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About the Report

AG Anadolu Grubu Holding's second Sustainability Report is based on the consolidated sustainability performance data of Anadolu Group and all Group companies in Turkey and abroad, covering the January 1, 2020 to December 31, 2020 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 companies.

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 if you have any questions, comments, and suggestions concerning the Report at sustainability@anadolugrubu.com.tr



ANADOLU GROUP

ANADOLU
EFES

CCI

MIGROS

ANADOLU ISUZU

ÇELİK MOTOR

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 have survived a year defined by the pandemic that had tangible social and economic impact on different dimensions of life around the world. The consequent distress exposed us to the insufficiency of our systems, particularly our social injustices and the negative impact of humanity on the environment. We realized that we had to re-evaluate our lifestyle and business models in terms of sustainability.

Today, we must closely follow the changes prompted in a range of areas, including digitalization, the climate crisis, production, consumption trends and supply chain management.

In this period of uncertainty; efficient risk management in environmental, social, and governance areas and rapid adjustment to changes will create substantial competitive advantages for companies. Through our efficient risk management approach and effective financial and operational strategies we had a successful year and maintained our growth. We will continue to advance decisively towards our targets with the vision of reducing our environmental impact and creating benefits for society. We will shape our strategies in line with global developments and focus on opportunities within the industries in which we operate.

As a Group, operating in sectors like health, retail, agriculture and beverage, which are essential for the sustainability of our lives, we had to maintain most of our operations without interruption while supporting our employees and other stakeholders in our ecosystem who were affected by the pandemic. We took all measures required by authorities, to protect our employees in the field, our offices, stores and production facilities and strengthened our remote working infrastructure to facilitate flexible and shift-based remote working for appropriate teams when necessary. We provided convenient solutions to support our business partners. While our Group companies initiated various measures and projects to support their respective sectors, as Anadolu Group, we allocated a significant budget to the fight against COVID-19.

Throughout the pandemic, we are continuing at full speed, our sustainability studies, to which we brought a brand new dimension with our brand **From Anadolu to the Future**. Our Group companies Anadolu Efes, Coca-Cola İçecek, and Migros maintained their place in the BIST Sustainability Index, while AG Anadolu Grubu Holding was listed for the first time this year. AG Anadolu Grubu Holding, Anadolu Efes, CCI and Migros are also listed in the BIST Corporate Governance Index. Moreover, Anadolu Efes is included in the FTSE4Good Emerging Markets Index while Coca-Cola İçecek is included in the UNGC 100 Index, MSCI Global Sustainability Index, FTSE4Good Emerging Markets Index and ECPI Index. Since its inclusion in 2013, CCI remains the only Turkish company to be listed in the UNGC 100 Index. Anadolu Efes, CCI and Migros report their efforts on combating climate change to the Carbon Disclosure Project annually. CCI and Migros were ranked three times in the CDP Turkey Climate Leadership list. CCI and Migros also report to the Carbon Disclosure Project in regards to the Water Program. In 2020, Migros was listed among the leaders in the CDP Water Program report. In 2020, we reviewed our **Anadolu Group Values**, which are our collective strength culminating from our 70-year past and will be our compass for the future and announced them to all our stakeholders. We initiated an important joint action with Business for Goals Platform and prepared a set consisting of three important tools that will be guiding and useful for all enterprises that have integrated SDGs into their business processes and want to measure their performance in this journey and share their solutions with the world.

In the upcoming period, we will concentrate on the most effective and innovative works that focus on people, society, and the environment with our priority to produce value in a sustainable manner in every field we operate. We will continue to work for a sustainable future with the support of our Group companies and our stakeholders. On behalf of Anadolu Group, I would like to express my gratitude to all our stakeholders, particularly our employees, who have supported us during this period.

Tuncay Özilhan
Anadolu Group Chairman

CEO's Message

Esteemed Stakeholders,

In our 70th year, as Anadolu Group, we have continued our strong and sustainable growth despite the challenges brought by the global pandemic. While taking the necessary measures to ensure the sustainability of our business with approximately 80 companies in 9 sectors across 18 countries, we were also involved in works that provide social and economic benefits for our employees and other stakeholders. In 2020, we increased our consolidated net sales by 21%, compared to 2019, and recorded a value of TL 62.1 billion. Furthermore, our total assets exceeded TL 73.3 billion with an increase of 10% compared to the previous year.

In line with the vision presented by our sustainability brand, **From Anadolu to the Future**, our Group companies to maintain their activities to improve their environmental, social, and governance (ESG) performances. As a signatory of the United Nations Global Compact (UNGC), the UNGC CEO Water Mandate and the UN Women's Empowerment Principles (WEPs), **Anadolu Efes** supports agriculture, tourism, culture and arts, entrepreneurship and sports, particularly with The Future Is In Agriculture and The Future Is In Tourism projects, as part of its sustainability strategy Positive Impact Plan.

Coca-Cola İçecek is the first and only company in Turkey to join the UNGC 100 Index. The company continues to work diligently in energy management, water management, and sustainable packaging. Coca-Cola İçecek was recognized with "Outstanding Support During COVID-19" award at the "Best Business Awards" for the support it offered to community since the beginning of the pandemic. **Migros** is continuing its works in ESG areas within the framework of its sustainability vision the Migros Better Future Plan. As a member of the Consumer Goods Forum at the management level, Migros has been an active member of the One Planet Business for Biodiversity coalition since its foundation. **Anadolu Isuzu** has its own R&D center and focuses on developing reduced-impact products and electric and autonomous vehicles. **Kia Turkey**

concentrates on a new sector trend, alternative fuel vehicles. **Garenta&ikinciye.com** strives to improve the quality of life with its digital transportation solutions. **Anadolu Motor** produces innovative and economical engines for farmers. **Anadolu Etap** is the first agricultural company in Turkey to put together a set of Sustainable Agriculture Principles and to incorporate them into all of its business plans. It invests in sustainable agriculture technologies and exports fresh fruit and fruit juice concentrate products to more than 65 countries across a broad region of the world extending from the United States to the Far East. Our **energy** companies continue their activities in renewable energy. **Adel Kalemcilik**

became the first company in the stationery sector to receive the TSE COVID-19 Safe-Production Certificate. As part of its corporate social responsibility project, Goodness Tree, it supports sustainable projects in qualified education and climate action areas with the aim to offer various benefits to its stakeholders and the society. **McDonald's**, which published the first sustainability report in its sector, devotes serious efforts to create social value and reduce its environmental impact. **Anadolu Foundation**

provided more than 660.000 free healthcare services to more than 53.000 people in need under its "Social Responsibility in Health" project. During the pandemic, it has also continued its projects and trainings through digital channels. **Anadolu Medical Center**, the first clinical cancer center to receive OECD accreditation in Turkey and the surrounding region, continued to provide qualified and uninterrupted health care services during the COVID-19 pandemic by taking high level precautions. In addition to regularly informing the public about COVID-19, it held online patient-doctor meetings to comfort patients and answer their questions and offered home health care services. **Anadolu Efes Sports Club**

became the only club to win the Gold Award for the second time in a row with EuroLeague's Corporate Social Responsibility Program One Team, in which all European clubs participate. Furthermore, as a Group, we are forging ahead with our business partners in Turkey's Automobile Joint Venture Group, one of the most innovative and environmentally friendly initiatives, which we consider as a highly valuable project for the future of our country.

We are continuing to manage the risks incurred by the pandemic, which has affected the whole world, with our prudent and effective management approach in financial and operational areas and maintain our move towards sustainable growth targets consistently. I am pleased to share with you our second Sustainability Report, which reflects our performance in the ESG areas in 2020. I would like to thank all our stakeholders, especially our employees, who contributed to the preparation of this report.



Hürşit Zorlu

Anadolu Group CEO

About Anadolu Group

Since its foundation, Anadolu Group has created value in our home regions by connecting Anatolia to the world and the world to Anatolia. Our journey began in 1950 and continues with nearly 63,000 direct employees and approximately 80,000 total employment in 66 production facilities that are active in 9 different industries in 18 countries.

By year-end 2020, the Group turnover was TL **62.1** billion,
while total assets reached TL **73.3** billion.

Our prestigious Group companies and brands are carrying out their activities across a broad range, with operations in the beer, soft drink, retail, agriculture, automotive, stationery, quick service restaurant, real estate and energy industries.

We contribute to society through Anadolu Foundation, Anadolu Medical Center, and Anadolu Efes Sports Club, which are our social organizations in education, health and sports. We establish partnerships with leading global brands and cooperate with multinational companies.

Experience and Strength as a Regional Player in a Broad Geography	 ANADOLU GROUP	Commitment to a Culture of Partnership with Global Brands and International Companies
Expertise in Branded Consumer Goods		Fair, Transparent, Responsible and Accountable Corporate Governance

Four 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



~80 companies in 9 different sectors across 18 countries

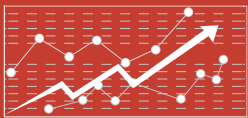


66 production facilities



~80,000

total employment



As of year-end 2020
TL 62.1 billion turnover

6 of our companies, including the Holding, are listed in Borsa Istanbul and 4 are listed in the Borsa Istanbul Sustainability Index.



FROM ANADOLU TO THE FUTURE

ANADOLU GROUP

OUR FOUNDING PHILOSOPHY

COLLECTIVE MIND



The business philosophy of our Group stems from the collective mind of our founders and it is based on a culture of cooperation and collective decision-making. The diversity of our employees and our stakeholders strengthens our collective mind. We enrich our collective mind by embracing different ideas and competencies and combining them with our experience from the past. We conduct our business with collective mind, we decide together and we build our future together with our collective mind.

OUR VALUES

WE ALWAYS FOCUS ON HUMAN



In the foundations of our management perspective and stakeholder relations, there is always a human-oriented approach. We respect our people, esteem and support their ideas. We invest in the development of our employees and recognize their needs to provide a desirable working environment for them. We always prioritize quality and endeavour to present our people the best in every area.

WE MANAGE OUR BUSINESS WITH A FAIR AND EGALITARIAN APPROACH



Our group is formed by reliable, honest, ethical and responsible individuals. Our companies adopt a fair and egalitarian approach in all their activities, decisions and implementations in and out of their organizations. We do not allow discrimination on any subject. We are transparent and accountable in all our actions. We take possession and responsibility of our business.

WE LEAD INNOVATION WITH OUR ENTREPRENEURIAL SPIRIT



With an innovative and entrepreneurial spirit, we always support innovation and embrace change. We work with passion and excitement to grow and develop our business. We encourage our employees to be creative and empower them to experiment. We endeavor to keep up with change and be a pioneer in new developments. With a visionary perspective, we make future-oriented investments.

WE STRIVE TO PRODUCE VALUE IN A SUSTAINABLE MANNER



In all our operations, we strive to produce value in a sustainable manner for our world and our stakeholders. In addition to the economic value we produce, we are always involved in activities that will create positive impact on social and environmental areas. Our principal mission is to fulfil our responsibility to carry our people and our society forward and leave a better world to the future generations.



ANADOLU GROUP

Group Companies

Anadolu Group carries out activities in 18 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, the Netherlands, Iraq, Kazakhstan, Kyrgyzstan, the Turkish Republic of Northern Cyprus, Moldova, Pakistan, Russia, Syria, Tajikistan, Turkmenistan, Ukraine and Jordan.



International Business Partners

We continue to contribute to sustainable development in every region we operate in through partnerships with the world's leading brands and cooperation with multinational companies. Our international business partners carry out key sustainability projects. By implementing these projects in our country, we are leading the industries in which we operate.

Our business partners include AB InBev, the Coca-Cola Company, Faber-Castell, Isuzu, Kia, McDonald's, Honda, Honda Marine, Köhler and Johns Hopkins Medicine.



Beer Group

**ANADOLU
EFES**



Anadolu Efes started its journey in 1969 with two breweries and became the market leader shortly. It is currently the 5th largest beer company in Europe and 10th largest in the world¹ in terms of production volume. Exporting to over 70 countries, Anadolu Efes reaches over 400 million consumers in these areas and billions of consumers around the world. The company currently operates a total of 21 breweries, 5 malting plants, and 1 oast house in 6 countries including Turkey, Russia, Ukraine, Kazakhstan, Georgia, and Moldova.

For Anadolu Efes, a sustainable business model is a priority obligation towards future generations. Anadolu Efes combines sustainability efforts under the “Positive Impact Plan” and defines four focal points: Society, Environment, Value Chain and Employees. The investments, projects and programs in these four focal areas create added values in line with the company’s sustainability strategy of enacting 10-year goals. Anadolu Efes contributes to Sustainable Development Goals with its efforts and has publicly announced the transparent social, environmental, ethical and economic evaluation of its works in its Sustainability Report since 2010 in compliance with the reporting criteria published by the Global Reporting Initiative (GRI).

Achieving significant progress in sustainability, Anadolu Efes reiterated its environmental and social commitments on an international level by becoming a signatory to the UN Global Compact in 2011 and to the CEO Water Mandate and Women’s Empowerment Principles (WEPs) in 2014. Anadolu Efes has been included in the Borsa Istanbul Sustainability Index since 2015 and in the FTSE4Good Emerging Index, a leading global sustainability index series, since 2017. Furthermore, the company has been reporting to the Carbon Disclosure Project (CDP) since 2018. Anadolu Efes ranked first place in the “Turkey’s Most Admired Companies in 2020” listed by the business journal Capital in 2020 and ranked among the top 10 admired companies in the “Sustainability Strategies” category.

Creating values for the society is a priority to Anadolu Efes. The company strives to contribute to social and cultural development from tourism to agriculture, environment, sports, art and entrepreneurship.

¹ The Barth Report 2019/2020

Soft Drinks Group



Coca-Cola İçecek (CCI) is the Coca-Cola family's 2nd largest bottling company in terms of population with its 26 bottling plants in 10 countries (Turkey, Kazakhstan, Azerbaijan, Kyrgyzstan, Turkmenistan, Jordan, Iraq, Syria, Pakistan, Tajikistan).

CCI's GRI Standards compliant sustainability report became the first of its kind in Turkey. Furthermore, the company has periodically reported on sustainability performance since 2008. CCI remains the only Turkish company to make it into the UNGC

100 Index, launched in 2013 by the United Nations Global Compact (UNGC). Coca-Cola İçecek has been reporting to the Carbon Disclosure Project its efforts against climate change since 2011 and its efforts towards water management since 2014. CCI has been listed three times in the CDP Turkey Climate Performance Leadership list. It has been included in the BIST Sustainability Index since 2015. CCI was also listed in the international MSCI ESG Leadership, FTSE4Good, and ECPI indexes. CCI is a signatory to the Women's Empowerment Principles (WEPs), established by UN Global Compact and UN Women.

Migros Group



Migros serves its customers in the food retail industry across a total of 2,319 stores and through online channels in the 81 provinces of Turkey and abroad. In 2020, Migros was named Turkey's Most Favorite Retailer for the 17th time in a row.

Migros follows the environmental, social and economic priorities and focal points in sustainability framed in the Migros Better Future Plan. The company's roadmap included within the Plan targets a wide range of areas from gender equality and equality of opportunity to the mitigation of climate change, the protection of biodiversity, economic contributions and innovation, and the relevant developments are reported in compliance with the GRI standards.

Migros is the only retail company to be included in the BIST Sustainability Index for seven years in a row. Migros, which raised its Corporate Governance rating to 9.67, is also included in the Borsa İstanbul Corporate Governance Index. The company has been listed as a Climate Leader in the Carbon Disclosure Project (CDP) reports three times and was included in the Water Leadership list in 2020. For the second time, the Good Life Brand research study recognized Migros as the Good Life Brand of the retail industry.

Migros is a member of the Consumer Goods Forum (CGF) at the management level, an active member of the One Planet Business for Biodiversity (OP2B) coalition since its foundation, a member of the LEAD Network Europe and has supported the establishment of Lead Network Turkey. It is also a signatory to the CEO Commitment of LEAD Network Europe on gender equality and equality of opportunity.



Automotive Group

We began our operations in the automotive sector in the 1960s with truck production. Today, we are an sector pioneer and are continuing our operations through our companies Anadolu Isuzu, Çelik Motor and Anadolu Motor. In Automotive Group, we have partnerships with leading global brands, such as Isuzu, Kia, Köhler, Honda Power Equipment and Honda Marine.

Anadolu Isuzu

ANADOLU ISUZU

Anadolu Isuzu focuses on the commercial vehicle segment of the automotive sector 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 and includes an R&D center, which was accredited in 2009. 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.

Çelik Motor

ÇELİK MOTOR

With its brands Kia, Garenta, MOOV and ikinciye.com, Çelik Motor 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 sector player. Kia currently has 39 authorized dealers and 46 authorized service centers in Turkey and is heavily involved with alternative fuel vehicles, which remain a significant agenda of the automotive sector.

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 ground in the Turkish vehicle-sharing industry with its "MOOV" brand, and served as a reference point in the second-hand vehicle industry with its ikinciye.com brand. Transformed into an entirely digital platform, ikinciye.com highlights trends in the used automobile sector by sharing real past sales data on its website.

Anadolu Motor



Leveraging its position among the leading firms of its sector and its more-than-half-a-century of experience in engine manufacturing and marketing, Anadolu Motor manufactures single-cylinder diesel engines under its own brand, "Antor." Its Antrac brand features a wide range of manufactured and exported products from tiller machines to water pumps and diesel and gasoline generators. Anadolu Motor is also active in the industrial sector as the distributor for the Lombardini diesel engines, in the gardening and industrial product groups with Honda Power Equipment, and in the marine industry with the Honda Marine outboard engines and 4XC Design by Ranieri boats.



Agribusiness, Energy and Industry Group

Our companies Anadolu Etap, Anadolu Kafkasya, AES Electricity Trading, Aslançık Electricity, Adel Kalemçilik, McDonald's, AND Gayrimenkul and Efestur are offering services and products in Turkey and abroad in the agriculture, energy, stationery, quick service restaurant, real estate and tourism sectors.

Anadolu Etap



A joint venture of Anadolu Group and Özgörkey Holding, Anadolu Etap strives to provide quality fresh fruit and fruit juice for Turkey and the world as Turkey's largest fresh fruit grower and fruit juice concentrate producer. The first agricultural company in Turkey to establish and practically incorporate the Sustainable Agriculture Principles, Anadolu Etap is the leading power in the agriculture and agribusiness industry with eight farms, 5 million fruit trees, three fruit juice plants and one packaging plant on 30 square kilometers. It cooperates with villages and farmers that comply with quality standards and can implement Sustainable Agriculture Principles. Anadolu Etap exports 70 percent of its fresh fruit and fruit juice concentrate products to over 65 countries from Far East to Europe and the USA.

As a signatory to the United Nations Global Compact (UNGC) since 2020, Anadolu Etap published its second sustainability report in compliance with the GRI standards. The company implements sustainable programs to educate its qualified agricultural workforce with a view to create social values, to encourage women's economic participation towards gender equality and rural development, and to contribute to the education of children to advocate equal opportunity in education.

Energy Companies

PARAVANI
HEPP

ASLANCIK
ELEKTRİK ÜRETİM A.Ş.

AES



Aslancık Hydroelectric Power Plant (Aslancık HPP) and Georgia Urban Energy (Paravani HPP) companies undertake our operations in the energy sector in Turkey and Georgia, respectively. Furthermore, Anadolu Kafkasya Energy Investments incorporates a wind power plant (Taba LLC), which is currently in the project development stage in the Shida Kartli region of Georgia.

In March 2014, Anadolu Grubu launched Aslancık HPP with the cooperation of the Doğan and Doğu Group. It featured an installed capacity of 120 MW and the plant generated 288 GWh of electricity in 2020. The sale of the electricity generated in Aslancık HPP was carried out under the Renewable Energy Resources Support Mechanism (YEKDEM). Paravani HPP in Georgia, which featured a 90-MW installed capacity, generated 325 GWh in 2020, the entirety of which was sold to the Georgian system operator. Presently, Taba LLC is developing the Ricoti Wind Power Plant in Georgia, which is projected to feature a 20-MW installed capacity.

Adel Kalemcilik



Adel Kalemcilik was founded in 1969 in cooperation with the world-renowned producer of writing, drawing and painting supplies, Faber-Castell. In 1995, the initial cooperation evolved into a formal partnership. The company is currently the largest stationery manufacturer in Turkey and the region, and exports to over 40 countries. Adel Kalemcilik has strived to benefit its shareholders and society in all endeavors since its foundation and actively contributes to sustainable projects. Goodness Tree Corporate Social Responsibility project, fueled by the company's "goodness" virtue, conducts numerous sponsorships and social responsibility projects.



McDonald's



McDonald's launched its first restaurant in Turkey in 1986 and has been a part of Anadolu Group since 2005. Today, the 6,000 employees of McDonald's serve over 100 million customers per year at 247 restaurants in 41 provinces. 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. Construction of the housing project by AND Pastel, a brand of AND Gayrimenkul, has been completed. The project received seven national and international awards, including the Best Residential Project of Turkey.

AND Gayrimenkul became the first real estate development and investment

company in Turkey to commit to the UNGC in 2017 and published its sustainability report in July 2018.

Efestur



Efestur has been an IATA member since its foundation in 1984 and a Group A travel agency registered with the Association of Turkish Travel Agencies (TURSAB). With a broad portfolio of customers ranging from SMEs to multinational companies, the company provided 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 Foundation



ANADOLU VAKFI

Anadolu Foundation continues its long-standing support of education and health, which began in 1979. In education, it has awarded over 30,000 scholarships in 81 provinces, and built more than 50 educational institutions, dormitories, gyms, hospitals and health centers. The Foundation provided more than 660,000 free healthcare services to more than 53,000 people in need. The Foundation has reached almost millions of people through its projects.



Anadolu Medical Center

ANADOLUTM

In Affiliation with
JOHNS HOPKINS MEDICINE



As a business enterprise within Anadolu Foundation, Anadolu Medical Center has been providing health services since 2005 in cooperation with Johns Hopkins Medicine, one of the most important health institutions in the United States. Anadolu Medical Center offers world-class healthcare to patients from over 65 countries.

The Center merited Joint Commission International (JCI) Accreditation, the golden standard in global healthcare, as well as the Organisation of European Cancer Institutes (OECI) Accreditation and the Planetree Gold Certification in Person-Centered Care.

Through social responsibility projects run in cooperation with Anadolu Foundation, Anadolu Medical Center offers conditionally free healthcare services 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. The first team to win the European Cup in the history of



team sports in Turkey, Anadolu Efes is proud to have won the most cups in Turkish basketball, including one Korac Cup, one Championship in the EuroLeague, 15 championships in the Turkish Basketball League, 11 championships in the Turkish Basketball Cup and 12 championships in the Turkish Basketball Presidential Cup.

Anadolu Efes undertakes social responsibility projects to contribute in sports as well as in education and healthcare.



Developments in 2020



AG Anadolu Grubu Holding, Anadolu Efes, Coca-Cola İçecek and Migros are included in the **Borsa İstanbul Sustainability Index** in the period extending from December 2020 to October 2021.



AG Anadolu Grubu Holding's rating rose to **9.56** at the SAHA Corporate Governance and Credit Rating Company.



In 2020 we celebrated our **70th anniversary** and we reexamined our **Anadolu Group Values**, which reflect our 70 years of experience, culture, tradition and purposes, with professional methods to recreate a dynamic set of corporate values that is in harmony with today's world.



We combined our efforts with the Business for Goals Platform (B4G) to formulate a reporting guideline for the Turkish business world concerning the **Sustainable Development Goals (SDGs)** and produced a set of three significant documents.



As a member of the **Business Plastic Initiative (IPG)**, AG Anadolu Grubu Holding declared its commitments in reducing plastic waste in 2021.



AG Anadolu Grubu Holding set off in 2020 to establish the Zero Waste Management System in its Headquarters and subsequently obtained the **Zero Waste Certification** in 2021.



We increased the budget allocated to R&D and innovation by **62%** compared to 2018 to a total of **TL 127.4 million**.



Within the scope of our Information Technologies infrastructure and application services, we implemented the Strategic Outsourcing Project in our Group companies and achieved a cost saving of **TL 5.7 million**. Furthermore, we improved our performance by **four to seven** fold in the last **two-and-a-half years**.

Developments in 2020



At the sixth year of Bi-Fikir project, we had implemented a total of **5,440 quick applications** and **1,832 projects**. The rate of the ideas that were put into practice reached to **23%** across Anadolu Group, which means we have realized 1 out of every 4 ideas. We've created over **TL 680 million** worth of value in the six years of the Bi-Fikir project.



We work with approximately **40,000 suppliers** across the Group, **87%** of which are local.



We provided approximately **3.1 million person-hour** training to Anadolu Group employees, which equates to **49.2 hours per person**.



We also organized a total of **292,934 person-hour** employee training on OHS, which equates to **4.71 hours per person**.



We nearly **doubled** our environmental investment and expenditure efforts from the previous year to reach **TL 43 million**.



We recycled, recovered or composted **88.8%** of non-hazardous waste.



Water usage intensity is decreased nearly **27%** compared to previous year and reached **0.583 m³/TL million**.

Social Solidarity During the Pandemic

Anadolu Group stood by our society during the challenging pandemic times. Companies in our Group implemented various social solidarity projects.

- We implemented the advised precautions in line with the guidance of the Republic of Turkey Ministry of Health and the World Health Organization. First, we reinforced our remote working infrastructure and pivoted all available teams to the home office system. We prepared for our employees weekly COVID-19 briefings and online training content to help them adapt to the new business and life normal. Furthermore, we drafted a **COVID-19 Emergency Action Plan** for our employees. We suspended all production facility visits and international business trips.
- As part of the battle against COVID-19, Anadolu Group allocated a budget exceeding **TL 30 million** to support those affected by the pandemic and to raise awareness. Anadolu Group donated **TL 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.
- During the pandemic, we registered an increase of **3,527** individuals in the total number of employees (including permanent and temporary employees and sub-contractors) from March 2020 to March 2021. The majority of this increase stemmed from the operations of Migros Turkey.
- We made adjustments to the installment rates in sales operations to support our business partners and launched an additional **bonus mechanism** for the branch teams.
- Anadolu Efes, which focuses on ensuring the continuity of its ecosystem during the difficult and uncertain period created by the pandemic, has implemented many social benefit projects in all countries where it operates. One noteworthy project is the Solidarity is Better Together campaign, launched in cooperation with the Ahbap Foundation to help food & beverage and entertainment industry employees through the economic bottleneck created by the pandemic. Including the voluntary contributions of Anadolu Efes employees, the project gathered **TL 1.4 million** to support **7,000 employees in the industry and their families**. The project, undertaken in cooperation with the Kendine Has solidarity program, aims to provide food and shelter to stray animals. Anadolu Efes was the first corporate supporter of the #BizdeYerinAyrı campaign launched by the Theater Cooperative to support struggling theaters. The company was also the first corporate supporter of the #SahneyeSesVer event, which was launched by the Ahbap Foundation to support musicians and stagehands whose livelihoods had been adversely affected by COVID-19.

- Coca-Cola İçecek (CCI) supplied water and fruit juice to the Turkish Red Crescent Disaster Management Centers in 13 provinces as they implemented quarantine to international arrivals in Turkey. Furthermore, the company manufactured hand and surface disinfectants with the approval of the Republic of Turkey Ministry of Health and delivered to Provincial Directorates of Health. Within the scope of the “Küçük İşletmem İçin” (For My Small Business) campaign by Metro Turkey and Coca-Cola Turkey, the online platform www.kucukisletmemicin.com provided products and services to **5,000 SMEs** affected by COVID-19. CCI's support program further encompasses contributions to the Republic of Turkey Ministry of Health for the purchasing of medical equipment and for food and beverage aid to the needy above the age of 65; the delivery of food and cleaning products through the Basic Needs Association (TIDER) to food banks whose reach includes **150,000 households across 29 cities** in the seven regions of Turkey; and the distribution of grocery gift cards through the Ahbap Foundation to **over 15,000 food and beverage** service industry employees contacted through the Tourism Restaurant Investors and Gastronomy Enterprises Association (TURYID) and the All Restaurants and Tourism Association (TURES), two active associations in the industry. CCI's societal support since the early days of the pandemic earned it the **Outstanding Support During COVID-19 award in the Best Business Awards**.
- Anadolu Isuzu, Garenta and Kia manufactured **intubation equipment and biological sample collection** booths as a protective measure for healthcare workers and donated these products to hospitals.
- Bearing the responsibility to provide sufficient and healthy nutrition to society, Migros and Anadolu Etap rapidly adjusted their entire **value chains to ensure continuous operations**.
- In addition to increasing its online operation capacity to 81 cities, Migros runs all physical stores and works to the limit with all hands on deck to fulfill the needs of people. The company provides additional **employment** during these challenging times and undertakes intensive efforts to protect employee and customer health.
- Anadolu Efes beer plants in Turkey obtained **COVID-19 Safe Production Certificates** issued by the **Turkish Standards Institution**.
- CCI plants in Turkey received **COVID-19 Safe Production Certificates** issued by the **Turkish Standards Institution**.
- Migros met all criteria set by the Turkish Standards Institution (TSE) as part of the battle against the COVID-19 pandemic and obtained **TSE COVID-19 Safe Service/Production Certificates** for particular stores, production plants, distribution centers, offices and stores.

- Anadolu Etap became Turkey's first fruit grower to receive the **TSE COVID-19 Safe Production Certificate** for the measures implemented at its packaging plant and farms.
- Adel Kalemcilik was the first company in the stationery market to receive the **TSE COVID-19 Safe Production Certificate**.
- McDonald's adopted all precautions with the motto **"Health first!"** to deliver food safely and with continuous customer service at its restaurants and digital channels. The company also initiated various projects, including no-contact delivery, to further protect employee and customer health.
- Anadolu Foundation digitalized its **projects during the pandemic** to sustain its contributions in education.
- Anadolu Medical Center implemented high-level precautions to provide continuous healthcare to employees and patients during the COVID-19 pandemic. Specialists at Anadolu Medical Center contributed to comprehensive COVID-19 briefing content, which is periodically shared with Anadolu Group employees and the public. Furthermore, online doctor-patient meetings are organized periodically to reinforce doctor-patient dialogue, address patient concerns and respond to all health-related questions while reminding patients that they are not alone in this challenge. Anadolu Medical Center has offered **24/7 Home Health and Home Care Services** since July 2020, as well as **online specialist consultation services**.



Sustainability Management

Anadolu Group's sustainability approach creates further value for our stakeholders by investing in the future through environmental, social and economic endeavors. The **From Anadolu to the Future** brand represents our Group's future-oriented sustainability vision and unites our nearly 80 companies in 9 industries across 18 countries under the same sustainability management approach. While policies and strategies on priority sustainability matters encompass the entire Holding and Group companies, each individual company in the Group determines their own sustainability roadmaps based on the industrial needs of their operations.

At Anadolu Group, we believe in the power of cooperation to create value and we participate in multi-stakeholder initiatives. As part of our packaging and waste management policy, which is among our sustainability priorities, we have joined the Business Plastic Initiative (IPG) to further the fight against plastic pollution. AG Anadolu Grubu Holding and Group companies Anadolu Efes, Coca-Cola İçecek and Migros support the initiative that were founded through the partnership of Global Compact Turkey, the Business Council for Sustainable Development Turkey (BCSD Turkey), and the Turkish Industry and Business Association (TUSIAD).

We combined our efforts with the Business for Goals Platform (B4G) to formulate reporting guidelines for the Turkish business world concerning Sustainable Development Goals (SDGs). Subsequently, we produced a set of three instructive guides for all establishments that have integrated SDGs in their business processes and seek to measure their performance in this initiative. Furthermore, we translated into Turkish two significant guiding documents, namely The Sustainable Development Goals Compass and the Business Reporting on the Sustainable Development Goals. With a view to share with the business world our footsteps and methodology in preparing our alignment report, we prepared Anadolu Group Sustainable Development Goals Alignment Report Reporting and Communication Strategy Guide. We intend for these documents to lead establishments who wish to participate in the reporting process to contribute to the SDGs and to analyze their performances and share the results with the world.

In cooperation with the Business for Goals Platform, we created a set of three guides consisting of The Sustainable Development Goals Compass, Business Reporting on Sustainable Development Goals and Anadolu Group Sustainable Development Goals Alignment Report Reporting and Communication Strategy Guide.



By adopting sustainable business models, our Group companies continue to improve their sustainability performance. Of our publicly traded companies, AG Anadolu Grubu Holding, Anadolu Efes, Coca-Cola İçecek and Migros are listed in the BIST Sustainability Index. AG Anadolu Grubu Holding, Anadolu Efes, CCI and Migros are also listed in the BIST Corporate Governance Index. Moreover, Anadolu Efes is included in the FTSE4Good Emerging Markets Index while Coca-Cola İçecek is included in the UNGC 100 Index, MSCI Global Sustainability Index, FTSE4Good Emerging Markets Index and ECPI Index. Since its inclusion in 2013, CCI remains the only Turkish company to be listed in the UNGC 100 Index. Anadolu Efes, CCI and Migros report their efforts on combating climate change to the Carbon Disclosure Project annually. CCI and Migros were listed three times in the CDP Turkey Climate Leadership list. CCI and Migros also report to the Carbon Disclosure Project in regards to the Water Program. In 2020, Migros was listed among the leaders in the CDP Water Program report.



Sustainability Committee Management Structure

The Sustainability Committee's purpose is 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

The Sustainability Committee consists of the following 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, Automotive Group President, 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 Grubu 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 stakeholders' priorities:

- Using an online questionnaire, we reached our internal stakeholders (employees) and external stakeholders (representatives from suppliers, business partners, investors, analysts, non-governmental organizations, public institutions, media, universities, and international organizations).
- We analyzed the trends in Turkey and the world. Within this scope, we assessed striking global and local agenda items through in-depth study of the World Economic Forum's global risk predictions, sector-based priority topics defined by the Sustainability Accounting Standards Board (SASB), the Sustainable Development Goals, and the 11th Development Plan.

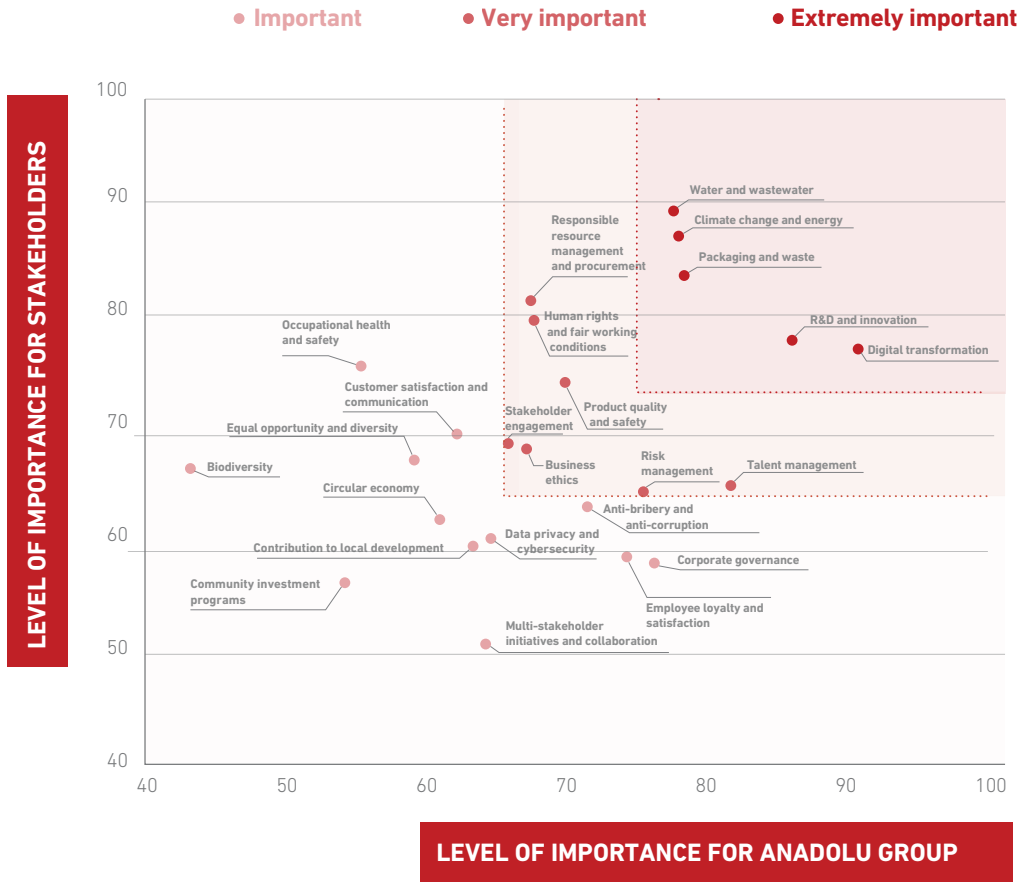
We analyzed the top priorities of our stakeholders in line with the strategic business priorities of Anadolu Group. When analyzing the business priorities of Anadolu Group:

- 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 areas, allowing us to address each area in terms of its 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



Extremely important





- Digital transformation
- Water and wastewater
- Climate change and energy
- R&D and innovation
- Packaging and waste

Very important

- Responsible resource management and procurement
- Human rights and fair working conditions
- Talent management
- Product quality and safety
- Risk management
- Business ethics
- Stakeholder engagement

Important

- Anti-bribery and anti-corruption
- Corporate governance
- Employee loyalty and satisfaction
- Customer satisfaction and communication
- Occupational health and safety
- Equal opportunity and diversity
- Data privacy and cybersecurity
- Contribution to local development
- Circular economy
- Multi-stakeholder initiatives and collaborations
- Community investment programs
- 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 an entrepreneurship ecosystem both within and outside our company.	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 supplier standards.	We Focus on Sustainable Growth
	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 a range of topics through various communication platforms.	Sustainability Management

Stakeholder Dialogue

We interact with various stakeholder groups across a wide inter-group ecosystem. To maintain effective stakeholder dialogue, we establish one-way and two-way communication. To meet their expectations and needs, we decide on the type and frequency of the communication channel based on the nature of the stakeholder group.

BY IMPACT	STAKEHOLDER GROUP	COMMUNICATION METHOD	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	Year-round
		Ethical line	
		Anadolu Group Innovation Program	
		Anadolu Group Innovation Day	
		Annual report	
		Sustainability report and SDG alignment report	
Shareholders and investors	Surveys	Annually	
	Media communication efforts	Year-round	
	Digital media channels		
	Supplier meetings		
Annual report			
Customers	Sustainability report and SDG alignment report	Annually	
	Media communication efforts	Year-round	
	Digital media channels		
	Meetings, conferences and road shows		
Annual report			
Indirect Economic Impact	Financial institutions and analysts	Sustainability report and SDG alignment report	Annually
		Media communication efforts	Year-round
		Digital media channels	
		Meetings, conferences and road shows	
	Business partners	Annual report	
		Media communication efforts	Year-round
		Digital media channels	
		Meetings, conferences and road shows	
	Public institutions and local administrations	Annual report	
		Media communication efforts	Year-round
		Digital media channels	
		Visits/meetings	
	Non-governmental organizations	Annual report	
		Media communication efforts	Year-round
		Digital media channels	
		Visits/meetings	
	Media	Project partnerships	
		Annual report	
Media communication efforts			
Digital media channels			
Sources of New Opportunities, Know-How and Perception	National and international regulatory bodies	Meetings and networking activities	Year-round
		Annual report	
		Sustainability report and SDG alignment report	
	Universities	Annual report	Quarterly
		Digital media channels	Year-round
		Project partnerships	
Virtual Career Day	Biannually		
Participation in university events	For eight months		
Innovation program	For six months		
Annual report	Quarterly		
Sustainability report and SDG alignment report	Annually		

UN Sustainable Development Goals Alignment

We updated “From Anadolu to the Future Anadolu Group Sustainable Development Goals Alignment Report”, first published in 2019, by including its projects and applications realized in 2019 with a view to cement our commitment to the United Nations Sustainable Development Goals (SDGs). Containing the inventory of 428 sustainability projects and applications selected from Group companies’ activities between 2015 and 2019, the 2020 report affirms that Anadolu Group is actively working to realize the SDGs and undertakes various operations in alliance with global standards to benefit global development.

The 2015–2019 SDG performance analysis of Anadolu Group indicates that Group projects and applications contribute primarily to planet protection with a 45-percent increase compared to the previous 2015–2018 analysis period. The analysis also highlights the Group’s support in education, the determination to develop and expand sustainable agriculture, and focus on the environmental and social impacts of the production and service sectors throughout the projects and applications launched in 2019.

Alignment of the Projects and Applications of Anadolu Group with the United Nations Sustainable Development Goals (2015-2019)



From Anadolu to the Future Anadolu Group Sustainable Development Goals Alignment Report has a pioneering role in the Turkish business world as it contains inventories and analyses that individually correlate each Group project and application with the Sustainable Development Goals.

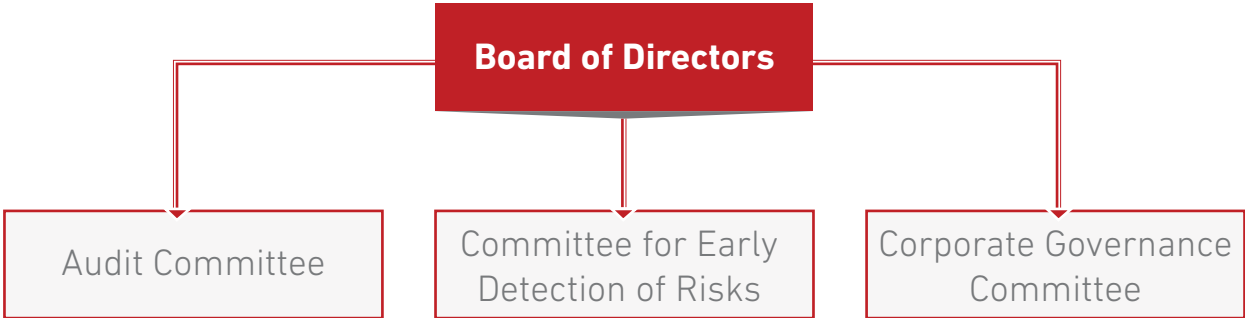
You can find From Anadolu to the Future Anadolu Group Sustainable Development Goals Alignment Report here.

Corporate Governance

Strong and efficient corporate governance is the key to successful performance and sustainable growth, and plays a substantial role in our trust-based stakeholder relationship. Fair, transparent, responsible and accountable governance is a fundamental value for us. Our highest management level, the Board of Directors, consists of 12 members, of which four are independent members. One female board member was present on the Board of Directors in 2020. Following her passing, we aim to increase the number of female board members in accordance with our target 25%.

The Board of Directors determines strategies, defines targets and audits management performance for the Holding and Group companies. The Audit Committee, Committee for Early Detection of Risks and the Corporate Governance Committee assist the Board of Directors in fulfilling its duties and responsibilities. Each Board Member may serve in only one committee. The duties of the Nomination and Remuneration committees, which are currently not established under the Board of Directors, are performed by the Corporate Governance Committee in accordance with the Corporate Governance Principles. The duties of the Chairman of the Board of Directors and the CEO are separated.

Our improvements increased our SAHA Corporate Governance and Credit Rating from 9.54 to 9.56.



Risk Management

In the uncertain conditions brought upon by the pandemic, the ability to swiftly adapt was hugely advantageous to companies, and further illustrated the importance of effective risk and crisis management. Corporate risk management allows companies to estimate risk before taking necessary precautions and grasping opportunities. As we are active in different sectors and regions, our Holding adopts a comprehensive risk approach.

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 active and potential risks the Holding may face, developing practices to minimize the risks identified, and conducting risk management based on the monitoring of these practices, along with the CEO and under the supervision of the Committee for Early Detection of Risks.

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 delivered across the Group companies. Under the guidance and supervision of Anadolu Group's 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; identify primary risks, create risk maps and follow action plans to manage these risks; and integrate investment decisions into the strategic business plans.

We annually update our risk inventory in accordance with global and national developments and recent regulations. In 2020, we set off to prepare our 2021 risk map and consulted with various unit managers, including Legal, Information Technologies, Human Resources, Audit, Corporate Relations and Communications on their risk assessments before preparing the updated Anadolu Group risk map. We subsequently assess the risks and formulate a priority list. We analyzed the primary risks and developed risk management strategies, keeping in mind the current controls on their root causes. Assigned risk officers regularly monitor actions against identified risks. Once a year, we run a crisis management simulation in various scenarios.

In 2020, we organized risk meetings with Group companies to cultivate a risk-savvy culture and raise awareness across the Group.

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, foreign exchange 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. The 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 for Early Detection of Risks, 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-to-EBITDA ratio to utilize the leverage effect.</p> <p>When necessary, a sensitivity analysis is performed regarding macroeconomic and financial risks.</p>
Strategic Risks	Risk factors arising from the country, region and competitive environment of the Holding with the potential to affect its existence and sustainable growth	<p>The 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 with the potential to affect business continuity and profitability are continuously reviewed. These processes are reported to the Committee for Early Detection of Risks by the risk managers in the relevant countries to be evaluated and are reviewed at the Holding level through a bottom-up system.</p>
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 annually. 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, regulatory compliance, ethics and technology. Additionally, risk maps are prepared according to importance and impact level. Risks are matched with strategies and a budget is determined for the projects and investments required for their prevention. Various sensitivity analyses are employed for different scenarios to determine the actions to be taken when a risk materializes.</p> <p>This study also raises 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 for Early Detection of Risks 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 is the leading risk management tool. The control and assurance function is performed through practices featuring the involvement of independent audit firms, Holding Audit Presidency and internal audit units.</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 fires, earthquakes, floods, epidemics and pandemics, 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 unaffected 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 then adjusted accordingly.</p> <p>In 2020, the COVID-19 pandemic impacted the entire world. Anadolu Group donated TL 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 TL 30 million to this effort. 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?
<p>Information Security, Talent Management, Ethics, Regulatory Compliance and Technology Risks</p>	<p>Risk factors that may adversely affect the Holding's reputation, business continuity and financial status</p>	<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 to protect against risks that may adversely affect the reputation and compliance management. Accordingly, information security and business continuity risks are included in the risk map. In addition, leak tests and data leakage prevention projects were 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, competent workforce that functions as a team with a focus on the Holding's future strategic objectives. We assess the potential of all Holding employees through talent and succession programs, and build and update a talent succession map. We prioritize the diversification of training programs in line with our objective to provide employees with broader development opportunities.</p> <p>Ethics: The Code of Business Ethics and the Non-Compliance Notification Regulation forms the basis of our business approach, and routine controls are performed to ensure compliance by all employees and stakeholders. Holding's 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 the Non-Compliance Notification Regulation are properly evaluated and investigated, and, if the claims are found to be accurate, that the necessary rectifying measures are taken and the necessary penalties are enforced for the relevant persons. Members of Holding's Ethics Committee actively participate in the investigations of misconduct and support management efforts to establish a culture and raise awareness regarding this matter. Anadolu Group Audit Presidency identifies the vulnerabilities of 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 Grubu Holding, Anadolu Efes, Coca-Cola İçecek, Migros, Anadolu Isuzu and Adel Kalemcilik are members of the Ethics and Reputation Society of Turkey (TEID).</p> <p>Regulatory compliance: In the event of a penalty for non-compliance with laws or regulations, risks pertaining to financial and reputational losses 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 laws and regulations and provide opinions on draft legislation by taking part in various organizations such as the Tax Council, Turkish Investor Relations Society (TUYID), and TUSIAD.</p> <p>Technology: Technology risks are evaluated and assessed under topics such as data loss, business continuity, cyberattacks, unauthorized access and regulatory compliance. 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, and so on, and reported. Information security training and information activities are organized to raise user awareness. The Risk Committee and the Board of Directors are regularly informed about this matter. Budgets are set for necessary investments.</p> <p>As Anadolu Group, we created a road map by identifying the current state of the risks associated with technology.</p>

We also include emerging risks in the inventory, taking into account the risk surveys and assessments conducted both domestically and abroad. Accordingly, 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. On another note, our Group companies are closely monitoring the current surge in commodity risks created by the COVID-19 pandemic.

Internal Control

Management of the internal control systems of AG Anadolu Grubu Holding is included in the job description of the Financial Affairs Director and is closely monitored by the Chief Financial Officer, the CEO, and the Audit Committee.

The Audit Report prepared by the Audit Presidency is considered as one of the most important data sources for assessing of the effectiveness of the internal control system and the results of the internal control activities by the Audit Committee, which consists solely 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 Chief 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 the Ethics Hotline and those deemed suspicious by the Audit Committee. Since all operations are subject to auditing, each of these is subject to routine audits as part of this assessment.

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 majority of 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, authorities and responsibilities, working method and structure of the audit activities are defined in the Audit Guidelines, which has been approved by the Audit Committees.

The audits performed provide 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.



Ethical Principles

Our corporate values highlight fair and equal management and a reliable, honest, ethical and responsible approach. Accordingly, AG Anadolu Grubu Holding Code of Business Ethics and Non-Compliance Notification Regulation (Code of Ethics) describe our primary responsibilities in our stakeholder relations. The Code of Ethics ensures increased transparency during stakeholder relations, supports compliance with the working principles and permits the notification of any regulatory violations to the relevant authorities.

You can access [AG Anadolu Grubu Holding Code of Business Ethics and Non-Compliance Notification Regulation](#) here.

The Ethics Committee of the Holding reports to Anadolu Group CEO and is responsible for all processes related to the Code of Ethics, examining notified cases of non-compliance and taking necessary actions. The primary objective of the Ethics Committee is to foster a strong Group-wide ethical culture.

Non-Compliance Notification

Any non-compliance to the code of ethics can be reported through various channels to Anadolu Group Ethics Hotline. Employees and all other stakeholders can report any non-compliance to 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, for taking the necessary rectifying measures and determining 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. In 2020, AG Anadolu Grubu Holding did not receive any notifications regarding code of ethics violations.

In 2020, a total of 14,332 person-hours of training was 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

Anti-bribery and anti-corruption efforts, including gifting and entertainment conditions, are dictated by the code of ethics. Accepting or offering bribes and corruption is 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 laws and regulations. All stakeholders may report bribery and corruption to AG Anadolu Grubu Holding Ethics Hotline. In 2020, Anadolu Group did not receive any notifications regarding bribery or corruption.

Code of Ethics training programs also cover anti-bribery and anti-corruption. A total of 7,290 person-hours of anti-bribery and anti-corruption training was provided to the employees of Group companies.

Protection of Personal Data

Digitalization increases cybersecurity risks, which are now included in the top ten global risks in the Global Risks Report² of the World Economic Forum. The pandemic pushed digitalization processes, slipped cybersecurity risks and the protection of personal data into the priority agenda of all entities. The confidentiality of customer data is also a significant indicator of customer satisfaction.

We comply with the applicable legal regulations for the processing of the personal data of employees and natural persons, as regulated under the Policy on the Protection and Processing of Personal Data, as well as all internal regulations and announcements.

The Holding PPD High Committee and the coordinating PPD Committee are responsible for compliance with the Law on the Protection of Personal Data (LPPD). Group companies comprise similarly structured PPD responsables.

During AG Anadolu Grubu Holding LPPD compliance process, we determine the maturity level of the PPD and establish technical and administrative measures. The Holding PPD Committee organizes PPD awareness training for 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; the management of data processing conditions; the management of disclosure obligation; audit management; data sharing management; PPD training management; the management of personal data storage; deletion, elimination or anonymization processes; data subject application management; personal data inventory management; VERBİS application management and personal data security management.

Cybersecurity Scores

We developed a cybersecurity maturity self-assessment platform and methodology for Group companies, and formulated the maturity rating for companies. Following the assessment of 10 Group companies in 200 categories and over 40 workshops, we determined cybersecurity scores for each company. The assessments identified current cybersecurity levels and highlighted areas to improve. Subsequently, in 2020, we implemented projects to improve cybersecurity and compliance maturity levels.

Data Leakage Prevention

With a view to protect data pertaining to Anadolu Group companies and clients and as a precautionary measure against cybersecurity threats, we developed the data classification and data leakage prevention project. The project explored applicable technological solutions and implemented comprehensive infrastructure for Group companies.

² The Global Risks Report, World Economic Forum, 2021



**We Focus on
Sustainable Growth**

We Focus on Sustainable Growth

Continuously exacerbating events that reveal the fragility of social health and economy, such as the climate crisis and the global pandemic, as well as other trends, including a rapidly increasing population, technology and digitalization, relate closely to sustainable growth and the business world. Companies that develop their products and service models to adapt to changes and to achieve sustainable value obtain a competitive advantage and carry their business into the future.

We run operations across a wide value chain and focus on sustainable growth to carry our value into the future. Our business is spread across a broad area. We offer approximately 80,000 total employment at our 66 production facilities for our nearly 80 companies in 9 different sectors in 18 countries, and we export to over 80 countries. We evaluate the resources we create while improving our economic performance in all regions where we operate with a visionary and innovative approach, and use these resources to add value to our world and our stakeholders. At Anadolu Group, we focus on creating value for all stakeholders not only in economic terms, but also in environmental and social terms. We define sustainable growth as using resources to develop products and services with customer orientation and, in doing so, leverage technology and digitalization, encourage entrepreneurship, and focus on R&D and innovation.

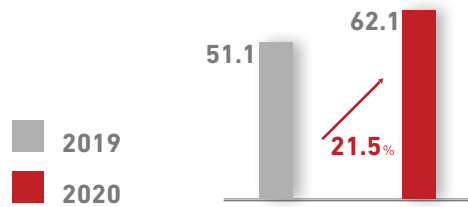
Our sustainable growth approach builds on innovation and our benefits to the national economy, in turn, contribute to Sustainable Development Goals. In this context, we support the purpose of **Decent Work and Economic Growth (8)** with our economic value and support the development of Industry, **Industry, Innovation and Infrastructure (9)** with our efforts in digitalization, technology, R&D and innovation. We encourage **Responsible Consumption and Production (12)** with the products and services we offer to our customers. We also contribute to **Partnerships for the Goals (17)** with our stakeholder cooperation.

 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote sustained, inclusive and sustainable economic growth; full and productive employment and decent work for all</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Ensure sustainable consumption and production patterns</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Build resilient infrastructures, promote inclusive and sustainable industrialization, and foster innovation</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>

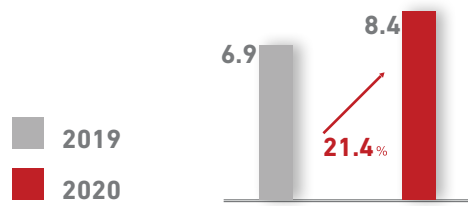
Economic Performance

Economic performance is a fundamental agenda item as it is instrumental to the sustainability of Anadolu Group activities and to creating added value in our country. A steady economic performance is imperative to achieving sustainable value in all operational areas. In 2020, our net sales revenue increased by **21 percent to reach TL 62.1 billion**. Our total assets increased by **10 percent** compared to the previous year and exceeded **TL 73.3 billion**.

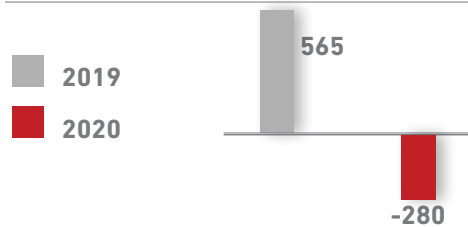
Net Sales (TL billion)



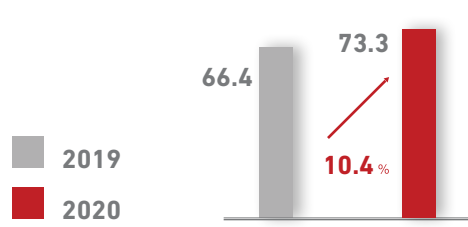
EBITDA (TL billion)



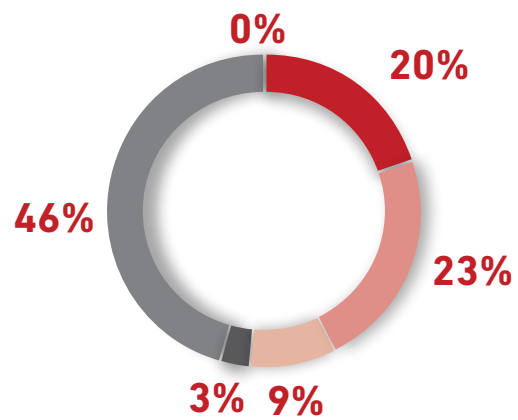
Net Profit (TL million)



Total Assets (TL million)

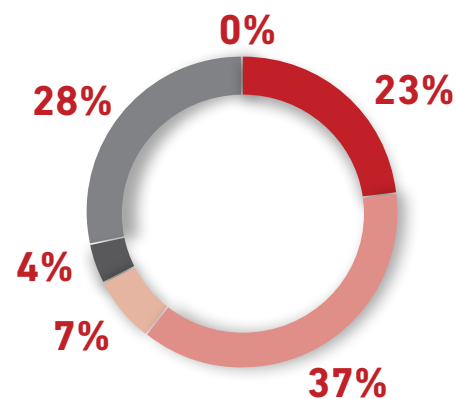


Net Sales Breakdown (*)



- Beer
- Soft Drinks
- Automotive
- Energy and industry
- Migros
- Other

EBITDA Breakdown (*)



- Beer
- Soft Drinks
- Automotive
- Energy and industry
- Migros
- Other

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

Digital Transformation

Preparing for the future necessitates integration with developing digital technologies and incorporating subsequent opportunities in all business processes. 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. Digitalization necessitates transformation in production and supply processes to ensure efficiency and to meet changing consumer preferences and expectations. It becomes necessary for companies to produce customer-oriented solutions that utilize digitalization to maintain their competitive edge and understanding of the customer. The transformation to business and service models already induced by digitalization became increasingly urgent during the COVID-19 pandemic in 2020. Emerging digital technologies and transformations are affecting everything from production to operational processes and work environment to customer choices.

As Anadolu Group, we closely follow digital technologies and incorporate any digitalization developments with the potential to boost efficiency into our business. Across the Group, business transformation projects reinforced with technology create more efficient and more effective business models, processes and work environments, which, in turn, produce further value. 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 possible service. With a view to enhance customer satisfaction, we develop new projects and implement new technology solutions to monitor changing needs and to deliver products and services with added value.

Following our cooperation with IBM, which concerns the use of information technologies infrastructure and application services to improve our processes, we incorporated digital technologies in our business processes and achieved substantial efficiency improvements. 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. Working in cooperation with IBM, the Strategic Outsourcing Project achieved a cost saving of TL 5.7 million and performance improvement by four to seven fold in the last two-and-a-half years.

Digitalized Business Processes within the Group

We implemented various projects in 2020 in an effort to digitalize our procurement processes. First, we launched **Anadolu Group Procurement Project** with a view to share procurement experience and best practices among Group companies, and to leverage Group synergy and economy of scale to relieve procurement costs. Migros Toptan is a one-stop destination for companies for all their food and non-food needs at the highest quality for the lowest market prices. Within the scope of the roles and responsibilities of the priority procurement categories, we designated Migros Toptan the most beneficial procurement channel for our Group companies and business partners and achieved substantial additional revenue for Migros Toptan.

We established **Anadolu Group Information Technologies Supplier Service Management Platform** for the efficient management of information technologies (IT) service suppliers and created a joint pool of IT suppliers across Anadolu Group. Leveraging digitalization, we established the infrastructure for service level and effort monitoring per supplier, and performance measurement and service management reporting to achieve high efficiency supplier and service management. This ensured the service level and costs were monitored by recording the services and efforts of the IT suppliers. The total monitored annual cost of services reached approximately TL 44 million. Through the platform, we formulated 58 service reports on 26 IT service suppliers. Furthermore, we established the IT Service Management Panel to enable real-time service level and supplier monitoring.

As part of **Anadolu Group Information Technologies Transformation Project**, we launched **the System Virtualization and Consolidation Project**. Within the scope of this project, we inspected all server systems used by Anadolu Group companies and virtualized servers with suitable technologies. Moreover, we consolidated suitable applications and systems to reduce the number of systems in use. We have therefore achieved energy, management effort and cost savings. Virtualized systems saved us 158,479 kWh of electricity per year and TL 155,000 in costs. We also saved TL 801,000 in terms of management effort and resources.

We established the **Organizational Development and Experience Sharing Platform** to facilitate the sharing of successful projects, collaborations and experiences with other Group companies. The Platform facilitated experience sharing, provided guidance to Group companies on similar projects, and extended efficient business platforms across the Group. The Platform also plays a key role in introducing new technologies and solutions.

Governance 2.0: Digital Technologies in Value Creation

Anadolu Group Information Technologies operations cover nearly 80 companies in 18 countries and comprise over 5 percent of Turkey's consolidated IT expenditures. We launched the Governance 2.0: Digital Technologies in Value Creation Project with a view to restructure IT operations with a value creation and result-oriented approach, increase competency, induce cultural transformation for innovation, and transform technological architecture. The primary goals of the Project include organizational and cultural transformation, the establishment of a governance model for digital transformation, equipping IT operations to produce work results based on data, risk management and compliance. IDC received the Best Information Technologies Governance Project of the Year award.



Sharing Economy with MOOV

Çelik Motor established MOOV to endorse smart city transportation, develop a solution to the traffic problem and encourage the development of the sharing economy by utilizing more shared vehicles. Using smart digital systems, an hourly single-use business model was created for vehicle sharing. The app digitizes all processes, from contract to lease, and allows users 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. As of 2020, MOOV operates in Istanbul, Ankara, and Izmir.



Today, the active operation of a shared vehicle eliminates eight vehicles from traffic. In addition to being an economic transportation model, MOOV is also environmentally friendly. Projections estimate that 2 million times of renting decreases the route covered by 6.2 million kilometers and reduces CO₂ emissions by 12,000 tons. Besides, optimized cleaning methods save 8,700 tons of water. The digital signature system saves 403 trees from the axe per year, reduces the monthly route by 105,000 kilometers on average and saves 7 tons of fuel. As the contract process is fully digitalized, we save on 3 million tons of paper.

Kia Fan Mobile Application and Kia Fan Premium Loyalty Program



Kia Turkey leveraged digitalization to launch the Kia Fan Premium Loyalty Program to enhance customer loyalty and satisfaction, and subsequently followed this up with Kia Fan mobile application. The mobile application is a compact platform that provides access to all information concerning the Kia world. It also presents campaigns and offers to customers. Furthermore, whether they are a Kia owner or not, all users can initiate video calls with Kia Authorized Dealers and Service Centers through the mobile application. The application reached 66,000 members in less than two years and 6,594 customers participating in the loyalty program received discounts. In exchange for this discount, a business volume of TL 12.8 million was created for dealers within the scope of the loyalty program.

Kia Fan Premium Loyalty Program enables loyalty members to use, through the mobile application, as many discount codes as they like on products across 70 brands in 18 different categories. Members used 160,000 discount codes in a year.

Coca-Cola İçecek Digital Twin Product

In 2020, Coca-Cola İçecek developed the Digital Twin Product, which reduces the use of chemicals consumables, energy, and water. Sanitation of production line system components in compliance with standard quality procedures may result in unsolicited delays in estimated production times, decreases in production line usage rates, and the redundant use of resources that impact the environment. Coca-Cola İçecek developed the product to suggest digital solutions to the comprehensive monitoring and analysis of the sanitation processes. The product obtains data for each process directly from the relevant machines and enables real-time process monitoring and analysis for the entire CIP system, process system components, process stages and parameters. Subsequently, the system reduced process performance issues and losses in production, time and environment resources.



Fulfillment Product - Bulk Shipment Planning Optimization



Coca-Cola İçecek launched the Fulfillment Product-Bulk Shipment Planning to develop algorithms that will optimize product delivery to stores and customers. The transportation planning optimization algorithm employs a range of variables, including customer expectations on planning, order priority, and transportation cost. Therefore, vehicle efficiency is maximized as the majority of human-dependent decision-making processes are automated.

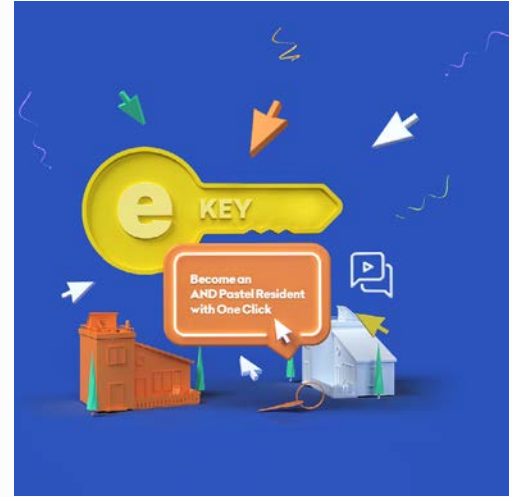
Digital Technologies at Anadolu Isuzu: ARIS and ProEye

Anadolu Isuzu incorporates innovation and technological advances in its products and services, and leverages digitalization in both its quality and after-sales service processes. The ARIS project integrated augmented reality and digital processing technologies into quality control processes and enabled part checking, the detection of major errors and registration in the product traceability. The ProEye online support system, on the other hand, enables after-sales service employees to support customers as though they are physically next to the vehicle, through the use of mobile phones or virtual reality goggles. ProEye records all available services and video support is provided to fix malfunctions. Within the scope of the project, TL 250,000 was saved with 50 remote services within the first year.



AND Gayrimenkul and E-Key

AND Gayrimenkul launched the industry's first online sales platform, e-Anahtar (e-Key), to facilitate communication management and accessibility, particularly during the COVID-19 pandemic. This website, designed for customers who cannot visit physical sales offices, provides online meeting, visiting and purchasing services. The platform's online meeting module provides video or audio calls on mobile devices or computers with sales assistants, eliminating the need to physically visit sales offices. Meetings involve interactive briefings on all details including project presentation, floor and apartment plans, and personal payment plans. Should they not wish to partake in live calls, customers can also virtually visit the location of their choice through explainer videos, which were filmed in various project locations. When the customer has chosen their apartment and is ready to proceed, they can conclude their purchase online via the website.



Digital Solutions at Migros

With the MKolay module on the Migros Mobil application, customers scan item barcodes using their mobile devices and place them in their shopping bags to skip directly to payment at Jet Kasa, the fully automated cash registers. This system reduces time spent at the cash register to 30 seconds.

Furthermore, the MoneyPay mobile application was launched to encourage no-contact payment and to ensure fast, easy and safe customer financial transactions.

The application also offers personal limits to delay purchase payments.

Migros introduced Turkey's first 24/7 self-service store system to provide customer access to most items 24 hours a day, seven days a week.



Adel Kalemcilik and the Digitalization Online Fair



Following the launch of its “Purchase Without Time, Place and Device Restrictions” project in 2016, Adel Kalemcilik now holds an online fair that facilitates online and real-time ordering. Adel Regional Fairs have been digitalized to meet stationery

store and retailer needs, particularly during the pandemic. Online fairs reduced costs by 70 to 80 percent without any loss in revenue. Customers enjoyed audio, visual and live calls with sales assistants to explore products and campaigns.

R&D and Innovation

We are leaders of innovation with an entrepreneurial spirit. We foster innovation and entrepreneurship to keep up with the necessities of the era, sustain our global success, upscale our business and improve our products, processes and operations to increase end-user satisfaction. Our high-priority agendas R&D and innovations are critical for the sustainable transformation of our business model. With this approach, we invest in future-oriented R&D and innovation. We enjoy the opportunities afforded to us by technology and protect quality and outstanding works and ideas through licensing. We support university and industry cooperation in R&D and innovation projects.

In 2020, we increased our R&D and innovation investments by 62% compared to 2018 and reached TL 127.4 million.

Anadolu Efes “Future Is In Agriculture” Project



Anadolu Efes has developed barley and hops seeds since 1982 through R&D works that are conducted at our Agricultural Product Development Department within the scope of its project. It also provides funding and training programs to farmers to increase the production of these seeds. The project aims to develop drought-resistant species that require less water and energy, to encourage

responsible agriculture practices and to increase agricultural efficiency.

The Smart Agriculture program, which was initiated in 2018 through pilot practices as part of a cooperative effort with WWF-Turkey, has continued to grow. The program introduces smart agricultural technologies and sustainable agriculture practices to barley and hops farmers to facilitate farming and reduce their ecological impact. The technology allows farmers to effectively use farming inputs and increase their work potential.

The program employs three distinct smart agriculture practices. Field-embedded smart sensors monitor soil and air moisture and temperature to notify farmers via mobile phone applications of the disease treatment, irrigation or pest control needs of the plants in their fields. Furthermore, farmers can survey their fields through satellite images and accurately detect potential problems on the field for faster and easier physical access. Digital soil analysis, on the other hand, facilitates on-site soil analysis with results produced in just 15 minutes. The smart agriculture practices included in the program prevent farmers from redundant irrigation, spraying and fertilization, and facilitate the efficient and proper use of sources. Eventually, farmers will learn to use water resources more responsibly and reduce their agricultural footprints by limiting excess fertilizer and spray. The project aims to further increase farmer experience on smart agriculture practice and to enhance their knowledge on sustainable agriculture. Online meetings, to this end, contribute to enhancing farmer competency in smart and sustainable agriculture practices.

Support for Entrepreneurship Ecosystem

Through its internal resources, the business world encourages ideas with high added-value, creating a significant competitive advantage. We foster entrepreneurship to carry our business into the future and encourage the incorporation of innovative ideas and perspectives within our business processes. At Anadolu Group, we utilize the unique perspectives and innovative ideas of our employees by encouraging corporate entrepreneurship.

Bi-Fikir, our corporate entrepreneurship platform, has been active since 2015. Through the Platform, all Group employees can indulge their creativity, both as individuals and as teams, while enhancing the organizational culture that discovers and creates innovative ideas. 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 that we benefit the Group.



Through Bi-Fikir, employees have explored 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. As of 2020, we have implemented a total of 5,440 quick applications and 1,832 projects. The rate of the ideas that were put into practice reached to 23 percent across Anadolu

Group, which means we have realized 1 out of every 4 ideas. We've created TL 680 million worth of value in six years and supported the strategies and process improvements of our Group companies. 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 entirely by employees. In 2020, the Bi-Fikir final was held on digital platforms due to the conditions imposed by the pandemic.

As of 2020, we have implemented a total of 5,440 quick applications and 1,832 projects. We've reached a 23% idea realization rate across Anadolu Group and created over TL 680 million worth of value.

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. First, we've merged Bi-Fikir with Anadolu Group's campus brand "Plan Your Career at Anadolu Group" (KAP) and make it available to university students. Bi-Fikir KAP allows us to facilitate the realization of ideas that are not yet integrated in commercial processes, yet have significant potential to create value. As part of the Bi-Fikir KAP project, we collect ideas from university students and relay the successful ones to our Group companies. The ideas that make it through the semi-final stage are included in Anadolu Group Innovation Camp and mentoring program. We offer a monetary award to the last three finalists. Furthermore, we implement promising ideas in relevant Group companies and offer employment and internship opportunities to students. In 2020, 709 students from 45 universities registered to the system and we collected 286 project suggestions. Since the platform's inception, 1,595 students from 267 departments at 165 universities have registered on the platform and we have collected a total of 763 project suggestions. Bi-Fikir KAP received an award in the Most Admired Talent Programs category in the TOP 100 Talent Program 2020 Awards held by TOP 100 Toptalent.co.



Anadolu Efes Encourages Entrepreneurship

Anadolu Efes promotes young entrepreneurs within and outside the company to encourage innovative ideas in different stakeholder groups and to help transform these ideas into start-ups.

ITU Çekirdek: Since 2018, Anadolu Efes has been a primary stakeholder of ITU Çekirdek, one of the five largest incubation centers in the world. As part of the ITU Çekirdek Big Bang Start-Up Challenge platform, the company provided financial support through its Anadolu Efes Special Award to two separate startups in 2020. These projects are Hummingdrone, which aims to increase efficiency in agriculture using drone technology, and Menlo Music, which aims to integrate technology into music and entertainment on next-generation entertainment platforms. So far, Anadolu Efes has provided TL 400,000 worth of financial support to eight entrepreneurs within the scope of the ITU Çekirdek Big Bang Start-Up.

Social Impact Award: In 2020, Anadolu Efes cooperated with Impact Hub Istanbul to organize the Social Impact Awards (SIA) with a view to support young entrepreneurs under the age of 30 who wish to make the world a better place through social entrepreneurship. Over a hundred social entrepreneur candidates participated in the SIA and eight start-ups were granted online workshops, mentoring and networking support. All finalists faced the global teams at the SIA Summit 2020. The selected start-ups received a total financial support of TL 30,000. The SIA Jury Award winners are Arkerobox, which develops games to transfer our cultural heritage to succeeding generations; Composit, which produces our own soil and food from domestic waste; and Plastic Move, which repurposes stale bread into bioplastic.



Anadolu Efes Entrepreneurship Workshop:

Anadolu Efes established Anadolu Efes Entrepreneurship Workshop to promote a culture of entrepreneurship within the company and to guide employees in realizing their promising ideas. The workshop received 111 ideas from employees within the year of its establishment. Of these, 10 ideas were accepted

in the Entrepreneurship Acceleration Program. As part of this program, project owners built their teams and gathered with experts and mentors to develop their ideas over the course of eight weeks. Three teams who successfully completed the program had their projects advance to the next stage of the Incubation Program. Over 16 weeks, they developed pilots for their projects and prepared for on-site trials.

Selected from these three projects, the start-up Malty produces malt-based healthy snacks and is on its way to store shelves. Malty offers a value-added product with a high protein and fiber content while also contributing to the circular economy.

Migros Up

Migros launched Migros Up in 2020 with a view to create value for Turkey's entrepreneurship ecosystem. First announced at the Big Bang 2020 by ITU Çekirdek, Migros Up awarded a total of TL 100,000 to Hergele Electric Scooter and Avokadio start-ups at the event. The desired work fields are announced on the website migrosup.com and the program evaluates all applicants, including initiatives offering products and services across a wide range from human resources applications to supply chain solutions and retailing operations, initiatives whose products and services are ready for use, initiatives at early technological stages to initiatives receiving financial support and in the rapid-growth stage, on the condition that they are all fully conceived ideas with a scalable business model. Five successful entrepreneurs will meet with investors from Silicon Valley to receive training and feedback from experts. Entrepreneurs admitted in the program have the opportunity to test and improve their products or services in real-world scenarios with Migros expert support. They can also receive mentoring, new perspectives and new ideas on business model development from leading names in the business. They enjoy a commercial reference as they participate in joint solution development, cooperation and/or product/service sales with Migros.



R&D Centers

R&D centers are a key part of our success in the sectors 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 sectors 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 sectors.

- Anadolu Isuzu has been creating added value in the automotive sector since 2009 with one of Turkey's first accredited R&D centers. It contributes to sustainable transport solutions by developing innovative ideas in various fields, particularly for new transport trends; unique solutions to satisfy the future needs of public transport systems; 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 was granted R&D center status in 2018 by the approval of the Republic of Turkey Ministry of Industry and Technology. At its R&D center, Anadolu Motor works to design economic and innovative engines that will make life easier for farmers.
- As the first and only company in Turkey to receive R&D center status in the food retail sector, Migros is developing next-generation retail practices through its cooperative efforts with Silicon Valley.
- The two Anadolu Etap R&D centers at the Mersin Fruit Juice Plant and at the Balıkesir Tahirova farm are investing in the future of the agriculture sector and bringing Industry 4.0 and Agriculture 4.0 practices to our country.
- With its R&D center, Adel Kalemcilik aims to bring innovation to the sector and pioneer its transformation and development.



Responsible Value Chain

Anadolu Group products and services are produced in an extensive value chain that reaches many countries. We act with responsibility in our value chain, which has a large sphere of influence. We aim to strengthen our stakeholders in this chain and prioritize the provision of safe, high-quality products and services to our customers.

The COVID-19 pandemic, in particular, has highlighted the impacts that can be wrought on production processes when disruptions occur within company supply chains. With a view to minimize similar risks, we are working with approximately 40,000 suppliers across the Group, 87 percent 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. Ninety percent of our total supplier payments consist of payments to local suppliers.

Across the Group, we are working with approximately 40,000 suppliers which 87% are local.

To ensure they adopt our business models and promote our value approach, we evaluate the suppliers based on their competencies, quality and sustainability approach rather than making cost our sole consideration. We take the suppliers' commitments to comply with ethical principles seriously. In compliance with AG Anadolu Grubu Holding Code of Business Ethics and Non-Compliance Notification Regulation, we require our suppliers to formally declare that they will abide by these principles by signing an undertaking. AG Anadolu Grubu Holding Procurement Procedure includes Compliance with Anadolu Group Code of Business Ethics under the Supplier Assessment and Selection Criteria.

Anadolu Efes Contract Farming Model



Anadolu Efes fosters sustainable agriculture to protect soil and to safeguard the supply of raw materials. Through the contracted purchase model we offer to farmers, our business partners, we encourage planned and efficient agriculture. The contracted purchase model enables farmers to model their production amount around the contracted purchase amount by Anadolu Efes. This establishes a continuous supply chain. The planned production and purchase guarantee also protects farmers' income.

Migros Good Agricultural Practices

For Migros, Good Agriculture means agricultural production that does not harm human health or animal welfare, protects natural resources, ensures sustainability and traceability, and establishes food security. The Good Agricultural Practices (GAP) launched in 2010 in cooperation with the Republic of Turkey Ministry of Agriculture and Forestry requires soil and water analysis logs as standard practice in fruit and vegetable cultivation and audits the process, certifies audited and registered production, introduces production standards and requires waste management compliance.

Migros became the first retail company to bring to shelves the fruits, vegetables, chicken, turkey and eggs produced in compliance with GAP principles and to contribute to sustainability and traceability in agriculture.

In 2020, Migros maintained efforts to prevail GAP in plant production by reaching out to 124 contractors and 1,061 subcontractors. A total of 280 GAP Certificates for 118 types of fruits and vegetables based on their harvest periods were processed by Migros. Since 2010, Migros has marketed 963,413.98 tons of GAP-certified fruits and vegetables.

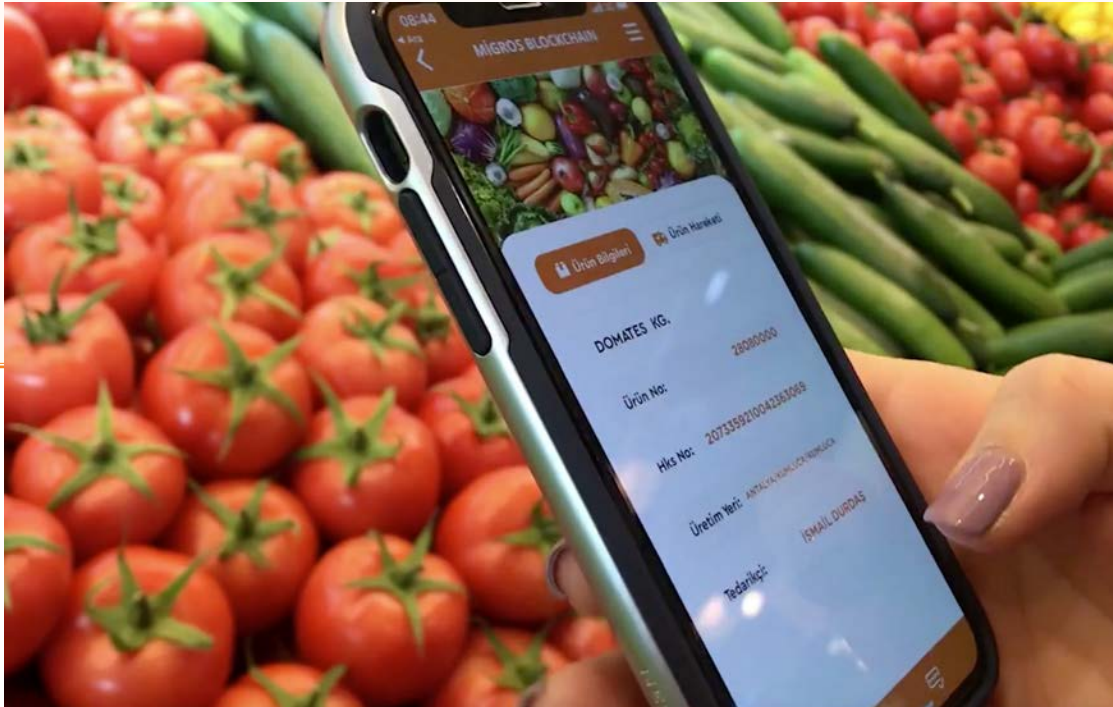
Migros has been marketing animal products in compliance with Good Agricultural Practices since 2013. All turkey and chicken meat on Migros shelves hold GAP certificates in 317 criteria. In 2020, Migros sold 28,724 tons of chicken meat, over 1 million eggs, 2,343 tons of turkey meat and 953 tons of raw milk products, all with GAP certificates.



Transparent Product Information and Blockchain Application at Migros

Migros has become the flagship in Turkey's retail and FMCG industry for its product data standardization and digitalization project, which was conducted by Consumer Good Forum in cooperation with GS1. Within the scope of the Transparent Product Information and Support to Responsible Shopping projects, Migros set off to label seven primary nutrients on its original-branded food products. By the end of 2020, product information pertaining to approximately 2,400 products was registered on the GS1 Barcode Verification system in cooperation with supporting contractors. The primary purpose of the project is to ensure coherent information flow and transparency between retailers and producers, and to subsequently provide more detailed and accurate information to customers in physical and online stores.

On the other hand, Migros cooperated with Microsoft Turkey and Obase to employ blockchain technology to track the journeys of over 750 types of fresh fruits and vegetables. Migros employees and customers can view the entire journey of fruits and vegetables from the point of purchase to Migros store shelves by scanning the MigrosBlockchain logo on the Migros mobile application.



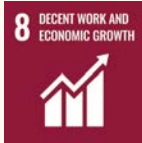
Standing Strong with Our Employees

Our business culture relies on diversity with nearly 80,000 competent and skilled total employment in 18 countries and almost 63,000 direct employees. Our culture is key to our value-creation process. With a human-oriented management approach, we invest in our employees and always prioritize their happiness and ideas. Our Founding Philosophy, Collective Mind, prevails in our work environment to attract young talents from the new generation and to recognize the needs of existing talents. Our current and future success is built upon the team spirit nurtured by this approach. We draw strength from our employees and march with them towards our goals. We adopt a fair and equitable approach in our operations and do not tolerate discrimination.

Through our human resources approach, we contribute to the following Sustainable Development Goals: **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



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



Achieve gender equality and empower all women and girls



Reduce inequality within and among countries



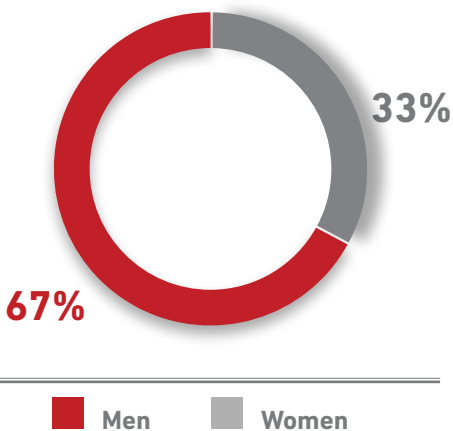
Equality and Diversity

At Anadolu Group, we consider diversity and differences to be wealth, and believe that our wealth reflects in our business success. Our primary principle in employee relations is equality. With deep roots in our past, equality and diversity make our Group stronger. We do not tolerate any sort of discrimination against our employees based on their age, sex, race, religion, language, ethnic origin, sexual orientation, belief, marital, social or economic status, disability, political opinion, participation and membership in union activities; pregnancy or military service status during their working life and recruitment. To eliminate all sorts of discrimination, we rely on Anadolu Group Equal Opportunity Policy.

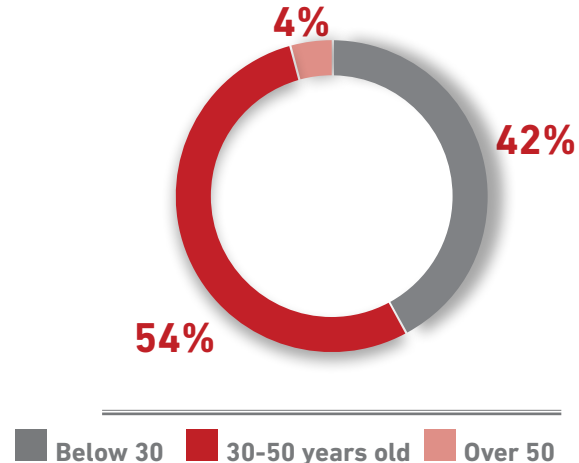
We foster gender equality and support the equal participation of all employees in the business. Following the Global Gender Gap report published in 2012 by the World Economic Forum in cooperation with the Republic of Turkey Ministry of Family and Social Policies, the Equality at Work Declaration was issued to reduce the economic participation and opportunity gap cited in the report to approximately 10 percent. AG Anadolu Grubu Holding became a signatory to the Declaration. Between 2015 and 2019, 41 of our 428 sustainability projects relate to Goal 5: Gender Equality. According to the Capital magazine survey “Women-Friendly Companies,” we have been among the holdings with the highest number of women executives in Turkey for eight years. The gender ratio of Anadolu Group employees is 33 percent female and 67 percent male. We offer flexible working conditions to women employees to balance their private and professional lives before and after pregnancy.

Between 2015 and 2019, 41 of Anadolu Group’s 428 sustainability projects and applications related to the United Nations SDGs on Gender Equality.

Employees by Gender (%)



Employees by Age (%)



Anadolu Group adopts the principle of managing with collective mind. At Anadolu Group, individuals from four generations work together. Of our employees, 42 percent are below 30; 54 percent, between 30 and 50; and 4 percent, over 50. Our Group employs individuals from 42 different nationalities and many recent graduates join our ranks every year.

Gender Equality in Anadolu Efes

Anadolu Efes bears the responsibility to raise awareness on gender equality and women's participation in the workforce. Subsequently, the business principles of Anadolu Efes focus on fostering gender equality and cementing the place of women in the workforce.

- Anadolu Efes became a signatory to United Nations Women's Empowerment Principles (WEPs) in 2015.
- In 2013, the company was awarded the Equal Opportunities Model Certificate, developed by the Women Entrepreneurs Association of Turkey (KAGIDER) under the technical assistance of the World Bank.
- In 2019, Anadolu Efes published the Gender Equality Guidelines to establish a roadmap for employees and business partners.
- In December 2020, Anadolu Efes became the first company in the FMCG sector to receive the Equality for Women at Work Certificate for its operations in Turkey.
- Thirty percent of Anadolu Efes employees are women; in executives, this ratio increases to 40 percent.
- Anadolu Efes has been running projects for social benefit for 14 years and promotes the empowerment of women in society. As part of its Future Is In Tourism activities, almost 500 women have been directly or indirectly employed so far.
- Anadolu Efes has fostered an entrepreneurship ecosystem with a particular emphasis on women entrepreneurs, regardless of their employment status within the company.

Certified

İŞ'TE
EŞİT KADIN



EQUALITY FOR WOMEN AT WORK

Gender Equality at Coca-Cola İçecek

Coca-Cola İçecek has committed to increase the ratio of women in management and senior management by 5 percent by 2025. Coca-Cola İçecek became a flagship in the FMCG sector by committing to the international civil society organization LEAD Network (Leading Executives Advancing Diversity), the purpose of which is to encourage women employees to join the retail and consumer goods sectors, and to increase the number of women in senior management and support their development. Coca-Cola İçecek (CCI) has been a signatory to WEPs since 2015. In line with that commitment, it has supported women's financial and digital literacy and encouraged their participation in the economy through various women's entrepreneurship programs in the countries in which it operates. Within the scope of the Volunteer Program, initiated in 2017, CCI has realized numerous projects on gender equality with over 1,500 volunteers. CCI established Women's Platforms in its 10 countries of operation to provide representation to women employees. Women employees of CCI gather on these platforms to create a strong professional network and to participate in different activities on leadership skills. In 2019, CCI united under a single roof all Women's Platforms in different countries that work to encourage women to pursue leadership, to provide female-friendly work environments, and to contribute to women empowerment.

CCI also participates in the Business Against Domestic Violence (BADV) Project launched by the Sabancı University Corporate Governance Forum in cooperation with TUSIAD and with the support of the Sabancı Foundation and the United Nations Population Fund (UNFPA). Accordingly, CCI published the CCI Domestic Violence Policy to further reiterate its zero tolerance against all kinds of violence and promised to provide a peaceful and safe work environment to its employees.



Gender Equality at Migros



With approximately 40-percent women employee rate, Migros ranks high in the list of companies with high women employment rates. The Group company prioritizes equal education and career opportunities for all employees. As a LEAD Network Europe member, it is a signatory to the CEO commitment on gender equality and equality of opportunity. In addition to its previous goal to increase the ratio of women executives to 31 percent by 2025, Migros further committed to increasing the ratio of women in director and above-senior management levels to 23 percent by 2023. In 2020, 29 percent of women employees at Migros were at managerial levels or higher, and 22 percent were at directorial levels or higher. Migros issues online gender equality training to new recruits in stores and in administrative units.

The Migros Women's Academy, prompted in 2020 and launched in 2021 by Migros Family Club and Migros Retail Academy cooperation, aims to support women's self-improvement and skill acquisition through training programs on different subjects. The Migros Women's Academy will be comprised of numerous fields such as self-improvement training, hobby courses and vocational training. Once the women feel sufficiently equipped to start up a business, the academy will help them join the business world and market the products they produce. Migros aims to reach 1 million women in three years through the academy.

Women Drivers Application in Turkey by McDonald's Hanimeli Project

The number of women delivery drivers increases within the scope of McDonald's the Women Drivers application. By prioritizing women applicants in the recruitment process, McDonald's achieved positive momentum and set an industry example by attracting women employees to a traditionally male-dominant line of work. The company recruited 14 women drivers within a short period and aims to increase it.



Anadolu Foundation Women of Anatolia Project

In 2018, Anadolu Foundation launched the Women of Anatolia Project in Nevşehir. This project aims to socially empower women and encourage their active participation in the economy through training and workshop programs on a variety of fields, including production, design, sales and marketing, self-improvement and personal motivation. The Foundation offered training and workshop programs for women in Samsun in 2019 and in Nevşehir in 2020.



The project supports women to improve their personal and social lives. By encouraging women between the ages of 18 to 55 to participate in these training and workshop programs, Anadolu Foundation targets the following outcomes:

- Strengthening their economic and social stances, and creating active participation opportunities in economic development by facilitating their improvement;
- Encouraging them to switch from traditional ways with a view to increase their contribution to their household economy and, indirectly, to economic development; to subsequently create a market by developing a new or improved product, service or production method;
- Encouraging women to feel the power of their economic freedom, contribution to the household economy and productivity to become self-reliant individuals.

To this end, 585 women received training in 15 seminars in Nevşehir and Samsun.

We believe in diversity and inclusion in the workplace and improve our performance each year with the approaches we develop accordingly. As of 2020, we employ 1,402 people with disabilities.

Accessible Migros

As part of the Accessible Migros project, where Migros offers exclusive services for its customers with disabilities and senior customers, the Migros Virtual Market mobile application has been synchronized with the narrator programs used by the visually impaired. In addition, 346 Migros and Macrocenter Accessible Stores in 54 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 with wheelchair access in mind. At least one cashier's desk is designed and specially indicated to give priority and provide accessibility to people in wheelchairs. If a customer with disabilities or senior customer requests help in an Accessible Store, a Migros employee will accompany and assist them throughout their shopping.



Talent Management

It is critical for our business continuity and success for our employees to further improve their competencies and to acquire new skills in line with the global agenda. While digital transformation holds transformative power over the workforce in all sectors, it is imperative that employees enhance their digital capacities if companies are to adjust to a new era. To this end, we at Anadolu Group offer a hybrid of online and offline tools, particularly employee development programs and trainings, to encourage their digital competency improvement.

We follow the Career Management System Training and Development procedure for the organization and implementation of career and training plans across the Group. We update our employee development and performance management practices annually to meet changing employee expectations and needs. We provide career planning and organize trainings to help realize employee potential.

We provide strategies and priorities accross the Group at the begining of the year. Company senior management determines the primary strategies with guidance from the Group. These strategies are then transformed into implementation plans at the employee level with collective mind. Yearly set targets and goals reviewed at least once in a year with formal meetings between manager and employee. The performance assessment process is based on a continuous feedback dialogue and the achievement of shared goals.

We protect the fundamental rights of our employees in Anadolu Group and implement fair compensation policies to encourage high performance. Each company considers different market data to shape their remuneration structures and achieves effective remuneration management through business evaluation processes within the organization. The Group applies total rewards policy and, in addition to salary, Group companies offer benefits, which vary between companies, including private health insurance coverage to which employees can include their families, club membership packages and gift cards. We make decisions based on organizational needs, paying attention to employee experience, knowledge, skills and competency for the position during the selection and promotion processes.

To retain talents in our family, we encourage employee development through the Internal Job Posting system across the Group. Each new position is first announced within the Group and applications are collected. Therefore, we offer different career paths to current employees. In 2020, 28 percent of all vacancies across Anadolu Group were filled by in-house applicants.

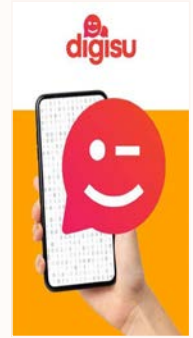
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Digital Work Environment

Digitalization is a global trend affecting companies and forcing them to adjust their processes accordingly. The digital transformation of human resources, on the other hand, is strategically critical as it enhances work productivity. With this in mind, Anadolu Group invests in digital tools. Through the AG People First digital human resources platform, we keep the employee profiles up to date and ensure that they follow the job postings published within the Group. Additionally, all recruitment, learning, performance, succession and development activities across the Group are managed through this system.

DigiSu Project at Anadolu Isuzu

The bot application, DigiSu, developed by Anadolu Isuzu as part of the digital work environment quickly answers employee questions on certain topics. The application enhances productivity and saves time in business processes by responding to various employee inquiries, such as their annual leave balance.



“Data Drivers” Project



“Data Drivers” is a data analytics awareness program, developed by Anadolu Group Information Technologies Coordinatorship and Human Resources Presidency. The pilot implementation took place at Anadolu Isuzu in 2020. Data usage and data utilization are crucial skills in the modern world and in the future. The project will help

Anadolu Group employees acquire these skills to improve employee competency.

The program includes online technical trainings and weekly meetings according to the schedule designed with consultant. Participants learned about which type of data they currently obtain, could potentially obtain, or process in their current work field. They learned about methods to deduce meaningful results from data and they determined the real-life work-related problems or opportunities that they wanted to work on and improve. Forty-two employees participated in the pilot study. Eight project teams carried out teamwork over ten months. The program will continue at Adel Kalemcilik and Çelik Motor in 2021.

Employee Development and Trainings

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. We formulate a comprehensive roadmap to strategically manage employee development to ensure the highest possible benefit. The first step of our employees' personal and professional development process begins with the Individual Development Plan within the scope of the Career Management System Training and Development Procedure. The development plan includes various development tools, such as coaching, rotation, classroom trainings, workshop and e-learning, where an employee leads the way in complete harmony with the manager. In 2020, approximately 3.1 million person-hours of training was provided across Anadolu Group, with 49.2 hours per employee.

We refer to Anadolu Group Competency Development Guide in the development plan. The effectiveness of each individual development tool is monitored in the periods determined with Development Assessment Tools and reported to the relevant human resources department. Career management involves conducting Company Career, Function Career, Sector Career, and Senior Management Career meetings, and combining the outputs of these meetings into the creation of development plans. The career-planning process takes place with a series of meetings held twice a year across our Group. The meetings gather at each level and assess succession plans, high-potential employees, future challenges and opportunities in talent management, individual development and career plans.

The concerned human resources unit analyzes and interprets the assessment results. Subsequently, they provide data to the Career Meeting. According to the Career Meeting assessment results, the Development Plan and strategic decisions regarding the candidate (ending the program, repeating the development tool, decision to remove the candidate from the process, and so on) are taken. The process concludes with the implementation of the Career Meeting decisions under the responsibility of the relevant human resources department.

AG Academy



Based on the outcomes of the Development Plan, we offer training programs to employees for their personal and professional development. Since 2015, the AG Academy has provided training and development opportunities to employees in Turkey through its digital training system. The Leaders Touch senior management development program, which launched in 2015, has continued as Development Dialogues Program since 2019. We cooperate with the

most prestigious universities in the world to offer online tools, classroom training programs and webinars to support employee development.

Plan Your Career at Anadolu Group (KAP)

With a view to attract young talent, we reach out to students and young professionals through online and on-campus activities as part of our KAP program. Since 2016, our internship program, Chief Young Officer (CYO), has offered participating students work experience opportunities in Group companies and recruitment opportunities following their graduation. As of 2020, 94 students completed their internship at Group companies. Of these students, 29 percent still work with us as full-time employees or long-term interns.

CYO received an award in the Most Admired Talent Programs category in the TOP 100 Talent Program 2020 Awards held by TOP 100 Toptalent.co.



Young Talent Program

The Young Talent Program assesses and identifies Group employees with potential, but who have not yet been promoted to management. Selected employees are included in a modular development program. This program helps young talents develop their skills within the framework of three main competencies, strengthen their business network within the Group, enhance engagement to the Group, and familiarize themselves with the Group companies and sectors.

Mentor Program

Professionals and managers from within and outside Anadolu Group mentor the younger generations to contribute to the personal and professional development of Anadolu Foundation scholarship holders. The program has so far provided personal mentoring support to over 70,000 individuals with the participation of nearly a thousand mentors and mentees. While 2020 marked the eighth year of the Mentoring Program, the COVID-19 pandemic necessitated moving training programs to online platforms.

Efes LABs



Anadolu Efes offers training and development opportunities to employees at the five different development academies as part of its Labs platform. The training programs are designed in line with the new world standards and the 21st century skills to contribute to the career and personal development of employees. Therefore, it provides a continuous learning environment that expands employee expertise and competencies. Anadolu Efes shifted its academy training programs to online platforms during the pandemic and, in addition to online programs, continued to train trainers within the company. In 2020, approximately 13 hours of training was delivered per employee.



Employee Engagement and Volunteerism

Employee engagement is vital to corporate success and a significant factor in creating a competitive advantage. With a view to increase engagement and satisfaction, we adopt an employee participation-oriented approach that shapes human resources processes around employee feedback. The most recent Employee Engagement Survey in 2019 turned out a 78-percent engagement rating.

We value employee opinions and transform their ideas into projects. Our in-house innovation program Bi-Fikir is celebrating its sixth anniversary. The platform enables our employees in Turkey and abroad to share their ideas to create new work fields and nurture new business ideas. Between 2015 and 2020, we implemented 5,440 quick applications and 1,832 projects through innovation efforts and created TL 680 million worth of value. Almost one in every four ideas was realized across Anadolu Group. In addition to employee opinions, we encourage the ideas of university students through Bi-Fikir KAP since 2018.

You can read more about Bi-Fikir in the chapter on **Sustainable Growth**.

Anadolu Medical Center for Those Adding Value

Anadolu Medical Center appreciates its dedicated and successful employees through the Recognition for Those Adding Value project. The center updated and expanded its recognition and appreciation system within the work environment. The model structure was designed to reflect corporate values and includes the Those Adding Value to Life, Outstanding Service, Person-Centered Care (Affection Ambassadors), Our Values, Efficiency and Innovation categories. Through this system, all employees nominate their chosen candidates, whom they believe add positive value to the company, for appreciation and recognition under the related category.



Nominations are evaluated by the Those Adding Value Executive Team, which consists of senior executives, and the candidates considered worthy of recognition are awarded. Moreover, department managers can also receive immediate awards to further support the structure. The practice directly influences employee satisfaction and engagement and, as of 2020, the system received nominations for 125 success stories and awarded 47 percent of these.

Occupational Health and Safety

Employee health and safety within the workplace is our main priority. We proactively monitor occupational health and safety (OHS) risks and implement preventive measures. We thoroughly examine any element in the workplace that might negatively impact employee health. Our OHS management is in compliance with international standards. AG Anadolu Grubu Holding, Anadolu Efes, Anadolu Motor, Migros, Anadolu Isuzu, Adel Kalemcilik and Anadolu Etap switched to ISO 45001. By 2021, all Coca-Cola İçecek production plants will have switched to ISO 45001.

The Human Resources President at Anadolu Group is the highest-level manager responsible for occupational health and safety, and reports to the Chief Executive Officer. OHS-related issues are managed through OHS boards. 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 investigations and inspections 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.

OHS training is a major tool in briefing employees on safe working conditions. All of our employees receive OHS training to further instill OHS culture within the company. In 2020, we provided 4.71 hours of OHS training per person, totaling 292,934 person-hours, to our employees.

You can access **AG Anadolu Grubu Holding Occupational Health and Safety Policy** here.



Anadolu Isuzu Ergonomics Project

At Anadolu Isuzu, we assess factory processes and analyze the findings to make improvements in service of creating the ideal ergonomic environment. The project aims to:

- Instill ergonomics and OHS awareness in operators,
- Assess and monitor the unique ergonomics requirements of operators based on the scope of their work,
- Determine priority rotation areas,
- Assign correct operator profiles to each operation,
- Identify operators with poor ergonomic habits to take preventive measures.




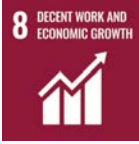







**We Create Value
for Society**

We Create Value for Society

We are aware of our responsibility to further improve society and leave a healthy planet to our children. In support of sustainable development, we prioritize all influential efforts in our fields of operation. We grow stronger with the intellectual diversity in the ecosystem of our Group companies and stakeholders, and build our future with the help of our Collective Mind. The Group focuses on various fields including education, health, agriculture, tourism, sports, culture and arts, and gender equality with Group companies, particularly our social organizations such as Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club.

With our view to create value 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)**.

 <p>2 ZERO HUNGER</p>	<p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Ensure healthy lives and promote well-being for all at all ages</p>	 <p>10 REDUCED INEQUALITIES</p>	<p>Reduce inequality within and among countries</p>
 <p>4 QUALITY EDUCATION</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>
 <p>5 GENDER EQUALITY</p>	<p>Achieve gender equality and empower all women and girls</p>		

Agriculture

As adverse climate conditions such as extreme weather conditions and unstable rainfall regime exacerbates today, we are in need of sustainable practices for durable and continuous agriculture. Accordingly, we, as Anadolu Group, invest in and support initiatives in the agriculture sector through our Group companies.

Our agriculture company, Anadolu Etap, has become a leading company in the development of agriculture and agricultural industries in Turkey. Turkey's largest fruit grower and fruit juice concentrate producer, Anadolu Etap, establishes Sustainable Agriculture Practices and integrates them in its business plan in cooperation with stakeholders, setting an example to the agriculture sector. Anadolu Etap invested \$350 million since its establishment. With over 4,000 employees, Anadolu Etap contributes to agriculture, regional development and employment in Turkey. The company exports to more than 65 countries and 70 percent of corporate sales consist of exportation. Smart agricultural practices are the basis of its company activities, in line with its efforts towards sustainable agriculture. Anadolu Etap established its farms in accordance with soil structure and ensures the efficient use of natural resources. The company achieves quality and safe food production through digitally controllable and remote access smart irrigation and fertilization systems, electrostatic smart spraying machines, agricultural machines equipped with sensors, computer assisted anti-frost propeller systems, biotechnical struggle methods, IoT based heat, moisture and temperature measurement equipment, early warning systems, agricultural meteorological station technologies, soil preparation machines with GPS orientation and precise functioning on the defined field, chlorophyll identification devices with a smart harvest maturity detection function, improvement systems and greenhouse installations.

You can learn more about Anadolu Etap Sustainable Agriculture Principles [here](#).



Anadolu Etap AgroAcademy

In 2012, Anadolu Etap established the educational platform AgroAcademy to disseminate Sustainable Agriculture Principles, contribute to the qualified agricultural workforce, and encourage the participation of women in the economy to contribute to gender equality and rural development. AgroAcademy is a joint operation of the Republic of Turkey Ministry of Agriculture and Forestry, universities and Chambers of Agriculture. Anadolu Etap has cooperated with different universities as part of the AgroAcademy program. These include the 2012 cooperation agreement with the University of Florida; the Bilgi University Manager Development Center, at which administrative training has been offered since 2013; and various universities in technical training, in particular the Department of Horticulture of Ege University.

In addition to fruit growing and sustainable agriculture training, AgroAcademy also provides periodic programs to increase the number of qualified women farmers. As local communities are encouraged to participate in the training program, the ratio of women among 875 farmers hit 75 percent. The sustainable agriculture training aims to better equip women farmers, to support women's employment in agriculture, to upscale sustainable agriculture practices and to foster regional development. Anadolu Etap draws particular attention to its 70-percent women employment rate in its farms. Additionally, 50 percent of Agroburs scholarship holders are women students.

Anadolu Efes has been carrying out extensive studies in the field of agriculture for nearly 40 years within the scope of the Future Is In Agriculture project. You can read further on Anadolu Efes' activities in the field of agriculture and the Future Is In Agriculture – Smart Agriculture project in the **R&D and Innovation** chapter.

Migros contributes substantially to local and sustainable agriculture. In addition to efforts to upscale Good Agricultural Practice standards and models in cooperation with the Republic of Turkey Ministry of Agriculture and Forestry, Migros establishes various collaborations to ensure access to safe food by supporting sustainable agriculture for continuous agricultural production and for the welfare of farmers. You can read further on Migros Good Agricultural Practices in the **Responsible Value Chain** chapter.

Migros and Ziraat Bank, Producer Financing System



Providing financial support to farmers is crucial for achieving economic sustainability in the agricultural industry. Different and multiple middlemen in the agricultural supply chain increase product cost, while fluctuating input prices overburden farmers. To support partner farmers and to balance food prices, Migros gives particular priority to

purchasing from farmers. To ensure fast and advance payment in these purchases, Migros launched the Producer Financing System with cooperation from Ziraat Bank. The first of its kind farmer-store-bank cooperation in Turkey allows farmers to withdraw the price of their products for sale in Migros from Ziraat Bank, without having to wait the maturity period. The system, therefore, contributes to the enhancement of farmer welfare and rural development, and eliminates middlemen in the supply chain to balance food prices.



Migros and Vodafone Business Digital Agriculture Stations

Smart agriculture systems and digitalization are essential for agricultural traceability. Migros cooperates with Vodafone Business to ensure food security, increase product quality and to ensure the efficient use of natural resources. Vodafone Business installs Digital Agriculture Stations in producer fields across Turkey to function as an early warning system for farmers for proper production and efficient harvest. The early warning system prompts farmers to properly irrigate, fertilize and spray at the right time to help protect product and environmental health, and to reduce input costs through agricultural estimation and early warning system.



Anadolu Isuzu and Anadolu Motor produce vehicles and equipment for use by farmers. Anadolu Isuzu applies advantageous payment options, such as installments from harvest to harvest or zero interest rates, on its D-Max model for farmers for their welfare. Anadolu Motor, on the other hand, imports gasoline power products by Honda to Turkey and offers affordable, high-quality and locally produced agricultural machinery under its local brand, Antor and Antrac.



Education

Education is essential to achieve a sustainable society and resolve social issues. As Anadolu Group, we contribute to sustainable development through our projects, which enforce high-quality, comprehensive and equal education for all. The Group conducts educational activities under its social organization, Anadolu Foundation. Anadolu Foundation was founded in 1979, adopts “investment in people” as its principle, shares a collective mind, manages its resources with a social entrepreneurship approach, and aspires to be a social value, with the trust of society.

Anadolu Foundation and our Group companies maintained educational activities on online platforms throughout 2020 to mitigate the pandemic’s impact and hindrance on education.

From Anadolu to the Future Sustainable Development Goals Training Program

At Anadolu Group, we believe that our stakeholders must have a full understanding of Sustainable Development Goals if we are to realize them. Therefore, we decided to add another training program to our “From Anadolu to the Future” brand as of 2020. With the cooperation of Bahçeşehir University (BAU), the International Training Centre for Authorities and Leaders CIFAL Istanbul, the United Nations Institute for Training and Research (UNITAR), and CO-OP Directorate, we aim to raise awareness for the SDGs and for a sustainable future, to integrate these goals into business processes and to guide sectors on performance measurement. The five seminars within the scope of the program that was initiated on March 22 are as follow:

- Significance of Sustainable Development Goals
- Reporting Studies of Anadolu Group in the Field of Sustainable Development Goals
- Projects and Applications of Anadolu Group Companies Contributing to Sustainable Development Goals
- Sustainable Development Goals Communication
- Management of the BIST Sustainability Index Entry Process of AG Anadolu Grubu Holding

FROM ANADOLU TO THE FUTURE

Sustainable Development Goals Training Program

Anadolu Foundation Scholarship and Mentoring Program



Anadolu Foundation provides non-refundable higher education grants to academically and socially successful students in need of financial support. Over the last eight years, the Foundation received a total of 530,000 applications for scholarships through the online application platform and, in the past 41 years, has granted over 30,000 scholarships to young people from

81 Turkish provinces. The Foundation views scholarships as a channel to reach young people and provides mentoring for the personal and professional development of its scholars with voluntary support from 93 institutions.

Anadolu Foundation My Dear Teacher Program

Anadolu Foundation launched My Dear Teacher program in 2013 to provide complementary training to teachers with a view to develop applicable projects in education. The program offers numerous courses, including Social Entrepreneurship and project management, and it reached over 166,000 teachers, education administrators and students in 53 provinces between 2013 and 2020. In 2020, training programs were relocated to online platforms due to the pandemic.



The final stage of the program has been organized in cooperation with the Provincial Directorates of National Education and includes a social entrepreneurship competition between teachers, education administrators and students to encourage the use of entrepreneurship and creativity skills to fight social problems in Turkey and the world, to develop successful projects and to develop solutions with innovative approaches. Successful participants are awarded.

The program achieved:

- An increase in the number of applications to national and international projects and the grants received by teachers.
- An increase in the number of voluntary student social responsibility projects.
- Interaction between teachers, parents and local communities.

Anadolu Foundation The Stars of Education Project



The Stars of Education project, launched by Anadolu Foundation in 2015, encourage and reward teachers, school employees, students, parents and other school stakeholders to increase motivation. Through this project, the Foundation intends to enhance education quality, social entrepreneurship and innovation in schools. Implemented by the Provincial Directorate of National Education upon governorate approval, the project gives awards in 13 different categories from environment to sports, and art to social entrepreneurship.

Anadolu Foundation The Books for Kids Project

Through its Books for Kids project, Anadolu Foundation has worked since 2013 to mobilize all Anadolu Group employees to identify societal needs and provide material and moral support. The project serves to strengthen the social awareness of participating employees, instill a culture of charity, and resolve social problems in solidarity. Through the project, Anadolu Group reaches out to schools in villages, Women and Family Support Centers, Violence Prevention and Monitoring Centers, children with their mothers at Women's Closed Prisons and those who have been displaced following earthquakes. The project reached over 77,000 people in cooperation with nearly 450 institutions and/or organizations in 64 provinces.



Anadolu Foundation From Puzzle Pieces to Hope (BuKa) Project



As part of the From Puzzle Pieces to Hope (BuKa) project, Anadolu Foundation scholarship students organize cognitive and psychosocial activities for the elderly during their visits to nursing homes. The activities include content to delay Alzheimer's as well as various cognitive assessments, such as Montreal Cognitive Assessments (MOCA), puzzles and math games. During the more than

30 events held since 2018, scholarship students have volunteered for approximately 1,500 hours in total. This year, nursing home visits were organized on online platforms due to the pandemic.

Anadolu Foundation Sibling Education Project (KEP)

The Sibling Education Project (KEP) was launched in 2015 to provide education to successful students in financial need through donations collected at Anadolu Medical Center. The project provided scholarship and mentoring to 12 students. KEP scholarship students organize events at Anadolu Medical Center on special days such as International Women's Day and Medicine Day. Furthermore, they spend time with needy children under protection who have been admitted to the center for treatment.



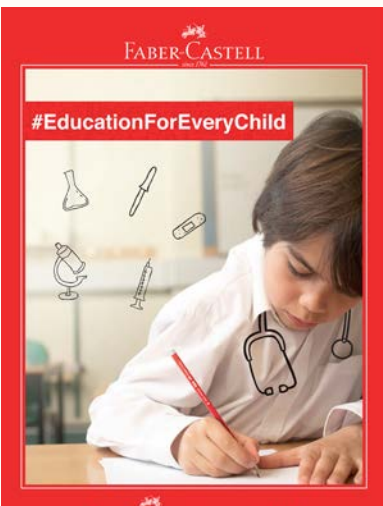
Anadolu Etap MİÇO

Since 2015, Anadolu Etap has carried out the MİÇO (Children of Seasonal Agricultural Workers) program, wherein schools are opened on farms to provide continuous education to the children of seasonal workers. 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, we cooperate with the Public Education Directorates to offer painting, handicrafts, music, physical education and Turkish language learning programs in the schools established on farms of Anadolu Etap.



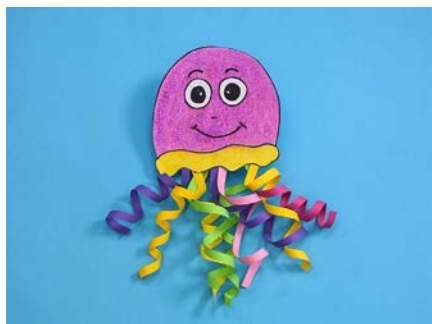
Due to the COVID-19 pandemic in 2020, Anadolu Etap abided by strict health measures when undertaking its MİÇO educational activities. MİÇO supported the education of 361 students in 2020, with a total of 1,237 students from the beginning. MİÇO received the "Agriculture into the Future Award" at the Agriculture Is the Future of Forest Summit held by the Republic of Turkey Ministry of Agriculture and Forestry in 2020.

Adel Kalemcilik and the UNICEF Education for Every Child Project



With a view to relieve the negative consequences of the pandemic on education and to support equal opportunity in education for all children, Adel Kalemcilik supported UNICEF's Education for Every Child Project during the 2020-2021 academic year with Faber-Castell. Within this scope, income from the sales of Faber-Castell products was partially redistributed to this project. Through social media communication, the project reached 4.5 million people.

Adel Kalemcilik Teachers' Project



Adel Kalemcilik launched the izbirakanogretmenler.com platform to encourage teachers' development and contribute to the upbringing of competent generations. As of 2020, the platform was opened free of charge to students and parents. The platform contains activities in line with the Republic of Turkey Ministry of National Education. During the pandemic, the content was enriched with a creative range of student-parent activities for children who were forced to stay at home. In 2020, the pandemic induced a further increase to the userbase, with the number of active users exceeding 7,000.

Adel Kalemcilik Creative Children, Creative Brains Seminars

Since 2012, Adel Kalemcilik, in cooperation with the Teacher Academy Foundation (ÖRAV) and the Republic of Turkey Ministry of National Education, has organized "Creative Children, Creative Brains" education workshops to educate teachers on the most effective ways to nurture creativity in children. Adel Kalemcilik has provided education to 9,000 teachers and contributed to the creative development of thousands of children. In 2020, seminars were moved to online platforms due to the pandemic.



Adel Kalemcilik Goodness Tree



In 2015, Adel Kalemcilik gathered all corporate social responsibility activities under the roof of Goodness Tree. The company, in cooperation with stakeholders and particularly with civil society organizations, provides stationery products to children and schools in need. In 2020, the organization sent help to earthquake victims in Elazığ and Izmir and reached out to nearly 500 child earthquake victims. Furthermore, in honor of the centenary of April 23, National Sovereignty and Children's Day in Turkey, a total of 80,000 tree seeds were sowed in Ankara and Mersin with the use of drone technology within the scope of the Goodness Tree Forest project.

Migros Family Clubs



In 2018, Migros launched Family Clubs with the cooperation of District Public Education Centers to further improve the skills of women, men and children of all ages. Consequently, Migros creates resources for a productive, value-creating and developing society. Located in 30 Migros stores across Turkey, Family Clubs offer courses on 105 different fields from pilates to foreign language education, photography, robotics, and coding. A significant majority of Family Clubs' over 121,000 members are women. Some courses award certificates acknowledged by the Republic of Turkey Ministry of National Education. In 2020, courses were maintained through the Instagram account and short educational videos posted on the platform reached 145,000 views.

Health

At Anadolu Group, we carry out our investments and activities in healthcare through Anadolu Medical Center within Anadolu Foundation. Since 2005, the Center offers world-class healthcare to local and foreign patients with its expert staff and cutting-edge equipment as part of its vision to become the heart of health. It also runs awareness activities to instill health consciousness in society. Through Anadolu Medical Center, Anadolu Foundation provided over 657,000 free healthcare consultations to over 53,000 people by late December 2020. Of these, 162,184 were examinations and 11,341 were surgical operations.

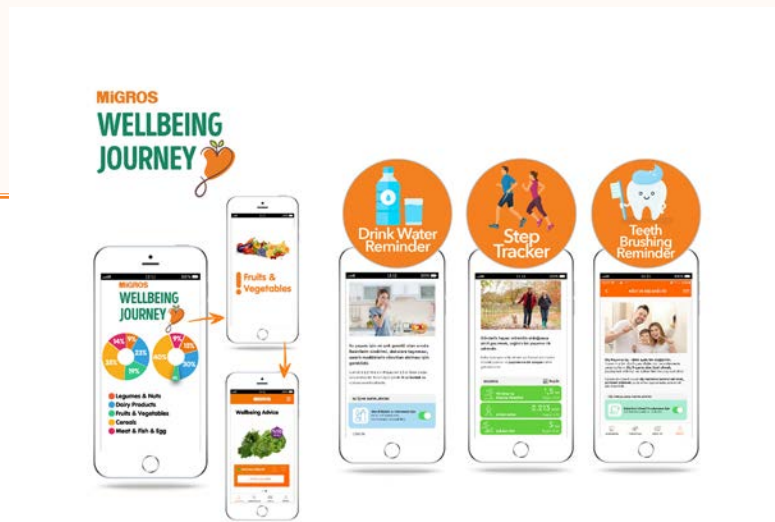
Pink Ball on the Court with Anadolu Medical Center and Anadolu Efes Sports Club

The company continues to highlight the importance of early diagnosis in breast cancer treatment through the "Pink Ball on the Court" project, which was initiated by Anadolu Medical Center in 2014 in cooperation with Anadolu Efes Sports Club. To celebrate the global Breast Cancer Awareness Month in October, Anadolu Efes Sports Club plays a home-field game at the Turkish Airlines EuroLeague. A volunteering celebrity serves the Pink Ball to start the game. Today, the Pink Ball symbolizes early breast cancer diagnosis in Turkey. It returns to the field every October, delivering early diagnosis messages and information to millions. Brands from different industries are also included in the project to maximize its impact. In 2020, the Project ranked in the top 10 in the Social Responsibility Category of the Most Admired Companies survey conducted by Capital, a business magazine.



Migros Wellbeing Journey

The Wellbeing Journey highlights the importance of a balanced diet, physical activity and water consumption, and offers personal diet suggestions. Through the program, Migros reached over 2.3 million individuals. The program also offers individual information, interactive advice and discount product suggestion on balanced diets, increased daily physical activity, sufficient water consumption, and dental and oral health. The Wellbeing Journey module is integrated in the Migros mobile application. For Money Card members, the system compares food product purchases with suggested diets. Subsequently, the system encourages positive behavioral change by issuing notifications on required nutrition groups and discount product suggestions. In 2020, Migros cooperated with Anadolu Medical Center to develop suitable vegan and vegetarian diets and reached 2.3 million people through the program. Within the same year, Migros incorporated the Balance Nutrition Index (BNI) within the application. The index computes the annual average distribution of customers' food product purchases by main nutrition groups and calculates any deviation from the advised consumption ratios. Before starting the project, the BNI scores of customers participating in the program was 70.5. By December 2020, this score had risen to 77.1. These figures measured the project's impact in regards to instilling good dietary habits to customers.



Sports

At Anadolu Group, we consider sports to be the most substantial element of a healthy society and, in 1976, we unified our sports activities within Anadolu Efes Sports Club. The Club contributes to the development of Turkish basketball and, in 1996, Anadolu Efes team won the FIBA Korac Cup, the first European cup in the history of team sports in Turkey. Since then, our team has taken pride in having represented our country the most times in European cups.

Anadolu Efes Sports Club youth teams have provided quality basketball training to thousands of athletes and introduced tens of thousands of young talents to basketball across Turkey and the Turkish Republic Northern Cyprus at the İlk Adim (First Step) basketball schools. Anadolu Efes was the first Turkish sports club to transfer an athlete to NBA, the world's highest basketball league, and became the only sports club to reach this four times.

Our youth teams also break records. They won the Turkish Championship 15 times in the minor category, 17 times in the stars category, 20 times in the youth category, and once in the Basketball Youth League.

Anadolu Efes Sports Club One Team

Anadolu Efes Sports Club undertakes various projects as part of One Team, the corporate social responsibility program of the Turkish Airlines EuroLeague. Anadolu Efes Sports Club One Team coaches trained students for eight weeks on self-esteem, positive sporting habits, socializing, communicating, focusing, achieving a team spirit, sharing, and setting targets. The project has thus far provided training to children at the Koruncuk Foundation, Okyanus College students, Anadolu Etap's Children of Seasonal Agricultural Workers, children with Down's syndrome with Special Olympics Turkey, and disadvantaged children with Beylikdüzü Municipality. Anadolu Efes is proud to be the only Turkish team to have won the Gold Award twice at the Euroleague One Team Awards.



Arts and Culture

We strive to expand culture and art to all parts of society, as we know that they play an important role in social development. For years, we have supported art and cultural activities through Anadolu Efes.

Anadolu Efes and Arts-Culture

Thirty-three-Year Cooperation with IKSv:

The cooperation of Anadolu Efes with the Istanbul Foundation for Culture and Arts (IKSV), a trailblazing institution in Turkey, began in 1987. IKSV presents Anadolu Efes special award in Turkish Cinema, National Competition and National Short Film categories and at the annual Gatherings on the Meetings on the Bridge event. Anadolu Efes also sponsors the Istanbul Jazz Festival, Istanbul Biennial and Istanbul Design Biennial by IKSV.



Supporting Theater for 28 Years:

Anadolu Efes began its journey onto theater stages with the Evita musical in 1992 and has since contributed to staging over a thousand plays.

Alternative Theaters and University Students on the Blue Stage:



Anadolu Efes founded the Blue Stage in 2018 to support young theater actors and theater troupes in search of a stage to perform and to enable all art enthusiasts, particularly university students, to see quality productions for affordable prices. Organized in cooperation with DasDas, Blue Stage welcomed in thousands of theater enthusiasts during the first two seasons, 4,000 of which were university students.

Anadolu Efes and DasDas Cooperation Digitalized Significant Plays:

Anadolu Efes believes in the importance of the sustainability of art and making art accessible to large audiences. Within this scope, Anadolu Efes contributed to the digitalization of DasDas, which was forced to bring down its curtains due to the pandemic. The cooperation digitalized the plays Westend, Joseph K. and Yalnızlar İçin Çok Özel Bir Hizmet (A Very Special Service for the Lonely) to reunite the stage with the audience.



Tourism

At Anadolu Group, we foster sustainable tourism with a view to conserve the natural beauties and cultural values of our country.

With the “Future Is In Tourism” project, which we have carried out in cooperation with the Republic of Turkey Ministry of Culture and Tourism and the United Nations Development Program (UNDP) since 2007, we aim to utilize sustainable tourism as an alternative sustainable development tool. Within this scope, the project promotes entrepreneurship to create local models, encourages the economic empowerment of women and supports local development.

Since 2013, Anadolu Efes has funded three projects every year and ensures the feasibility and sustainability of projects through consultancy, mentoring and communication support. So far, the Future Is In Tourism project has:

- supported 19 projects,
- reached approximately 200,000 people through projects,
- provided direct or indirect employment to nearly 500 women,
- cooperated with 600 civil society organizations and 23 universities.

Expert consultants provided online COVID-19 and hygiene briefing to support the Cheese Route in Kars, Home of Aromatic Plants in Köyceğiz and Journey of Linen in Ayancık projects, which had to suspend activities due to the pandemic.

In 2020, the Future Is In Tourism project ranked among the top five in the “Most Successful CSR Projects According to the Public” listed in the Corporate Social Responsibility (CSR) in Turkey survey by Capital, a business magazine, and GfK Turkey.






**We Manage Our
Environmental Impact**

We Manage Our Environmental Impact

The Global Risks Report³ conducted by the World Economic Forum continues to cite extreme weather conditions exacerbated by the climate crisis, insufficient mitigation efforts against the climate crisis, and the environmental damage caused by human activities in the list of top-priority risks. The COVID-19 pandemic, also highlighted in this year’s report, showcases the negative impact of human activities on the environment and reiterates the importance of biodiversity conservation. In an effort to eliminate the possibility of future pandemics, to combat the climate crisis and to support socioeconomic development, the entire business world must effectively manage environmental risks throughout the value chain. The business world holds as much responsibility as governments in managing the risks brought upon by global trends, grasping opportunities, reducing environmental impacts and creating social values.

As Anadolu Group, we adopt a sustainability approach and strive to enhance environmental value in all our fields of operation. We bear the responsibility to further improve society and leave a healthy planet to our children. AG Anadolu Grubu Holding Environmental Policy guides us in managing the environmental impacts of our ecosystem. We contribute to the United Nations Sustainable Development Goals in our groundbreaking social and environmental projects.

Within the scope of the Environmental Policy and in line with national and international environmental legislation, we manage environmental 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 2020, our total environmental investments and expenditures nearly doubled compared to the previous year, reaching TL 43 million.

You can read more about AG Anadolu Grubu Holding Environmental Policy here. 

Our projects, practices and programs to ensure environmental sustainability contribute to the Sustainable Development Goals **Clean Water and Sanitation (6)**, **Responsible Consumption and Production (12)**, **Climate Action (13)**, **Life Below Water (14)**, and **Life on Land (15)**.



Ensure accessible water and wastewater services and sustainable water management for all



Ensure sustainable consumption and production patterns



Take urgent action to combat climate change and its impacts



Preserve and sustainably use the oceans, seas and marine resources for sustainable development



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

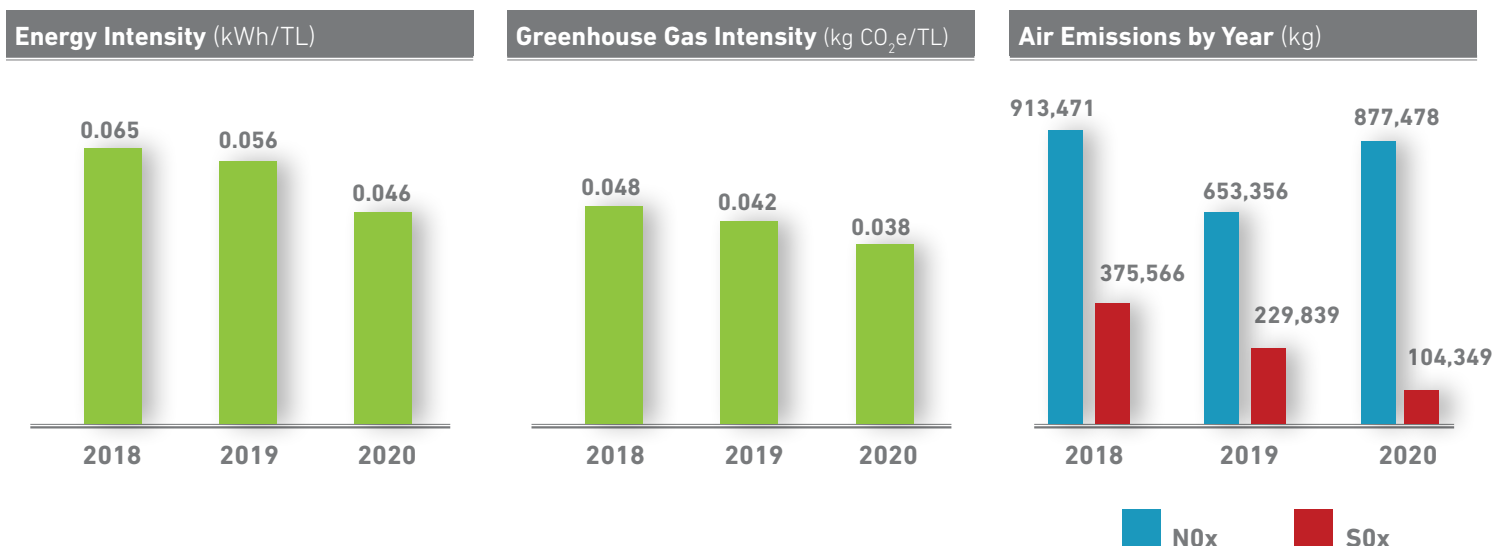
³The Global Risks Report, World Economic Forum, 2021

Climate Change and Energy

The restrictions imposed to combat COVID-19 and the shutting down of economies resulted in a deceleration in commercial activities. However, as sectors such as transportation saw reduced activity, air pollution decreased and the reduction in energy demand prompted a reduction in greenhouse gas emissions. To sustain the reduction in global emissions in the post-pandemic world, it is imperative to evaluate all new economic ventures from a sustainability perspective. Supporting investments with low environmental impacts is particularly important for companies in commercial relations with the European Union. Sustainability transformation needs to be triggered throughout the value chain to ensure the continuity of global commerce and to prevent risks in relations with the European Union, who contemplates on an additional carbon tax on imported goods as part of the European Green Deal⁴ plan, and with other countries who set their goals to transition to a low-carbon economy.

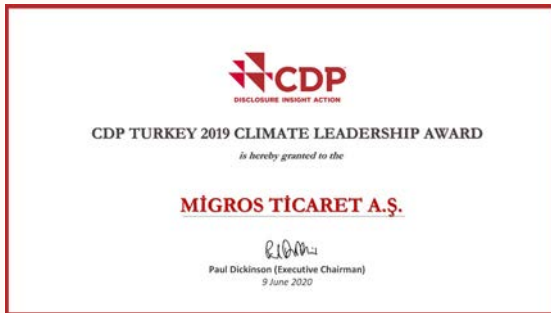
Climate change presents significant risks for all sectors, including our fields of operation, namely agriculture, retail, soft drink, and beer. Changing and fluctuating rainfall regimes impact necessary water sources and rising temperatures interfere with agricultural production. As Anadolu Group, we contribute to the fight against the climate crisis so as to ensure business continuity in all sectors and to fulfill our obligations to the environment and to our stakeholders. The Sustainability Committee, chaired by Anadolu Group CEO, is responsible for efforts against climate crisis and promotes switching to new production models in line with the low-carbon economy targets across the Holding and Group companies.

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 stabilize our total greenhouse gas emissions. Total greenhouse gas emissions were 2,358,071 tons of CO₂ in 2020. Energy intensity decreased by 29 percent compared to 2018 to 0.046 kWh/TL, greenhouse gas intensity decreased by 21 percent compared to 2018 to 0.038 kg CO₂e/TL. We also measure, monitor and work to reduce air emissions other than greenhouse gas emissions. Compared to 2018, NO_x emissions fell by 4 percent to approximately 877 tons this year, while SO_x emissions fell by 72 percent to 104 tons.



⁴ The European Commission is proposing a transition to a carbon-neutral green economy by 2050 with the Green Deal. https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

Migros Fights Against Climate Change



In an effort to reduce its carbon footprint, Migros has installed more efficient next-generation technology in its cooling systems, which prevent gas leaks. The company holds the patent for the water cooling system, which circulates cool water around the store and uses gas only to cool the water, thus minimizing the risk of gas leakage.

Cooling, air-conditioning and lighting systems are connected to a central control to save on electricity. Subsequently, Migros achieved its 2023 goal to reduce its carbon emission per store square-meter within four years.

Migros also participated in the Green Office Program of the World Wildlife Foundation (WWF-Turkey) to raise employee awareness on energy and natural resources efficiency and consumption habits. The Company was awarded the Green Office Diploma for the Headquarters building at the initial stage.

Anadolu Motor: Low-Emission Diesel Engine Development

The low-emission diesel engine development project, conceived by Anadolu Motor in cooperation with the Istanbul Technical University Technology Transfer Office, was approved by the TUBITAK Technology and Innovation Support Programs Directorate. The project, scheduled to be completed within 24 months, will increase combustion efficiency and, therefore, reduce the vehicle emissions of the produced engines. Anadolu Motor aims to contribute to the national insight with the project's original design methodology.



Kia Alternative Fuel Strategy



Through its global Plan S strategy, Kia aims to develop 11 electric vehicle models and to generate 25 percent of its total sales revenue from electric vehicles by 2025. Within the scope of the project, Çelik Motor has already launched hybrid models, which appeal to Turkish consumer preference, to the market.

Environmentally Friendly Coolers from Coca-Cola İçecek



The Energy Management Device (EMD), which Coca-Cola İçecek has utilized since 2009, reduces the environmental impact of cold beverage equipment. Cold beverage equipment with EMD are preferred for new purchases as they are 42 percent more energy efficient. The company opts for EMD in countries where it operates. As such, it has managed to eliminate 2 million tons of CO₂e greenhouse gas emission since 2009. The ratio of cold beverage equipment utilizing the Energy Management Device (EMD) within CCI increased from 48 percent to 54 percent in 2020.

Coca-Cola İçecek Switched to Electric Forklift Trucks

As part of its sustainable procurement practices, Coca-Cola İçecek switched from LPG forklift trucks to electric forklift trucks in its Turkish operations. This switch ensures the company saves on fuel and reduces its greenhouse gas emissions. So far in the journey, the project has achieved a 68-percent decrease in emissions stemming from forklift trucks.



Waste Management

Population increases, changing consumption habits and increasing industrial activities have caused waste to become a major environmental problem. Of note, the surge in packaging and single-use plastics consumption during the COVID-19 pandemic highlights the severity of plastic pollution. Furthermore, according to the most recent United Nations report, 17 percent of food delivered to consumers goes to waste⁵. Wasting food is not only inefficient in terms of natural resource usage, but also creates further greenhouse gas emissions as waste decomposes in storage facilities. Our waste management approach must radically shift to reduce and prevent waste and eliminate plastic pollution. It is critical that we adopt a circular rather than linear⁶ consumption model in our waste management processes, such as production, consumption, and elimination. To this end, we must reduce the consumption of raw material produced from natural resources, increase efficiency and decrease waste production. It is also essential to develop projects and practices to reassess the produced waste and to adopt responsible production and consumption processes.

AG Anadolu Grubu Holding considers waste management a priority. We reduce waste at the source as much as possible, apply recycling techniques, and provide the necessary human, technological and financial resources to dispose of waste in an environmentally friendly manner. We manage waste in the most efficient way in accordance with AG Anadolu Grubu Holding Waste Management Procedure. In 2020, as AG Anadolu Grubu Holding, we established the Zero Waste Management System to implement the Zero Waste approach of the Republic of Turkey Ministry of Environment and Urbanization. Following the Ministry audits, AG Anadolu Grubu Holding and Group companies received zero waste certificates.

COMPANIES AWARDED THE ZERO WASTE CERTIFICATE	FACILITIES AWARDED THE ZERO WASTE CERTIFICATE
AG Anadolu Grubu Holding	AG Anadolu Grubu Holding (Headquarters)
Anadolu Efes	All breweries and malt plants
Coca-Cola İçecek	All production plants in Turkey
Migros	9 distribution centers, 7 shopping malls, 1 production plant, 1 directorate and 1,307 stores
Anadolu Isuzu	Production plant
Anadolu Medical Center	Hospital

In 2019, we became a member of the Business World Plastic Initiative organized jointly by the Global Compact Turkey, Business Council for Sustainable Development Turkey (BCSD Turkey) and TUSIAD to further combat plastic pollution. In 2020, we conducted target-setting activities and declared our commitments in 2021.

Anadolu Group companies invest in innovative approaches to develop waste recycling and reusing solutions. Companies set goals to reduce waste at the source and to decrease production waste. They establish a cooperative effort, particularly concerning plastic packaging and food waste, to create joint solutions on increasing recycled plastic use and biodegradable plastic raw material. Additionally, the companies run Life-Cycle Assessment on products to determine their environmental impacts at every step.

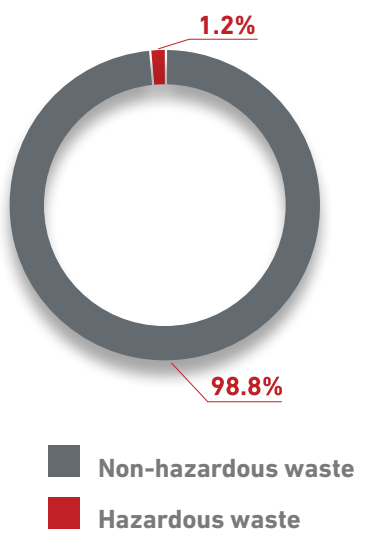
⁵ Global Food Waste Index Report, United Nations Environment Programme, 2021

⁶ The linear economy can also be defined as a sort of single-use economy, as it considers natural resources infinite in nature.

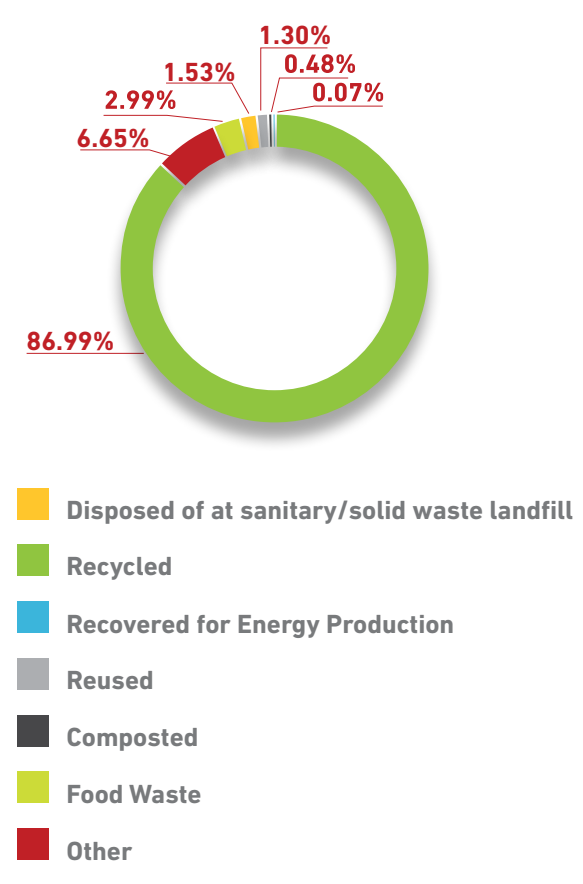


Concerning the waste generated from our Group activities, 98.8 percent is non-hazardous while 1.2 percent is hazardous. We recycle waste in various purposes and forms. In 2020, we recycled, reused or composted 88.8 percent of non-hazardous waste. We have recovered approximately 6 percent of hazardous waste for energy production.

Distribution of Waste by Category (%)



Distribution of Non-Hazardous Waste (%)

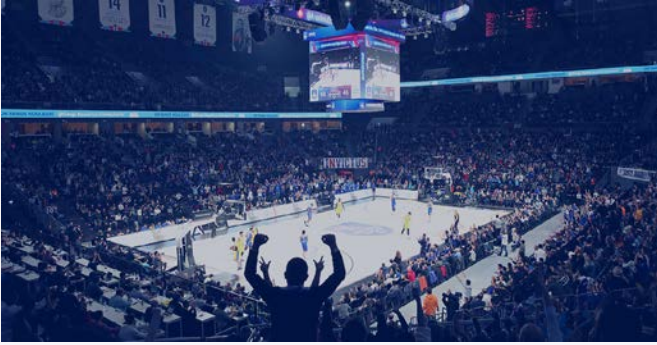


Zero Waste Approach in Anadolu Isuzu Production



Anadolu Isuzu opts to reduce waste at the source when managing waste arising from production activities. The company enforces constant inspection at every process through compelling targets to achieve the zero waste goal, and implements waste inventory management system separately for each unit as part of its waste monitoring. Within this scope, waste responsables are assigned at each production line in production units. Each production unit implements different waste management policies to reduce the waste from their respective processes. In 2020, the zero waste management system reduced waste value per vehicle by 15 percent.

Anadolu Efes Sports Club Digital Tickets



Sports Club's attainment of the title Europe's Best Marketing Team, which was awarded by Euroleague in 2017.

Anadolu Efes Sports Club switched from print tickets to Digital Tickets. This project, which has been in practice for the last four seasons, also aims to reduce paper consumption to raise environmental awareness in the audience. The project saved thousands of trees from the axe and was a substantial factor in Anadolu Efes

Anadolu Etap Revalues Waste Material

Anadolu Etap revalued the waste from the pomegranate processing at the Mersin Fruit Juice Plant and produced a new marketable final products.

Polyhydroxyalkanoate (PHA) Biopolymer Production from Fruit Processing Industry Waste Water is another project of the company, which aims to revalue the active mud from the waste water facility to produce biopolymer, a biodegradable plastic raw material. The biopolymer passed the tests of plastic producers and was approved. It now awaits commercialization and exploration into other potential uses.

Anadolu Etap schedules to launch the By-Products of Orange and Tangerine Peel Project in 2020 with a view to prevent food waste and to reduce waste production. The company invested in R&D to revalue the pulp and peels discarded by fruit juice plants during orange and tangerine juice production as extract and developed peel concentrate products. Anadolu Etap is also contemplating presenting these new products to the market.



Coca-Cola İçecek Recycled Plastic Use Project

Coca-Cola İçecek has developed projects to increase the amount of recycled material in its packaging since 2018, as part of its World Without Waste vision. As part of the project in 2020, 25 percent r-PET (recycled PET) content is used in 32 percent of its total production volume through chemical recycling, and the recycled material content in plastic cases is increased to 25 percent. The company aims to further increase its r-PET content and its use in secondary packaging, such as plastic cases, labels and stretch wraps.

Migros Prevents Food Waste



Migros applies a discount to fresh products and ripe fruits and vegetables with nearing expiry dates to prevent waste. The still-nutritious and healthy food products that failed to be sold are donated to food banks and social markets through a digital platform. Migros has been cooperating with Fazla Gıda for the past four years to combine food products that are suitable for donation with requests from those in need on the same platform, and to deliver the correct quantities of donated food to the

correct addresses. In 2020, Migros donated a total of 1,216 tons of food. So far, a total of 6.8 million meals worth of donation, of which 2.5 million in 2020, found their way to the dinner tables of those in need.

Moreover, Migros has been donating the nearly expired yet still edible food products to stray and forest animals through a cooperative effort with the Animal Rights Federation (HAYTAP) as part of the Kalan Tazeler Küçük Dostlarımıza (Fresh Leftovers to Our Fourlegged Friends) project since 2014. The total amount of donations reached 3,016 tons with the 1,120 tons donated in 2020.

Migros establishes local and global collaborations on food waste. Within this scope, Migros joined in the Save Your Food program, which was led by the Republic of Turkey Ministry of Agriculture and Forestry, and became the only retailer in Turkey to participate in the 10x20x30 initiative launched by the World Resource Initiative (WRI). As part of the initiative, Migros has committed to reduce food waste by half by 2030.

Waste Management Projects at Anadolu Efes



Zero Waste: Anadolu Efes obtained the Zero Waste Certificate issued by the Republic of Turkey Ministry of Environment and Urbanization for its malt and beer plants in Turkey.

Biodegradable Festival Cup: As between the first members Business Plastics Initiative, Anadolu Efes commits to further decreasing its already-low plastic use within its ecosystem. In this scope, the company cooperates with universities, suppliers and the wider entrepreneurship ecosystem. One outcome of the company's efforts to minimize plastic use is the biodegradable festival cups. While the usual plastic cups degrade over 450 years in nature, these biodegradable cups degrade in less than two years, leaving no waste behind.



Servingware made of olive seeds: Anadolu Efes works with the entrepreneurship ecosystem on food servingware made of olive seeds and cooperates with Biolive initiative, which produces entirely natural bioplastic granules from olive processing waste. Consequent to their efforts, servingware derived from 20 percent olive seed has been produced and is now in use.



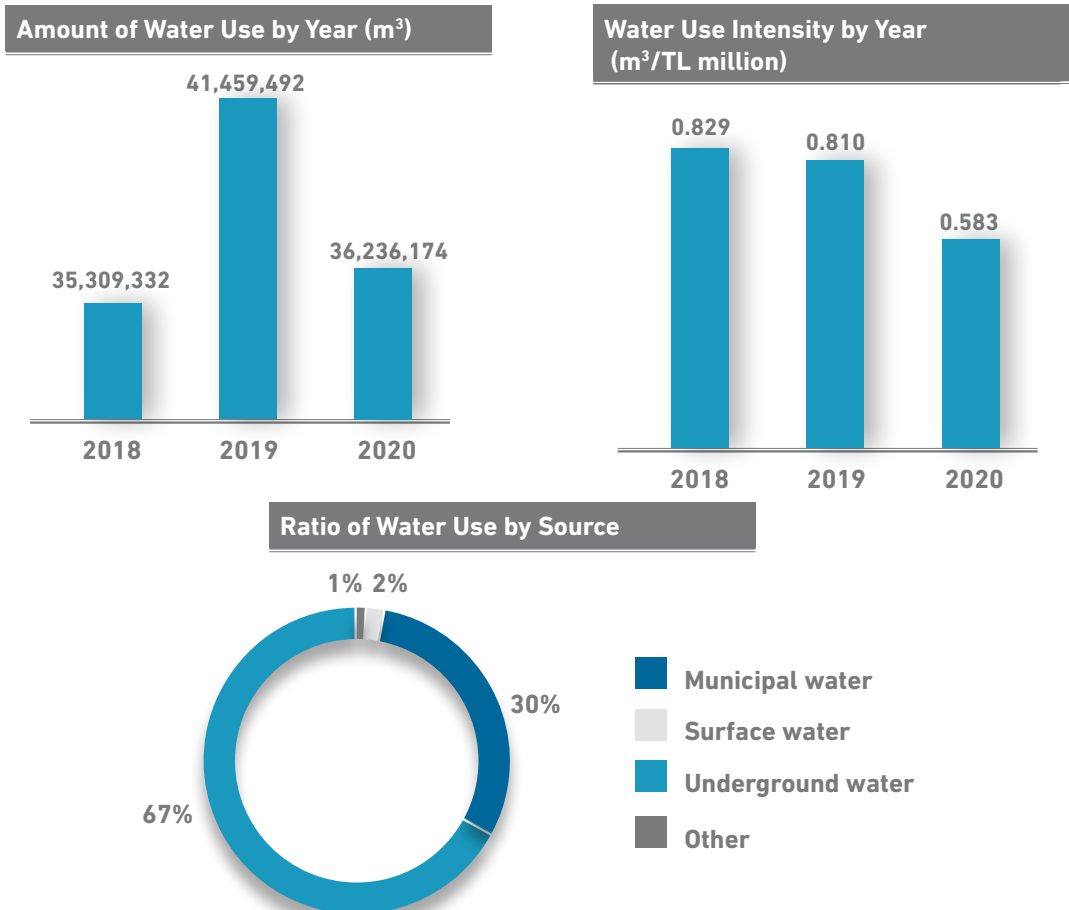
Water Management

Inefficient and irresponsible use of water resources, along with water consumption growing in direct correlation to an increasing population, causes water stress⁷ to rise. According to data published by the World Resources Institute, Turkey is among the countries suffering from high water stress⁸. In addition to insufficient water use and increasing consumption, rainfall regimes fluctuating with the climate change also impact human life and wildlife, and threaten the continuance of economic activities.

Water management is a priority matter for us at Anadolu Group to ensure our business continuity and environmental sustainability. Industries we operate in vary in their water use. As we are an industry-based group primarily active in the beer, soft drink, retail, agriculture and energy sectors, any depletion in water resources will directly impact our business process as water is the main ingredient of production. Therefore, we continue to develop practices to promote the efficient management of water resources, increased efficiency and reuse of water.

We strive to minimize the amount of waste water to prevent it from polluting the environment, and we keep the biological and chemical emission values in waste water below the legal regulations to conserve environmental health.

In 2020, 30 percent of our water use came from municipal water while 67 percent came from underground waters. The total amount of recycled and reused water was 2 percent. Compared to the previous year, water use intensity dropped by approximately 27 percent compared to 2018 and reached 0.583 m³/TL million.



⁷ Water stress refers to the cessation of water supply or the lowering of water quality as a result of water consumption rates exceeding the quantity of available clean water.

⁸ Water Risk Atlas, World Resources Institute, 2019

Anadolu Etap Leveling Project to Enhance Irrigation Efficiency

Anadolu Etap implemented a land leveling project on its farms in 2020 to enhance the efficiency of the fertilized irrigation system, reduce the use of chemicals in farming and to optimize water absorption of plants to save on costs, water and fertilizer. The final project decreased the cost of leveling by 30 percent, enhanced irrigation efficiency and saved water while protecting the soil structure and plant health.



Coca-Cola İçecek Safe Water Initiative: Paani



Lack of clean drinking water causes major health problems in Pakistan, one of Coca-Cola İçecek's countries of operation. Coca-Cola İçecek cooperated with Clean Water Trust, World Wildlife Foundation (WWF) and Rotary Pakistan to launch the Paani. The Paani initiative installs water filtering stations in disadvantaged regions to fulfill the clean potable water need. The installation of four more filtering systems was completed in 2020, increasing the total number of facilities to 32, providing access to clean water to over 1 million people.

What Anadolu Isuzu Has Done for Efficiency in Water Consumption

Committed to reducing water consumption in its operational processes, Anadolu Isuzu achieved economies of 686 m³/year through an automation project in its cooling towers, 2,886 m³/year through the use of photocell-controlled faucets, 396 m³/year through soft water plumbing for pressurized water jets, 720 m³/year through the reclamation of reverse wash water from active carbon filters, 3,520 m³/year through biological purification of oil-polluted water using specially cultured bacteria, and 1,100 m³/year through greater efficiency in the water conditioning system in its factories, thereby cutting back the amount of water consumed in operational processes by 26% over the last five years and the amount of water consumed per vehicle by 12% year-on-year.

Anadolu Etap Water Recycling Fruit Washing Project

Anadolu Etap applied to the Turkish Standards Institution (TSE) in 2020 with a project that develops a new system to reduce high water consumption in fruit washing and decontaminating process at fruit juice factories. The project developed an innovative and efficient washing line. Anadolu Etap employees managed to downsize the previously five-step washing and selecting processes to a single platform. The new system enables the reuse of treated washing water and achieved a 63-percent decrease in water consumption and a 30-percent decrease in electricity consumption in the Mersin production plant. Anadolu Etap is currently scheduling the integration of the project in other production plants as well. Complementary to this project, washing water system improvements were completed in the Mersin and Denizli fruit juice plants. The company achieved a 27-percent saving on annual water use in Mersin, and a 25-percent annual saving in Denizli with the new recycling and reusing system.



Anadolu Efes Regional Water Risks Study

Anadolu Efes conducted a water risk study around its production plants in Turkey. The study comprised the regions of six production plants, and mapped data such as production capacity, water use data per production plant, underground water use permit capacity and water consumption per production. Based on the mapping, the underground water levels in the operational regions were compared with consumption data to identify potential water risks in water resources.



Biodiversity



Anatolian Ground Squirrel

Land degradation due to human activities is a major driver of biodiversity loss. Unpleasant development, such as clearing for new agricultural fields, harvesting forest products, and sacrificing wildlife habitats to roads and urbanization, threaten the shelter and food sources of wildlife and interfere in their natural habitats. Continuous loss in biological diversity and wildlife causes the degradation of ecosystems. The fact that biodiversity loss and ecosystem degradation are included in the top-five risks most likely to happen in the next decade⁹ and that wildlife numbers have been reduced by 68 percent within the last five decades¹⁰ boldly highlights the urgency of precautions. Given our

dependency on ecosystem benefits and products, particularly in food consumption, it is crucial to develop projects and practices to conserve biodiversity.


Our operational sectors, including beer, soft drink, agriculture and retail, are agricultural production areas with a high natural resource consumption rate. We are aware that we need to sustain biodiversity to ensure our business continuity. To this end, we are developing projects and applications to study, inspect and monitor the impacts of our activities on biodiversity and wildlife and to protect them accordingly. We comply with the requirements of the United Nations Convention on Biodiversity.



⁹The Global Risks Report, World Economic Forum, 2021

¹⁰Living Planet Report, World Wildlife Foundation, 2020

Working with non-governmental organizations, we are taking actions to improve local ecosystems. As AG Anadolu Grubu Holding, we are cooperating with the Hatay Nature Conversation Foundation on a conservation project for the Anatolian ground squirrel (*Spermophilus xanthoprymnus*), which is listed as nearly endangered in the red list by the International Union for Conservation of Nature (IUCN). The ecological study in Karapınar, Konya, identified around 350 individual Anatolian ground squirrels in 15 different areas. The primary threat to the survival of Anatolian ground squirrels was observed to be habitat loss in the region. To save the species, the natural structure of steppes should be preserved; human activities, including road network, afforestation and urbanization, should be planned thoroughly and properly; road signs should be placed where necessary to protect the Anatolian ground squirrels who enter highways seeking dropped food, and are subsequently killed by passing vehicles; and information boards should be placed at natural attractions to raise awareness about the negative effects of domestic waste on the species. Furthermore, we carry out communication activities to raise social awareness on biodiversity.

You can read more about Anatolian Ground Squirrels Monitoring and Evaluation Report for Biodiversity here. 



Migros, Member of OP2B



Migros participates in multi-stakeholder initiatives for regenerative agricultural practices and augmented product variety. As a member of the One Planet Business for Biodiversity (OP2B), which unites various actors in the business world for biodiversity, Migros carries out efforts in three primary fields, namely increasing regenerative agricultural practices, enhanced product diversity with special seeds and combating deforestation.

The Good Agricultural Practices project of Migros works on sustainable agriculture and animal husbandry, as well as traceability; while Tastes of Anatolia and Our Heritage Local Seeds projects work to protect endangered seeds. Furthermore, the company cooperates with the Aegean Forest Foundation to support reforestation.

Anadolu Etap Biodiversity Conservation Project

Anadolu Etap integrates biodiversity-preserving agricultural practices and the Sustainable Agriculture Principles into its business model, while also undertaking work to preserve biodiversity in its farms and the surrounding fields. Anadolu Etap has placed the sycamores and Macedonian oaks around its fields under protection, and has established over a hundred birdhouses and over 4,000 beehives to foster wildlife.



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
- The Turkish Investor Relations Society (TUYID)
- The Corporate Governance Association of Turkey (TKYD)
- The Corporate Relations Institute (KIE)
- 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)
- The Food Retailers Association (GPD)
- The Turkish Federation of Shopping Centers and Retailers (TAMPF)
- The Association of Listed Companies' Executives (KOTODER)
- The Corporate Communicators Association (KID)
- Economic Development Foundation (IKV)
- Informatics Industry Association (TUBISAD)

Performance Indicators

Social Performance Indicators

Employees by Gender and Category	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Total	18,949	41,364	18,644	39,289	20,824	41,400
White-collar	6,620	14,235	6,416	13,830	6,052	12,586
Blue-collar	12,329	27,129	12,228	25,459	14,772	28,814
Employees covered by collective bargaining agreements	9,400	17,468	10,847	20,136	17,235	16,040

Employees by Working Duration and Category	2018		2019		2020	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Total	56,415	3,898	53,966	3,967	59,920	2,304
White-collar	17,033	196	16,741	674	17,261	426
Blue-collar	39,382	3,702	37,225	3,293	42,659	1,878

Employees by Age	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Below 30	9,709	17,721	8,845	15,554	9,836	16,176
30–50 years old	8,717	22,052	9,271	22,111	10,420	23,375
Over 50	523	1,591	528	1,624	568	1,849

New Recruits by Gender and Age*	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Total	1,553	4,857	1,508	5,963	1,179	3,577
Below 30	1,257	3,949	1,165	4,524	981	2,598
30–50 years old	285	867	330	1,379	192	938
Over 50	11	41	13	60	6	41

*Excluding Migros

Employee Turnover by Gender and Age*	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
	Total	1,411	4,946	1,631	5,828	1,274
Below 30	1,063	3,628	1,141	4,069	876	2,841
30–50 years old	335	1,216	455	1,622	357	1,290
Over 50	13	102	35	137	41	164

*Excluding Migros

Employees by Year	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
	0–5 years	11,710	23,523	10,663	20,479	12,342
5–10 years	3,611	8,564	3,921	8,870	4,436	9,484
10 years and over	3,628	9,277	4,060	9,940	4,046	10,418

Executives by Gender and Age	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
	Total	3,002	6,841	3,035	6,785	3,007
Below 30	900	1,644	858	1,505	704	1,011
30–50 years old	1,981	4,900	2,058	4,962	2,169	5,136
Over 50	121	297	119	318	134	410

Employees Granted Maternity/Parental Leave	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
	Number of Employees Granted Maternity/Parental Leave	1,300	1,403	1,345	1,489	1,085
Number of Employees Who Returned to Work Following Maternity/Parental Leave	1,158	1,394	1,214	1,482	655	1,385



	2018		2019		2020	
Employees with Disabilities by Gender	Women	Men	Women	Men	Women	Men
	310	925	400	1,038	371	1,031

	2018		2019		2020	
Employees Subject to Regular Performance Evaluation	Women	Men	Women	Men	Women	Men
	14,602	27,397	15,150	27,504	18,801	32,438

	2018	2019	2020
Training Hours by Year ¹¹			
Total Training Hours	2,744,174	3,122,628	3,067,894
Training Hours Per Employee	55.9	53.9	49.2
Total Training Hours to Contractors	31,803	67,267	28,760

	2018	2019	2020
OHS Training Hours by Year ¹²			
Total Training Hours	422,995	397,788	292,934
Training Hours Per Employee	7.01	6.87	4.71
Total Training Hours to Contractors	33,356	57,111	46,478

	2018	2019	2020
OHS Performance of Employees ¹³			
Accident Frequency Rate*	16.73	19.75	16.80
Occupational Disease Rate**	0.22	0.16	0.09
Number of Fatal Accidents	0	1	1

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

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

¹¹ The training hours by year of Anadolu Group have been recalculated for 2018 and 2019.

¹² The OHS training hours by year of Anadolu Group have been recalculated for 2018 and 2019.

¹³ The OHS performance of Anadolu Group employees has been recalculated for 2018 and 2019.

	2018	2019	2020
OHS Performance of Subcontractors¹⁴			
Frequency Rate*	38.06	36.86	30.35
Occupational Disease Rate**	0	0	0
Number of Fatal Accidents	0	1	4

* Accident Frequency Rate = Total number of accidents 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

	2018	2019	2020
Energy Consumption			
Total energy consumption (MWh)	2,780,948	2,872,907	2,837,536
Energy intensity (kWh/TL)	0.065	0.056	0.046

	2018	2019	2020
Greenhouse Gas Emissions¹⁵			
Total greenhouse gas emissions (Ton CO ₂)	2,025,983	2,131,458	2,358,071
Scope 1 (direct) emissions (Ton CO ₂)	576,764.71	625,120.28	618,026.69
Scope 2 (indirect) emissions (Ton CO ₂)	586,704.50	615,582.28	617,923.03
Scope 3 emissions (Ton CO ₂)	862,513.47	890,755.33	1,122,121.69
Greenhouse gas intensity (kg CO ₂ e/ TL)	0.048	0.042	0.038

	2018	2019	2020
Air Emissions (kg)¹⁶			
NOx	913,471.3	653,355.7	877,478.3
SOx	375,566.4	229,839.1	104,349.1
Volatile organic compounds (VOCs)	3,053,993.2	2,106,516.3	2,535,840.7
Particulate matter (PM)	58,223.0	45,434.4	273,072.4

¹⁴ The OHS performance of Anadolu Group subcontractors has been recalculated for 2018 and 2019.

¹⁵ Greenhouse gas emissions are calculated according to the GHG protocol. The Global Warming Potential (GWP) coefficients are taken from the 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). Greenhouse gas emissions of Anadolu Group have been recalculated for 2018 and 2019.

¹⁶ The air emissions of Anadolu Group have been recalculated for 2018 and 2019.

	2018	2019	2020
Water Consumption (m³)¹⁷			
Municipal water	10,117,181	9,527,099	10,830,095
Surface water	788,970	742,593	641,106
Underground water	24,402,556	30,691,997	24,361,735
Rain water	600	630	0
Other	25	497,123	403,238

	2018	2019	2020
Recycled Water and Wastewater Quantity (m³)			
Recycled/reused water	839,095	792,889	637,127
Waste water	15,950,580	13,684,643	14,465,942

	2018	2019	2020
Amount of Hazardous Waste (ton)			
Total hazardous waste	9,442.07	1,947.17	11,538.73
Disposed of at sanitary/solid waste landfill	376.01	189.99	203.13
Recovered for energy pro-duction	619.52	634.57	690.72
Reused	540.57	23.08	82.44
Electronic waste	4.32	6.41	4.15
Recycled	382	275.9	197
Other	7,518.94	816.91	10,360.61

	2018	2019	2020
Amount of Non-Hazardous Waste (ton)			
Total non-hazardous waste	563,376.47	313,122.64	892,111.45
Disposed of at sanitary/solid waste landfill	15,012.16	14,107.19	13,667.63
Recycled	442,899.38	205,564.10	776,028.04
Recovered for energy production	2,350.83	1,817.06	614.35
Reused	8,696.70	1,843.80	11,569.11
Composted	5,281.00	5,200	4,254.95
Food waste	24,420.00	29,360.00	26,696.18
Other	64,716.40	55,230.48	59,281.19

¹⁷Anadolu Group's water consumption, reused and waste water amount, hazardous waste amount, non-hazardous waste amount have been recalculated for 2018 and 2019.

GRI Content Index

GRI Standard	Disclosure	Page Number(s) and / or URL(s)	Omission	
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
GRI 102: General Disclosures 2016	Organizational Profile			
	102-1	3	-	
	102-2	3, 6-9	-	
	102-3	112	-	
	102-4	9	-	
	102-5	2020 Annual Report, p.8 https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_22ENG_75a9aa.pdf	-	
	102-6	7, 9	-	
	102-7	6, 7, 9, 40	-	
	102-8	104-106	-	
	102-9	54	-	
	102-10	There is no significant change during reporting period.	-	
	102-11	32-35	-	
	102-12	103	-	
	102-13	103	-	
	Strategy			
	102-14	4-5	-	
	102-15	32-34	-	
	Ethics and Integrity			
	102-16	7-8 https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf	-	
	102-17	36	-	
	Governance			
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	Reporting Practice			
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	102-47	26-28	-	
102-48	106-108	-		
102-49	There is no significant change during reporting period.	-		
102-50	3	-		
102-51	1 January 2019 - 31 December 2019	-		
102-52	The reporting cycle is annual.	-		
102-53	3	-		
102-54	3	-		
102-55	109-111	-		
102-56	No external assurance sought for 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	39, 40	-
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GRI 201: Economic Performance 2016	201-1	40	-
	201-2	34	-
	201-3	2020 Annual Report, p.189, 217 https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_22ENG_75a9aa.pdf	-
GRI 300: Environmental Standards Series			
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GRI 103: Management Approach 2016	103-1	89	-
	103-2	89	-
	103-3	89	-
GRI 302: Energy 2016	302-1	107	-
	302-3	107	-
	302-4	89	-
Water and Effluents			
GRI 303: Water and Effluents 2018	303-1	97-99	-
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Biodiversity			
GRI 103: Management Approach 2016	103-1	100-101	-
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GRI 304: Biodiversity 2016	304-3	100-102	-
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GRI 306: Waters 2020	306-1	92-96	-
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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	58	-
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GRI 401: Employment 2016	401-1	104	-
	401-2	65	-
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Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1	70	-
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	403-5	70	-
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Training and Education			
GRI 103: Management Approach 2016	103-1	67-68	-
	103-2	67-68	-
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GRI 404: Training and Education 2016	404-1	67, 106	-
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Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	59	-
	103-2	59	-
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GRI 405: Diversity and Equal Opportunity 2016	405-1	59, 104-105	-
Material Topics That Are Not Covered by the GRI Standards			
Digital Transformation			
GRI 103: Management Approach 2016	103-1	41	-
	103-2	41	-
	103-3	41	-
R&D and Innovation			
GRI 103: Management Approach 2016	103-1	47, 53	-
	103-2	47, 53	-
	103-3	47, 53	-

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ANADOLU GROUP



FROM ANADOLU TO THE FUTURE