increased by **41%** in 2019 compared to 2017, reaching approximately **3.1 million** person-hours. Likewise, its training hours per employee reached **59.8**.

In 2019, we provided **420,392** person-hours of OHS training in general, health and technical subjects to Anadolu Group employees. Similarly, **8** hours of OHS training was provided per employee.

As of the end of 2019, we have collected a total of **28,772** ideas with Bi-Fikir. We have also realized **4,707** quick applications and **1,439** projects, creating value worth **TRL 592 million**.

We work with approximately **26,000** suppliers across the Group, **80%** of which are local.

Sustainability Management

At Anadolu Group, we carry out all of our operations with the awareness of investing in the future and creating value for our stakeholders. This year, we have launched the **“From Anadolu to the Future”** brand to unite nearly 80 companies in nine different sectors under the same sustainability management approach. From Anadolu to the Future represents the sustainability-based vision that Anadolu Group and its companies hold for the future. While the Holding determines the main policies and strategies regarding the material issues for the whole Group, the Group companies decide on the sustainability practices at the sectoral level to respond to the dynamics and needs of different industries.

Our group companies continuously increase their performance by integrating sustainability into their business models. Three of our publicly traded companies, Anadolu Efes, Coca-Cola İçecek and Migros, are listed in the Borsa Istanbul Sustainability Index. As part of our packaging and waste management policy, which is among our material issues, we have joined the Business Plastic Initiative to further the fight against plastic pollution. AG Anadolu Group Holding and group companies Anadolu Efes, Coca-Cola İçecek and Migros supports the initiative that was founded through the partnership of Global Compact Turkey, the Business Council for Sustainable Development and The Turkish Industry and Business Association (TUSIAD).

Our group companies have led the way in many areas concerning sustainability.

Anadolu Efes	Anadolu Efes is the first Turkish company to sign the CEO Water Mandate, an initiative of the United Nations Global Compact. Sustainability Reports can be found here: https://www.anadoluefes.com/en/ablo/463/sustainability/reports
Coca-Cola İçecek	Having published the first sustainability report in accordance with the GRI Standards in Turkey, Coca-Cola İçecek is the first and only Turkish company to enter the United Nations Global Compact 100 index with its sustainability performance. Sustainability Reports can be found here: www.cci.com.tr/en/sustainability
Migros	In 2019, Migros was listed in the Borsa Istanbul Sustainability Index for the sixth consecutive time as the first and only representative from the food retailing industry. Sustainability Reports can be found here: https://sustainability.migroskurumsal.com/
Anadolu Isuzu	Anadolu Isuzu published its first GRI-compliant sustainability report in 2019. Sustainability Reports can be found here: https://www.anadoluisuzu.com.tr/en/sustainability/summaries
Anadolu Etap	As the first agriculture and food company in Turkey to prepare and implement the Principles of Sustainable Agriculture, Anadolu Etap focuses on economic, environmental and social sustainability in all of its operations and business conduct. Sustainability Report can be found here: https://www.anadoluetap.com/en-US/sustainability
McDonald's	In 2014, McDonald's became the first company in the quick service restaurant industry in Turkey to publish a sustainability report in which it assessed its economic, social and environmental performance. Sustainability Report can be found here: https://www.mcdonalds.com.tr/surdurulebilirlik-raporu
AND Gayrimenkul	AND Gayrimenkul was the only real estate development and investment company in Turkey to sign the UN Global Compact as of April 17, 2017. Sustainability Report can be found here: https://www.andgayrimenkul.com.tr/surdurulebilirlik/ANDGayrimenkul_UNGC2018Raporu.pdf

Sustainability Committee Management Structure

The Sustainability Committee was established in 2019 to determine the sustainability strategy of the Holding with regards to environmental, social and corporate governance; to ensure coordination between the group companies; and to execute, monitor and supervise the policies, goals and practices regarding sustainability by reporting them to the Board of Directors.

BOARD OF DIRECTORS

SUSTAINABILITY COMMITTEE

Sustainability committee members under the presidency of CEO: Anadolu Group Chief Financial Officer, Anadolu Group Head of Audit, Anadolu Group President Legal Affairs, Anadolu Group Human Resources President, Anadolu Group Corporate Affairs and Communications Coordinator, Anadolu Group Chief Information Officer, Beer Group President, Soft Drinks Group President, Migros CEO, President Automotive Group, Agribusiness, Energy and Industry Group President and Anadolu Medical Center General Director.

SUSTAINABILITY WORKING GROUP

We have established a Working Group led by the CEO with representatives from our companies to ensure that the Committee decisions can be implemented effectively within our Group companies. The Working Group is responsible for setting targets based on the Committee resolutions, ensuring the implementation of all sustainability efforts, monitoring them and reporting to the Committee Chairman and the Committee.

↓ You can find the Duties and Working Principles of the Sustainability Committee of AG Anadolu Group Holding here.

Material Issues

We conducted a comprehensive and participatory stakeholder analysis process to identify the material issues that Anadolu Group should focus on.

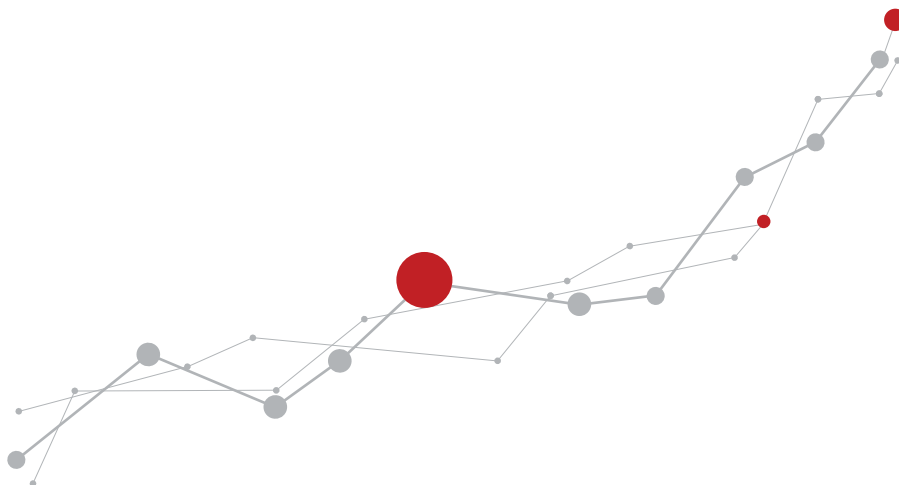
When identifying the priorities of stakeholders:

- Using an online questionnaire, we reached our internal stakeholders (employees) and external stakeholders (representatives from suppliers, business partners, investors, analysts, nongovernmental organizations, public institutions, media, universities and international organizations).
- We analyzed the trends in Turkey and the world. In this context, we have examined the forecasts of the World Economic Forum on global risks, the industry-specific material issues prepared by the Sustainability Accounting Standards Board (SASB), the Sustainable Development Goals and the 11th Development Plan in depth and discussed topics that shape the global and domestic agenda.

We analyzed the top priorities of our stakeholders in line with the strategic business priorities of Anadolu Group. When analyzing the business priorities of Anadolu Group:

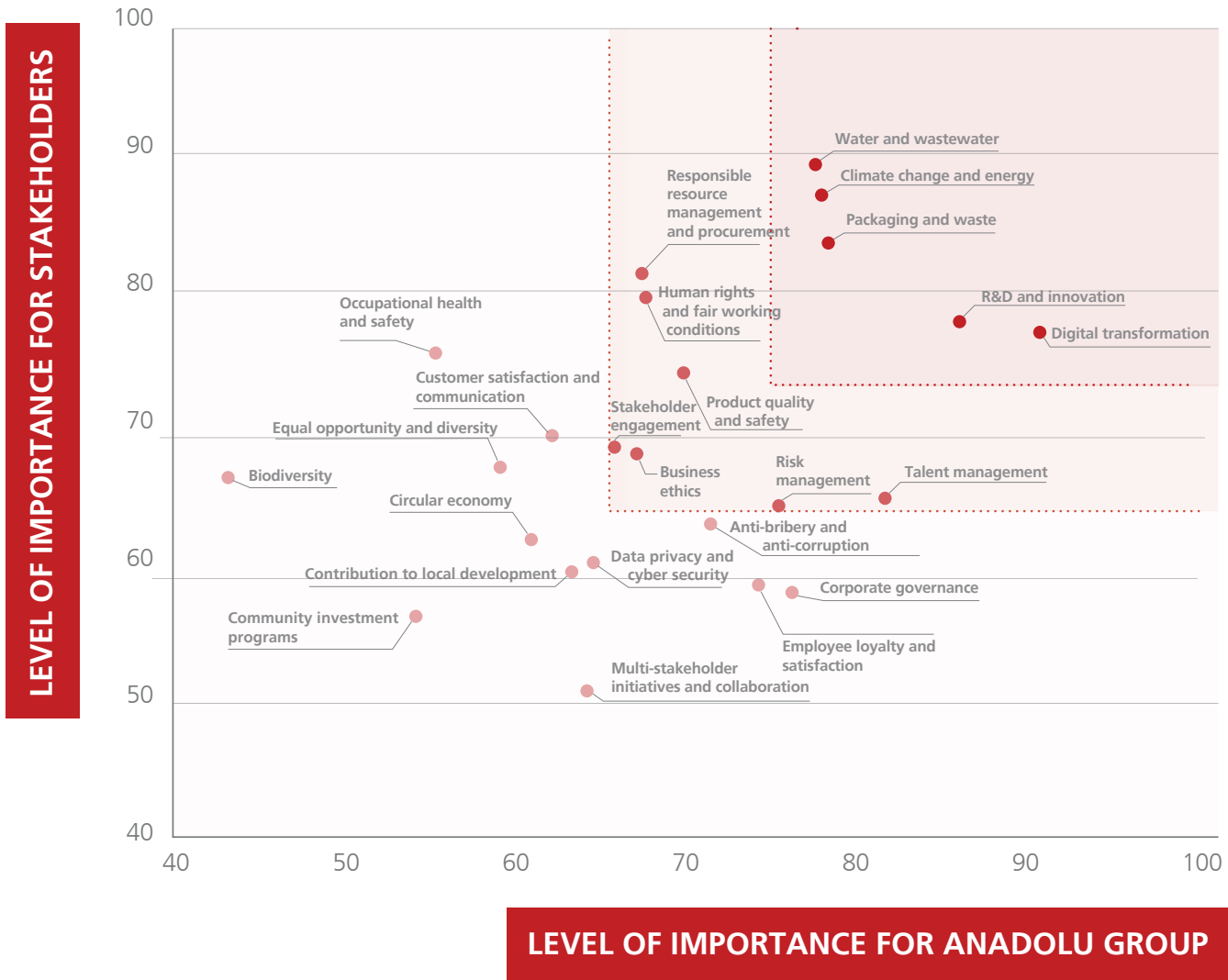
- We consulted Anadolu Group Board of Directors and senior management in separate meetings and the general managers of the group companies through online questionnaires.
- We evaluated the subject areas that Anadolu Group focuses on in line with its business strategy.
- We drew upon the impact analysis methodology, which is recommended by the SASB for determining material issues, allowing us to address each area in terms of various impacts and opportunities. We evaluated the significant risks and opportunities in finance, law, innovation and competition.

As a result of the materiality analysis, we identified extremely important and very important material issues.





Materiality Analysis

● Important ● Very important ● Extremely important



- | | | |
|---|--|--|
| <p>Extremely important</p> <ul style="list-style-type: none"> ● <input type="checkbox"/> Digital transformation ● <input type="checkbox"/> Water and wastewater ● <input type="checkbox"/> Climate change and energy ● <input type="checkbox"/> R&D and innovation ● <input type="checkbox"/> Packaging and waste | <p>Very important</p> <ul style="list-style-type: none"> ● <input type="checkbox"/> Responsible resource management and procurement ● <input type="checkbox"/> Human rights and fair working conditions ● <input type="checkbox"/> Talent management ● <input type="checkbox"/> Product quality and safety ● <input type="checkbox"/> Risk management ● <input type="checkbox"/> Business ethics ● <input type="checkbox"/> Stakeholder engagement | <p>Important</p> <ul style="list-style-type: none"> ● <input type="checkbox"/> Anti-bribery and anti-corruption ● <input type="checkbox"/> Corporate governance ● <input type="checkbox"/> Employee loyalty and satisfaction ● <input type="checkbox"/> Customer satisfaction and communication ● <input type="checkbox"/> Occupational health and safety ● <input type="checkbox"/> Equal opportunity and diversity ● <input type="checkbox"/> Data privacy and cyber security ● <input type="checkbox"/> Contribution to local development ● <input type="checkbox"/> Circular economy ● <input type="checkbox"/> Multi-stakeholder initiatives and collaborations ● <input type="checkbox"/> Community investment programs ● <input type="checkbox"/> Biodiversity |
|---|--|--|

LEVEL OF IMPORTANCE	MATERIAL ISSUES	RELATED SDG	HOW WE MANAGE IT?	RELEVANT SECTION
Extremely important	Digital transformation	 	Having integrated technology and digitalization into our business processes, we have made our business more efficient and maintained our competitive edge with digital transformation. We are investing in digital technologies in our own business processes and activities.	We Focus on Sustainable Growth
	Water and wastewater	 	We aim to maintain the continuity of our business by managing water resources in the most efficient way possible. We strive to minimize water consumption and wastewater and improve the quality of water emissions.	We Aim to Reduce Our Environmental Impact
	Climate change and energy		Risks arising from climate change affect the industries in which we operate at different levels. We focus on energy efficiency and strive to minimize greenhouse gas emissions to contribute to the fight against the climate crisis and mitigate the risks.	We Aim to Reduce Our Environmental Impact
	R&D and innovation	 	We invest in R&D and innovation for the sustainable transformation of our business models. We carry out innovative projects for product, process and operation development, which will sustain our global success and increase end-user satisfaction. We support a entrepreneurship ecosystem both within our company and in general.	We Focus on Sustainable Growth
	Packaging and waste		To fight against waste, one of the most significant environmental concerns, we strive to reduce our waste production at the source as much as possible. We also apply recycling techniques and provide the necessary human, technology and financing resources to dispose of waste in an eco-friendly manner.	We Aim to Reduce Our Environmental Impact
	Very important	Responsible Resource Management and Procurement	 	We aim to strengthen our stakeholders while managing a large value chain in the industries in which we operate. Furthermore, we prioritize transparency and environmental responsibility in our procurements and strive to raise the standards of the suppliers.
Human rights and fair working conditions		  	We protect employee rights and prevent discrimination throughout our value chain, providing an equal and fair work environment.	Standing Strong with Our Employees
Talent management		 	We aim to recruit new-generation talents to Anadolu Group companies, retain the talents we have and develop personal-development and career-planning practices.	Standing Strong with Our Employees
Product quality and safety			By maintaining high standards in the value chain, we ensure that our customers always receive safe, high-quality products and services.	We Focus on Sustainable Growth
Risk management			To ensure the sustainability of our business, we identify financial and non-financial risks on a domestic and global scale in advance, take necessary measures and seize new opportunities.	Corporate Governance
Business ethics			We establish business relationships based on principles of ethics and transparency with all stakeholders, particularly employees.	Corporate Governance
Stakeholder engagement			We continuously seek opinions and feedback from our stakeholders on various topics through various communication platforms.	Sustainability Management

Stakeholder Dialogue

We interact with various stakeholder groups in a wide ecosystem and prioritize effective communication with stakeholders. To meet their expectations and needs, we decide on the type and frequency of the communication channel by taking into account the nature of the stakeholder group. We plan to develop different platforms that will strengthen our dialog with our stakeholders with whom we have both one-way and two-way communication.

BY IMPACT	STAKEHOLDER GROUP	METHOD OF COMMUNICATION	COMMUNICATION FREQUENCY
Direct Economic Impact	Employees and group companies	Leader messages	Year-round
		Internal communication efforts	
		Media communication efforts	
		Digital media channels	
		Internal and external reports/Meetings	
		Training	
	Suppliers	Indoor digital announcement platforms	Annually
		Ethical line	Quarterly
		Anadolu Group Innovation Program	Annually
		Anadolu Group Innovation Day	
		Annual report	
		Sustainability report	
Shareholders and Investors	Surveys		
	Media communication efforts	Year-round	
	Digital media channels	Quarterly	
	Supplier meetings	Annually	
Customers	Annual report		
	Sustainability report		
	Media communication efforts	Year-round	
	Digital media channels	Quarterly	
Indirect Economic Impact	Financial Institutions and Analysts	Supplier meetings	Annually
		Annual report	
		Sustainability report	
		Meetings, conferences and road shows	Year-round
	Business Partners	Annual report	Quarterly
		Sustainability report	Annually
		Media communication efforts	Year-round
		Digital media channels	Quarterly
	Public institutions and local administrations	Annual report	Quarterly
		Sustainability report	Annually
		Media communication efforts	Year-round
		Digital media channels	Quarterly
	Non-Governmental Organizations	Visits/meetings	Year-round
		Project partnerships	Year-round
		Annual report	Quarterly
		Sustainability report	Annually
	Media	Meetings and networking activities	Year-round
		Annual report	Quarterly
Sustainability report		Annually	
Visits/meetings		Year-round	
Sources of New Opportunities, Know-How and Perception	National and international regulatory bodies	Digital media channels	Year-round
		Annual report	Quarterly
		Sustainability report	Annually
	Universities	Digital media channels	Year-round
		Project partnerships	Biannually
		Virtual Career Day	For eight months
Participation in university events		For six months	
	Innovation program	Quarterly	
	Annual report	Quarterly	
	Sustainability report	Annually	

GRI 102-40, 102-42, 102-43

UN Sustainable Development Goals Alignment

Achieving the Sustainable Development Goals that were set by the United Nations in 2015 harbors a potential of achieving nearly \$12 trillion in market opportunities for the private sector. In 2019, we put forward the contributions we have made to the Sustainable Development Goals (SDG) with our Sustainable Development Goals Alignment Report. We identified the SDG contribution of 316 items that were chosen from the sustainability projects and practices of the group companies during the 2015–2018 period and we published From Anadolu to the Future Anadolu Group Sustainable Developments Goals Alignment Report.

It was determined that 99% of the projects implemented by Anadolu Group companies were related to economic targets, 65% to social and 30% to environmental.

Alignment of the Projects and Applications of Anadolu Group with the United Nations Sustainable Development Goals (2015-2018)



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Projects and Applications

The report illustrates that Anadolu Group works as an active participant in the realization of the SDGs and conducts many activities which are beneficial for global development and in line with global standards. The report is also a first in the Turkish business world in terms of its scope. We will continue to update this Report in the upcoming periods as well.

↓ You can find From Anadolu to the Future Anadolu Group Sustainable Development Goals Alignment Report here.

Corporate Governance

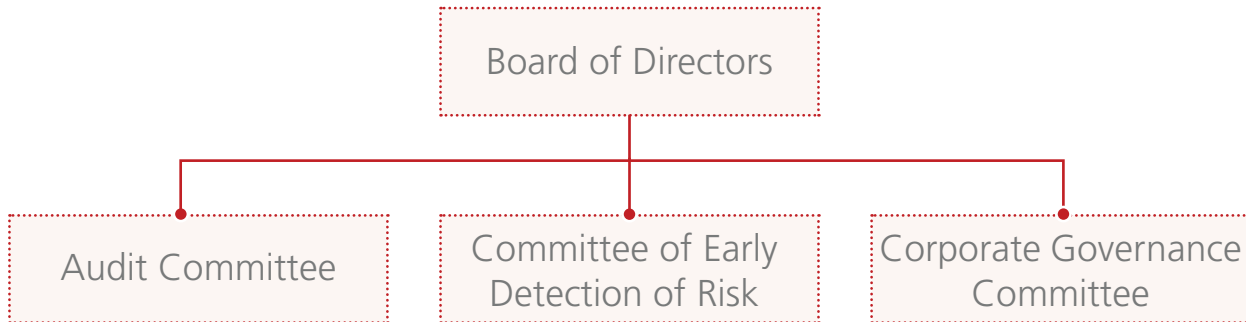
Through our strong corporate governance approach, we create fair, transparent and responsible relationships with our stakeholders based on principles of accountability. This approach makes financial profitability sustainable and the Group companies trustworthy among our stakeholders, particularly the investors and shareholders.

The Board of Directors of AG Anadolu Group Holding determines strategies, defines targets and audits management performance for the Holding and Group companies. The Board of Directors is responsible for establishing the Audit Committee, Committee of Early Detection of Risk and Corporate Governance Committee and ensuring that they are working effectively.

The duties of the Chairman of the Board of Directors and the CEO are separated and defined. The Board of Directors has a total of 12 members, four of which are non-executive independent members.

The Board of Directors has one female board member (8%). We continue our efforts to increase the number of female board members in accordance with our target of 25%.

The Audit Committee, Committee of Early Detection of Risk and Corporate Governance Committee operate under the Board of Directors. Each Board Member may serve in only one committee. The duties of the Nomination and Remuneration committees that are currently not established under the Board of Directors are performed by the Corporate Governance Committee in accordance with the Corporate Governance Principles.



We continuously improve compliance with the Corporate Governance Principles and advance our corporate governance performance. In 2010, we were rated at 8.04 out of 10 in an assessment performed by the SAHA Corporate Governance and Credit Rating (SAHA). As of 2019, our score increased to 9.54.

Our SAHA Corporate Governance and Credit Rating

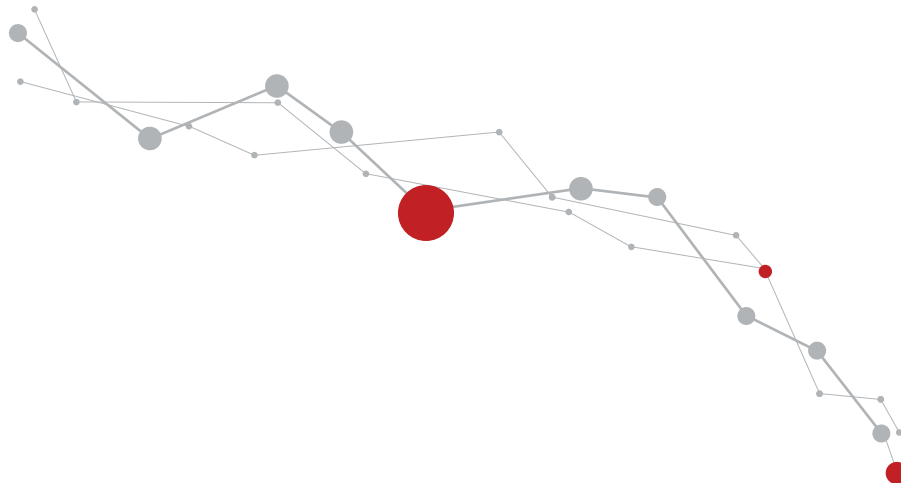
increased to **9.54**

Risk Management

Anadolu Group faces different and varying risks and opportunities on a local and global scale in the regions and industries in which it operates. We prioritize corporate risk management to identify the risks in advance, take the necessary measures and utilize opportunities, thereby ensuring the sustainability of our business.

Finance Presidency is responsible for coordinating the risk management process. The top senior executive on this matter is the CEO. Finance Presidency is actively involved in identifying the risks the Holding faces and may face, developing practices to minimize the risks identified and managing risk management based on the monitoring of these practices, along with the CEO and under the supervision of the Committee of Early Detection of Risk. Anadolu Group and its companies conduct risk management processes in accordance with the ISO 31000 Risk Management standard. Risk assessment and prioritization activities begin at the unit and department levels at the Holding and spread to group companies. Under the guidance and supervision of Anadolu Group CEO and Finance Presidency, one person is responsible for the coordination of risk management in each group company. As part of the strategic planning processes, Group companies assess financial, operational and strategic risks; determine primary risks, create risk maps and follow action plans in order to manage these risks; and integrate investment decisions into the strategic business plans. Periodic ERM (Enterprise Risk Management) training sessions are also held at group companies to boost awareness. In addition, we provide corporate risk management training to the relevant departments to implement the ERM system in all group companies and raise awareness within the scope of the ISO 31000.

We have created a risk inventory this year as every year by interviewing all department managers under the leadership of the Holding Risk Coordinator to prioritize risks and update risk control maps. Additionally, we have created our annual priority list. We analyzed the risks that we previously identified as primary and developed a risk management strategy by considering the root causes. We identified those responsible for these risks and requested that they regularly report the actions they take regarding the risks. We also organized simulations to develop a range of crisis management scenarios.



We are able to create a comprehensive risk approach as we operate in many sectors. We classify current and potential risks as follows:

RISK CATEGORY	RISK DEFINITION AND IMPACT ON THE COMPANY	HOW WE MANAGE IT?
Financial risks	Asset liability risk, credibility, liquidity and interest risk, capital and debt relationship, currency risk and other risk factors that can directly affect the company's financial status	<p>The Holding's asset liability risk is monitored regularly and measures are taken to resolve the maturity discrepancies of receivables and debts. By virtue of being a Holding company, we ensure maturity matching between future dividend incomes and borrowings. Exchange rate risk in foreign currency debt is hedged by derivative market transactions such as swaps or forwards.</p> <p>All current risks, including financial risks, are discussed by the Committee of Early Detection of Risk, which convenes six times a year and consists of at least two members, the majority of which are non-executive. Actions for improvement are shared with the Board of Directors pursuant to the Risk Committee Regulation approved by the Board of Directors. The Corporate Risk Committee works in accordance with international standards, particularly the ISO 31000 Risk Management System Standard and the COSO Corporate Risk Management Framework, to identify the risks in advance and ensure they are complied with. Subsequently, the risks of the Holding are prevented from affecting targets and strategies.</p> <p>The capital/debt balance is constantly monitored by taking into account the net debt/EBITDA ratio in order to take advantage of the leverage effect.</p> <p>Sensitivity analysis is performed regarding macroeconomic and financial risks when deemed necessary.</p>
Strategic risks	Risk factors arising from the country, region and competitive environment of the Holding that may affect the existence and sustainable growth	Effective management of strategic risks at the Holding level is carried out with a balanced portfolio perspective by taking into account sustainability performance. Any risk factors arising from the country, region and competitive environment operated in that may affect business continuity and profitability are continuously reviewed. All of these processes are reported to the Committees of Early Detection of Risk by the risk managers in the relevant countries to be evaluated and are reviewed at the Holding level through a bottom-up system.
Operational risks	Risk factors that may affect the effectiveness, efficiency, profitability, reputation and business continuity of the operations in line with the Holding's objectives that can be managed through the control environment created by the management	<p>Risk inventories are created using the three-year strategic plan and budget calendar announced every year. They are utilized in categories such as financial, strategic and operational risks at the unit, department and Holding levels as well as in extraordinary categories such as information security, talent management, compliance with the legislation, ethics and technology. Additionally, risk maps are prepared according to importance and impact level. Risks are matched with strategies and the budget is determined for the projects and investments for their prevention.</p> <p>Various sensitivity analyses are used for different scenarios to determine the actions to be taken when a risk materializes.</p> <p>This study also helps raise awareness about corporate risk management in all of the group companies, down to the smallest unit. The issues included in risk maps are compared at the Committee of Early Detection of Risk of the group companies and the operating results are compared with a regular budget by the Boards of the companies where the causes of the deviations are identified and the necessary actions are taken. The Risk Committee meeting minutes are kept and maintained regularly. The measures taken are monitored through audits, which are the leading risk management tools. The control function is performed through practices in which independent audit firms, Holding Audit Presidency and internal audit units are involved.</p> <p>Internal Audit regularly submits the relevant results and analyses of the audit to the Audit Committee. The Committee oversees the effectiveness of the systems and, when necessary, reports the problems and recommended solutions related to risk management and the internal control mechanism to the Board of Directors.</p>
Extraordinary operation risks (Natural risks)	Risk factors that may adversely affect the Holding's occupational health and safety, such as fire, earthquake, flood and epidemic, for which emergency actions plans are created and tested	<p>We utilize emergency management systems to prevent extraordinary operation risks. We also utilize backup systems to ensure that systems are not affected and data is not lost in case of an emergency. Additionally, all our facilities are insured to the maximum extent to minimize the risks that may occur in extraordinary situations.</p> <p>Human health is prioritized in cases of epidemics and remote working principles are implemented. Business processes are shaped accordingly. In 2020, the COVID-19 epidemic has affected the entire world. Anadolu Group donated TRL 5 million to the National Solidarity Campaign initiated by the Presidency of the Republic of Turkey with the support of its Group companies Anadolu Efes, Coca-Cola İçecek, Migros and Anadolu Isuzu. As part of the fight against COVID-19 and together with our Group companies, we are conducting activities that prioritize society. We continued providing in-kind and cash support, particularly with Anadolu Efes, Coca-Cola İçecek, Migros, Anadolu Isuzu and Adel Kalemcilik, and we have allocated more than TRL 30 million to this effort.</p> <p>Crisis management and emergency action plans have been created for extraordinary situations that will affect business continuity. These are tested with regular drills.</p>

RISK CATEGORY	RISK DEFINITION AND IMPACT ON THE COMPANY	HOW WE MANAGE IT?
Information security, talent management, ethics, regulatory compliance and technology risks	Risk factors that may adversely affect the Holding's reputation, business continuity and financial status	<p>Information security: Information security systems protect the Holding's data and prevent it from being leaked or breached. In this way, measures are taken against all possible risks against reputation management and compliance management. Accordingly, cyber security risk was also included in the risk map pursuant to the Law on the Protection of Personal Data. In addition, leak tests and data leakage prevention projects began to be implemented within the framework of the ISO 7001 Information Security Management System procedure.</p> <p>Talent management: The core of our talent management approach is to build a progress-driven, motivated and highly engaged workforce that functions as a team with a focus on the Holding's future strategic objectives.</p> <p>We assess the potential of all Holding employees through talent and succession programs and build and update a talent succession map. In line with our objective of providing employees with broader development opportunities, diversifying training programs is a priority.</p> <p>Ethics: The Code of Business Ethics and Non-Compliance Notification Regulation forms the basis of our business approach and routine controls are performed to ensure compliance by all employees and stakeholders. The AGHOL Ethics Committee is responsible for supporting the development of a strong ethics culture throughout the Holding, ensuring that claims of non-compliance with the Code of Business Ethics and Non-Compliance Notification Regulation are properly evaluated and investigated and if the claims are found to be true, taking the necessary rectifying measures and determining the necessary penalties for the relevant persons. Members of the Holding Ethics Committee actively participate in the investigations of misconduct, hold training and information meetings and support management efforts to establish a culture regarding this matter. Anadolu Group Audit Presidency identifies the vulnerabilities of the Anadolu Group companies to fraud and abuse and defends ethical principles by evaluating the efficiency of their internal control systems, which are designed to mitigate risks in these areas. AG Anadolu Group Holding, Anadolu Efes, Coca-Cola İçecek, Migros, Anadolu Isuzu and Adel Kalemcilik are members of the Ethics & Reputation Society (TEID).</p> <p>Compliance with the legislation: In the event of a penalty for non-compliance with the legal regulations, financial and reputational loss risks may arise. To prevent these risks, the Holding's relevant business units determine the actions to be taken with a proactive approach. We closely monitor legal regulations and provide opinions on draft legislation by taking part in various organizations such as the Tax Council, Turkish Investor Relations Society (TUYID) and Turkish Industry and Business Association (TUSIAD).</p> <p>Technology: We created a road map by identifying the current state of the risks associated with technology. Technology risks are evaluated and assessed under topics such as data loss, business continuity, cyber attacks, unauthorized access and compliance with laws and regulations. Actions to be taken based on the impact and probability assessments are determined and reviewed periodically. The effectiveness of the actions taken are measured by internal and external audits as well as periodic penetration tests, social engineering tests, cyber maturity self-evaluation studies, emergency tests, etc., and reported. Information security training and information activities are organized to increase user awareness. The Risk Committee and the Board of Directors are regularly informed about this matter. Budgets are set for necessary investments.</p>

We also include emerging risks in the inventory, taking into account the risk surveys and assessments conducted both domestically and abroad. In addition, we have identified and added climate change into our risk inventory as a long-term risk and we aim to create an action plan by including it in the risk map in the coming periods.

Internal Control

Management of the internal control systems of AG Anadolu Group Holding is included in the job description of the Financial Affairs Director and is supervised especially by the Chief Financial Officer and the CEO as well as the Audit Committee.

The Audit Report prepared by the Audit Presidency is considered as one of the most important data sources in the assessment of the effectiveness of the internal control system and the results of the internal control activities by the Audit Committee, which solely consists of independent members. The Audit Committee shares the recommendations based on the findings of the Audit Report with the Board of Directors. In addition, separate internal control systems that are determined by Anadolu Group Financial Presidency are established within the group companies and the problems related to the management of these systems are solved within the organization structure of these companies.

The Audit Committee is also responsible for examining suspicious transactions and cases requested by the senior management, as well as the transactions and cases reported through Ethics Hotline and those deemed suspicious by the Audit Committee. Since all operations are subject to auditing, all of these are subject to this assessment under routine audits.

Additionally, ethics and corruption risks are assessed by the Audit Committee within the scope of internal audit activities and compliance and internal control systems are developed in this respect.

Internal Audit

Internal Audit Units have been established in the Holding and Group companies in compliance with international internal audit standards and the professional practice framework. The Internal Audit Units report to the Audit Committees; therefore, their objectivity and impartiality have been assured. The purpose, authority and responsibilities, working method and structure of the audit activities are defined in the Audit Guidelines approved by the Audit Committees.

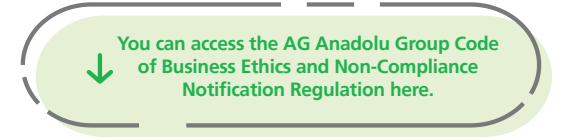
The audits performed are providing assurance to all stakeholders on issues such as internal controls, risk management, governance, legal obligations and compliance with corporate policies, compliance with ethical rules, anti-bribery and anti-corruption as well as supporting operational efficiency and productivity growth through process audits.

The areas to be audited are determined annually using a risk-based planning methodology and the plans are approved by the Audit Committees. The findings of the audits are reported to the Senior Management and Audit Committees along with the corrective and developmental actions of the company management. The Audit Committees regularly monitor the implementation of the actions and escalate the important matters to the Board of Directors' agenda.

In 2019, external audit was performed by an independent audit firm and financial audit was performed by a Certified Public Accountant.

Ethical Principles

Ethical principles guide our responsible business approach. At Anadolu Group and its companies, we determine our mutual responsibilities for all stakeholders with whom we share a business relationship, particularly employees, in accordance with the AG Anadolu Group Code of Business Ethics and Non-Compliance Notification Regulation and the code of ethics of each company. The Code of Ethics ensures increased transparency in the relations with stakeholders, supports compliance with the working principles and allows the notification of any violations of the regulation to the competent authorities. This regulation is binding for Anadolu Group employees, stakeholders and members of the Board of Directors of the Holding. Business ethics forms the foundation of a strong corporate governance and is one of our material issues.



AGHOL Ethics Committee reports to Anadolu Group CEO and is responsible for all the ethical processes of AGHOL that are within the scope of the Code of Ethics. It is authorized to examine non-compliances by the employees and stakeholders of the Holding and the annual reports sent by the ethics committees established within Anadolu Group companies and to take the necessary actions. The primary objective of the Ethics Committee is to make a strong ethical culture prevalent across the Group.

Employees and all other stakeholders can report any non-compliance with the code of ethics, anonymously if they so prefer, through various communication channels such as: our email addresses **anadolugrubu@etikhat.com** and **etik@anadolugrubu.com.tr**, phone line **0 (212) 401 30 66** and our website **http://www.anadolugrubuetikhat.com**. The Ethics Committee is responsible for ensuring that claims of non-compliance with the Code of Ethics are properly evaluated and investigated and if the claims are found to be true, to take the necessary rectifying measures and determine the necessary penalties for the relevant persons. During its meetings, the Ethics Committee makes decisions and takes actions regarding all the non-compliance notifications it receives and evaluates the annual reports sent by the Ethics Committees of Anadolu Group companies. AG Anadolu Group Holding did not receive any notification regarding violation of ethics in 2019.

In 2019, a total of **19,654** person-hours of training were provided to encourage the employees of Anadolu Group and its companies to comply with ethical principles and to raise awareness on this subject.

Anti-Bribery and Anti-Corruption

The scope of the Code of Ethics covers the fight against bribery and corruption. Accepting or offering bribes and corruption are forbidden at Anadolu Group under any circumstances and there is zero tolerance on these issues. All employees and third persons acting on behalf of the Group are obligated to follow the anti-bribery and anti-corruption rules and the relevant national and international law and regulations.

Gifting, entertainment and hospitality conditions for employees have also been determined. It is forbidden for any employee to indulge in any actions that may create the impression of affecting the business relationship in an unfair way, such as offering or accepting gifts or entertainment from all third persons including clients, suppliers, business partners, vendors or authorized services.

All stakeholders may notify (with anonymity if they so wish) the Ethics Committee of bribery and corruption through various channels, including via mail to anadolugrubu@etikhat.com and etik@anadolugrubu.com.tr, by calling **0 (212) 401 30 66** and visiting <http://www.anadolugrubuetikhat.com>

It is vital that all employees embrace the values of our Group to succeed in the fight against bribery and corruption. Accordingly in 2019, **16,304** person-hours of anti-bribery and anti-corruption training was provided to the employees of Anadolu Group and its companies.

16,304 person-hours
of anti-bribery and anti-corruption training was
provided to the employees.

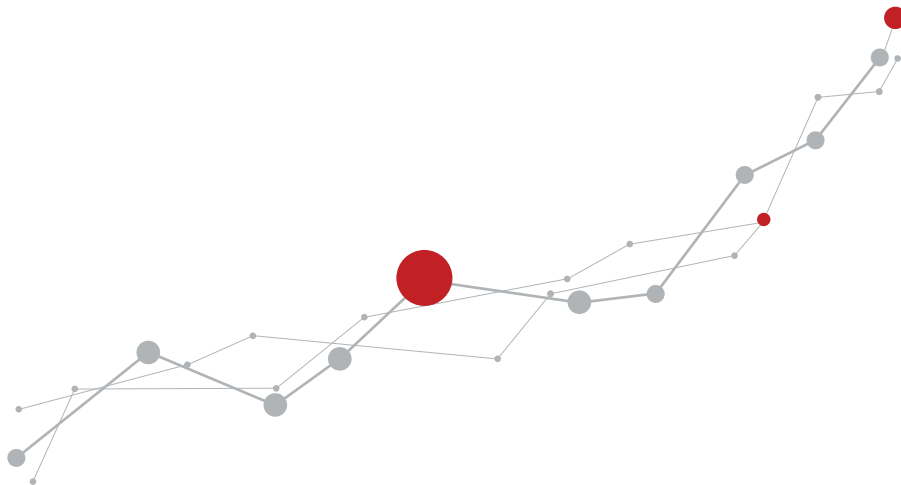
Protection of Personal Data

We have made efforts to comply with all applicable legislation on the protection of personal data. We comply with the applicable legal regulations for the processing of the personal data of employees and natural persons as regulated under the Code of Business Ethics and the Non-Compliance Notification Regulation as well as internal regulations and announcements.

The confidentiality of customer data significantly affects customer satisfaction. In particular, our digitalization investments and the increasing amounts of customer data require a greater security. In this context, we take measures to protect personal data, which is a top priority in both national and international agendas.

To fulfill our responsibilities in this respect, we have established the Holding PPD High Committee, which will be responsible for compliance with the Law on Protection of Personal Data (LPPD) and will hold regular meetings; and the Holding PPD Committee, which will manage the required coordination on behalf of the committee. We have established a similar structure in group companies and assigned PPD responsibilities in the companies.

In the AG Anadolu Group Holding LPPD compliance process, we have determined the maturity level of the PPD and established technical and administrative measures. The Holding PPD Committee has organized and provided PPD awareness training to its employees, while the PPD committees in our group companies have done the same for their own employees. Accordingly, we took actions in the context of express consent; management of data processing conditions; management of disclosure obligation; audit management; data sharing management; PPD training management; management of personal data storage; deletion, elimination or anonymization processes; data subject application management; personal data inventory management; Verbis application management and personal data security management.





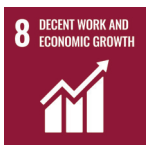
**We Focus on
Sustainable Growth**

We Focus on Sustainable Growth

We operate in an extended value chain with nearly 80 companies, 66 production facilities and employment of approximately 80,000 people in 19 countries. We focus on sustainable growth to advance our 70 years of experience and carry our value into the future. We define this perspective as using the resources we create while improving economic performance to develop products and services with customer orientation. In doing so, we leverage technology and digitalization and focus on R&D and innovation. We strive to spread our approach throughout the value chain and focus on responsibility in our broad operation network and Group companies.

Today, the business world is particularly concerned with climate crisis, health-related issues that threaten public health, rising population, technology and digitalization. However, while companies that develop their production and service models in line with the changes can achieve short-term competitive advantages, those who achieve a sustainable economic value can carry their brands and assets into the future. At Anadolu Group, we focus on creating value for all stakeholders not only in economic terms, but also in environmental and social terms by adopting the common value approach in the wider region in which we operate. To facilitate this value, we are gaining strength with R&D and innovation investments, which is amongst our material issues and responding to the growing expectations of our customers by utilizing digital transformation and technological opportunities.

We contribute to the Sustainable Development Goals with our economic value, sense of innovation, R&D and the established culture of our Group companies by utilizing the opportunities created by digitalization. In this context, we support the purpose of **Decent Work and Economic Growth (8)** with our economic value and support the development of **Industry, Innovation and Infrastructure (9)** with our efforts focusing on digitalization, technology, R&D and innovation. We also contribute to **Partnerships for the Goals (17)** with our stakeholder cooperation. We encourage **Responsible Consumption and Production (12)** with the products and services we offer to our customers.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Ensure sustainable consumption and production patterns

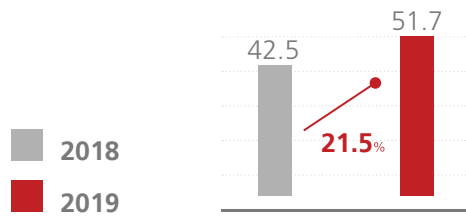


Strengthen the means of implementation and revitalize the global partnership for sustainable development

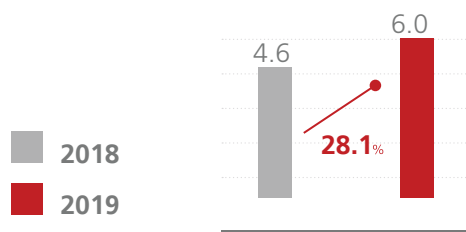
Economic Performance

We continue to improve our economic performance to create added value to our country. Our turnover increased by **22%** to **TRL 51.7 billion** in 2019 compared to 2018, with our total assets exceeding **TRL 63 billion**. Net profit of the parent company reached **TRL 644 million**, while **EBITDA** increased by **28%** to **TRL 6 billion**.

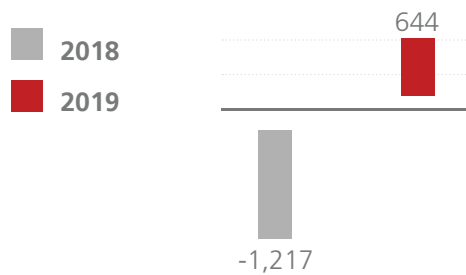
Proforma Net Sales (TRL billion)*



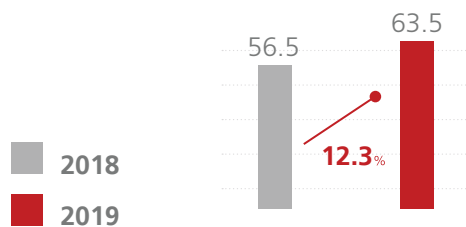
Proforma EBITDA (TRL billion)*



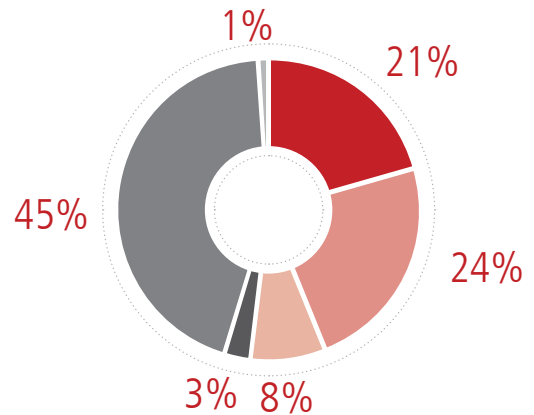
Proforma Net Profit of the Parent Company (TRL million)*



Proforma Total Assets (TRL billion)*



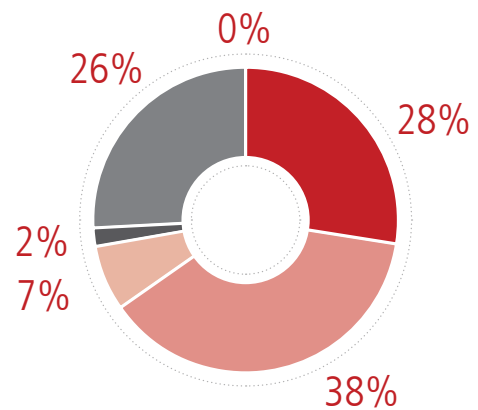
Net Sales Breakdown ()**



Based on 2019 proforma results

- Beer
- Soft Drinks
- Automotive
- Retail
- Migros
- Other

EBITDA Breakdown ()**



Based on 2019 proforma results

- Beer
- Soft Drinks
- Automotive
- Retail
- Migros
- Other

(* Proforma consolidated figures show Migros' 12-month consolidated results. For comparison purposes, the Beer Group's 2018 figures assume the realization of the merger with AB Inbev in Russia and Ukraine with effect from the beginning of the year.

(* For comparison purposes, 2019 figures exclude IFRS 16 effect.

(**) Sum of segmental percentages may exceed 100% due to eliminations.

R&D and Innovation

We focus on investing in R&D and innovation to ensure the sustainable transformation of our business models. We carry out R&D projects to keep up with the necessities of the era, sustain our global success and improve our products, processes and operations to increase end-user satisfaction. We utilize the opportunities provided by technology and improve end-user satisfaction while developing existing products. We protect qualified and differentiating works and ideas through licensing.

We prioritize collaboration in our R&D and innovation projects, support university-industry cooperation and focus specifically on benefiting from the knowledge of academics.

R&D for Sustainable Agriculture at Anadolu Efes

Carrying out agricultural R&D and innovation activities since 1982, Anadolu Efes strives to ensure the continuation of a raw material supply that meets the highest quality and safety standards and develop sustainable agricultural projects. Within this scope, Anadolu Efes has developed and registered 17 barley seeds and 7 hops species. The species requires less water for its raw materials of malting barley and hops, which reduces its environmental impact during the development process. Thanks to its certified seeds, Anadolu Efes has also increased agricultural productivity, farmers' profitability and welfare.



Adel Kalemcilik and Safe Production

Investments in R&D also provide an opportunity to ensure safety in production processes. Adel Kalemcilik has developed new brighter and more potent paint formulations by using alternative resin instead of nitro cellulose raw materials. Though commonly used as paint ingredients, nitro cellulose raw materials are

highly flammable and explosive and pose a high occupational safety risk. Established with national and international collaboration, Adel Kalemcilik R&D center was founded in 2019 with a total investment of TRL 1.5 million and support from TUBITAK-TEYDEB. With this project, Adel Kalemcilik has made significant progress in occupational health and safety, reducing raw material costs and generating a revenue of almost TRL 2.5 million in the process.



Support for Entrepreneurship Ecosystem

Strengthening corporate entrepreneurship muscles and incorporating innovative ideas and perspectives into business processes are the key factors for the future of our business. Through its internal resources, the business world reveals information with high added value, creating a significant competitive advantage. At Anadolu Group, we endeavor to utilize the different perspectives and innovative ideas of our employees by creating a space for corporate entrepreneurship. In this context, we leverage the innovative perspectives of the employees with different programs across our Group and companies.

Bi-Fikir

With Bi-Fikir ("An Idea"), a corporate entrepreneurship platform that is active within Anadolu Group since 2015, all Group employees can develop their creativity both as individuals and as teams, while enhancing the organizational culture that learns and creates innovative ideas. With Bi-Fikir, employees can explore ideas on various subjects such as new products, services or technologies, efficiency, cost reduction, digital transformation, stakeholder satisfaction, sustainability, occupational health and safety, motivation, communication and social responsibility. We evaluate the project ideas shared via Bi-Fikir on the criteria of benefits, innovation and applicability. By implementing the selected ideas, we ensure that the respective innovators embrace the business processes and benefit the Group.

As of 2019, we have collected a total of 28,772 ideas and implemented 4,707 quick applications and 1,439 projects. The efforts resulted in the Group companies creating TRL 592 million worth of value and created strategic and process improvement opportunities. In addition to the new products added to the Group companies' portfolios, the Bi-Fikir platform also led to production innovations such as functional production robots created by employees.

With Bi-Fikir,

we have collected a total of **28,772** ideas and implemented **4,707** quick applications and **1,439** projects, creating value worth TRL **592** million.

Our goal is to position Bi-Fikir as an open innovation platform by expanding beyond its in-house roots and sourcing creative ideas from external sources. We began by involving university students in the process. We merged Bi-Fikir with Anadolu Group's campus brand "Plan Your Career at Anadolu Group" (KAP) and made it available to university students. Thanks to Bi-Fikir KAP, we have facilitated the realization of ideas that are not yet integrated in commercial processes, but have significant potential to create value. Students can communicate their ideas via www.kap.bi-fikir.com platform.

In 2019, a total of 313 project proposals were submitted to Bi-Fikir KAP from 164 departments of 110 universities. The IT platform welcomed 621 students as members. We provided training and mentoring support to the owners of nine projects selected among 17 projects that reached the semi-finals stage at the Bi-Fikir KAP Bootcamp. The highest-ranking projects were shared with the participants at Anadolu Group Bi-Fikir Festival. We implemented five of the nine projects that participated in the innovation camp and offered jobs or internship opportunities to four of the 18 project team members



Anadolu Efes Supports Entrepreneurs

Anadolu Efes supports young entrepreneurs on various platforms.

- **Accelerate2030 Program:** In 2019, the group became the main Turkish supporter of the Accelerate2030 Global Social Entrepreneurship Program where the initiatives that contribute to the Sustainable Development Goals are selected and supported. In the program carried out in collaboration with the United Nations Development Program (UNDP) and Impact Hub, Biolive was the sole initiative representing Turkey in the global finals. Biolive produces bioplastic from olive seeds and continues to work on eco-friendly service delivery materials.
- **Anadolu Efes Startup Mentors:** A mentor team of 70 employees provides mentoring to young entrepreneurs in their areas of expertise.
- **Anadolu Efes Venture Workshop:** Anadolu Efes employees can record their entrepreneurial ideas in the Workshop's project database. Every year, 10 employees receive the chance to join the Anadolu Efes Venture Acceleration Program. In the Venture Acceleration Program, project owners establish their teams and work on their ideas with experts and mentors. Those who successfully complete the program advance to the next phase: The Incubation Program. In this phase, employees will carry out a pilot project within three months. After completing the necessary tests, their projects will be ready for their debut.
- **ITU Çekirdek:** Listed among the top-five incubation centers worldwide since 2018, ITU Çekirdek annually funds three different start-ups with Anadolu Efes Special Award as part of its Big Bang Start-Up Challenge and provides voluntary mentoring with its employees.



R&D Centers

We value the information generated at R&D centers to make our R&D operations corporate and sustainable. R&D centers are a key part of our success in the industries in which we operate. At these centers, we focus on responding to global trends that affect the business world and producing knowledge and technology that will help our industries develop in areas subject to regulations. Various R&D activities are conducted in the Group companies within our organization. The R&D Centers of Anadolu Isuzu, Anadolu Motor, Migros, Anadolu Etap and Adel Kalemcilik invest in the future of their respective industries.

Our R&D Centers

Anadolu Isuzu has been creating added value in the automotive industry since 2009 with one of Turkey's first registered R&D centers. It contributes to sustainable transport solutions by developing innovative ideas in various fields, especially for new transport trends; different solutions to the needs of the public transport of the future; new designs; vehicles with low-emission and environmental impacts; electric and autonomous technologies; weight reduction in vehicles; system optimization; passenger comfort and welfare.

Anadolu Motor achieved the R&D Center status with the approval of Ministry of Science, Industry and Technology on February 2018. At the R&D Center, it aims to bring in products to the sector that make farmers' lives easier, develop innovative and economic diesel engines.

As the first and only company in Turkey to receive R&D center status in the food retail industry and with its cooperations at Silicon Valley, Migros is developing next-generation retail practices.

Anadolu Etap is investing in the future of the agriculture industry and bringing Industry 4.0 and Agriculture 4.0 practices to our country with its 2 R&D centers located in Mersin Plant and Tahirova farm.

Adel Kalemcilik aims to bring innovation to the industry and pioneer the industry's transformation and development with its R&D center.



Digital Transformation

Today, technologies such as big data, artificial intelligence, robotic technologies, the Internet of Things (IoT), blockchain and cloud storage continue to transform everyday life and business models.² Companies that implement digitalization gain a significant competitive advantage. Similarly, those who convert production and supply processes can achieve greater productivity in their business processes and gain the flexibility to respond to the changing preferences and expectations of consumers. In parallel with this change, digital competencies in companies must also be improved. It becomes necessary for companies to produce customer-oriented solutions that utilize digitalization to maintain their competitive edge and understanding of the customer.

At Anadolu Group, we define digital transformation as a “technology-enhanced business transformation” that will make our entire business more effective, efficient and create more value. In this context, we are investing in digital technologies in our own business processes and activities. We focus on increasing the data we obtain and using it in the most accurate way. We also aim to improve the competencies that will impact our business results by using data more effectively.

Digital transformation is also a major tool in customer orientation. We continuously monitor the satisfaction and expectations of our customers and strive to provide them with the best service. We develop projects to improve customer satisfaction and implement new technology solutions to better understand their changing needs. This way, we can provide them with value-added products and services by assessing the customer all around. We will continue to lead the competition by offering value-added products and services.

We achieved significant improvements in Group companies through our productivity efforts using digital technologies in our own business processes. In 2018, we entered a strategic cooperation with IBM to transform our IT infrastructure, which is a key component in business transformation work and developed Anadolu Group IT infrastructure and application services. Thanks to this transformation, we have consolidated and virtualized our infrastructure and systems. In doing so, we have leveraged cloud technology to become more agile, save energy and management efforts and reduce costs. We have also implemented solutions for virtual workforce utilization and robotic process automation for recurring jobs. Through these measures, we are moving towards jobs where our human capital is freed up to create more added value. We focus on improving the competencies of the IT organization, collaborate with leading universities and techno-cities in Turkey and develop our digital ecosystem by creating collaborative models with dynamic structures, such as start-ups.

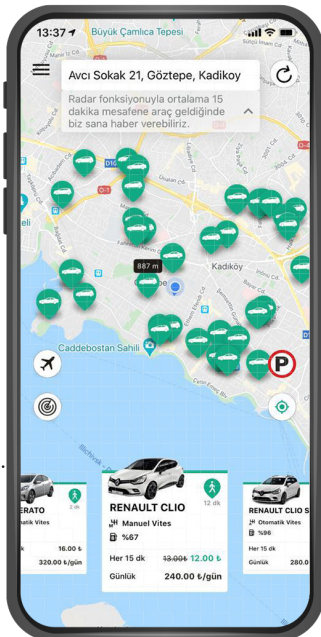
Digital Purchases and Sales with ikinciye.com

Since 2014, ikinciye.com has provided its customers with online vehicle purchases and sales and has carried out three other major digital projects to improve customer experience. The first was Carwizz, a pricing engine with an intelligent algorithm that feeds itself with new incoming data. With this service, customers can question the average market value of the vehicle they are considering buying or selling. It also features a minimum price structure, which was realized to assure sellers in the digital environment. This has improved the experience for customers looking to sell their cars, but who do not feel safe in the digital world. Placing the same emphasis on the experience in the buying customer segment, ikinciye.com has implemented an automatic proposal structure that allows customers to save time and exercise more control.



Transition to the Sharing Economy with MOOV by Garenta

Çelik Motor established MOOV by Garenta to develop a solution to the traffic problem and encourage the development of the sharing economy by utilizing more shared vehicles. Using digitalization, an hourly single-use business model was created for sustainable urban transportation with smart vehicles and vehicle sharing. Users can use the app to digitize all processes, from contract to lease and to view and rent the nearest vehicle using their phones. They can open the doors of the vehicles they receive (fuel and insurance included) and end the service with their smartphones. MOOV continues to provide services in a wide area, including Istanbul and Izmir.



KIAFAN Premium Loyalty Program

Leveraging digitalization, KIA has implemented the KIAFAN Premium Loyalty Program to ensure customer loyalty and satisfaction. Fully integrated with the CRM system to better familiarize and follow up with KIA customers, the KIAFAN program instantly updates all kinds of transactions and changes made by users in the CRM system. In addition, KIA customers can hear about and benefit from special offers and opportunities, follow up on the maintenance and procedures of their vehicles and track the alerts for future procedures on their mobile phones.

KIAFAN
PREMIUM



KIA Video Calls

KIA offers video calls with sales consultants through their website or on mobile devices for those looking for more information on KIA models. Users who visit KIA's official website, www.kia.com.tr, can make video calls with the sales consultant by selecting their nearest or preferred dealer. This application is also available to those who own a KIA and wish to directly consult the dealer about their vehicle. The vehicle purchase process can also be initiated following a video call with the sales consultant made via the KIA Online Showroom. After selecting their desired model, the consumer can sign the contract at any point. This way, vehicles can be purchased online without visiting a dealership.



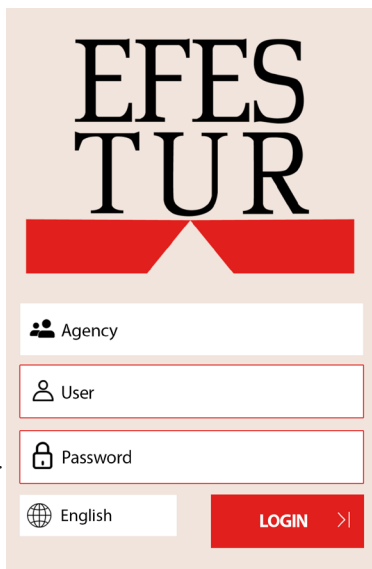
Contributing to Wellbeing with Migros Mobile

Migros has integrated its retail and online experiences through digital transformation and now offers its customers the retailing approach of the future. By analyzing customers' purchases through Migros Mobile with the WellBeing Journey project, Migros identifies the missing food groups according to the balanced nutrition table and offers relevant products to customers at a discount. In doing so, Migros utilizes digitalization, deepens its data analysis and collects its results so that it directly contributes to the balanced nutrition of its customers in the best way possible. The Migros Mobile application includes informative tips on active lifestyles, oral and dental health, water consumption and sun protection. It also contains interactive content such as a step counter, water drinking reminder and tooth-brushing reminder.



Migros received seven international awards for its WellBeing Journey project. WellBeing Journey was also presented as an exemplary project at the global retail summits in Lisbon, Berlin, London, Tokyo, Warsaw and Monaco in 2018 and 2019.

Digital Transformation in Efestur



Efestur has launched a digitalization project that facilitates the digital sales of services such as flight tickets, accommodation, car rentals, airport transfers and dynamic travel packages. Since it is integrated with the travel management systems of other companies, the project also facilitates reservations that comply with corporate travel policies. The project offers fast and simple access to all corporate and individual customers, competitive prices and reporting opportunities.

Adel Club

Adel Kalemcilik has created a portal through which retailers can order products 24/7 without help of any sales representatives. With this portal, Adel can communicate with its customers and ensure loyalty throughout the year. The company can also announce special offers and news via this portal. The Adel Bonus System in the Adel Club incentivizes customers to regularly visit the website.



Responsible Value Chain

Anadolu Group products and services are produced in an extensive value chain that reaches many countries. We want to pass our reputation on to future generations and provide the best services and products to everyone. We act with responsibility in our value chain, which has a large sphere of influence. We aim to strengthen our stakeholders in this chain. Our priority is providing safe, high-quality products and services to our customers. In line with our focus on responsible resource management and procurement, we emphasize our core value of transparency in our supply network and realize procurement by respecting nature and the environment.

We work with approximately 26,000 suppliers across the Group, 80% of which are local. We position our suppliers as business partners in our wide operation network and through them, contribute to local development and the economy. To ensure they adopt our business models and spread our value approach, we evaluate the suppliers based on their competencies, quality and sustainability approach in providing the products and services we need, rather than making cost our sole consideration. We take the suppliers' commitments to comply with ethical principles.

We work with approximately

26,000 suppliers, **%80** of which are local.

The value chain is characterized primarily by agricultural practices due to the nature of the Group companies. In this context, we support sustainable agriculture that brings no harm to the environment, human health or animal welfare; protects natural resources; establishes traceability and sustainability; and ensures food safety.

Sustainable Value Chain at Anadolu Efes

Anadolu Efes has production units in six countries and exports its products to more than 70 countries. The company aims to empower all the stakeholders in its value chain that covers a large impact area, sustain the land that is the source of raw materials, protect its customers and consumers and always offer safe, high-quality products. The company supports local socioeconomic development by implementing joint projects with its suppliers and dealers.

Support for Sustainable Agriculture and Farmers

Anadolu Efes' sustainable agriculture practices are based on securing the raw materials' supply and supporting local development by empowering farmers. Besides, the company aims to protect the soil and today's resources for future generations by reducing the environmental impact of agriculture. The company encourages planned and efficient agriculture by implementing the Contract Farming Model. The company supplies certified seeds, which are developed at its R&D facilities, to its growers so that it can avoid external dependence on seeds. These seeds enhance agricultural productivity and increase farmers' profitability and, thus, their prosperity. Furthermore, the company provides farmers with training and funding for sustainable agriculture techniques.



Migros Good Agricultural Practices

Migros Good Agriculture offers sustainable agriculture production that brings no harm to the environment, human health or animal welfare; protects natural resources; establishes traceability and sustainability; and ensures food safety. Every stage of production with Good Agriculture is recorded to ensure that various criteria are complied with. These criteria include the selection of the seed, environmental impact of the production and the effects of the pesticide and fertilizer on the health of the worker. Initiated in 2010 under the auspices of the Ministry of Agriculture and Forestry, the Good Agricultural Practices (GAP) standardizes and supervises records such as soil and water analysis of fruits and vegetables, certifies controlled and registered production, standardizes production and requires waste management compliance.

As the first retailer to offer fruit and vegetables produced in this standard at its stores, Migros supports its suppliers and their producers with consultancy, training and incentives to expand and develop the GAP standards. With a production that goes through 224 control points for fruits and vegetables and 317 control points for animal production, the Good Agricultural Practices constitute a standard in Turkish food retailing as an agricultural model that is socially viable, economically efficient and protects the health of people, animals and the environment. Cooperating with an EU-approved farm since 2017, Migros now provides its customers with GAP-certified raw milk for the first time.

Migros obtained 336 GAP certificates for 102 fresh fruit and vegetables and supplied 812,114 tons of GAP-certified fruits and vegetables from 2010 to the end of 2019. In 2019, 100% of its chicken and turkey products were produced in compliance with the GAP procedures and principles. Additionally, 857 tons of GAP-certified raw milk was sold.



Anadolu Etap Precision Farming Practices



As Turkey's largest fruit grower and fruit juice produce, Anadolu Etap uses innovative agricultural practices and modern technologies to produce high-quality, sustainable and safe food at every stage of its production processes. Precision farming practices increase sustainability and efficiency in business processes. While these technologies provide benefits for land preparation, weather monitoring, disease and pest epidemics, they also reduce water, agricultural input and energy usage.

Anadolu Etap engages in Precision Agriculture with its R&D efforts based on different fruit types and grows 150 varieties of nine fruits. It works on hundreds of fruits and varieties at development farms. It uses advanced agricultural tools in all processes, from sowing to harvesting and implements innovative technologies in its business processes such as Anti-Frost Systems, Remote Controlled Irrigation

Systems, Treatment Systems, Biotechnical Control Methods, Agricultural Machines Equipped with Sensors, Greenhouse Installations and Field-to-Fork Tracking Systems. It continuously monitors the meteorological situation with sensitive climate satellites and weather-monitoring stations to anticipate and develop solutions for potential problems such as crop diseases. Also, smart watering and fertilization systems, IoT technology-based heat, moisture, temperature equipments, artificial-intelligence based fruit selection/classification machines, automatic frost repellent fan systems and ERP softwares that supports it are used. It uses high-tech mechanisms in all processes, from land preparation to harvest and implements GPS-assisted practices for land leveling.

In line with its vision of leading the development of agriculture and agricultural industries, investments have reached \$350 million in the last eight years. The majority of these investments consist of the smart agricultural technologies at its farms and factories.

Anadolu Group Information Technologies Shared Supplier Service Management Platform

A shared-management platform was established to provide and report supplier and service management for Anadolu Group companies' Information Technologies (IT) services in the most efficient and effective manner. IT service management processes for each company were adapted to manage the IT suppliers of companies through this platform. This way, performance assessment and evaluation was enabled on a supplier basis and service management reporting was moved to a common infrastructure. This ensured that the service level and costs are controlled by recording the services and efforts of the suppliers. The project also enables adaptation to non-IT business processes.





**Standing Strong with
Our Employees**

Standing Strong with Our Employees

Every industry is affected differently by global trends such as technology, digitalization, population growth and changing consumer behavior. As a Group that operates in nine sectors, it is crucial to have well-equipped and qualified human resources with the necessary competencies to respond to these changes as accurately as possible. As of the end of 2019, our direct employee number has reached to 58 thousand. We provide employment under the roof of Anadolu Group for nearly 80 thousand people, with the indirect employment we created.

We draw strength from our employees to maintain our competitiveness in every industry and stand out with our innovative practices and grow stronger together by supporting their development.

We provide a fair, egalitarian and inclusive work environment for our employees. We support the personal and professional competencies of employees through various development and training programs. We take great care to create a participatory corporate culture where employees can share their opinions. Anadolu Group Working Principles guide us by providing the core values of working life.

With the support we provide for the employee development with our talent management approach and our egalitarian and diverse work environment, we support the **Sustainable Development Goals of Quality Education (4), Gender Equality (5), Decent Work and Economic Growth (8) and Reduced Inequalities (10)**.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Achieve gender equality and empower all women and girls



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Reduce inequality within and among countries

Equality and Diversity

Fighting all forms of discrimination, giving equal rights to employees and ensuring diversity in business life contribute greatly to sustainable development. Anadolu Group focuses on equality and diversity with its strong values and established corporate culture. We strive to provide equal opportunities in all industries in which we operate. In line with human rights and fair working conditions, which are among our material issues, we ensure equality in working life and respect for diversity. Thanks to our fair and reliable work environment, we have observed an increase in employee loyalty. Our Group companies are taking their places among the most preferred brands.

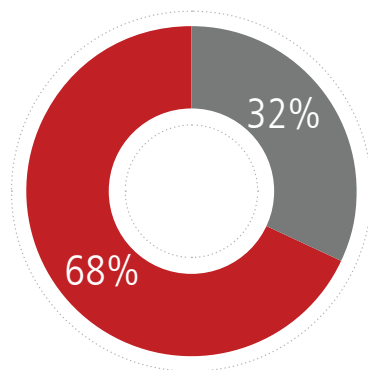
In line with the Anadolu Group Equal Opportunity Principle, we do not allow any discrimination against our employees based on age, gender, race, religion, language, ethnicity, sexual orientation, disability and political views, especially in recruitment processes. In addition, we are signatories to the Declaration On Equality at Work, prepared under the leadership of the World Economic Forum and Republic of Turkey Ministry of Family and Social Policies which resolves to reduce the economic participation and opportunity gap specified in the Global Gender Gap Report 2012 by up to 10% in the next three years.

We strive to increase women's participation in employment and monitor our progress by setting goals. 32% of our 57,933 direct employees across the Group consist of women. The ratio of women in managerial positions is 31%. We offer flexible working opportunities for female employees to ensure they may balance their work and private lives during and after maternity. In 2019, 90% of our female employees which took maternity leave returned to work.

%32

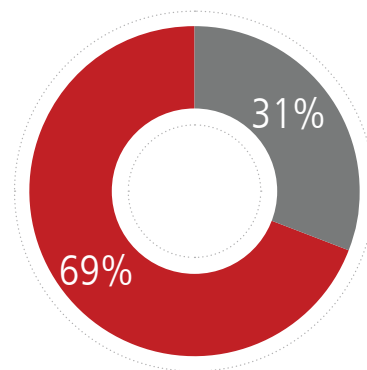
of our employees and **%31** of our managers are women.

Employees by Gender



Female Male

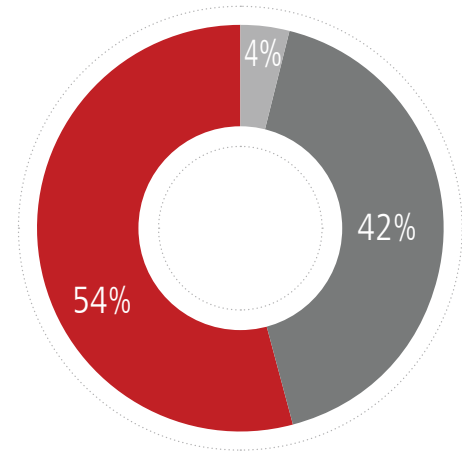
Employees in Management by Gender



Female Male

We believe in diversity and inclusion in the workplace and improve our performance each year with the approaches we develop accordingly. As of 2019, we employ 1,438 disabled employees. In addition, the Group adopts the principle of managing with a shared wisdom that involves different generations. The work environment has four different generations working side by side. Of these, approximately 42% consists of those under 30, 54% consists of those aged between 30 and 50 and 4% consists of those over 50. The representation rates of those working in management are 24% for those under 30, 71,5% for those aged between 30 and 50 and 4,5% for those over 50.

Employees by Age



■ Below 30 ■ 30 to 50 ■ Over 50

Accessible Website

We have made our corporate website more accessible by using digitalization to facilitate access and communication. We have implemented accessibility functions to streamline the browsing of our Anadolu Group corporate website for people with disabilities.

Accessible Migros

As part of the “Accessible Migros” project, where Migros offers exclusive services for its disabled and elderly customers, the Migros Sanal Market (e-commerce channel) website and the mobile application have been synchronized with the narrator programs used by the visually impaired. In addition, 350 Migros and Macrocenter stores in 55 provinces have at least one employee familiar with sign language to assist the hearing impaired. Migros and Macrocenter stores have ramps and railings for wheelchair access and their aisles are designed to allow access for wheelchairs. The stores provide wheelchairs to senior citizens and at least one cashier’s desk is designed to give priority to people in wheelchairs. If a disabled or elderly customer requests help in an Accessible Store, an employee will accompany and assist them throughout their shopping.



Talent Management

It is crucial that our Group achieves its strategic goals and implements an effective talent management strategy to provide a competitive advantage in the industries in which it operates. Young employees who have recently joined business life have particularly different expectations than other generations regarding technology use, the balance of work and private life and the social impact of the organization they work with. Accordingly, we design the human resources processes in a digital format with next-generation work environments and procedures. We change the training and development processes in line with the development needs of the new era and leverage technology in the training process. Through our efforts in the field of talent management, the prime focus of our group, we have created a work environment where current employees develop their competencies and make long-term career plans and an environment that attracts the next generation of talent.

We follow the Career Management Training and Development procedure for the organization and implementation of career and training plans across the Group. We implement employee development and performance management practices and implement annual improvements to ensure these practices meet changing employee expectations and needs. We provide career planning system and organize training programs to help realize employee potential.

Group key focus areas and priorities are defined each year with common sense and each group company build their yearly strategies on top of these areas. These strategies are then transformed into implementation plans and cascaded to each individual. One formal meeting is planned during mid-year for employee and line manager to have a discussion and if needed revision over the goals. The Performance Management is a dialogue based process with main focus on continuous feedback and the achievement of common goals.

We are aware that the digitalization of human resources processes is strategically significant for adapting to rapid global changes. Therefore, we design innovative digital solutions within the Group to ensure that employees create career plans that meet their goals. Through the **AG People First** digital human resources platform, we keep the profiles of the employees up to date and ensure that they follow the job postings published within the group. Anadolu Group companies also manage the recruitment, performance management, succession planning and development activities through this system. In addition to these activities, we aim to complete the project we initiated to digitally monitor the training processes in 2020.

We protect the fundamental rights of our employees in Anadolu Group and implement fair compensation policies. Each company shapes remuneration policies in consideration of various market data and ensures fair management through job evaluation processes. In addition to the remuneration policy implemented across the group, we offer benefits such as private health insurance, sports packages and gift certificates. These may include employees' families, though this varies between companies. We make decisions based on organizational needs, paying attention to the experience, knowledge, ability and position of the employees in selection and promotion processes.

Employee Development and Training

Supporting the personal and professional skills of the employees through training, development and leadership programs contributes to the development of qualified human resources who play an important role in achieving the company's goals. The first step of the personal and professional development process of employees starts with the Individual Development Plan within the scope of the Training and Development Procedure. Enriched with various development tools such as coaching, rotation, classroom training, workshops, e-learning, the development plan is a process where the employee is guided by their line manager.

We refer to the Anadolu Group Competency Development Guide in the development plan. The effectiveness of each individual development tool is monitored in the periods determined with Assessment Tools and reported to the relevant human resources department.

The career-planning process takes place with a series of meetings held twice a year across our group. Organisational Development Meetings start at company level and finalized in group senior management level. Agenda of these meetings are reviewing succession plans, calibrating high-potential employees, action planning referred to future challenges and opportunities in talent management and assessing individual development and career plans.

Individual assessment center results are analyzed and data generated by the responsible human resources department prior to the Organisational Development Meeting. As a result of these meetings action decisions are taken either related with the company or the department or the individual. All decisions taken during Organisational Development Meeting are implemented by relevant company human resources and also followed up at group human resources level.

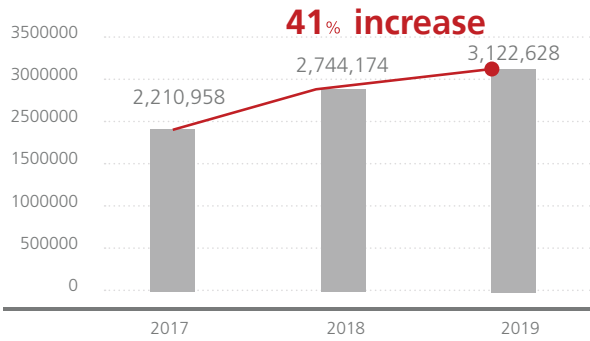
The AG Academy digital training platform has provided training and development opportunities to Anadolu Group employees in Turkey since 2015. With this Platform, which includes different contents in forms of e-learning and classroom training programs, webinars and etc., we cooperate with the world's leading universities, online platforms and support employees' development journey.

In 2019, we launched the **"Development Dialogues" Program**. This covers senior management across the group. Our aim is to further support our executives' common strong and development areas, increase the communication and collaboration within the senior management and promote feedback culture across the company.

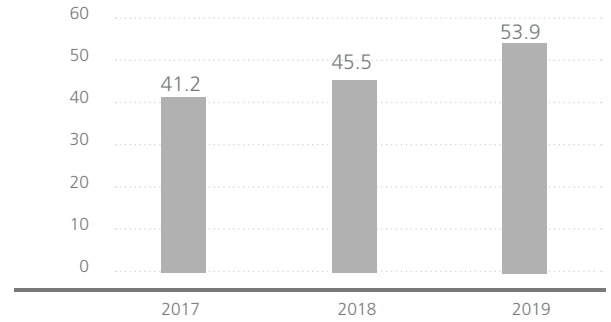
In 2019, during the renewal project of the AG Academy, we introduced micro learning to our employees with two new tools called **"Journey"** and **"HergünÖğren"**. These tools are new generation learning opportunities where you receive summarized information regularly every day.

The hours of training provided by Anadolu Group and its companies in 2019 increased by 41% compared to 2017, reaching approximately 3.1 million people-hours. Training hours per employee increased by 31% to 53.9 hours in the same period. Our training programs, which aimed to increase the sustainability competence of employees and raise environmental awareness, increased by 82% to 76,295 person-hours.

Total Annual Employee Training Hours



Employee Training Hours by Year



Training hours in 2019 increased by •

41% compared to 2017, reaching approximately **3.1 million** people-hours.

We support filling open positions with employees from within the Group to ensure that the talent is utilized within Anadolu Group. With the **"Open Position Posting"** system, we first announce vacant roles within the Group and collect applications from Anadolu Group employees. With this system, we support employee development and provide a career map with different options for our employees.

To ensure that the Group is recognized as a preferred employer by students and young professionals, we organize online and offline campus activities under the Plan Your Career at Anadolu Group (KAP) program. **With the Chief Young Officer (CYO) program**, which is a structured internship program that has been active since 2016, we provide participating students with the opportunity to gain work experience in group companies and present CYOs with opportunities for open positions after graduation. With the program, we aim to create volunteer brand ambassadors on campus by increasing our awareness among young talents, fill positions with the best-suited candidates and develop a culture that is receptive to learning and teaching by developing the organizational skills of managers who will coach CYO participants. Since 2016, 60 students have been in this program. Seven of them have started working at Anadolu Group full time.

Anadolu Foundation Mentoring Program supports the personal and professional development processes of Anadolu Foundation scholars with the voluntary participation of 92 different organizations, including primarily Anadolu Group professionals and Automotive Suppliers Association of Turkey (TAYSAD), Automotive Parts and Components Organized Industrial Zone (TOSB), Turkish Fruit Juice Industry Association (MEYED) and Nielsen Turkey. The seven-year program has included about 1,000 mentors and mentees and has provided over 54,000 hours of individual mentoring support.

Employee Engagement and Volunteerism

At Anadolu Group, we offer a participatory work environment based on bilateral communication where the opinions of employees matter in designing human resources processes. We regularly conduct employee engagement surveys to receive feedback from employees of Anadolu Group and its companies and make improvement in areas where employees are affected. Last engagement score of overall Anadolu Group from the survey conducted in 2019 is 78%.

We aim to develop organizational memory by utilizing the power of digitalization to increase the communication between the Holding and the group companies. We established **AGenda**, a digital internal communication platform, to empower group companies to increase communication with each other. Designed to share the Group's development with future Anadolu Group generations, the platform has assisted with the development of the Group's organizational memory since 2017. We share with AGenda the current developments regarding Group companies online. This platform is also a digital archive that allows former and new employees to access information about our Group. The platform helps spread the corporate culture and creates a sense of belonging, while attracting young employees with digitalization. The project saves time by providing employees quick access to information. It also increases productivity with content management by supporting potential collaborations between Group companies. With AGenda, we also aim to increase the interaction for social media posts by the group companies. We provide access to the links (websites, blog addresses, mobile applications) of the platforms of all group companies in the digital environment through a single platform. In addition, we contribute to the continuity of our shared wisdom by posing questions to our employees through the survey module on the platform. We also provide our employees with up-to-date information about our Group through the digital content we share on 56 different screens at Anadolu Group Headquarters.

Bi-Fikir

Bi-Fikir ("An Idea"), the digital innovation program where Anadolu Group's domestic and international employees exchange ideas, has completed its fifth year. Bi-Fikir, which was launched to create new business areas and ideas, created a value of TRL 592 million by realizing 6,146 of the 30,088 ideas collected between 2015 and 2019. We support the ideas of university students who have been pursuing their dreams with the Bi-Fikir KAP program since 2018. The project owners who were successful with Bi-Fikir KAP also received career opportunities in Anadolu Group.

More information on the Bi-Fikir project can be found in the R&D and Innovation section.

Employer Awards for Migros

Migros was named the most favorable company in the retail industry in the 2019 Most Favorable Companies survey conducted by a consulting firm. In addition, Migros won the Bronze Stevie Award in the Best Youth Employment category at the Stevie Awards for Best Employer Brand for its Smart Long-Term Internship Program.



McDonald's Quiz Show

McDonald's held a Hot Hamburger Quiz Show to boost the motivation of its employees and managers, support the establishment of a happy working environment and increase employee creativity. The quiz show tested knowledge on different subjects such as general culture, restaurant procedures and information about Anadolu Group. The last five remaining restaurants received awards.



Coca-Cola İçecek Volunteering Program

It is crucial that employees carry out projects on a voluntary basis to increase their social sensitivity and create social benefits. Volunteering projects also support the development of the corporate culture.

Launched within Coca-Cola İçecek in 2013, the CCI Volunteers initiative carries out different projects with local communities every year. The CCI Volunteers initiative carries out projects such as environmental cleaning, planting saplings, providing supplies to the needy and building schools. This initiative spread throughout the CCI in 2017 with the establishment of the CCI Volunteering Program. As part of the Program, which primarily operates in Turkish operations, 2,820 volunteers have reached 405,000 people with 32 different projects in various cities since 2017.



Anadolu Foundation "Books for Kids" Project

Anadolu Foundation has been carrying out the "Books for Kids" project, which has united all employees as social entrepreneurs in the countries in which the Group operates since 2014. With the project based on employee volunteerism and donations, social assistance is provided in every area necessary, including schools in rural areas, Women and Family Support Centers, Violence Monitoring and Prevention Centers and earthquake victims.



Occupational Health and Safety

At Anadolu Group, we consider it a necessity to provide a work environment where employees feel healthy and safe. We know that occupational health and safety (OHS) plays an important role in protecting human rights and ensuring fair working conditions, which is one of our material issues. We comply with the local laws and legal regulations of all the industries and regions in which we operate in terms of OHS and comply with national standards in accordance with the ISO 45001 Occupational Health and Safety standard to advance our OHS practices. AG Anadolu Group Holding and its group companies of Anadolu Efes, Coca-Cola İçecek, Migros, Anadolu Isuzu, Anadolu Motor, Anadolu Etap and Adel Kalemcilik all follow the ISO 14001 Environmental Management standard, while Anadolu Efes, Anadolu Motor and Anadolu Medical Center aim to transition from the OHSAS 18001 Occupational Health and Safety standard to ISO 45001 in the coming period. Migros, Anadolu Isuzu, Adel Kalemcilik and Anadolu Etap transitioned to ISO 45001 in 2019. All Coca-Cola İçecek factories are OHSAS 18001-certified. The transition to ISO 45001 was initiated in 2019. Thus far, two plants have made the transition. The transition to ISO 45001 will be completed when the certification period for the other factories is renewed.

The Head of Human Resources at Anadolu Group is the highest-level manager responsible for occupational health and safety, and reports to the Chief Executive Officer. OHS committees are established across Anadolu Group to manage OHS issues. Boards consisting of employers, occupational safety experts, workplace physicians, human resources officers and employee representatives have responsibilities such as establishing the OHS internal regulation, planning and issuing OHS training, determining risks and measures and conducting investigation and inspection in the event of an accident. Based on their field of activity, these boards convene once a month, every two months and every three months on an absolute majority basis to make decisions on occupational accidents, emergency action plans, risk assessments and OHS training.

In 2019, we provided 420,392 person-hours of OHS training in general, health and technical subjects to Anadolu Group employees. Total OHS training per employee was 7.3 hours. On the first day of work, in cases of workplace or job change, or change of work equipment and adoption of new technology, we repeat the training in areas such as labor legislation, employees' legal rights and responsibilities, reasons for occupational diseases, first aid, safe use of work equipment and health and safety signs. During the reporting period, we selected occupational health and safety risks of earthquakes and other natural catastrophes as the training subject and focused our Group-wide training programs on this subject.

In 2019, we provided

7.3 hours of OHS training per employee.

In line with our occupational health and safety approach, we are extending our practices throughout the value chain. We carry out OHS audits and training for active subcontractors. In 2019, we provided 58,691 hours of OHS training to subcontractors.

Many OHS procedures have been implemented across the Group. These primarily include subjects such as earthquake and fire emergency instructions, waste management procedures, chemical and material safety information documentation and the handling procedures of commonly used engines and machines.

AND Gayrimenkul Happy Workers Platform

The Happy Workers Platform established by AND Gayrimenkul aims to improve the occupational health and safety culture within the company. The project covers various practices such as the OHS Rewarding and Instant Surprises Systems. The OHS Reward System rewards construction site workers for their exemplary behavior in OHS and supports the establishment of a safe work environment, while the Instant Surprise method improves the communication between teams with monthly surprises on a day determined by the project and construction team. Thanks to these actions, no fatal incidents occurred in the last three years and only one occupational accident was registered.



Coca-Cola İçecek Hand-in-Hand Safety Program

Hand in Hand Occupational Safety



The Hand-in-Hand Safety program launched by Coca-Cola İçecek in 2016 aims to standardize all occupational health and safety practices and initiate a cultural transformation. The program first determines the applications with the lowest security level before creating a correct and preventive practice. Additionally, in 2019, the program focused on security culture and awareness by designing the Behavioral Security

Program, which aims to change or transform dangerous behavior into safe actions. Following 2019, the digitalization of OHS and the reassignment of trivia games such as CCI Trivia as training tools for OHS are in line.



**We Create Value for
Society**

We Create Value for Society

As one of the biggest drivers of the Turkish economy, we are undertaking social investments that create common values to support sustainable development. The Group carries out projects in various fields including education, health, agriculture, tourism, sports, culture and arts and gender equality with group companies, particularly social organizations such as Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club.

With our view to create values for society, we contribute to several Sustainable Development Goals, including **Zero Hunger (2)**, **Good Health and Well-Being (3)**, **Quality Education (4)**, **Gender Equality (5)**, **Decent Work and Economic Growth (8)**, **Reduced Inequalities (10)** and **Partnerships for the Goals (17)**.



2 ZERO HUNGER
End hunger, achieve food security and improved nutrition and promote sustainable agriculture



3 GOOD HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for all at all ages



4 QUALITY EDUCATION
Ensure inclusive, equitable and quality education and promote lifelong opportunities for all



5 GENDER EQUALITY
Achieve gender equality and empower all women and girls



8 DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



10 REDUCED INEQUALITIES
Reduce inequality within and among countries



17 PARTNERSHIPS FOR THE GOALS
Strengthen the means of implementation and revitalize the global partnership for sustainable development

Agriculture

Agricultural investments play an important role in the Group's projects. As a timeless industry, agriculture has a unique strategic importance as the master key for global issues, including ending hunger and poverty, reducing food wastage, combatting desertification and drought and protecting biodiversity.

We are aware that there are still important steps to take in the Turkish agricultural industries. Our agriculture company, Anadolu Etap, plays an important role in the development of agriculture and agricultural industries in Turkey. Anadolu Etap is the first agriculture and food company in Turkey to develop Sustainable Agriculture Principles and integrate them into its business plans with its stakeholders. They defined employee rights, working environment, training and stakeholder relations under Social Sustainability; management systems and business ethics principles under Economic Sustainability; and soil, biodiversity, agricultural input and energy and waste management principles under Environmental Sustainability.

↓ You can learn more about Anadolu Etap Sustainable Agriculture Principles here.

Anadolu Efes has been carrying out extensive studies in sustainable agriculture for nearly 40 years within the scope of the Future is in Agriculture project. Migros, on the other hand, makes significant contributions to national agriculture. Anadolu Isuzu and Anadolu Motor also produce vehicles and equipment for use by farmers. As a group, we will continue to support agricultural initiatives while continuing to invest in this area.

Anadolu Efes "The Future is in Agriculture: Smart Agriculture" Project

Anadolu Efes has been developing barley and hops seeds since 1982 through R&D works at our Agricultural Product Development Department. It also provides funding and training programs to farmers to increase the production of these seeds. In 2018, Anadolu Efes took a further step by initiating the "Future is in Agriculture: Smart Agriculture" program with WWF-Turkey. The project aims to increase productivity in barley and hops farming, strengthen the partner farmers and reduce the environmental impact of agriculture.



As part of the project, the company introduces agricultural technology to barley and hops farmers from different provinces, from Bilecik to Kayseri, and from Ankara to Adiyaman. It provides smart and eco-friendly agricultural training. These efforts enhance the quality and productivity of barley and hops, and ease the lives of farmers and their families. Anadolu Efes placed smart sensors in the fields, allowing farmers to monitor their soil and plants in real-time, preventing unnecessary irrigation and encouraging responsible water usage. Such modern agricultural technology also helps prevent disturbances such as contamination of underground water sources caused by excessive fertilizer use and spraying.

Anadolu Etap AgroAcademy

Anadolu Etap plays an important role in ensuring women have equal participation in the workforce, gender equality and sustainable development. In 2012, Anadolu Etap founded AgroAcademy, a training platform for farmers that promotes female employment within the agricultural industry. The AgroAcademy cooperation unites general directorates, farmers, the Ministry of Food, Agriculture and Livestock, Chambers of Agriculture, universities and specific Chambers of Agriculture in concerned provinces.

In the AgroAcademy, senior engineers and academicians provide Fruit Farming and Sustainable Agriculture Training to primarily female farmer groups. Furthermore, regular training sessions are held at AgroAcademy to increase the number of qualified female farmers. To date, 875 farmers have participated in the sustainable agriculture training programs of the AgroAcademy academicians and senior engineers. Local participation in training programs was encouraged. Female farmers comprised 75% of participants. Through these programs, Anadolu Etap aims to increase the competency of female farmers, support the employment of women in agriculture, expand the Sustainable Agriculture Principles, offer new and advanced standards in fruit farming, ensure the sustainability of the ecosystem, contribute to the preservation of the ecological balance, establish a sustainable working system from farmers to producers, support regional development and subsequently, contribute to future life.



Anadolu Lezzetleri (Tastes of Anatolia) Project

Migros created the “Anadolu Lezzetleri” (Tastes of Anatolia) brand to protect and procreate Anatolia’s almost forgotten seeds. The project works to resurface, produce and distribute the special seeds that have been growing in Anatolia for centuries and yet were excluded from farming for various reasons. It introduces these traditional tastes prepared in traditional ways to new generations. In 2019, 54 Tastes of Anatolia were introduced to customers after examining local seeds and special recipes from 25 locations across the seven regions of Turkey.



Migros includes all its Tastes of Anatolia suppliers in its Supplier Development Program. It audits the production sites of these suppliers and analyzes the results. Based on analysis results, it provides basic training on legal regulatory requirements, hygiene practices, pest control practices, infrastructure conditions and so on without compromising the traditional production process. Following these trainings, it monitors supplier practices through follow-up audits and supports them in sustainable production.

Education

We believe that investing in education plays a major role in sustainable development and addressing social problems. The social organization Anadolu Foundation, established by Anadolu Group in 1979, implemented many projects to support education. Anadolu Foundation’s vision is to become a social value and donation platform that encourages investment in people, embraces common sense, has a strong social impact, manages its resources through a social entrepreneurial approach and further supports society with permanent solutions.

Education plays a significant role in Anadolu Group’s goal to create social values. Correspondingly, our group companies carry out various projects on education related to their fields of activity.

Anadolu Foundation Scholarship Program

Anadolu Foundation, established in 1979, provides non-refundable financial support for university students, who are successful in academic and social areas but underprivileged, by its Scholarship Program. Over seven years, Anadolu Foundation has received 450,000 scholarship applications through the online scholarship application platform. Over 29,000 scholarships have been awarded to 81 provinces in Turkey over 40 years. The Foundation views scholarships as a channel to reach young people and provides one-on-one mentoring for the personal and career development of its scholars.



Anadolu Foundation's "My Dear Teacher" Project

With the "My Dear Teacher" Project, launched in 2013, Anadolu Foundation aims to raise awareness through teachers and education managers, one of the most important elements of change in society. It also aims to develop creative and innovative projects and to increase the capacity of teachers and subsequently, young people in social entrepreneurship through innovative projects. Throughout Turkey, we cooperate with the Provincial Directorates of National Education to organize training activities to improve the capacities of teachers, education managers and students. Between 2013 and 2019, the company reached 80 thousand teachers, education managers and students in 50 provinces and continues to further expand its reach.



Anadolu Foundation “The Stars of Education” Project

The Stars of Education project, initiated by Anadolu Foundation in 2015, is carried out by the Provincial Directorates of National Education in all national education institutions upon governorship approval. The project aims to reward successful school projects and increase the motivation of successful students and teachers, and the educators and parents who support them, to ensure sustainable success. Consequently, the project encourages school employees, parents and other stakeholders as role models to enhance education quality in schools, instigate innovation and social entrepreneurship, and, eventually, to contribute to provincial development.



Anadolu Foundation Women of Anatolia Project



Launched by Anadolu Foundation in 2018, the “Women of Anatolia” project aims to invite women into the business world to discover their own talents and contribute to the national economy. It also aims to support women aged 18–55 in self-improvement to strengthen their economic and social position. The training program offers female entrepreneurs 14 different training topics, including financial literacy, personal motivation, personal leadership, entrepreneurship, company establishment,

support from Small and Medium Enterprises Development Organization of Turkey (KOSGEB), tax structure and social security in Turkey, innovation, occupational safety, quality and marketing. The project also provides consultancy services, training programs and workshops.

The foundation aims to help women improve themselves and develop entrepreneurial skills to better produce and contribute to the family budget. It combines traditional methods with innovation and introduces women to the concept of entrepreneurship. After Nevşehir and Samsun, the project will be conducted across different Anatolian cities.

Anadolu Etap MiÇO Project

Seasonal workers in the countryside, who depend on agriculture, are forced to emigrate to harvest products in different periods and regions. Since the income earned during their seasonal employment is their sole livelihood, all members of the family, including children, are encouraged to work. This impedes children from completing their education and raises the issue of child labor. Furthermore, since seasonal workers cannot maintain healthy accommodation conditions in their temporary harvesting destinations, they typically suffer health complications as a consequence of insufficient infrastructure and hygiene. Anadolu Etap is particularly aware of the disadvantages faced by seasonal workers. As such, we have developed the Children of Agricultural Seasonal Workers (MiÇO) project on their farms to provide housing, education and health solutions.



The MiÇO project opens schools in Anadolu Etap farms to provide uninterrupted education for the children of seasonal agricultural workers in Turkey. We coordinate with the Provincial Directorates of National Education to provide a transportation system for the children of agricultural guest workers who visit the farms in Balıkesir and Çanakkale during the school year to ensure their continuous education. Following the closure of schools, with the Public Education Directorates, it offers painting, handicrafts, music, physical education and Turkish language learning programs in the schools established on these two farms.

Adel Kalemcilik Teachers' Project



In 2019, Adel Kalemcilik launched **izbirakanogretmenler.com** website, which is an online Teacher's Platform to better support the development of teachers who will open the doors for more competent generations. The platform was developed to provide a new perspective for teachers' education models with its myriad of visionary content. The platform attracted great interest from teachers and reached 5,000 members. The unique tutorial videos and visuals on the platform allow teachers to teach course topics in the curriculum in a more interesting and creative way.

Adel Kalemcilik Children's Festivals

Adel Kalemcilik has been inviting children into the vivid world of colors and helping them paint their dreams for 50 years. With this in mind, Adel Kalemcilik hosted over 4,000 children in the Creativity Street and Free Creation Area at the first creativity-focused children's culture and art festival in Turkey. Faber-Castell was the main sponsor of the event. Children and families participated in the workshops and experience areas of Faber-Castell and enjoyed the different play workshops, interviews, performances and concerts that were organized as part of the festival.



Adel Kalemcilik Creative Children, Creative Brains Seminars

Since 2012, Adel Kalemcilik has organized activities with teachers on the importance of creativity at the Creative Children, Creative Brains workshops, which were undertaken with the Teacher Academy Foundation (ÖRAV) to improve the pedagogical development and creativity of children. The Creative Children, Creative Brains education workshops have reached 9,000 teachers and are helping improve the creativity of thousands of children.



Migros Family Clubs

Since 2018, Migros has launched Family Clubs in cooperation with the District Public Education Centers to improve the talents of women, men and children of all ages. These efforts eventually provide resources for a society that creates, adds value and develops. Family Clubs in Migros stores at 27 locations in Turkey offer vocational training and talent development courses free of charge and offer socialization opportunities for those with the same areas of interest.

These Family Clubs provide training in 92 different fields including pastry and cooking, the art of marbling, wood painting, diction, sign language, pilates, foreign language courses, photography and robotic coding.

Women constitute the majority of Family Club members. The clubs support women's active participation in life, investing in their personal development, providing them more professional opportunities and creating stronger role models for their children. The number of women who start their own businesses after employing the skills and knowledge learned at the Family Clubs and the certificates issued by the Ministry of National Education increases every day.

The Family Clubs also contribute to the development of children by offering chess, art and music lessons. Furthermore, workshops on coding, sustainability and zero waste are organized to improve children's knowledge and imagination. Family Clubs have held 250,000 training sessions over the last two years.



Coca-Cola İçecek 3.2.1. Move Project

Coca-Cola İçecek supports the physical and personal development of public school students through local projects that were developed and implemented by Physical Education teachers under the 3.2.1. Move project in Turkey, Kazakhstan and Iraq. By 2018, the project was implemented with the support of 152 PE teachers from 131 public schools in 15 provinces in Turkey. The project provided sports equipment to students, established new sports facilities and renovated existing ones. To date, the project has reached 125,000 young people. These projects provide mentoring and financial support to young entrepreneurs who focus on solving social and environmental issues through entrepreneurship activities.



Health

Anadolu Group undertakes health investments and activities through Anadolu Medical Center, reporting to Anadolu Foundation. Since 2005, with the vision of becoming the center of health, we have provided world-class health services to patients from Turkey and abroad with an expert staff and a state-of-the-art technology. We are conducting various efforts at the hospital to raise public health awareness. Anadolu Foundation provided over 600,000 free healthcare services to nearly 50,000 underprivileged citizens at Anadolu Medical Center.

Anadolu Foundation has provided over

600,000 free healthcare services at Anadolu Medical Center.

Anadolu Medical Center runs strategic cooperation with Johns Hopkins Medicine to improve education and quality. The 201-bed hospital has demonstrated its service quality with the JCI (Joint Commission International) Hospital Accreditation, OECI (European Association of Cancer Institutes) Accreditation, Planetree Person-Centered Care Gold Accreditation, ESMO (European Society of Medical Oncology) Certification and ISO Quality and Security Management System Accreditations (ISO 9001-2015 Quality Management System, ISO 14001-2015 Environmental Management System and OHSAS 18001-2007 Occupational Health and Safety).

Pink Ball in the Court with Anadolu Medical Center and Anadolu Efes Sports Club

Anadolu Medical Center highlighted the importance of early diagnosis in breast cancer treatment and reached millions of people through the “Pink Ball in the Court” social responsibility project, which was initiated in 2014 in cooperation with Anadolu Efes Sports Club. To celebrate the global Breast Cancer Awareness Month in October, each year a volunteering celebrity starts a Euroleague game of Anadolu Efes Sports Club with the pink ball air shot. Today, the Pink Ball is the symbol of early breast cancer diagnosis in Turkey. It returns to the court every October, delivering early diagnosis messages and information to millions. Partners and brands from different industries are also included in the project to expand its impact.



Sports

We have contributed to the development of Turkish basketball for many years through Anadolu Efes Sports Club. Founded in 1976, Anadolu Efes Sports Club won the FIBA Korac Cup, the first European cup in the history of team sports in Turkey, to its museum in 1996 and, in 2019, claimed second place in the EuroLeague for the first time in the club’s history. As the team that most represents our country the in European basketball cups, Anadolu Efes became the first Turkish team to reach 500 games in European basketball leagues.

Thousands of players have been taught qualified basketball in the youth teams of Anadolu Efes Sports Club, while tens of thousands kids around Turkey and the Turkish Republic of Northern Cyprus were introduced to basketball through basketball academy program. Our youth teams holding the record amongst all youth teams in Turkey with 15 Turkish Championships in U14 category, 17 Turkish Championships in U16 category, 20 Turkish Championships in U18 category and 1 Turkish Basketball Youth League Championship.

One Team

Anadolu Efes Sports Club continued its project last year as part of One Team, the corporate social responsibility program of the Turkish Airlines EuroLeague. The project was organized with 20 special athletes for eight weeks in cooperation with the Special Olympics Turkey, Beylikdüzü Municipality, and the Turkish Sports Writers Association. It aimed to create sustainable social development and awareness. The club delivered personal development skills to special athletes through the game of basketball and raised awareness by taking steps to better include them society. The 2018–2019 season project was deemed the best from over 40 EuroLeague and EuroCup projects and won the EuroLeague Gold Award. As such, they made history as the first Turkish club to win this award.



MİÇO on the Court



The MİÇO on the Court project is carried out in cooperation with Anadolu Efes Sports Club and Anadolu Etap and is a subsidiary of Anadolu Etap MİÇO project. The children of 109 seasonal agricultural workers (MİÇO) in the Anatolian Etap farms in Çanakkale and Balıkesir were offered four-week training programs on communication, teamwork, focusing and

problem-solving. Studies and surveys on training outcomes demonstrated that the MİÇOs had acquired social skills.

The Little Athletes Project by Migros

As of 2016, Migros has transformed its long-standing Special Support for Athletes with Special Needs campaign into the Little Athletes project. A portion of the income generated from Procter & Gamble products sold in Migros stores is donated to the Special Olympics Turkey to improve the coordination skills of two-to-seven-year-old children in need of special education to help them socialize with their peers. Through this initiative, 6,238 special young people and children have been introduced to sports in 16 years with the contribution of 11 million Migros customers.

Culture and Arts

At Anadolu Group, we strive to expand culture and art to all parts of society, as we believe they play an important role in social development. We support cultural activities in cinema, theater and music through our group companies.

Anadolu Efes Offers Continuous Support to Theater for 28 Years



Anadolu Efes has been supporting the Turkish theater for 28 years. Since day one (1996), Anadolu Efes has supported the Sadri Alışık Stage and Screen Actors Awards, which is the only organization in Turkey to recognize stage and screen actors. Anadolu Efes Special Award is rewarded annually to support young theater groups. In addition, Anadolu Efes supports over a thousand plays in municipal and private theaters. Zengin Mutfağı (The Rich One's Kitchen) and Westend were among the plays supported this year.

Anadolu Efes and Istanbul Foundation for Culture and Arts (IKSV) Cooperation

Anadolu Efes and the Istanbul Foundation for Culture and Arts (IKSV), a beloved institution in the Turkish culture and arts world, continue their partnership which blossomed during the 1987 Istanbul Film Festival. The cooperation scope was expanded in 2019 with Anadolu Efes supporting the International Istanbul Film Festival, Istanbul Jazz Festival, International Istanbul Theater Festival, Istanbul Biennial and Istanbul Design Biennial. Anadolu Efes continues to support contemporary artists on many platforms and at festival workshops.



Anadolu Efes Mavi Sahne



In 2018, Anadolu Efes established Anadolu Efes Mavi Sahne, a culture and art platform, to support young stage actors and theater community and enable art-lovers, especially university students, to watch quality productions at an affordable price. University students get to watch the plays staged at Mavi Sahne for TRL 15, instead of

TRL 75, which is the average price of student tickets. Established in collaboration with DasDas, Mavi Sahne hosted 4,000 university students among other theater enthusiasts during its first two seasons.

Tourism

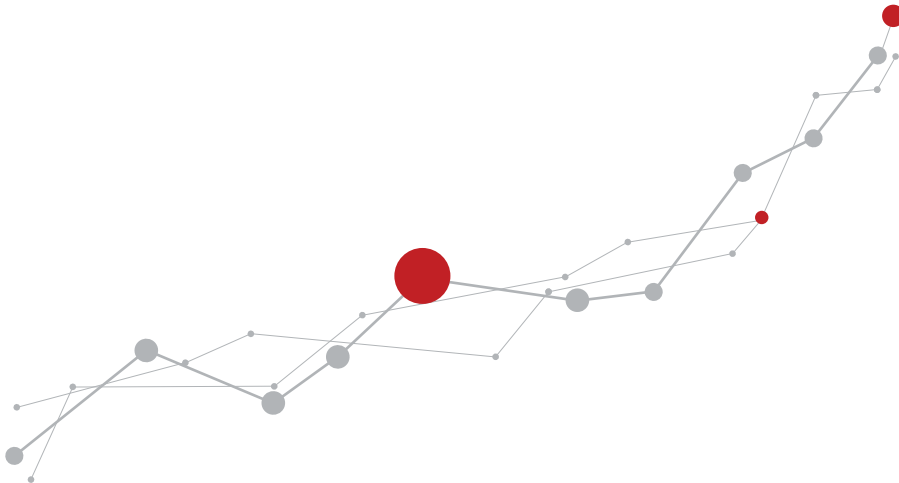
Anadolu Efes supports sustainable tourism to protect the cultural values of our country and to unlock its tourism potential. With the Future is in Tourism project, which they have carried out in cooperation with the Ministry of Culture and Tourism and the United Nations Development Program (UNDP) since 2007, aim to utilize sustainable tourism as an alternative sustainable development tool and promote entrepreneurship in the development of local role models. Sustainable tourism is a tourism approach in which cultural integrity, ecological processes, biological diversity are protected and the economic and social needs of tourists and people living in the visited area are met simultaneously.

The first five years of the project focused on the Çoruh Valley in Eastern Anatolia. Since 2013, Anadolu Efes funds three projects every year and ensures the feasibility and sustainability of projects through consultancy, mentoring and communication support. With the Future is in Tourism project, they have funded 16 projects to date, reached out to nearly 200,000 people and created direct or indirect employment for 300 women. Additionally, they have supported 600 NGOs and collaborated with 23 universities.

Anadolu Efes supported

16 projects and reached **200,000** people
with the Future is in Tourism project.

CSR 2.0 Approach to Corporate Governance, which featured articles of faculty members from 70 different countries, cited the "Future is in Tourism" as the best sustainable tourism practice and Anadolu Efes as an exemplary institution.





**We Manage Our
Environmental Impacts**

We Manage Our Environmental Impacts






Perpetual population growth exacerbates the already critical environmental impacts of global issues such as climate crisis, limited natural resources and plastic pollution. The Global Risks Report of the³ World Economic Forum presents environmental risks such as climate change, extreme weather events, water crisis and loss of biodiversity among today's major risks. Effective management of environmental risks and the generation of benefits for the environment and stakeholders adopting a common value approach play an important role in corporate sustainability.

As a Group operating in nine different sectors across 19 countries, we interact with a wide ecosystem. We are aware of our responsibility to the communities and the environment that we share in all of our operation areas. Accordingly, we have developed and adopted across our Group the Environmental Policy to minimize our environmental impact. During the policy preparation phase, we obtained opinions of various institutions and organizations, particularly the Business for Goals platform, whose main purpose is to bridge the business world and the Sustainable Development Goals.

Within the scope of Environmental Policy and in line with national and international environmental legislation, we manage these impacts strategically and reduce our footprints while improving our performance in line with our targets. Our ISO 14001 Environmental Management System standard provides guidance in our operations. Each group company effectively manages its operations in this area by identifying their own industry risks. We focus primarily on climate change, energy, water and wastewater and packaging waste in environmental management. In 2019, our total environmental investments and expenditures reached TRL 24.5 million.

[You can read further on the AG Anadolu Group Holding Environmental Policy here.](#)

Our environmental impact management activities contribute to the Global Goals, including [Clean Water and Sanitation \(6\)](#), [Responsible Consumption and Production \(12\)](#), [Climate Action \(13\)](#), [Life below Water \(14\)](#) and [Life on Land \(15\)](#).

 <p>6 CLEAN WATER AND SANITATION</p>	Ensure availability and sustainable management of water and sanitation for all	 <p>14 LIFE BELOW WATER</p>	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Ensure sustainable consumption and production patterns	 <p>15 LIFE ON LAND</p>	Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss
 <p>13 CLIMATE ACTION</p>	Take urgent action to combat climate change and its impacts		

Climate Change and Energy

Climate crisis is currently among the most significant environmental issues. Intergovernmental organizations make decisions that impact governments and private sectors. As for us, we do our part to combat climate change in accordance with global developments, primarily the 2015 Paris Agreement⁴, 2019 European Green Deal of the European Commission⁵ and the Sustainable Development Goals.

Companies need to contribute to and take a more active role in the fight against the climate crisis to ensure the continuity of their operations and to fulfill their responsibilities to the environment and stakeholders. Adverse effects of climate change-related extreme weather events on water resources and agricultural activities pose threats to all Group industries, with agriculture, retail, soft-drink and beer on the front line. The Sustainability Committee, led by Anadolu Group CEO, is responsible for combating climate change. The Committee supports the implementation of production models that support the transition to a low-carbon economy in the Holding and group activities. Accordingly, we follow national and international policies and developments and adjust our actions to the agenda.

We regularly calculate greenhouse gas emissions across Group activities and implement projects in line with our emission reduction goal. Despite our continuing growth over the last three years, we have managed to keep our total greenhouse gas emissions stable. Total greenhouse gas emissions were 1.9 million tons of CO₂ in 2019. Energy intensity was 0.56 MWh/TRL and greenhouse gas intensity was 0.036 tons CO₂e/TRL.

We also measure, monitor and work to reduce air emissions other than greenhouse gas emissions. Compared to 2017, NOx emissions fell by 46% to approximately 721,000 kg this year, while SOx emissions fell by 58% to 229,000 kg.

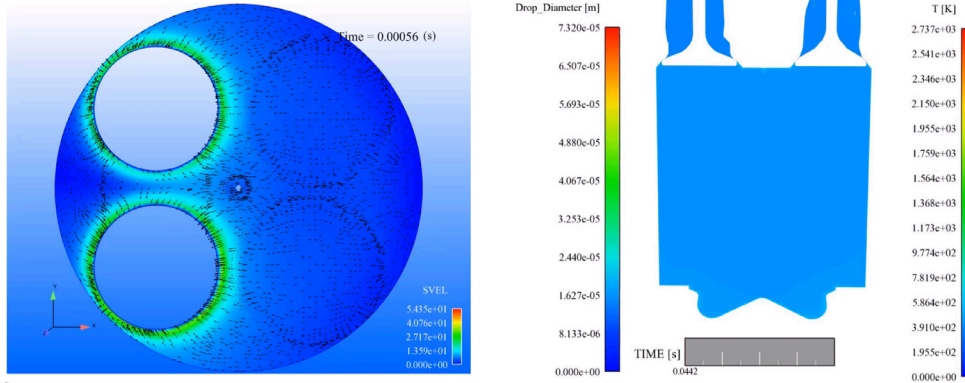
Carbon Disclosure Project



Anadolu Efes, Coca-Cola İçecek and Migros report their efforts in combating climate change to the Carbon Disclosure Project (CDP), the most reputable international organization in its field. In 2019, Migros was one of the leading companies in the CDP Climate Change program with an A- rating. It continues to be a leader in sustainability. Coca-Cola İçecek and Migros also report to Water Programme of Carbon Disclosure Project.

Anadolu Motor: Low-Emission Diesel Engine Development

The low-emission diesel engine development project of Anadolu Motor in cooperation with the Istanbul Technical University Transfer Office was approved by the TUBITAK Technology and Innovation Support Programs Directorate. The project, which will commence production in just 24 months, aims to reduce greenhouse gas emissions by increasing the combustion efficiency of engines.



Çelik Motor KIA Alternative Fuel Strategy

Çelik Motor aims to develop 11 electric models and designate 25% of its sales from electric vehicles by 2025 as part of the KIA Global's Plan S to guide the future of transportation within the framework of KIA's global electric vehicle production strategy. KIA Turkey, on the other hand, plans to increase its alternative fuel model diversity and market share in parallel with its global strategy. KIA aims to become a pioneer in the electric vehicle industry by introducing low-emission, environmentally friendly vehicles to the Turkish market. KIA has thus far introduced the hybrid version of the Niro model to consumers.



Eco-Friendly Coolers from Coca-Cola İçecek

Coca-Cola İçecek purchases eco-friendly coolers to reduce its environmental impact. The impact these HFC-free coolers have on global warming is a thousand times less than that of normal coolers. As of 2019, 62% of the coolers in Turkey have LED light equipment, 75% have HFC-free coolers and 90% are energy-saving coolers through the Energy Management Device (EMD).



Migros Water-Based Cooling System



Gas leaks in cooling systems are one of the major issues that lead to greenhouse gas emissions in retail operations. To reduce the use of HFC in the cooling systems of distribution centers and stores, Migros has introduced its patented water-based cooling system. As such, the cooler cabinets are filled with water and the gas is used only to cool the water. This ensures a gas efficiency rating of approximately 90%.

Anadolu Efes Electric Forklift

This year, we switched from LPG forklifts to electric forklifts in our Adana, Izmir and Ankara breweries. With this change, we have completely eliminated exhaust emissions and reduced greenhouse gas emissions. In addition to reducing environmental impacts, the technology used in this project has also lowered our operational costs.

Anadolu Etap LED Transformation

In 2019, Anadolu Etap Mersin plant underwent a complete LED transformation by replacing the incandescent and fluorescent lamps and halogen projectors with LED lighting systems in areas where constant illumination is required. The project aims to reduce costs by reducing the amount of energy necessary for lighting. Energy usage was reduced from around 75,000 kWh a year to 28,000 kWh in transformed parts, while lighting costs dropped by TRL 30,000 a year.

Headquarters Building Energy Efficiency

In the Group Headquarters building, we undertake projects and investments to reduce greenhouse gas emissions and ensure energy efficiency to mitigate our impact on the environment. We not only ensure energy efficiency, but also reduce greenhouse gas emissions and reduce costs through innovative applications such as Energy Identity Certification, LED lighting, thermal cameras to detect heat losses, system modernization for the boiler to be used in summer and sensor compliance measurements.



Waste Management

Industrial activities, consumer behavior and demographic changes increase waste and plastic pollution. The private sector has a great responsibility to deal with waste, which has become one of the world's most significant environmental problems. Waste has become a major cause of environmental pollution. In their waste management practices, companies should not only deal with waste stemming from their activities, but should also encourage stakeholders to practice responsible consumption to reduce waste generated from consumption. The beer, soft-drink and retail industries, which hold the biggest share in Anadolu Group activities, play an important role in reducing the environmental impacts of our operations through proper management of plastic and industrial waste.

Anadolu Group considers waste management a material issue. We reduce waste at the source as much as possible, apply recycling techniques and provide the necessary human, technology and financing resources to dispose of waste in an environmentally friendly manner. We manage waste in the most efficient way in accordance with the AG Anadolu Group Holding Waste Management Procedure.

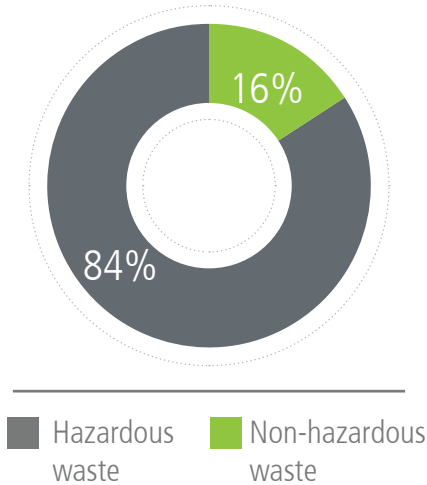
In 2019, we became a member of the Business Plastic Initiative (IPG) organized jointly by the Global Compact Turkey, Business Council for Sustainable Development Turkey (BCSD Turkey) and TUSIAD to further strengthen the combat against plastic pollution.

In 2019, we became a member of the

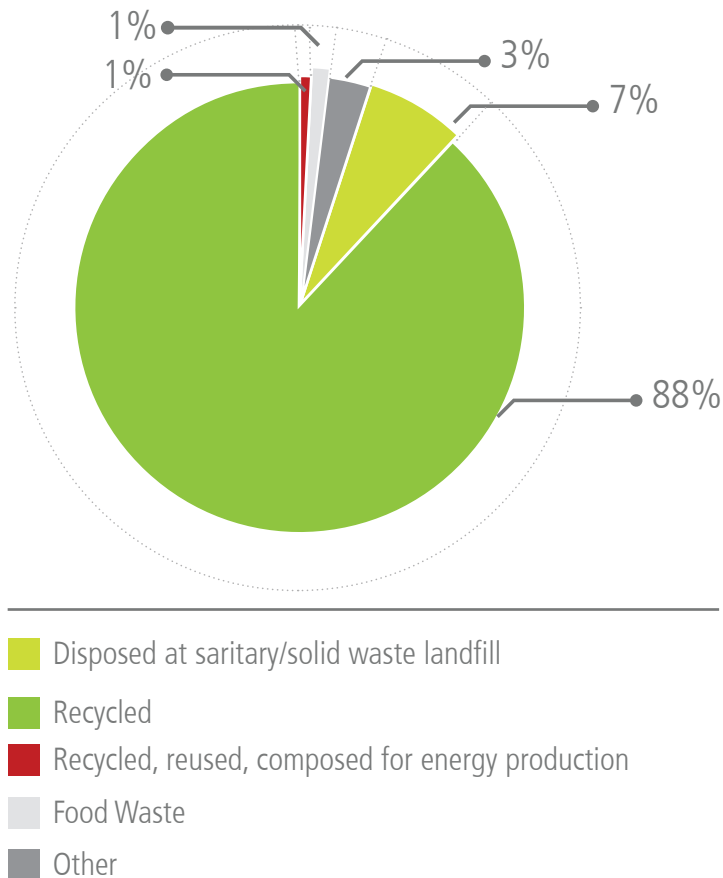
Business Plastic Initiative to support the fight against plastic pollution.

84% of the waste generated from our group activities is non-hazardous while 16% is hazardous. We recycle waste in various purposes and forms. In 2019, we recycled 88% of non-hazardous waste and delivered 7.1% to sanitary storage and landfill. We have recovered 98.8% of hazardous waste for energy production.

Distribution of Waste by Category



Distribution of Non-Hazardous Waste



Coca-Cola İçecek Lightweight Project

In line with its sustainable packaging strategy, Coca-Cola İçecek has been working to reduce the amount of packaging used in bottles since 2008. The best practices developed at the plants since 2015 are constantly shared with and extended to other country operations. These practices, which aimed at reducing the size, thickness and quantity of primary and secondary packaging, have saved us approximately 15,000 tons of raw materials in eight years and reduced greenhouse gas emissions caused by distribution activities.

Zero Waste Projects



In 2019, **Coca-Cola İçecek** began its zero waste production at Hazar Water Plant in Elazığ. In 2018, CCI also began zero waste production at its Elazığ, Çorlu and Ankara factories and aims to expand this practice across 10 plants in Turkey.

In 2019, **Migros** was granted a Zero Waste Certificate to the Şekerpinar Distribution Center. It aims to obtain this certificate at all of its facilities. Migros has also helped its customers recycle their waste by separating it with the waste collection units it has installed in its stores since 2010. In 2019, 17,173 tons of wood, paper, cardboard, metal, plastic and glass were recycled. The recycled wood, paper and cardboard products prevented 89,806 trees from being cut down. We collected 30 tons of vegetable waste oil and delivered it to licensed companies. It also assisted in marine clean-up efforts through the TURMEPA Clean Sea Association. In exchange for a ton of batteries collected at Migros stores and donated to TAP (Portable Battery Producers and Importers Association) as part of the Batteries to Migros, Milk to Children campaign, Migros delivered a liter of Migros-brand milk to Koruncuk Foundation (Turkish Foundation for Children in Need of Protection). In 2019, the project donated 4,115 liters of milk. The project will also continue in 2020.

Migros Respecting Food Project

Migros delivers food products that are not in line with the visual sales standards, but are still nutritious and suitable for consumption to those in need through a web-based donation platform. This new-generation practice, adopted by the Fazla Gıda (Whole Surplus) for the first time in Turkey in 2017, unites those in need with edible food products on the same platform. As such, food is delivered to the right address at the right quantity. The system includes fruits, vegetables and pulses, allowing products to be delivered to food banks and social markets on a daily basis. In 2019, Migros donated 1,424 tons of food and has facilitated the delivery of over four million meals to the underprivileged since the beginning of the project.



Migros Food Donation for Animals

By Fresh Leftovers to Our Four-Legged Friends Project, food products in Migros stores that are close to expiration but still safe for consumption have been donated to feed stray and wild animals through the HAYTAP (Animal Rights Federation) since 2014. In 2019, 873 tons of food was donated as part of the project. A total of 1,896 tons of food have fed vulnerable animals.



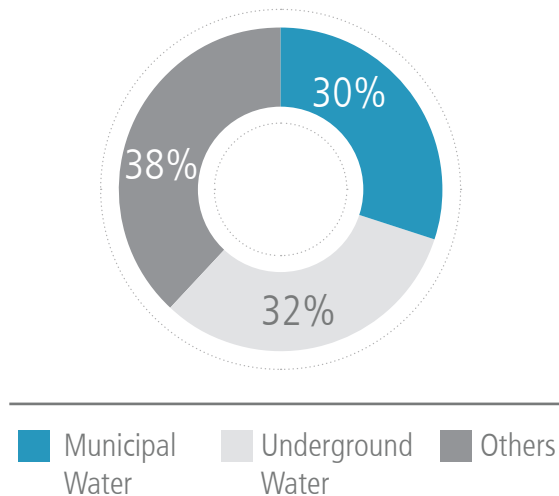
Water Management

Combined with unprecedented population growth, the excessive and unplanned use of water negatively affects water ecosystems. The impacts of the global water problem reflect in social, economic and environmental areas. Today, reduced water resources are among the key environmental problems that pose a threat to the society, the needs of future generations and business activities.

We focus on water management as a material issue. Since the industries in which we operate are affected by the reduced water resources at different levels, their effects on water are also changing. Water is the main natural resource for the beer, soft-drink, retail, agriculture, energy and industrial business groups. Similarly, our companies that use water, whether as a raw material or in production, act in line with their responsibilities in proper water resources management. Our group manages water resources effectively in accordance with legal regulations. We strive to minimize water consumption and wastewater and improve the quality of water emissions.

In 2019, 30% of our water resources consisted of municipal water and 32% of underground water. Our wastewater amount was 50%, while the amount of recycled and reused water reached 5%.

Ratio of Water Use by Source



Anadolu Efes the CEO Water Mandate



The CEO Water Mandate

Anadolu Efes is the first Turkish company to sign the CEO Water Mandate, an initiative of the United Nations Global Compact (UNGC). The CEO Water Mandate Declaration unites business leaders to create sustainable solutions for water, which has become an increasingly important issue today. Anadolu Efes leads the industry by becoming a supporter of CEO Water Mandate. As a stakeholder of this substantial international initiative on water, it supports water protection policies that are maintained simultaneously all over the world with company commitments.

Coca-Cola İçecek Safe Water Initiative: Paani

Lack of clean drinking water causes major health problems in Pakistan, where Coca-Cola İçecek operates. According to the Pakistan Water Resources Research Council, 44% of the population does not have access to clean drinking water. Another study found that 33% of the deaths in the country were due to cholera, dysentery and hepatitis, which are all waterborne diseases. Acknowledging the need for clean drinking water in society, Coca-Cola İçecek provides access to clean drinking water by establishing stations in disadvantaged areas through the Paani Initiative by the cooperation of international organizations including Clean Water Trust, World Wildlife Foundation (WWF) and Rotary Pakistan. Each station allows access to 2,000 liters of clean water per hour, providing clean water to 20,000 people every day. Since its foundation, Paani has provided access to clean water to 900,000 people and established 28 plants in previous five years and aims to establish 4 more in the upcoming year.



Biodiversity

Loss of biodiversity is an important environmental issue that is primarily caused by human activity. The loss causes ecosystem degradation and increases pressure on natural resources.

Conversation surrounding biodiversity forms a substantial part of Anadolu Group sustainability vision. Our approach to biodiversity is based on assessing, reporting, auditing and monitoring the impact of our Group activities on biodiversity. We comply with the requirements of the United Nations Convention on Biodiversity.

The continuity of the beer, beverage, retail and agricultural industries in which we operate is intertwined with the protection of biodiversity. At Anadolu Group, we use natural resources efficiently to protect biodiversity and to contribute to sustainable development. While working with non-governmental organizations, we are developing actions to improve local ecosystems. In this context, and as part of our collaboration with the Hatay Nature Conservation Association, AG Anadolu Group Holding is conducting a biodiversity project to help preserve and sustain the Anatolian ground squirrel species, which is an indicator of the Turkish biological wealth around our agriculture company Anadolu Etap's Farm in Konya Karapınar. The Anatolian ground squirrel is an important species in terms of biodiversity and ecological balance. It is classified as near hazardous in the red list of the International Union for Conservation of Nature (IUCN) and its population is declining worldwide. It is noted that as the habitat of this species is reassigned as agricultural land and occupied by unplanned urbanization, the impacts of climate change will be exacerbated. Through the Anadolu ground squirrel protection project, we aim to achieve the protection, productivity and sustainable management of biodiversity, soil, water and other natural resources.

Our group companies are carrying out biodiversity projects related to the industries in which they operate. In agriculture, Anadolu Etap integrates biodiversity-preserving agricultural practices and the Sustainable Agriculture Principles into its business model, while also undertaking work to preserve biodiversity around its fields. Migros aims to revitalize biodiversity and transform the agricultural value chain by participating in multiple-stakeholder initiatives to improve rehabilitative agricultural practices and product diversity.



Migros, Member of OP2B



In 2019, Migros became one of the 21 companies in the One Planet Business for Biodiversity (OP2B) coalition, which brought together various business actors for biodiversity. Launched during the United Nations Climate Week, the OP2B Coalition includes agriculture companies that aim to transform their value chains to revive and preserve fading biodiversity. The coalition is working on three main areas: increasing rehabilitative agricultural practices, increasing product diversity through precious seeds and combating deforestation. Migros supports the enhancement of product diversity through Good Agricultural Practices and Regenerative Agriculture, Anadolu Lezzetleri (Tastes of Anatolia) and Mirasımız Yerel Tohumlar (Our Heritage Local Seeds) projects and the Anadolu Farm documentary.

Biodiversity Works of Anadolu Etap

In accordance with its Sustainable Agriculture Principles, Anadolu Etap strives to protect, enrich and improve biodiversity in its areas of operation. There are more than 60 trial types in the trial parcels of Anadolu Etap on Urfa, Adana and Çanakkale farms. It is working to ensure that these variants adapt to the climate and soil of the region. By cultivating diverse products, consumers are offered unique and high-quality flavors while contributing to the biodiversity of the region.

The fruit trees in Balıkesir and Çanakkale farms are protected from the wind by other tree species that have been planted around them. In addition, the plane trees and Trojan oaks in these farms are protected to maintain the natural heritage. Natural ecosystem in farms is maintained with 100 birdhouses and 4,000 hive bees. We eliminate pests with natural methods by using pheromones.









Annexes







Corporate Memberships







- The Turkish Industry and Business Association (TUSIAD)
- The Business Plastics Initiative (IPG)
- The Union of Chambers and Commodity Exchanges of Turkey (TOBB) – Turkey Retail Council
- Turkish Investor Relations Society (TUYID)
- Corporate Relations Institute
- The Corporate Governance Association of Turkey (TKYD)
- The Foreign Economic Relations Board of Turkey (DEIK)
- The Institute of Internal Auditing of Turkey (IIA)
- The Ethics and Reputation Society (TEID)
- The Quality Association of Turkey (KALDER)
- Food Retailers Association (GPD)
- Turkish Federation of Shopping Centers and Retailers (TAMPF)
- The Association of Listed Companies' Executives (KOTODER)
- Corporate Communications Association (KİD)
- Professional Women's Network (PWN)

Performance Indicators

Social Performance Indicators

Number of Employees by Gender and Category	2017		2018		2019	
						
	Female	Male	Female	Male	Female	Male
Total	15,964	37,636	18,949	41,364	18,644	39,289
White-collar	5,817	12,749	6,620	14,235	6,416	13,830
Blue-collar	10,147	24,887	12,329	27,129	12,228	25,459
Employees covered by collective bargaining agreements	8,266	15,712	9,400	17,468	10,847	20,136

Number of Employees by Working Duration and Category	2017		2018		2019	
						
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Total	49,569	4,031	56,414	3,899	53,966	3,967
White-collar	15,173	139	17,033	196	16,741	674
Blue-collar	34,396	3,892	39,382	3,702	37,225	3,293

Number of Employees by Age	2017		2018		2019	
						
	Female	Male	Female	Male	Female	Male
Below 30	8,374	17,061	9,709	17,721	8,845	15,554
30–50 years old	7,216	19,230	8,717	22,052	9,271	22,111
Over 50	374	1,345	523	1,591	528	1,624

New Recruits By Gender and Age*	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Total	1,518	5,371	1,553	4,857	1,508	5,963
Below 30	1,230	4,257	1,257	3,949	1,165	4,524
30–50 years old	271	1,066	285	867	330	1,379
Over 50	17	48	11	41	13	60

*Excluding Migros

Employee Turnover by Gender and Age*	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Total	1,453	5,203	1,411	4,946	1,631	5,828
Below 30	1,042	3,588	1,063	3,628	1,141	4,069
30–50 years old	376	1,479	335	1,216	455	1,622
Over 50	35	136	13	102	35	137

*Excluding Migros

Number of Employees by Year	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
0–5 years	9,857	22,034	11,710	23,523	10,663	20,479
5–10 years	3,267	8,261	3,611	8,564	3,921	8,870
10 years and over	2,851	7,330	3,628	9,277	4,060	9,940

Number of Executives by Gender and Age	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Total	2,523	6,039	3,002	6,841	3,035	6,785
Below 30	722	1,514	900	1,644	858	1,505
30–50 years old	1,715	4,248	1,981	4,900	2,058	4,962
Over 50	86	277	121	297	119	318

Employees Granted Maternity/ Parental Leave	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Number of Employees Entitled to Maternity/Parental Leave	1,138	1,166	1,300	1,403	1,345	1,489
Number of Employees Who Returned to Work Following Maternity/Parental Leave	1,114	1,166	1,158	1,394	1,214	1,482

Number of Disabled Employees by Gender	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
	254	735	310	925	400	1,038

Number of Employees Subject to Regular Performance Evaluation	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
	11,499	19,080	14,602	27,397	15,150	27,504

Training Hours by Year	2017	2018	2019
Total Training Hours	2,210,958	2,744,174	3,122,628
Training Hours Per Employee	41.2	45.5	53.9
Total Training Hours to Contractors	22,772	31,803	67,267

OHS Training Hours by Year	2017	2018	2019
Total Training Hours	491,761	573,966	420,392
Training Hours Per Employee	9.2	9.5	7.3
Total Training Hours to Contractors	43,258.5	34,770.5	58,691.5

OHS Performance of Employees	2017	2018	2019
Accident Frequency Rate*	10.75	10.84	13.24
Occupational Disease Rate**	0	0.20	0.14
Number of Fatal Accidents	0	0	1

* Accident Frequency Rate = Total number of accident x 1,000,000 / Total hours worked

** Occupational Disease Rate = Total number of occupational disease cases x 1,000,000 / Total hours worked

OHS Performance of Subcontractors	2017	2018	2019
Accident Frequency Rate*	11.93	17.20	13.61
Occupational Disease Rate**	0	0	0
Number of Fatal Accidents	1	1	2

* Accident Frequency Rate = Total number of accident x 1,000,000 / Total hours worked

** Occupational Disease Rate = Total number of occupational disease cases x 1,000,000 / Total hours worked

Environmental Performance Indicators

Greenhouse Gas Emissions ⁶	2017	2018	2019
Total Greenhouse Gas Emissions (Ton CO ₂)	1,620,235	1,777,416	1,869,754
Scope 1 (Direct) Emissions	495,451.42	576,764.71	625,120.28
Scope 2 (Indirect) Emissions	507,511.22	585,918.50	614,677.28
Scope 3 Emissions	617,272.21	614,732.47	629,956.33

	2017	2018	2019
Energy Intensity (MWh/TRL)	0.056	0.059	0.056
Greenhouse Gas Intensity (Ton CO ₂ e/TRL)	0.043	0.038	0.036

Air Emissions (kg)	2017	2018	2019
NOx	1,338,250.16	1,010,133.28	721,236.44
SOx	554,964.36	376,227.4	229,007.15
Volatile Organic Compounds (VOCs)	315,749.24	3,011,743.24	2,063,327.64
Hazardous Air Pollutants (HAP)	19,092	33,524	37,236
Particulate Matter (PM)	213,393.4	64,507	41,095

Water Consumption (m ³)	2017	2018	2019
Municipal water	6,736,574	8,326,071	7,842,787
Underground Water	5,030,977	8,623,102	8,581,155
Rainwater	520	600	630
Other	9,470,467	10,130,926	10,130,929

Recycled water and wastewater quantity (m ³)	2017	2018	2019
Amount of Recycled/Reused Water	1,203,144.7	1,380,407.3	1,266,063.9
Wastewater quantity	12,009,180	15,491,349	13,423,385

Hazardous Waste Amount (ton)	2017	2018	2019
Total Hazardous Waste	240,609.62	349,406.17	390,088.82
Disposed at sanitary/solid waste landfill	70,415	249,753	44,416
Recovered for Energy Production	190,631.74	339,559.43	385,545.82
Reused	318.1	538.8	22.2
Electronic Waste	3,806.31	1,308.14	3,316.1
Other	1,478.75	7,817.72	960.69

Amount of Non-Hazardous Waste (ton)	2017	2018	2019
Total Non-Hazardous Waste	2,848,710	2,582,513.3	2,097,775.3
Disposed at sanitary/solid waste landfill	181,477.8	179,188.9	149,189.4
Recycled	2,549,233.4	2,298,177.8	1,846,105.2
Recovered for Energy Production	1,030.1	1,703.7	1,108.6
Reused	22,310.7	8,701.2	1,672.8
Composted	4,748	5,281	5,200
Food Waste	25,533	24,420	29,360
Other	58,078	63,686.6	52,764.7

GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
	Organizational Profile		
	102-1	3	-
	102-2	3, 6-8	-
	102-3	98	-
	102-4	7	-
	102-5	2019 Annual Report, p.6 https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_219ENG_166_b8fd58.pdf	-
	102-6	2019 Annual Report, p.2 https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_219ENG_166_b8fd58.pdf	-
	102-7	6, 7, 34	-
	102-8	89-91	-
	102-9	44	-
	102-10	6-15	-
	102-11	25-28	-
	102-12	88	-
	102-13	88	-
	Strategy		
	102-14	4, 5	-
	102-15	25-27	-
	Ethics and Integrity		
	102-16	7 https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf	-
GRI 102: General Disclosures 2016	102-17	29	-
	Governance		
	102-18	17, 18	-
	102-19	17, 18	-
	Stakeholder Engagement		
	102-40	22	-
	102-41	89	-
	102-42	22	-
	102-43	22	-
	102-44	21	-
	Reporting Practice		
	102-45	34	-
	102-46	3	-
	102-47	19-21	-
	102-48	3	-
	102-49	3	-
	102-50	3	-
	102-51	It is the first sustainability report of Anadolu Group.	-
	102-52	3	-
	102-53	3	-
	102-54	3	-
	102-55	95, 96	-
	102-56	No external assurance sought for the report.	-

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Turkish version of the report.

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
GRI 200: Economic Performance Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1	33, 34	-
	103-2	33, 34	-
	103-3	33, 34	-
GRI 201: Economic Performance 2016	201-1	34	-
	201-2	27	-
	201-3	2019 Annual Report p.173, 201 https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_219ENG_166_b8fd58.pdf	-
GRI 300: Environmental Standards Series			
Energy			
GRI 103: Management Approach 2016	103-1	77	-
	103-2	77	-
	103-3	77	-
GRI 302: Energy 2016	302-3	92	-
	302-4	92	-
Water			
GRI 103: Management Approach 2016	103-1	84	-
	103-2	84	-
	103-3	84	-
GRI 303: Water 2016	303-1	84, 85	-
	303-3	84, 93	-
Biodiversity			
GRI 103: Management Approach 2016	103-1	86	-
	103-2	86	-
	103-3	86	-
GRI 304: Biodiversity 2016	304-3	86	-
Emissions			
GRI 103: Management Approach 2016	103-1	77	-
	103-2	77	-
	103-3	77	-
GRI 305: Emissions 2016	305-1	92	-
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Effluents and Waste			
GRI 103: Management Approach 2016	103-1	80, 81	-
	103-2	80, 81	-
	103-3	80, 81	-
GRI 306: Effluents and Waste 2016	306-1	84, 93	-
	306-2	93, 94	-

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
GRI 400: Social Standards Series			
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GRI 103: Management Approach 2016	103-1	49	-
	103-2	49	-
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Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	58, 59	-
	103-2	58, 59	-
	103-3	58, 59	-
GRI 403: Occupational Health and Safety 2016	403-1	58, 59	-
	403-2	92	-
Training and Education			
GRI 103: Management Approach 2016	103-1	53, 54	-
	103-2	53, 54	-
	103-3	53, 54	-
GRI 404: Training and Education 2016	404-1	53, 54, 91	-
	404-2	53, 54	-
	404-3	91	-
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	50, 51	-
	103-2	50, 51	-
	103-3	50, 51	-
GRI 405: Diversity and Equal Opportunity 2016	405-1	50, 51, 89	-
Material Topics That Are Not Covered by the GRI Standards			
Digital Transformation			
GRI 103: Management Approach 2016	103-1	40	-
	103-2	40	-
	103-3	40	-
R&D and Innovation			
GRI 103: Management Approach 2016	103-1	35-39	-
	103-2	35-39	-
	103-3	35-39	-

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