

# FROM ANADOLU TO THE FUTURE

## Anadolu Group

### Sustainability Report 2021



ANADOLU GROUP

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# About the Report

Anadolu Group's third Sustainability Report is based on the consolidated sustainability performance data of Anadolu Group and all group companies in Turkey and abroad, covering the fiscal year extending from January 1, 2021 to December 31, 2021. The report contains Holding and Group companies' goals, performances and best practices within the scope of the sustainability strategy, "From Anadolu to the Future".

Prepared in compliance with the **"Core"** option of **the Global Reporting Initiative (GRI) Standards and World Economic Forum (WEF) Stakeholder Capitalism Metrics**. This report also demonstrates our economic, social and environmental performance as well as our contribution to **the United Nations Sustainable Development Goals (SDGs)**.

Please contact us if you have any questions, comments and suggestions concerning the Report at [sustainability@anadolugrubu.com.tr](mailto:sustainability@anadolugrubu.com.tr)





## Chairman's Message

Esteemed Stakeholders,

While the pandemic is no longer at the center of our lives, its effects still linger over the economy. The comprehensive transformation in society, environment, demographics and technology that occurs through this period, is having a deep impact on countries and companies. In an environment where the global economic and social risks escalate, the short-term and long-term effects of the climate crisis exacerbate biodiversity loss as well as social and geopolitical issues. Accelerating loss of biodiversity prompts disruptions in the food and healthcare systems and leads to rising prices in raw materials which, in turn, impacts negatively on all supply chains. It is crucial to closely observe the risks and developments that present a substantial threat to our shared future to establish strategies to boost our resilience and make rapid progress toward our goals along with all stakeholders.

As Anadolu Group, we prioritize the needs of all our stakeholders as always and maintain all our activities without disruptions, especially in areas that are of critical importance to the well-being of society, including healthcare, agriculture, retail and beverage. We have redirected our investments and actions toward infrastructures that will enable us to offer higher-quality services to our stakeholders and solutions that will enhance our resilience and competitive power. We maintain steady and balanced growth on financial side while recruiting new talents and multiplying the number of stakeholders touched by our value-adding efforts and projects. We continuously expand and strengthen our reach.

Our recently launched strategy study aims to carry Anadolu Group's sustainability-oriented strategic transformation to a much more advanced level and to further expand the reach of our star that links Anatolia to the world and the world to Anatolia. As part of our From Anadolu to the Future strategy, we determined value and focus areas related to each of our operations. We adopt a principle of "Healing the world today for the "Future" of Nature, Business and People" as a sustainable company. We are aware that our privilege of conducting business is thanks to the blessings of nature. As a massive driving force of the Turkish economy through our cooperation with global brands and multinational companies, we are aware of the impact of our way of doing business. We build on a human-oriented management perspective in all relations with stakeholders and communities. We combine our experience of over 70 years with our collective mind. We not only monitor but also anticipate global and local developments to integrate novelties into our business processes. We set visionary goals and take substantial steps toward achieving a more sustainable "future", wherever we do business.

Our publicly traded companies are receiving top-tier rankings in their respective industries. AG Anadolu Grubu Holding, Anadolu Efes, Coca-Cola İçecek (CCI) and Migros are listed in the BIST Sustainability Index and Corporate Governance Index. Moreover, Anadolu Efes is included in the FTSE4Good Emerging Indexes while Coca-Cola İçecek is included in the United Nations Global Compact (UNGC) 100 Index, MSCI Global Sustainability Index, FTSE4Good Emerging Indexes and ECPI Index. CCI remains the first and still only Turkish company listed on the UNGC 100 Index since it began in 2013. Anadolu Isuzu and Adel Kalemcilik are listed in the Women-Friendly Companies Stock Index, compiled by İş Asset Management. Anadolu Efes Türkiye, CCI and Migros report their carbon emissions annually to the Carbon Disclosure Project (CDP) on their performance in the mitigation of climate change. CCI and Migros were named three times in the CDP Turkey Climate Leadership list. CCI and Migros also report to the CDP Water Program. CCI improved its Water Security score from B to A- in the CDP 2021 results and became the only Turkey-based FMCG company to receive an "A-" grade. The company also merited an A in the CDP's 2021 Supplier Engagement Rating (SER). In 2020, Migros was ranked among the leading companies in the CDP Water Program. Anadolu Efes and CCI are signatories of the UN Women's Empowerment Principles (WEPs). CCI and Migros are also signatories of the LEAD Network CEO Pledge on gender equality and equality of opportunity.

In all our operations, we strive to be a pioneer and to produce value for our world and our stakeholders. In addition to the economic value we produce, we are consistently involved in activities that will create positive impact on social and environmental areas. I am proud to share with you our Anadolu Group Sustainability Report, which includes our From Anadolu to the Future sustainability strategy, our goals and our 2021 performance. I would like to extend my gratitude to all our stakeholders and particularly to our employees, who have immensely contributed to our sustainability performance.

**Tuncay Özilhan**  
Anadolu Group Chairman



## CEO's Message

Esteemed Stakeholders,

Despite all the uncertainties caused by the pandemic, we have successfully come through 2021 thanks to our strong operational infrastructure and strategic financial approach. We increased our total consolidated revenues by 33 percent in 2021 to reach TL 82.7 billion. Our total assets increased by 53 percent compared to 2020 and reached approximately TL 112 billion. The escalating impact of the climate crisis is prompting the business world to assume responsibility for the subjects of environment, social and governance. The integrated management of sustainability risks and opportunities with business strategies, helps us minimize the impacts of today's conditions in shaping the future. With that in mind, we carried out an effort that incorporates the sustainability strategy of our Group to lead the change and to heal the world today for a better future.

As Anadolu Group, we gathered our environmental, social and governance activities under our sustainability strategy, which we call "From Anadolu to the Future." Today, we take a step to heal the future and implement our strategy in twelve focus areas in our three pillars: the Future of Nature, the Future of Business and the Future of People. We advance our ongoing efforts in line with our visionary goals and we aim for each piece of land, each piece of work and every single life we have touched to transform, heal and strengthen with us.

As part of **the Future of Nature**, we strive to achieve the vision of becoming a net-zero company by 2050 and reveal our actions in the subjects of water, the circular economy, agriculture and biodiversity. With all our Group companies, we strive to minimize our environmental impact today for the future and we take tangible steps to this end. As a member of the Business Plastic Initiative (IPG), AG Anadolu Grubu Holding, Anadolu Efes and Migros have committed to reducing their plastic use. **Anadolu Efes** strives to achieve the Positive Impact Plan and in working toward the UN Sustainable Development Goals for 2030, continues to make strides in its waste reduction, water efficiency and energy efficiency projects. **Coca-Cola İçecek** works for water stewardship, which is essential for its industry, as well as sustainable packaging and waste management, energy management and climate change. Within the scope of its green transformation strategy, **Anadolu Isuzu** pursues research on alternative fuel and electric vehicles as well as energy efficiency projects to reduce greenhouse gas emissions, including solar energy panels on the rooftops of manufacturing plants. The company also runs zero waste efforts and actions to reduce water consumption. **Kia Türkiye** continues its efforts to strengthen the position of alternative fuel and environmentally friendly cars, which is an important topic in the automotive sector recently in the Turkish market. **Migros** steers all sustainability efforts in line with its Better Future Plan, advancing toward commitments to reduce its carbon and water footprints for a multidimensional fight against the climate crisis. **Migros** generates 77 percent of its income from

agriculture. The company, therefore, contributes to sustainable agriculture practices, combats food waste and develops solutions to promote the circular economy. A signatory of the UN Global Compact, **Anadolu Etap** is the first company in Turkey to set forth and implement Sustainable Agriculture Principles. Our **energy** companies' renewable energy investments in Aslançık and Paravani are still maintained, contributing to the transition toward a low-carbon economy. The "Each Point Means +1 Tree" project achieved through the cooperation of **Anadolu Efes** and **Anadolu Efes Sports Club** realizes the implications of each step taken on the world and society and aims to sew 3 million seed balls through green bottled products. This year, the project left 579,930 seed balls in nature. **Anadolu Group** also conducts a project that will contribute to the conservation of endangered Anatolian ground squirrel species and works to raise awareness of biological diversity.

In line with **the Future of Business**, we transform our operations by building on digitalization and innovation. We strive to provide responsible products and services through our leading brands. We focus on establishing an inclusive and traceable value chain and strengthening our effective corporate governance approach with our effective risk management. Our innovation program Bi-Fikir incorporates our emphasis on innovation and entrepreneurship while evaluating and implementing ideas from internal and external stakeholders. **Anadolu Isuzu** exported its first electric vehicle in compliance with European standards and continues to enhance manufacturing quality and innovation efforts with the Smart Factory project in line with digital transformation and Industry 4.0 visions. **Garenta** strives to be the flagship of the car rental industry through customer-oriented applications and solutions. **ikinciye.com** continues to maintain its leading position in the industry as a reference brand with its digital infrastructure while strengthening its presence on traditional commercial channels through new dealerships. **Anadolu Motor** carries out the responsible manufacturing of innovative and cost-efficient farming equipment. **Adel Kalemcilik** seeks to benefit customers with its new, innovative antibacterial product group. In line with our vision to develop inclusive business models, we offer accessible services to our senior customers and individuals with disabilities as part of our Accessible **Migros** project. We continue to strengthen our integrated management approach. AG Anadolu Grubu Holding, Anadolu Efes, Coca-Cola İçecek and Migros are in the BIST Sustainability Index and Corporate Governance Index.

The last pillar of our strategy is **the Future of People** stipulates a human-oriented management approach as the basis of our relations with all stakeholders and communities, starting with our employees. Anadolu Group was recognized as the Company with the Highest Number of Women in Management Positions by the 2021 Female-Friendly Companies Survey, conducted by Capital magazine. Our occupational health and safety practices comply with international standards. **Coca-Cola İçecek** was awarded as the Best Employer Brand at the LinkedIn Turkey Talent Awards for its people-oriented efforts. Our social organizations and the entirety of our Group companies seek to contribute to the socio-economic development for the welfare of our society. **Anadolu Foundation** continues to contribute to education and healthcare through social responsibility programs. Our Foundation provided scholarships to over 30,000 young people in need across Turkey to nurture equal opportunity in education. The My Dear Teacher Program reached over 185,000 teachers. We also offered 676,328 free healthcare services to 55,240 people through our foundation. **Anadolu Medical Center** continues to offer high quality healthcare services with strict precautions and high employee dedication even during the COVID-19 pandemic. The Pink Ball on the Court project, a cooperation between **Anadolu Medical Center** and **Anadolu Efes Sports Club**, has been raising breast cancer awareness for the eighth year now. The only Turkish basketball team to have won the EuroLeague championship twice, **Anadolu Efes Sports Club** is proud to hold the highest number of cups in the history of Turkish basketball.

As part of our sustainability strategy, From Anadolu to the Future, we maintain the continuity of our business by pursuing our vision to always improve our environmental, social and governance performance. I am proud to share with our stakeholders the Anadolu Group Sustainability Report, which contains our 2021 performance as well as our future strategies and visionary goals. I would like to thank my colleagues and all stakeholders, who contributed to our Group's sustainability strategy and the preparation of this report.

**Hurşit Zorlu**  
Anadolu Group CEO

# About Anadolu Group

Anadolu Group operates with the vision of being “The star that links Anatolia to the world and the world to Anatolia” and maintains its activities in 7 sectors (beer, soft drink, retail, agriculture, automotive, stationery and energy) and in 19 countries with approximately 80 companies, 86 production facilities, 6 R&D centers and more than 80,000 employees. The Group, which was founded by Yazıcı and Özilhan families in 1950, is a driving force of Turkish economy with its financial assets, its strong production capacity and the projects it is involved with. It acts in accordance with its mission of being a multinational and entrepreneurial group through its partnerships with leading brands and companies of the world such as AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, Kia, Honda, Honda Marine, Kohler, Johns Hopkins Medicine.

With assets worth

**TL 111.8 billion**

in value in 2021, the Group booked a total turnover of

**TL 82.7 billion** on its operations.

Within the context of its social responsibility, the Group is involved in several areas like agriculture, education, health, sports, culture, arts and tourism and also contributes to the society through its social organizations; Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club. Under its brand “From Anadolu to the Future”, launched in 2019, the Group executes projects and practices that reveals its sustainability-oriented future vision. As of 2021, From Anadolu to the Future has become the sustainability strategy of Anadolu Group.

Anadolu Group strives to produce value in sustainable manner and consistently achieves a rapid and healthy growth through its commitment to a culture of partnership with global brands and international companies, its expertise in branded consumer products, its experience and strength as regional player in a broad geography and its understanding of strong corporate governance.



## Vision

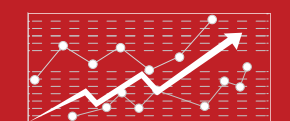
The star that links Anatolia to the world and the world to Anatolia

## Mission

To be a multinational, entrepreneurial Group that thinks globally and acts locally

~80 companies  
7 different sectors  
across 19 countries

80,000+  
total employment



As of year-end 2021  
TL 82.7 billion turnover

86  
production facilities

6  
R&D centers

6 of our companies, including the Holding, are listed in Borsa Istanbul and

4 are listed in the Borsa Istanbul Sustainability Index.



# 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.



## Group Companies

We carry out activities in 19 countries in the beer, soft drink, retail, agriculture, automotive, stationery and energy industries.

We are currently active in Turkey, Germany, Azerbaijan, Belarus, Georgia, the Netherlands, Iraq, Kazakhstan, Kyrgyzstan, the Turkish Republic of Northern Cyprus, Moldova, Uzbekistan, 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. We replicate the sustainability efforts of our international partners in our country and become industry leaders.

Our business partners include AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, Kia, Honda, Honda Marine, Kohler and Johns Hopkins Medicine.



## ANADOLU EFES

### Beer Group

Anadolu Efes started in 1969 with two beer factories established in Istanbul and Izmir. Today, we continue this journey as the 5<sup>th</sup> largest beer company in Europe and the 9<sup>th</sup> largest<sup>1</sup> in the world 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 malt production facilities, 1 preform production facility and 1 hop processing facility in 6 countries including Turkey, Russia, Ukraine, Kazakhstan, Georgia and Moldova.



Anadolu Efes considers creating a sustainable business model a key responsibility owed to future generations. It has been striving toward the 2030 Goals built on three main focus areas. The 2030 goals of the company are categorized under three main pillars: “Targeting zero for the environment” “Getting stronger through diversity and inclusion” and “Increasing our support with social impact.” Anadolu Efes adheres to the UN SDGs in its efforts and has publicly announced the transparent social, environmental, ethical and economic evaluation of its performance in its Sustainability Report in compliance with the reporting criteria published by the Global Reporting Initiative (GRI) since 2010.

Having already achieved significant milestones in sustainability, Anadolu Efes expanded the scope of its environmental and social commitments beyond the borders of Turkey and became a signatory to the UN Global Compact (UNGC) in 2011, to the CEO Water Mandate in 2014 and the Women’s Empowerment Principles (WEPs) in 2015. Anadolu Efes has been included in the Borsa Istanbul (BIST) Sustainability Index since 2015 and in the FTSE4Good Emerging Markets Index, a leading global sustainability index, since 2017. Since 2018, Anadolu Efes is sharing its climate performance for Turkish operations with the Climate Program of the Carbon Disclosure Project (CDP).

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

<sup>1</sup> The Barth Report 2020/2021

## CCI

### Soft Drinks Group

Coca-Cola İçecek (CCI) is one of the key bottling companies in The Coca-Cola Company’s global bottling footprint with 30 plants in 11 countries (Turkey, Pakistan, Kazakhstan, Iraq, Uzbekistan, Azerbaijan, Kyrgyzstan, Jordan, Tajikistan, Turkmenistan and Syria).

CCI’s GRI Standards-compliant sustainability report became the first of its kind in Turkey. Furthermore, the company has periodically reported on its sustainability performance since 2008. In 2021, CCI became the first company operating in the FMCG industry in Turkey to publish an Integrated Annual Report. CCI remains one and the only Turkish company to make it into the UNGC 100 Sustainability Index, launched in 2013 by the UNGC. Coca-Cola İçecek has been reporting to the CDP its climate change efforts since 2011 and its water management efforts since 2014. CCI has been awarded the Climate Leadership three times by the CDP Turkey. Listed in the BIST Sustainability Index since 2015, CCI also made it to the international MSCI ESG Leaders, FTSE4Good Emerging Indexes and ECPI indices. CCI is also a signatory to the WEPs.



## MIGROS

### Migros Group

Migros operates in the food retail industry via online channels and in 2,565 stores in 81 provinces across Turkey. In 2021, it was awarded the “Most Admired Retail Company” for the 18<sup>th</sup> consecutive time in Turkey’s Most Admired Companies survey.

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 the multifaceted fight against climate change to sustainable agriculture and the protection of food, the support of healthy living, gender equality and the equality of opportunity. The relevant developments are subsequently reported in compliance with the GRI standards. Migros also prepared its 2021 Sustainability Report in the Integrated Report format.





Migros is the only retail company to be included in the BIST Sustainability Index for eight consecutive years. Migros, with its Corporate Governance rating of 9.67, is also included in the Borsa İstanbul Corporate Governance Index. Its CDP reports have earned the company three Climate Leadership titles and one Water Leadership title to date. The company was listed in the top 10 in a Capital magazine research in the "Sensitivity to the Ecological Environment," "Social Responsibility" and "Sustainability Strategies" categories.

Migros is a member of The Consumer Goods Forum (CGF) at the management level, a member of the LEAD Network Europe and has supported the establishment of LEAD Network Turkey. It is also a signatory to the CEO Pledge of LEAD Network Europe on gender equality and the equality of opportunity.

## Automotive Group

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

### ANADOLU ISUZU

#### Anadolu Isuzu



Anadolu Isuzu focuses on the commercial vehicle segment of the automotive industry and is one of the leading manufacturers in Turkey of trucks, light trucks, midibusses, busses 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. The number of the markets Anadolu Isuzu-designed and manufactured vehicles are being exported to has reached 45. The company has been publishing sustainability reports since 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, compressed natural gas (CNG), electric and autonomous vehicles. Anadolu Isuzu was awarded the Sustainable Bus of the Year 2022 in the Intercity segment at the Sustainable Bus Award organized in Europe.

Working toward digital transformation and Industry 4.0 visions, Anadolu Isuzu launched the Smart Factory project. The Smart Factory project manages the complex production flow and spacious production facilities necessitated by the fluctuation and variety involved in "Tailored Manufacturing" by 3D digital twin technology. It also employs the Internet of Things (IoT) to communicate to operators all information on customized production. The Smart Factory project was awarded the Best Innovation Project of the Year in the "Innovation" category in IDC, a global organization.

### ÇELİK MOTOR

#### Çelik 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 industry player. Kia currently has 48 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 industry.

In the 2000s, Çelik Motor took steps in line with the needs of the automotive ecosystem toward change and innovation. In 2014, it founded Garenta, Turkey's first corporate rent-a-car brand with 100% local capital. 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 industry by sharing real past sales data on its website.



#### Anadolu Motor

Leveraging its position among the leading firms of its industry and more than half a century of experience in engine manufacturing and marketing, Anadolu Motor manufactures single-cylinder diesel engines under its brand, "Antor." Its Antrac brand



features a wide range of manufactured and exported products from hoeing machines to water pumps and diesel and petrol generators. Anadolu Motor is also active in the industrial sector as the distributor for the Kohler diesel engines, in the gardening and industrial product groups with Honda Power Equipment and in the maritime industry with the Honda Marine outboard motors and 4XC Design by Ranieri boats.

## Agribusiness, Energy and Industry Group

Our companies Anadolu Etap, Anadolu Kafkasya, AES Electricity, Aslancık Electricity and Adel Kalemcilik are offering services and products in Turkey and its neighboring countries in the agriculture, energy and stationery industries.



### Anadolu Etap

A joint venture of Anadolu Group and Özgörkey Holding, Anadolu Etap strives to provide quality fresh fruit and fruit juice to Turkish and global markets 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 seven farms, 5 million fruit trees, three fruit juice plants and one packaging plant on 30 square kilometers. The company cooperates with villages and farmers that comply with quality standards and who could implement Sustainable Agriculture Principles. Anadolu Etap exports 70% of its fresh juice and fruit juice concentrate products to over 65 countries from the Far East to Europe and the United States.



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



### Energy Companies

Aslancık Hydroelectric Power Plant (Aslancık HPP) and Georgia Urban Energy (Paravani HPP) companies undertake operations in the energy industry in Turkey and Georgia, respectively. Furthermore, Anadolu Kafkasya Enerji Yatırımları A.Ş. 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 Group launched Aslancık HPP with the cooperation of the Doğan and Doğuş Groups. It featured an installed capacity of 120 MW and the plant generated 201 GWh of electricity in 2021. 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 338 GWh in 2021, 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. The Tree of Goodness Corporate Social Responsibility project, fueled by the company's "goodness" virtue, conducts numerous sponsorships and social responsibility projects.





# Developments in 2021

Within the framework of our sustainability strategy from Anadolu to the Future, we determined our strategic pillars and visionary goals. **We act today for the future of nature, business and people.**

## The Future of Nature



We reduced greenhouse gas emission intensity in scope 1 and 2 by **24%\*** to **0.016 kg CO<sub>2</sub>e/TL**.

\*Compared to the previous year

We reduced energy intensity by **31%\*** to **0.031 kWh/TL**.

We recycled, recovered or composted approximately **89%** of non-hazardous and hazardous waste.

We reduced our water intensity by approximately **40%\*** to **0.352 m<sup>3</sup>/thousand TL**.

We increased the amount of recycled and reused water by **26%\***.

We nearly **tripled** our environmental budget\* and invested and spent a total of **TL 129 million**.

Within the scope of our activities as part of **the Business Plastic Initiative**, we committed to reducing our plastic use as AG Anadolu Grubu Holding and as our Group companies, Anadolu Efes, CCI and Migros.

## The Future of Business



Our net sales increased by **33%** year over year to **TL 82.7 billion**. Our total asset size increased by **53%** and reached approximately **TL 112 billion**.

AG Anadolu Grubu Holding, Anadolu Efes, Coca-Cola İçecek and Migros are listed in the **BIST (Borsa Istanbul) Sustainability Index**.

We raised our SAHA Corporate Governance and Credit Rating to **9.52**.

We extended our Digitalization, R&D and innovation budget by **19.5%** and invested **TL 152.25 million**.

Our sustainability-focused R&D investments amounted to **TL 26.8 million**, accounting for **18%** of R&D investments and expenditures.

We work with **over 20,000** suppliers of whom **80%** are local.

We implemented **5,938** quick applications and **2,177** projects developed within the scope of our "Bi-Fikir" innovation program. The value we generated by implementing approximately one out of every five ideas participating in the program exceeded **TL 780 million** over a period of **7** years.

## The Future of People



We spent approximately **TL 346 million** in charity works towards socially beneficial results.

The rate of female employees reached **34%** while male employees constitutes **66%**.

Of our employees, **41%** are below the age of 30.

We have colleagues from **36** countries participating in our global operations.

In line with our **equal pay for equal work principle**, we shared the details of our remuneration policy for men and women in all levels.

We provided approximately **3.5 million person-hour** training which equals **54.5** hours per employee.

We also organized a total of **180,184 person-hours** of employee training on occupational health and safety (OHS), totaling **2.76** hours per employee.

## Social Solidarity in Natural Disasters

We strived to stand by our fellow citizens once the wildfires and floods threatening the ecosystem flared up all across our country. With our Group companies, we lent a hand to the affected areas with the strong belief that, together, we can build a better tomorrow.

**Anadolu Efes** closely followed the disaster areas and all animals affected by wildfires from the first moment and organized rapidly to address calls for help. First, the company closely cooperated with relevant public institutions, local authorities, municipalities, NGOs and business partners to identify urgent needs. It was the first company to dispatch refrigerated trucks to Manavgat and Marmaris as a response to the need for coolers in disaster-struck areas. The company also delivered refrigerated cabinets and sunshades to the fire coordination centers in Adana, Mersin, Bodrum and Milas. Furthermore, it delivered masks, hats and heat-resistant gloves, the most urgent items at the time, to the disaster centers. It dispatched two solar panels to Milas and Marmaris, where electricity was cut off, to charge mobile phones and to operate refrigerators.

In addition, the company provided refrigerators for medication at the field tents set up by HAYTAP for animals. It also worked to help with fodder shortcomings in different regions. Having already launched the Tabiatımız Özel (Our Nature Special) project in cooperation with Ecording prior to the wildfires, Anadolu Efes added an additional 1 million to 2 million tree seed balls commitment in order to heal wounds in the face of forest fires.

When the Ahbap Platform announced that they would recover the house of a citizen who had lost their house to the wildfires and been featured in the news, Anadolu Efes Volunteers contributed TL 100,000.

**Coca-Cola İçecek** provided product, cooler and sunshade support to Bodrum, Köyceğiz, Marmaris and Manavgat through municipalities and the Turkish Red Crescent from the first day of the wildfires. They also dispatched refrigerated trucks to wildfire areas including Bodrum and Isparta. Furthermore, CCI delivered beverages to the HAYTAP Manavgat Field Hospital volunteers. The Coca-Cola Turkey ecosystem established a 50,000-tree Memorial Forest in cooperation with the Aegean Foundation. The funds received from the Coca-Cola Foundation were transferred to the affected areas. The company also donated to the Turkish Red Crescent following the floods in the Black Sea Region.

**We have worked with our Group companies to support the regions affected by the forest fires and the flood from day one.**

**We contacted the AFAD Coordination Centers and Turkish Red Crescent. We provided the necessary contributions to meet their needs.**

- 10 refrigerated trucks for the fire-affected areas
- Refrigerated containers and bags
- Health and hygiene materials
- A fire hose, tents, parasols, inflammable clothing, masks and hats
- Food and beverages
- Solar panels and generators
- Cash Donation to Turkish Red Crescent

**We also thought of our friends with paws.**

- Fodder delivery
- Provided refrigerators to store the medication for their treatment

**We contributed in the afforestation efforts for a greener future.**

- Ecording cooperation to disperse 1 million tree seed balls
- Group companies to donate saplings to TEMA and Aegean Forest Foundation

ANADOLU EFES | CCI | MIGROS | ANADOLU ISUZU | KIA | Garenta | MOOV  
ikinciye.com | ANADOLU MOTOR | ANADOLU ETAP | ADEL | MCDONALD'S | ANADOLU

ANADOLU GROUP

**Migros** immediately contacted the Coordination Centers of Disaster and Emergency Management Presidency (AFAD) in all areas once the wildfires spread and dispatched within hours any urgent needs including water and ice, hygiene products and urgently need foodstuffs and beverages. The company also rapidly provided any items needed from its nearest stores. It obtained technical equipment such as refrigerated trucks and fire hoses from authorities and delivered them to areas in need.

The company conducted follow-ups and contributed to the Çökertme, Mazi, Turunç, Orhaniye, south of Manavgat-Gündoğmuş, Taşağıl district and Sütçüler in Isparta to monitor citizens affected by the wildfire and to track the hard-working teams.

Migros planted, through the Aegean Forest Foundation, over half a million saplings over the last 14 years to reforest burned and damaged lands. The company closely follows afforestation works from a scientific point of view based on its years' worth of experience.

**Anadolu Isuzu, Kia Türkiye, Anadolu Motor, Anadolu Etap, Adel Kalemcilik, McDonald's** and **Anadolu Medical Center** each donated, to the TEMA Foundation, saplings equal to the number of employees they each have. **Anadolu Isuzu** made a further donation of a sapling for each dealer, authorized service while Adel Kalemcilik donated a sapling for each dealer, dealer employee and supplier. **ikinciye.com** donated a sapling to the TEMA Foundation for every vehicle sold or purchased on its website from August through September; **Garenta**, for every car rented between August 1-7; and **MOOV**, for every car rented on

July 31. MOOV donated income generated from a sponsored program to aid in the treatment of animals affected by wildfires.

**Anadolu Isuzu** collected employee donations to contribute to the Ahbap Platform, HAYTAP and Angel's Farm shelter to help animals affected by wildfires. The company provided emergency food aid with the donations collected from employees to help citizens affected by the floods that hit the Black Sea Region. **Kia Türkiye** delivered 250 medical intervention kits to the wildfire areas. **McDonald's** contributed to the efforts by sending food, beverages, refrigerated trucks and ice to disaster-hit areas.

**FROM ANADOLU  
TO THE FUTURE**

**Act today for a better future**

**We act today for the future of nature,  
business and people.**



**We act today for the future of nature, business and people.**

The right time to build a better future is today. Sustainability transformation is realizing that transformation is 'a present-day activity'. It takes creating new habits, aiming positive change and taking action, knowing that the smallest act can change the world when we come together. Thus, we consciously stand among the pioneers of change, act today for a better future.

*We are connected to our roots, we work in harmony and we build bridges between Anatolia and the world.*

We connect deeper with the land we live on, with the business we do and with the communities that we share a purpose with. Owing to our ability to think globally and act locally, we build bridges between Anatolia and the world, planting seeds of goodness today for our common future.

*We are a part of the collective movement. We act today better for a sustainable future.*

We are aware that the sustainability transformation has become indispensable all over the world. We truly know that the ultimate key to build a better future for our world and communities is "sustainability". We acknowledge the fast-changing expectations and needs that come along with the dynamics of the new century and the new world rising.

Foreseeing this global shift, we are eager to create shared value environmentally, socially and in terms of governance in all the regions where we have been operating since many years. We move forward with new and enhanced goals. We bring sustainability-focused strategic transformation into action. As we transform, we consciously aim that every piece of land, every piece of work and every single life we touch transform, heal and strengthen with us. Through our strategy "From Anadolu to the Future", we build a sustainable future in every region we operate today. We act today for the future of nature, business and people, in order to build a better tomorrow.

*With our strategy "From Anadolu to the Future", we are working towards a more sustainable "future" wherever we exist today. We further our activities with the vision of "Improve today for the future". We put our world at the center of our sustainability strategy design and we express our contributions to the entire ecosystem with our strategic pillars and focus areas surrounding it. Aware of the limits of the world and the importance of time for the future. We want the Future of Nature, the Future of Business and the Future of People to transform, heal and strengthen every piece of land, every piece of work and every single life we touch with the pillars. With our focus areas, like every planet in the solar system, we exist in harmony around the pillars and produce common value. We build bridges between Anatolia and the world with our ability to think globally and act locally.*



## Strategic Pillars, Focus Areas and Goals

### The Future of Nature

**We act today for the future of nature.**

The right time to take action for the future of nature is today. Thus, we consciously aim to nourish lives in every country and field in which we operate. We are deeply aware that the continuity of our business depends on the gifts that nature offers us. We know that the most fundamental relationship between humanity and nature is the constant exchange of resources. We plant seeds that nourish our world today, we carry the love and respect we have for nature to our work. We protect "The Future of Nature", preserving all living things with whom we share the planet; the continuity of our business and the welfare of the communities we are connected to. We embrace international pledges, particularly the United Nations Sustainable Development Goals and the European Green Deal.

We provide tangible solutions for the future of nature:

We combat climate change. We encourage low carbon manufacturing, embracing the **net-zero for the future** principle. We responsibly source the raw materials we use, water in particular, and reintroduce the wastes resulting from our operations into the economy. We preserve the water cycle for the future, working consciously to provide uninterrupted flow for our common future, providing solutions for reducing and reusing water. We embrace the principle of **circular economy for the future** as we reduce, recycle and re-use waste instead of linear consumption in our waste management processes. We consciously support **agriculture for the future**. We actively take steps to transform agriculture, knowing that it is the true pioneer of a sustainable world today and tomorrow. We encourage the suppliers in our value chain to adopt restorative and regenerative agricultural practices, ensuring that the agricultural products that have a significant share in our portfolio are manufactured with innovative and purposeful methods. We protect **biodiversity for the future**. We consciously conduct projects that preserve the diversity of all ecosystems and life forms, reducing the impacts of our operations for a better, more sustainable world today.

**Net-Zero for the Future: "Think solutions, act today."**

**We are a part of the net-zero movement.**

We deeply feel the environmental, social and economic effects of the climate change. We act today to transform these influences for a better future. Embracing the net-zero for the future principle, we gradually reduce greenhouse gas emissions in our battle against climate crises. We are a part of the solution today in order to build a better future.

**Water Cycle for the Future: "Progress is possible by flowing forward through new paths."**

**We create innovative solutions to use water resources effectively.**

The mounting pressure on natural resources jeopardizes the continuity of our resources today and for the future. That's why we consciously integrate the water cycle for the future principle into each and every work we do, encouraging responsible use of resources to manage the risk. We develop innovative solutions that allow us to build a better future. We focus on reducing and reusing water in our manufacturing processes to ensure effective use of water resources. We protect the water cycle by creating innovative solutions today in order to build a better future.

**Circular Economy for the Future: "The steps we take today become future's resources."**

**We create solutions aligned with circular economy to sustain the product cycle.**

We provide tangible solutions that support the circular economy today. We offer practices to enable the recycling and reuse of wastes to reintroduce them into the economy. We embrace and encourage this approach throughout our whole value chain. We contribute to the circular economy by taking solid steps today in order to build a better future.

**Agriculture for the Future: "Healthy soil brings about a healthy future."**

**We preserve and nourish our resources with regenerative and restorative agriculture practices.**

Modern industrial agriculture affects soil health, acting a part of a major role in climate change. Being aware of the fact, we consciously adopt the agriculture for the future principle. We implement regenerative and restorative agricultural practices into our operations. We willingly and passionately contribute to the regeneration of the soil, increasing soil health and biological diversity, improving the water cycle and the ecosystems, increasing the carbon capacity of the soil and thus fighting against climate change. We preserve and nourish our resources today in order to build a better future.

**Biodiversity for the Future: "Diversity in the ecosystem is vital for a better future."**

**We conserve biodiversity and reduce global risks.**

Biodiversity loss and ecosystem destruction are among the top global risks of today. Thus, we consciously place the biodiversity for the future principle at the heart of our business. We take solid steps to preserve biodiversity in alignment with the requirements of the United Nations Convention on Biological Diversity. We design and develop practices to secure all ecosystems and life forms by reducing the impact of our operations on natural habitats. We work consciously to reduce global risks today in order to build a better future.



## The Future of Business

### We act today for the future of business.

The right time to take action for the future of business is today. We consciously operate in a wide geography. As one of the major driving forces of the Turkish economy, establishing partnerships with global brands and multinational companies, we are aware of the scope our impact.

We provide tangible solutions to build a better future for business:

We make responsible and purposeful investments that provide benefits in environmental, social and governance areas to secure “the Future of Business” and to meet the expectations of business partners, suppliers, customers, investors and public institutions. We own the principle of digitalization and innovation for the future as we move forward by seeing opportunities. Following tech developments closely, we passionately integrate them into our business. We prioritize R&D and innovation studies. We lead digital transformation and support entrepreneurship. We believe in creating shared value and making a difference. Embracing the principle of creating leading brands for the future, we meet the fast-changing needs of our customers with customer-oriented solutions and with our leading consumer products.

In every single work we do, we intend that the only trace we leave for tomorrow is the value we create. Owning the principle of responsible manufacturing for the future, we prioritize environmental and social standards throughout the supply chain, ensuring that the products and services we offer meet the international quality standards. We acknowledge that being inclusive moves us all forward. Standing by the principle of inclusiveness for the future, we empower all our stakeholders, including the vulnerable segments along the value chain, increasing welfare and creating shared value. Embracing the principle of integrated governance for the future, we acknowledge environmental, social and governance risks and opportunities while managing our portfolio and making conscious investment decisions for a better future.

### Digitalization and Innovation for the Future: “Those who foresee opportunities design the future.”

#### We lead digital transformation and support entrepreneurship with our sustainable business approach.

Modern technological developments bring along risks and opportunities for the business world. Thus, we intentionally embrace the principle digitalization and innovation for the future, placing it at the core of our business. We develop innovative products and services that meet the expectations of our stakeholders and the future; we utilize opportunities with a business approach empowered by digitalization and innovation. We increase efficiency by integrating technological developments into our processes. We encourage entrepreneurship inside and outside our company. We keep going beyond boundaries and creating opportunities today in order to build a better future.

### Leading Brands for the Future: “Create value to make a difference.”

#### We make a difference by offering unique experiences through customer-oriented solutions.

Today, companies maintain their competitiveness through deeper understanding of their customers. Acknowledging this powerful truth of the modern world, we adopt the principle of leading brands for the future. We closely monitor the rapidly changing needs of customers through the operations of our leading brands. We provide customer-oriented solutions, utilizing the power of digitalization. We are committed to offering value-added products and services today in order to build a better future.

### Responsible Manufacturing for the Future: “Let the value you create be the mark you leave.”

#### We contribute to the responsible value chain through responsible product and service development.

It is urgent for the future business world that every step of supply and production processes must be traceable and responsibly managed. We acknowledge that the first step in responsible product and service development is responsible value chain management. Thus, we embrace the principle of responsible manufacturing for the future. We prioritize the suppliers' compliance with the environmental and social standards that are firmly set; we support their growth in environmental and social fields along with governance. We are eager to maintain the standards in the supply chain and expand responsible products and services. We contribute to the responsible value chain today in order to build a better future.

### Inclusiveness for the Future: “Inclusivity moves us all forward.”

#### We grow, prosper and get stronger together with our stakeholders.

We are aware of the major role that today's business world plays in local socioeconomic development. We move forward embracing the principle of inclusiveness for the future. We aim to get stronger together with our stakeholders through inclusivity in our wide value chain. It is crucial for us to ensure that the vulnerable groups in our supply chain are empowered and remain in the economic system through the economic value we create. We aim to get stronger together today in order to build a better future.

### Integrated Governance for the Future: “Be fair, transparent, responsible and accountable.”

#### We strengthen our governance approach through effective risk management.

Today, corporations' ability to adapt to a fast-changing world depends primarily on adopting a strong governance approach. We embrace integrated governance through the principle of integrated governance for the future. We strengthen our governance approach through risk management, owning the foundational pillars of fairness, transparency, responsibility and accountability. We manage financial and non-financial risks in an integrated and proactive manner, making investments and new investment decisions accordingly. We keep strengthening our responsible governance approach today in order to build a better future.

## The Future of People

### We act today for the future of people.

The right time to take action to build a better future for the people is today. Thus, we consciously place our human-oriented governance approach at the core of our relations with all our stakeholders, employees in particular and the communities we are connected to.

We provide tangible solutions to build a better future for the people:

For “the Future of People”, we get stronger together. As we embrace the principle of human resources for the future, we provide equal and fair working conditions through our people-oriented corporate culture. We support our employees in their growth and transformation, encouraging creative expression. We encourage new talents to join us. Standing by the principle of empowered community for the future, we conduct social investment programs for various stakeholder groups as we have been doing since many years. First and foremost, we utilize all our experience for creating shared value environmentally, socially and in terms of governance. With our core strategy “From Anadolu to the Future”, we conduct purpose-oriented projects in which our priorities and the needs of our stakeholders intersect. Our goal is to create higher shared value with purpose-oriented collaborations, products and services, aiming for the betterment of every single life we touch today.

### Human Resources for the Future: “The only limitless resource on Earth is human potential.”

#### We put people at the heart of what we do, we unleash the potential of a better future.

We believe that the greatest value that corporations have today is the people they work with. Thus, we passionately put people at the center of our business culture. We provide our employees an equal, fair, safe and free environment for new ideas. We support gender equality as we acknowledge that the diversity of employees is a true asset. We believe in the power of unleashing our true potential and we support the growth of our employees who play a key role in achieving our strategic goals. We enable our existing talents to adopt new and empowering skills aligned with the needs and expectations of the new age.

We are proud to be an inspiring, visionary employer aspired by the new talents with whom we will walk our path. We unleash our highest potential together today in order to build a better future.

### Empowered Community for the Future: “Responsible and purposeful acts empower communities.”

#### We conduct purpose-oriented, measurable and effective social projects.

We acknowledge the importance of creating shared value in today's world. With our social investment approach, we carry out programs that create common value for our stakeholders. Thanks to our powerful product and service portfolio, we develop goal-oriented, measurable projects which create value for the stakeholder groups within the scope of our field of activity. We wholeheartedly ensure that the positive impact of our projects is higher than the return on investment. We keep providing nourishing and responsible solutions today in order to build a better future.



## The Future of Nature

By 2030, reducing greenhouse gas emissions in scope 1 and 2 by **50%** compared to 2020, working with the vision of becoming a **net-zero** company by 2050

### Anadolu Efes

- Achieving net zero in all operations by 2030

While our group company continues its energy efficiency practices in this context, Anadolu Efes aims to reduce carbon footprint by adopting 100% of our electricity needs from renewable energy sources.

### Coca-Cola İçecek

- Run its manufacturing sites on 100% renewable electricity and make them carbon-neutral by 2030
- Reduce its total absolute GHG emissions by 13% by 2030 and emissions per liter of product by 50% by 2030 compared to 2015 while growing the business

### Migros

In line with Science Based Targets Initiative (SBTi)

- 42% absolute reduction in its scope 1 and scope 2 carbon emissions by 2030 compared to 2020
- Making improvements which reduce the carbon footprint of the purchased goods by starting an initiative with its suppliers to reduce scope 3 carbon emissions

### Anadolu Isuzu

- In accordance with the Science Based Targets Initiative (SBTi) methodology, until 2050; reducing greenhouse gas emissions in scope 1 and scope 2 by at least 4.2% annually, while reducing greenhouse gas emissions in the relevant categories by at least 2.5% annually in scope 3

## The Future of Business

To be traceable in **50%** of operations by 2030 and **100%\*** by 2050

\*Limited to private label products for Migros.

## The Future of People

To increase the rate of women executives **35%** by 2030 and **50%** by 2050



Our approach to sustainability is based on creating values for our environment, society and economy and investing in the future. Our sustainability strategy **“From Anadolu to the Future”** aligns almost 80 companies operating in seven industries in 19 countries with the same sustainability approach. The visionary sustainability goals included in our strategy encourage and guide Group companies’ transformation to ensure a focus on value creation. In turn, Group companies strive to improve their sustainability performances with regard to their operations and industry priorities.

We believe in the power of cooperation to create shared values 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. Anadolu Group and group companies Anadolu Efes, Coca-Cola İçecek and Migros support the initiative that was 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). Within this scope, we shared our plastic use reduction commitment for 2023. In 2021, we became a part of the solution against plastic pollution, negatively inflicting our nature and climate, with goals to reduce plastic use by nearly 1.7 tons in our Headquarters by 800 tons at Anadolu Efes and by 493 tons at Migros.

We combined our efforts with the Business for Goals Platform (B4G) to formulate reporting guidelines for the Turkish business world concerning 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 **Business Reporting on the Sustainable Development Goals**. To share with the business world our actions and methodology in preparing our SDG alignment report, we formulated **Anadolu Group Sustainable Development Goals Alignment Report Reporting and Communication Strategy Guide**. We intend for these documents to lead establishments that wish to participate in the reporting process to contribute to the SDGs and analyze their performances and share the results with the world.

In cooperation with the Business for Goals Platform, we created a set 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.**



Listed in the BIST Sustainability Index & Corporate Governance Index.



Included in the FTSE4Good Emerging Indexes.



Included in UNGC 100 Index, MSCI Global Sustainability Index and ECPI Index.

As the first and still only Turkish company listed on the UNGC 100 Index since it began in 2013.



Listed in the Women-Friendly Companies Stock Index, compiled by İş Asset Management.



Report their carbon emissions annually to the Carbon Disclosure Project (CDP) on their performance in the mitigation of climate change.



Named three times in the CDP Turkey Climate Leadership list. Report to the CDP water program.



Improved its Water Security score from B to A- in the CDP 2021 results and became the only Turkey-based FMCG company to receive an “A-” grade. Merited an A in the CDP’s 2021 Supplier Engagement Rating (SER).



Ranked among the leading companies in the CDP Water Program in 2020.

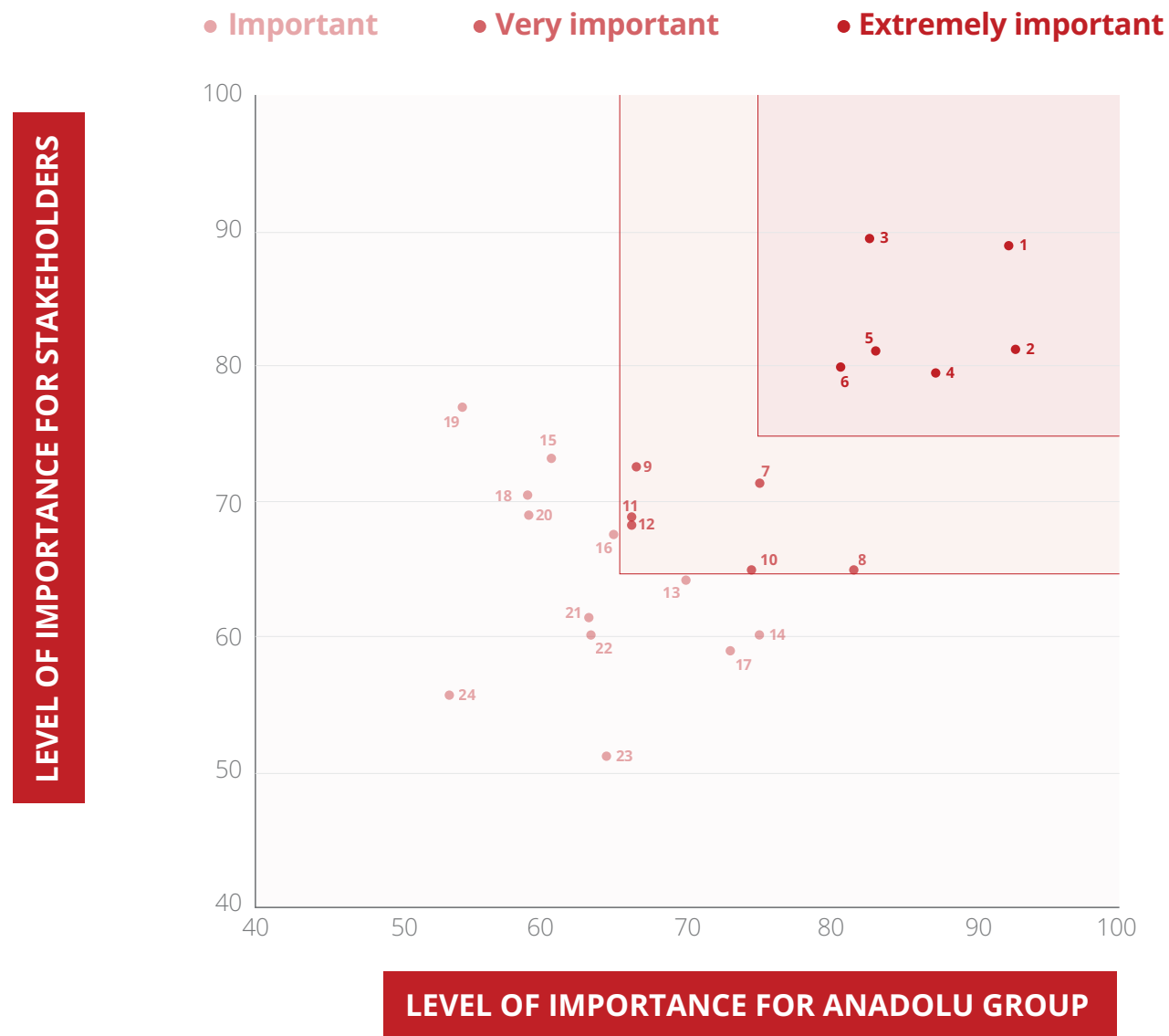
## Material Issues

In 2020, we conducted a comprehensive and participatory stakeholder analysis process to identify the priority sustainability issues warranting Anadolu Group’s focus. Using an online questionnaire, we reached our internal stakeholders (employees) and strategic external stakeholders (representatives from suppliers, business partners, investors, analysts, nongovernmental organizations, public institutions, media, universities and international organizations) to identify stakeholder priorities.

We reviewed, in 2021, our Group’s sustainability priorities while developing the sustainability strategy, From Anadolu to the Future. We reevaluated our priorities in light of the COVID-19 pandemic and the ensuing global developments. We carried out the following in this process:

- We analyzed the trends in Turkey and the world through a literature review. Within this scope, we assessed striking global and local agenda items through an in-depth study of the World Economic Forum’s global risk predictions, sector-based priority maps defined by the Sustainability Accounting Standards Board (SASB), the Sustainable Development Goals and the 11<sup>th</sup> Development Plan.
- We organized one-on-one meetings with Anadolu Group CEO, Group Presidents and CEOs of Group companies.
- We evaluated our focal subject areas in line with our business strategy.
- We drew upon the impact analysis methodology, which is recommended by the SASB for determining priority 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.

Following the materiality analysis, we identified top-priority and high-priority issues. **Climate change and energy** ranked high in top-priority issues given the global and local developments. **Responsible resource management and purchasing** became a top priority as COVID-19 brought disruptions to the supply chain. As talent deficit gained importance in the global and local agendas, **talent management** climbed up the high-priority list.



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|---|---|--|
| <p><b>Extremely important</b></p> <ul style="list-style-type: none"> <li>1 Climate change and energy</li> <li>2 Digital transformation</li> <li>3 Water and wastewater</li> <li>4 R&amp;D and innovation</li> <li>5 Packaging and waste</li> <li>6 Responsible resource management and procurement</li> </ul> | <p><b>Very important</b></p> <ul style="list-style-type: none"> <li>7 Product quality and safety</li> <li>8 Talent management</li> <li>9 Human rights and fair working conditions</li> <li>10 Risk management</li> <li>11 Business ethics</li> <li>12 Stakeholder engagement</li> </ul> | <p><b>Important</b></p> <ul style="list-style-type: none"> <li>13 Anti-bribery and anti-corruption</li> <li>14 Corporate governance</li> <li>15 Circular economy</li> <li>16 Equal opportunity and safety</li> <li>17 Employee loyalty and satisfaction</li> <li>18 Customer satisfaction and communication</li> <li>19 Occupational health and safety</li> <li>20 Biodiversity</li> <li>21 Data privacy and cybersecurity</li> <li>22 Contribution to local development</li> <li>23 Multi-stakeholder initiatives and collaborations</li> <li>24 Community investment programs</li> </ul> |
|---|---|--|

LEVEL OF IMPORTANCE	PRIORITY TOPIC	RELATED SDG	MANAGEMENT	RELEVANT SECTION
<b>Top Priority</b>	Top Priority 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.	<b>The Future of Nature -</b> Net-Zero for the Future 
	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.	<b>The Future of Business</b> Digitalization and Innovation for the Future 
	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.	<b>The Future of Nature -</b> Water Cycle for the Future 
	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.	<b>The Future of Business -</b> Digitalization and Innovation for the Future 
	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.	<b>The Future of Nature -</b> Circular Economy for the Future 
	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.	<b>The Future of Business -</b> Responsible Manufacturing for the Future 
<b>High Priority</b>	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.	<b>The Future of Business -</b> Responsible Manufacturing for the Future 
	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.	<b>The Future of People -</b> Human Resources for the Future 
	Human rights and fair working conditions	 	We protect employee rights and prevent discrimination throughout our value chain, providing an equal and fair work environment.	<b>The Future of People -</b> Human Resources for the Future 
	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.	<b>The Future of Business -</b> Integrated Governance for the Future 
	Business ethics		We establish business relationships based on principles of ethics and transparency with all stakeholders, particularly employees.	<b>The Future of Business -</b> Integrated Governance for the Future 
	Stakeholder dialog		We continuously seek opinions and feedback from our stakeholders on a range of topics through various communication platforms.	<b>From Anadolu to the Future</b> Stakeholder Communication

## Stakeholder Communicaiton

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	
		Trainings	
	Suppliers	Indoor digital announcement platforms	Year-round
		Ethical line	
		Anadolu Group Innovation Program (Bi-Fikir)	
		Anadolu Group Innovation Day (Bi-Fikir Festivali)	
		Annual report	
		Sustainability report and SDG alignment report	
Shareholders and investors	Researches & Surveys	Year-round	
	Media communication efforts		
	Digital media channels		
	Meetings, conferences and road shows		
Customers	Annual report	Year-round	
	Sustainability report and SDG alignment report		
	Media communication efforts		
	Digital media channels		
Indirect Economic Impact	Indirect Economic Impact Financial institutions and analysts	Annual report	Year-round
		Sustainability report and SDG alignment report	
		Media communication efforts	
		Digital media channels	
	Business partners	Meetings, conferences and road shows	Year-round
		Annual report	
		Sustainability report and SDG alignment report	
		Media communication efforts	
	Public institutions and local administrations	Digital media channels	Year-round
		Visits/meetings	
		Annual report	
		Sustainability report and SDG alignment report	
Non-governmental organizations	Visits/meetings	Year-round	
	Project partnerships		
	Annual report		
	Sustainability report and SDG alignment report		
Media	Meetings and networking activities	Year-round	
	Annual report		
	Sustainability report and SDG alignment report		
	Media communication efforts		
Sources of New Opportunities, Know-How and Perception	National and international regulatory bodies	Digital media channels	Year-round
		Annual report	
		Sustainability report and SDG alignment report	
	Universities	Digital media channels	Year-round
		Project partnerships	
		Virtual Career Day	
	Education programs	Biannually	
	Participation in university events		
	Innovation program (Bi-Fikir KAP)		
	Annual report		
		Sustainability report and SDG alignment report	Year-round
			For six months
			Quarterly
			Annually

We carried out a survey in 2021 to boost mutual communication with our employees and to measure the level of awareness of sustainability across Anadolu Group employees. Conducted via an online questionnaire on CAWI (Computer-Aided Web Interviewing) to include all employees, the survey inquired about activities within the scope of From Anadolu to the Future. The survey concluded the adoption rate of sustainability activities among Group employees.

## UN Sustainable Development Goals Alignment

We updated “From Anadolu to the Future Anadolu Group Sustainable Development Goals Alignment Report”, first published by including its projects and applications realized in 2019 with a view to cement our commitment to the United Nations Sustainable Development Goals (SDGs). We published our report, which includes the inventory of 555 studies selected among the projects and practices of the group companies in the field of sustainability in the 2015-2020 period. The report reveals that Anadolu Group works as an active participant in the realization of SDGs and engages in many activities that generate benefits for global development in harmony with world standards.

### Alignment of the Projects and Applications of Anadolu Group with the United Nations Sustainable Development Goals (2015-2020)



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 the “From Anadolu to the Future” Anadolu Group Sustainable Development Goals Alignment Report [here](#).



# FROM ANADOLU TO THE FUTURE

## The Future of Nature



**We act today for the future of nature.**

# The Future of Nature

The right time to take action for the future of nature is today. Thus, we consciously aim to nourish lives in every country and field in which we operate. We are deeply aware that the continuity of our business depends on the gifts that nature offers us. We know that the most fundamental relationship between humanity and nature is the constant exchange of resources. We plant seeds that nourish our world today, we carry the love and respect we have for nature to our work. We protect "The Future of Nature", preserving all living things with whom we share the planet; the continuity of our business and the welfare of the communities we are connected to. We embrace international pledges, particularly the United Nations Sustainable Development Goals and the European Green Deal.

We provide tangible solutions for the future of nature:

We combat climate change. We encourage low carbon manufacturing, embracing the Net-Zero for the Future principle. We responsibly source the raw materials we use, water in particular and reintroduce the wastes resulting from our operations into the economy. We preserve the water cycle for the future, working consciously to provide uninterrupted flow for our common future, providing solutions for reducing and reusing water. We embrace the principle of circular economy for the future as we reduce, recycle and re-use waste instead of linear consumption in our waste management processes. We consciously support agriculture for the future. We actively take steps to transform agriculture, knowing that it is the true pioneer of a sustainable world today and tomorrow. We encourage the suppliers in our value chain to adopt restorative and regenerative agricultural practices, ensuring that the agricultural products that have a significant share in our portfolio are manufactured with innovative and purposeful methods. We protect biodiversity for the future. We consciously conduct projects that preserve the diversity of all ecosystems and life forms, reducing the impacts of our operations for a better, more sustainable world today. Holding and Group companies continue to manage and improve environmental performances in compliance with their ISO 14001 Environmental Management System certificate. AG Anadolu Grubu Holding has an Environmental Management System (EMS) and holds global ISO 14001 certification.

By 2030, reducing greenhouse gas emissions in scope 1 and 2 by **%50** compared to 2019, working with the vision of becoming a **net zero company** by 2050

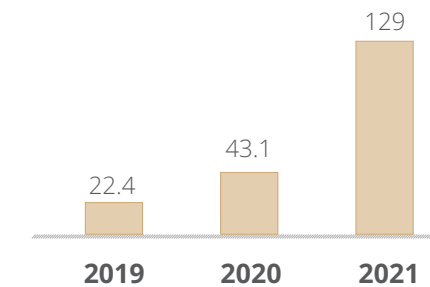
## Contribution to Sustainable Development Goals



We nearly **tripled** our environmental budget\* and invested and invested and spent a total of **TL 129 million.**

\*Compared to the previous year

Environment-Related Investments and Expenses (Million TL)



You can read more about AG Anadolu Grubu Holding Environmental Policy [here](#). In 2021, AG Anadolu Grubu Holding did not receive any environmental fines.

Companies	ISO 14001 <sup>2</sup> Certified Facility	ISO 14064 <sup>3</sup> Certified Facility	ISO 50001 <sup>4</sup> Certified Facility
AG Anadolu Grubu Holding	✓		
Anadolu Efes	✓		✓
Coca-Cola İçecek	✓	✓*	✓
Migros	✓	✓	
Anadolu Isuzu	✓	✓	✓
Anadolu Motor	✓		
Anadolu Etap	✓		
Aslancık Electricity	✓		✓
Adel Kalemcilik	✓		✓

\*Valid for Coca-Cola İçecek's plants in Turkey.

<sup>2</sup> ISO 14001 Environmental Management System  
<sup>3</sup> ISO 14064 Greenhouse Gas Calculation and Verification Management System  
<sup>4</sup> ISO 50001 Energy Management System

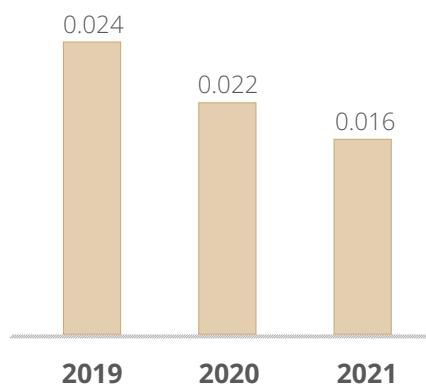
## CO<sub>2</sub>e Net-Zero for the Future

We deeply feel the environmental, social and economic effects of the climate change. We act today to transform these influences for a better future. Embracing the net-zero for the future principle, we gradually reduce greenhouse gas emissions in our battle against climate crises. We are a part of the solution today in order to build a better future.

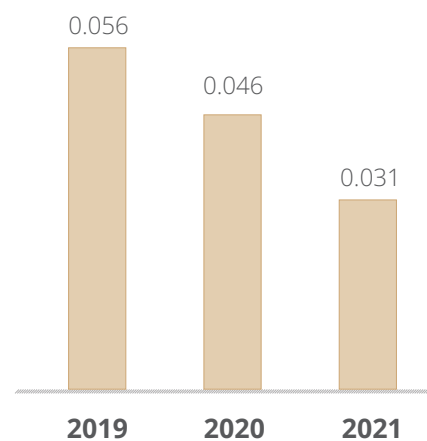
The Sixth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) concludes that climate change occurred due to human activities and the greenhouse gas emissions need to be immediately and crucially reduced to zero to maintain global warming at 1.5–2°C levels.<sup>5</sup> Global greenhouse gas emissions were reduced for a brief period as the economic activities came to a halt during the COVID-19 pandemic. However, the emissions soon rocketed back to pre-pandemic levels as vaccination rates took off and the developed economies, in particular, entered into a rapid recovery period. Initiating action to reduce emissions to zero at the government, company, investor and NGO levels as well as many other stakeholder groups are listed at the top of the priority issues.

We regularly calculate greenhouse gas emissions across Group activities and implement projects in line with the vision of becoming net-zero company goal. We make calculations to include the area affected by our activities toward our sustainability goals and work to transparently share our environmental impacts. Total greenhouse gas emissions were registered as 20.82 million tons of CO<sub>2</sub>e in 2021. Energy intensity reached 0.031 kWh/TL while greenhouse gas intensity for scope 1 and 2 remained at 0.016 kg CO<sub>2</sub>e/TL and for Scope 1-2-3 at 0.252 kg CO<sub>2</sub>e/TL. We also measure, monitor and work to reduce air emissions in addition to greenhouse gases. NOx emissions in 2021 were registered as 82,722 kg and SOx emissions, as 5,697 kg.

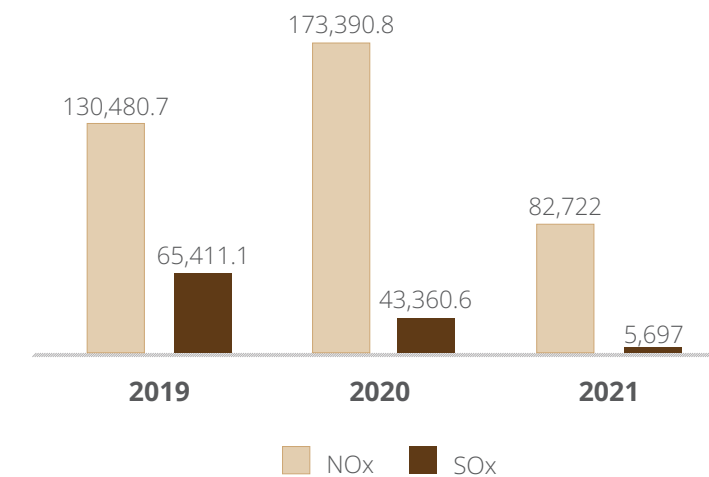
**Scope 1-2 Greenhouse Gas Intensity (kg CO<sub>2</sub>e/TL)**



**Energy Intensity (kWh/TL)**



**Air Emissions (kg)**



### Reducing Our Carbon Footprint at Coca-Cola İçecek



Coca-Cola İçecek (CCI) opts, where possible, for environmentally friendly alternatives in purchasing. It also prefers energy-efficient equipment. In 2021, to minimize carbon emissions, the company replaced LPG-fueled forklifts with electric forklifts and achieved a 68% reduction in carbon emission. This achievement prevented 521 tons of CO<sub>2</sub>e from being released into the atmosphere. The company replaced company cars with hybrid ones that consume 38% less fuel.

CCI also uses green electricity across its entire cloud system. To boost energy efficiency and to minimize CO<sub>2</sub>e emission it virtualized 331 servers in the system rooms. Subsequently, the annual electricity consumption of 98 million kWh and approximately 46,000 tons of CO<sub>2</sub>e were prevented collectively.

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The EMD and HFC-free cold drink equipment purchased between 2010 and 2021 prevented the emission of 2.5 million tons of CO<sub>2</sub>e. The company continuously updates equipment with more energy-efficient alternatives and works with suppliers to develop and improve climate-friendly cooling technologies. Approximately 62,120 items of old cooling equipment were collected and discarded from 2020 to 2021. Since 2012, the company has been purchasing cold drink equipment with LED lights.

<sup>5</sup> Intergovernmental Panel on Climate Change, Working Group I, Sixth Assessment Report

### Fighting Climate Change at Migros

Migros updated its carbon emissions target, which was previously to decrease carbon emission equivalent per square meter of sales area by 22% compared to 2019, in accordance with science-based method compatible with the 1.5 °C scenario. Migros reset its target as 42% absolute reduction in our Scope 1 and Scope 2 carbon emissions by 2030 compared to 2020. Migros achieved a reduction of 4.58% in 2021 compared to the previous year. Migros also aims to expand the use of its water cooling system, which was patented by Migros and already implemented in 25 facilities. This system circulates cold water in-store refrigerators and coolers instead of gases, thus minimizing the use of gases. To reduce electricity consumption, cooling, air conditioning and lighting systems are all connected to a central system that ensures optimization thanks to the next-generation transformation.



### Emission Reduction by Real-Time Monitoring at Anadolu Isuzu

Anadolu Isuzu expands the use of Industry 4.0 technologies in all production plants and contributes to the fight against the climate crisis. The company replaced the operator-conducted actions during the painting and curing of vehicles with automated sensors. The project prevents the operation of high energy consumption fans when there are no vehicles in cabins. The goal is to save an annual 60,000 kWh in energy, reduce the CO<sub>2</sub> emission by approximately 50 tons and achieve TL 36,000 saving on costs.

### Adel Kalemcilik Upgrades for Energy Efficiency

Adel Kalemcilik installed upgrades in 2021 to ensure energy efficiency in manufacturing processes and managed to reduce the high electricity consumption by the shaving vacuum fans and secure an annual energy efficiency worth 4,400 kWh. Furthermore, insulating the steam piping system at the pastel paint production plant ensured 37,000 kWh in energy savings in 2021 and functioned as a safety measure for employees.

### Kia Alternative Fuel Product Strategy

Kia plans to develop 14 electric models by 2027 and to provide 30% of its sales from electric vehicles in 2030, within the scope of the Plan S strategy that it has launched globally. Within the scope of the project, Çelik Motor started to sell hybrid and mild-hybrid models suitable for the Turkish market.



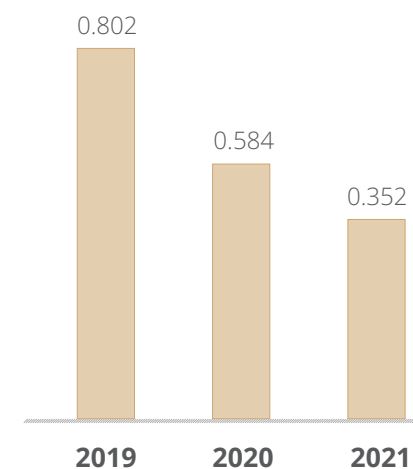
### Water Cycle for the Future

The mounting pressure on natural resources jeopardizes the continuity of our resources today and for the future. That's why we consciously integrate the water cycle for the future principle into each and every work we do, encouraging responsible use of resources to manage the risk. We develop innovative solutions that allow us to build a better future. We focus on reducing and reusing water in our manufacturing processes to ensure effective use of water resources. We protect the water cycle by creating innovative solutions today in order to build a better future.

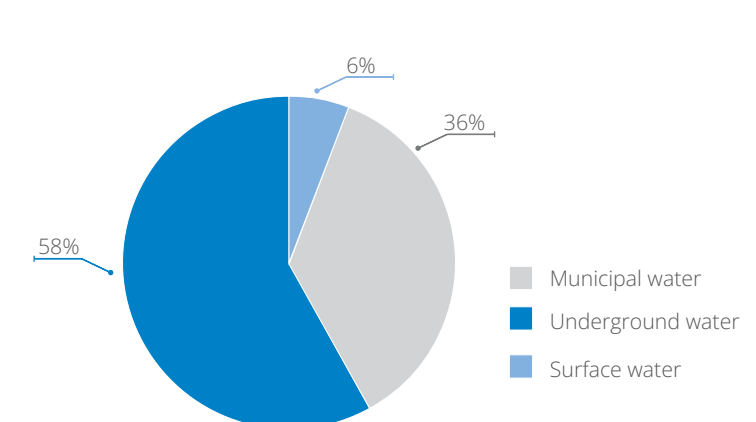
The increasing global population also drives up manufacturing activities and water consumption. It is, therefore, particularly important to use the water resources efficiently to prevent the risk of water stress from reaching critical levels. According to the World Resources Institute (WRI) data, Turkey is among the countries suffering from high water stress due to the inefficient use of resources combined with the impacts of the climate crisis.<sup>6</sup> Irregular precipitation and the inefficient use of water resources threaten life in the region while also posing a threat to the resumption of economic activity.

In 2021, 6% of our water use came from surface waters, 36% from municipal water while 58% came from underground waters. The amount of water we recycled and reused increased by 26% compared to the previous year.

Water Use Intensity by Year (m<sup>3</sup>/thousand TL)



Ratio of Water Use by Source



## Water Management and Replenishment Practices at Coca-Cola İçecek

As water is an indispensable part of its products and production process, the sustainable use of water is imperative for the sustainability of Coca-Cola İçecek itself. To this end, the company implements practices to reduce the amount of water used. Since 2005, when the company launched the water replenishment programs, it has been implementing numerous projects and cooperating with different stakeholder groups in a number of fields from enhancing access to water, preserving watersheds and responding to the local water access needs. The company saved 185,000 cubic meters of water in 2021 in its operating countries and increased water efficiency by 2% compared to 2020.



## Coca-Cola İçecek Paani Project

Paani is CCI Pakistan's flagship CSR project. With water scarcity on the rise, CCI Pakistan collaborated with World Wildlife Fund to install state of the art water filtration plants across under privileged areas of Pakistan. Under the project, 30 water filtration plants have been installed that provide clean water to approximately 1.1 million people across Pakistan. Extensive community outreach and mobilization activities were also conducted in target areas informing communities of the importance of safe drinking water and its appropriate usage.

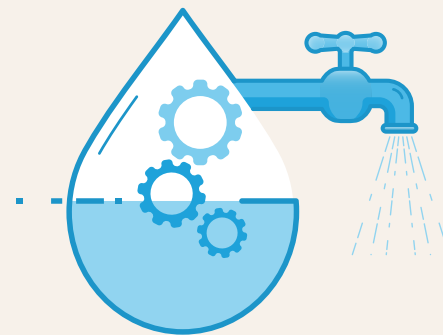


## Water Efficiency Activities at Migros

Migros carries out a diverse range of activities for the efficient use of water and to prevent the environmental impacts of the wastewater produced by its operations. The company monitors its goal to reduce the amount of water used in terms of daily water consumption per sales square meter. It achieved a 31.8% reduction in 2021, by far surpassing its initial goal of a 10% reduction by 2030 compared to the 2019 baseline. The goal was therefore adjusted to a 10% reduction by 2030 compared to the 2021 baseline.

## Water Efficiency Projects at Anadolu Efes

Anadolu Efes considers water management a part of corporate risk management. It identifies high water use processes to further improve performances. In 2014, it became the first Turkish company to sign the CEO Water Mandate. With that awareness, it has been prioritizing water efficiency practices and setting targets to progress. The company implemented 17 water efficiency projects during the 2021 reporting period including the optimization of the reverse osmosis and current lines and saved 488.91 million cubic meters of water and TL 12.9 million.



## Electromagnetic Water Treatment System at Anadolu Isuzu

The electromagnetic water treatment system installed at the Anadolu Isuzu Truck Paint Shop filters the magnetic particles blocking the membranes, thus preventing blockages. The new system reduced water consumption by 2,080 liters per year. It also reduced the amount of chemicals used at the treatment center by 3,640 liters per year.



## ∞ Circular Economy for the Future

We provide tangible solutions that support the circular economy today. We offer practices to enable the recycling and reuse of wastes to reintroduce them into the economy. We embrace and encourage this approach throughout our whole value chain. We contribute to the circular economy by taking solid steps today in order to build a better future.

The currently practiced linear production processes counteract resource efficiency and prompt waste generation. The circular economy models, on the other hand, provide both economic and environmental benefits. These models not only ensure the most efficient use and recovery of raw materials but also reduce costs, greenhouse gas emissions and waste.

Manufacturing and consumption practices prompt resource use and waste generation. Linear production processes, on the other hand, escalate greenhouse gas emissions, thus exacerbating the climate crisis. Pollution saw a particular rise during the COVID-19 pandemic as single-use plastic and packaging consumption peaked. Implementing the principles of the circular economy, therefore, becomes increasingly vital to prevent waste generation in production and consumption processes and to ensure the reuse of generated waste to preserve or increase their current levels. To this end, our Group adopts responsible production and consumption practices that also adhere to the stipulations of the United Nations Sustainable Development Goals.

We efficiently manage waste in compliance with the AG Anadolu Grubu Holding Waste Management Procedure and encourage Group companies to adopt the approach throughout their value chain. The circular economy approach reduces waste generation at the source and recovers the generated waste back to the economy. In 2020, as AG Anadolu Grubu Holding established the Zero Waste Management System to implement the Zero Waste approach of the Republic of Turkey Ministry of Environment and Urbanization and received their Zero Waste Certificates.

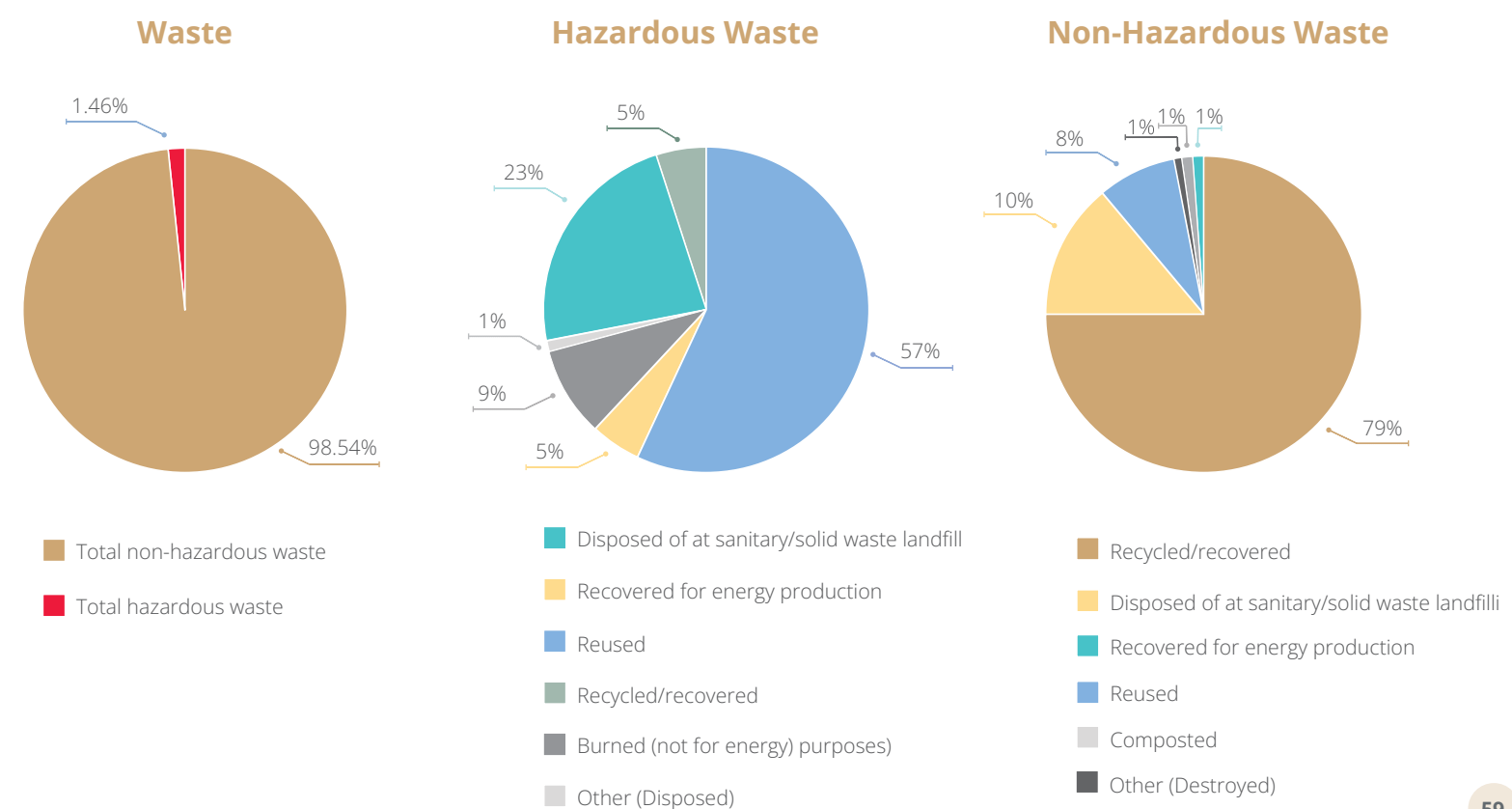
Companies Received the Zero Waste Certificate	Facilities Received the Zero Waste Certificate
Anadolu Group	Headquarter
Anadolu Efes	All plants and Headquarter in Turkey
Coca-Cola İçecek	All plants and Headquarter in Turkey
Migros	Distribution centers, shopping malls, plants, director's office and stores
Anadolu Isuzu	Plant
Anadolu Medical Center	Gebze Hospital

In 2019, we became a member of the Business World Plastic Initiative organized jointly by Global Compact Turkey, BCSD Turkey and TUSIAD to further strengthen the combat against plastic pollution. We also maintained our relevant activities in 2021. We as AG Anadolu Grubu Holding also committed to decreasing our plastic use by 2023 by 1.7 tons in our Headquarter by 800 tons at Anadolu Efes, by 850 tons at CCI and by 493 tons at Migros.

Within the scope of our activities as part of the Business Plastic Initiative, we committed to reducing plastic use **AG Anadolu Grubu Holding** and our Group companies, **Anadolu Efes, CCI** and **Migros**.

We adopt the innovational practices of the circular economy and invest in them to develop new methods to recycle and recover waste. In addition to attempting to prevent waste generation during manufacturing, we develop innovative approaches to reduce waste at the source. We have established a cooperative effort, one which particularly concerns plastic packaging and food waste, to create joint solutions on increasing recycled plastic use and biodegradable plastic raw material. To analyze the impact of our products and services and taking necessary strategic precautions, we carry out life cycle analyses.

Of the waste generated, 98.5% is non-hazardous while 1.4% is hazardous. We apply different recovery methods to ensure the recovery of waste. We recycled, recovered or composted approximately 85% of non-hazardous and hazardous waste in 2021. As for the hazardous waste, we recovered approximately 62% in 2021.



## Circular Economy Practices at Coca-Cola İçecek

Coca-Cola İçecek contributes to the circular economy through sustainable packaging. The company reduces the use of primary raw materials throughout the entire packaging life cycle and focuses on increasing the use of r-PET (recycled plastic) in beverage packaging. It also switches to returnable glass bottles to boost the recovery rate of beverage bottles. As part of the project, the company employed chemical recycling method and used 25% r-PET content in 32% of its total volume at CCI Turkey in 2021. The company also increased the ratio of recycled materials in plastic crates to 25%. The company saved 128 tons of resin as part of the lightweight practices while the returnable glass bottles prevented the emission of 67,302 tons of CO<sub>2</sub>e greenhouse gas.



## Migros Black Soldier Fly Project

Migros launched the Black Soldier Fly Project to convert fruit and vegetable waste generated at stores into organic chicken feed. The project focuses on reducing food waste while contributing to the reduction of waste-induced greenhouse gas emissions. As the project aims to convert waste into raw material over the course of six months, it prevented the disposal of 13.6 tons of food and redirected them for use in another value chain. The project also prevented the emission of 48 tons of CO<sub>2</sub>e greenhouse gas emission.

## Reducing Plastic Use at Anadolu Efes

While the use of plastic is low in Anadolu Efes' value chain, it is still working on projects that will reduce the use of numerous plastics. Also, plastic crates are reused multiple times thanks to the returnable reuse model. The company now prefers 50% recycled plastic content in new purchases for crates as of 2021. Subsequently, the total use of new plastic was reduced by 404 tons in 2021. The company also decreased the purchasing of new crates by 11%, thus preventing the production of 100 tons of new plastic. As for its single-use festival cups, the company switched to biodegradable alternatives to consequently reduce the new plastic waste.

Closely cooperating with universities, suppliers and the entrepreneurship ecosystem to develop environmentalist solutions throughout its value chain, Anadolu Efes continues its R&D studies to develop biobased products. The Plastic Move initiative, on the other hand, works on creating biobased serving utensils consisting of 20% biologically degradable raw materials and leftover bread.



## Migros Surprise Box

Migros offers deals on ripe fruits and vegetables and products nearing expiry dates as part of the Respecting Food project and has launched the Surprise Box project to further reduce food waste. Surprise Box is available through the "Surplus" mobile application by Whole Surplus. Surprise Boxes come with different price options and the products therein are offered at a 50% discount over the normal sales price. In 2021, 14 stores implemented the Surprise Box practice and prevented the disposal of 536 kg of food.



## Coca-Cola İçecek Works on Sustainable Packaging



The Wrap-Around Label of the Recycled PET project by the Etapak and Meltem Kimya cooperation led by CCI converts PET bottles in recycling to labels. These bottles are recollected as part of the recycling process following consumer use. As the labels are produced of the same PET material, they are recycled with the PET bottles during the process. This practice received the Golden Award in the "Sustainability" category of the Crescent and Stars for Packaging Competition. CCI contributes to the circular economy while reducing its carbon footprints through packaging research to preserve resources and reduce the amount of energy used.

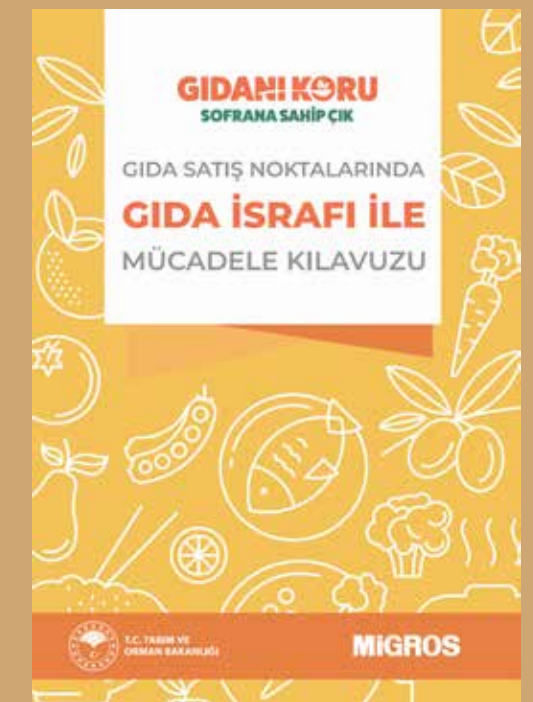
## Nut Shells Become Shelves at Migros

Migros cooperated with OTTAN Studio, which participated and ranked in the Migros Up promotional program, an entrepreneurship and joint innovation platform launched in 2020, to recover organic waste to reuse at stores. The project's pilot study converted the shells of the nuts and walnuts sold at the store to a biocomposite material consisting of 68% nut and walnut shells through an advanced conversion method and zero plastic use. The MLife brand shelves at the same store were then constructed with this material.



## Migros Guide to Combating Food Waste at Food Points of Sale

Migros prepared a booklet to contribute to retailers' food prevention practices in cooperation with the United Nations Food and Agriculture Organization (FAO) led by the Turkish Republic Ministry of Agriculture and Forestry. The **Food Waste Prevention Practices Booklet for Food Salespoints** consisting of Migros' extensive knowledge and international method of food waste prevention aims to raise awareness on preventing and reducing food waste while providing guidelines for the retail industry.







## Agriculture for the Future

Modern industrial agriculture affects soil health, acting a part of a major role in climate change. Being aware of the fact, we consciously adopt the agriculture for the future principle. We implement regenerative and restorative agricultural practices into our operations. We willingly and passionately contribute to the regeneration of the soil, increasing soil health and biological diversity, improving the water cycle and the ecosystems, increasing the carbon capacity of the soil and thus fighting against climate change. We preserve and nourish our resources today in order to build a better future.

### Migros Good Agricultural Practices (GAP)



Migros has become the first retailer to sell products manufactured in compliance with the terms and conditions of GAP enforced by the Turkish Republic Ministry of Agriculture and Forestry for fruits and vegetables in 2010 and for animal source foods, in 2013. The company also contributes to establishing a quality and efficient manufacturing system as well as encouraging safe food consumption by opting for GAP-certified plant- and animal-based foods. In addition, it designs projects for developing alternative control methods against pests that harm biodiversity and for discontinuing the use of pesticides by biological means of control. The company carried out GAP-compliant plant-based production activities in cooperation with 118 suppliers and 734 sub-producers in 2021. As for GAP-compliant animal-based production, 100% of turkey and chicken products were produced in compliance with the GAP principles in 2021.

### Smart Agriculture at Anadolu Efes



Anadolu Efes has been implementing, on a pilot basis, the Smart Agriculture program since 2018, enabling the efficient and effective use of natural resources by farmers. Through to the smart farming applications used in the program, farmers do not irrigate, disinfect or fertilize unnecessarily and can use their resources effectively and at the right time. In a similar vein to the Smart Agriculture program at Efes, AB InBev carries out the SmartBarley project. Within this scope, producers associated with over 150 cooperatives in 13 different regions of Russia were included in the program.

### Sustainable Agriculture Practices at Anadolu Etap

Our Group company Anadolu Etap has always been a flagship of agricultural development and the development of the agricultural industry in Turkey. It has now completely integrated the Sustainable Agriculture Principles, formulated in cooperation with shareholders, into its entire activities. Turkey's largest fruit grower and fruit juice concentrate producer Anadolu Etap has been contributing to agriculture, regional development and employment in Turkey thanks to its \$350 million worth of investment since its establishment and over 4,000 employees as of today. Applying Industry 4.0 and Agriculture 4.0 technologies in all operations, Anadolu Etap also actively incorporates smart agriculture practices as part of its sustainable agriculture activities. Digitally and remote-controlled smart irrigation and fertilization systems as well as electrostatic pest control sprayers, computer-assisted anti-frost fans, biotechnical pest management and IoT-based temperature, humidity and temperature measurement equipment are some of the Industry 4.0 technologies incorporated into Anadolu Etap business models. Furthermore, the company plans its farms based on soil properties and strives for the efficient use of natural resources in compliance with the circular economy. Within this scope, it carried our high-quality and safe food production through Agriculture 4.0 technologies such as early warning systems, agro-meteorological station technologies, GPS-led soil preparation equipment with precision functioning on a set area, smart chlorophyll identifier to determine harvest ripeness, treatment systems and greenhouse installations.

The company has integrated digital technologies into business models and currently export comprises over 70% of the company's total sales reaching over 65 countries.

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





## Biodiversity for the Future



Anatolian Ground Squirrel

Biodiversity loss and ecosystem destruction are among the top global risks of today. Thus, we consciously place the biodiversity for the future principle at the heart of our business. We take solid steps to preserve biodiversity in alignment with the requirements of the United Nations Convention on Biological Diversity. We design and develop practices to secure all ecosystems and life forms by reducing the impact of our operations on natural habitats. We work consciously to reduce global risks today in order to build a better future.

According to research conducted by the Ellen MacArthur Foundation, 90% of global biodiversity loss is induced by land use for human activities.<sup>7</sup> Biodiversity loss that leads to the degradation of shelter and food sources for living things is often caused by agricultural expansion, the harvesting of forest products and road construction and urban development. The final declaration of the United Nations Intergovernmental Conference on Climate Change COP 21 concerning global action plan preparations for innovative agriculture practices as well as land and forest use highlights the need to increase biodiversity.

Our operational industries are agricultural production areas with a high natural resource consumption rate. We develop new practices to reduce our operations' impact on biodiversity and natural life and to preserve biodiversity. To preserve biodiversity, we comply with the requirements of the United Nations Convention on Biodiversity across the Group.



We cooperate with NGOs to improve local ecosystems with the awareness of our responsibility toward the Future of Nature. We cooperated with the Hatay Nature Conversation Foundation on a conservation project for the Anatolian ground squirrel (*Spermophilus xanthoprimum*), which is listed as nearly endangered on the red list by the International Union for Conservation of Nature (IUCN). Tracking in Karapınar, Konya, identified approximately 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. We came up with suggestions for the preservation of this species.

<sup>7</sup> Ellen MacArthur Foundation, *The Nature Imperative: How the circular economy tackles biodiversity loss* (2021)



1. Preserving the natural state of steppes
2. Taking necessary precautions to ensure the thorough planning of activities such as road construction, afforestation and urbanization
3. Placing warning signs on roads to protect the squirrels from being run over as Anatolian ground squirrels often explore roads in search of the food that people discard from their vehicles
4. Placing warning signs in areas deemed natural attractions to educate the public on the threat that domestic waste poses to Anatolian ground squirrels

You can read more about the Anatolian Ground Squirrels Monitoring and Evaluation Report for Biodiversity [here](#).

As part of the project, we educated 100 young people on the preservation of biodiversity. These young people posted on their social media accounts to contribute to the preservation of Anatolian ground squirrels and to spread accurate information. Having reached hundreds of thousands of people, the young people raise awareness on the matter among their peers.



### 3 Million Tree Seed Balls by Anadolu Efes

Anadolu Efes launched cooperation with Ecoding, an initiative that develops environmental technologies in order to contribute to the afforestation efforts. Following the wildfires in August 2021, Anadolu Efes increased its initial commitment of shooting 2 million tree seed balls as part of the Our Nature is Special project by another 1 million.



Subsequently, 3 million seed balls were shot to soil in steep lands untouched by human hands. Tree seed balls are prepared by women in rural areas who are affected by income disparity due to climate change.

### Anadolu Etap Boosts Biodiversity through Pollinator Operation for Sustainable Agriculture

The pollinator population is decreasing and facing extinction due to human activities, land use, changing landscapes and the degradation of natural habitats.

Anadolu Etap strives to protect the living populations while also enhancing the quality of the products it grows. Having developed a sustainable tool to support the Integrated Pest Management (IPM) programs, Anadolu Etap aims to reduce the use of pesticides to protect habitats and biodiversity.



### Biodiversity Efforts at Migros



The Good Agricultural Practices (GAP) project of Migros works on sustainable agriculture and animal husbandry, as well as traceability, while the Anadolu Lezzetleri (Tastes of Anatolian) project works to protect endangered seeds. The company strives to save seeds nearing extinction all across Anatolia for future generations to prevent biodiversity loss and preserving

our cultural treasures. Following the thorough examination of local seeds and respective special recipes from 25 areas in the seven regions of Turkey, the company now offers in 198 stores the 59 products that stood out in local or cultural properties.

### Migros Combats Deforestation



Migros reduces the amount of paper used throughout its operations to preserve biodiversity and to carry out afforestation activities on degraded forest lands to combat deforestation. Over the last 14 years, income generated from the olives produced by the Aegean Forest Foundation has been contributing to the rejuvenation of burned or damaged forest lands. The company has so far contributed by planting 554,148 saplings. Furthermore, Migros Up project spread 8,450 seed balls in nature with the contributions of customers of ecoding company and Migros Toptan.

# FROM ANADOLU TO THE FUTURE

## The Future of Business



### Digitalization & Innovation For the future

**“Those who  
foresee  
opportunities  
design  
the future.”**

We lead digital transformation and support entrepreneurship with our sustainable business approach.



### Leading Brands For the future

**“Create value  
to make a  
difference.”**

We make a difference by offering unique experiences through customer-oriented solutions.



### Responsible Manufacturing For the future

**“Let the value  
you create  
be the mark  
you leave.”**

We contribute to the responsible value chain through responsible product and service development.



### Inclusiveness For the future

**“Inclusivity  
moves us  
all forward.”**

We grow, prosper and get stronger together with our stakeholders.



### Integrated Governance For the future

**“Be fair,  
transparent,  
responsible and  
accountable.”**

We strengthen our governance approach through effective risk management.

**We act today for the future of business.**

## The Future of Business

The right time to take action for the future of business is today. We consciously operate in a wide geography. As one of the major driving forces of the Turkish economy, establishing partnerships with global brands and multinational companies, we are aware of the scope our impact.

We provide tangible solutions to build a better future for business:

We make responsible and purposeful investments that provide benefits in environmental, social and governance areas to secure “the Future of Business” and to meet the expectations of business partners, suppliers, customers, investors and public institutions. We own the principle of digitalization and innovation for the future as we move forward by seeing opportunities. Following tech developments closely, we passionately integrate them into our business. We prioritize R&D and innovation studies. We lead digital transformation and support entrepreneurship. We believe in creating shared value and making a difference. Embracing the principle of creating leading brands for the future, we meet the fast-changing needs of our customers with customer-oriented solutions and with our leading consumer products.

In every single work we do, we intend that the only trace we leave for tomorrow is the value we create. Owning the principle of responsible manufacturing for the future, we prioritize environmental and social standards throughout the supply chain, ensuring that the products and services we offer meet the international quality standards. We acknowledge that being inclusive moves us all forward. Standing by the principle of inclusiveness for the future, we empower all our stakeholders, including the vulnerable segments along the value chain, increasing welfare and creating shared value. Embracing the principle of integrated governance for the future, we acknowledge environmental, social and governance risks and opportunities while managing our portfolio and making conscious investment decisions for a better future.

To be traceable in **50%** of operations by 2030 and **%100\*** by 2050

\*Limited to private label products for Migros.

### Contribution to Sustainable Development Goals



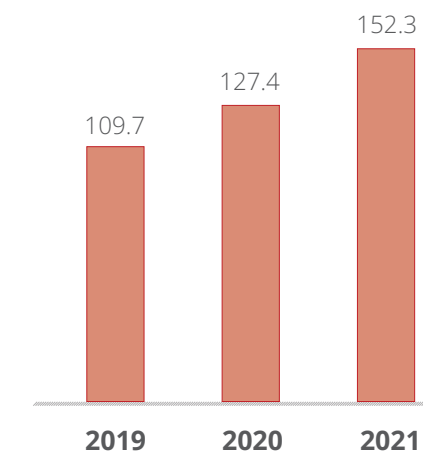
## Digitalization and Innovation for the Future

Modern technological developments bring along risks and opportunities for the business world. Thus, we intentionally embrace the principle digitalization and innovation for the future, placing it at the core of our business. We develop innovative products and services that meet the expectations of our stakeholders and the future; we utilize opportunities with a business approach empowered by digitalization and innovation. We increase efficiency by integrating technological developments into our processes. We encourage entrepreneurship inside and outside our company. We keep going beyond boundaries and creating opportunities today in order to build a better future.

We extended our Digitalization, R&D and innovation budget by **%19.5\*** and invested **TL 152.25 million.** Our sustainability-focused R&D and innovation investments amounted to **TL 26.8 million.**

\*Compared to the previous year

R&D and Innovation Budget in Years (Million TL)



### Digital Transformation

The integration of the progressing digital technologies to all business processes under suitable conditions, boots efficiency, thus increasing competitive advantage for companies. Today, technologies such as big data, artificial intelligence, robotic technologies, the IoT, blockchain and cloud storage continue to transform everyday life and business models. As digital transformation becomes a persisting trend in the business world, incorporating production and supply chain in the same transformation becomes crucial for the continued operation of our business. The innovations enabled by digitalization facilitate the development of customer-oriented solutions and boost customer satisfaction.

We closely follow any innovations introduced by digitalization and fully support digital transformation. We integrate the efficiency opportunities presented by digitalization into our technology-powered business transformation projects, subsequently creating more efficient, effective and value-generating business models, processes and working environments.

As part of our cooperation with IBM concerning information technologies infrastructure and practices, we integrate digital technologies into our business processes to achieve operational efficiency. Implementing cloud technologies has given us a more agile structure. We achieved efficiency in energy and management processes and reduced our costs. Furthermore, the Virtual Work Force and robotic process automation practices have saved us time and workforce efficiency in our repetitive operations.

### Digital Transformation Efforts at Anadolu Group

We are still working on digital transformation strategies and a roadmap. Within this scope, we are currently implementing programs and projects including Robotic Process Automation, Artificial Intelligence, Machine Learning, Data Analytics, Digital Leadership Academy, AG Digitaltalks and My Digital Workplace.

We are consolidating Group companies' software licenses regarding the central management and supply of software licenses used collectively by Anadolu Group companies. We aim to create a scale economy and optimize licenses between the companies to achieve efficiency and cost savings. The central purchasing through proper license selection for each company, license optimization and scale economy saved over \$6 million for the Group. We are also including additional functions such as cybersecurity, data analytics and cloud services required by Group services in the scope of the new agreement.

Expanding the Virtual Work Force across all defined processes in the Group will save us time and resources. Within this scope, we achieved a 96% saving in time and workforce capacity by switching to information technologies automation in human resources processes. Furthermore, the Virtual Work Force eliminated the possibility of potential user errors in processes. We increased the use of automation for efficiency in repetitive processes.

We also established the Digital Leaders and Workforce Development program to raise leaders who are conversant with the digital age and comfortable with and adept at using the technologies of tomorrow, to work for Anadolu Group. We organized training programs to explore technological concepts such as artificial intelligence, machine learning and blockchain as well as data use. We also established a pool of experienced professionals and established collaborations with initiatives.

### Digital Transformation at Coca-Cola İçecek

CCI has been implementing innovation-oriented digital transformation programs to maintain its industry leadership, boost efficiency and strengthen operations.

CCI has launched the Red Box online platform in Kazakhstan that enables traditional channel customers to participate in promotions and to order online. The company also activated the Route to Market (RTM) digital platform in all its operating countries, which enables route optimization for the sales and distribution teams. Setting the shortest and fastest routes, the system shortens the daily routes of the sales and distribution vehicles, subsequently reducing the carbon footprint as well. It also saves time and boosts efficiency.

CCI became the first FMCG company to have switched to biometric signatures thanks to the collective efforts of the Digital Technologies and Legal departments. Over a hundred documents were signed by nearly 500 biometric signatures, saving substantially on paper.

Digital Twin: Standard quality procedures require line system components to be cleaned during production at plants. This process, however, may extend the planned production times and reduce the line usage rates and lead to the unnecessary use of sources that will have environmental impacts. CCI has therefore launched the Digital Twin product to generate digital solutions to identified problems and is now taking action to determine, improve and regain any losses in production, time or environmental sources. The CIP (Clean-in-Place) systems applied at the Bursa plant saved 277,000 liters of solutions, 27,030 kWh of electricity and 12,164 cubic meters of water annually. The digital twin activities were then implemented at the Izmir and Elazığ plants as well.



## Digital Transformation at Migros

Migros developed workflows and web and mobile applications for the end-to-end digitalization of protocols including new store opening, store renovation, store closure and seasonal store opening/closing processes. The company also ensured process traceability to complete the relevant store processes as fast as possible and minimized the subsequent operational workload to create a more systematic workflow.

Migros also operates the MoneyPay application for faster, safer and easier financial transactions for customers, including payments and money transfers. It also enabled non-contact payment by QR code at the cash registers and self-checkout stations, saving valuable time for customers. The prepaid limit, on the other hand, enables customers to shop now and pay later.

Migros developed the robot-powered product picking assistant TARO in cooperation with the Turkish engineers at Asis Automation to boost efficiency in online order picking. Having thus multiplied the product picking speed for online orders by five, Migros now prepares 50% of Migros Sanal Market (Migros' e-commerce channel) orders with the support of TARO. This provides a faster and more efficient ordering experience for customers.

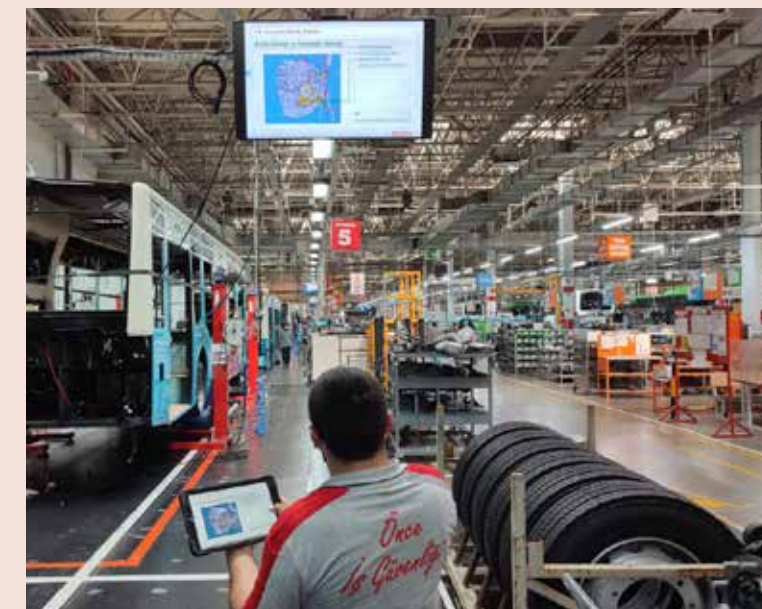


## Digital Transformation at Anadolu Isuzu

Anadolu Isuzu has now completed the first phase of the Smart Factory project launched within the scope of the digital transformation vision. The Smart Factory project manages the complex production flow and spacious production facilities necessitated by the fluctuation and variety involved in "Tailored Manufacturing" by 3D digital twinning. It also employs the IoT to communicate to operators all information on customized production. The Smart Factory project promises instant and highly accurate vehicle and process monitoring thanks to the established IoT infrastructure. Different departments from logistics to production, quality, sales and export have immediate access to any necessary information concerning production or delivery. The highly developed functions of the project substantially decrease paper consumption, thus contributing to Anadolu Isuzu's goal toward "paperless production." The Smart Factory project was awarded the Best Innovation Project of the Year in the "Innovation" category in IDC, a global organization.

Anadolu Isuzu established an online IoT platform as part of the Boiler Scada project to monitor data obtained from energy systems at production plants, create alarms, analyze and generate intelligence out of data. This system made it possible to measure all data through a single medium, thus boosting energy efficiency.

Anadolu Isuzu was awarded for its ProEye and Aris applications at the 12<sup>th</sup> CIO Awards organized by CXO Media to reward technology leaders. It also earned first place in the "Future of Works" category for its ProEye project and second place for its Smart Factory project in the "Innovation" category and for the Bus-Figurator & ZOBAS project in the "Business Enablement" category at the CIO Summit 2021 Awards organized by IDC.



## Entrepreneurship Ecosystem

We are aware that encouraging high value-added ideas is crucial in gaining a corporate competitive advantage and we support entrepreneurship with our internal sources. We include innovative perspectives and ideas in our business processes for the Future of Business. We support different perspectives and innovative ideas by employees through our intrapreneurship approach.

With Bi-Fikir our in-house entrepreneurship platform that has been active since 2015, all Group employees can develop their creativity both as individuals and as teams, while enhancing the organizational culture that learns and creates innovative ideas. We evaluate any project ideas shared with us based on benefit, innovation and feasibility criteria and afterward, ensure our employees adopt the business processes and yield the benefit.

Through the seven years of Bi-Fikir, employees have developed 40,667 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 2021, we have implemented a total of 5,938 quick applications and 2,177 projects. We have therefore allowed Group companies to strengthen their processes and strategies. We have implemented approximately one out of every five ideas submitted to the program and generated over TL 780 million in value over seven years.

We implemented **5,938** quick applications and **2,177** projects developed within the scope of our "Bi-Fikir" innovation program. The value we generated by implementing approximately one out of every five ideas participating in the program exceeded **TL 780 million** over a period of seven years.

To move the concept of Bi-Fikir beyond a simple intrapreneurship platform and to reposition as an open innovation platform, we combined our Bi-Fikir platform with Anadolu Group's campus brand Plan Your Career at Anadolu Group (KAP). Bi-Fikir KAP nurtures a supportive environment for university students' ideas with potential and we match suitable ideas collected through the platform with Group companies. Those who succeed in the semi-finals are welcomed in Anadolu Group Innovation Camp and mentoring process. We are offering a monetary award to the last three finalists to contribute to their development. Successful projects are implemented in relevant companies while the students behind these ideas are offered employment and internship opportunities. Bi-Fikir KAP collected project suggestions from 1,595 students from 267 different departments at 165 different universities over the last three years. In 2021, we collected 163 project suggestions from university students.

## Migros Up



Migros launched Migros Up in 2020 to create value for Turkey's entrepreneurship ecosystem on open innovation and promoted the program in 2021. In addition to joint innovation projects, entrepreneur mentoring and cooperation with incubation centers are included in Migros Up's basic services. Three successful projects were implemented in 2021. Led by Migros Up, these projects serve to encourage cooperation

with entrepreneurs and to support the entrepreneurship ecosystem with digital transformation and shared innovation goals.

- A digital persona was created for marketing in cooperation with the Evercrude Picture Animation Studio. Providing coherent and relevant responses thanks to its artificial intelligence, "Mia" is expected to establish sincere and reliable relationships with customers.
- In cooperation with ERG Controls, we then created the "Clean Up" system powered by IoT and visual processing technology to monitor the hand hygiene practices of employees in real-time at food production aisles at stores (Sokak Lezzetleri, Macro İmalat Atölyesi, etc.).
- Working with Bugiworks Technology (Hergele Electric Scooter), we designed the "WaMo" electric micro-mobility device to be employed in product collection processes at distribution centers. Simultaneously an R&D project, WaMo digitalizes supply chain processes and boosts productivity. Originally applied solely at one store, the product collection process was then enabled for multiple stores via tablet computers. It was also updated to provide a user-friendly interface and flow.





## 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. So far, Anadolu Efes has provided 565,000-Turkish-lira worth of financial support to 11 entrepreneurs within the scope of the ITU Çekirdek Big Bang Start-Up.

**Social Impact Awards:** The second Social Impact Awards (SIA) Summit was organized in cooperation with Impact Hub Istanbul to encourage young entrepreneurs below the age of 30 with a desire to benefit the world. A total fund worth TL 40,000 was raised to finance four initiatives. The selected initiatives were Re-Fil, which aims to reduce the plastic packaging waste; Güçlü İyilik, which facilitates access to social responsibility projects that might interest the youth; ConFarm, which manufactures hydroponic systems; and Smart Water, a smart water tracking system to boost water efficiency at homes and workplaces.

**Reduce Your Carbon Footprint by imece:** imeceLAB encourages university students to formulate solutions to cultural and environmental issues and, in 2021, organized the Reduce Your Carbon Footprint Issue Process. Over 100 students applied and 10 project teams developed projects to reduce carbon footprints. The Temiz Toprak (Clean Soil) initiative, which aims to enrich the valuable natural and organic raw materials in soil and plants and the ChangeMakers heralding a next-generation, reusable and environmental shipping package received a total of TL 10,000 in funding. They also received mentoring and a network support award.



**Innovation Workshop:** Anadolu Efes established the Anadolu Efes Innovation Workshop to promote a culture of innovation within the company and to guide employees in turning their promising ideas into reality. The workshop receives hundreds of applications each

year. These applicants participate in a program that runs over weeks where they are narrowed down to three finalists and subsequently commercialized. Ten innovations by 39 Anadolu Group employees participated in the intrapreneurship program's second term in 2021. Three of these were chosen for the Incubation Program. Having completed the 16-week Incubation Program, the "Köpüürt" team set off on its branding journey. On the other hand, Malty, one of the finalists of the first edition of the program, is steady on its path as the first innovation to commercialize following its journey through the Anadolu Efes Innovation Workshop. Turkey's first healthy malt snack Malty shot to mass production within a year. It ranked second place in the "Best Intrapreneurship Project" category at the 2021 Corporate Entrepreneurship Awards. It was also an ITU Çekirdek innovation and recognized as a semi-finalist at Bing Bang. It was selected as one of the 10 women innovation teams from Turkey by The EWA (Empowering Women in Agrifood) program organized by EIT Food.

## Migros Intrapreneurship Development Program

Migros launched the Intrapreneurship Development Program in 2019 based on the lean entrepreneurship model for rapid adjustment to the transformation and change in the project management processes. Teams assigned across functions cooperate to implement innovative business ideas using agile working methods. A total of 21 different projects by 263 people have participated in the program. In the meantime, intrapreneurship agile project teams joined in the theoretical and applied workshops. While one of the projects was commercialized, 10 projects that became successful from an entrepreneurship perspective were transferred to the relevant departments and became regular businesses led by Migros.

## Migros – KAGIDER Women Entrepreneurs Development and Acceleration Program



Migros cooperates with the Women Entrepreneurs Association of Turkey (KAGIDER) to strengthen women in agriculture. Having carried out the second event in 2021, the program welcomed 433 women entrepreneurs and, of those, 68 were offered the opportunity to participate in the online camp while 76 were admitted to the face-to-face camp. Of the entrepreneurs participating in the camps, those who fulfill the quality standards and conditions receive offers to become Migros suppliers.

Over the last two years, Migros provided a year-long mentoring support program to 36 women entrepreneurs who have participated in the online camp to take more sustainable, steady and strong steps for the empowerment of women in agriculture.

## R&D Centers

R&D centers are crucial in ensuring the sustainability of the value-added we generate in our industries. At these centers, we focus on responding to global trends and producing knowledge and technology that will help our industries develop in areas subject to regulations. We are conducting various R&D activities at the R&D Centers of Anadolu Isuzu, Anadolu Motor, Migros, Anadolu Etap and Adel Kalemcilik to invest in the future of their respective industries.

- Anadolu Isuzu has been creating value-added in the automotive industry 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 transportation 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.
- As the first and only company in Turkey to receive R&D center status in the food retail industry, Migros is developing next-generation retail practices through its cooperative efforts with Silicon Valley.
- Anadolu Motor was granted R&D center status in 2018 by the approval of the Republic of Turkey Ministry of Science, Industry and Technology. At its R&D center, Anadolu Motor works to design economic and innovative engines that will make life easier for farmers.
- The two Anadolu Etap R&D centers at the Mersin Fruit Juice Plant and the Balıkesir Tahirova farm are investing in the future of the agriculture industry 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 industry and pioneer its transformation and development.

## Anadolu Efes Innovation Center and The Future Is In Agriculture Project



Culminating its 40 years of R&D efforts, Anadolu Efes established the Anadolu Efes Innovation Center at the Izmir plant. The platform works on new product development and production methods in addition to offering comprehensive improvement and specialization opportunities for industry professionals. This center saw the development of the

+1 Resting Technique, which is expected to be recognized as a third manufacturing method by the global brewing industry. Developed as a culmination of two years' worth of R&D work, the method is unique to Anadolu Efes and is certified by the VLB Berlin, one of the world's leading international beer standards institutes. An application for a patent has also been submitted.

Anadolu Efes has also developed barley and hops seeds through R&D work by the Agricultural Product Development Department within the scope of the Future Is In Agriculture project since 1982. The company is training farmers to encourage them to use these seeds. Having already developed 17 varieties of barley and seven varieties of hops as part of the project, Anadolu Efes aims to source raw materials from local producers, employ R&D to develop drought-resistant species that require less water and energy, encourage responsible and proper agriculture practices and to increase productivity in agriculture.





## Leading Brands for the Future

Today, companies maintain their competitiveness through deeper understanding of their customers. Acknowledging this powerful truth of the modern world, we adopt the principle of leading brands for the future. We closely monitor the rapidly changing needs of customers through the operations of our leading brands. We provide customer-oriented solutions, utilizing the power of digitalization. We are committed to offering value-added products and services today in order to build a better future.



### Coca-Cola İçecek Next Mobile

CCI Next Mobile Application enables traditional and on-premise consumption channel customers in Turkey to submit orders any time on the system via their mobile devices. The application reduces the number of face-to-face visits by sales representatives, resulting in more efficient field activities. Nominated in the "Customer Experience" category at the IDC CIO Awards 2021 Turkey Summit, CCI Next Mobile ranked third.

### Customer Experience and Digitalization at Migros



The only marketing platform equipped with data-integrated communication channels under Migros, Turkey's first retail media company Mimedea established an infrastructure partnership with Adform. The company works to boost customer satisfaction and variety in

communication channels. Migros employs various media tools to measure the impact of advertisements broadcast via different communication channels following consumers' changing needs and requests. Within that scope, the company launched a new data-integrated marketing platform to generate value-added in the Turkish media industry.

Migros cooperated with ThinkNeuro and NielsenIQ for a survey titled the "Perception of Sustainability and the Future of Market" to determine the consumer perception of sustainability and motivation for and barriers to purchasing sustainable products. Survey results were published on the digital platform of the GDF, an umbrella organization for leading global retail and fast-moving consumer goods manufacturing companies, to set a baseline in the global retail industry.

Migros leads the Turkish wing of the product information digitalization and standardization project in cooperation with GS1 and the Consumer Goods Forum.

### Anadolu Isuzu ProEye



Anadolu Isuzu aims to maximize after-sales customer satisfaction through the ProEye Remote online support service. The after-sales service ProEye Remote enables service support personnel to connect via mobile phone or virtual reality goggles to domestic or international

service stations to provide support as if they were physically present and to guide the service to accelerate resolutions.



### Home Care and Health Services at Anadolu Medical Center

Anadolu Medical Center now provides Home Care and Health Services in order to respond to changing needs. Accredited by the Turkish Republic Ministry of Health, Anadolu Medical Center provides Home Care and Health Services 24 hours a day, seven days a week.

### Coca-Cola İçecek Management Systems Standards

CCI incorporate a culture of Operational Excellence (OE) into its organization to improve how it do business in the long run. The OE Model is based on Lean Six Sigma methodologies and applied to all company functions. Its targets with this model are reducing the environmental impact that may arise from our bottling operations, achieving the highest level of efficiency and quality and minimizing errors.

Also, its management systems standards and principles which include KORE, ISO 9001, EFQM Business Excellence Model and Lean Six Sigma are in line with this methodology.

## Customer Experience at Garenta

Offering services with 54 dealerships in 31 cities for its daily rental operations, the innovative car rental brand Garenta continues its activities with a new generation service approach, accessible from anywhere in Turkey. The brand continuously expands its large fleet of over 4,000 vehicles consisting of 22 brands and 85 different models. Garenta upgraded the infrastructure and interface of its mobile application and adopts a customer-oriented approach in actions and solutions toward its vision of leading the car rental industry. The company ranked top in the "Car Rental" category of the Customer Satisfaction Awards organized by Fast Company magazine. Winner of the Diamond Award as the most successful brand in the car rental industry within the scope of the ACE (Achievement in Customer Excellence) Awards organized by sikayetvar.com and chosen the most reputable brand in the car rental category at the ONE Awards Integrated Marketing Awards held annually in cooperation with Marketing Turkey and Akademetre, Garenta continues its customer satisfaction-oriented works without losing speed.



## Responsible Manufacturing for the Future

It is urgent for the future business world that every step of supply and production processes must be traceable and responsibly managed. We acknowledge that the first step in responsible product and service development is responsible value chain management. Thus, we embrace the principle of responsible manufacturing for the future. We prioritize the suppliers' compliance with the environmental and social standards that are firmly set; we support their growth in environmental and social fields along with governance. We are eager to maintain the standards in the supply chain and expand responsible products and services. We contribute to the responsible value chain today in order to build a better future.

## Responsible Products and Services

We aim to increase the number of our responsible products and services. To this end, we encourage our brands' target-oriented transformation. We focus on providing environmental and social benefits to customers through our responsible products and services. We comply with international standards in manufacturing and enforce them through precautions and audits on quality and product safety. 66% of our plants have ISO 9001 certification.

### Anadolu Efes Gluten Free Product



The gluten-free option is another innovation by the Anadolu Efes Innovation Center. Three years of R&D work by brewing masters and engineers culminated in Turkey's very first gluten-free beer. Produced with buckwheat malt, the beer was awarded a compliance certificate by the Association of European Coeliac Societies (AOECS) and the

internationally recognized Crossed Grain logo of Coeliac UK.

### The Year of Fruit and Vegetable at Migros

Migros contributes to the International Year of Fruits and Vegetables campaign organized by FAO with the Tam Zamanında (Right on Time) project, which informs consumers about the importance of consuming fruits and vegetables when they are in season, the storage of fruits and vegetables and recipes.



Migros launched the Agriculture Is Our Future Project in cooperation with the Agricultural Credit Cooperatives of Turkey and certified 1,889 tons of pears by 11 producers by facilitating the group certification processes of some cooperatives in Bursa. Furthermore, Migros offers İTU-certified chicken, turkey and egg products to consumers since 2013. The entire turkey and chicken product range available at Migros stores is produced in compliance with the İTU terms and conditions.

## Coca-Cola İçecek Returnable Glass Bottle



With its returnable glass bottle practices that allow the use of glass bottles up to eight times, CCI reduces energy consumption and use fewer resources. In 2021, returnable glass bottle practices in Turkey prevented 67,302 tons of CO<sub>2</sub>e, equivalent to the amount that is absorbed by 5.6 million trees.

## Anadolu Motor The Project of TEYDEB

Anadolu Motor continues to expand and develop its product portfolio in line with user needs and currently aims to advance in the diesel tiller market. The company manufactured a tiller using the single-cylinder diesel engine manufactured at its Şekerpinar plant. Compared to gas-fueled machines and other high horsepower diesel machines, this tiller promises farmers efficiency in budget and adaptation to soil and needs. The TÜBİTAK Technology and Innovation Funding Programs Directorate (TEYDEB) program is still ongoing to improve the emission levels of diesel engines to comply with the Stage V emission standards acknowledged as part of harmonization efforts with the European Union.



Anadolu Motor utilized its design skill to manufacture a water pump to gain sustainability and independent movement capacity in the water pump product range for Turkish farmers. A water pump is a mechanical device to transport liquids and/or gases from one location to another. This development eliminated the limitations of supplier-dependent designs and supplier-triggered delays and terminations to achieve flexible design and manufacturing skills.

## Anadolu Isuzu Develops Electric Buses

Anadolu Isuzu continues to develop and manufacture alternative fuel vehicles in line with its sustainable environment strategies. In 2021, the company completed the mass manufacturing of the electric low-clearance urban public transportation vehicle Novociti Volt and carried out the first delivery to France. The Isuzu Kendo CNG delivers low emissions and fuel efficiency with its fully biogas-compatible CNG engine. Grand Toro, on the other hand, provides both low fuel consumption and accessible cargo loading and unloading with three side doors. Anadolu Isuzu proceeds with the lightweighting efforts to maximize the range and passenger capacity in current and future vehicle projects as part of the company's sustainability strategy. It is conducting research on biocomposites and recycled materials.

Kendo 13 CNG, most effectively responding to customer demands abroad and in Turkey, received the Sustainable Bus of the Year 2022 award in the Intercity segment at the 2022 Sustainable Bus Awards. Vehicles nominated for the Sustainable Bus Award are assessed on a wide range of criteria including design, fuel consumption, emissions levels, safety, comfort, noise levels, material recyclability and the overall environmental commitments of manufacturing companies.

The Grand Toro and the Kendo, on the other hand, were acknowledged in the "Product Design" category at the 2021 BIG SEE Product Design Awards, the international design competition to encourage creativity and business potential in Europe.



## Adel Kalemcilik Anti Bacterial Product Family



Adel Kalemcilik has been active in innovation to respond to changing consumer needs. The first company in the stationery industry to obtain the COVID-19 Safe Production Certificate from the Turkish Statistical Institute (TurkStat), Adel Kalemcilik manufactures antibacterial pencils, the culmination of an innovative perspective to which the company had already sent

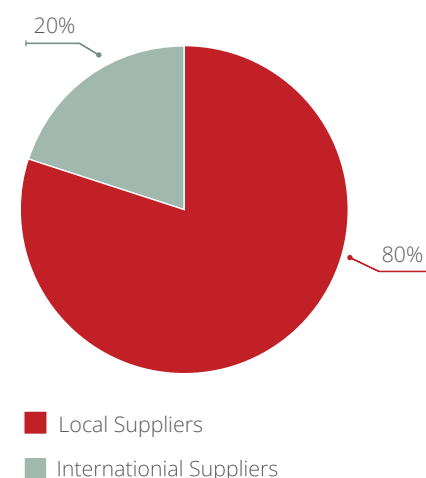
a patent application. The special paint that coats the antibacterial pencils prevents bacteria from attaching to the pencil surface.

Adel Kalemcilik adopts product safety and quality management as leading principles, closely follows and implements national and international standards and carries out 40,000 product safety and quality tests per year on average.

## Responsible Value Chain

We are working with a wide network of suppliers in countries where we do business. We ensure that our entire value chain is traceable and auditable in line with our responsible production principles. To this end, we identify any weak links and potential issues throughout our supply chain. To minimize all risks, we are working with nearly 20,000 suppliers, 80% of which are local. We position our suppliers as business partners in our wide operation network, through which we contribute to local development and economy. Of our total supplier payments, 52% consist of payments to local suppliers.<sup>8</sup>

### Local Supplier Ratio



<sup>8</sup> Not including Migros and CCI.

To ensure that our suppliers 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 for the products and services we require. 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 a contract and we obtain a declaration of compliance with our Code of Business Ethics. **AG Anadolu Grubu Holding Procurement Procedure includes Compliance with the Code of Business Ethics under the Supplier Assessment and Selection Criteria.**

Suppliers have to comply with the prohibition of employing children as regulated by local legislation. As AG Anadolu Group Holding, while selecting the suppliers environmental criteria's are considered.

## Migros Supplier Academy

As part of its localization strategy, Migros organizes periodic and free online training programs on product safety to contribute to the development of SME-level local suppliers who would like to sell their products in the Migros stores. These training programs on safe manufacturing for local suppliers include a wide range of information from legal regulations to labeling, infrastructure conditions, personal hygiene and traceability. In 2021, the company offered training to nearly 100 local suppliers at the SME level.

## Anadolu Isuzu Technology Center

Anadolu Isuzu Technology Center offers fast and high-quality technical information and application support to company distributors, sales dealerships and authorized services through its innovative and advanced facilities. The Technological Center organized its first remote training program. The technical infrastructure of the center enables a specialized technical support team to establish visual communication with the technicians on-site to identify and resolve the issue rapidly.

## Migros Environmental Supply Chain Management

Accompanied by independent external auditing firms, we carry out routine audits of our suppliers on their compliance with all Migros corporate policies and international food safety, ethical, social and environmental labor standards, particularly on responsible sourcing. If the expected success is not achieved after 3 follow-up audits, we terminate the commercial relationship based on the assessment made. We also assess all our suppliers regarding the environmental issues such as water consumption, waste management, energy use and resource use.



## Inclusiveness for the Future

We are aware of the major role that today's business world plays in local socioeconomic development. We move forward embracing the principle of inclusiveness for the future. We aim to get stronger together with our stakeholders through inclusivity in our wide value chain. It is crucial for us to ensure that the vulnerable groups in our supply chain are empowered and remain in the economic system through the economic value we create. We aim to get stronger together today in order to build a better future.

### Accessible Migros

Migros launched the Accessible Migros project in 2017 to provide priority service to customers with disabilities and senior customers. As part of the project, the Migros Sanal Market (Online Store) mobile application was developed and launched in full compatibility with screen readers for the visually impaired.

As of 2021, there are 283 Migros and Macrocenter stores transformed in line with the "Accessible Store" concept in 50 provinces. The accessible stores include a variety of additional services to improve the customer shopping experience:

- Assisting customers in shopping upon demand
- Employing at least one employee, with a visible collar badge, who can communicate in sign language
- Aisles that can accommodate a wheelchair
- Providing ramps and railings at store entrances
- Providing wheelchairs for senior customers if required

On December 3, International Day of Persons with Disabilities, the company engaged in substantial cooperation with BlindLook, an initiative to develop freedom technologies for the visually impaired, to respond to the most basic needs of the visually impaired through online channels. The voice simulation technology embedded in the Migros Sanal Market and Migros Hemen applications as well as the website aims to facilitate life for the visually disabled. The voice simulator reads all content and relevant actions out loud to the user.



### Anadolu Etap Children of Seasonal Agricultural Workers (MİÇO)



Thousands of families in Turkey migrate to different regions across the country to find jobs as seasonal workers. Migrant seasonal workers account for a substantial portion of Turkey's agricultural workforce. However, they are deprived of healthy living conditions and their children's education is disrupted as they relocate

to different working destinations. Anadolu Etap considers migrant seasonal workers as critical stakeholders and launched the Children of Seasonal Agricultural Workers (MİÇO) project in 2015 to resolve the issue at the level of its farms. As part of the project, 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 closing of schools for summer break, teachers appointed by the Public Education Directorates offer painting, handicrafts, music, physical education, Turkish language learning programs and day care during July and August in the schools established on Anadolu Etap farms. Anadolu Etap has contributed to the continuous education of 1,500 children since the beginning of the project and aims to set an example for other agriculture and food companies.

### Anadolu Efes Contracted Purchase Model



Anadolu Efes continue to strengthen farmers financially without our contracted purchase model and protect soil and safeguard the supply of raw materials. Through the contracted purchase model we offer to farmers, which we consider our business partners, we encourage planned and efficient agricultural practices. 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.



## Integrated Governance for the Future

Today, corporations' ability to adapt to a fast-changing world depends primarily on adopting a strong governance approach. We embrace integrated governance through the principle of integrated governance for the future. We strengthen our governance approach through risk management, owning the foundational pillars of fairness, transparency, responsibility and accountability. We manage financial and non-financial risks in an integrated and proactive manner, making investments and new investment decisions accordingly. We keep strengthening our responsible governance approach today in order to build a better future.

The highest level of management is the Board of Directors who has to be twelve members. It consists of 12 members, four of whom are independent and one of whom is a woman. We aim to further increase the number of women on the Board in the upcoming years in line with the Holding's principle of achieving a minimum of 25% of women on the Board.

The Board of Directors holds the final say in defining and executing the business strategy considering the sustainability priorities. The Board of Directors defines and monitors strategies and targets and audits harmonization and performance from a comprehensive perspective for the Holding and Group companies. The Audit Committee, Early Detection of Risk Committee 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 functions of the Chairman and the Chief Executive Officer are exercised by different individuals.



## Risk Management

According to the Global Risks Report 2022 by the World Economic Forum, the implications of the social and environmental risks increased the most since the onset of COVID-19 while cybersecurity, crowding and competition in space, disorderly climate transitions and migration pressure are among the critical risks.<sup>9</sup> As the global risks induce ambiguity, the management of financial and non-financial risks and opportunities from an integrated perspective gained importance. Companies that have adapted to risks with agility and speed now find themselves on a steadier and more successful path to growth. Corporate risk management allows companies to estimate risk before taking necessary precautions and taking advantage of opportunities. As we are active in different industries and regions, our Holding adopts a comprehensive risk approach.

The Finance Department is responsible for coordinating the risk management process. The top senior executive on this matter is the CEO. The Group's Finance Department defines existing and possible risks against the Holding throughout the risk management process. It also develops actions to minimize the defined risks and ensures risk management by monitoring these actions. Anadolu Group CEO actively participates in the process led by the Committee for Early Detection of Risk.

Holding and Group companies conduct risk management processes in accordance with the ISO 31000 Risk Management standard. Our risk assessment and prioritization activities begin at the lowest level of the Holding and expand towards Group companies. Each Group company employs a person responsible for risk management coordination. Anadolu Group CEO and Finance Department guide the responsible officer and oversee coordination. Group companies assess financial, operational, strategic and other risks as part of their strategic planning processes. Once they determine their priority risks, they formulate a risk map, follow action plans to manage these risks and integrate the investment decisions into their strategic business plans.

We annually update our risk inventory in accordance with global and national developments and new regulations. As we set off to prepare our 2021 risk map, we consulted with various unit managers, including Finance, Audit, Legal, Information Technologies, Human Resources, Corporate Relations, Communication and Sustainability on their risk assessments before preparing the updated Anadolu Group risk map. We subsequently assessed the risks and formulated 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. We conduct periodic crisis management and business continuity simulations for different risk scenarios at different companies.

During our year-round the Committee for Early Detection of Risk meetings, we organize briefings on sustainability developments in the environment, society and governance, now with expanded content.

<sup>9</sup> World Economic Forum (WEF), The Global Risks Report 2022



RISK CATEGORY	RISK DEFINITION AND IMPACT ON THE COMPANY	MANAGEMENT
<b>Financial Risks</b>	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	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. 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. The capital/debt balance is constantly monitored by taking into account the net debt-to-EBITDA ratio to utilize the leverage effect. When necessary, a sensitivity analysis is performed regarding macroeconomic and financial risks.
<b>Strategic Risks</b>	Risk factors arising from the country, region and competitive environment of the Holding with the potential to affect its existence and sustainable growth	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.
<b>Operational Risks</b>	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	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 applied for different scenarios to determine the actions to be taken when a risk materializes. 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. 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.
<b>Extraordinary Operation Risks (Natural Risks)</b>	Risk factors that may adversely affect the Holding's occupational health and safety, such as fires, earthquakes, floods, epidemics and pandemics, for which emergency action plans are created and tested	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. Human health is prioritized in cases of epidemics and remote working principles are implemented. Business processes are then adjusted accordingly.
<b>Information Security, Talent Management, Ethics, Regulatory Compliance and Technology Risks</b>	Risk factors that may adversely affect the Holding's reputation, business continuity and financial status	<p><b>Information security:</b> 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><b>Talent management:</b> 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><b>Ethics:</b> 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><b>Regulatory compliance:</b> 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><b>Technology:</b> 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. 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. Climate change, included in our risk inventory in 2020, ranks as a long-term risk.

We assess climate risks under two categories. First, we assess the possible risks that may arise for each Group company in case the fight against climate change fails. Then, we regularly monitor international agreements such as the European Green Deal and the Paris Climate Agreement. We formulate action plans to comply with these regulations. As in our current risk management processes, we reevaluate our risk inventory every year in light of global and local developments in the management of climate risks. Within this scope, we define risks as non-compliance with legal regulations in the short or medium term, falling into competitive disadvantage and increasing operational costs. On the other hand, we lead compliance and transformation efforts to succeed in competition and to grasp innovation opportunities in business models and manufacturing. The long-term climate risks include the degradation of agricultural lands, water scarcity, food scarcity, extreme weather events and global warming. We conduct scenario analyses to identify possible financial implications of each risk on the Group and calculate the financial consequences of likely risks.

In the upcoming period, we aim to include the climate risks in the risk map to formulate an action plan. On the other hand, we are closely following the Group companies in evaluating the escalating commodity risks triggered by global economic issues.

## Internal Control and Internal Audit

### Internal Control

The internal control systems of AG Anadolu Grubu Holding are closely monitored particularly by the Chief Financial Officer and the CEO, as well as the Audit Committee.

The Audit Report prepared by the Audit Directorate is considered one of the most important data sources for assessing the effectiveness of the internal control system and the results of the internal control activities by the Audit Committee, which consists entirely 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 Finance Department are established within the group companies and the problems related to the management of these systems are solved within the organizational 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.

This assessment includes all routine audits to strengthen and impose internal audits in all activities including the reliability of financial reporting, legal and regulatory compliance, the efficiency and effectiveness of operations and the maintenance of assets. Additionally, the Audit Committee assesses ethics and code of conduct risks within the scope of internal audit activities and compliance and internal control systems are developed in this respect.

### Internal Audit

Internal Audit Departments have been established at Holding and Group companies in compliance with International Standards for the Professional Practice of Internal Auditing (Standards). These units periodically report to the Audit Committee to assure the objectivity and impartiality of Internal Audit Departments. The purpose, authority, responsibilities, position within organization, working method and organizational structure of the internal audit activities are defined in the Internal Audit Charter, which have 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 audit observations are reported to the Senior Management and Audit Committees along with the due preventive, 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.

## Code of Business Ethics and Compliance

As a reliable, ethical and responsible cooperation, we make it a corporate value to adopt a fair and equal approach in our operations. The Code of Business Ethics and Non-Compliance Notification Regulation (Ethics Regulation) provide guidelines for enhancing transparency in stakeholder relations, supporting compliance with working principles, notifying the authorities of non-compliance and relations with our stakeholders. We expect all our product and service suppliers to abide by our Code of Business Ethics and include the Code of Business Ethics in our contracts.

You can access the AG Anadolu Group Code of 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 Business Ethics. The primary objective of the Ethics Committee is to make a strong ethical culture prevalent across the Group. To this end, the Committee reviews the reported cases of non-compliance and takes the necessary actions.

Any non-compliance to the Code of Business Ethics can be reported through various channels to Anadolu Group Ethics Hotline. Employees and all other stakeholders can report, anonymously if they so prefer, through various communication channels such as: our email address [anadolugrubu@etikhat.com](mailto:anadolugrubu@etikhat.com), phone line 0 (212) 401 30 66 and our website <https://www.remedetikhat.com.tr/login>. The Ethics Committee is responsible for evaluating and inquiring about the notifications, taking corrective measures should the non-compliance reported be verified and imposing due penalties for those who violated the Code of Business

Ethics. 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 2021, AG Anadolu Grubu Holding did not receive any notifications regarding code of ethics violations. In 2021, a total of 17,538 person-hours of training was provided to 8,054 employees to encourage the employees of Anadolu Group and its companies to comply with the Code of Business Ethics and to raise awareness on this subject.

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## Anti-Bribery and Anti-Corruption

It is prohibited under any conditions to receive or offer bribes and to involve in corruption at AG Anadolu Grubu Holding. There will be zero tolerance in such cases. This prohibition includes all the activities of Anadolu Group. All employees and third persons acting on behalf of the Group are obligated to follow the anti-bribery and anti-corruption rules and the relevant national and international law and regulations.

Code of Business Ethics training programs also covers anti-bribery and anti-corruption. We organized 6,775 person\*hours of training on anti-bribery and anti-corruption across the Group companies. In 2021, AG Anadolu Grubu Holding did not receive any notifications on bribery or corruption.

## Protection of Personal Data

The 2022 Global Risks Report by the World Economic Forum considers cybersecurity breaches a major global threat. As digitalization escalated during the pandemic, cyberattacks have become more aggressive and large-scale.

AG Anadolu Grubu Holding follows the regulations in effect while processing the personal data of Employees and real persons. We take all necessary administrative and technical precautions against cyber risks and for the security of personal data. It is a priority to protect the privacy of all stakeholder data.

The PPD High Committee and the coordinating PPD Committee are responsible for compliance with the Law on the Protection of Personal Data (LPPD) imposing the processing of personal data of real persons. Committees ensure that employees and stakeholders comply with the legal and in-house regulations and corporate policies on the protection of personal data.

1. We determine PPD maturity levels to enforce technical and administrative precautions as part of our harmonization with the LPPD.
2. Our Holding PPD Committee organizes awareness training programs for Holding employees. As for employees at Group companies, the PPD Committee at each respective company organizes awareness training.
3. 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.



# FROM ANADOLU TO THE FUTURE

## The Future of People



**Human  
Resources**  
For the future

**“The only limitless  
resource on Earth  
is human potential.”**

We put people  
at the heart of  
what we do,  
we unleash  
the potential of  
a better future.



**Empowered  
Community**  
For the future

**“Responsible and  
purposeful acts  
empower  
communities.”**

We conduct  
purpose-oriented,  
measurable and  
effective  
social projects.

**We act today for the future of people.**

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# The Future of People

The right time to take action to build a better future for the people is today. Thus, we consciously place our human-oriented governance approach at the core of our relations with all our stakeholders, employees in particular and the communities we are connected to.

We provide tangible solutions to build a better future for the people:

For “the Future of People”, we get stronger together. As we embrace the principle of human resources for the future, we provide equal and fair working conditions through our people-oriented corporate culture. We support our employees in their growth and transformation, encouraging creative expression. We encourage new talents to join us. Standing by the principle of empowered community for the future, we conduct social investment programs for various stakeholder groups as we have been doing since many years. First and foremost, we utilize all our experience for creating shared value environmentally, socially and in terms of governance. With our core strategy “From Anadolu to the Future”, we conduct purpose-oriented projects in which our priorities and the needs of our stakeholders intersect. Our goal is to create higher shared value with purpose-oriented collaborations, products and services, aiming for the betterment of every single life we touch today.

To increase the rate of women executives to  
**35%** by 2030 and **50%** by 2050

### Contribute to Sustainable Development Goals



## Human Resources for the Future

We believe that the greatest value that corporations have today is the people they work with. Thus, we passionately put people at the center of our business culture. We provide our employees an equal, fair, safe and free environment for new ideas. We support gender equality as we acknowledge that the diversity of employees is a true asset. We believe in the power of unleashing our true potential and we support the growth of our employees who play a key role in achieving our strategic goals. We enable our existing talents to adopt new and empowering skills aligned with the needs and expectations of the new age.

We are proud to be an inspiring, visionary employer aspired by the new talents with whom we will walk our path. We unleash our highest potential together today in order to build a better future.

## Equality and Diversity

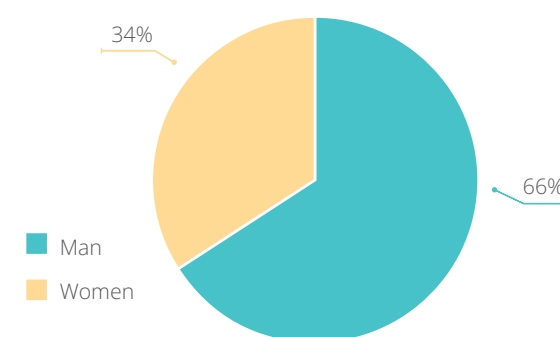
Anadolu Group operates through social organizations with more than 80,000 employees in 19 countries in 7 industries. We draw strength from diversity while pursuing our vision of being “The star that links Anatolia to the world and the world to Anatolia” and we shape our corporate culture from this perspective. We implement our human resources practices and processes under the guidance of our **AG Anadolu Grubu Holding Equal Opportunity Policy** and we lead Group companies to equality. It is our principle to not discriminate 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 in union activities and membership in unions, pregnancy status or military service status during their working life and recruitment.

We support the equal participation of all employees in the workforce and prioritize not only gender equality, but overall equality in all employee relations. 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 Services, the Equality at Work Declaration was issued to reduce the economic participation and opportunity gap cited in the report to approximately 10%. Anadolu Group has been named one of the holdings in Turkey with the highest number of women in management in the “Female-Friendly Companies” survey of Capital magazine for nine years now. We act with that awareness and responsibility. We strive to provide flexible working opportunities and hours to female employees in the prenatal and postnatal periods so that they can balance their work and private lives. Of our employees, 34% are women and 66% are men.

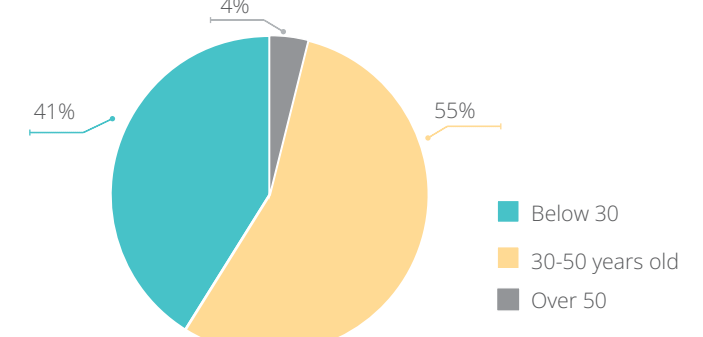
We offer private health insurance and support services accessible by phone call to our Group employees and their family members. We make decisions based on organizational needs, paying attention to employee experience, knowledge, skills and competency for the position during the selection and promotion processes.

We adopt the principle of managing with a shared, intergenerational wisdom. Our employees consist of over 36 different ethnicities and four generations. We nurture a global working environment and believe in instilling common values. Of our employees, 41% are below the age of 30, 55% are between 30 and 50, while 4% are over 50. We encourage young recent graduates to participate in our recruitment processes.

Employees by Gender



Employees by Age



## Gender Equality at Coca-Cola İçecek



Coca-Cola İçecek (CCI) values gender equality and aims to achieve equal rights in terms of visibility, empowerment and access to resources in all employee-related systems.

— **2015:** A Signatory of the WEPs, CCI strengthens women's financial and digital literacy skills through numerous women entrepreneurship programs in its operating countries and encourages them to participate in the economy.

— **2017:** As part of the Volunteering Program, over 1,500 volunteers carry out our different gender equality projects. CCI established Women's Network

in its 11 countries of operation to provide representation to women employees. Female employees of CCI gather on these platforms to create a strong professional network and to participate in different activities on leadership skills.

- **2019:** CCI united all Women's Network in different countries under a single roof that work to encourage women to pursue leadership, provide a female-friendly work environment and contribute to women's empowerment.
- **2019:** 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).
- **2020:** CCI published the CCI Domestic Violence Policy to further reiterate its zero-tolerance stance against all kinds of violence and promised to provide a peaceful and safe work environment to its employees.
- **2020:** Coca-Cola İçecek has committed to increasing the ratio of women in management and senior management levels to 5% by 2025. Coca-Cola İçecek became a flagship in the FMCG industry by committing to the international NGO LEAD Network (Leading Executives Advancing Diversity), the purpose of which is to encourage female employees to join the retail and consumer goods industries and to increase the number of women in senior management and support their improvement.
- **2021:** The Gender Inclusive Language and Communication Guideline and its online training, prepared in cooperation with Kadir Has University Gender and Women's Studies Research Center, have been published in Turkish and English.

## Gender Equality at Anadolu Efes

Anadolu Efes places gender equality and strengthening the place of women in business life at the heart of its business principles. One of the company's three main focuses in 2030 sustainability targets is to "Strengthen through equal opportunity."

- By 2030, the company aims to boost the rate of women employees from 30% to 51%.
- **2013:** The company is awarded the Equal Opportunities Model Certificate, developed by the Women Entrepreneurs Association of Turkey (KAGIDER) under the technical assistance of the World Bank.
- **2015:** Anadolu Efes becomes a signatory to UN WEPs.
- **2019:** Anadolu Efes publishes the Gender Equality Guidelines to establish a roadmap for employees and business partners.
- **2020:** Anadolu Efes becomes the first company in the FMCG industry to receive the Equality for Women at Work Certificate for its operations in Turkey.
- Anadolu Efes has been running projects for social benefit for 15 years and promotes the empowerment of women in the 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.



## Gender Equality at Migros



Migros ranks near the top in the list of retail companies with the highest female employment rates. Gender equality is an integral part of the corporate culture and the company takes numerous measures to increase the number of women in management.

- The company presents the “Value for Equality” online training series to employees and prohibits discriminatory and sexist questions during job interviews. The Happy Mother project offers short educational video content to pregnant employees concerning their legal rights, healthy nutrition, child development and return to work after birth.
- The company increased the rate of women in management to 30% in 2021 and aims to further boost the rate to 35% by 2027. Migros aims to appoint at least one female manager at each store.
- The company is a signatory to LEAD Network Europe’s CEO Pledge. It aims to increase the representation of women in management at and above the director level by five percentage points by 2023. The company also aims to increase the rate of women representation in top Management (CEO and direct reporters) to 27 - 33% by 2026.

## McDonald’s Hanimeli Project

McDonald’s offers flexible working opportunities to female employees to encourage their participation in the workforce. McDonald’s Hanimeli Project increases the number of female delivery drivers daily within the scope of the Women Drivers project. The company collects applications from female drivers during recruitment. The company sets an example in its industry by encouraging women to participate in a traditionally male profession.



## Talent Management

While supporting our employees’ talent development, we emphasize gaining new skills in line with the prevalent global trends. The global acceleration of digital transformation has a transformative impact on employees and business processes. Companies must inevitably adapt to this current transformation. As such, we develop training programs to support our employees’ development and focus on improving employees’ digital competencies by offering online and offline hybrid tools. We update our employee development and performance management practices annually in compliance with the Career Management System Training and Development Procedure to meet changing employee expectations and needs. In addition to providing career planning for our employees based on their potential, we offer employee training.

In accordance with the annual employee career planning, 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 shared wisdom. These plans and targets are then reviewed annually at meetings between employees and their managers. We consider this process to be a performance assessment and, in addition to tracking progress in shared goals, we establish a communication mechanism based on constant feedback.

We protect the fundamental rights of our employees and implement fair compensation policies to encourage high performance. Each Group company considers different market data to shape its remuneration structures and achieves effective remuneration management through business evaluation processes within the organization. The Group applies total compensation management. In addition to salary, Group companies offer fringe benefits, which vary between companies, including private health insurance coverage to which employees can include their families, club membership packages and gift cards. We manage the career process by paying attention to employee experience, knowledge, skills and competency for the position during the selection and promotion processes. As Anadolu Group, we carry out remuneration processes with the principle of equal pay for equal work in all manager and employee positions throughout the Group. As Anadolu Group, we determined the salary rates of male and female employees at all levels.<sup>10</sup>

Ratio of women’s salary at C level (executive) to men’s salary at C level (executive) (basic salary only)	0.99
Ratio of women’s salary at C level (executive) to men’s salary at C level (executive) (basic salary and other bonus payments)	0.99
Ratio of female managers’ salary to male managers’ salary (basic salary only)	0.98
Ratio of female managers’ salary to male managers’ salary (basic salary and other bonus payments)	0.98
Ratio of salaries of non-managerial women to non-managerial men (basic salary only)	1.04

<sup>10</sup> This rate covers approximately 86% of Anadolu Group employees. While calculating the salary rates, the weighted average of the relevant companies according to the number of employees was taken. Regardless of gender, minimal differences can be observed due to seniority, performance and level differences.

To retain talents in our family, we encourage employee development through the Internal Vacancies system across the Group. Each new position is first announced within the Group and applications are collected. We therefore offer our employees an opportunity toward a new learning and career journey. In 2021, we filled 30% of all vacancies with in-house candidates.

## Digital Work Environment

As the global impact of digital transformation escalates daily, we are aware that digitalizing human resources processes is a crucial strategic step. The "AG People First" digital human resources platform enables the most efficient management of recruitment, learning, performance, succession planning and development activities. The platform not only continuously updates employee profiles but also monitors job announcements within the Group.

### Data Drivers Project



In 2020, Anadolu Isuzu launched the pilot Data Drivers program to equip company employees with data-oriented business problem-solving skills. Data usage and data utilization are crucial skills in the modern world and will continue to be so in the future. The Project will help Group employees acquire these skills to improve employee competency. The Digital Transformation Program was maintained as "Digital Transformation Ambassadors" in 2021 with volunteers from different departments. Digital Transformation Ambassadors received 1,457 hours of training on Digital 101, Introduction to Agile, E 4.0 and MeXT Virtual Tour, Low Code No Code -power app and SoftExpert, Power BI and Azure ML. The program was then continued as "Data Drivers Next" with assistance from professional consultants who helped implement and transform the training content into projects. Digital Transformation Ambassadors divided participants into five groups to apply their theoretical knowledge in real-life scenarios concerning machine learning and Power BI methods on various projects.

The Data Drivers project, which was designed to enhance employee skills, was recognized by the HCM Excellence Awards and the Stevie Awards in 2021. The project also ranked second at the IDC CIO 2022 awards in the Future of Work – Reskilling category.

## Employee Development and Trainings

We invest in training, development and leadership programs to enhance the personal and professional competencies of our employees, as we believe qualified employees help companies achieve their targets and make an impact. We establish comprehensive roadmaps to strategically manage our employee development programs. 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. We enrich our employee development programs with different development tools including coaching, rotation, class training, workshop training and e-learning to guide our employees and include their managers in the process. In 2021, we organized approximately 3.5 million person\*hours of training, which corresponds to an average of 54.5 hours per employee. In 2021, Anadolu Group spend more than TL 20.8 million on training and personnel development measures worldwide.

In 2021, we provided approximately

**3.5 million person-hour** training,  
which equates to **54.5** hours per person.

We encourage our employees to formulate an Individual Development Plan to focus on their own development. We analyze the assessments by the respective Human Resources Department of each Group company and interpret the findings on a Group-wide basis. These analyses present input to the annual Career Meeting and strategic decisions on the Development Plan and employees are made and implemented under the responsibility of the human resources department. The Development Assessment Tools regularly monitor the efficiency of each individual development tool. Career management involves conducting Company, Function, Sector and Group-level meetings and factoring the results of the 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 take place at each level for the purpose of assessing succession plans, high-potential employees, future risks and opportunities in talent management, individual development and career plans.



## Anadolu Group AG Academy

AG AKADEMI

wherever you are

*development is  
with you!*



In line with Anadolu Group Individual Development Plan, we offer training programs to contribute to the personal and professional development of employees. Designed as a digital education platform, AG Academy has enabled many employees to participate in various education programs since 2015. We organize online tools, class training and seminars through collaborations, particularly with leading universities around the world, to support our employees in their improvement areas. The upper executive development program launched in 2015 as Leaders Touch and has been sustained as the Development Dialogues Program since 2019.

## Plan Your Career at Anadolu Group



We organize online and on-campus activities for students and young professionals through the KAP program, which was established to introduce young talents to Anadolu Group. Chief Young Officer (CYO) internship program has been ongoing since 2016; we present to interns a chance to accumulate business experience and a subsequent employment opportunity following their graduation. As of 2021, a total of 94 students completed their internships at Group companies as part of the CYO program. Of these students, 20% began working with us as full-time employees or long-term interns.

## Anadolu Group Young Talent Program

The Young Talent Program identifies employees with the potential to be guided toward management positions. Selected employees are included in a modular development program to enhance their skills within the framework of three main competencies, to strengthen their business network within the Group, to enhance their engagement and to better understand the Group companies and industries. The program focuses on three main competencies: personal awareness, strategic perspective and effective talent development/leadership.

Participants who actively participate and succeed in the development programs on these three competencies are then provided a choice of mentors, consisting of Group senior executives, to be matched for a year-long training program.

## From Anadolu to the Future Sustainable Development Goals Training Program

We implemented From Anadolu to the Future Sustainable Development Goals Training Program in cooperation with Bahçeşehir University (BAU), the International Training Centre for Authorities and Leaders – CIFAL İstanbul, the United Nations Institute for Training and Research (UNITAR) and the CO-OP Directorate.

The training program is designed to proliferate the SDGs and to guide organizations to integrate the Global Goals into their business processes. It consists of one-hour sessions on five subjects.

- 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

Anadolu Group managers, NGO authorities and sustainability consultants took part as speakers and participants received personalized certificates of participation.

The records of our Training Program are available for public viewing on our corporate website. We also broadcast the training on our YouTube channel and at the Migros Women's Academy to expand our area of impact.

**FROM ANADOLU  
TO THE FUTURE**

**Sustainable Development Goals Training Program**

## Anadolu Efes Efes LABs



Anadolu Efes offers training and development opportunities to employees at the five different development academies as part of its Labs platform. The company creates a continuous learning environment by nurturing the career and personal development of employees through training programs designed to incorporate current trends and 21<sup>st</sup> century skills. Within the scope of the LABs Corporate Academy concept are the GrowLAB, which focuses on competency development; LeadershipLAB, which focuses on leadership development; ProfessionLAB on functional development; and DigiLAB, which focuses on digital transformation and the efficient use of technology, to support the development of our employees using different content and tools. All new recruit training sessions, which form part of our onboarding process, are within the scope of the Welcome LAB.

The Academy also sustained all training sessions online during the COVID-19 pandemic and continued to train internal trainers in 2021. It provided an average of 27.28 hours of training per employee.

## Coca-Cola İçecek Next Talent

Coca-Cola İçecek's new graduate management trainee program aimed at university seniors, the CCI Next Talent, has been live since 2019. In 2021, it was launched in the other countries where CCI operates actively. The Next Talent Program recruited 15 young talents on a full-time basis in 2020, then another 32 on a part-time basis in 2021.



## Anadolu Isuzu Talent Academy



Talent Academy by the university-industry cooperation of Anadolu Isuzu was launched in 2021. The academy aims to raise qualified talents on products, services or applications in the industry as part of the CO-OP course project in cooperation with the Bahçeşehir University Career Center. The 14-week course transfers the scientific potential culminating at the university to the industry to be transformed into economic value and to contribute to the R&D and innovation efforts.

## Migros Retail Academy

Migros Retail Academy (MRA) designed the most efficient models, methods and tools for employee career development in line with company strategies. The numerous training schemes in its catalog reinforce personal and professional development with mixed learning methods. We organized periodic training sessions based on employees' professional development needs, on-the-job training and competency development for an average of 4,896 employee\*hours of training per day and an average of 80.4 hours of training per employee for full-time employees, including remote and classroom training sessions.

The "Migros Retail Associate and Bachelor's Degree Program," held in cooperation with Anadolu University, enables our high-school graduate employees to obtain their associate or bachelor's degrees. Five certificate programs equal an associate degree within the Migros ecosystem and an additional three certificates correspond to a bachelor's degree. A total of 87 employees obtained their associate or bachelor's degrees as part of the program. MRA has received 36 international awards so far.



## Anadolu Isuzu Talent Pick Up

Anadolu Isuzu combines internship and communication efforts toward young talents under the Talent Pick Up brand. In 2021, all program processes were redesigned from an employee experience and talent acquisition perspective. The scheme utilizes internship programs to target university students on business experience, career processes management, business networking, strengthening employer brand perception and talent acquisition.

Taking first place in the HCM Excellence Awards in 2021, the Talent Pick Up program offers four-week internships to university students during the summer term. In addition to recruitment processes such as job interviews, personality inventories and English language proficiency tests, the system introduces interns to online training sessions, meetings with senior executives and the implementation of projects in line with Anadolu Isuzu business processes. Twenty students participated in the internship program in 2021 and implemented 20 projects that developed business processes.

In addition to the summer program, the Talent Pick Up Experience and Talent Pick Up Plus programs also offer long-term internship and working experience opportunities to students during a six-month period over the fall or spring term.



## Employee Engagement and Volunteerism

Employee engagement is vital to corporate success and a significant factor in creating a competitive advantage. We design human resources processes to enhance employee engagement and satisfaction as well as to encourage employee participation in consultation with our employees and share these processes as a part of the corporate culture. The Employee Engagement Survey in 2021 concluded that our engagement score was 72%.

We also encourage our employees to participate in volunteering programs to boost our impact on a social level and include our employees in our activities to improve people's lives. Within this scope, our employees participated in 894 hours of volunteer work in 2021.

Bi-Fikir, our corporate innovation program that currently celebrating its seventh year, was established to encourage employees to share their ideas and develop innovative projects. Bi-Fikir promotes the entrepreneurship ecosystem within the company and all Anadolu Group employees in Turkey and abroad share their ideas on the platform. Between 2015 and 2021, we implemented 8,115 of the collected innovation projects and ideas and generated TL 780 million in value. Almost one in every five ideas was realized across Anadolu Group. In addition to employee opinions, we have encouraged the development of university student ideas through Bi-Fikir KAP since 2018.

You can read more about Bi-Fikir in the chapter on **the Entrepreneurship Ecosystem**.



### Coca-Cola İçecek Named "Best Employer" by LinkedIn

CCI was named the "Best Employer" in the 2021 LinkedIn Talent Awards. CCI develops people-oriented actions to create value and creatively advance the talent industry to generate value.

### Coca-Cola İçecek Receives Two Communication Awards at the Ragan's Employee Communications Awards Program

CCI was presented two different Honor Awards in the "Virtual Employee Engagement" and "CSR/ESG Report" categories by Ragan's Employee Communications Awards program, which evaluates companies on employee information, training, effective internal communication campaign planning, content creation and initiatives.

## Anadolu Efes Volunteers



Anadolu Efes Volunteers strive to benefit society and the environment and to raise awareness. They participate in events crossing city borders through volunteer ambassadors managing regional processes. Anadolu Efes Volunteers teamed up with the Directorate of

Environmental Protection and Control of the Antalya Muratpaşa Municipality in 2021 to collect rubbish at the Falez Park and Bozcaada Beylik Bay. The Volunteers also cooperated with the Provincial Directorates of Agriculture and Forestry in Adana, Ankara and Izmir to plant 350 saplings, suitable for the respective climate, in and around their facilities. Employees in Russia, Georgia and Ukraine also volunteered to participate in Anadolu Efes environmentalist movements in each country. Additionally, Anadolu Efes Volunteers keep an eye on stray animals. In 2021, the volunteers fed the stray animals in the forest area close to Kurtköy and repaired the roof of the Foundation to Rescue and Protect Stray Animals, which was heavily damaged during a storm. Within the scope of International Volunteer Day, the volunteers hopped on the Upcycling Movement and created shelters for stray animals from the used beer crates and woods provided by Maçka dekk in İstanbul.

## Coca-Cola İçecek Volunteer Platform Is on AbilityPool

CCI develops projects to create value for society and gathers all employees on the Company's new Volunteer Platform, AbilityPool. AbilityPool includes information on recent projects presented by NGOs and implemented by CCI for the volunteers in CCI and allows them to participate in over a hundred projects in a year.



## Anadolu Medical Center for Those Adding Value

Anadolu Medical Center appreciates dedicated and successful employees through the Those Adding Value project. The award system reflects the corporate values including 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 2021, the system received nominations for 133 success stories and awarded 44% of these.



## Anadolu Medical Center Measures Occupational Burnout

In 2021, Anadolu Medical Center designed the Occupational Burnout Measurement project to measure the burnout levels of all employees and to take actions toward improvement areas to this end. The project was based on the Copenhagen Burnout Inventory and the healthcare workers' professional assessments were analyzed. Improvement areas were identified and reported. To reinforce the survey results, focus group meetings were organized with volunteers to conduct root-cause analyses and formulate solutions. Anadolu Medical Center aims to both relieve burnout and establish effective communication with employees.

## Occupational Health and Safety

The health and safety of our employees in the working environment is a main priority. Identifying, monitoring and taking preventive actions for OHS risks constitute our main priorities. Our OHS management complies with international standards. OHS is among the supplier selection criteria.

AG Anadolu Grubu Holding, Anadolu Efes Turkey, Coca-Cola İçecek, Migros, Anadolu Isuzu, Anadolu Motor, Anadolu Etap and Adel Kalemcilik completed

their transition to **ISO 45001.**

Anadolu Group Human Resources President is the highest-level executive responsible for OHS 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. These boards convene on a member majority basis once a month, once every two months or once every three months according to their fields of operation. They make decisions on workplace accidents, emergency action plans, risk assessments and OHS training. In addition to the OHS Board Meetings, Subcontractor Board Coordination Meetings have been held since the 2<sup>nd</sup> term of 2020 in order to strengthen effective communication in the participation and consultation process and to contribute to the process execution.

All of our employees receive periodic OHS training to further instill OHS culture within the company. In 2021, we provided 2.76 hours of OHS training per person, totaling 180,184 person-hours, to our employees. A total of 25,926 employees participated in the OHS training sessions. As AG Anadolu Grubu Holding, number of lost working days of either the employees or contractors is zero.

You can read more about AG Anadolu Grubu Holding Occupational Health and Safety Policy [here](#).

## Coca-Cola İçecek Sustainable Agricultural Guiding Principles

Agriculture is at the heart of the sustainability challenge. Population growth and increasing standards of living create additional demand for food and agricultural products. In an era marked by scarcer resources, greater demand and price volatility, water, food and energy demands increasingly intersect with businesses, communities and farmers. Through Sustainable Agricultural Guiding Principles, CCI is addressing the challenges of availability in agriculture, quality and safety and also addressing the improvement of the well-being of farming communities.

## Coca-Cola İçecek Supplier Guiding Principles (SGP)

The SGP are aligned with our Human Rights Policy and are a part of all contractual agreements between us and our direct and authorized suppliers. We expect our suppliers to develop and implement appropriate internal business processes in compliance with the SGP. SGP topics include providing a safe and healthy workplace. We closely monitor the implementation of our Supplier Guiding Principles by utilizing independent third parties to assess supplier and bottler compliance. We partner with a select number of accredited audit firms and conduct training on a regular basis to ensure they understand and align to our program requirements.



## Empowered Community for the Future

We acknowledge the importance of creating shared value in today's world. With our social investment approach, we carry out programs that create common value for our stakeholders. Thanks to our powerful product and service portfolio, we develop goal-oriented, measurable projects which create value for the stakeholder groups within the scope of our field of activity. We wholeheartedly ensure that the positive impact of our projects is higher than the return on investment. We keep providing nourishing and responsible solutions today in order to build a better future.

The Group focuses on various fields including education, healthcare, agriculture, tourism, sports, culture and arts and gender equality with group companies, particularly our community organizations Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club.

### Agriculture

The extreme weather conditions prompted by climate change and the irregular precipitations, though crucial in agriculture, present a vital threat to sustainable agriculture. We recognize that minimizing the impacts of the negative climate conditions is critical for ensuring sustainable and durable agricultural practices. Accordingly, we invest in and support initiatives in the agriculture industry through our Group companies.

You can learn more about our agricultural practices at Anadolu Group under the **Agriculture for the Future** chapter.

### Anadolu Etap AgroAcademy

Anadolu Etap established the educational platform AgroAcademy to disseminate Sustainable Agriculture Principles, contribute to the training of a qualified agricultural workforce and encourage the participation of women in the economy to contribute to gender equality and rural development. Anadolu Etap has cooperated with different universities and Chambers of Agriculture 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%. The sustainable agriculture training aims to better equip women farmers, support women's employment in agriculture, upscale sustainable agriculture practices and foster regional development. Anadolu Etap draws particular attention to its 70% women employment rate on its farms. Additionally, 50% of Agroburs scholarship holders are women students.

### Coca-Cola İçecek Sustainable Sourcing Activities

CCI is working with the industry to understand and effectively implement best practices for the sustainable production of sugar beets in Turkey. In 2016, CCI carried out a feasibility study for sustainable sugar sourcing in Turkey and organized a seminar on the PSA compliance program for sweetener suppliers in Turkey in 2017. In 2019, CCI collaborated with farmers, sugar producers and international industry platforms such as SAI to disseminate PSA in Turkey and Pakistan. In cooperation with FMCG and beverage companies, CCI supports the sustainable beet production process to effectively understand and implement best practices for sustainable sugar beet production in Turkey. In 2020, CCI became a member of "Buyers Supporting VIVE". VIVE is a voluntary sustainability program based on continuous improvement for beverage supply chains and involves all sustainability-related operations and activities, from manufacturers to end users. "Buyers Supporting VIVE" is an open platform for companies dedicated to supplying sustainable materials. In 2021, a number of sugar suppliers CCI does business with were awarded sustainable agriculture certificates, some of which were issued by the Sustainable Agriculture Initiative (SAI). Also, CCI has integrated the Supplier Score Card, a part of supplier management software, into the Ecovadis rating platform to assess our suppliers' corporate social responsibility and sustainability performance.

### Education

Education plays a critical role in constructing a sustainable social structure. It has become increasingly vital to design education to address contemporary needs and future possibilities to bolster social welfare. We contribute to sustainable development through our projects to support quality, inclusive and equal education for all. Our social organization Anadolu Foundation was established in 1979. We design and support our educational activities, implemented through the Foundation, as well as the resource we rely on as a Group building on investment in people and a shared mind, from a social entrepreneurship approach.

In 2020, Anadolu Foundation and Group companies were forced to complete their educational activities on online platforms due to the health risks posed by the COVID-19 pandemic. As of 2021, we resumed face-to-face educational activities and projects with Group companies and Anadolu Foundation.

## Anadolu Foundation Supports Education

Established in 1979, Anadolu Foundation has been working for over 40 years in education and healthcare to contribute to socio-cultural development and to give what has been earned from Anatolia back to society.

Anadolu Foundation seeks to create equal opportunity in education and to support the individual development of young people through numerous programs spanning over years.



**Scholarship Program:** The program provides higher education grants to academically and socially successful students in need of financial support. The program provided financial support to over 30,000 students in need across the country to create equal opportunities.

**My Dear Teacher Program:** The program aims to create social value through young generations by enhancing the skills and implementing the creative ideas of teachers, education administrators and students. The program will enhance skills across a range of areas including the environment, disadvantaged groups, professional and economic development and particularly women. Since 2013, the program reached over 185,000 teachers in 55 different provinces to enhance competencies to respond to social needs.



**Mentoring Program:** The program aims to improve the current potential of Anadolu Foundation scholarship students, while helping them discover their potential areas for improvement to accelerate their personal development process. Our Ninth Mentoring Program welcomed 88 mentors and mentees. Nearly a thousand people have taken part in the program over the course of eight years.

**Anadolu Foundation Academy:** In addition to providing financial support for the education of young people, the Academy supports individual developments and competencies through numerous projects. The Academy provides education and training programs for young people early in their career journeys to explore what they want from the future. In addition to competency-based online training sessions and videos, Anadolu Foundation Academy organizes meetings with leaders. In 2021, 24 events were organized with the participation of volunteering speakers and almost 2,200 young people.

**The Fraternal Education Project:** The project was launched in 2015 to provide education to successful students in financial need through donations collected from employees of Anadolu Medical Center. Over TL 210,000 has been donated to the funds of the Sibling Education Project.

**Coaching Program:** The program aims to strengthen the cooperation of former scholarship students, boost their personal and professional performances and raise awareness of individual and organizational development. To further support former scholarship holders on their development journey, the program was held in cooperation with PDRICMA (PDR International Coaching and Mentoring Academy) and organized the Coaching Program from June–November 2021. During the Coaching Programs in 2021, 24 former scholarship holders had one-on-one meetings with their coaches.



## Migros Women's Academy



Migros Women's Academy was established in 2021 to help women improve themselves or develop new skills through training in different fields. The educational platform, easily accessible via Migros TV, will be regularly updated to include new educational and miscellaneous content. Migros Women's Academy will support members in numerous fields including personal development, hobby acquisition and professional training. It will also help women commencing their own business ventures to succeed in business and to market their

products. Over 300 educational videos created with over 50 educators and four new pieces of educational content will be added per month, totaling educational content in over 70 subjects. The content available on Migros TV was already viewed 296,637 times. Migros aims to reach 1 million women in three years through the Women's Academy. Five hundred people participated in the classroom activities organized during the Regional Women's Cooperatives meetings in Kocaeli, Samsun, Ankara, Eskişehir and Çanakkale with the support of the Republic of Turkey Ministry of Trade.

## Growing Healthy with Migros

Migros launched the Growing Health with Migros project in 2016 to instill a sense of healthy and good living in children. The project reached over 176,000 children through store visits and training sessions organized in 396 Migros stores in 70 provinces of Turkey. Store visits as part of the project were also broadcast on digital platforms. In 2021, FAO gave the content approval and an animated film was prepared. The film was live on Migros TV on April 23, National Sovereignty and Children's Day. The animated film was broadcast on Migros TV and social media channels and viewed over 200,000 times. The training program includes a range of information from the benefits of fruits and vegetables to the control processes they undergo until they make it to the shelves, to GAP and how to properly read labels.



## 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. Located in 33 Migros stores in 21 provinces across Turkey, Family Clubs offer courses in 128 different fields from foreign language education to photography, robotics, coding and pilates. A significant majority of Family Clubs over 167,000 members are women. The number of women in certain courses who obtained certificates approved by the

Republic of Turkey Ministry of Education reached 15,000. The educational videos posted on the Instagram account were viewed over 1 million times.

## Anadolu Isuzu Cevdet İnci Foundation Mobile Library Project

Anadolu Isuzu contributes by providing vehicles in the Mobile Library Project launched in 2015 in Izmir by the İnci Foundation in cooperation with the Provincial Directorate of Education and the Provincial Directorate of Culture and Tourism. The İnci Foundation transformed a vehicle into a mobile library six years ago to help children develop healthy reading habits and to bring books to schools that lack libraries.

As part of the project, a total of 51,731 books were loaned out to 112,120 students between 2015 and 2021. The Mobile Library Project has reached 144,268 students since 2015 and aims to bring books to students in the upcoming academic year.



## Adel Kalemcilik Teachers' Platform

In 2020, Adel Kalemcilik launched the [izbirakanogretmenler.com](http://izbirakanogretmenler.com) platform to better support the development of teachers who will open the doors for more competent generations. The platform maintained efforts in 2021. The Teachers' Platform, providing creative and educational content to teachers, was opened to parent and student access during the onset of the COVID-19 pandemic. The platform is continuously updated with content that complies with the curriculum of The Ministry of National Education of Turkey. There are over 7,500 active users signed up on the platform.



## Adel Kalemcilik Tree of Goodness



As part of its corporate social responsibility scheme, Tree of Goodness, Adel Kalemcilik provided stationery aids during the beginning of the academic year to 1,000 children in need in areas affected by recent disasters through numerous NGOs including Make-A-Wish and TOÇEV.

Tree of Goodness provided the school supplies for over 12,000 children since the onset of COVID-19.

## Adel Kalemcilik 1500Kelime Platform

With the 1500Kelime.com Platform, which was launched in April 2021, Adel Kalemcilik aims to develop the vocabulary of preschool children and prepare them for a brighter future. With this project carried out in the field of Quality Education in line with the goal of being the Consulted Company in Education, Adel Kalemcilik was awarded the first prize in the "Explorers" category and the "Human is Our Priority" award at Bi-Fikir, the innovation platform of Anadolu Group.

## Health

We highly value healthcare and 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 the society.

### Anadolu Foundation Social Responsibility Projects in Healthcare



#### From Puzzle Pieces to Hope (BuKa) Project:

The BuKa Project is run by Anadolu Foundation scholarship students on online platforms, taking into account the health-related concerns of senior citizens. In February 2021, Adel Kalemcilik organized an interactive woodcraft painting activity in cooperation with Anadolu Foundation to provide psychological and social support to senior citizens residing in nursing homes.

**Free Healthcare Project:** Anadolu Medical Center offers free healthcare services to individuals in need as part of its goals of investing in people and social

responsibility in healthcare. In 2021, the Center provided 1,877 people with 5,940 consultations, 64 medical operations, 574 inpatient treatments and 12,044 medical tests. From 2005 to the end of 2021, 676,328 free healthcare services were provided to a total of 55,240 people.

**Healthy Children, Happy Future Project:** The project aims to identify illnesses that are treatable if diagnosed at an early stage to provide children with a healthy life. In 2021, the project provided 294 children with 897 consultations, 27 medical operations and 35 days of inpatient treatment.

**Accessible Life Project:** The project works to enable complete and timely access to healthcare services for individuals with physical or mental disabilities. In 2021, the project granted 730 individuals with disabilities 2,445 consultations and 12 days of inpatient treatment.



## 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 project, which was initiated by Anadolu Medical Center in 2021 in cooperation with Anadolu Efes Sports Club. It now receives further support from Anadolu Isuzu. Events and campaigns, now incorporating vehicles in the product range of Anadolu Isuzu, continue to raise awareness of breast cancer.

An Anadolu Medical Center and Anadolu Efes Sports Club cooperation, The Pink Ball on the Court appeared on the court for the eighth time at the Turkish Airlines EuroLeague game between Anadolu Efes Sports Club and UNICS Kazan on October 21, 2021. The Pink Ball project continues to raise awareness of breast cancer, reaching further masses through various events.



## Migros Wellbeing Journey

The Migros Wellbeing Journey available on the Money Mobile and Migros Sanal Market – Hemen Online Shopping applications compare the food purchases of customers with the advised consumption amounts. It supports building positive habits through messages on food groups for a balanced diet and discount product suggestions. Migros further expanded the scope of the application to include vegan and vegetarian diets with the cooperation of Anadolu Medical Center. The application also presents informative messages and videos prepared by specialized dieticians. Since day one, the program reached over 3.3 million people.



## Sports

Anadolu Efes Sports Club played a significant role in spreading and instilling enthusiasm for basketball in Turkey. We have been contributing to the development of sports, a key component of a healthy society and Turkish basketball since 1976 through numerous sports events we organize as Anadolu Efes Sports Club. A flagship in the history of Turkish basketball, Anadolu Efes is proud to have won two EuroLeague Cups, one Korac Cup, 15 championships in the Turkish Basketball League, 12 championships in the Turkish Basketball Cup and 12 championships in the Turkish Basketball Presidential Cup as of the 2021–2022 season.

Anadolu Efes Sports Club is also the only Turkish club to be named “Europe’s Best Marketing Team” by the EuroLeague. Anadolu Efes received the Golden Award four times at the EuroLeague Devotion Marketing Awards (2010, 2013, 2017 and 2020) and the Silver Award twice (2019 and 2021).

Soon setting the milestones in Turkish basketball, Anadolu Efes Sports Club’s primary objective is to further advance Turkish athletics and to successfully represent our country in the European leagues to instill an enthusiasm for basketball in all young children. Anadolu Efes has raised countless stars in the youth team and introduces new talents in the sports arenas each year.

Anadolu Efes Sports Club carries out infrastructure efforts to ensure active participation in sporting activities and the proper management of young sporting talents. It has thus far provided quality basketball training to thousands of athletes. İlk Adım (First Step) Basketball Schools, on the other hand, introduced tens of thousands of young people across Turkey and in the Turkish Republic of Northern Cyprus to basketball. Our youth teams also break records. They won the Turkish Championship 15 times in the U14 category, 18 times in the U16 category, 20 times in the U18 category and once in the Turkish Basketball Youth League.



## Little Athletes Project by Migros

Within the scope of the Little Athletes Project, a portion of the income generated from Procter & Gamble products sold in Migros stores is donated to the Special Olympics Turkey Committee to improve the coordination skills of two-to-seven-year-old children in need of special education to help them socialize with their peers. Through this initiative, 6,238 special young people and children have been introduced to sports and the project aims to reach more and more children in the upcoming years.

## Arts and Culture

We continue to support arts and culture events to ensure they are accessible by all members of society. Our long history in arts and culture led by Anadolu Efes has allowed us to contribute to social development.

### Anadolu Efes Arts and Culture Programs



**Thirty-Four-Year Cooperation with IKSv:** The cooperation of Anadolu Efes with Istanbul Foundation for Culture and Arts (IKSV), a trailblazing institution in Turkey, began in 1987. Anadolu Efes contributed to the digital and open-air organization of the 40th Istanbul Film Festival and presented Anadolu Efes Special Award jointly with the international jury at the Gatherings on the Bridge, to which it is the main sponsor. It also cooperated with IKSv at the Istanbul Jazz Festival and the Istanbul Biennial.



**29 Years of Continued Support to Theater:** We contributed to the digital performances of the full-house plays Westend, Joseph K. and Yalnızlar İçin Çok Özel Bir Hizmet (A Very Special Service for the Lonely) of DasDas, who had to bring the curtains down due to COVID-19 precautions.



**Blue Stage:** Blue Stage was founded to support alternative theater companies struggling to find a stage for performances and to create art that could be enjoyed by all theater enthusiasts and particularly by university students. The organization connected art enthusiasts to the theater on stage during its first two seasons, then on digital platforms with the onset of the pandemic. Cooperating with the Theater Cooperative to support the private theater companies that were forced to shut down due to COVID-19, Anadolu Efes welcomed the Caddebostan performances of Yaz Buluşmaları (Summer Gatherings) at the Anadolu Efes Blue Stage.

### Migros Theater Festival



In 2021, Migros organized the Theater Festival to welcome families to theater plays. A total of 30 plays for children and adults were performed during the festival. Plays were broadcast on Migros TV, which could be accessed using the PNR code on the theater tickets sold at Migros stores, Migros Sanal Market and Mobicet.

## Tourism

We highly value the natural treasures and cultural values of Turkey and support all sustainable tourism efforts to this end.

Anadolu Efes aims to make sustainable tourism an alternative sustainable development tool in Turkey through the Future is in Tourism project, which it has been carrying out jointly with the Ministry of Culture and Tourism and the United Nations Development Program (UNDP) since 2007.

### Anadolu Efes Future is in Tourism



With the “Future Is in Tourism” project, carried out in cooperation with the Republic of Turkey Ministry of Culture and Tourism and the UNDP since 2007, Anadolu Efes aims to go beyond sea-sand-sun tourism concept in Turkey to establish a year-long local development model. In 2021, the company supported the Kars Cheese Route, Journey of Linen in Ayançık and Köyceğiz: the Home of Aromatic Plants, projects. In addition to issuing grants to projects, the company provided support in education, planning, technical support, communication and consultancy.

So far, the Future Is in Tourism project has:







- Provided \$2 million in grants and communication support over the last 14 years to local initiatives toward sustainable tourism.
- Touched the lives of 200,000 people through 19 sustainable projects.
- Cooperated with 600 NGOs and 23 universities over the last 15 years.
- Led the foundation of seven new NGOs
- Provided employment to nearly 500 women..
- Created a positive impact across a wide range of issues in the project areas from reverse migration to longer visitor stays.
- Made four regions members of the Cittaslow movement.
- Included and registered the Troy Culture Route in the list of routes in Turkey by the Culture Routes Society in 2020.
- Registered the Kars Cheese Route as the first official cheese route in Turkey. The route also made it among the 17 cheese routes across the globe. Kars Cheese Museum in Kars was designated the first stop of the route.
- Registered the Arslantepe Mound excavated in Malatya in the UNESCO World Heritage List in 2021.







## 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 Türkiye (TKYD)
- The Corporate Relations Institute (KIE)
- The Foreign Economic Relations Board of Türkiye (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	2019		2020		2021	
						
	Women	Men	Women	Men	Women	Men
Total	18,644	39,289	20,824	41,400	21,625	42,257
White-collar	6,416	13,830	6,052	12,586	6,943	14,618
Blue-collar	12,228	25,459	14,772	28,814	14,682	27,639
Employees covered by collective bargaining agreements	30,983		33,275		34,480	







Employees by Working Duration and Category	2019		2020		2021	
						
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Total	53,966	3,967	59,920	2,304	61,833	2,049
White-collar	19,462	784	18,189	449	21,348	213
Blue-collar	34,624	3,063	41,748	1,838	40,594	1,727

Number of Employees by Age	2019		2020		2021	
						
	Women	Men	Women	Men	Women	Men
Below 30	8,845	15,554	9,836	16,176	10,412	15,592
30–50 years old	9,271	22,111	10,420	23,375	10,654	24,651
Over 50	528	1,624	568	1,849	559	2,014

Employee Turnover by Gender and Age*	2019		2020		2021	
						
	Women	Men	Women	Men	Women	Men
Total	1,631	5,828	1,274	4,295	9,694	15,126
Below 30	1,141	4,069	876	2,841	7,730	11,588
30–50 years old	455	1,622	357	1,290	1,884	3,243
Over 50	35	137	41	164	80	295

\*Not including Migros for the years of 2019 and 2020.

Employees by Year	2019		2020		2021	
						
	Women	Men	Women	Men	Women	Men
0–5 years	10,663	20,479	12,342	21,498	12,436	20,871
5–10 years	3,921	8,870	4,436	9,484	4,796	10,031
10 years and over	4,060	9,940	4,046	10,418	4,393	11,355

Executives by Gender and Age	2019		2020		2021	
						
	Women	Men	Women	Men	Women	Men
Total	3,035	6,785	3,007	6,557	3,380	7,063
Below 30	858	1,505	704	1,011	850	1,140
30–50 years old	2,058	4,962	2,169	5,136	2,388	5,484
Over 50	119	318	134	410	142	440

Salary Rates by Level	2021
Ratio of women's salary at C level (executive) to men's salary at C level (executive) (basic salary only)	0.99
Ratio of women's salary at C level (executive) to men's salary at C level (executive) (basic salary and other bonus payments)	0.99
Ratio of female managers' salary to male managers' salary (basic salary only)	0.98
Ratio of female managers' salary to male managers' salary (basic salary and other bonus payments)	0.98
Ratio of salaries of non-managerial women to non-managerial men (basic salary only)	1.04

Other Gender Equality Indicators	2021	
	Women	Men
Supervisors	964	2,032
Senior executives	171	417
Non-managerial employees	19,598	36,592
Employees in STEM positions	406	3,702
Employees in income-generating positions	2,776	7,082

Employees Granted Maternity/Parental Leave	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Number of Employees Granted Maternity/Parental Leave	1,345	1,489	1,085	389	898	1,439
Number of Employees Who Returned to Work Following Maternity/Parental Leave	1,214	1,482	655	1,385	366	1,430
Employees who returned from parental leave and have worked for at least 12 months <sup>11</sup>	-	-	-	-	689	1,232

Employees with Disabilities by Gender	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
	400	1,038	371	1,031	369	1,070

Employees Subject to Regular Performance Appraisal	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Employees subject to superior management assessment based on systematically measured targets	15,150	27,504	18,801	32,438	49,882	

Training Hours by Year	2019	2020	2021
	Total Training Hours	3,122,628	3,067,894
Training Hours Per Employee	53.9	49.2	54.5

<sup>11</sup> Data has been consolidated across the Group as of 2021.

OHS Training Hours by Year	2019	2020	2021
Total Training Hours	397,788	292,934	157,518
Training Hours Per Employee	6.87	4.71	2.46
Total Training Hours to Contractors	57,111	46,478	40,399

OHS Performance of Employees	2019	2020	2021
Accident Frequency Rate* <sup>12</sup>	19.75	16.80	35.74
Occupational Disease Rate**	0.16	0.09	0
Number of fatal accidents	1	1	1

OHS Performance of Contractors	2019	2020	2021
Accident Frequency Rate*	36.86	30.35	42.76
Occupational Disease Rate**	0	0	0
Number of Fatal Accidents	1	4	0

\* Accident Frequency Rate = Total fatal accidents x 1,000,000 / Total work hours

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

Charity Expenses (TL)	2021
All charity expenses <sup>13</sup>	346,032,636

<sup>12</sup> Data increased due to new stores and increased number of employees compared to the previous year.

<sup>13</sup> This includes corporate social responsibility, donations and social sponsorship expenses as well as payments to charities and business ventures.

## Environmental Performance Indicators

Energy Consumption	2019	2020	2021
Total energy consumption (MWh)	2,872,907	2,837,536	2,547,038
Energy intensity (kWh/TL)	0.056	0.046	0.031

Purchased Renewable Energy (MWh)	2021
Hydroelectricity	7,133.9
Wind	2,537.8
Other	60,000
Total	69,671.7

Produced Renewable Energy (MWh)	2021
Hydroelectricity	539,826.8
Solar	1.8
Other	38,441.3
Total	578,269.9

Sold Renewable Energy (MWh)	2021
Hydroelectricity	536,297.4

Greenhouse Gas Emissions <sup>14</sup>	2019	2020	2021
Total greenhouse gas emissions (ton CO <sub>2</sub> e)	2,131,458	2,458,365.41	20,825,172
Scope 1 (direct) emissions (ton CO <sub>2</sub> e) <sup>15</sup>	625,120.28	687,325.69	662,717
Scope 2 (indirect) emissions (ton CO <sub>2</sub> e) <sup>16</sup>	615,582.28	648,918.03	699,049
Scope 3 emissions (ton CO <sub>2</sub> e) <sup>17</sup>	890,755.33	1,122,121.69	19,463,406
Scope 1-2 greenhouse gas intensity (kg CO <sub>2</sub> e/TL)	0.024	0.022	0.016
Scope 1-2-3 greenhouse gas intensity (kg CO <sub>2</sub> e/TL)	0.042	0.040	0.252

Air Emissions (kg) <sup>18</sup>	2019	2020	2021
NOx	130,480.7	173,390.8	82,722
SOx <sup>19</sup>	65,411.1	43,360.6	5,697
Volatile organic compounds (VOCs)	91,466	70,962.9	72,021
Particulate matter (PM)	8,577.5	9,304.6	35,343

<sup>14</sup> Greenhouse gas emissions are calculated according to the GHG protocol. The Global Warming Potential (GWP) coefficients were taken from the Intergovernmental Panel on Climate Change (IPCC) 5<sup>th</sup> Assessment Report.

<sup>15</sup> 2020 scope 1 emission data was recalculated.

<sup>16</sup> 2020 scope 2 emission data was recalculated.

<sup>17</sup> The increase in the 2021 scope 3 emission data is the result of Group companies Coca-Cola İçecek and Migros expanding the scope of their calculations.

<sup>18</sup> NOx, SOx, VOC and PM data is recalculated for 2019 and 2020.

<sup>19</sup> SOx emissions dropped as the coal boiler of Mersin plant was used for only three days in 2021.

Water Consumption (m <sup>3</sup> )*	2019	2020	2021
Total	41,459,442	36,236,174	29,144,209
Water intensity (m <sup>3</sup> /thousand TL)	0.802	0.584	0.352
Mains water	9,527,099	10,830,095	10,635,832
Surface water	742,593	641,106	1,675,479
Underground water	30,691,997	24,361,735	16,832,898
Rain water	630	0	0
Other	497,123	403,238	0

\*For Georgia Urban Energy, only the amount of water used in offices is included.

Total Amount of Water Withdrawn in Water-Stressed Areas (m <sup>3</sup> )	2021
Total	16,838,040
Surface water	1,002,610
Underground water	13,729,557
Third-party water providers	2,105,873

Recycled Water and Wastewater Quantity (m <sup>3</sup> )	2019	2020	2021
Amount of recycled/reused water	792,889	637,127	802,980
Waste water	13,684,643	14,465,942	14,791,403

Hazardous Waste Amount (ton)	2019	2020	2021 <sup>20</sup>
Total hazardous waste	1,946.86	11,538.05	10,269
Disposed of at sanitary/solid waste landfill	189.99	203.13	2,317
Recovered for energy production	634.57	690.72	555
Reused	23.08	82.44	5,861
Electronic waste	6.41	4.15	-
Recycled/recovered	275.9	197	555
Incinerated (Not for energy generation purposes) <sup>21</sup>	-	-	929
Other <sup>22</sup>	816.91	10,360.61	-
Other (Destroyed)	-	-	52
Other (Recycled)	-	-	-

Amount of Non-Hazardous Waste (ton)	2019	2020	2021
Total non-hazardous waste	283,762.63	865,415.27	666,454
Disposed of at sanitary/solid waste landfill <sup>23</sup>	14,107.19	13,667.63	67,541
Recycled/recovered	205,564.10	776,028.04	525,526
Recovered for energy production	1,817.06	614.35	4,313
Reused	1,843.80	11,569.11	55,972
Composted	5,200	4,254.95	5,801
Food waste <sup>24</sup>	29,360	26,696.18	-
Other <sup>25</sup>	55,230.48	59,281.19	-
Other (Destroyed)	-	-	2,803
Other (Recycled)	-	-	4,498

<sup>20</sup> Certain waste groups, previously included in the hazardous waste category, are consolidated based on the disposal or recycling method as of 2021.

<sup>21</sup> Data has been consolidated across the Group as of 2021.

<sup>22</sup> As of 2021, "Other hazardous waste" has been divided into two categories, other (disposed) or other (recycled).

<sup>23</sup> As of 2021, the list includes return amounts and operating company disposal amounts as well.

<sup>24</sup> As of 2021, food waste data has been consolidated across the Group.

<sup>25</sup> As of 2021, "Other non-hazardous waste" has been divided into two categories, other (disposed) or other (recycled).



## GRI Content Index

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
<b>GRI 101: Foundation 2016</b>			
<b>GRI 102: General Disclosures 2016</b>			
	<b>Organizational Profile</b>		
	102-1	4	-
	102-2	5, 10-12	-
	102-3	<a href="https://www.anadolugrubu.com.tr/Contact/1/175/contact">https://www.anadolugrubu.com.tr/Contact/1/175/contact</a>	-
	102-4	10-12	-
	102-5	2021 Annual Report, p. 8 <a href="https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf">https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf</a>	-
	102-6	11-12	-
	102-7	10-12, 2021 Annual Report, p. 12-13 <a href="https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf">https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf</a>	-
	102-8	133-137	-
	102-9	90	-
	102-10	Efestur and AND Real Estate companies have shut down.	-
	102-11	95-98	-
	102-12	132	-
	102-13	132	-
	<b>Strategy</b>		
	102-14	6-9	-
	102-15	96, 97	-
	<b>Ethics and Integrity</b>		
	102-16	13, 99, 100 <a href="https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf">https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf</a>	-
	102-17	99, 100	-
	<b>Governance</b>		
	102-18	38, 39, 94	-
	102-19	38, 39	-
	<b>Stakeholder Engagement</b>		
	102-40	46	-
	102-41	133	-
	102-42	42, 46	-
	102-43	42, 46	-
	102-44	43,45	-
	<b>Reporting Practice</b>		
	102-45	5, 14-21	-
	102-46	5	-
	102-47	42-45	-
	102-48	139	-
	102-49	There were no significant changes in the reporting period.	-
	102-50	5	-
	102-51	1 <sup>st</sup> January 2021 - 31 <sup>st</sup> December 2021	-
	102-52	The report is published annually.	-
	102-53	5	-
	102-54	5	-
	102-55	142	-
	102-56	No external audit has been taken.	-

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
<b>GRI 200: Economic Performance Series</b>			
<b>Economic Performance</b>			
	103-1	10, 2021 Annual Report, p. 12, 13 <a href="https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf">https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf</a>	-
GRI 103: Management Approach 2016	103-2	10, 2021 Annual Report, p. 12, 13 <a href="https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf">https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf</a>	-
	103-3	10, 2021 Annual Report, p. 12, 13 <a href="https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf">https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf</a>	-
GRI 201: Economic Performance 2016	201-1	2021 Annual Report, p. 12, 13 <a href="https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf">https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf</a>	-
	201-2	44, 45, 96-98	-
	201-3	2021 Annual Report, p. 143, 145, 146 <a href="https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf">https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_221ENG_6f19c.pdf</a>	-
<b>GRI 300: Environmental Standards Series</b>			
<b>Energy</b>			
	103-1	52	-
GRI 103: Management Approach 2016	103-2	52-55	-
	103-3	52-55	-
GRI 302: Energy 2016	302-1	138, 139	-
	302-2	138, 139	-
	302-3	138, 139	-
	302-4	52, 138	-
<b>Water and Effluents</b>			
	103-1	55	-
GRI 103: Management Approach 2016	103-2	55-57	-
	103-3	55-57	-
GRI 303: Water and Effluents 2018	303-1	55-57	-
	303-2	55-57	-
	303-3	140	-
	303-4	140	-
<b>Biodiversity</b>			
	103-1	66-69	-
GRI 103: Management Approach 2016	103-2	66-69	-
	103-3	66-69	-
GRI 304: Biodiversity 2016	304-3	66, 67	-
<b>Emissions</b>			
	103-1	50-52	-
GRI 103: Management Approach 2016	103-2	50-55	-
	103-3	50-55	-
GRI 305: Emissions 2016	305-1	139	-
	305-2	139	-
	305-3	139	-
	305-4	139	-
	305-5	52-55	-
	305-7	139	-
<b>Waste</b>			
	103-1	58-59	-
GRI 103: Management Approach 2016	103-2	58-63	-
	103-3	58-63	-
GRI 306: Waste 2020	306-1	58-63	-
	306-2	58-63	-
	306-3	141	-
	306-4	141	-
	306-5	141	-

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
<b>GRI 400: Social Standards Series</b>			
<b>Employment</b>			
GRI 103: Management Approach 2016	103-1	104-111	-
	103-2	104-111	-
	103-3	104-111	-
GRI 401: Employment 2016	401-1	134	-
	401-2	109-111, 116	-
	401-3	135	-
<b>Occupational Health and Safety</b>			
GRI 103: Management Approach 2016	103-1	119	-
	103-2	119	-
	103-3	119	-
GRI 403: Occupational Health and Safety 2018	403-1	119	-
	403-2	119	-
	403-3	119	-
	403-4	119	-
	403-5	119	-
	403-6	119	-
	403-9	136, 137	-
403-10	136, 137	-	
<b>Training and Education</b>			
GRI 103: Management Approach 2016	103-1	111	-
	103-2	111-115	-
	103-3	111-115	-
GRI 404: Training and Education 2016	404-1	111, 136	-
	404-2	111-115	-
	404-3	136	-
<b>Diversity and Equal Opportunity</b>			
GRI 103: Management Approach 2016	103-1	105	-
	103-2	105- 108	-
	103-3	105- 108	-
GRI 405: Diversity and Equal Opportunity 2016	405-1	105, 135-137	-
		109	-
<b>Material Topics That Are Not Covered by the GRI Standards</b>			
<b>Digital Transformation</b>			
GRI 103: Management Approach 2016	103-1	72-77	-
	103-2	72-77	-
	103-3	72-77	-
<b>R&amp;D and Innovation</b>			
GRI 103: Management Approach 2016	103-1	82	-
	103-2	82, 83	-
	103-3	82, 83	-

## World Economic Forum (WEF) Stakeholder Capitalism Metrics

### PRINCIPLES OF GOVERNANCE

THEME	CORE METRICS AND DISCLOSURE	DESCRIPTION	REFERENCE(S)
<b>Governing purpose</b>	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	From Anadolu to the Future, p. 28-37
<b>Quality of governing body</b>	Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	From Anadolu to the Future, Sustainability Management, p. 38-39 Integrated Governance for the Future, p.94
<b>Stakeholder engagement</b>	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	From Anadolu to the Future, Material Issues, p. 42-45 Stakeholder Communication, p. 46
<b>Ethical behaviour</b>	Anti-corruption	1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	The Future of Business, Anti-Bribery and Anti-Corruption, p. 100
	Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	The Future of Business, Risk Management, p. 95-98
<b>Risk and opportunity oversight</b>	Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	The Future of Business, Risk Management, p. 95-98

### PLANET

THEME	CORE METRICS AND DISCLOSURE	DESCRIPTION	REFERENCE(S)
<b>Climate change</b>	Greenhouse gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	The Future of Nature, Net-Zero for the Future, p. 52 Environmental Performance Indicators, p.139
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	The Future of Business, Risk Management, p. 95-98 The Future of Nature, p. 50
<b>Nature loss</b>	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	The Future of Nature, Biodiversity for the Future, p. 66-69
<b>Freshwater availability</b>	Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	The Future of Nature, Water Cycle for the Future, p. 55 Environmental Performance Indicators, p. 141

## PEOPLE

THEME	CORE METRICS AND DISCLOSURE	DESCRIPTION	REFERENCE(S)
Dignity and equality	Diversity and inclusion	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Human Resources for the Future, Equality and Diversity, p. 105 Social Performance Indicators, p. 133
	Pay equality	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups and other relevant equality areas.	Human Resources for the Future, Talent Management, p. 109 Social Performance Indicators, p. 133
	Risk for incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	AG Anadolu Group Holding A.Ş. Code of Business Ethics and Non-Compliance Notification Regulation
Health and well-being	Health and safety	1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers.	The Future of People, Occupational Health and Safety, p. 119 Social Performance Indicators, p. 136-137
Skills for the future	Training provided	Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	The Future of People, Employee Development and Training, p. 111 Social Performance Indicators, p. 136-137

## PROSPERITY

THEME	CORE METRICS AND DISCLOSURE	DESCRIPTION	REFERENCE(S)
Employment and wealth generation	Absolute number and rate of employment	Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Social Performance Indicators, p. 134
	Economic contribution	1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: • Revenues • Operating costs • Employee wages and benefits • Payments to providers of capital • Payments to government • Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	Anadolu Group Annual Report 2021, p. 142, 143, 206
	Financial investment contribution	Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	Anadolu Group Annual Report 2021, p. 142, 143
Innovation of better products and services	Total R&D expenses	Total costs related to research and development.	The Future of Business, Digitalization and Innovation for the Future, p. 73
Community and social vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.	Anadolu Group Annual Report 2021, p. 142, 143, 223-225

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