



ANADOLU GROUP

# INTEGRATED REPORT



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




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# About the Report

At Anadolu Group, we report our ESG performance under three strategic pillars: The Future of Nature, The Future of Business, and The Future of People align with our sustainability strategy.

Our fifth report based on the consolidated ESG performance and sustainability priorities of Anadolu Group and companies, covering the fiscal year from January 1, 2023, to December 31, 2023. The report also contains best practices within the scope of our visionary goals and sustainability strategy.

The report is in compliance with the Global Reporting Initiative (GRI) Standards, the United Nations Global Compact (UNGC) and World Economic Forum (WEF) Stakeholder Capitalism Metrics. The report is also in compliance with the International Integrated Reporting

Framework published by the International Integrated Reporting Council (IIRC). Türkiye Sustainability Reporting Standards (TSRS), prepared by the Public Oversight, Accounting and Auditing Standards Authority (KGK), with the adoption of international standards published by the International Sustainability Standards Board (ISSB), ensures in compliance with the General Provisions on Disclosure of Sustainability-Related Financial Information (S1) and Climate-related Disclosures (S2). This report demonstrates our ESG performances as well as our contribution to the United Nations Sustainable Development Goals (SDGs).

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

## Operations in 20 countries



# Chairman's Message



Tuncay Özilhan

## Dear Stakeholders,

I am immensely proud to present you the first Anadolu Group Integrated Report. This report is a precious product of the collective mind of our sustainability teams and all the stakeholders who played a part in our sustainability efforts. It represents a significant milestone in our sustainability journey and demonstrates our commitment to fulfilling our environmental, social, and economic responsibilities and to reaching our targets.

The year 2023 was marked by numerous global challenges. Many sorrowful events occurred both in Türkiye and around the world. Economic difficulties and political tensions deeply affected our world and the societies in our operating geography. The impact of climate change and natural disasters were felt acutely. There is a lot to be done for global and domestic economic recovery. Humanity needs to focus on putting an end to its conflicts in various parts of the world and focus on how to build a better collective future. On the other hand, the rapid transformation of humanity and lifestyles, new technologies and innovative developments in concepts such as artificial intelligence, add a new level of excitement to our outlook on the future. We face a time when many of the concepts in our lives are being tested for their longevity and durability.

With our robust financial strategies, integrated risk management perspective, innovative, value-adding and focused working models, Anadolu Group maintains a strong and healthy growth in the face of all these challenges. We continue to expand the

scale of our business and the extent of our impact in all the industries and all the geographies we operate in. Our approach to business has always been based on being a responsible corporate citizen and in line with our Anadolu Group values, all our companies strive to be a pioneer in their own industries with their contributions to sustainable development.

Our founding philosophy, which we call "Collective Mind" leads us to embrace different ideas and competencies and combining them with our experience from the past. Thus, we become capable of conducting our business and build our future together with a workforce of rich diversity. Collective decision-making is a way of working that allows us to build strong relations, long and sustainable partnerships and an extensive treasury of information.

In the foundations of our management perspective and stakeholder relations, there is always a people-oriented approach. We invest in the development of our employees and recognize their needs to provide a desirable working environment for them. As we endeavour to present our stakeholders the best in every area, our Group companies get involved in a number of projects investing in people, mainly the young generations.

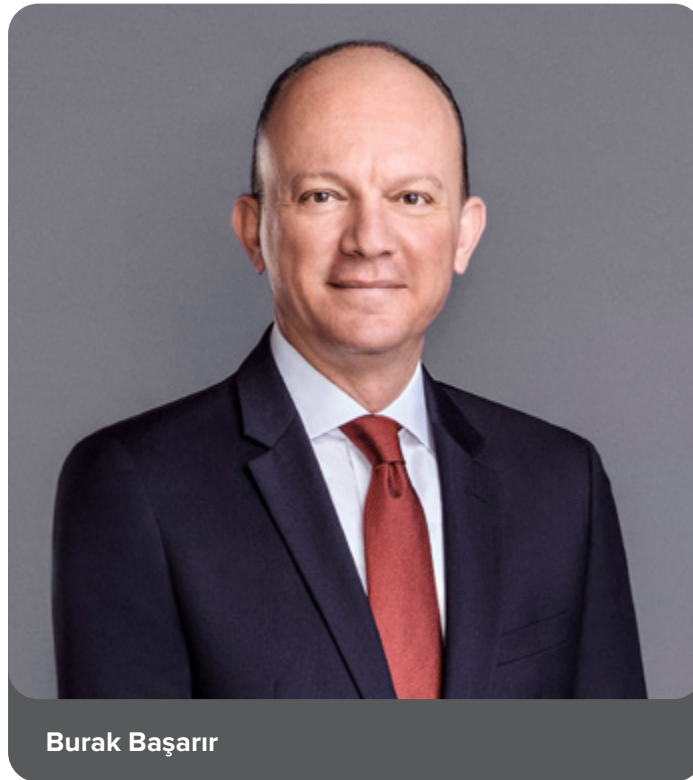
I am proud to see that fairness and inclusiveness has been engraved in the DNA of our leaders and associates. As our reports and success in several indices prove, we are transparent and accountable in all our actions, we act with a sense of ownership and take responsibility of our business.

With an innovative and entrepreneurial spirit, we always support innovation and embrace change. We endeavour to keep up with change and be a pioneer in new developments. With a visionary perspective, we make future-oriented investments.

In all our operations, we strive to create value in a sustainable manner for our world and our communities. In addition to the economic impact, 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.

Our success stories always motivate us to strive for even greater achievements but we are aware that there is still a lot to be done. In the coming years, guided by our vision "Act today for a better future", we will continue to produce value for the future alongside our stakeholders in every region where we operate to achieve our sustainability goals. We extend our heartfelt gratitude to all stakeholders, who contribute to our sustainability efforts and collaborate with us in this journey.

# CEO's Message



Burak Başarr

## Dear Stakeholders,

As the newly appointed CEO of Anadolu Group, I am honored and excited to share our first Integrated Report.

In 2025, Anadolu Group will celebrate its 75<sup>th</sup> year in business. Our leadership's mandate is to ensure that this exceptional group of 100,000 people creates value for all stakeholders. We are committed to delivering results with a holistic approach that encompasses the principles of a growth mindset, robust talent development, the relentless pursuit of new opportunities, diversity and inclusion, collaborative synergy, social and environmental responsibility, all based on strong fundamentals of corporate governance and transparency.

From the beginning, our purpose has been to create value in everything we do. We will relentlessly strive for excellence, consistently delivering products and services that exceed customer expectations.

Our dedication to value creation will drive customer satisfaction, strengthen our brands, and cement Anadolu Group's position as a trusted partner wherever we operate. We aim to build long-lasting relationships, foster customer loyalty, and sustain Anadolu Group's continued growth by continuously evaluating and improving our processes, listening to our customers, and aligning our strategies with their needs.

## Our Business – Our Future

Sustainability is integral to the future of business. Anadolu Group embraces sustainable practices that minimize environmental impact and enhance operational efficiency. We innovate and adapt our business models to thrive in a rapidly evolving global landscape, ensuring that sustainability is at the core of our growth strategy. In 2023, we increased our total consolidated sales by 17.5% to TRY 375.6 billion, and our total assets reached TRY 391.8 billion. We continued to contribute to our ecosystem, working with nearly 30,000 suppliers. Our investments in digitalization, R&D, and innovation reached TRY 880 million. AG Anadolu Grubu Holding, Migros, Coca-Cola İçecek, and Anadolu Efes are listed on the BIST Sustainability Index and ranked among the leading companies in their industries by the London Stock Exchange Group system.

**Corporate Governance and Transparency:** Anadolu Group is committed to upholding the highest standards of ethics, governance, and transparency. We ensure that our decision-making processes are transparent, accountable, and aligned with our core values. Our corporate governance rating is 9.57. We strive to build trust with our stakeholders by communicating openly, honestly, and ethically in all our interactions. Maintaining these high standards safeguards Anadolu Group's reputation and ensures confidence in our business practices. With these principles in mind, our Board of Directors established the Sustainability Committee to further integrate sustainable practices into our strategic agenda. We became a founding member of the Global Compact Signatories Association. We provided 26,642 person-hours of training to encourage our employees to comply with ethical principles and raise awareness on this subject.

## Our People – Our Asset

People are at the heart of Anadolu Group's success. We are committed to fostering the well-being, safety, and development of our employees, customers, and communities. Anadolu Group invests in initiatives that support education, healthcare, and community development, ensuring a brighter and more prosperous future for all. In 2023, we invested approximately TRY 2 billion in social and charitable contributions. Our occupational health and safety investments reached TRY 284 million. Through our intrapreneurship platform "Bi-Fikir", we implemented 7,300 quick wins and 2,600 projects.

**Nurturing Talent and Personal Development:** We recognize that our most significant asset lies within our talented workforce. We are committed to creating an environment where everyone is empowered to unleash their full potential. We provide robust talent development programs, mentorship opportunities, and a supportive network to foster personal and professional growth for all employees. We provided our employees with an average of 75.5 hours of training.

**Promoting Diversity and Inclusion:** We believe that a diverse workforce, consisting of individuals from varied backgrounds, experiences, and perspectives, drives innovation and success. Our colleagues from 40 nationalities across our 20 country operations enrich our collective mindset. We pledge to foster an inclusive environment that celebrates diversity, ensures equal opportunities, and values everyone's unique contributions. Our commitment to diversity and inclusion unlocks new opportunities, helps us connect with global markets, and drives Anadolu Group to unprecedented heights of accomplishment. In line with our goal of reaching a rate of 35% women executives by 2030 and 50% by 2050, the number and ratio of our women employees and women executives are increasing year by year. In 2023, our women executive ratio reached 33.8%, while the ratio of our women employees reached 38%. In line with the equal pay for equal work principle, the salary ratios of women and men at all levels are equal.

## Our Planet – Our Responsibility

Anadolu Group recognizes the profound importance of preserving the natural world. We actively contribute to conserving and restoring our planet's ecosystems, champion responsible resource management, reduce our carbon footprint, and promote biodiversity. Our commitment to the future of nature extends to every facet of our operations. In line with our goal to become a net-zero company, we are conducting efficiency studies and implementing projects. Our scope 1 and 2 emissions were reduced by 7% compared to the previous year. Our solar energy production increased tenfold. The amount of wastewater in our operations was reduced by 117,728 m<sup>3</sup> through efficiency projects. As members of the Business Plastic Initiative (IPG), AG Anadolu Grubu Holding, Migros, CCI, and Anadolu Efes have jointly surpassed their initial commitments by achieving a substantial total reduction in plastic use at the conclusion of the three-year commitment period. We recycled, recovered, composted or reused approximately 84% of non-hazardous and hazardous waste. Our total investment in the environmental area tripled, reaching TRY 1.5 billion.

Anadolu Group acknowledges its responsibility towards society and the environment. We will continue to integrate sustainable practices into our operations, strive for responsible resource management, and actively contribute to our communities. I would like to thank my colleagues and all our stakeholders who contributed to our Group's sustainability efforts.

**#ProudlyAnadolu**

# About Anadolu Group

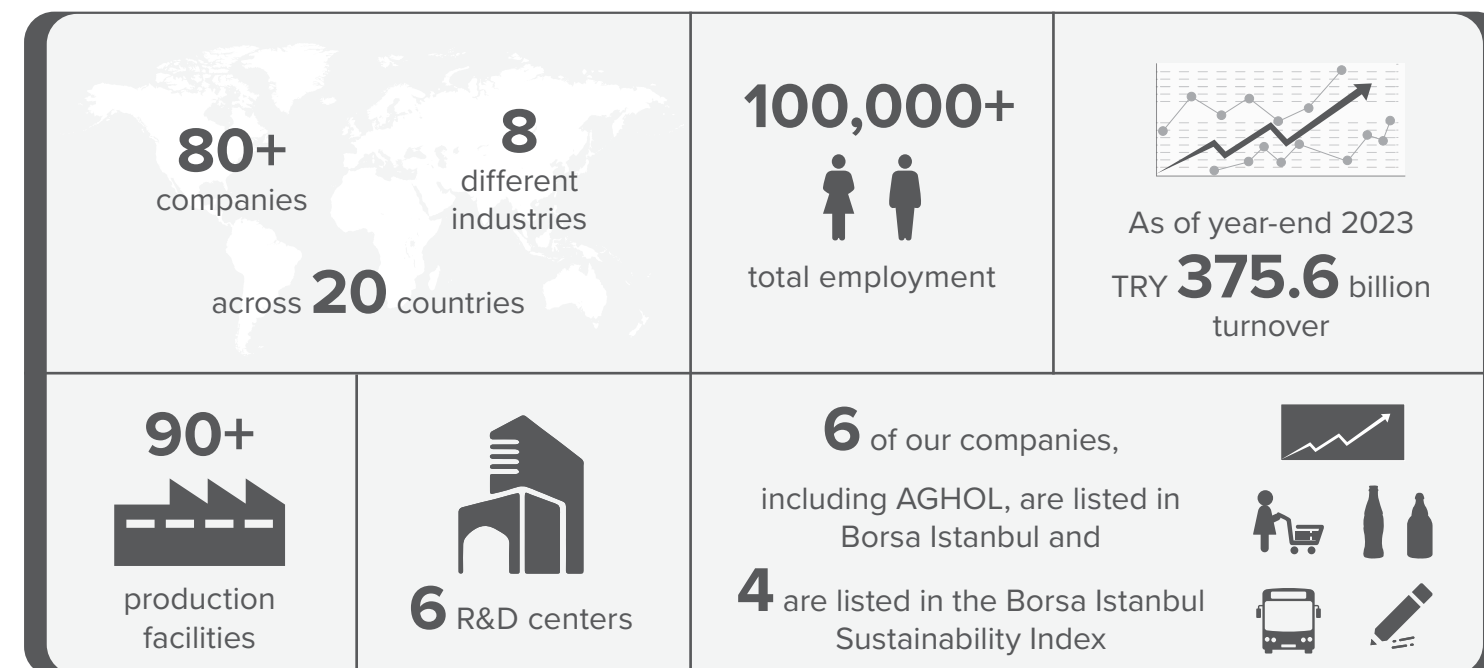
As Anadolu Group, we operate with the vision of being “The star that links Anatolia to the world and the world to Anatolia” and maintain our activities in 8 industries (beer, soft drink, retail, agriculture, automotive, stationery, energy and health) and in 20 countries with more than 80 companies, more than 90 production facilities, 6 R&D centers and more than 100,000 employees. The Group, which was founded by Yazıcı and Özilhan families in 1950,

is a driving force of Turkish economy with our financial assets, our strong production capacity and the projects it is involved with. Our act in accordance with our mission of being a multinational and entrepreneurial group through our 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 TRY 391.8 billion in value in 2023, the Group booked a total turnover of TRY 375.6 billion on our operations.**

We manage our environmental, social and corporate governance activities in the strategic pillars “future” of Nature, Business and People with the sustainability strategy. Within the context of our 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 our social organizations; Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club.

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



# 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 maintain a robust presence across 20 countries, engaging in diverse industries including beer, soft drink, retail, agriculture, automotive, stationery, energy and health. Currently, our operations extend to Türkiye, Germany, Azerbaijan, Bangladesh, Belarus, Georgia, the Netherlands, Iraq, Kazakhstan, Kyrgyzstan, the Turkish Republic of Northern Cyprus, Moldova, Uzbekistan, Pakistan, Russia, Syria\*, Tajikistan, Turkmenistan, Ukraine and Jordan.

For further details regarding Anadolu Group and companies, you can visit our corporate website at [www.anadolugroup.com](http://www.anadolugroup.com).



\*Coca-Cola İçecek does not currently have any operations in Syria and has not had any beverage sales in the country since 2017.  
\*\*The report content does not encompass Togg data.

## International Business Partners

Through our partnerships with the world's leading brands and collaborations with multinational companies, we continue to contribute to sustainable development in every region where we operate. We follow the best practices of our international partners in their sustainability efforts and integrate them into our own strategies.

For more than 50 years, we have established trusted partnerships with the world's leading brands, creating value together.

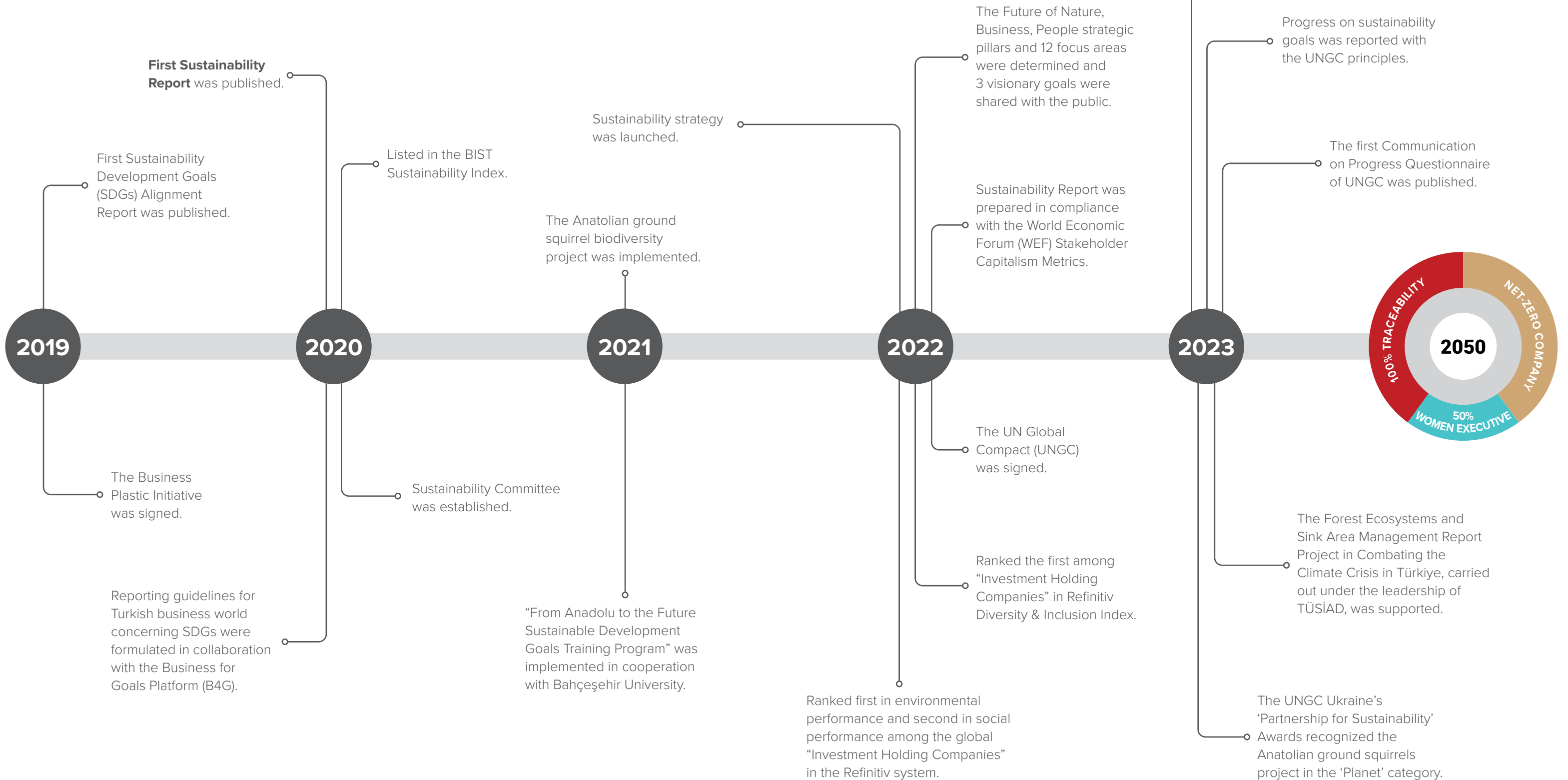


# Sustainability History

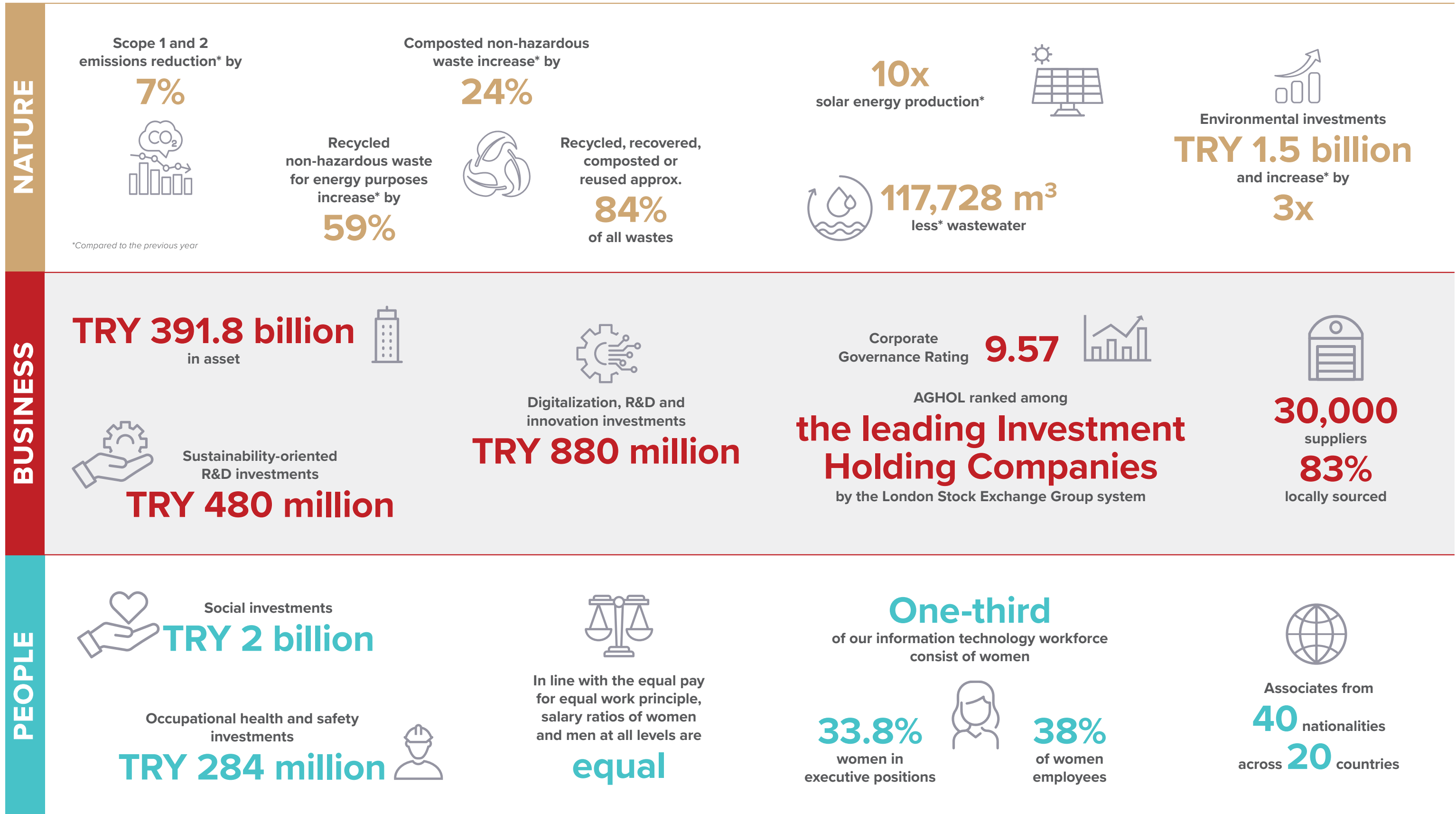
Anadolu Group's operating companies were among the first Turkish entities to report according to GRI standards, starting in 2007. Following the merge of two founding holding, we introduced a new dimension to our

operations through our sustainability strategy. Embracing a holistic approach, we have begun managing the sustainability initiatives of all domestic and international group entities.

Anadolu Group was included among the founding members of the Global Compact Signatories Association.













# Highlights of 2023





## Contribution to National and International Indices & Reports

**As one of the biggest driving forces of the Turkish economy, we are aware of the impact of our way of doing business. Today, guided by the strategy, wherever we operate, we continue to strive towards a more sustainable future.**

		<p><b>MiGROS</b></p> <p>Above the food retail industry average with an AA score in MSCI ESG Ratings.</p>	<p><b>MiGROS</b></p> <p>As the first representative among the Turkish food retail industry included in the Bloomberg Gender Equality Index.</p>
<p></p> <p>Listed in the BIST Sustainability Index.</p>	<p></p> <p>Listed in the BIST Corporate Governance Index.</p>	<p></p> <p>Listed in the Women-Friendly Companies Stock Index, compiled by İş Asset Management.</p>	<p></p> <p>Report their carbon emissions annually to the Carbon Disclosure Project (CDP) Climate Change Program.</p>
<p><b>MiGROS</b></p> <p>Included in the BIST Sustainability 25 Index as the first representative among Turkish retailing industry.</p>	<p><b>MiGROS</b></p> <p>Ranked #2 in ESG performance among the global "Food Retailing Companies" in the Refinitiv system.</p>	<p></p> <p>As the only company in food and beverage industry to participate in CDP Türkiye, successfully maintained 'B' grade and achieved a score above global average in the industry.</p>	<p></p> <p>Increased CDP Türkiye Climate Change Program score from "B" to "A-" and Water Security Program score from "A-" to "A", outperforming global, regional and industrial averages.</p>
<p></p> <p>Included in the FTSE4Good Emerging Indexes.</p>	<p></p> <p>Increased its score in the S&amp;P Global Corporate Sustainability Assessment, as in the last three years and became one of the global leaders in brewing industry.</p>	<p><b>MiGROS</b></p> <p>Listed as the only retailer among the 5 companies in Türkiye that received "A" grades from both CDP Climate Change and Water Security programs and entered the Global A List.</p>	<p><b>ANADOLU ISUZU</b></p> <p>Continues to be among the leading companies in its sector in Türkiye with an "A-" score in the CDP Climate Change Program.</p>
<p></p> <p>As the first and still only Turkish company listed on the UNGC 100 Index. Included in MSCI ESG Leaders Index, S&amp;P Global's Corporate Sustainability Assessment and ECPI Emerging Markets ESG Index.</p>	<p></p> <p>Achieved 'A' score in MSCI ESG Ratings, ranked above industry average.</p>	<p><b>MiGROS</b></p> <p>Ranked among the Global SER Leader with an A grade in the CDP Supplier Engagement Rating (SER).</p>	<p><b>For more detailed information about the sustainability achievements of the Group companies, please click here to reach our <a href="#">website</a>.</b></p>

**SUSTAINABILITY  
STRATEGY**

**ACT TODAY FOR A  
BETTER FUTURE**

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

# Strategy and Goals

## **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, 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.

For more detailed information about sustainability strategy, please click here to reach our [website](#).



## **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 own operations by 2030

### **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:**

- 42% absolute reduction in its scope 1 and 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),

- until 2030; reducing greenhouse gas emissions in scope 1 and 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**

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



# ANADOLU GROUP

# Value Creation Model

STRATEGIC PILLARS	TYPES OF CAPITAL	INPUT AND SOURCES	BUSINESS ACTIVITIES	OUTPUTS	CREATED VALUE
THE FUTURE OF BUSINESS	<b>Financial Capital</b>	<ul style="list-style-type: none"> <li>• Investments</li> <li>• Financial income</li> <li>• Company equity</li> <li>• International partners</li> <li>• Corporate governance</li> <li>• Knowledge of emerging and frontier markets</li> </ul>		<ul style="list-style-type: none"> <li>• Risk management</li> <li>• Capital management</li> <li>• Revenue growth management</li> <li>• Investment decision</li> <li>• Investor relations</li> </ul>	<ul style="list-style-type: none"> <li>• 17.5% revenue increase</li> <li>• TRY 391.8 billion total assets under management</li> <li>• Global recognition</li> <li>• Leading brands</li> <li>• Contribution to national and international indices</li> <li>• Sustainability-oriented R&amp;D investments TRY 480.4 million</li> <li>• ISO 9001 certification in all of our plants</li> <li>• 3,804 hours of training to suppliers</li> <li>• Enhanced customer insights and informed market strategies</li> </ul>
	<b>Intellectual Capital</b>	<ul style="list-style-type: none"> <li>• TRY 880 million digitalization, R&amp;D and innovation investments</li> <li>• 6 R&amp;D centers</li> <li>• Entrepreneurship ecosystem</li> <li>• Senior management experience</li> </ul>		<ul style="list-style-type: none"> <li>• Partnerships and commitments</li> <li>• Investments in digital technologies and innovation</li> <li>• Sustainable transformation for our business models</li> </ul>	
	<b>Manufactured Capital</b>	<ul style="list-style-type: none"> <li>• More than 90 production facilities</li> <li>• Operations in 20 countries</li> <li>• World class operation excellence</li> <li>• Expertise in branded consumer products</li> </ul>		<ul style="list-style-type: none"> <li>• Responsible resource management</li> <li>• Investments to develop and improve environmental friendly products and services</li> <li>• Following international standards for product safety and quality</li> <li>• Increase of traceability in the supply chain</li> </ul>	
THE FUTURE OF NATURE	<b>Natural Capital</b>	<ul style="list-style-type: none"> <li>• TRY 1.5 billion environmental investments</li> <li>• Science based targets</li> <li>• Renewable energy investments</li> <li>• Waste management</li> <li>• Sustainable agricultural investments</li> </ul>		<ul style="list-style-type: none"> <li>• Emission reduction projects</li> <li>• Energy efficiency projects</li> <li>• Renewable energy production</li> <li>• Waste reduction projects</li> </ul>	<ul style="list-style-type: none"> <li>• Scope 1 and 2 emissions reduction by 7%</li> <li>• Solar energy production increase by 10-times more</li> <li>• Recycled, recovered, composted or reused approx. 84% of all wastes</li> </ul>
THE FUTURE OF PEOPLE	<b>Human Capital</b>	<ul style="list-style-type: none"> <li>• 100,000 total employment and 72,377 permanent employees</li> <li>• Capability building</li> <li>• Education for employees</li> <li>• Occupational health and safety policy</li> <li>• Equal pay for equal work principle</li> </ul>		<ul style="list-style-type: none"> <li>• Employee engagement and benefits</li> <li>• Talent and performance management</li> <li>• Gender equality and remuneration policy</li> </ul>	<ul style="list-style-type: none"> <li>• Combating climate change</li> <li>• Environmental awareness</li> <li>• Sustainable resource management</li> <li>• Protection of natural resources and ecosystem</li> <li>• Knowledge of sustainable agriculture</li> </ul>
	<b>Social Capital</b>	<ul style="list-style-type: none"> <li>• TRY 2 billion donations</li> <li>• Expertise on branded consumer goods</li> <li>• More than 30,000 suppliers and 2,200 dealers</li> <li>• Corporate memberships</li> </ul>		<ul style="list-style-type: none"> <li>• Community development</li> <li>• Development, marketing and distribution of high-quality branded consumer products</li> <li>• Researches</li> </ul>	

# Sustainability Management

As Anadolu Group, we are aware of the importance of sustainability issues and we manage efforts in this area through two committees: Board of Directors Sustainability Committee and management level Sustainability Steering Committee.


Our Board of Directors Sustainability Committee (Sustainability Committee) was established and authorized with the approval of the AGHOL board members. The purpose of the Sustainability Committee is to identify areas where AGHOL and AGHOL Group Companies can continue to be exemplary in sustainability and remain among the most trusted companies by stakeholders providing necessary guidance to AGHOL board members in the environmental, social and corporate governance areas.

The Sustainability Committee consists of at least 3 (three) AGHOL board members and Anadolu Group CEO attends the Sustainability Committee meetings. The Sustainability Committee members elect a chairperson from among themselves with members are determined at the first board meeting following the AGHOL Annual Ordinary General Assembly meeting. They serve until the next AGHOL Annual Ordinary General Assembly meeting. AGHOL board members may terminate the duties of some or all of the Sustainability Committee member, even if the specified period has not expired. AGHOL board members appoint the Sustainability Committee members who become vacant due to termination of duty, resignation or death to complete the remaining term.

The Sustainability Committee meets at least twice a year and may hold additional meetings if requested by the Chairperson or the majority of other members. The timing of Sustainability Committee meetings is aligned with the timing of AGHOL board members' meetings as much as possible. The Chairperson of the Sustainability Committee informs the members of the AGHOL board members about the annual meeting plan. The Sustainability Committee meets with the participation of the majority of its member and makes decisions by majority vote. If the votes are equal, the decision follows the direction of the Sustainability Committee Chairperson's vote and the relevant issues are submitted for approval by the AGHOL board members.

The Sustainability Committee evaluates Anadolu Group's annual sustainability performance and achievement of its goals, conveying its opinions to the AGHOL board members when necessary. The Sustainability Committee ensures the alignment of Anadolu Group's long-term sustainability efforts with financial interests and provides guidance for Anadolu Group to create value in economic, social, environmental and corporate governance areas.

## Sustainability Steering Committee

 The Sustainability Steering Committee was established aiming to monitor AGHOL and AGHOL Group Companies' environmental, social and governance performance and to take necessary actions. The Steering Committee is composed of Anadolu Group's senior management.

The duties and responsibilities of the Sustainability Steering Committee include monitoring the progress of the roadmap created in line with the Group's sustainability strategy and targets; encouraging the improvement of the sustainability culture within the Group companies and supporting the development of employees' competencies. The committee also decides on the establishment and monitoring the progress of sustainability-related working groups. Additionally, it ensures the alignment of Anadolu Group's long-term sustainability efforts with financial interests, provides guidance for Anadolu Group to create value in the economic, social, environmental and corporate governance domains and determines the issues that AGHOL can support in the sustainability target-oriented progress of AGHOL Group Companies.

Our sustainability approach creates additional value for our stakeholders by investing in the future through environmental, social, and governance endeavors. Sustainability strategy encompasses more than 80 companies in 8 industries across 20 countries all under the same sustainability management approach. The visionary sustainability goals included in our strategy encourage and guide the Group companies' transformation ensuring a focus on value creation. In turn, the Group companies strive to improve their sustainability performance in line with their operations and industry priorities.

Based on the responsibilities of the Anadolu Group Sustainability Steering Committee, we have temporarily established working groups. We have fostered a sustainability culture within the Group, aiming to spread this culture across all fields, accelerate mutual learning from each other and to provide long-term benefits in our business processes.

## Working groups with representatives from AGHOL and Group companies focus on:

- a. Traceability
- b. Women's Leadership
- c. Carbon

Throughout 2023, AGHOL held regular meetings prepared, internal reports and developed policies beneficial for the 8 industries in which we operate. We have established Traceability working group to develop Group-wide supply chain principles. Our Women's Leadership working group is continuing its efforts to increase the percentage of women in executive positions to 50% by our target year. As before, we will continue striving to become net-zero by our target year by collaborating with the Group companies to establish a year-by-year plan to reduce emissions and create a better world with our Carbon working group. In brief, we have worked with the Group companies to develop Group-wide supply chain principles that address traceability, increase the proportion of women executives as part of our gender equality efforts and to develop an annual emissions reduction roadmap.

\*You can find the duties and working principles of Anadolu Group Sustainability Committee [here](#).



# Material Topics

In 2020, we conducted a comprehensive and participatory stakeholder analysis process to identify the material sustainability topics that warrant Anadolu Group's focus. Through an online survey, we reached internal stakeholders (employees) and strategic external stakeholders (representatives from suppliers, business partners, investors, analysts, non-governmental organizations, public institutions, media, universities and international organizations) to identify stakeholder priorities.

In 2021, we reviewed the Group's sustainability priorities while developing the sustainability strategy. We reevaluated material topics in light of global developments. The material topics we identified in 2021 remained valid in 2023. During this process, we carried out the following:

- We analyzed the trends in Türkiye and the world through a literature review. This included an in-depth study of the World Economic Forum's global risk predictions, industry-based materiality maps defined by the Sustainability Accounting Standards Board (SASB), the Sustainable Development Goals and the














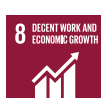















11<sup>th</sup> Development Plan.

- We organized one-on-one meetings with Anadolu Group CEO, Group Presidents and CEOs of the Group companies.
- We evaluated our focal subject areas in line with our business strategy.
- We utilized the impact analysis methodology, which recommended by the SASB for determining materiality areas, allowing us to address each area in terms of its impacts and opportunities. We evaluated significant risks and opportunities in finance, law, innovation and competition.

Following the materiality analysis, we identified topics categorized as extremely important and very important. Climate change and energy were ranked high among the extremely important topics given the global and local developments. Responsible resource management and procurement also became extremely important. As the talent deficit gained importance on global and local agendas, talent management climbed up the high-priority list.



- **Extremely Important**
  - 1 Climate change and energy
  - 2 Digital transformation
  - 3 Water and wastewater
  - 4 R&D and innovation
  - 5 Packaging and waste
  - 6 Responsible resource management and procurement
- **Very Important**
  - 7 Product quality and safety
  - 8 Talent management
  - 9 Human rights and fair working conditions
  - 10 Risk management
  - 11 Business ethics
  - 12 Stakeholder engagement
- **Important**
  - 13 Anti-bribery and anti-corruption
  - 14 Corporate governance
  - 15 Circular economy
  - 16 Equal opportunity and safety
  - 17 Employee loyalty and satisfaction
  - 18 Customer satisfaction and communication
  - 19 Occupational health and safety
  - 20 Biodiversity
  - 21 Data privacy and cybersecurity
  - 22 Contribution to local development
  - 23 Multi-stakeholder initiatives and collaborations
  - 24 Community investment programs

LEVEL OF IMPORTANCE	MATERIAL TOPICS	RELATED SDGs	MANAGEMENT	RELEVANT SECTION
Extremely Important	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 
	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 
Very Important	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 dialogue		We continuously seek opinions and feedback from our stakeholders on a range of topics through various communication platforms.	<b>Sustainability Strategy –</b> Stakeholder Engagement

# Stakeholder Engagement

At Anadolu Group, we place great importance on enhancing and strengthening relationships with our stakeholders. This approach allows us to better understand the needs and expectations of all stakeholders and enables them to contribute to our efforts to build a sustainable future. We engage with

various stakeholder groups across a wide inter-group ecosystem. To facilitate better and more effective stakeholder dialogue, we establish both one-way and two-way communication channels. We determine the type and frequency of the communication channel based on the nature of the stakeholder group to meet their

expectations and needs. In this way, we incorporate stakeholders' views of our stakeholders into our business operations and decision-making processes and evaluate the feedback we receive from them.

Since 2021, we have been conducting studies to measure the awareness of Anadolu Group employees regarding our sustainability efforts and to promote mutual communication with them.

BY IMPACT	STAKEHOLDER GROUP	COMMUNICATION METHOD	COMMUNICATION FREQUENCY
Direct Economic Impact	Employees and Group companies	Leader messages, internal, printed, visual and digital media, internal and external reports/meetings, trainings, internal digital announcement platforms, ethical line, Anadolu Group Innovation Program (Bi-Fikir)	Year-round
		Anadolu Group Innovation Day	Annually
		Annual report	Quarterly
		Sustainability report, researches & surveys	Annually
	Suppliers	Printed, visual and digital media, supplier meetings	Year-round
		Annual report	Quarterly
		Sustainability report	Annually
	Shareholders and investors	Printed, visual and digital media, meetings, conferences and road shows	Year-round
		Annual report	Quarterly
		Sustainability report	Annually
	Customers	Printed, visual and digital media	Year-round
		Annual report	Quarterly
Sustainability report		Annually	
Indirect Economic Impact	Financial institutions and analysts	Printed, visual and digital media, meetings, conferences and road shows	Year-round
		Annual report	Quarterly
		Sustainability report	Annually
	Business partners	Printed, visual and digital media	Year-round
		Annual report	Quarterly
		Sustainability report	Annually

BY IMPACT	STAKEHOLDER GROUP	COMMUNICATION METHOD	COMMUNICATION FREQUENCY
Indirect Economic Impact	Public institutions and local administrations	Printed, visual and digital media, visits/meetings	Year-round
		Annual report	Quarterly
		Sustainability report	Annually
	Non-governmental organizations	Printed, visual and digital media, visits/meetings, project partnerships	Year-round
		Annual report	Quarterly
		Sustainability report	Annually
	Media	Printed, visual and digital media, meetings and networking activities	Year-round
		Annual report	Quarterly
		Sustainability report	Annually
	Sources of New Opportunities, Know-How and Perception	National and international regulatory bodies	Digital media
Annual report			Quarterly
Sustainability report			Annually
Universities		Digital media communications, project partnerships	Year-round
		Education programs, participation in university events	Year-round
		Innovation program (Bi-Fikir KAP)	For six months
		Annual report	Quarterly
		Sustainability report	Annually



THE FUTURE OF  
**NATURE**



# The Future of Nature

The right time to take action for the future of nature is now. We are deeply aware that the continuity of our business depends on the nature. We know that the most fundamental relationship between humanity and nature is the constant exchange of resources. We embrace international pledges, particularly the United Nations Sustainable Development Goals and the European Green Deal.

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.

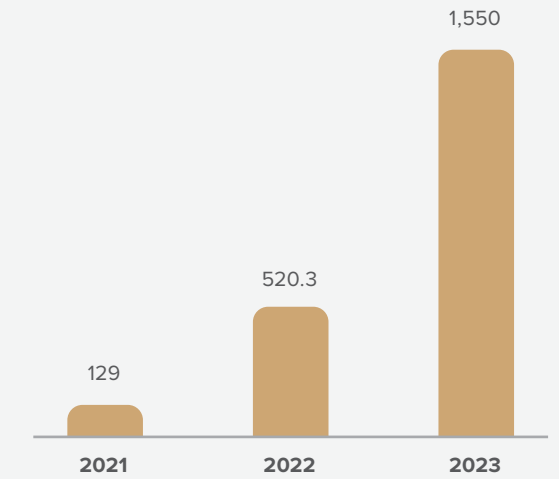
We preserve the water cycle for the future, working consciously to provide uninterrupted flow for our common future, providing solutions for reducing and reusing water. We embrace the principle of circular economy for the future as we reduce, recycle and re-use waste instead of linear consumption in 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.

We tripled\* environment budget from the previous year and registering TRY 1.5 billion in investments and expenses. In addition, we made a total environmental expenditure of TRY 116.3 million in 2023 to reduce and prevent environmental pollution, waste, natural resource use and water-related risks.

We manage our environmental impact including water and energy efficiency, reduction of greenhouse gas emissions, waste management and control of air pollutant emissions within the scope of the [Anadolu Group Environmental Policy](#). This policy defines risks and opportunities and develops in our strategies, goals and implement best practices with the Group companies.

Environmental Investments (TRY Million)



\*The 2023 average currency rate for the USD/TRY parity obtained at OECD.

## Our contribution to the SDGs:



## Commitments for 2030 and 2050

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

## Progress

In scope 1 and 2, we reduced greenhouse gas emissions by 15,795 tons of CO<sub>2</sub>e compared to 2020

\* We identified 2020 as the base year for scope 1 and 2 greenhouse gas emissions and set a proportional goal to identify absolute target by 2050.

Company	ISO 14001 Certificate	ISO 14064 Certificate	ISO 50001 Certificate
AG Anadolu Grubu Holding	✓		✓
Migros	✓	✓	✓*
Coca-Cola İçecek	✓	✓	✓**
Anadolu Efes	✓***		✓****
Anadolu Isuzu	✓*****	✓	✓*****
Anadolu Motor	✓		
Anadolu Etap	✓		✓*****
Aslancık Electricity	✓		✓
Adel Kalemcilik	✓		✓

\*Valid for 21 locations (Headquarter, 11 Distribution Centers, 8 Shopping Malls, MİGET Meat Processing Facility).

\*\*Valid for all Türkiye, Pakistan and Kazakhstan facilities and the Bishkek facility in Kyrgyzstan.

\*\*\*Valid for 8 locations.

\*\*\*\*Valid for 9 locations.

\*\*\*\*\*Valid for central facility of Anadolu Isuzu.

\*\*\*\*\*Valid for beverage facilities of Anadolu Etap.

The Group companies continue to manage and improve environmental performances in compliance with their ISO 14001 Environmental Management System certificate. In this regard, we comply with management systems,

invest in the environment and follow the laws closely, so as AG Anadolu Grubu Holding we did not receive any environmental fines in 2023.

# Net-Zero for the Future

**Our ambition:** 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.

**Global trends:** The Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report concludes that climate change is due to human activities and that greenhouse gas emissions need to be immediately and significantly reduced to zero to maintain global warming at the 1.5 °C level. With the contributions from the three Working Groups and the three Special Reports, the IPCC Sixth Assessment Report, "Synthesis Report: Climate Change 2023", includes Current Status and Trends, Future Climate Change, Risks, and Long-Term Responses and Response in the Near Term. It emphasizes the complex threats posed by climate change and the close linkages between climate change adaptation, mitigation, ecosystem health, human well-being and sustainable development, reflecting the increasing diversity of actors involved in climate action.

Actions to reduce emissions to zero at the government, company, investor and non-governmental organization levels, as well as among many other stakeholder groups, are listed at the top of the material issues. The UNEP's "Emissions Gap Report 2023" indicates improvements since the signing of the Paris Agreement in 2015. Initially, based on existing policies, greenhouse gas emissions were forecasted to rise by 16% by 2030. However, the current projection suggests a 3% increase. Despite this progress, anticipated emissions for 2030 still need to decrease by 28% to align with the 2°C pathway of the Paris Agreement and by 42% for the 1.5°C pathway.

**What we have done so far:** We measure our impact on climate change in line with the Environmental Policy, which includes our ambition for emission reduction, energy efficiency, visionary goals and manages our investment and efficiency processes to further reduce it. We regularly carry out Group-wide measurements of greenhouse gas emissions. We calculate to include the area affected by our activities toward sustainability goals and transparently share our environmental impacts. In line with our goal to become a net-zero company, we are

conducting efficiency studies and implementing projects.

The Group companies;

- conduct comprehensive carbon footprint mapping initiatives, in addition to our own carbon footprint reduction efforts,
- monitor the GHG emissions of our suppliers and set targets for them to reduce their carbon footprint,
- integrate energy-efficient equipment and renewable energy sources for our production facilities,
- spearhead investments in solar power infrastructure,
- optimize logistics and transportation routes to minimize carbon footprint,
- deploy cutting-edge cooling systems developed in-house to mitigate emissions.

We are aware of the importance of energy in reducing greenhouse gas emissions. Therefore, we are investing in energy efficiency and set energy efficiency and setting energy consumption reduction targets in collaboration with Group companies.

From Group companies,

- Coca-Cola İçecek aims to run its production facilities with 100% renewable electricity by 2030 and to switch to carbon neutral production,
- Migros targets reducing electricity consumption by 35% per square meter of sales area by 2030 and aims to provide 1/3 of the total energy consumption from its own solar power plants by the end of 2026,
- Adel Kalemçilik aims to obtain the I-REC Renewable Energy Certificate.

Even Türkiye yet is not included in the carbon pricing system. We still consider the pricing approach set forth by the Partnership for Market Readiness for the Carbon Market by the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change for legal compliance. We conduct carbon-pricing studies within the Group companies for future regulatory changes in carbon pricing that could affect our stakeholders and to incorporate our emission values in our investment decisions.

**FY23 summary of progress:** We carefully monitor important parameters such as greenhouse gas emissions, air emissions and energy intensity in our operations. We collaborate with the Group companies to reduce our carbon footprint by analyzing and adapting

to transitional risks. Simultaneously, we monitor the impact of carbon-intensive operations that emit scope 1 and 2 greenhouse gases. We carry out our operations in the energy industry through Aslancık Elektrik Üretim A.Ş. (Aslancık HEPP) in Türkiye and Georgia Urban Enerji Ltd. (Paravani HEPP) in Georgia. In addition, under Anadolu Kafkasya Enerji Yatırımları A.Ş., there is a wind power plant (Taba LLC) located in the Shida Kartli region of Georgia is currently undergonig project development.

In 2023, we achieved a 7% decrease in our total scope 1 and 2 emissions reducing them to 102,821 metric tons of CO<sub>2</sub>e compared to the previous year. Our energy intensity reached 0.010 kWh/TRY while greenhouse gas intensity for scope 1 and 2 remained at 0.004 kg CO<sub>2</sub>e/TRY. Compared to the previous year, in 2023, we reduced our scope 1 emissions 77,712 tons of CO<sub>2</sub>e and 25,109 tons of CO<sub>2</sub>e in our scope 2 emissions. Through the Net Zero for the Future principle, we are getting closer to reaching our goals each year with the reductions we have achieved alongside the Group companies.

Within Group companies;

- Migros targets net-zero carbon emissions by 2050, with a 42% absolute reduction by 2030 compared to 2020.
- CCI aims to reduce its absolute carbon emissions along its value chain by 13% and its emissions per liter of product by 50% by 2030.
- Anadolu Efes plans to achieve net-zero carbon emissions in all its own operations by 2030.
- Anadolu Isuzu made an official commitment within the scope of the Science Based Target initiative (SBTi) 1.5°C target for 2022. According to the guidance document for road transportation published

in 2024, it continues to work on setting targets to reduce scope 1 and 2 emissions by 4.2% every year and scope 3 emissions (product use phase) by at least 4.2% annually. In addition to greenhouse gases, Anadolu Isuzu also measures, monitor and work to reduce air emissions. In 2023, NOx emissions were registered at 12,132 kg and SOx emissions at 839 kg.

In alignment with our overarching objective of reducing greenhouse gas emissions, we are increasing our renewable energy investments in and use of renewable energy. In this regard, we purchased 240,005.85 MWh of renewable energy in 2023 and our renewable energy production was 675,827.8 MWh. On the other hand, we sold 648,322.13 MWh of the renewable energy, that we produced.

Within Group companies;

- Anadolu Isuzu produced 6,895 MWh of electricity in 2023 through the solar power plant established at its production factory, meeting 68% of its electricity needs from renewable energy.
- Migros demonstrated progress by sourcing 38.5% of its electricity consumption, from renewable sources. With a focus on further sustainability, Migros aspires to cover one-third of its total energy consumption from its own solar power plants by the end of 2026.
- CCI made strides in its commitment to sustainable energy practices, with 8% of its energy deriving from renewable sources in 2023. Setting an ambitious target, CCI aims to escalate this proportion to 40% by 2026.
- Anadolu Efes' share of renewable energy in its electricity consumption is 48%.
- Aslancık HEPP produced 306 GWh and Paravani HEPP produced 343 GWh of electrical energy.

## BEST PRACTICES

### Alternative Fuel Strategy

Through its global Plan S strategy, Kia aims to develop 14 electric vehicle models by 2030 and to generate 37% of its total sales from electric vehicles by 2030. Within the project's scope, Çelik Motor has already launched plug-in hybrid, hybrid, mild-hybrid and electric models, which appeal to Turkish consumer preferences, to the market. Kia provides 25% of its vehicle sales from electric or electrically assisted models and contributes to a cleaner environment.

## Carbon Reduction Projects

ANADOLU EFES

Anadolu Efes continues its work with the aim of zero impact on the environment by 2030. In 2023, the company invested over TRY 578 million with 19 transformative energy efficiency projects and capacity increase works that have a direct and indirect efficiency impact. In this context, Anadolu Efes aims to achieve an impressive annual energy savings of 5,431 MWh and reduce its CO<sub>2</sub>e emissions by 3,335 tons. Combined with the impact of its ongoing projects that Anadolu Efes started the previous year, it aims to increase its annual energy saving amount to 14,691 MWh and its emission reduction effect to 11,700 tons of CO<sub>2</sub>e. In 2023, Anadolu Efes decreased its energy consumption by 8% compared by previous year.

## Carbon Footprint Actions for Suppliers

MIGROS

Migros launched the Sustainable Business Partners Network (SBPN) platform in order to measure the current situation with suppliers and take action by setting a reduction target. Environmental parameters such as carbon emissions, water consumption and waste generation of critical suppliers, which account for 80% of the company's total turnover, and Migros private-label product manufacturers are monitored. Migros also tracks its climate change target performance and support them in their efforts to set targets of their own. The shared data through platform is audited by an independent audit firm. As part of this program, necessary training support is also provided to suppliers and manufacturers so that they can both monitor their impact on the environment and contribute to the calculation processes they will carry out through the SBPN platform. In 2023, 51% of the invited suppliers entered their data into the SBPN platform and verification audits were carried out by an independent auditor. The data of 36% of the audited suppliers has been verified.

## Practices for Reducing Carbon Footprint

COCA-COLA İÇECEK

CCI considers energy efficiency and climate preservation as the primary intervention points for reducing environmental footprint. CCI opts for environmentally friendly alternatives and highly energy-efficient equipment with a sustainable and responsible purchasing approach. In line with its 2030 Sustainability Pledge, the company aims by 2030, compared to the base year of 2015, to power all manufacturing sites on 100% renewable energy, to make them carbon neutral and to reduce total absolute emissions by 13% and emissions per liter of product by 50% along the value chain while still growing the business volume.

The company's commercial performance in transporting millions of products is based on an effective logistics network that optimizes the number of vehicles and distances while also minimizing emissions. Logistics optimization is essential to commercial performance. The company also opts for fuel-efficient and low-carbon vehicles. It also replaces LPG forklifts with electric ones and achieves a 68% reduction in carbon dioxide emissions per forklift.

The company has prevented approximately 1,400 metric tons of greenhouse gas emissions since 2013 with the "Route Optimization Project" and since 2016 with the "Road Net" platform. In 2023, CCI prevented 2,460 metric tons of CO<sub>2</sub> emissions through operational excellence projects and 694,928 metric tons of CO<sub>2</sub> emissions throughout the value chain with best practices annually.

CCI uses green electricity across its entire cloud system. Highly prioritizing digitalization, the company became the first fast-moving consumer goods company to adopt biometric signature practices. Over a thousand documents were signed with a biometric signature since the project's launch in 2019.

While cooling operations highly boost the consumer experience of products, they are also responsible for reducing environmental footprints. To this end, the company upgrades current equipment with more energy-efficient technology and cooperates with suppliers to develop and improve climate-friendly coolers. The company purchased hydrofluorocarbon (HFC)-free coolers equipped with an EMD and prevented 52,813 metric tons of CO<sub>2</sub> emissions in 2023. As a result of CCI's efforts to popularize EMD equipment, a total of 3,014,030 metric tons of CO<sub>2</sub> emissions have been prevented since 2009.



## Renewable Energy Investment

ANADOLU ISUZU

In the pathway of decarbonization, Anadolu Isuzu implemented a solar power plant investment with an installed capacity of 5.5 MWp in 2022 to eliminate scope 2 emissions at the source. With the second phase of the project, which has a capacity of 1.2 MWp and was commissioned in June 2023, the total installed capacity reached 6.7 MWp. The goal is to supply 70% of the annual electricity consumption from renewable energy, produce 7,945 MWh of electricity annually and prevent approximately 3,495 tons of CO<sub>2</sub> emissions per year with this green energy, equivalent to the electricity consumption of 2,600 households. In 2023, approximately 6,895 MWh of electricity was produced from solar energy, preventing 3,035 tons of CO<sub>2</sub> greenhouse gas emissions.



## Extensive Combat Against Climate Change

Migros strives to reduce the high impact of greenhouse gas emissions stemming from the cooling systems and accounting for most scope 1 emissions. The company obtained the patent for the cooling system, which already had the Utility Model Certificate. As of 2023, water-cooling systems have been implemented in 232 locations. Thus, water-cooling systems are used in 278 stores, 8 distribution centers and 1 MİGET Meat Processing Plant. Migros aimed to disseminate this system and ensure its use in other locations. In this regard, it is planned to have water-cooling systems in MM, MMM, 5M Migros store formats to be opened in 2024.

The company also continues to work on energy consumption, one of the significant standpoints in combating climate change. Energy efficiency steps reduce carbon emissions in operations and boost overall efficiency. Migros stores to renovate or launched will be equipped with voltage regulators and high automation efficiency systems to reduce their overall environmental impact. The energy monitoring system regularly measures the energy consumption daily, weekly, or monthly, while the automation system monitors the consumption data on the cooling, HVAC and lighting systems. The company also saves energy in stores with daylighting systems and prefer solar reflective roof paint to reduce the heat island effect.



MIGROS

## Water Cycle for the Future

**Our ambition:** 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.

**Global trends:** The World Resources Institute (WRI) expects global water consumption to increase by 20% to 30% by 2050, given the rising population, socioeconomic developments and changing consumption habits. According to the data published in the UN World Water Development Report 2023, states that the global urban population facing water scarcity is projected to increase from 933 million in 2016 to 1.7 – 2.4 billion people by 2050. The WRI Aqueduct Water Risk Atlas considers Türkiye to be subject to high water stress and facing the threat of drought.

**What we have done so far:** Climate change-induced floods and droughts, irregular precipitation patterns, changes in sea levels and damage to aquatic ecosystems not only threaten regional biodiversity but also pose risks to the continuity of economic activities. To address these challenges, we collaborate with the Group companies, implement efficient water management procedures and recover our wastewater to reduce the risks stemming from geographical conditions and the impacts of climate change. As part of CCI's 2030 Sustainability Commitment, CCI continues to improve water efficiency compared to the base year of 2020, achieve water neutrality and ensure water security in water-stressed areas through community projects by 2030. Migros aims to reduce its daily water consumption per square meter of sales area by 10% by the end of 2030. Anadolu Efes continues to improve water efficiency in its operations in Türkiye, Kazakhstan, Moldova and Georgia aiming to reduce its water consumption per beer production in its breweries by 10% by 2025, compared to the base year of 2020.

**FY23 summary of progress:** In 2023, we reduced the amount of wastewater by 117,728 m<sup>3</sup> compared to the previous year through our efficiency studies.

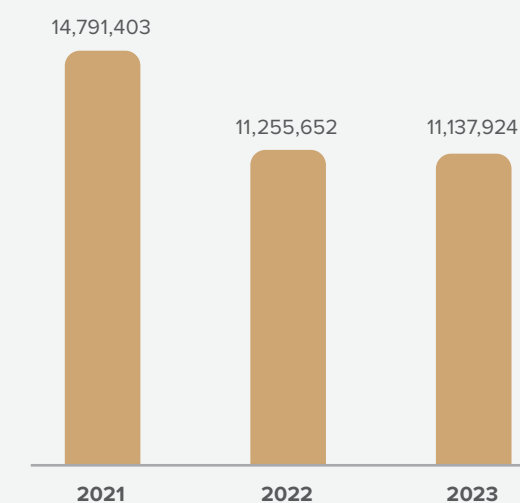
## Renewable Energy Initiatives

Migros uses renewable energy sources and invests in solar power plants (SPP) in line with its environmental sustainability goals. The SPP of 1.2 MW of installed power, mounted on the Adana Distribution Center roof in 2022, launched in September and in 2023 SPP generated 833 MWh of electricity. Also, 1,668 MWh of electricity was produced through the SPP's located on the roof of Diyarbakır Distribution Center and Kocaeli Derince 5M Migros. The company aims to continue exploiting natural resources efficiently. In this context, SPP projects for Torbalı, Muğla Distribution Center and MİGET Meat Processing Plant were completed in 2023. In addition, in collaboration with Akxa Solar, Migros began to install land-type solar power plants in Malatya to meet the electricity needs of approximately 300 stores with clean energy. The power plant, which will have an installed power of 16 MWp, is expected to produce an average of 27 million kWh annually. It is aimed to provide 1/3 of the total energy consumption from Migros' solar power plants by the end of 2026.

In 2023, the company obtained the Renewable Energy Certificate for 240,000 MWh from the YEK-G (Renewable Energy Guarantees of Origin System), established to monitor the source of energy generated from renewable sources and to prove its consumption. Thus, Migros provided 38.5% of its energy consumption, equivalent to 242,501 MWh, from renewable sources.

MIGROS

Wastewater Amount (m<sup>3</sup>)



## BEST PRACTICES

## Water Management and Water Replenishment Programs

CCI highly prioritizes the impact of the climate crisis on water resources in all facilities and the basins in which they are located. With that in mind, the company carries out a Source Water Vulnerability Assessment (SVA) and develops a Water Management Plan to use the water efficiently and to reduce water-related risks in its system and in the societies to which it serves.

CCI also issued the first sustainability-linked bond in the beverage industry in Europe, the Middle East and Africa. Having received the ESG Bond Issuance of the Year award at the Bonds, Loans & Sukuk Türkiye Awards, where the most innovative and ground-breaking agreements compete, CCI aims to reduce its WUR by 17% from 1.69 L/L in the base year 2020 down to 1.4 L/L by 2029.

In 2023, CCI saved approximately 164,975 m<sup>3</sup> of water with the water efficiency projects and investments in its operational countries. CCI's overall water savings on a company-wide scale is over 2 million m<sup>3</sup>. Furthermore, the company achieved a 132% increase in the volume of recycled and reused water compared to the previous year.

CCI carried out projects in cooperation with WWF and DOKTAR to ensure water security and target water neutrality by carrying out social projects in regions experiencing water stress in 2023. A total of 1,903 million liters of water were saved in the water basins of Azerbaijan, Türkiye and Pakistan by carrying out projects such as establishing recharge wells, construction of wetlands, raising awareness of water saving in the local community, rainwater harvesting and maintaining efficient landscaping and restoration.

COCA-COLA İÇECEK

## Water Efficiency Projects

Anadolu Efes continually enhances and implements advanced treatment technologies to reuse water in its processes. In 2023, the company initiated six projects in this field, investing TRY 10.9 million and successfully recycling 245,238 cubic meters of water.

ANADOLU EFES

## Water Efficiency Initiatives

Migros carries out a diverse range of activities for the efficient use of water and to prevent the environmental impacts of the wastewater generated from its operations. The company tracks water reduction goals per sales meter square for daily water consumption.

In 2023, water footprint of Migros was externally and independently verified in accordance with ISO 14046. Later on, Migros' water reduction target has been updated as a 10% reduction in daily water consumption per square meter of sales by 2030, compared to the base year of 2023. Migros monitors consumption and saving amounts every year and focuses on efficiency projects and investments to achieve its goal. In line with this focus, Migros has been reporting to the Carbon Disclosure Project (CDP) Water Security Program since 2017. With its 2023 reporting, the Company took place in the 'Global A List' by receiving the highest score of A in the Water Security program, thus being among the CDP Water Leaders for the 3<sup>rd</sup> time.

MIGROS

## Circular Economy for the Future

**Our ambition:** 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.

**Global trends:** Prevailing linear production processes based on the "Take-Make-Use-Dispose" concept further trigger irresponsible use and depletion of resources, resulting in negative impacts on the planet. Circular economy models, unlike linear models, reuse resources within the same economy creating positive financial and environmental impacts. These business models efficiently use and recycle raw materials and reducing waste production, boosting economic, social and environmental values. By increasing efficiency in resource use and applying the multi-purpose use of raw materials, circular models reduce greenhouse gas emissions, and risks in the value chain. We adopt a waste reduction, reuse and recovery approach in all our processes and implement a circular economy model. Linear production and consumption practices deplete resources and increase waste production. We adopt responsible production and consumption practices in line with the UN SDGs and the targets set by the EU Green Deal.

**What we have done so far:** We implement proper waste management in accordance with the AG Anadolu Grubu Holding waste management process and encourage the Group companies to comply with this approach throughout the entire value chain. We take a circular economy approach to waste management, attempting to reduce waste generation at the source and reincorporate waste into the economy through R&D projects, investments in zero waste efforts and waste reduction practices. Furthermore, as AG Anadolu Grubu Holding, we are certified under the zero-waste legislation for Group companies and we have established a Zero Waste Management System, in 2020 in compliance with the relevant regulations and the Zero Waste approach by the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change.

## Companies and Facilities Received the Zero Waste Certificate

Companies	Facilities
AG Anadolu Grubu Holding	Headquarter
Migros	Headquarter, stores, distribution centers, fruit and vegetable warehouses, MiGET Meat Processing Plant, Macro Homemade Production Plant
Coca-Cola İçecek	All Plants in Türkiye and Headquarter
Anadolu Efes	All Plants in Türkiye and Headquarter
Anadolu Isuzu	Central Plant
Anadolu Medical Center	Gebze Hospital

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

We adopt the innovative 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 practices with a holistic approach to reduce waste at the source. We further expand our impact area by establishing cooperation on packaging and food waste. Moreover, we develop joint solutions for selecting new suppliers and raising awareness among existing suppliers and stakeholders within our service area regarding the increased use of recycled plastics and biodegradable plastic raw materials. We take responsibility for our services and products and carry out necessary life cycle assessments to examine the environmental impacts and take strategic precautions. Life cycle assessment identifies critical points where our impact is significant and we strive to develop processes to address these points.

**FY23 summary of progress:** The waste generated by our operations is 3% hazardous and 97% non-hazardous. We implement various recycling processes and research alternative recycling methods to recover waste in line with our waste management process. We recycled, recovered, composted or reused approximately 84%\* of non-hazardous and hazardous waste. In 2023, we recycled 5,305 tons of non-hazardous waste and 623 tons of hazardous waste for energy purposes.

\*Anadolu Efes Georgia excluded.

## BEST PRACTICES

### Plastic Usage Reduction Practices

MIGROS

The Bag-Free Shopping Movement in all Migros and Macrocenter stores encourages all customers to give up plastic bags when shopping. In 2023, plastic bags were used 44% less than in 2018, when the bags were free and 2,248,023 environmentally friendly multi-use bags were sold. As part of the Bag-Free Shopping Movement, the pilot application launched offers online customers in select regions the option to go bag-free in their shopping and instead delivers orders in reusable, environmentally friendly bags. The application also takes back reusable bags to disinfect and prepare them for the next use.

As a signatory of the Business World Plastic Initiative (IPG), established by Global Compact Türkiye, TÜSİAD and SKD Türkiye, Migros has shared its commitment to reduce 493 tons of plastic by the end of 2023 with the public. As a result of the collaborations made in this direction and the improvements made in the processes, the target was completed by preventing 512 tons of plastic waste by the end of 2023. In addition, a target has been set to transform single-use plastics into environmentally friendly products in Macrocenter stores by the end of 2025.



### Contributes to a Circular Economy

ANADOLU ETAP

Dietary fibers have become a significant ingredient in many diet products and functional foods. They become increasingly prevalent in the food industry as their areas of use and consumption grow daily. The project aims to conduct R&D to produce dietary fibers from orange waste generated by the concentrated orange juice production process. The R&D will focus on producing dietary fibers from the orange waste generated at the production plant and create a new value out of a wasted product in line with the circular economy approach. It will also develop a process methodology to produce dietary fibers on an industrial scale. To this end, the project will develop a pilot-scale drying system and make the final product. The eventual goal is to produce dietary fibers for industrial production for the first time in Türkiye and to introduce a commercial product to the food industry.

Anadolu Etap researches alternative uses of concentrated Malt Must in various food products and develops new products in response to requests. The innovation efforts yielded a significant source, and the company introduced a new product to the market. The project, commercialized during the year, enabled the domestic production of a product that previously imported from abroad in the biscuits industry. The company also responded to domestic market requests and launched the Concentrated Malt 80 Brix product, used primarily in the biscuits industry as well as numerous others, to reduce the domestic market's foreign dependency and to provide advantage to the industry through innovative manufacturing methods.

### Installs Refilling Units

MIGROS

Migros aims to reduce plastic waste by encouraging reuse at the Refilling Unit set up in the Ataşehir MMM store in cooperation with OMO. The unit refills empty detergent bottles brought by customers for affordable prices to reintegrate them into the circular economy and helps reduce the plastic footprint. With the refilling unit installed in the Ataşehir MMM store more than 10 thousand refills were made in total, thus saving plastic. In addition, with the refilling unit established in the Caddebostan MMM store in 2023 in cooperation with Uni Baby, nearly 1,000 refills were made and plastic was saved.

### Sustainable Packaging Practices

COCA-COLA İÇECEK

CCI focuses on the packaging life cycle. CCI has long been working to increase the utilization of recycled materials in packaging production, going beyond the requirements of mandatory regulations. Within this scope, the company uses r-PET in the packaging of various beverages and 100% recyclable materials in the primary packaging. Returnable glass bottles can be reused up to eight times, reducing energy consumption and using fewer sources. The company encourages customers and consumers to opt for returnable glass bottles to further reduce its environmental impact. Furthermore, the company launched a project in 2008 in Türkiye to reduce the weight of PET bottles by reducing the neck length. As of 2010, the same bottle designs applied in Kazakhstan, Azerbaijan and Kyrgyzstan operations. In 2015, the company expanded the scope of its efforts with the aim of spreading best practices to all countries where it operates. CCI aligned its packaging strategy with the 2018 TCCC program, "World Without Waste", which aims to cultivate a systematic change through a circular economy, grouping goals into three main categories: design, collect and partner. The company aims to replace all packaging with recyclable continue to make 100% their packaging recyclable by 2030 and use at least 50% recycled material in plastic packaging. The company also committed to collecting and recycling all packaging on markets in Türkiye, Pakistan and Kazakhstan and to initiate packaging collection programs in other countries.

In 2023, rPET usage started in Türkiye, Kazakhstan, Pakistan and Uzbekistan, increasing the rPET usage rate across CCI from 2% to 4%. As a result of these efforts, the company reached its rPET usage goal for 2023. Besides that, in 2023, the lightweight PET bottles allowed CCI to save 1,260 tons of resin in eight countries where the company does business.

### Malty

ANADOLU EFES

Malty, the first start-up to be spin-offed from the Anadolu Efes Intrapreneurship Hub, was one of the fastest-growing start-ups in its industry in 2022, introducing its products to consumers at over 1,000 sales points. As a "Sustainable Food Technologies" start-up, Malty started its second investment round, receiving an investment of TRY 2.4 million the previous year. Malty's most significant R&D project, 'Türkiye's first upcycled malt fiber,' Malty Bites, was realized after the investment round. Malty, the first and only Turkish company member of the Upcycled Food Association in the United States, saves 19 liters of water with one package of Malty Bites (80 gr), which uses Malty upcycled malt fiber. In 2024, the company aims to pave the way for a healthy and sustainable snacks channel by creating new channels for the healthy snacks category.

### Projects to Reduce Food Waste

MIGROS

Migros delivers healthy foods, which do not turn into sales but maintain their nutritional value, to those in need through cooperation with Fazla. With 6,303 tons of donations made in 2023, a total of 18,472 tons of food materials have been brought to those in need since the beginning of the project.

The Fresh Leftovers to Our Four-Legged Friends project has been ongoing since 2014. Unexpired and safe-to-consume food no longer preferred for human consumption donated to the Turkish Animal Rights Federation (HAYTAP) to be delivered to stray and forest animals. With 2,822 tons of food support provided in 902 stores in 76 provinces in 2023, a total of 8,776 tons of food aid has been contributed to the nutrition of animals so far within the scope of the project.

In addition to these projects, products close to their expiration date and ripe fruits and vegetables are offered to consumers with a 25-50% discount. Thanks to these discounted sales, the waste of 8,565 tons of food was prevented in 2023.

# Agriculture for the Future

**Our ambition:** 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 combating climate change. We preserve and nourish our resources today in order to build a better future.

**Global trends:** In 2023, the agriculture industry made significant strides toward transformation, driven by its increasing role in global climate goals. As major food companies began to prioritize sustainability, farmers started transitioning away from traditional practices. To facilitate this shift, companies and public institutions focused on scaling up innovations and providing additional funding for regenerative agriculture.

This momentum was highlighted at the UN Climate Ambition Summit where food and agriculture were key topics.

**What we have done so far:** We made significant progress through various sustainability and digitalization projects. Migros led the way with innovative initiatives focused on the sustainability of agricultural production and food safety. Its regenerative agriculture and Good Agricultural Practices (GAP) projects expanded efforts to preserve agricultural biodiversity and improve traceability. CCI contributed to water efficiency in agricultural production through projects on smart irrigation, rainwater harvesting and capacity building for farmers. These projects not only promoted environmental sustainability, but also spearheaded the adoption of innovative and efficient practices in the agricultural industry.

## BEST PRACTICES

### Good Agricultural Practices

Migros is the first food retailer to sell products compliant with Good Agricultural Practices (GAP) procedures and principles, for which the Republic of Türkiye Ministry of Agriculture and Forestry set the criteria. GAP aims for traceable and sustainable agriculture focusing on food security for quality and productive agriculture. Producers comply with the auditing, analysis, and traceability requirements within the scope of GAP and receive product certificates issued by authorized institutions. Within this scope, the impacts of processes on human and environmental health analysed, and all stages, from product processing to distribution, recorded within a controlled and traceable production program. A priority goal within GAP is to limit the use of chemicals to preserve soil structure. To this end, a proper fertilizing chart drafted based on soil analyses. The chart determines the appropriate time for, amount of, and type of fertilizer for the soil structure, thus preventing excessive fertilizer use. Last year, Migros launched the Agricultural Product Traceability Portal, the first agricultural digital software for the online tracing of GAP certificates and accelerating quality control procedures at distribution centers and fruit-vegetable production facilities. In 2023, an increase of 17% was achieved against the target of increasing the tonnage of GAP fruit and vegetables supplied by 15% compared to the previous year. It is aimed to increase the supply of GAP fruits and vegetables by 10% in 2024 compared to 2023.

MIGROS

### Implements Regenerative Agriculture Project

As 77% of products available at Migros stores rely on agriculture, Migros highly prioritizes sustenance of agricultural production in our country, access to safe food, tracking via blockchain technology, tracking geographical indication products, preserving agricultural biodiversity and preventing food elimination. Taking the positive impact of regenerative agriculture on biodiversity and the ecosystem, the company works to spread regenerative agricultural practices. In 2022, Migros introduced M Life raw hazelnuts, first Rainforest Alliance-certified private label product. Once included in the certification program, manufacturers were evaluated periodically by independent auditors in terms of their production process and social, economic and environmental compliance. The program supports the combat against deforestation and land management practices enhancing carbon sequestration. Migros developed the Migros Regenerative Agriculture approach by receiving academic consultancy and in 2023, the company initiated a new three-year regenerative farming project with a producer that grows leeks in Torbalı, İzmir. The project aims to:

- increase the amount of organic matter in agricultural areas where leeks are produced annually,
- prevent water and beneficial plant nutrient losses by applying minimum tillage methods,
- ensure effective water resource management through controlled and pressurized irrigation systems instead of wild irrigation practices,
- grow strong and efficient crops with balanced plant nutrition,
- prevent unnecessary pesticide use through alternative methods,
- utilize smart farming tracking systems,
- record and monitor agricultural production with digital farming applications.

MIGROS

### Agricultural Projects

CCI launched the Bursa Water Replenishment Project in 2022 to ensure water efficiency using smart irrigation, regenerative agriculture and rainwater harvesting methods and offer capacity building and awareness training to farmers and track all efforts on digital platforms. In addition to Bursa, water recovery projects were started in Çorlu, Madaba and Lahore in 2023. With techniques such as smart irrigation, regenerative agriculture and rainwater harvesting, 645 thousand m<sup>3</sup> of water was recovered in Bursa and 672 thousand m<sup>3</sup> in Çorlu. Capacity building and awareness training was given to 165 farmers in Bursa and 69 farmers in Çorlu. Additionally, in Bursa, 7 CCI Volunteers supported farmers in harvesting fruits.

In 2023, by purchasing sustainable sugar from sugar suppliers that are entitled to receive the sustainable agriculture certificate issued by the Sustainable Agriculture Initiative (SAI), the company achieved a 50.4% increase in the rate of Sustainable Agriculture Certified sugar purchases compared to last year. Apart from this, more than 70 strategic partners were registered in the Ecovadis platform, which measures the sustainability performance of suppliers.



COCA-COLA İÇECEK

# Biodiversity for the Future

**Our ambition:** Biodiversity loss and ecosystem destruction are among the top global risks of today. Thus, we consciously 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.

**Global trends:** The Living Planet Report 2022 by the WWF and the Zoological Society of London (ZSL) concluded that vertebrate wildlife populations have declined by 69% within a period shorter than the average human lifespan. The report also highlights that the significant stress we inflict on wildlife is triggering biodiversity loss and climate change, advising urgent action against these risks. In addition, the UNDP claims that the degraded ecosystems may trigger a downward spiral of \$2.7 trillion in the global gross domestic product by 2030. Considering these analyses and reports, life on our planet will not be the only aspect affected by biodiversity loss, the global economy is also on a direct course for impact.

**What we have done so far:** We are aware that our operational industries are highly intensive in terms of agricultural production and natural resource consumption.

We take precautions and develop new and innovative practices to reduce our operations' destructive impact on climate change, biodiversity and natural life and to preserve biodiversity. Through the Group companies, we comply with the United Nations Convention on Biodiversity requirements to preserve biodiversity.

As Anadolu Group, we are one of the supporting companies of the Turkish Industry and Business Association (TUSIAD) project which aligns with our corporate priorities to combat the climate crisis, preserve the ecosystem and adopt a sustainable development perspective. Within the project's scope, we cooperate with TUSIAD and specialized academicians and researchers to prepare a report on "Management of Forest Ecosystems and Carbon Sinks to Combat the Climate Crisis in Türkiye". The report studies the correlation between forest ecosystems and climate and biodiversity crises. It analyzes the carbon sink functions of forest ecosystem services and land management practices from a broader perspective. Additionally, the protection, improvement and spreading of carbon sinks are assessed. The report also discusses the role of carbon sinks in balancing carbon emissions and provides advice on practices and policies within this context.




## BEST PRACTICES

### Bee Protection Initiatives

Migros actively celebrates May 20, World Bee Day, every year given the vital role of bees in the agricultural ecosystem and preservation of biodiversity. In the week leading up to World Bee Day on May 20, 2023, more than 3,500 people were reached with 175 events such as special trainings, seminars, kitchen workshops and fairy tales for children, planned within the scope of beekeeping activities, and awareness was raised about the importance of bees for ecological balance. In addition, an afforestation campaign was carried out in cooperation with Balparmak and TEMA Foundation and 10 thousand saplings were planted in the soil.

MIGROS



### +1 Breath to the Sea

Anadolu Efes has identified biodiversity as a critical priority, as highlighted by their stakeholders in their materiality analysis. This analysis guides the company's approach to sustainability. To ensure alignment with stakeholder views, Anadolu Efes partnered with the Marine Life Conservation Society, recognizing the essential relationship between addressing the climate crisis and protecting marine ecosystems. The company decided to focus on protecting and restoring corals, which are vital for marine ecosystems.

Through their +1 Breath to the Sea project, Anadolu Efes raised awareness about the importance of protecting and restoring coral reefs, called the 'rainforests of the sea'. This initiative contributed to preserving the rich biodiversity in the Marmara Sea, home to a diverse range of marine species. In collaboration with the Marine Life Conservation Society, the company transplanted corals to Tavşan Island, a sensitive area that needs protection, and established new coral gardens.

One of the species they focused on transplanting is the yellow gorgonian, considered one of the most threatened species in the Mediterranean by the International Union for Conservation of Nature (IUCN). Since 1999, significant volumes of this species have been dying out in the Mediterranean due to temperature anomalies.

Through the +1 Breath to the Sea project, Anadolu Efes aimed to support biodiversity by transplanting corals to the Marmara Sea, providing a sanctuary for these threatened species. Their ultimate goal was to restore every coral displaced from its natural environment and revive these crucial ecosystems. In the project's second phase, they began monitoring the transplanted corals 24/7 using underwater display systems.

ANADOLU EFES

### Tastes of Anatolia Project

Migros protects traditional endangered seeds to help preserve the agricultural richness of Anatolia and encourages the use of traditional seeds in agricultural activities to reach younger generations. Under the



brand of Anadolu Lezzetleri (Tastes of Anatolia), the company offers 56 products grown from local seeds from 25 areas in the seven regions of Türkiye that stood out in local or cultural properties in 198 stores. The project introduces consumers to non-hybrid, non-genetically modified and unchanged seeds, including Amik Valley Karakılçık Wheat, Amik Valley Karakılçık Fine Bulgur, Amik Valley Karakılçık Coarse Bulgur, Kastamonu Einkorn Bulgur, Ağın Roasted Chickpea and Kastamonu Einkorn Flour. Additionally, Tosya Sarıkılçık Rice was included in the scope of the project in 2023.

MIGROS





THE FUTURE OF  
**BUSINESS**

# The Future of Business

The right time to take action for the future of business is now. We make responsible 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 prioritize R&D and innovation. 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.

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.

Additionally, as Anadolu Group, within the framework of the strategy, we support transparency and traceability throughout our entire supply chain to achieve a more sustainable future. We are undertaking efforts to ensure the traceability of our products and services.

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

*\*Limited to private label products for Migros.*

### Our contribution to the SDGs:



# Digitalization and Innovation for the Future

**Our ambition:** We develop innovative products and services that meet the expectations of our stakeholders and the future; we increase efficiency by integrating technological developments into our processes. We encourage entrepreneurship inside and outside of our company.

**Global trends:** The rapid development and global impact of digital technologies play a significant role in delivering products and services to consumers. Efficiency in operational processes provides companies with a competitive advantage. Technologies such as Big Data, the Internet of Things (IoT), Artificial Intelligence

(AI), robotic technologies, cloud storage, machine learning and blockchain offer practical solutions to current business practices. In today's business world, digital transformation is an inevitable global trend, with innovative solutions and digital transformation applications in supply chains, manufacturing conditions and service concepts, becoming essential for the continuity and resilience of our business. The innovations and applications provided by digitalization also facilitate the production of world-class mobile, fast and customer-focused solutions, thereby increasing customer satisfaction.

**What we have done so far:** We closely monitor technological transformations in the industry and move forward by anticipating opportunities. We contribute to digital transformation in our operations, adding value to our customers, the environment, and our employees. According to the [Global Risks Report 2024](#) by the World Economic Forum (WEF), some of the largest long-term risks worldwide include misinformation and disinformation, adverse consequences of artificial intelligence technologies and technology-related risks associated with cyber insecurity. Accordingly, we are conducting significant efforts to address potential risks in the technology field. Within the Group companies, we develop projects that have been implemented on a pilot scale and tracked on operational efficiency, data analytics, cybersecurity, infrastructure/security, and competency development.

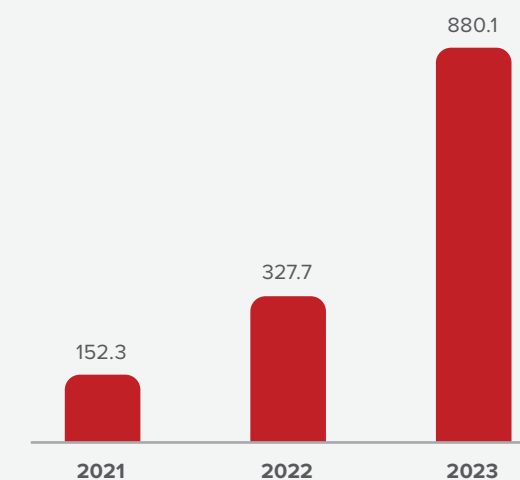
In our business transformation processes, we leverage artificial intelligence and optimization-based productivity opportunities. To support sustainable growth and contribute to digital transformation, we collaborate with ecosystem partners to innovate our business models, processes and work environments making them more efficient, effective and value-creating.

**FY23 summary of progress:** We continuously improve our digitalization and innovation solutions every year by implement digital transformation programs. These Digital Transformation Programs aim to closely monitor the Group companies' competencies in digital transformation closely. The program also follows up on their digitalization efforts to observe and spread the resulting benefits across the Group. We invested TRY 880.1 million by allocating 169%\* more budget for digitalization, R&D and innovation.

We contributed to a total investment of TRY 141.4 million for the development and improvement of environmentally friendly products and services. In addition, we made a sustainability-oriented R&D and innovation investment worth TRY 480.4 million.

TRY Million	2022	2023
R&D and innovation investment for the development and improvement of environmentally friendly products and services	59.11	141.4
Sustainability-oriented R&D and innovation investments	63.7	480.4

R&D and Innovation Investments (TRY Million)



*\* It is the rate compared to the previous year.*

## BEST PRACTICES

## Digitalization and Innovation Initiatives

Migros has consolidated its brands Migros Sanal Market, Migros Hemen, Migros Ekstra, Macroonline, Tazedirekt, Migros Yemek and Mion brands under its new subsidiary called Migros One. Migros One Kitchen operation, which provides production and supply services to various kitchen brands of Migros under the roof of Migros One, has also started its activities. Migros One Kitchen delivers the products manufactured in its own kitchens through various food ordering platforms, including Migros Yemek. Moreover, products from Migros Deniz Market (Sea Store) and Migros Sanal Market, as well as fresh and hot meals, are delivered directly to the boats by the Deniz Üstü Bulut Mutfak (Floating Cloud Kitchen) service.

Migros took Migros Deniz Market to the next level by introducing Migros Sanal Market to enhance accessibility to its services further. Orders can be delivered directly to boats by pinning the location on the app or providing the name and location of the boat. At Migros Deniz Market, over 3,500 product varieties ranging from fruits, vegetables, meat and delicatessen items to fresh bread and ice are available for sale. Additionally, with the 'Deniz Üstü Bulut Mutfak' service, fresh and hot meal service is provided.

Paket Taxi, a subsidiary of Migros providing delivery services for online orders, expanded its operations to all 81 provinces as of 2023. In 2023, Paket Taxi, which expanded its fleet, continues to invest in new and efficient delivery models with the goal of increasing the number of electric vehicles in its fleet.

The company also developed the robotic-assisted product collector TARO for higher speed and efficiency in the product collection step of online sales operations. TARO can receive three orders at once and collect products of online orders five times quicker with no mistakes. In 2023, the number of stores using TARO to collect orders increased to 58.

The AI-Powered Shelf/Aisle and Product Recognition and Fruit-Vegetable Image Processing project that merges technology and the retail industry, identifies the products on shelves on a planogram and helps customers find the products they need when they arrive at the aisle. The system uses AI-powered image processing technology to identify products by on-shelf images. This helps find items or products misplaced in the store stocks or are not on the correct shelves to boost efficiency and preserve product freshness. Furthermore, in cooperation with BlindLook, Migros offers Türkiye's first visually impaired-friendly grocery shopping experience using voice simulation technology. With the Fraud Detection Application using Artificial Intelligence, anomalies occurring during payment steps in stores are identified through image-based artificial intelligence, eliminating manual control processes requiring human resources, and enabling tracking with a system based on operational data and artificial intelligence outputs.

MIGROS

## Garenta Academy

In order to both enhance customer satisfaction and improve corporate standardization, Garenta launched Garenta Academy, a digital infrastructure project designed to serve as a school. This initiative, implemented across its 80 offices nationwide, marked a pioneering step in the industry. The platform offers a variety of content, from interactive training sessions to presentations. The inaugural training sessions for the digital infrastructure project, named 'Garenta Academy', were completed with 441 participants. Additionally, newly hired personnel receive training as well. In 2023, the program, with one module completed, will be further enriched and expanded to encompass 5 different modules, reaching Garenta employees in 2024.

GARENTA

## AI Systems

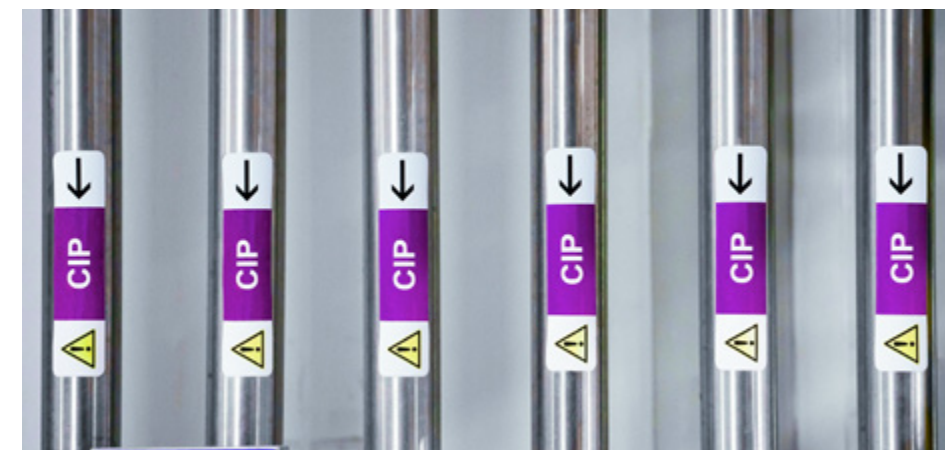
Anadolu Etap applies product-specific irrigation according to the needs of 8 different products in its farms, with artificial intelligence-supported and remote-controlled irrigation systems. The system aims to use water resources efficiently and properly to enhance productivity, reduce carbon emissions, boost product quality and reduce the rate of waste to contribute to sustainability. The application, operating based on integrated data collection from devices on the IoT and machine learning, consists of multiple layered systems. The multi-layer system processes data transferred from the smart sensors to make educated decisions based on data from the arable lands. The project uses irrometer sensors located at various depths in the soil to understand where the efficient roots located under the soil that provides us better irrigation and fertigation for the plants. This system determines the best time for irrigation and saves up to 20% in water. The project also aims to preserve and boost tree health and productivity through quality irrigation.

ANADOLU ETAP

## Digital Transformation

Digital Twin Product, which was launched by CCI in October 2020, enables the company to identify process performance problems and losses in production, time, or environmental sources to catch improvement opportunities and subsequently take improvement actions to reduce these losses. The project collects data on each process from the respective equipment and enables monitoring and analyzing of real-time process statuses across the entire CIP system, process system components, process steps and process parameters. Compared to the previous year, there was a decrease of 68% and 67% in water and electricity usage, respectively, in the Bursa and Izmir plants thanks to the Digital Twin Product.

Within the scope of Supply Chain Management, the integrated operation of processes is of critical importance in reducing operational costs, increasing efficiency, ensuring customer satisfaction and sustainability. The Connected Planning Industrialization Project initiated by CCI Türkiye aimed to digitize demand planning and production capacity planning processes under Supply Chain Management, utilizing AI-supported planning, production capacity optimization supported by mathematical algorithms, integration with the dealer product distribution system, version management and business intelligence integration. With the implementation of the product, speed was gained in demand planning cycles, a decrease from 9% to 2% in sales loss prevention (OoS) was achieved through increased planning consistency and improvements supported by financial data were made in on-time, in-full (OTIF) customer order fulfillment rates. Additionally, 10% improvement in demand forecasting consistency and 3% increase in sales volume were recorded.



COCA-COLA İÇECEK

## Entrepreneurship Ecosystem

We recognize the importance of encouraging innovative and high-value-added ideas and we support entrepreneurship through our internal resources. We act today to secure the Future of Business by integrating innovative ideas and thoughts into our business processes. We value our employees' insights and perspectives. Our intrapreneurial culture supports employee suggestions and contributions. Our open innovation approach ensures active employee participation in R&D and innovation processes and foster mutual information sharing.

Anadolu Group's intrapreneurship platform, Bi-Fikir has been reinforcing our corporate culture of creating innovative ideas and fostering continuous learning since 2015. Employees, either individually or in teams, share their innovative ideas on our platform or via our mobile application to create value. We evaluate submitted project ideas in terms of value, innovation and feasibility. We encourage employees to internalize work processes and consider areas for improvement.

Throughout Bi-Fikir's nine-year history, employees have generated more than 45,500 ideas on topics as diverse as new products, services or technologies, digital transformation, sustainability, efficiency, cost reduction, stakeholder satisfaction, occupational health and safety, motivation, communication and social responsibility. We used these projects to improve the processes and strategies of the Group companies and to increase

employee engagement. We have implemented 7,300 quick applications and 2,600 projects developed through our innovation program "Bi-Fikir". We have implemented approximately one in every five ideas submitted to the program, generating over TRY 1.2 billion in value over 9 years.

In 2019, we took a significant step forward by repositioning Bi-Fikir as an open innovation platform rather than just an intrapreneurship platform. We merged the Bi-Fikir innovation platform with Anadolu Group's campus brand, "Plan Your Career at Anadolu Group" (KAP). Through this collaboration, we have increased the value we create and expanded the reach of the project. Bi-Fikir KAP provides a supportive environment for university students' practical, innovative and feasible ideas with potential and we match suitable ideas collected through the platform with the Group companies. We support university students in achieving their dreams, realizing their ideas, contributing to their projects and producing prototypes. Those who succeed in the semi-finals are invited to the Anadolu Group Innovation Camp and mentoring process. We offer 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. In 2023, we collected 1,074 project suggestions from students in 180 universities through Bi-Fikir KAP.

### BEST PRACTICES

#### Innovation Day

CCI Innovation Day allows employees to share their projects/ideas to cultivate an innovation culture. CCI encourages new ideas that will positively impact groups and business operations within its organization. CCI made Innovation Day accessible to all CCI countries as of 2020 and CCI Azerbaijan digitally hosted the fourth Innovation Day. The organization received 104 projects and 462 new idea submissions. Separate Innovation Day selections organized locally in countries. Then, among the 12 finalists from 8 CCI countries and CCI Group office the three best CCI projects selected at the CCI One Innovation Day 2023. As in the previous year, the 15 idea teams who qualified for the finals during country selections invited to the Digital Innovation Camp Program.

Anadolu Group Bi-Fikir Festival, which awards the Group companies for innovation, organized the 2023 semi-finals with the top five projects. In the Digitalization & Efficiency Category / AI Supported Demand Planning (CCI Group Office) project represented CCI in the BFF 2023 final.

COCA-COLA İÇECEK

### Entrepreneurship Activities

**Corporate Innovation:** Anadolu Efes runs open innovation activities with startups, universities and suppliers to nurture innovation and technology. The company has been running intrapreneurship activities under Anadolu Efes Intrapreneurship Hub as part of its innovation approach since 2020. Established to spread the company's intrapreneurship culture and create value to its future, Anadolu Efes Intrapreneurship Hub has received over 350 applications and invested in totally 5 startups in Türkiye for 4 years. In 2023, Anadolu Efes expanded its intrapreneurship program to its Kazakhstan operation. It received a great interest in Kazakhstan and received 62 applications for its program. Anadolu Efes invested in 4 projects in total, 2 in Türkiye and 2 in Kazakhstan.

**Intrapreneurship Hub's Third Investment (Bluefind, Barleyco, 1 Hub and Vita Group):** Following the 2020 investment in Malty, which produces malt-based healthy snacks and the 2021 investment in Köpüürt, which works to develop beer culture, Neocortex received the investment in 2023. Neocortex is an Anadolu Efes intrapreneurship project that uses AI to analyze, within seconds, the photographs snapped onsite with mobile devices to verify the product availability, planogram accuracy, product freshness, field sales price and displays to report meaningful data. In 2023, 2 startups received investments in the intrapreneurship program. 2 investment decisions were made in the same way in Kazakhstan and this year 4 startups were eligible to proceed to commercialization. One of these startups was Bluefind, a software and hardware solution that enables companies to track their inventory with bluetooth technology. The second was BarleyCo, an initiative that produces sustainable packaging raw materials from barley straw. 1 hub and Vita Group received investment from Kazakhstan startups. 1 Hub was a start-up that aims to prevent inefficiency in these areas by transforming hotels, restaurants and bars contracted by Anadolu Efes into co-working spaces and to gain customers in unused time periods. Vita Group upcycles malt pulp from the brewery by drying it and transforming it into value-added products as mixed dried animal feed with various nutrients.

**Ecosystem Support Activities:** Anadolu Efes has been working to support external ventures since 2018. As before, Anadolu Efes gathered with entrepreneurs on different platforms in 2022 and continued to expand its social impact. The company continues to meet and support new entrepreneurs through the Big Bang Startup Challenge, organized by ITU Çekirdek. Anadolu Efes has been one of the primary sponsors of the event for six years and supports entrepreneurs with the Anadolu Efes Special Award at the event, which brings together the startups that have successfully completed the acceleration program of ITU Çekirdek with awards and investments. In 2023's winners were "ZGN Otonom", which develops solutions and applications to provide autonomous operation competence to vehicles with a focus on industrial transportation vehicles and "Rumitech", a sustainable energy system that stores hybrid energy from solar and wind and can operate independently from the grid.

For the past five years, Anadolu Efes has been supporting the Social Impact Award (SIA) carried out by Impact Hub Istanbul to encourage social entrepreneurs under 30. The company invested in 30 social startups over five years, enabling ten of them to join SIA Summit to promote internationally. In 2023, Anadolu Efes widened its entrepreneurial activities to its overseas operations Kazakhstan, Moldova and Georgia. The company launched sustainability-oriented programs with Start Path and Go Green programs in Kazakhstan and Georgia.

**Open Innovation—BrewFuture Sustainability Program:** In 2023, Anadolu Efes launched BrewFuture, its new open innovation program to find solutions on the path to its sustainability goals. Through BrewFuture, Anadolu Efes aims to realize sustainable and strategic collaborations with start-ups that offer solutions for the needs the company has identified to reach its goals faster. With the program, Anadolu Efes is particularly focusing on solutions in the areas of climate action, circular economy and agriculture. A total of 120 start-ups applied to the program. After the evaluation, 65 start-ups were selected to participate in the next step, deep dive interviews. In the next stage, the company aims to enable the selected start-ups to work closely with Anadolu Efes to test their products or services with pilot studies (PoC). In the pilot study phase, the company pays attention to the fact that the solutions were technologically based and create time and cost advantages. Anadolu Efes plans to start pilot studies in the first quarter of 2024 and to obtain the study outputs by the end of the second quarter.

## Entrepreneurship Ecosystem

Under its Migros Up program, Migros brings the specialists at Migros together with entrepreneurs on a shared innovation platform with the motto, "New Way of Innovation". These teams aim to add value to the entrepreneurial ecosystem in Türkiye by rapidly and efficiently generating innovative work and establishing strategic collaborations. In 2023, the Migros Up team evaluated nearly 218 ventures for new business opportunities. Two new ventures admitted in twelve joint innovation projects.

### Joint innovation projects carried out in 2023 include the following:

- KolajeM is a joint project implemented with Bugamed to produce collagen from the nonedible parts of meat and fish generated while preparing these products for sale. KolajeM Project won the first prize in the 'New Product & Service' category in the 9<sup>th</sup> Bi-Fikir Innovation Program of Anadolu Group.
- Dryers is a fruit/vegetable in-site drying machine developed by the Amanos initiative. With this project, it is aimed to dry the products that have lost their freshness in-store, preventing them from being thrown away. In addition, a waste heat system is used to reduce the amount of energy consumed in the drying process.
- WaMo, developed in collaboration with Hergele Mobility, is based on electric scooter technology to increase efficiency in product picking processes at Migros' distribution centres. With the use of WaMo, walking distance was reduced by 96% in warehouse product picking processes, resulting in an overall efficiency increase of up to 70%.
- Energy-efficient Target Tracking Approach (ETTA), a product that will monitor the energy consumption of stores on an hourly basis with its artificial intelligence-supported algorithm developed with Servis Soft initiative. The project won the Best Technology Application award at the 10<sup>th</sup> Retail Technology Conference organised by the Chain Stores Association.
- The 'Clean Up' system, developed in partnership with ERG Controls, uses IoT and image processing technology to monitor the hand hygiene activities of employees in the delicatessen and butchery departments 24 hours a day.

In 2023, Migros organized the Global Agriculture Hackathon with its global partners FAO (Food and Agriculture Organization of the United Nations) and EBRD (European Bank for Reconstruction and Development). Project owners from Egypt, Lebanon, Kenya, the United States and Türkiye applied to the Hackathon, where ideas and initiatives to answer the question 'How can farmers use technology more effectively in their daily lives?' and 8 initiatives continued the workshop phase.



## R&D Centers

R&D centers are essential to ensuring the sustainability and growth of the value we create in our industries. In these centers, we focus our efforts on generating knowledge and technologies that facilitate the development of industries in areas where they are regulated, enabling them to respond to rapidly changing global trends. Our aim is to lead change and increase the value we create by working closely with all stakeholders to develop products that meet consumer expectations, generate income, compete in the marketplace and adapt quickly to change. In today's world where the importance

of R&D, innovation and digitalization processes is increasing, the number of R&D centers in Türkiye has risen to 1,306. In this regard, we conduct various R&D activities at 6 R&D Centers of Group Companies; Anadolu Isuzu, Anadolu Motor, Migros, Anadolu Etap and Adel Kalemcilik with 638 R&D Center employees to fulfill the needs of their respective industries. As a Group, we invested a total of TRY 880,778,993 in our R&D centers. We increased R&D investments by 169% in 2023 compared to the previous year.

### BEST PRACTICES

- Anadolu Isuzu has been creating value-added in the automotive industry since 2009 with one of Türkiye's first accredited R&D centers. In these centers, Anadolu Isuzu upgraded from Enovia 2018x to Enovia 2022x to increase the efficiency of R&D product development, design release processes and to customize its digital PLM processes, which includes various objectives such as improving SAP & Enovia integration, improving ENOVIA design and publishing processes, optimizing publishing processes of R&D design results, optimizing PLM licensing, strengthening server infrastructure and improving Enovia user interface. As part of the SAP & Enovia integration, a special integration system was developed and the competence of internal resources was increased by adding it to the company's information pool. ENOVIA design and publishing processes have been improved, increasing the efficiency of design teams and enabling early detection of potential errors. By automating the publishing processes for R&D design output, the time taken to share data has been significantly reduced. In addition, by optimizing PLM licensing and strengthening the server infrastructure, program usage costs have been reduced and capacity and efficiency levels have been achieved to meet the growing needs of the organization. Enovia's user interface improvements have increased the efficiency of the R&D teams in the design and publication processes. Anadolu Isuzu's innovative approach continues to strengthen its leadership in the automotive industry by supporting the sustainable vision.
- As Türkiye's pioneer in achieving R&D center status in the food retail industry, Migros is at the forefront of developing next-generation retail practices through the strategic collaborations. The R&D initiatives are driving impactful advances, including cost education, sales and efficiency improvement, workforce optimization and digital innovation.
- Anadolu Motor granted R&D center status in 2018 with the approval of the Republic of Türkiye Ministry of Science, Industry and Technology. At its R&D center, Anadolu Motor works to design economical and innovative engines that will make life easier for farmers.
- Anadolu Etap pioneers the development of agriculture and agro-based industries through its two R&D centers in Mersin fruit processing plant and Balıkesir Tahirova Farm, respectively. These efforts aim to introduce Industry 4.0 and Agriculture 4.0 practices in Türkiye, with the aim of using water resources effectively by creating special irrigation regimes in agricultural areas.
- With its R&D center, Adel Kalemcilik aims to bring innovation to the industry and pioneer its transformation and development.

# Leading Brands for the Future

**Our ambition:** 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.

**Global trends:** Today, consumers make purchases not only based on products but also considering the values of brands and companies. According to the EY Future Consumer Index research, nearly half of consumers (46%) rely on technology to manage their daily lives. The increasing trust in technology and technological outputs is also shaping purchasing decisions and overall consumption. The research findings reveal that 46% of participants have used online grocery delivery services in the past three months, representing a 12% increase since June 2022.

According to the Euromonitor Consumer Trends Report, approximately 42% of consumers are satisfied with AI-powered digital assistants offering personal recommendations, showing a preference for AI-based chatbots and digital assistants for personalized recommendations and after-sales support.

Additionally, while approximately 57% of consumers want to change their purchasing behavior to contribute to the environment, 66% are willing to pay more for more sustainable brands.

**What we have done so far:** We work to ensure that our brands remain at the forefront of the industry. Our focus on innovation has led to initiatives that adapt to the evolving needs of our country. Collectively, these developments reflect a shared commitment to operational excellence, environmental sustainability and customer centricity across our industries.

The Group companies;

- focus on improving customer experience by developing our products and services according to customer demands and expectations,
- develop customer-oriented and user-friendly digital solutions,
- prioritize our customer satisfaction during the purchase and support customers' after-sales needs,
- are committed to responsible marketing and also evaluate all the advertising and marketing materials for the gender biases.

We have further cemented our commitment to excellence through the acquisition of prestigious awards, solidifying our brands' positions as leaders in their respective fields.

**FY23 summary of progress:** Together with our publicly listed Group companies, we continuously enhance our performance in sustainability to meet the needs and expectations of our customers. In this regard, we are listed on sustainability indices such as BIST Sustainability Indexes, Refinitiv, FTSE4Good, S&P, UNGC 100, MSCI and Bloomberg. We report on Climate Change and Water Security through the Carbon Disclosure Project (CDP).

Details of our progress in 2023 can be found in the 'Contribution to National and International Indices and Reporting' section.

## BEST PRACTICES

### Proeye

Anadolu Isuzu aims to maximize after-sales customer satisfaction through the ProEye Remote online support service. ProEye, an after-sales service enables service support personnel to connect with mobile phones or virtual reality goggles at domestic or international service points to provide on-point consultancy as if on-site and guides the service to an accelerated solution. In 2023, the company prioritized digital transformation projects in After-Sales Services and initialized numerous projects. ProEye continued to support distributors from close quarters in 2023 and included improvements for easier use. With the establishment of the SSH Technology Center in 2023, Anadolu Isuzu achieved faster and more accurate technical repairs compared to the methods used in the past. Remote technical support, remote training with active participation, technical solutions videos and guaranteed remote examination of parts introduced.

ANADOLU ISUZU

### Responsible Marketing Commitment

In line with industry best practice and its commitment to responsible marketing, CCI have raised the age threshold for children in its target audience from 12 to 13. The company's marketing efforts strictly avoid placement in media where more than 30% of the audience is under the age of 13. CCI committed to complying with local regulations and industry standards regarding children's advertising, ensuring that its marketing and communication efforts meet the highest ethical standards.



COCA-COLA İÇECEK

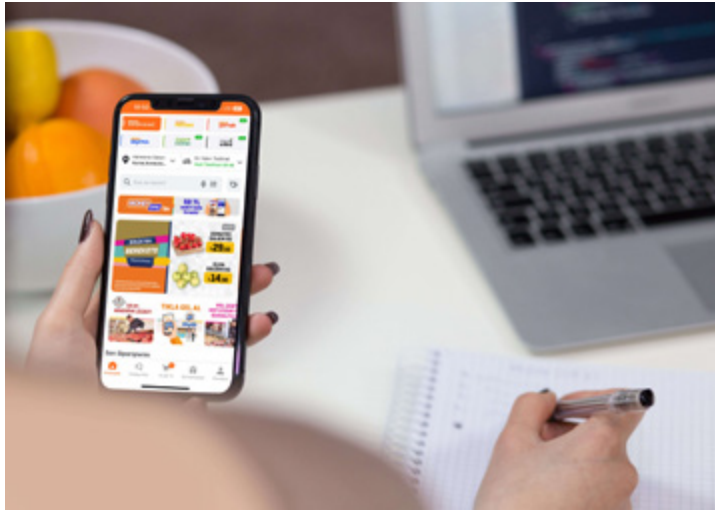
### Management Systems Standards

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.

COCA-COLA İÇECEK

## Customer Experience and Digitalization

Migros' retail business has been diligently refining its systems infrastructure to closely track the rapidly changing landscape of consumer habits and preferences, in line with the company's commitment to improving the customer experience. Launched in 2020, the Migros Interaction Platform Project integrates advanced technologies such as data analytics, AI and voice recognition into post-sales processes to improve efficiency for an unrivaled customer journey. In addition, Migros introduced the Customer Experience Score to measure satisfaction levels across the physical store network. Based on 339,393 surveys, the Customer Experience Score was a commendable 79.1 out of 100, reflecting Migros' ongoing efforts to prioritize customer satisfaction.



The customer service model includes responsive support through WhatsApp Business and e-commerce chatbot channels, ensuring that customer needs are addressed promptly. In addition, social media monitoring screens have proven to be instrumental in managing industry developments, leading posts and effectively responding to customer queries. In 2023 alone, 10 million pieces of content was monitored and analyzed, further cementing the commitment to staying attuned to customer needs and market trends.

MIGROS

## Customer Experience

Garenta, Türkiye's innovative car rental brand, offers short-term car rental services from 80 offices in 36 cities. Garenta increased its satisfaction rate to 95% as a result of a survey conducted with 70,000 customers raising its satisfaction score to 9.5 out of 10. To provide its customers with a perfect experience from top to bottom, Garenta develops its office designs with a customer focus, conducting renovations that prioritize comfort. As a result, Garenta offices, enhanced with modern, comfortable and stylish elements, are now welcoming customers. Garenta success in customer satisfaction, won the Booking.com Traveller Review Award due to the high customer satisfaction score of its Istanbul Airport office. Garenta also received the Customer Favourite Award from Rentalcars.com for its services provided at Nevşehir Airport office. In addition to these accolades, the brand has also won the "Car Rental Winner" award from Enuygun.

GARENTA

## Home Care and Health Services

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



ANADOLU MEDICAL CENTER

# Responsible Manufacturing for the Future

**Our ambition:** It is urgent for the future of business that every step of the supply and production process must be traceable and responsibly managed. We recognize 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.

**Global trends:** In supply chain management, product traceability ensures transparency and reliability by tracking the journey of products from their source to the consumer. To reduce complexity and increase efficiency in the supply chain, companies are adopting IoT (Internet of Things) technology. IoT provides greater visibility and control in industrial processes by enabling real-time tracking of products and materials. Through sensors, information such as the location of products, the temperature they are kept at and the conditions during transportation can be instantly obtained. This makes it easier to detect defective products and enhances customer satisfaction.

**What we have done so far:** We prioritize our suppliers' compliance with established environmental and social standards. Furthermore, we support their growth in environmental, social and governance areas. We are eager to maintain the standards in the supply chain and expand responsible products and services. We contribute to a responsible value chain today to build a better future. Whilst AG Anadolu Grubu Holding selecting the suppliers, environmental criteria are also considered.

The Group companies;

- invest in environmentally friendly, low-carbon products and services,
- support the healthy lifestyles of our customers with our private label products,
- improve our distribution and logistics systems in a sustainable way,
- automatize and digitalize our own manufacturing

- operations, supply chain monitoring and management systems,
- provide responsible and sustainable supplier guidance principles and policies to our suppliers and monitor and audit their compliance during supplier selection and for continuing business relationships,
- support our suppliers with training and programs to develop in environmental, social and governance issues.

Within the framework of the strategy, we support transparency and traceability in the supply chain within the scope of anti-corruption, product safety, environmental footprint and social impact in order to achieve a more sustainable future.

We aim to;

- raise awareness of transparency and traceability throughout our entire supply chain,
- determine a common scope for the traceability of products and services,
- establish principles and appropriate processes that will support the measurable and transparent environmental and social dimensions of products and services,
- adopt the necessary technologies throughout the entire value chain from source to consumer for the traceability of products and services,
- improve opportunities for cooperation in the supply chain.

**FY23 summary of progress:** The Group companies, which constitute 90% of turnover, conduct routine audits on their suppliers. They expect suppliers who do not meet supplier principles in any aspect to take corrective actions. If suppliers fail to comply with the requirements and rectify the non-conformities, sanctions such as termination of commercial relationships or contract termination are applied.

In 2023, we organized ethics and social compliance supplier training courses on ethics, legal requirements on social matters, working conditions, forced labor and child labor, occupational health and safety and environmental management. We provided a total of 3,804 hours of training to suppliers.

## Responsible Products and Services

We understand the responsibility that span the entire value chain from supply to the end user. We aim to create long-term value for all our stakeholders and within our value chain. Subsequently, we strive to sustainably manage our environmental and social impacts throughout our value chain and set related goals. We ensure that our entire value chain is traceable and auditable aligning with our principles of responsible production. Primarily, we focus on our own goods and services to improve quality and sustainability positioning ourselves as an exemplary company for our suppliers. Our goods and services,

which align with the evolving dynamics of the world, generate added value in society. We focus on enhancing that value and expanding our portfolio of responsible goods and services. We encourage the transformation of our brands within the framework of sustainability prioritizing the environmental and social impacts of the products and services we produce. Accordingly, we conduct periodic inspections on product safety and quality adhering to the quality standards we follow and we comply with international standards in our production. Our plants are ISO 9001 certified.

### BEST PRACTICES

#### BIG.e Supports Micro-mobility

Anadolu Isuzu invests in commercial vehicle micro-mobility by manufacturing midibuses, buses and trucks. Developed and manufactured in Türkiye by the R&D and innovation departments of Anadolu Isuzu, the electric vehicle BIG.e designed for last-kilometer transportation, particularly in big cities. The high-performance, zero-emission, and 100% electric minivan BIG.e, developed from domestic sources and know-how in Türkiye, boasts a spacious interior volume and transportation capacity. With its modern design, practical features and safe, economical character, BIG.e, planned to be released by the end of 2024, is expected to achieve great success in the market.



ANADOLU ISUZU

#### Develops Electric Buses

Anadolu Isuzu aims to promote the use of low-emission vehicles in bus transportation, while also striving to create livable and cleaner cities by reducing the increasing air pollution in urban areas. Anadolu Isuzu continues to develop and manufacture alternative fuel vehicles in line with its sustainable environment strategies. In 2021, the company completed the first export of the electric low-clearance urban public transportation vehicle Novociti Volt and continued to deliver too many European countries. Anadolu Isuzu received two awards for NovoCiti Volt at the German Design Awards, one of the world's most prestigious organizations. The innovative electric transportation solution BIG.e received the "German Design Awards Gold 2023", while the 100% electric midibus Isuzu NovoCiti Volt merited the "German Design Awards Winner 2023".

Anadolu Isuzu's new 12-meter bus Isuzu CitiVolt draws attention with its stylish design that offers fully electric driving and zero emissions. In addition to its state-of-the-art features, rich equipment and the advantage of being emission-free, CitiVolt provides enhanced performance thanks to its powerful electric motor. CitiVolt was awarded first place in the 'Safety' category at Busworld Belgium, the world's most prestigious Bus fair. Its first international delivery took place in Denmark in 2023. CitiVolt stands out in competition for operators with its low operating costs and maximum efficiency advantages, offering a range of up to 480 km with its 450 kWh battery capacity. The Isuzu Kendo CNG delivers low emissions and fuel efficiency with its fully biogas-compatible CNG engine. Developing projects to spread the use of alternative fuels, Anadolu Isuzu also works to set an example in the industry for the expertise it generates.

ANADOLU ISUZU

#### M Life's Healthy Lifestyle Products

Migros responds to the rapid global spread of healthy lifestyle trends and changing customer demands by designing products that support a healthy lifestyle, which brought together under the brand name M Life. M Life gathers organic, low-calorie and gluten free healthy products under a roof for easy access. In 2023, M Life expanded its product portfolio to 58 items. M Life currently offers over 100 types of fruits and vegetables. 48% of M Life products have ECAS organic certification.

MIGROS

#### Life Cycle Assessment

Migros conducts life cycle assessments (LCAs) for products equivalent to 22% of its private label product trade, measuring the carbon emissions they cause. Accordingly, in 2023, the carbon emissions resulting from the sales of 131 products from the food, non-food and Expert Butcher categories were calculated as 170,168 tCO<sub>2e</sub>.

MIGROS

#### TÜBİTAK Technology and Innovation Funding Programs Directorate Project

Anadolu Motor continues to improve and expand its product portfolio in response to user requirements. At the conclusion of the TÜBİTAK Technology and Innovation Funding Programs Directorate (TEYDEB) project, Anadolu Motor designed and produced Türkiye's first Stage V engine. This initiative aimed at improving the emission levels of diesel engines to comply with the Stage V emission standards adopted within the framework of European Union compliance efforts and received its first certification.

ANADOLU MOTOR



## Responsible Supply Chain

A sustainable supply chain is important for improving environmental and social impacts as well as for long-term business success. We work with a vast network of suppliers in the countries where we do business. We identify weak links and potential issues throughout our supply chain. To minimize all risks, we collaborate with over 30,000 suppliers, 83% of whom are local. We position our suppliers as business partners in our wide operational network, through which we contribute to local development and the economy.

As part of our sustainability strategy and practices, we take responsibility for monitoring all links in our value chain, tracking our goals and maintaining our operations responsibly. We adopt a superior supplier management approach for operational excellence and consider our supply chain within our sustainability impact area. We identify critical suppliers to optimize our supply chain, enhancing efficiency and improving the quality process for our company and stakeholders. We aim to ensure that our suppliers fulfill their sustainability responsibilities and strive to reduce environmental and social impacts through these efforts.

Working in harmony with our suppliers in accordance with our business ethics and values is important to us. We evaluate the products and services we need considering their quality and sustainability beyond financial criteria in line with Anadolu Group's business values. In compliance with [AG Anadolu Grubu Holding Code of Business Ethics and Non-Compliance Notification Regulation \("Code of Business Ethics"\)](#), we require our suppliers to formally declare their commitment to these principles by signing a contract and we obtain a declaration of compliance with our Code of Business Ethics. The AG Anadolu Grubu

Holding Procurement Procedure includes compliance with the Code of Business Ethics under the Supplier Identification and Selection Criteria. We also monitor the environmental and social compliance criteria of some of the Group companies; we expect our suppliers to have ISO 14001 certification and we track their performance on issues such as emissions, energy, water and waste, which have environmental impacts. We are working to spread this practice across other Group companies in the upcoming periods. We take corrective actions with suppliers who do not meet our established criteria and we terminate our business relationships with suppliers who cannot achieve the necessary progress.

We apply contract purchasing models tailored to industry priorities and supplier needs, signing long-term contracts with specific suppliers. Group companies, particularly those involved in the procurement of agricultural products and services, aim to contribute to the development of rural life by engaging in contract procurement and supporting the advancement of regional agriculture.

We expect our suppliers to comply with the following areas:

- United Nations Guiding Principles on Business and Human Rights,
- ILO Declaration on Fundamental Principles and Rights at Work,
- Human Rights Compliance,
- Anti-Bribery and Anti-Corruption,
- Employee Health and Safety,
- Environmental Conservation and Natural Resource Protection.

## BEST PRACTICES

### Supplier Guiding Principles (SGP)

CCI requires its suppliers to comply with the Supplier Guiding Principles (SGP), which define the minimum environmental, social, economic, ethical and governance conditions expected from them and conducts audits within the scope of SGP compliance. The SGP covers various subjects, including child labor, forced labor, abuse, freedom of association, right to collective bargaining and discrimination. The company delivers a copy of the SGP to the suppliers once their working relations are live and it expects these principles to communicate to other stakeholders with particular urgency on employees. It attaches the SGP Policy to supplier contracts when necessary, develops company business processes to encourage compliance



with the SGP requirements and expects suppliers to implement them. It expects suppliers who fail to meet SGP requirements from any perspective to take corrective measures. Should the supplier fail to abide by the principles, CCI initiates sanctions that include contract termination. Furthermore, CCI requires suppliers to sign the "CCI Supplier Code of Business Conduct" in full commitment to the law and the CCI principles. CCI successfully completed 14 SGP audits conducted in 7 CCI countries in the year 2023. Additionally, the supplier success rate involved in SGP audits reached 86% in 2023.

COCA-COLA İÇECEK

### 10x20x30 Project

Migros is the first Türkiye-based retailer to join the global 10x20x30 project organized by the World Resources Institute (WRI) and followed by the Consumer Goods Forum (CGF). Within the project's scope, compliant with UN SDG 12.3, Migros aims to reduce food loss and waste stemming from its operations by 50%. Migros is participating the program with its 26 volunteer suppliers and the communication, training programs and feedback on reporting and food waste reduction are provided to suppliers within the program.

As a stakeholder of Migros invited Group company, CCI to join the supplier network and had the opportunity to participate in the WRI project 10x20x30 to prevent food loss and waste. All members of the initiative, led by the 10 leading global retail and food supply companies, invited their suppliers to develop an effective solution across the entire value chain.

To achieve the goal of reducing food loss and waste by 50% by 2030, CCI initiated the 10x20x30 initiative to reduce operational food waste in Group Office and plants in Türkiye, along with a communication series explaining food waste and loss levels in CCI. Stickers were placed around the canteens to raise awareness and change behaviors. A promotional video was recorded with CCI's 10x20x30 representatives and shared with employees through CCI's social media accounts and internal channels. As a result of these efforts, a reduction equivalent to 29% compared to the same period in 2022, amounting to 3.25 tons of food waste, was achieved by September 2023. Per capita food waste also decreased by 35% from 15 kilograms to 9.7 kilograms during the same period.

MIGROS & COCA-COLA İÇECEK



## Principles for Sustainable Agriculture (PSA)

CCI believes that sustainable sourcing is only possible by purchasing from suppliers who meet TCCC approved criteria. TCCC formulated the PSA not only to regulate accessibility, quality and safety in agriculture but also to enhance the well-being of communities engaged in farming, aiming to increase their welfare level. TCCC's sustainable agriculture approach based on implementing responsible management, protecting the environment and defending and supporting human and workplace rights in farming. Compliance with the PSA acknowledged in compliance with Bonsucro, the Rainforest Alliance, the Sustainable Agriculture Initiative (SAI), Fairtrade International (Fairtrade Labelling Organizations International e.V.) and other equivalent international third-party standards. In 2023, 42,177 tons of sustainably certified sugar were purchased, showing a 50.4% increase in the sustainable sugar procurement rate compared to the previous year.



COCA-COLA İÇECEK

## Supplier Audits

Migros subjects supplier candidates to pre-audits through questionnaires on quality control criteria, ethics, social and environmental issues, making collaboration decisions based on the results of these audits. Supplier companies undergo independent audits on 473 criteria, covering corporate policies, international food safety, ethics, social and environmental working standards, accompanied by external audit organizations. Migros identifies suppliers responsible for 80% of its turnover as critical suppliers. Audits commence with product safety audits according to the international 'IFS Food Global Market' and 'IFS HPC Global Market' programs on the first day and conclude with ethical, social and environmental audits based on the international 'GC Ethical Compliance' standard on the second day.

MİGROS

## Supplier Academy

As part of its localization strategy, Migros organizes periodic and free online training programs on product safety to contribute to developing SME-level local suppliers who would like to sell their products in Migros stores. This training covers many safe production topics for local suppliers, from legal regulations to labeling information, infrastructure conditions, personnel hygiene and traceability practices. In 2023, Migros Supplier Academy trained 1,218 suppliers on product safety, employee rights, anti-bribery, environmental responsibility and ethics.

MİGROS

## Environmental Supply Chain Management

Accompanied by independent external auditing firms, Migros carries out routine audits of its 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, Migros terminates the commercial relationship based on the assessment made. Company also assesses its suppliers regarding the environmental issues such as water consumption, waste management, energy use and resource use.

As an example, according to the WRI Aqueduct Water Risk Atlas, it has been identified that 79% of Migros suppliers are located in water-stressed areas. Accordingly, in 2023, suppliers were supported with training to manage water risk and actions taken against water risk were monitored during audits. None of the cotton, soy and palm oil products from critical suppliers were sourced from water-stressed regions.



MİGROS

## Ensures Supplier Compliance with the Environmental Actions

Anadolu Isuzu uses an EMS Portal where climate change-related questions uploaded to look into and take precautions against the environmental activities of suppliers. The EMS system is a data collection platform to share environmental data and it is accessible to suppliers. Within this scope, the portal collects data on wastewater discharging licenses; hazardous waste temporary storage permits; emission permits; ISO 14001, ISO 50001 and ISO 14064 certificates; and data concerning EMSs such as electricity, water and raw material consumption. The monitoring schemes and verification of greenhouse gas emissions based on access to this portal ensure supplier compliance with environmental and social criteria.

Anadolu Isuzu considers numerous criteria when selecting its suppliers, following an objective and lean approach. The compliance of suppliers with quality and operational standards is monitored annually through comprehensive audits. In 2023, Production Site and System Assessments (SQA) were conducted with 105 suppliers in accordance with the Isuzu Supplier Quality Requirements Standard. As a result of detailed evaluations, it was found that 37% of the relevant suppliers have an Environmental Management System. When exemptions are excluded according to regulations, 37 suppliers have wastewater discharge permits, 24 suppliers have hazardous waste disposal areas and 19 suppliers have emission permits.

ANADOLU ISUZU

# Inclusiveness for the Future

**Our ambition:** We are aware of the major role that today's business world plays in local socio-economic 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 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.

**Global trends:** As inequalities rise worldwide, diversity and inclusion are becoming increasingly important in many areas. In today's world, where technological advancements and digitalization are accelerating, alongside economic and social inequalities, technological inclusion and equality of opportunity in education are among the prominent issues. Companies as well as governments have significant roles to play in supporting disadvantaged groups in these areas.

**What we have done so far:** We touch the lives of all our stakeholders by developing projects that contribute to society. As part of our efforts to support diverse communities, we have implemented initiatives to improve accessibility for customers with disabilities and the elderly. This includes both in-store accommodations

and enhancements to our online platforms to assist the visually impaired. We are also working to provide educational support to children, particularly those whose parents work in seasonal industries. Our business model prioritizes sustainability, ensuring a consistent supply chain while promoting environmentally friendly practices and safeguarding the livelihoods of our stakeholders. Looking ahead, we remain focused on creating value that benefits society as a whole and fostering engagement with underprivileged stakeholders.

**FY23 summary of progress:** Approaching all our employees and customers with the same value, equally and inclusively was one of our highest priorities in 2023. Since 2017, we have launched the Accessible Stores project to provide priority service to customers with disabilities and elderly customers.

We continued to support the children of seasonal migrant workers, who are deprived of healthy living conditions and whose education is disrupted when they move to different work destinations. We also continued our relief and support efforts to help of our country recover following the earthquake disaster that struck 11 provinces in February on 8 March, International Women's Day.

## BEST PRACTICES

### Contract Procurement Model

Anadolu Efes views farmers as its business partners and provide them with information on current agricultural practices while encouraging planned and efficient farming through their contracted purchase model, which empowers them financially. Based on the amount the company is committed to purchase, their contracted purchase model provides their farmers with security when planning their production, even under unpredictable conditions. This system ensures continuity in the supply chain and guarantees an income for farmers.

ANADOLU EFES

### Accessible Store

Migros launched the Accessible Migros project in 2017 to provide priority service to customers with disabilities and senior customers. As of 2023, there are 275 Migros and Macrocenter stores transformed in line with the "Accessible Store" concept in 45 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 and disabled customers if required

As part of the project, the Migros Sanal Market mobile application was updated to full compatibility with screen readers for the visually impaired customers. Furthermore, the Migros Sanal Market website and mobile application rendered accessible for the visually impaired thanks to the voice simulation technology implemented in cooperation with BlindLook.



MIGROS



### Children of Seasonal Agricultural Workers (MiÇO)

Thousands of families in Türkiye migrate to different regions nationwide to find jobs as seasonal workers. Migrant seasonal workers account for a substantial portion of Türkiye's agricultural workforce. However, they deprived of healthy living conditions and their children's education disrupted as they relocate to different working destinations. Anadolu Etap's social responsibility project, MiÇO, helped 2,400 children realize their dreams since 2015. Anadolu Etap was the first agriculture company to provide free and continuous education to the children of seasonal agricultural workers who had to migrate with their parents. The company opened classes at its farms for various courses to contribute to children's education and development.

ANADOLU ETAP

# Integrated Governance for the Future

**Our ambition:** Today, corporations' ability to adapt to a fast-changing world depends primarily on adopting a strong governance approach. We embrace integrated governance approach in our principle of business 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.

**Global trends:** Governance structures, transparency and sustainability governance are crucial for ensuring that companies operate responsibly and sustainably. These aspects help in building trust with stakeholders, managing risks and creating long-term value. In 2023, ISSB released its first two sustainability disclosure standards S1 and S2; and Türkiye adopted these standards as TSRS S1 and S2, which emphasize the importance of governance and risk management in the context of sustainability reporting. Companies are expected to disclose information about their governance structures and processes, particularly as they relate to sustainability-related risks and opportunities. This includes the role of the highest governance body and management's role in assessing and managing these risks and opportunities. Additionally, it is expected that board members will be monitored with sustainability-related KPIs, sustainability committees will be established and reports will include all operations with full transparency. Combatting corruption, implementing transparency measures, developing anti-corruption strategies and strengthening institutions to uphold integrity continue to be priorities.

In addition to current sustainability standards, global sustainability indices, which many investors use to make informed decisions about where to allocate their funds, evaluate the governance of companies in detail. The governance performance of companies listed on the BIST Sustainability Indexes, is assessed based on various criteria, such as board structure and composition, shareholder rights, disclosure and transparency.

**What we have done so far:** The highest level of management in our organization is the Board of Directors. Pursuant to Corporate Governance Principles, the minimum number of independent members on our 12-seat Board of Directors must be four. One of our board members is a woman. The Anadolu Group Board of Directors aims to maintain a minimum rate of 25% female members. We track our progress toward this goal within the framework of the [AG Anadolu Grubu Holding Board of Directors Policy on Diversity](#). 📄

Board members may be re-elected during the general assembly and there are no privileged voting rights. Elections for the Board of Directors are determined by the majority vote of those present and are held periodically.

The Board of Directors holds the final authority in defining and executing the business strategy considering sustainability priorities. The Board of Directors defines and monitors strategies, targets and audits harmonization and performance comprehensively for Anadolu Group and its companies. The Audit Committee, Committee for Early Detection of Risks, Corporate Governance Committee and Board of Directors Sustainability Committee (recently established by the decision of the Board of Directors dated 18 April, 2024) together with the Sustainability Steering Committee (formerly known as the Sustainability Committee) assist the Board of Directors in fulfilling its duties and responsibilities. The Corporate Governance Committee also performs the duties of the Nomination and Remuneration Committees in accordance with Corporate Governance Principles. The functions of the Chairman of the Board and Chief Executive Officer are exercised by different individuals. Members of the Corporate Governance Committee who also act as the Nomination Committee, do not have executive duties.



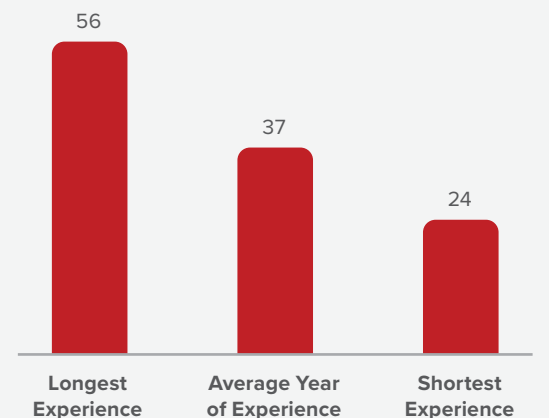
Committees of the Board of Directors	Rate of Non-Executive Managers	Rate of Independent Members in the Committee	Number of Physical Meetings by the Committee	Committee Members' Meeting Participation Rate	Number of Reports on Committee Activities Submitted to the Board
Audit Committee	100%	100%	4	100%	4
Committee for Early Detection of Risks	100%	33%	6	100%	6
Corporate Governance Committee	100%	50%	4	100%	4
Board of Directors Sustainability Committee*	100%	33%	N/A	N/A	N/A
Sustainability Steering Committee	0%	0%	2	100%	2

\*Recently established by the decision of the Board of Directors dated 18 April, 2024 and numbered 20.

## Anadolu Group Board of Directors\*\* Experience Composition Table

Working Area Related to Competencies	Number of Board Directors
Strategy	12
Risk Management & Internal Audit	10
Economy & Finance	11
Sales, Marketing & Trade	8
Management Sciences & Human Resources	10
Humanitarian Sciences	5
Sustainability	5

## Anadolu Group Board of Directors' \*\*\* Experience Level in Years



\*\* Anadolu Group's Board of Directors consist of 12 members.

\*\*\* There are the same Board Members as in 2022, only 1 member has changed. This change was announced on Public Disclosure Platform (KAP).

## Internal Control and Internal Audit

### Internal Control

The internal control systems of AG Anadolu Grubu Holding monitored principally by the Chief Financial Officer and the CEO, as well as the Audit Committee. The internal control system aims to safeguard the company's assets, effectively and efficiently manage the operations in compliance with the law, legislations, internal policies, procedures and general practices and ensure the security, integrity and reliability of the financial and operational reporting system.

The Audit Reports prepared by the Audit Presidency are considered one of the most primary sources for the Audit Committee, which consists entirely of independent members to evaluate the effectiveness of the internal control activities. The Audit Committee shares the recommendations based on the findings of the Audit Report with the Board of Directors. The Audit Committee also evaluates ad hoc reports requested by the senior management and Ethics case reports submitted. Audit Committee shares its opinions and evaluations regarding due precautions to be taken to the Board of Directors.

The internal control review includes all routine audits, business processes providing the reliability of financial and operational reporting, activities ensuring asset protection, practices adherence to both laws and internal regulations and the efficiency and effectiveness of operations. The Audit Committee evaluates ethics and corruption risks within the scope of internal control activities and ensure proper compliance and internal control systems developed in this respect.

### Internal Audit

Internal Audit Functions established in AGHOL and

the Group companies, and internal audit activities are conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, which is published by the Institute of Internal Auditors (IIA). To ensure objectivity and independency of internal audit activities, these functions report to the Audit Committee, which consists of two independent board members, and audit activity results including significant risk and control issues, fraud risks, governance issues are periodically shared with the committee members.

The internal audit activities' purpose, authority and responsibilities, working method and organizational structure defined in the Internal Audit Charter. Overseeing the Internal Audit Department and approving the Internal Audit Charter are among the responsibilities of the Audit Committee.

The audit engagements provide assurance to all stakeholders regarding internal controls, risk management, corporate governance, legal obligations and compliance with corporate policies as well as process audits support operational efficiency and effectiveness in the Group Companies. Every year, operational and financial scope to be audited are determined using a risk-based planning methodology and the Audit Committees approve the plans.

The audits' observations regularly are reported to senior management and Audit Committees along with the company management's actions. The Audit Committees regularly monitor the implementation of the actions and escalate essential matters to the Board of Directors' agenda.

AGHOL's Ethics Committee reports to Anadolu Group CEO and is responsible for all processes related to the Code of Business Ethics. The Ethics Committee's primary objective is to make a robust 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 cases to the Code of Business Ethics can be reported to Anadolu Group Ethics Hotline through various channels. All stakeholders can report, anonymously if they so prefer, 24/7 through various communication channels such as our e-mail address [anadolugrubu@speak-hub.com](mailto:anadolugrubu@speak-hub.com), phone line 0212 401 30 66 and our website <https://www.speak-hub.com/>. Group companies also provide English, Arabic and Russian language support in addition to Turkish. The Ethics Committee is responsible for evaluating and investigating of the notifications, taking corrective measures in case the non-compliance is verified and determination of necessary penalties for those who

### Anti-Bribery and Anti-Corruption

At Anadolu Group, under any condition, it is prohibited to receive or offer bribes and to involve in corruption. 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 laws and regulations.

### Protection of Personal Data

 **The 2024 Global Risks Report** by the WEF states that technological risks are increasing in the medium and long term and cyber insecurity is a major global threat. As digitalization escalated during the pandemic, cyberattacks have become more aggressive and large-scale. As AG Anadolu Grubu Holding, we follow the regulations in effect while processing the personal data of our employees. We take all necessary administrative and technical precautions against cyber risks and for the security of personal data. It is a priority for us to protect the privacy of all stakeholder data.

violate the Code of Business Ethics. During its meetings, the Ethics Committee makes decisions and takes actions based on the non-compliance notifications it receives and evaluates the annual reports sent by the Ethics Committees of Anadolu Group and companies. In 2023, AG Anadolu Grubu Holding received no notifications regarding code of business ethics violations.

In 2023, 26,642 person\*hours of training provided to encourage the employees of Anadolu Group and companies to comply with ethical principles and raise awareness on this subject. There are no environmental or social non-compliance cases across AG Anadolu Grubu Holding. Thus, no sanctions applied to this cause. We scheduled and set off company visits to determine the consciousness level of employees' regarding ethics and to learn general information about ethical processes. These visits also included a briefing on the Group-wide ethics survey planned to be applied and reporting on the best practices, awareness level, and information to gain from the Group companies.

As Anadolu Group, we progressively set new targets to cultivate corporate culture and instill awareness among stakeholders regarding the fight against bribery and corruption. We also organize stakeholder training to raise awareness. As Anadolu Group, we organized 24,585 person\*hours of anti-bribery and anti-corruption training in 2023.

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

1. We determine PPD maturity levels to enforce technical and administrative precautions as part of our harmonization with the LPPD.

## Code of Business Ethics and Compliance

As a reliable, ethical and responsible Group, we take "adopting a fair and equitable approach" as a corporate value. The Code of Business Ethics provides guidelines for enhancing transparency in stakeholder relations, supporting compliance with working principles and notifying the authorities of non-compliance. We expect all our product and service suppliers to adhere our Code of Business Ethics and include the Code of Business Ethics in our contracts.



2. AGHOL PPD Committee organizes awareness training programs for AGHOL employees. As for employees at the Group companies, the PPD Committee at each respective company organizes awareness training.
3. We disclose our LPPD Policies when first engaging in business and starting employment.
4. Accordingly, we took actions in the context of express consent; data processing conditions management; disclosure obligation management; audit management; data sharing management; PPD training management; personal data storage management; deletion, elimination, or anonymization processes; data subject application management; personal data inventory

management; VERBİS application management; and personal data security management.

5. We have a mandatory cybersecurity awareness program in place for all employees. The program periodically reported to the senior management, including online and offline training courses, awareness posters on display at workplaces, corporate social network groups and e-mail notices on phishing, travel security, URL security, e-mail security and physical security.
6. We also organize LPPD inspections as required by the Internal Audit Department.



## International Sanctions

AG Anadolu Grubu Holding is diligent in adherence to regulations regarding the economic and commercial sanctions imposed by foreign countries and international authorities and is not transacting with parties included in the lists of sanctioned individuals/entities. To this end,

with the aim of ensuring that our employees comply with rules and regulations regarding sanctions in their activities and making it a routine part of their work, we published a **Sanctions Compliance Policy** across the Group in January 2023.

## Risk Management

The World Economic Forum's (WEF) [2024 Global Risks Report](#) identifies misinformation, disinformation, extreme weather events, societal polarization, cyber insecurity and interstate armed conflict as the top risks in the two-year (short) term. 5 out of 10 risks identified in the 10-year (long) term are related to environmental risks, including extreme weather events, critical changes in earth systems, biodiversity loss and ecosystem collapse, natural resource scarcity, and pollution. As global risks induce ambiguity, managing financial and non-financial risks and opportunities from an integrated perspective

gained importance. With this awareness as Anadolu Group, we reviewed our risks and addressed the risks we identified from an integrated perspective. 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 take advantage of opportunities. As we are active in different industries and regions, while determining the risks we adopt a comprehensive risk approach. The Financial Affairs Presidency is responsible for

coordinating the risk management process. The senior management on this matter is the CEO. Anadolu Group Financial Affairs Presidency defines existing and possible risks against AGHOL throughout the risk management process. Additionally, it develops actions to minimize the defined risks and ensures risk management by monitoring these actions. Anadolu Group CEO actively participates in the Committee for Early Detection of Risks.

AGHOL and the Group companies conduct risk management processes under the ISO 31000 Risk Management standards. Our risk assessment and prioritization activities start at the smallest units of AGHOL and expand to include the Group companies. Each Group company employs a person responsible for risk management coordination and AGHOL senior management directly guides the coordination. The Group companies assess; financial, operational, strategic and other risks in their strategic planning processes. Once they determine their material risks, they formulate a risk map, follow action plans to manage them and integrate investment decisions into their strategic business plans.

We annually update the risk inventories for AGHOL and the Group companies following global and national developments and new regulations. We consult with various units' managers, including Finance, Audit, Legal, Information Technologies, Human Resources, Corporate Affairs, Communications and Sustainability, on their risk assessments before preparing the updated Anadolu Group risk map. We analyze the primary risks and develop 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 company risk scenarios.

During our year-round Committee for Early Detection of Risks meetings, we organize briefings on sustainability developments in the environment, society and governance, now with expanded content. Likewise, we also include emerging risks in the inventory, considering the risk surveys and assessments conducted both domestically and abroad. Climate change, included in our risk inventory since 2023, 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 combating against climate change fails. Then, we regularly monitor international agreements such as the European Green Deal and the Paris Climate Agreement. We prepare 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 managing 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 economic consequences of likely risks. On the other hand, we are closely following the Group companies in evaluating the escalating commodity risks triggered by global economic issues.

While performing risk analysis, we considered the industries of AGHOL and Group companies separately and considered the industry-based risks of indices as well as the 2023 Global Risks Report. After determining the risks, we may face as Anadolu Group, we evaluated our risks with double materiality perspective. In the analysis, we consider impact materiality and financial materiality for each risk; in terms of impact materiality, we evaluated the scale, scope and irremediability and in financial materiality, we evaluated the financial impact. After including the likelihood of the risks in the analysis, we planned the measures that could be taken against the risks and evaluated the opportunities we might encounter. You can see the table detailing our work below.

# Risk Identification

STRATEGIC PILLARS	VALUE AREAS	RISK CATEGORY	RISK DEFINITION	MATURITY	LIKELIHOOD	ESG IMPACT OF THE RISK	FINANCIAL IMPACT OF THE RISK	RISK MITIGATION PLANS AND ACTIONS	OPPORTUNITY AREAS
THE FUTURE OF NATURE	Net-Zero for the Future	Climate Crisis and Environment	Includes risks such as energy crisis, product safety, natural resource depletion that may arise from the climate crisis, as well as the negative effects of environmental risks on operations and business continuity such as waste and pollution (air, water and soil).	5+ Long-term	Medium	Significant	Low	<ul style="list-style-type: none"> <li>Taking actions in line with sustainability, green transformation and net zero targets</li> <li>Compliance with the circular economy and green transformation policies of our country and other geographies where we do business</li> </ul>	<ul style="list-style-type: none"> <li>The benefits of early adaptation to circular economy and green transformation trends</li> </ul>
		Natural Disasters	Includes the negative effects that risks arising from natural disasters such as fire, earthquake and flood may have on business continuity and occupational health and safety.	5+ Long-term	Medium	Significant	Medium	<ul style="list-style-type: none"> <li>Preparing disaster action plans and increasing institutional capacity, increasing the number of awareness trainings and drills</li> <li>Developing risk management strategies for natural disasters</li> <li>Getting fire consultancy</li> </ul>	<ul style="list-style-type: none"> <li>Providing services/benefits to the society by ensuring that business continuity is not interrupted during the disaster period, creating a positive brand perception and keeping operational losses at the minimum for companies/brands</li> </ul>
THE FUTURE OF BUSINESS	Digitalization and Innovation for the Future	Cyber Security, Digitalization and Technology	Includes risks arising from critical data loss, cyber attacks, use of new generation technology (AI, IoT, etc.), difficulty in finding human resources and technology suppliers in the field of information technologies and possible risks of data leakage, unauthorized access to information and system interruption to business continuity, loss of reputation and profitability.	0-1 Short-term	Low	Medium	Low	<ul style="list-style-type: none"> <li>Development of Information Security Organization and policies throughout the group</li> <li>Evaluating the cyber security maturity of group companies at regular intervals and reviewing preventive actions</li> <li>Creating an Information Technologies disaster recovery and business continuity plan</li> <li>Developing cyber security culture through employee information security training and awareness activities</li> <li>Creating a talent pool and supplier diversification in group companies</li> <li>Adding cyber security controls to supplier selection criteria and service contracts</li> <li>Creation of Digital Dexterity Upskill/Reskill programs</li> <li>Development of corporate architecture and application, investment, approval and control processes</li> </ul>	<ul style="list-style-type: none"> <li>Integrating good practices on issues such as cyber security and digitalization into the business model of companies</li> <li>Supporting new initiatives in this field to both gain know-how and create value for companies</li> <li>Transforming technologies that are used, into new business ventures and investments</li> </ul>
	Integrated Governance for the Future	Financial	Includes the negative impacts of uncertainty in interest and exchange rates, high inflation and economic uncertainty on companies' profitability.	0-1 Short-term	Medium	Significant	Low	<ul style="list-style-type: none"> <li>Evaluation of alternative financing opportunities</li> <li>Extension of average debt maturities</li> <li>Management of exchange rate risk through hedging transactions</li> <li>Management of borrowing costs</li> <li>Effective balance sheet management in all Group companies</li> <li>Management and reduction of debt in our Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Providing competitive advantage, especially during crisis periods, thanks to strong balance sheet management and financial discipline</li> </ul>
		Ethics and Regulatory Compliance	Legislative changes that may directly affect Anadolu Group's domestic and international operations; Non-compliance includes heavy fines to companies, legal sanctions, loss of reputation, and possible impacts on profitability, business continuity and growth.	0-1 Short-term	Medium	Medium	Low	<ul style="list-style-type: none"> <li>Recording information and increasing the capacity of business leaders and function leaders to protect information and make correct decisions in the field of public relations to relevant stakeholders</li> <li>Explaining the economic social value produced locally and its impact on the ecosystem</li> <li>Communication with decision-making staff</li> </ul>	<ul style="list-style-type: none"> <li>Providing competitive advantage by closely following the legislative changes through foresight and rapid adaptation to changes</li> </ul>
	Responsible Manufacturing for the Future	Supply Chain	Includes the negative effects of global (pandemic, etc.) or regional (geopolitical tensions) disruptions in the supply chain, which cause disruptions in the supply chain processes, such as the inability to procure raw materials and products on time, the halt of production processes, the inability to meet customer demands and therefore sales losses.	0-1 Short-term	Significant	Medium	Low	<ul style="list-style-type: none"> <li>Working with alternative suppliers / diversifying the number of suppliers</li> <li>Keeping safety stocks</li> <li>Development of localization projects for imported raw materials and intermediate products</li> <li>Creating customer and supplier alternatives in different geographies</li> </ul>	<ul style="list-style-type: none"> <li>Reducing procurement costs in line with supplier diversification and localization strategies, establishing new collaborations, and creating new markets</li> </ul>
	Leading Brands for the Future	Consumer Customer	Includes changes in consumer preferences due to reasons such as the formation of different expectations due to changing life trends and requirements, generation differences, technological developments affecting consumption patterns, increasing health awareness and orientation towards healthier products or belief.	5+ Long-term	Low	Medium	Low	<ul style="list-style-type: none"> <li>Closely following the changing life, health, technology and other social trends and requirements</li> <li>Continuous development of product portfolios to address changing trends</li> <li>Continuous support of product and brand perception through positive communication activities</li> </ul>	<ul style="list-style-type: none"> <li>Evaluating new business and investment opportunities that may arise within the scope of changing trends/requirements as a pioneer</li> </ul>
Inclusiveness for the Future	<ul style="list-style-type: none"> <li>Providing competitive advantage by adapting to changing trends/requirements as a pioneer</li> </ul>								
THE FUTURE OF PEOPLE	Human Resources for the Future	Occupational Health and Safety	Includes loss of business continuity and productivity, such as injuries or deaths of employees due to failure to ensure safety, hygiene and distance in situations such as earthquakes and epidemics in the work environment, decrease in the workforce due to the spread of epidemic diseases and poor occupational health and safety in Anadolu Group's operations.	0-1 Short-term	Low	Medium	Low	<ul style="list-style-type: none"> <li>Establishment of shift working system</li> <li>Restrictions on visitor admission</li> <li>Including employees in the risky group in the work from home system</li> <li>Re-organization of common areas</li> <li>Holding company meetings online</li> <li>Periodic disinfection of work areas</li> <li>Close follow-up of symptoms with the Occupational Physician</li> <li>Administering pneumonia vaccine to at-risk groups</li> <li>Keeping employees informed on a regular basis</li> <li>Preparation of regulations and arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Positive brand perception due to media coverage of good practices</li> <li>Increased employee loyalty and motivation due to the safe work environment provided</li> </ul>
		Workforce Management	Includes negative effects on growth and productivity, such as the inability to retain existing qualified employees due to lack of employee satisfaction, the inability to attract experienced and qualified employees, the inability of the business to achieve its strategic goals due to the lack of highly qualified employees, the inability to implement innovative projects and the decrease in competitiveness.	0-1 Short-term	Low	Medium	Low	<ul style="list-style-type: none"> <li>Monitoring and increasing employee loyalty</li> <li>Implementing group synergy in talent management</li> <li>Effective Organizational Development Platform process management and Group-based action follow-up</li> <li>Concentrating on focused development of substitutes</li> <li>Having a target-oriented performance management system</li> <li>Ensuring the integration of the common talent pool from ongoing programs within Anadolu Group with the recruitment process in the recruitment of new graduates</li> <li>Contacting and following up special employee groups with development programs at different levels</li> </ul>	<ul style="list-style-type: none"> <li>Creating a labor pool with high employee loyalty, enabling employees to both create added value for the company and promote the company to the society as brand ambassadors</li> </ul>



THE FUTURE OF  
**PEOPLE**



# The Future of People

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

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, 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.

## Our contribution to the SDGs:



### Commitments for 2030 and 2050

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



### Progress

We increased the rate of women executives from 31.5% in 2020 to 33.8% in 2023

# Human Resources for the Future

**Our ambition:** 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 a visionary employer that inspires new talents with whom we will continue our journey together. We unleash our highest potential together today in order to build a better future.

**Global trends:** Technologies such as artificial intelligence, automation, data analytics and cloud-based solutions for human resource management are being used to optimize business processes and make them more efficient. In this direction, while managing our human resources processes, we also closely follow technology and digitalization trends and incorporate them into our processes.

**What we have done so far:** In line with our human-centered corporate culture, we provide our employees with equal and fair conditions, contributing to their development. We conduct initiatives in human rights, equality and diversity, talent management, employee engagement and volunteerism, as well as occupational health and safety. All senior management approved regulations and codes on working conditions and employee rights are available on the company’s internal portal, accessible to all employees.

## Equality and Diversity

As Anadolu Group, we operate in 8 industries across 20 countries, with more than 100,000 employees in our social organizations. Guided by our vision “The star that links Anatolia to the world and the world to Anatolia”, we draw strength from and shape our corporate culture based on diversity. Our human resources practices and processes are available in a guiding format for the Group companies in the [AG Anadolu Grubu Holding Equal Opportunity Policy](#). It is our principle not to discriminate against our employees based on their age, sex, race, religion, language, ethnic origin, sexual orientation, beliefs, marital, social or economic status, disability, political opinion, participation in union activities, union membership, pregnancy status or military service status during their working life and recruitment. We comply with [the Code of Business Ethics](#).

According to [the Gender Snapshot 2023](#) research by UN Women, only 28.2% of executive positions are filled by women. At the current pace of change, women’s share of workplace management positions will reach only 30% by 2050. We prioritize equal participation in the workforce for each employee taking a stand against gender discrimination in the business world and upholding the principle of equality in every relationship we establish with our employees, with a particular focus on gender equality. We support the career development of female employees, encourage productivity and

Human rights lie center of all our business procedures. We operate a human rights management system that is compliant with international human rights standards and the United Nations Sustainable Development Goals. The diversity and inclusivity of our workforce have become ingrained in our workplace culture, aligned with the principle of equality. We remain committed to respecting human rights and collaborating within our supply chain. Prioritizing the rights of our employees and the community is paramount to us. We strive to provide our employees with appropriate working conditions and secure human rights under the Code of Business Ethics. We align our operations with human rights indicators, including non-discrimination, the prohibition of child labor, and the prevention of forced and coerced labor as well as ensuring diversity within our management and employee bodies. Our Code of Business Ethics outlines our approach to human rights. You can find the relevant regulation [here](#).

entrepreneurship and promote greater visibility of women in leadership positions.

Our workforce consists of 38% female employees and 62% male employees and we aim to further improve this ratio by increasing female employment and implementing practices that empower women in both the workplace and social life. In addition, while 43% of newly recruited employees were women in 2022, this figure increased to 49% in 2023. In 2012, by signing the Equality at Work Declaration, which aimed to reduce the economic participation and opportunity gap by up to 10% within the next three years, we supported gender equality in management positions. We see the increasing number of women supervisors within the Group, as an example of this approach. As Anadolu Group, we were ranked among the groups with the highest proportion of female employees in upper and middle management in InBusiness Magazine. We have also been named as one of the groups with the highest number of women executives in Türkiye for many years by Capital Magazine’s “Female Friendly Companies” survey. We act with that awareness and responsibility to support women in their professional life, we implement facilitating practices before and after birth to help them balance their work and private lives. In addition to the legal obligations during maternal leave, we provide further financial support for birth and education costs.

In addition, one of our social organizations Anadolu Medical Center provides daycare services to female employees with children aged 0-6.

We provide various benefits to ensure and sustain our employees' satisfaction. We conduct an employee engagement survey for all our employees and track gender breakdowns. In 2023, our Employee Engagement Survey affirmed that our engagement score is 75.2%. As AG Anadolu Grubu Holding, 87.5% of our female employees participated in the survey. In addition to private health insurance extending to the families of our employees, we also offer support through mobile channels, in areas ranging from family support lines to psychological support, legal consultancy and healthcare

## BEST PRACTICES

### Million Women Mentor Program

Supported by the contributions of 20 employees, the Million Women Mentor Program by Anadolu Isuzu aims to bring together young women aged 15-25 working in STEM (Science, Technology, Engineering, and Math) fields and industry leaders on a digital platform, encouraging corporate employees to participate as mentors in the program facilitated the strengthening of a culture of mentorship, development and sharing within the organization.



ANADOLU ISUZU

consultancy. For promotions, we take experience, knowledge, skills and position specific qualities as the main criteria while also considering organizational requirements. We do not discriminate against gender, religion, language, or race throughout all these processes.

Without limiting diversity to gender, we create a collective mind and governance approach, that includes contributions from different age groups. Our employees across the Group consist of over 40 ethnicities and four generations. We draw strength from diversity and believe in adopting shared values. We also launch initiatives to encourage new graduates and the younger generation to join our forces.

### 8 March International Women's Day Adiyaman Aid

As Anadolu Isuzu continued its aid and support efforts to heal the wounds of the earthquake disaster that hit 11 provinces in February on 8 March, International Women's Day. In conjunction with International Women's Day on 8 March, Anadolu Isuzu set out with its specially designed relief bus and 12 staff to respond to the needs of women and children in the earthquake areas. In coordination with AFAD, Anadolu Isuzu reached 1 container city, 3 tent cities and the Adiyaman Training and Research Hospital in the center of Adiyaman. As part of this aid, Anadolu Isuzu distributed 1,237 newborn baby sets, 1,979 children's toys and stationery sets, 1,397 women's hygiene sets, 1936 adult underwear and 2,016 children's underwear. Its employees spent 4 days visiting local women and children.



ANADOLU ISUZU

## Gender Equality

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 focuses in 2030 sustainability targets is to "Getting stronger through diversity and inclusion". The company is working towards the goal of increasing the representations of women in its organization from 30% to 51% by 2030. As a signatory of the United Nations Women's Empowerment Principles (WEPs), Anadolu Efes has also published the Gender Equality Guidelines to establish a roadmap for employees and business partners. Thanks to these efforts Anadolu Efes was the first company in the FMCG industry to receive the Equality for Women at Work Certificate for its operations in Türkiye.

Anadolu Efes has been running projects for social benefit for 15 years and promotes women's empowerment in society. As part of its Future Is in Tourism activities, almost 500 women have been directly or indirectly employed so far. The company has fostered an entrepreneurship ecosystem with a particular emphasis on women entrepreneurs, regardless of their employment status within the company.

- 2007:** Anadolu Efes has been supporting the women empowerment through its social benefit projects for 16 years. The company has created direct or indirect employment for more than 500 women through for the Future Is in Tourism projects realized so far.
- 2013:** Anadolu Efes obtained the Equal Opportunity Model Certificate developed under the Leadership of the Women Entrepreneurs Association of Türkiye, KAGİDER, and with technical support by the World Bank.
- 2015:** Anadolu Efes became a signatory of UN Women's Empowerment Principles (WEPs).
- 2019:** Anadolu Efes published the Gender Equality Guide to serve as a roadmap for its employees and business partners.
- 2020:** Anadolu Efes became the first company in the FMCG sector to obtain the "Equality for Women at Work Certificate" given by the Sustainability Academy and Intertek, a leading Total Quality Assurance provider.
- 2021:** Anadolu Efes was also the first company in Türkiye to receive the Equality for Women at Work Certificate issued by the Sustainability Academy in cooperation with Intertek in the fast moving consumer goods sector.
- 2021:** Anadolu Efes certified that there is no pay difference between genders by obtaining an independent assurance opinion for the Gender Pay Ratio by Compensation Policy in Türkiye, Moldova, Georgia and Kazakhstan does not differentiate between genders.
- 2022:** In the '100 Leading Companies Breaking the Glass Ceiling' survey conducted by InBusiness, Anadolu Efes was recognized in several categories among companies with 5,000 to 10,000 employees. These categories include the Ratio of Female Members on the Board of Directors, the Proportion of Women occupying roles in Senior Ranks and Companies with the Highest Ratio of Female Executives at the Middle Level.
- 2023:** Anadolu Efes is committed to equal pay for equal work, regularly receives independent assurance for its Türkiye, Kazakhstan, Moldova and Georgia operations, and has its employees' gender pay ratios audited on a regular basis. On the other hand, the company organized trainings to increase awareness of gender equality among employees working in AB InBev Efes and Türkiye operations. 471 of its employees received a total of 957 hours of training. Anadolu Efes' aim is to continue to raise awareness of different employee groups each period on steps they can take towards gender equality.

ANADOLU EFES

## Gender Equality

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 has established Women Employees' Platforms in its 11 countries of operation to provide representation to female employees. CCI's female employees gather on these platforms to create a strong professional network and participate in different leadership skills activities.
- 2019:** CCI united under a single roof all Women Employees' Platforms in different countries that work to encourage women to pursue leadership, provide female-friendly work environments and contribute to women's empowerment.
- 2019:** CCI also participates in the Business Against Domestic Violence 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.
- 2020:** CCI published the CCI Domestic Violence Policy to reiterate its zero-tolerance stance against all kinds of violence and promised to provide its employees with a peaceful and safe work environment.
- 2020:** With the LEAD Network signed by company CEO, CCI has committed to increasing the ratio of women in country-wide management and senior management by 5% by 2025. CCI 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 published in Turkish and English in cooperation with the Gender and Women's Studies Research Center at Kadir Has University.
- 2022:** On International Women's Day, CCI organized the "Break the Bias" campaign to highlight gender equality at work and highlight that professions are not gendered.
- 2022:** The Company created new employment opportunities for women through the "Forklift Operator Training Program". Having successfully passed the forklift training, 11 women assumed their positions in the CCI's four factories in Türkiye and Kazakhstan.
- 2022:** Within the scope of the 2030 Sustainability Commitments, the company committed to ensuring that "35% of new recruits, 40% of management and 50% of executive committee members will be women by 2030".
- 2023:** CCI achieved a female hiring rate of 22%, a female management rate of 28.1% and a female Executive Committee member rate of 25%.
- 2023:** In collaboration with Kadir Has University's Gender and Women's Studies Research Center, CCI has published the Guide to Gender-Sensitive Language and Communication in English, Turkish, Russian, Urdu and Azerbaijani. Additionally, to refresh employees' knowledge, a comprehensive communication and awareness campaign was conducted across CCI using the English version of the Guide.
- 2023:** CCI voluntarily applied for the Equal Salary Certification to clearly understand its position in salary practices, which are crucial for an inclusive corporate culture. After an extremely comprehensive audit process, CCI verified its fair compensation policies and processes by earning the certification from the Equal Salary Foundation for all the countries it operates in. With this certification, CCI proudly became the first international company based in Türkiye to achieve this recognition.

CCI has standardized parental leave across all CCI countries. It has granted all CCI mothers 120 days of maternity leave, which is above the relevant legal average. Additionally, it introduced extra benefits such as ensuring that female employees receive 100% of their salary during parental leave. These benefits have also been made applicable to CCI parents who adopt.

COCA-COLA İÇCEK

## Gender Equality

The issue of gender and opportunity of equality is among the priority focus areas within the framework of the Migros Better Future Plan. Gender equality is an integral part of the corporate culture and the company takes numerous measures to increase the number of women in management.

- Migros presents the "Value for Equality" online training series to employees and prohibits discriminatory and sexist questions during job interviews. The Happy Family project offers short educational video content to employees expecting children concerning their legal rights, healthy nutrition, child development and return to work after birth.
- Migros increased the percentage of women in all management positions to 33% in 2023 and aims to boost the rate further to 35% by 2027 and 50% by 2050. Migros seeks to appoint at least one female executive at each store.
- Migros is a signatory to the LEAD Network Europe's CEO Pledge. By increasing the percentage of women among Directors and Higher Level to 23.7% in 2023, the target was achieved. The company also aims to increase the percentage of women in senior management (Chief Executive Officer and direct reports) from 25% to 27 - 33% by 2026.
- Migros was ranked 2nd among companies that continuously increase their female executives' ratio by Capital Magazine's "Top 100 Female Friendly Companies" survey.
- Migros has launched the Leader Women Development Program to achieve its goals of increasing the representation of women in the company's management, developing female leaders and preparing them for higher positions by enhancing their leadership competencies. Within this framework, it organized encouraging, motivating and inspiring online seminar series through training, development and coaching activities. The first graduates of the 4-month program were awarded in 2023. 670 participants applied for the Discover Your Potential Development Journey for store employees. Consequently, over a period of 2 months, online training and webinars on various topics such as time management, influencing and persuasion were conducted through the MAYA platform, providing benefits for employees' personal development. Successful completion of the program's final exam and a 2-week store internship resulted in 242 employees receiving a success certificate.



MIGROS

## Talent Management

We support the talent development of our employees, with a focus on acquiring new skills aligned with prevailing global trends. The global acceleration of digital transformation is having a profound impact on people and business processes. For this reason, we are developing training programs to support the development of our employees and focusing on improving their digital skills by offering hybrid online and offline tools. We provide annual career management system training to meet the changing expectations and needs of our employees and we update employee development and performance management practices annually. Through the AG Development Program, which we established to support our employees in terms of personal awareness, strategic perspective and leadership skills, we connect our employees with expert trainers. The program encourages employees to develop new skills while providing 80 hours of training to broaden their perspectives and business networks. The AG Development Program recruits employees who have not yet been assigned to a managerial roles but who have the potential to progress through an assessment process. Since 2020, 201 young talents have been recruited to the program. During the program, 51% of the participants were promoted to higher positions, and 33% of participants promoted in 2023 were women.

We update our employee development and performance management practices annually in line with career management system training and development processes to meet changing employee expectations and needs. We plan their careers according to their potential and support them with additional training to help them take steady steps up the career ladder. We restructured the performance assessment process to clearly and transparently define the roles, responsibilities and expectations of managers and employees and to improve communication by encouraging mutual feedback.

As part of the Performance Management Process, Holding's senior management, with guidance from the Group, defines the primary strategies. These strategies are then translated into implementation plans at the employee level with collective mind. These plans and objectives are reviewed annually in meetings between employees and their managers. We view this process

as a performance review and in addition to tracking progress in shared goals, we establish a communication mechanism based on continuous feedback. We aim to create a high-performance culture by aligning personal goals with corporate goals and establishing a feedback system between employees and managers. Through career management, we align individual goals with company priorities at the beginning of the year and review the goals and performance mid-year.

We protect the fundamental rights of our employees and implement fair compensation policies to encourage high performance. Each Group company takes into account different market data when designing its compensation structures and achieves effective remuneration management through business evaluation processes within the organization. The Group applies total compensation management.

As AG Anadolu Grubu Holding, we formulate the remuneration policy based on third-party consultancy, employee input and legal consultancy. We always consider the legal minimum wage when deciding on standard entry level within AGHOL and set entry-level salaries above the local minimum wage to maximize employee satisfaction. We link the salaries of decision-making employees at AG Anadolu Grubu Holding with sustainability issues such as human rights, environment, employee rights/decent work, and anti-corruption to improve our performance. We have adopted the concept of equal pay for equal work at all management and employee levels across the Group. In 2023, as before, we allocated and transparently reported the salaries of men and women at all levels of Anadolu Group. During the reporting period, we set the salary ratios for Anadolu Group. We highly prioritize gender equality and monitor our progress through performance indicators based on pay ratios. We work to improve our performance and maximize the satisfaction of our employees regardless of gender.

Description*	2023
Ratio of women's salary at C level (executive) to men's salary at C level (executive) (basic salary only)**	0.98
Ratio of women's salary at C level (executive) to men's salary at C level (executive) (basic salary and other bonus payments)**	0.98
Ratio of women executives' salary to men executives' salary (basic salary only)	0.97
Ratio of women executives' salary to men executives' salary (basic salary and other bonus payments)	0.97
Ratio of salaries of non-managerial women to non-managerial men (basic salary only)	1.0
Ratio of basic salary of women employees (all levels) to men employees (all levels)	1.1

\*This ratio covers approximately 100% of Anadolu Group employees. When calculating salary averages, we took in the weighted average based on the number of employees of each respective company. Minimal differences may be observed based on seniority, performance and seniority, regardless of gender.

\*\*Anadolu Efes was excluded.

With the aim of creating more career management opportunities across the Group and ensuring that talents remain satisfied within the Group, we have been implementing the Open Positions program, which has offered various opportunities to our employees since 2010. The system initially publishes an internal

announcement for each open position to collect internal applications. We aim to cultivate professional diversity for our employees, use rotation to enhance skills, competencies and experience within the Group and maintain employee engagement. In 2023, internal candidates filled 34% of all vacancies.

### BEST PRACTICES

#### I'M IN Short-Term Experience Program

Anadolu Efes' "I'M IN" program provides employees with short-term experience opportunities in different departments and projects. "I'M IN" facilitates in-house employee rotation for temporary vacancies due to maternity, health, or long-term military duty leaves; full or half-time vacancies at ongoing or new projects; or hard-to-fill or long-vacant roles. The program is an opportunity to develop new competencies and skills and a pathway toward different career branches, eventually strengthening the company's succession plans. So far, seven vacancies have been announced on I'M IN, which received 19 employee applications. Currently, 9 employees are exploring their new roles and two have permanently switched to their newly discovered roles.



## BeWell

BeWell, which Adel Kalemcilik has developed as a wellbeing platform for its employees, provides a holistic approach to employee wellbeing. All employees can take part in events, clubs and challenges, consult with experts such as psychologists, nutritionists and sports trainers, improve themselves through special programs and access written, audio and video content in a variety of categories.

Within the framework of 'Employee Wellbeing', which is one of the focus areas for a better employee experience for Adel Kalemcilik, the project is implemented to support employees in social, physical, emotional and intellectual areas, to increase internal communication and interaction, to take action by measuring experiences and to ensure the spread of a culture of appreciation and gratitude.



ADEL KALEMCILIK

## Digital Work Environment

With the global impact of digital transformation escalating every day, we understand that digitizing human resources processes is a critical strategic step. Our digital human resources platform, "AG People First" enables us to manage employee recruitment, learning, performance, succession planning, development activities and operational activities in the most efficient way. The platform allows employees to update their profiles and explore Group-wide career opportunities that best suit them. In addition to enabling our employees to find suitable positions, we recognize the importance of contemporary skills and ensure that our employees acquire digital skills.

In this context, we have implemented Digital Leadership, Digital Skills Development for Employees and Digital Technologist programs. The digital development programs aim to improve the digital skills of managers and employees in the Group companies enabling them to benefit more from technology, raise awareness of cyber security, and educate young talent about digital

technologies and bring them into the Group. The AG Development Dialogues Program, developed in collaboration with Harvard Business School, covers topics such as digital trends, data analytics and cyber security. Cyber Security Awareness, Data Drivers, Artificial Intelligence Academy are among the topics covered in the employee-focused skills development/reskilling program, which is designed around technology trends. The digital talent development program for technology professionals covers topics such as ethical hacking, data community, enterprise architecture and cloud fundamentals training.

More than 180 scholarship holders and over 10 long-term interns participated in technology information and development programs designed for Anadolu Foundation IT scholarship holders and young talents. More than 1,470 people participated in more than 10 technology training sessions. We provided mentoring support and implemented rotation programs in the Group companies.

### BEST PRACTICES

#### 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 utilization are crucial skills in the modern world and will continue to be so in the future. The project will help the Group employees acquire these skills to improve employee competencies. Anadolu Isuzu provided 301 hours of training on Data Analysis, Digital Literacy, Digitalization 101, Agile Approach, Industry 4.0, PowerBI, PowerApp, SharePoint, Microsoft Planner and Microsoft Power Automate. 101 employees over three years received training on data analysis and digital competencies.

ANADOLU ISUZU

#### GETready

Migros launched GETready Tech trainings, which were organized to improve employees' competencies in the field of technology and innovation in line with the company's digital strategies, 464 employees were reached in 42 programs, and 937 employees were reached in 88 programs in GETready trainings, which aimed to develop soft skills.

MIGROS

## Intrapreneurship Program

Migros supports the implementation of innovative business ideas through cross-functional empowered teams and agile working methods building on the lean intrapreneurship model. Training programs and working methods strengthen the professional and personal competencies and knowledge in their current expertise areas while encouraging them to explore and improve in different fields. In 2023, 126 employees were involved in 13 project teams focusing on different areas such as alternative energy, packaging facilities, employee health and wellbeing, digital transformation projects, product availability and inventory management.



MIGROS

## Training and Development Programs

We invest in training, development and leadership programs to enhance our employees' personal and professional skills, because we believe that qualified employees help the Group companies achieve their targets and make an impact. We establish comprehensive roadmaps to strategically manage our employee development programs. The first step in our employees' personal and professional development process begins with the Individual Development Plan as part of the career management system training and development process. We enrich our employee development programs with various development tools, including coaching, rotation, class training, workshop training and e-learning, to guide our employees and involve their managers in the process.

The AG Development Dialogues for senior management enable managers to apply for training courses that meet their needs. To date, 171 senior managers have participated in various development processes as part of the program. In 2023, Anadolu Group invested TRY 135,804,314 in employee education, while education expenses per employee were approximately TRY 2,000. We organized approximately 5,466,412 person-hour of training, corresponding to an average of 75.5 hours of training per person. Since 2019, 29% of the leadership

team has benefited from development dialogues. By 2025, we aim to enhance our talent management and employee development capabilities to provide easier access to our basic and technical training, offer more in-class training, and increase familiarity with our digital training courses to increase the completion rate. We encourage our employees to formulate an Individual Development Plan to focus on their growth. We analyze assessments made by the Human Resources of each Group company and interpret the results on a Group-wide basis. These analyses provide input to the annual Career Meeting, and strategic decisions about the Development Plan and the employee, which are made and implemented under the responsibility of the Human Resources Department. The Development Assessment Tools regularly monitor the effectiveness of each development tool. The career planning process consists of a series of meetings held twice a year throughout the Group. Meetings are held at all levels to assess succession plans, high-potential employees, future risks and opportunities in talent management, individual development and career plans.

### BEST PRACTICES

#### AG Development Program

The AG Development Program identifies employees with the potential to move into management positions. Selected employees are involved in a modular development program to enhance their skills in three key competencies to strengthen their business network within the Group, increase their engagement and improve their understanding of the Group companies and industries. The program focuses on three key competencies: personal awareness, strategic perspective and effective talent development/leadership.

Participants who actively and successfully engage in the development programs on these three competencies are then matched with mentors from the Group's senior management for a one-year training program. Since 2020, 201 young talents have joined the program. During the program, 51% of the participants were promoted to a higher position.



ANADOLU GROUP

#### AG Academy

As part of Anadolu Group's individual growth plans, the company offers training programs that contribute to employees' personal and professional growth. Designed as a digital education platform, AG Academy has enabled many employees to participate in various educational programs since 2015. We organize online tools, classroom training and seminars, especially in collaborations with leading universities around the world, to support our employees in their areas of improvement areas.

ANADOLU GROUP

#### Chief Young Officer Program (CYO)

CYO is a long-term internship program within Anadolu Group. The program is designed to create a source of recruitment for entry-level positions and to build the employer brand image of Anadolu Group. Following the application and evaluation process, the program offers long-term internship opportunities to students or recent graduates. The structure of the program provides internship opportunities for 5 months at AGHOL and 5 other months at one of the Group companies. During the internship period, competency-based training, project work and project coaching are provided.



ANADOLU GROUP

#### Agidemy Master Development Program

The Advanced Data Analytics School data science program, run in collaboration with the Information Technologies department and the Migros Retail Academy, provided six-month of training in data science, SQL, Python, KNIME, Agile, Artificial Intelligence and data warehousing to improve the digital skills of employees from various units. Trainings are provided through the Agidemy Master Development Program, which trains experts in Agile, Scrum and Kanban.



MIGROS

## Plan Your Career (KAP)

We organize online and on-campus activities for students and young professionals through the KAP program, which established to introduce young talents to Anadolu Group. Our Chief Young Officer intern program has been ongoing since 2016 to offer participant students an opportunity to gain work experience and post-graduation recruitment. Between 2015–2023, our innovation activities generated TRY 1.2 billion worth of value through over 45,500 ideas, 7,300 quick applications and 2,600 projects. Moreover, Bi-Fikir KAP has been promoting the ideas of university students to help them realize their dreams since 2018. Since 2019, Bi-Fikir collected 1,074 project suggestions from 180 universities.



ANADOLU GROUP

## Vocational Development Program

The program is designed to train intermediate staff for Anadolu Isuzu with training specific to each profession and to enable young people to join the workforce by acquiring a profession. In 2023, 23 people joined the Anadolu Isuzu Vocational Development Program. The fact that half of the young people who took part were women contributed to the employment of women in the production areas, while at the same time demonstrating once again that women can work at any stage of production.

ANADOLU ISUZU

## Retail Academy

Recognizing that its employees are its greatest strength in adapting to the rapidly changing business world, Migros designs learning experiences that appeal to all employees and are supported by technology. The Migros Retail Academy (MPA) aims to contribute to the career and personal development of employees by providing workplace training and lifelong learning opportunities. In 2023, through the Migros Retail Academy (MPA), employees received a total of 5,155,360 (employee\*hours) training in 2,500 different topics. MPA offered training to 98% of employees in 2023, with 89% of these trainings covered by internal resources.

MIGROS

## HRF5

As part of the HRF5 project, working groups on gender equality have been set up within the company, bringing together various departments such as Human Resources, Corporate Communications and the Migros Retail Academy. In addition, gender equality consultants organize training sessions for volunteers within the company.

MIGROS

## Next Talent

CCI's New Graduate Management Trainee Program aimed at university seniors, CCI Next Talent, has been live since 2019. In 2021, it launched in countries where CCI operates actively besides Türkiye. Currently, 60 young talents are participating half-time in the Next Talent program. Nearly a hundred young talents are heading up the ladder within CCI in Türkiye, Tajikistan, Kazakhstan, Pakistan and Kyrgyzstan. CCI's Next Talent Program listed in the Top 100 Talent Programs. It also made it to the first place in the "Soft Drink" category.

COCA-COLA İÇECEK

## Talent Pick Up

Anadolu Isuzu's university-campus communication process has been redesigned to make it more efficient, to provide prospective students with an 'Anadolu Isuzu Employee Experience' and to attract promising talented students to Anadolu Isuzu. In this context, all internship and youth communication practices have been gathered under the 'Talent Pick-Up' brand and the practices have been renewed. The project is offered in 4 different options.

**The Talent Pick-Up Program** offers ten-week internships to university students during the summer term.

**Talent Pick-Up Experience** is an internship program that allows university students who are able to organize a curriculum to gain real work experience at Anadolu Isuzu for 6 months.

**Talent Pick-Up Plus** is an internship program for university students who want to do an internship for 1 full semester during the academic year (autumn and spring).

**Talent Pick-Up Intro** is a program that offers preparatory, 1<sup>st</sup> and 2<sup>nd</sup> year students the opportunity to experience working at Anadolu Isuzu for 6 weeks during the summer term. Young talents participating in the program will work in all departments of the company. While having the opportunity to work on project-oriented issues, the Ideathon process develops Anadolu Isuzu's creative projects for future strategies.

In addition to recruitment processes such as job interviews, personality inventories and English language proficiency tests, the system introduces interns to online training courses, meetings with senior executives and the implementation of projects in line with Anadolu Isuzu business processes. 122 university students participated in the internship program in 2023 and implemented various 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. In order to create a different vision and allow the interns to see different areas, a technical visit was organized to one of the Group company, Adel Kalemcilik plant.



## Project Future

Designed to address university students and recent graduates, Project Future aims to promote Anadolu Efes as the most preferred employer among young talents and to select and recruit the best talents to retain them as full-time employees. In 2023, 75 interns and 24 Management Trainees started this program in İstanbul, İzmir, Ankara, Adana and Konya, 10 of the young talents in the program joined the Anadolu Efes family.

ANADOLU EFES

## Employee Engagement and Volunteerism

Having skilled employees and fostering strong connections with them provides a competitive edge for a company, positioning it strongly for leadership within the industry. With this in mind, as Anadolu Group we continue to design human resources procedures to enhance employee engagement and satisfaction and promote a participatory culture. We provide various benefits to ensure and sustain our employees' satisfaction. We conduct an employee engagement survey for all our employees and track gender breakdowns. In 2023, our Employee Engagement Survey affirmed that our engagement score is 75.2%. As AG Anadolu Grubu Holding, 87.5% of our female employees participated in the Employee Engagement survey. We also have a suggestion input mechanism, the Bi-Fikir platform, available to all employees and we collect and evaluate employee ideas through the platform. In 2023, we implemented 9,900 of the 45,500 ideas submitted. Additionally, our Ethics Hotline allows employees to submit complaints anonymously or by including their usernames. In 2023, AG Anadolu Grubu Holding did not receive any notifications regarding discrimination cases.

We highly respect our employees' individual rights and freedoms, including their right to work under equal conditions. Accordingly, we support their right to unionize to safeguard their rights. As of 2023, 42,706 employees are unionized.

We encourage our employees to look beyond their own lives, lend a hand to the community and elevate the Group's positive impact at the social level by participating in our volunteer activities. We aim to create a nurturing working environment for our employees where they can create freely and bring their ideas to life. Our intrapreneurship program Bi-Fikir, was launched to this end to realize innovative projects and ideas, and now celebrates its ninth year. Bi-Fikir promotes our entrepreneurship ecosystem, and enables Anadolu Group employees in Türkiye and abroad to share their ideas on the platform. Since 2019, Bi-Fikir KAP has collected 1,074 project suggestions from 180 universities to promote the ideas of university students and help them realize their dreams.

### BEST PRACTICES

#### Volunteers

On World Cleanup Day, CCI volunteers in Türkiye, Iraq, Jordan, Kazakhstan, Azerbaijan, Kyrgyzstan and Turkmenistan joined their forces and set off to collect waste and recyclable plastics. Nearly 550 CCI volunteers and their families gathered for this global movement. As a result of the movement, 8.5 tons of waste was collected in 7 CCI countries. Furthermore, over a hundred CCI volunteers participated in the 45<sup>th</sup> Istanbul Marathon and raised TRY 190,000 in donations for the benefit of the Turkish Education Foundation, Turkish Education Association and Darüşşafaka Society. While CCI Türkiye Volunteers planted 2 thousand saplings in Bursa, CCI Pakistan planted 70,000 saplings in cooperation with WWF in the regions where it operates. In 2023, the number of employees participating in CSR projects and activities reached 2,217. Also, CCI has set a goal of reaching 8 CSR projects and 30 NGO collaborations globally in 2024.



COCA-COLA İÇECEK

#### Hobby Clubs & Motivational Events

Migros organizes arts, culture and sports activities under the Hobby Clubs to boost employee motivation, relieve work stress, strengthen mutual communication and cultivate a sense of belonging. Migros organizes various events and programs to enhance employee motivation. Motivation meetings, organized to strengthen team spirit, enable employees to come together, play fun games and participate in cultural and artistic activities. Clubs that include different hobbies such as music, camping and mountaineering, cycling and athletics, as well as the Renkler Atölyesi art event, provide opportunities for employees to come together around shared interests.



To showcase the employees' musical talents, a platform was created within the 'Talent Hunters Music Competition' and cooking workshops were held with the 'M'Chefs' project. Employee motivation is supported by offering gifts to employees and organizing events on special days. In addition, webinars and trainings are organized on topics to increase motivation with experts in their fields.

Migros also believes in the power of positive peer feedback in employee motivation. With this in mind and to support a high-motivating workplace environment that acknowledges and encourages individual efforts, the company set up a "Thank-you Platform" on its HR Portal through which every employee may send a thank-you note to another. More than 90 thousand digital messages were sent in 2023.

MİGROS

#### Volunteers

Anadolu Efes volunteers strive to benefit society and the environment and to raise awareness. They also participate in local events in different cities through the regional volunteer ambassadors. In 2023, Anadolu Efes, together with its volunteer team in Türkiye, focused on environmental activities and carried out coastal cleaning at the Çam Harbour Bay in Heybeliada, in cooperation with the Marine Life Conservation Society, within the scope of September 16 World Cleanup Day. The company also carried out environmental cleaning in Heybeliada and Gökçeada with its volunteers. With this volunteer project, in which 64 employees devoted 7 hours per employee, they contributed to environmental cleaning with waste collected from the bay, roadsides and forest lands.

ANADOLU EFES

#### 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. The Those Adding Value Executive Team, which consists of senior executives, evaluates nominations and the candidates considered worthy of recognition are awarded. In addition, impromptu rewards can be made to department managers. In 2023, Anadolu Medical Center received 94 success stories and 62% of those were awarded.

ANADOLU MEDICAL CENTER



## Occupational Health and Safety

Providing a safe working environment for the health and safety of our employees forms the basis of AG Anadolu Grubu Holding Occupational Health and Safety (OHS) Policy. We manage our OHS actions in line with local legislation and international standards. These actions include identifying OHS risks, tracking cases of non-compliance and near-miss incidents, and taking preventive measures against work accidents.

We value employee engagement in OHS-related matters and provide access to OHS-related information, services and tools. We communicate AGHOL workplace non-compliances and near-miss cases via e-mail directly to the OHS specialist, workplace physician and employer's representative. In 2023, we encountered three near-miss cases at AG Anadolu Grubu Holding and took corrective action. At AG Anadolu Grubu Holding, number of lost working days for either employees or contractors is zero. As Anadolu Group, the accident frequency rate of employees is 17.97 and the total accident frequency rate of subcontractors is 32.93. The total accident of employees is 300. As AG Anadolu Grubu Holding and Group Companies; Anadolu Efes Türkiye, Coca-Cola İçecek, Migros, Anadolu Isuzu, Anadolu Motor, Anadolu Etap and Adel Kalemcilik are ISO 45001 certified.

Within our OHS governance structure, Anadolu Group Human Resources President is the highest-level executive responsible for OHS and reports directly to the CEO. OHS-related issues are managed through OHS boards. These boards, consisting of employers, occupational safety experts, workplace physicians, human resources officers and employee representatives have responsibilities such as establishing the OHS internal regulations, 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 Committee Meetings, as AG Anadolu Grubu Holding, we have been organizing Sub-Contractor Committee Coordination Meetings since the second quarter of 2020 to strengthen effective communication in the engagement and consultancy processes and to contribute to them.

We follow national and international OHS requirements and map the relevant hazards and risks. We prioritize these mapped risks into three categories (operations, equipment and chemicals) and take preventive precautions. We not only provide a safe working environment for our employees, but we also take action to protect their health. In addition to the healthcare practices and health risks included in legislation and standards, we also offer private health insurance and free flu vaccinations. We organize informative seminars through Anadolu Medical Center. Within the scope of our healthcare practices, we also analyze the risk of occupational disease for all employees. AG Anadolu Grubu Holding currently runs no operations that present any risk of occupational disease for our employees.

In 2023, we allocated and invested TRY 284 million in OHS. Our employees receive regular OHS training to further instill an OHS culture within the company. In 2023, we provided 453,174 hours of OHS training per person, 6.3 person-hours, to our employees. We also support our routine OHS training courses with awareness and emergency training. We continuously improve our OHS performance through emergency drills, evacuation drills and field observations.



### BEST PRACTICES



#### Hand-in-Hand Safety Program

CCI's Hand-in-Hand Safety Program, embed into the Life-Saving Rules program, has been standardizing and systematizing OHS practices since 2016. It closely follows developments in the expanding world and growing operations. Targeting "0" work accidents or occupational diseases for employees, contractors and all the others within the ecosystem, the company abides by all legal legislation, CCI standards, and TCCC standards. The company's OHS performance in terms of Safety Maturity Index (SMI) score was rated at 72% in 2023. Furthermore, 112,400 hours of OHS training were provided to employees, an increase of 6.6% compared to last year.

COCA-COLA İÇECEK

#### OHS

Anadolu Efes continues to work on risk management and cultural transformation to enhance the OHS culture among employees and to expand the safety leadership perspective to reduce risks and accidents. Within the scope of risk management, working vehicles were equipped with tracking devices, the data from which analyzed into safe driving points. Subsequently, a smartphone application that reports driver errors activated. Further training was designed and scheduled for low safe-driving points while employees and sales teams with higher points were awarded. The company carried out corporate culture measurement and analyses as part of the OHS cultural transformation. Corporate culture integration efforts continue with leadership development tools, leadership-based reporting, safety workshops and leadership and coaching sessions.

In 2023, the company launched Artificial Intelligence (GPT) in Safety program to create an atmosphere of safety and care for all employees in the workplace, reduce injuries at work, increase the involvement of production personnel in safety issues, retain employees of occupational safety departments in the company and increase the attractiveness of the employer brand using innovative technologies. The main goal of this project is to transform the safety culture through the development of soft skills among employees. Using the artificial intelligence language models, the company modeled various employee interaction situations related to process safety so that employees would develop skills such as empathy, persuasion, analytical skills, practical decision-making and teamwork.

ANADOLU EFES

## Employee Wellbeing Program

Coca-Cola İçecek realizes that employee well-being is critical in shaping corporate culture. To this end, the company considers applying the holistic health initiative to create an “employee well-being culture” that cultivates physically, mentally and emotionally healthy and resilient employees to maximize their potential. Since 2021, the company has been raising employee awareness to develop such a culture and equip employees with tools and methods to improve their health.

COCA-COLA İÇECEK



## MSafe OHS Software

Within the scope of non-compliance management, Migros records, tracks and reports on non-compliances via the “MSafe OHS” software. The software feature to track organization-wide non-compliances on a single platform facilitated statistical analyses and improvement via software. Thus, the company has created safer work environments by eliminating non-compliances, preventing occupational accidents and near-miss incident and avoiding potential administrative sanctions following official inspections. With MSafe's OHS PAS (Performance Analysis System), which shows workplace-specific OHS performance, continuous monitoring of OHS performance, covering all employees, is ensured under the headings of documentation, training, work accident, inspection and non-conformance management.

MIGROS

## Patient Lift Carrier

A root cause analysis (RCA) conducted to investigate the musculoskeletal injuries in patient care staff. The RCA concluded that the healthcare personnel assigned to patient care received education on body mechanics proper lifting techniques in their respective high school or university curricula and during the nurse/patient care technician orientation program by Anadolu Medical Center Education Department. The annual training program by the OHS Department of Anadolu Medical Center also includes relevant training under ergonomic risk factors. However, it also concluded that purchasing mechanical equipment to help lift-carry patients was necessary. Therefore, to reduce risk at the source and cultivate a safe working environment for the employees, a mechanical patient lift carrier purchased for Anadolu Medical Center and applied training provided.

ANADOLU MEDICAL CENTER

# Empowered Community for the Future

**Our ambition:** 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.

**Global trends:** Among the initiatives supported by Türkiye in 2023 are the COP28 UAE Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action, as well as the Climate and Health Declaration, presented at COP28. The declaration addresses issues such as food security, production, nutrition, nature restoration, water

management and the need to support farmers and other food producers. While carrying out their activities, the Group companies also take into account developments related to sustainable agriculture and resilient food systems.

**What we have done so far:** Anadolu Group focuses on various fields, including agriculture, education, healthcare, sports, tourism, culture, arts and gender equality with the Group companies, particularly our social organizations, Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club. The Group companies conduct various inspections to ensure that the products they sell comply with regulations and the Turkish Food Codex regulations determined by the Republic of Türkiye Ministry of Agriculture and Forestry. Additionally, they closely evaluate the efforts of the Global Food Safety Initiative (GFSI) and follow food safety practices on an international level.

## Agriculture

The extreme weather conditions prompted by climate change and irregular precipitation, though crucial in agriculture, present a vital threat to sustainable agriculture. We recognize that minimizing the impacts of adverse climate conditions is critical for ensuring sustainable and durable agricultural practices. With this awareness, we are determined to continue making significant investments in the agricultural industry and supporting innovative initiatives. To ensure future food security and

reduce the environmental impact of agriculture, we will focus on advanced technological solutions and methods that enhance efficiency. Together with the Group companies, we will continue to provide the necessary support to our farmers and all food producers. In this way, we aim for agriculture to develop sustainably in harmony with nature. For detailed information about our agricultural practices at Anadolu Group, please refer to the [Agriculture for the Future](#) chapter.



## BEST PRACTICES

### Support for Women Farmers and Entrepreneurs

The Development and Acceleration of Women Entrepreneurs in Agriculture program provides women entrepreneurs with the knowledge that will accompany them on their career journeys while introducing products compliant with Migros standards throughout Türkiye. In 2023, 15 women entrepreneurs selected from among the 65 who participated in an intensive two-day training camp were provided with one year of mentorship support. Additionally, purchases were made from women's cooperatives producing packaged products in various categories such as honey, cheese, baked goods and breakfast items. A total of 280 women have benefited from this program in the course of the last four years.

Migros also contributes to local and regional brand-creation and development. As of 2023 end, Migros was working with 18 women's cooperatives. In 2023, 3,500 tons of products, including 21 different fruits and vegetables, were purchased from 8 women's cooperatives. Moreover, certified vocational training is offered to members of both existing and newly established women's cooperatives through Family Clubs, contributing to their development.

MIGROS

## 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 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 at 2013; and various universities and institution in technical training, particularly 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% female employment rate on its farms. Additionally, 50% of Agroburs scholarship holders are female students.

ANADOLU ETAP

## Education

Education plays a critical role in constructing a sustainable social structure and supporting a strong society. Designing education to address contemporary needs and future possibilities to bolster social welfare has become increasingly vital. Together with the Group companies, we

contribute to sustainable development through projects, that enforce high quality, comprehensive, equal education for all. Our educational activities are led by our social organization Anadolu Foundation, established in 1979 and are supported by the Group companies.

### BEST PRACTICES

#### Cevdet İnci Foundation Mobile Library Project

Anadolu Isuzu has been visiting underprivileged neighborhoods in Izmir since 2015 to bring books to primary school students in its mobile library, created in cooperation with the Cevdet İnci Foundation. The Mobile Library transfers books between schools and reaches over 130,000 people, particularly primary school students in underprivileged areas. In 2023, the Mobile Library reached 13 schools and 26,733 children. With the Mobile Library, Anadolu Isuzu aims to continue to actively organize events in schools with book donations and to inculcate the habit of reading books in children.



ANADOLU ISUZU

#### The Future Is in Agriculture Project

Anadolu Efes' sustainable agriculture approach began in 1982 with the establishment of the "Agricultural Product Development Department," aiming to ensure the continuity of agricultural raw material supply. Since then, the company have continued to develop seed varieties through ongoing R&D efforts, focusing on creating drought-resistant seeds that require less water and energy. To date, the company's agricultural engineers in Türkiye have developed and registered 17 barley seed varieties and 7 hop varieties. Their efforts have resulted in an average increase of 22% in seed productivity.

The company places a strong emphasis on sustainable agriculture, focusing on informing their most important stakeholders, the farmers, about current agricultural practices. By implementing a contract purchase model, they financially strengthen the farmers, promoting planned and efficient farming. The company ensures continuity in the supply chain through planned production and purchase guarantees, securing the farmers' incomes as well.

In 2023, Company purchased a total of 113,000 tons of barley from the Southeastern and Central Anatolian regions, contributing approximately TRY 1 billion to the agricultural economy.



ANADOLU EFES

#### Growing Healthy

Migros launched the Growing Healthy with Migros project in 2016 to instill a sense of healthy and good living in children. The project reached children through store visits and training sessions organized in 396 Migros stores in 70 provinces of Türkiye. 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 read labels properly. The company prepared an animated film upon approval by the Food and Agriculture Organization of the United Nations (FAO). The animated movie broadcast on Migros TV and social media channels and viewed over 2.1 million times.

MIGROS

## Supports Education

Anadolu Foundation has been working for over 40 years in education and healthcare to contribute to sociocultural 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 the years.

**Anadolu Foundation Academy:** Besides providing financial support for the education of young people, the academy supports individual development and competencies through numerous projects since 2021. The academy provides education and training programs for young people early in their careers to explore what they want from the future. Anadolu Foundation Academy organizes competency-based online and video training and meetings with leaders. In 2023;

- 2,700 scholarship holders participated in 32 training sessions and events with Scholarship Program to create equal opportunities in education.
- By matching 151 mentor-mentee couples with Mentoring Program, Anadolu Foundation helped their scholarship students to discover their potential areas for improvement to accelerate their development process.
- 70 more graduate scholars were included in the Coaching Program to boost their personal and professional performances and raise awareness of individual and organizational development.
- 300 scholarship recipients participated in social activities such as culture, art and sports.
- Training programs in the field of Information Technologies, which is indispensable for today, were launched and 1,200 scholars attended the trainings.
- With the Internship Program, which started for the first time in 2023, 26 scholars completed short-term and long-term internships in the Group Companies.

### "Future with your Light" Scholarship

**Program:** Pursuing the mission to cultivate equal education opportunities, the foundation aims to reach even further through the "Future with your Light Scholarship Donation Program". With Anadolu Foundation's Light Scholarship Donation Program, Donors of the Future can contribute to the undergraduate studies of youth in need while helping them realize their dreams simply by donating whatever amount they desire. With this program, Anadolu Foundation aims to reach more young people day by day.



**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 improve skills across various areas, including the environment, disadvantaged groups, professional and economic development and particularly women. Since 2013, the program reached over 190,000 teachers to enhance competencies to respond to social needs.

**Mahmut–Dudu Yazıcı Anatolian High School:** In 2023, Anadolu Foundation, which believes in the value and importance of education for a strong future and a strong society, opened the Mahmut-Dudu Yazıcı High School in Nevşehir to support students.

ANADOLU FOUNDATION

## Women's Academy

Migros implements numerous projects to support women's presence in work life and personal development. Migros Women's Academy, launched in 2021 to this end, helps women develop new skills and more actively engage in life. In cooperation with Migros Retail Academy and Family Clubs, the program offers over 80 subjects of training from personal development to vocational training, family relations and brand building. These trainings designed to raise awareness and motivation of women to strengthen their presence in various environments, ultimately inspiring others. Migros shares content to transform the Women's Academy into a platform where producing women join the workforce, establish their own businesses and market their products.



MIGROS

## Tree of Goodness

As part of its corporate social responsibility scheme, Tree of Goodness, Adel Kalemciik provided stationery aids during the beginning of the academic year to children in need in areas affected by recent disasters through numerous NGOs, including Make-A-Wish and TOÇEV. Tree of Goodness has provided school supplies for over 100,000 children to meet the education and stationery needs as of today and in 2023 approximately 30 thousand earthquake-affected children have been reached.



ADEL KALEMCILIK

## Family Clubs

Partnering with District Public Education Centers, Migros Family Clubs set up at 36 stores in 12 provinces provide free skill development and vocational training courses for women and men of all ages. Family Clubs cover 223 subjects ranging from beekeeping to mushroom cultivation, from traditional manuscript illumination to paper marbling, from the culinary arts to sport and from medicinal & aromatic plants to digital marketing. Those who attend Migros Family Club courses and successfully fulfill their requirements are awarded by the Republic of Türkiye Ministry of National Education (MEB) certificates attesting to the knowledge and skills they have gained. Migros has a target of reaching 850 thousand people who received certified training through Family Clubs by the end of 2027, and until 2023, 492,671 people participated in face-to-face trainings with Migros Family Clubs.



MIGROS

# Healthcare

We highly value healthcare and carry out our investments and activities in healthcare through Anadolu Medical Center within Anadolu Foundation. Since 2005, the center has offered worldclass healthcare to both local and foreign patients with its expert staff and cutting-edge equipment aligning with its vision to become the

center of health. It also runs awareness activities to instill health consciousness in society. Awareness activities in Anadolu Medical Center included World AIDS Day in its annual communication plan to raise social awareness about AIDS and reaching hundreds of thousands of people every year through its digital media channels.

## BEST PRACTICES

### Social Responsibility Projects in Healthcare

**Free Healthcare Project:** Anadolu Foundation continues to reach out to those in need and to give back to society. It offers free healthcare services to citizens in need at Anadolu Medical Center as part of its efforts to advance social responsibility in healthcare. Since 2005, the center provided 482,186 consultations, 38,848 days of inpatient treatment and 12,029 medical operations to 58,795 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. From 2014 to 2023, the project provided 14,751 children with 45,491 consultations, 8,385 medical operations and 5,469 days of inpatient treatment.

**Accessible Life Project:** The project aims to provide complete and timely access to healthcare services for individuals with physical or mental disabilities. From 2015 to 2023, the project granted 5,215 individuals with disabilities 15,954 consultations, 30 medical operations and 194 days of inpatient treatment.

ANADOLU FOUNDATION



### Pink Ball on the Court

Initiated by Anadolu Medical Center in cooperation with the Anadolu Efes Sports Club to highlight the importance of early diagnosis in breast cancer treatment, the project continues to make a difference as it navigates through its tenth year. In the tenth year of the project, 48 written covers published, reaching over 8 million people. Online platforms, on the other hand, reached nearly 2 million people with 210 news articles. Pink Ball made its way to key profiles and show hosts on Türkiye's most watched television programs. The hashtag #pembetopsahada shared thousands of times on social media and reached 27 million people. These social media posts received over 2 million interactions. Also in 2023, Pink Ball on the Court was deemed worthy of receiving an award for Topic and Agenda Management at the PRIDA Communication Awards.

ANADOLU MEDICAL CENTER & ANADOLU EFES SPORTS CLUB

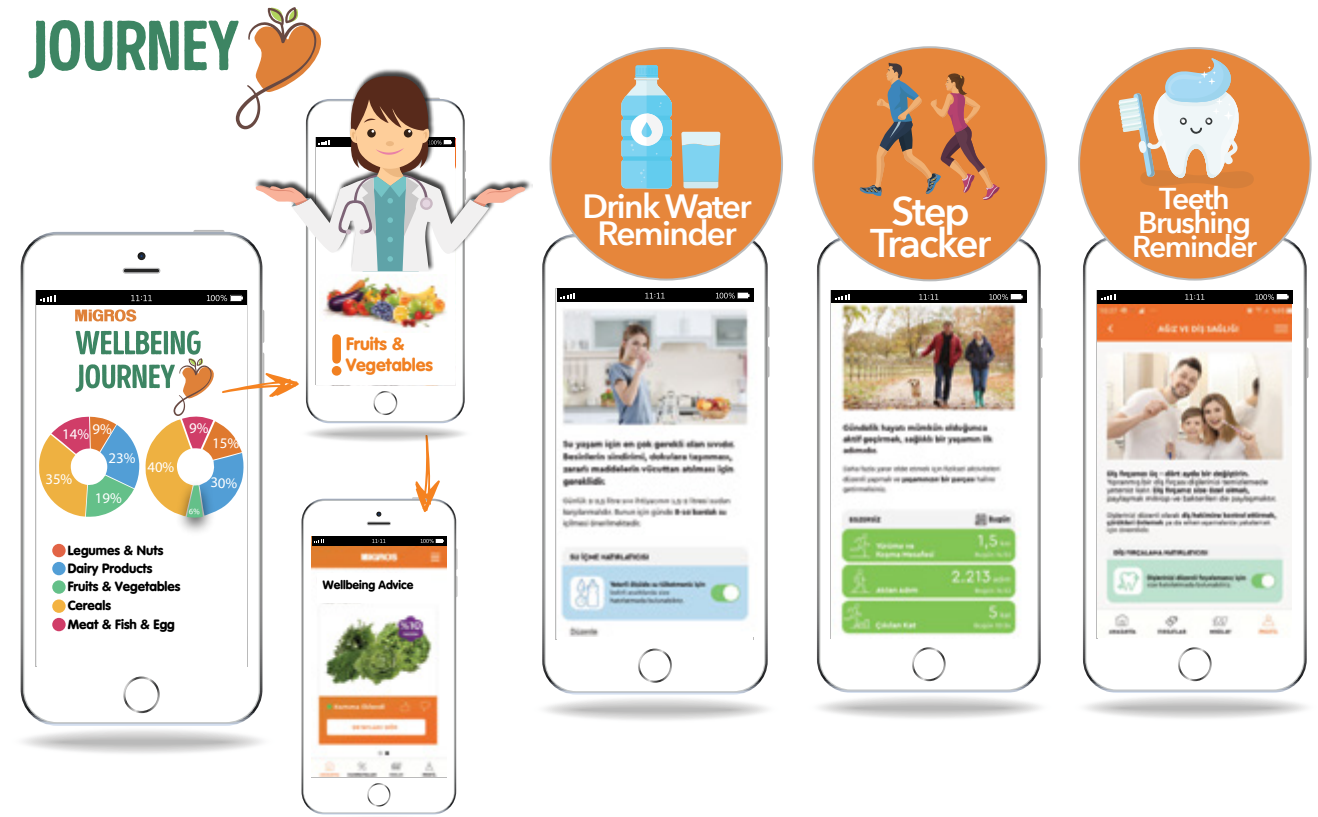
### Well-Being Journey

The Migros Well-being Journey available on the Money Mobile, Migros Sanal Market and www.migros.com.tr. Online Shopping platforms compares customers' food purchases with the advised consumption amounts and includes vegan and vegetarian options as well. It supports building positive habits through messages on food groups for a balanced diet and discount personalized product suggestions. Migros Well-being Journey reached nearly 5.5 million people so far. In 2023, nearly 30% of users gained positive changes in their behavioral patterns. Balanced Nutrition Index registered an improvement of 5.5 points in 2023. Within the same year, individual discounts worth TRY 2.1 million granted for a more balanced diet in line with the healthy lifestyle suggestions.

In 2023, Migros partnered with about 70 firms in the conduct of its WellBeing Journey program. This included Danone Türkiye in a project to promote Alpro plant-based beverages as replacements for milk and collaboration with Privegi additive-free, gluten-free and 100% vegan options as replacements for meat. Videos highlighting these products and ways to prepare them were released online and they were offered at discounted prices during their campaigns to make them more accessible. During the week around the observance of April 7th World Health Day, a "Migros WellBeing Journey Week" campaign was conducted in which discounts were offered on healthier-choice options in various product categories. Concurrent with this, physical and psychological wellbeing specialists conducted online sessions for Migros employees.

MIGROS

### WELLBEING JOURNEY



MIGROS

## Sports

Anadolu Efes Sports Club has played a significant role in spreading and instilling enthusiasm for basketball in Türkiye. Since 1976, Anadolu Efes has been contributing to the development of sports, a vital component of a healthy society and Turkish basketball through numerous sports events. A flagship in the history of Turkish basketball, Anadolu Efes is proud to have won 2 EuroLeague titles, one Korać Cup, 16 championships in the Turkish Basketball League, 12 championships in the Turkish Basketball Cup and 13 championships in the Turkish Basketball Presidential Cup as of the 2022-2023 season. The only Turkish team to hold two EuroLeague championships, Anadolu Efes has also won the Turkish Basketball League, Türkiye Cup and Presidential Cup the greatest number of times.

Anadolu Efes Sports Club, a pioneer of many firsts, was awarded the Silver Award for the third time at the Devotion Marketing Awards in 2023, where 38 teams from the Turkish Airlines EuroLeague and EuroCup participated. Anadolu Efes achieved this success with

the #YuvaOl project, carried out in collaboration with Pawder, aimed at helping pets and shelter dogs in the earthquake-affected regions. The only Turkish team recognized in the EuroLeague Devotion Marketing Awards, Anadolu Efes Sports Club holds the highest number of marketing awards among European clubs, with 5 golds and 3 silvers.

As it continues setting milestones in Turkish basketball, Anadolu Efes Sports Club's primary objective is to advance Turkish athletics further successfully represent our country in European leagues and instill enthusiasm for basketball in young children. Anadolu Efes has raised countless stars in its youth teams and introduces new talents to the sports arenas each year. As of the 2022-2023 season, the club holds 4 U20 Türkiye Championships, 22 U18 Türkiye Championships, 17 U16 Türkiye Championships, and 17 Junior Türkiye Championships. The club holds the highest number of cups in all organizations.

### BEST PRACTICES

#### Little Athletes Project

Within the scope of the Little Athletes Project, a portion of the income generated from Procter & Gamble products sold in Migros stores donated to the Special Olympics Türkiye Committee to improve the coordination skills of 2-to-7-year-old children in need of special education to help them socialize with their peers. The project helped nearly 7,000 special youth and children participate in sports and donated many sports equipment. The project aims to reach more children in the upcoming years.



MIGROS

#### One Team

Anadolu Efes Sports Club works on equality in sports and transferring the culture of sports to the younger generations as part of the One Team project, EuroLeague's corporate social responsibility project. The project contributes to the social development of young children who have never played basketball before. It focuses on a healthy and quality life, gender equality, equality in sports, and transferring sports culture to the younger generations. The 2022-2023 season One Team project was carried out in collaboration with ANKA Sports Club and the Imagination Center. The project, which contributes to the social development of participants every year with children coming from different regions, focused on the themes of equality in sports and instilling a sports culture in the younger generation for the 2022-2023 season. 25 children, including 10 boys and 15 girls, identified by the Imagination Center Association as having insufficient financial means, were introduced to basketball. During the 9-week program, they learned about basketball, socializing, teamwork, equality and trust. For the first time in their lives, they had the opportunity to attend an Anadolu Efes game.

The project, which took place as part of the One Team program during the 2022-2023 season, was awarded the Golden Compass in the "Corporate Social Responsibility - Sports Category" at the 21<sup>st</sup> Golden Compass Türkiye Public Relations Awards organized by the Turkish Public Relations Association in 2023.



ANADOLU EFES SPORTS CLUB

## Arts and Culture

We continue to support arts and culture events to ensure they are accessible to all members of society. Our activities in the field of culture and arts enable us to contribute to social development and spread cultural

richness. Through these events, we aim to inspire every segment of society and promote artistic expression and creativity.

### BEST PRACTICES

#### Uninterrupted Support to Culture and Arts for 36 Years

**36-Year Cooperation with Istanbul Foundation for Culture and Arts (IKSV):** Anadolu Efes has been in close cooperation with IKSV, Türkiye's leading organization in the field of culture and arts for 36 years. In line with this cooperation, the company supports the Istanbul International Film Festival, Jazz Festival, Istanbul Biennial and Design Biennial. Anadolu Efes is also the main supporter of the Meetings on the Bridge, a program under the umbrella of the Istanbul Film Festival, where international major screen professionals, scriptwriters, producers and new directors come together to bring new names into the industry.

**Anadolu Efes Mavi Sahne:** Mavi Sahne was founded in 2018 to support alternative art production and increase accessibility to theater. Mavi Sahne, continue to provide affordable tickets to university students and theater lovers at DasDas. To date, Mavi Sahne reached over 15,000 theater lovers.

**Pub-Up Mavi Sahne:** Anadolu Efes offers a unique art experience where poetry and acoustic music come together with Berkay Ateş and his guests with Pub-Up Mavi Sahne project. To date, Pub-Up Mavi Sahne has offered a unique art experience to audiences in many cities across Türkiye. In 2023, the company gathered with audiences in cities such as Antalya, Kars, Samsun and İstanbul.

**Kumbara Sende:** In cooperation with the Theater Cooperative, Anadolu Efes launched Türkiye's first gratuitous theater support program. The company gave grants to 30 different theater communities to continue.

ANADOLU EFES  
MAVİ SAHNE



ANADOLU EFES

#### Children's Theatre Festival

As part of the 'Migros April 23<sup>rd</sup> Traditional Children's Theatre Festival,' one of the longest-running social responsibility projects on Türkiye's theatre scene, performances were held in 14 cities in 2023. To date, 1 million children have enjoyed free performances at Turkish State Theaters auditoriums.

MIGROS

## Tourism

We highly value Türkiye's natural treasures and cultural values and we support all sustainable tourism efforts to this end. Recognizing the critical role of Türkiye's tourism potential in economic development, we undertake comprehensive projects to preserve and pass on our natural, historical and cultural riches to future generations. In this context, we organize awareness-

raising campaigns and events through collaborations between the public and private sectors. By conserving rather than consuming the resources that create tourism appeal, we develop and implement practices centered on sustainable tourism. In doing so, we support the local economy and ensure long-term sustainability in tourism.

### BEST PRACTICE

#### Future Is in Tourism

Since 2007, Anadolu Efes has partnered with the Republic of Türkiye Ministry of Culture and Tourism and the United Nations Development Program (UNDP) to run The Future is in Tourism, the first program focused on sustainable tourism in Türkiye. Through this program, Anadolu Efes demonstrate that Türkiye is prosperous when it comes to resources, not only in terms of sea-sand-sun tourism but also in terms of sustainable tourism. With sustainable tourism models, the company aims to protect natural and cultural heritage, improve the quality of life of local people and visitors, contribute to the local economy and economically empower the women of the region.

To date, Anadolu Efes has carried out various activities related to sustainable tourism in 19 different destinations through its program. This year, with the Future is in Tourism project, it focused on creating three new sustainable tourism routes in Köyceğiz, Taşlıca and Akyaka in Muğla. In the Taşlıca route, which stands out for its cultural heritage and unique gastronomy, a special menu was prepared for Sustainable Gastronomy Day in collaboration with Michelin-starred Chef Maksut Aşkar.

A workshop was held with a women's cooperative and entrepreneurs in Muğla, attended by 38 women. This year, in order to contribute to the environmental, social and economic rehabilitation efforts of Muğla, training on "Disaster-Conscious and Safe Tourism Operations" was provided to businesses and local people operating in tourism areas such as Köyceğiz, Akyaka and Marmaris. Seventy-one local businesses benefited from capacity building training within this scope.

As part of the project, a protocol was signed with Muğla Sıtkı Koçman University on December 5, World Volunteers Day, to make the university a sustainable campus under the Future is in Tourism program. Forty-six people attended the "Voluntourism" Volunteer Tourism Panel held at the university and 22 university students participated in the planting of 100 liquidambar saplings as part of the Republic's 100<sup>th</sup> Anniversary celebrations. The project also provides technical support for the university's 'Volunteering Studies' course, aiming to strengthen students' vision of sustainable tourism and encourage their participation in the Future is in Tourism activities as volunteers.

The project was awarded the "Leadership in Sustainable Tourism" award for the Future is in Tourism Program at the Sustainable Tourism Summit & Awards'23, held for the third time this year as part of the Sustainable Tourism Summit. It also received the Continuity/Sustainability Award at the 21<sup>st</sup> Golden Compass Public Relations Awards.

ANADOLU EFES



**ANNEXES**



## Corporate Memberships

- The Turkish Industry and Business Association (TÜSİAD)
- United Nations Global Compact (UNGC)
- Association of the United Nations Global Compact Signatories
- The Business Plastics Initiative (IPG)
- The Turkish Investor Relations Society (TÜYİD)
- The Corporate Governance Association of Türkiye (TKYD)
- The Foreign Economic Relations Board of Türkiye (DEİK)
- The Ethics and Reputation Society (TEİD)
- The Quality Association of Türkiye (KALDER)
- The Association of Listed Partnership Managers (KOTODER)
- The Corporate Communicators Association (KİD)
- The Economic Development Foundation (İKV)
- The Informatics Industry Association (TÜBİSAD)

## Performance Indicators

### Social Performance Indicators

Employees by Gender and Category	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Total	21,625	42,257	22,566	42,610	27,419 ✓	44,908 ✓
White-collar	6,943	14,618	7,526	15,443	7,509 ✓	14,237 ✓
Blue-collar	14,682	27,639	15,040	27,167	19,910 ✓	30,671 ✓
Employees covered by the CBA	34,480		39,725		48,220	

Employees by Working Duration and Category	2021		2022		2023	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Total	61,833	2,049	64,571	605	71,365	962
White-collar	21,348	213	22,680	289	21,407	342
Blue-collar	40,594	1,727	41,891	316	49,958	620

Number of Employees by Age	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Below 30	10,412	15,592	10,536	14,641	12,604 ✓	14,338 ✓
30–50 years old	10,654	24,651	11,407	25,549	14,007 ✓	27,715 ✓
Over 50	559	2,014	623	2,420	808 ✓	2,855 ✓

Employees by Year	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
0-5 years	12,436	20,871	13,089	20,361	18,110 ✓	24,689 ✓
5-10 years	4,796	10,031	4,790	9,852	4,985 ✓	9,422 ✓
10 years and over	4,393	11,355	4,687	12,397	4,324 ✓	10,797 ✓

Executives by Gender and Age	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Total	3,380	7,063	3,761	7,419	3,975 ✓	7,837 ✓
Below 30	850	1,140	919	1,184	775 ✓	999 ✓
30–50 years old	2,388	5,484	2,679	5,746	3,038 ✓	6,349 ✓
Over 50	142	440	163	489	162 ✓	489 ✓

Salary Rates by Level*	2023
Ratio of women's salary at C level (executive) to men's salary at C level (executive) (basic salary only)**	0.98
Ratio of women's salary at C level (executive) to men's salary at C level (executive) (basic salary and other bonus payments)**	0.98
Ratio of women executives' salary to men executives' salary (basic salary only)	0.97
Ratio of women executives' salary to men executives' salary (basic salary and other bonus payments)	0.97
Ratio of salaries of non-managerial women to non-managerial men (basic salary only)	1.0
Ratio of basic salary of women employees (all levels) to men employees (all levels)	1.1

\*This ratio covers approximately 100% of Anadolu Group employees. When calculating salary averages, we took in the weighted average based on the number of employees of each respective company. Minimal differences may be observed based on seniority, performance and seniority, regardless of gender.

\*\*Anadolu Efes was excluded.







Other Gender Equality Indicators	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Supervisors	2,692	5,676	3,053	6,018	3,177 ✓	6,290 ✓
Senior and mid-level executives	672	1,373	708	1,401	798 ✓	1,547 ✓
Non-managerial employees	18,261	35,209	18,805	35,191	23,444 ✓	37,071 ✓
Employees in income-generating positions	2,296	6,993	2,727	6,888	3,193 ✓	6,643 ✓
Employees in the information technology (IT) workforce	846	504	432	406	225* ✓	496 ✓
Employees in the engineering workforce	366	4,412	578	5,705	846 ✓	6,162 ✓
Employees in STEM positions	1,232	4,984	1,045	6,190	1,235 ✓	6,903 ✓

\*Anadolu Efes Russia and Ukrania were excluded.

Employees Granted Maternity/Parental Leave	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Number of employees granted maternity/parental leave	898	1,439	1,256	1,343	1,483 ✓	1,584 ✓
Number of employees who returned to work following maternity/parental leave	366	1,430	869	1,145	737 ✓	1,258* ✓
Employees who returned from parental leave and have worked for at least 12 months	689	1,232	520	1,166	571* ✓	1,016* ✓

\*Anadolu Efes was excluded.

Employees with Disabilities by Gender	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
	369	1,070	411	1,102	467 ✓	1,253 ✓

	2021		2022		2023	
	 Women	 Men	 Women	 Men	 Women	 Men
<b>Employees Subject to Regular Performance Appraisal</b>	49,882		18,263	32,502	56,004	✓

<b>Subcontracted Employees</b>	2022	2023
Number of full-time subcontractors	15,718	19,267
Number of part-time subcontractors	1,384	

<b>Training Hours by Year</b>	2021	2022	2023
Total training hours	3,482,723	3,849,067	5,466,412 ✓
Training hours per employee	54.5	59	75.5
Total training hours to suppliers	-	-	3,804*

\*Anadolu Efes was excluded.

<b>OHS Training Hours by Year</b>	2021	2022	2023
Total training hours	180,184	451,912*	453,174
Training hours per employee	2.76	6.93	6.27
Total training hours to subcontractors	40,399	88,886**	158,062

\*It increased compared to the previous year as a result of the increase in orientation and other training activities of new recruits employees.

\*\*Due to the expansion of training activities for subcontractors, training hours increased compared to the previous year.

<b>OHS Performance</b>	2021		2022		2023	
	Employees	Subcontractors	Employees	Subcontractors	Employees	Subcontractors
Accident frequency rate*	35.74	42.76	19.38	29.54	17.97	32.93
Occupational disease rate**	0	0	0.0004	0	0.0350	0
Number of fatal accidents	1	0	0	0	1	1
Injury rate***	-	-	-	-	72.34	62.25
Total injury rate	-	-	-	-	67.96	

\*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.

\*\*\*Injury Rate = Total cases of work-related injuries that resulted in lost workday x 1,000,000 / Total work hours.

	2021	2022	2023
<b>Charity Expenses (TRY)*</b>	342,032,636	826,651,972	1,906,818,612

\*This includes corporate social responsibility, donations, and social sponsorship expenses as well as payments to charities and business ventures.

## Environmental Performance Indicators

Energy Consumption	2021	2022	2023
Total energy consumption (MWh)	2,547,038	2,552,236	3,631,078
Energy intensity (kWh/TRY)	0.031	0.014	0.010

Purchased Renewable Energy (MWh)	2021	2022	2023
Total (Hydroelectricity, wind, other)	69,671.7	230,369.34	240,005.85

Produced Renewable Energy (MWh)	2021	2022	2023
Total	578,269.9	703,019.4	675,827.8
Hydroelectricity	539,826.8	678,424.4	648,766.6
Solar	1.8	1,401.00	15,192.68
Biogas	-	23,194	5,398.1
Wind	-	-	6,469.7
Other	38,441.3	-	-

Sold Renewable Energy (MWh)	2021	2022	2023
Total	536,297.4	675,721.93	648,322.13
Hydroelectricity	536,297.4	675,600.93	646,104.22
Solar	-	121.00	2,217.91

Greenhouse Gas Emissions	2021	2022*	2023
Total greenhouse gas emissions (ton CO <sub>2</sub> e)	20,825,172	22,532,094	17,560,389
Scope 1 (direct) emissions (ton CO <sub>2</sub> e)	662,717	763,455	685,743
Scope 2 (indirect) emissions (ton CO <sub>2</sub> e)	699,049	659,814	634,705
Scope 3 emissions (ton CO <sub>2</sub> e)**	19,463,406	21,108,825	16,239,941
Scope 1-2 greenhouse gas intensity (kg CO <sub>2</sub> e/TRY)	0.016	0.008	0.004
Scope 1-2-3 greenhouse gas intensity (kg CO <sub>2</sub> e/TRY)	0.252	0.127	0.047

\*The data of companies that completed the verification process in 2022 has been updated.

\*\*Scope 3 data for Anadolu Efes in 2023 is included.

Air Emissions (kg)*	2021	2022	2023
NO <sub>x</sub>	82,722	56,212.74	92,803.88
SO <sub>x</sub>	5,697	1,896.32	16,046.92
Volatile organic compounds (VOC)	95,527	117,398.75	155,027.07
Particulate matter (PM)	35,343	25,830.75	8,329.54

\*Our companies, which are subject to the Industrial Air Pollution Control Regulation, have emission measurements made every two years.

Water Consumption (m <sup>3</sup> )	2021	2022	2023
Total	29,144,209	29,386,296	33,397,599
Water intensity (m <sup>3</sup> /thousand TRY)	0.352	0.165	0.089
Mains water	10,635,832	9,272,313.39	11,842,326.71
Surface water	1,675,479	1,285,576.70	826,910
Underground water	16,832,898	18,828,406.78	20,728,362

<b>Total Amount of Water Withdrawn in Water-Stressed Areas (m<sup>3</sup>)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total	16,838,040	10,739,564.9	10,659,788.68
Surface water	1,002,610	977,038.29	102,316
Underground water	13,729,557	7,241,653.01	7,132,476
Third-party water providers	2,105,873	3,497,911.89	3,424,996.68

<b>Recycled Water and Wastewater Quantity (m<sup>3</sup>)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Amount of recycled/reused water	802,980	424,801	644,784
Amount of waste water	14,791,403	11,255,652	11,137,924.33



<b>Hazardous Waste Amount (ton)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total	10,269	12,666.77	20,181.54
Disposed of at sanitary/solid waste landfill	2,317	232.79	171.8
Recovered for energy production	555	1,918.98	632.4
Reused	5,861	-	2,644
Recycled/recovered	555	112.79	3,815
Incinerated (Not for energy generation purposes)	929	24.76	24.34
Other	52	10,377.45	12,894



<b>Amount of Non-Hazardous Waste (ton)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total	666,454	686,248	659,354.2
Disposed of at sanitary/solid waste landfill	67,541	61,225.46	74,373
Recycled/recovered	525,526	586,788.78	438,730
Recovered for energy production	4,313	3,334.73	5,305
Reused	55,972	586	108,049
Composted	5,801	13,764.36	17,081.2
Other	7,301	20,549.01	15,816

# GRI Standards Content Index

<b>Statement of Use</b>	<b>Anadolu Group has prepared its report covering the period between 1 January 2023 - 31 December 2023 in accordance with GRI Standards.</b>
<b>GRI 1 Usage</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	

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<b>GRI 2: GENERAL DISCLOSURES 2021</b>		
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	2-2 Entities included in the organization's sustainability reporting	About the Report, p.3
	2-3 Reporting period, frequency and contact point	About the Report, p.3
	2-4 Restatements of information	Group Companies, p.10 Material Topics, p.25
	2-5 External assurance	No external audit was conducted within the scope of the report.
	2-6 Activities, value chain and other business relationships	About Anadolu Group, p.8
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	2-10 Nomination and selection of the highest governance body	Integrated Governance for the Future, p.70
	2-11 Chair of the highest governance body	Integrated Governance for the Future, p.70
	2-12 Role of the highest governance body in overseeing the management of impacts	Integrated Governance for the Future, p.70 Risk Management, p.74 Internal Control and Internal Audit, p.72

GRI STANDARDS	DISCLOSURES	PAGE NUMBER, SOURCE AND/OR DIRECT ANSWERS
	2-13 Delegation of responsibility for managing impacts	Integrated Governance for the Future, p.70 Risk Management, p.74 Sustainability Management, p.24
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, p.24
	2-15 Conflicts of interest	Integrated Governance for the Future, p.70
	2-16 Communication of critical concerns	Integrated Governance for the Future, p.70 Internal Control and Internal Audit, p.72
	2-17 Collective knowledge of the highest governance body	Integrated Governance for the Future, p.70
	2-18 Evaluation of the performance of the highest governance body	Integrated Governance for the Future, p.70
	2-19 Remuneration policies	Talent Management, p.86 <b>The Compensation Principles of AG Anadolu Grubu Holding A.Ş.</b> 
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	2-20 Process to determine remuneration	Talent Management, p.86 <b>The Compensation Principles of AG Anadolu Grubu Holding A.Ş.</b> 
	2-21 Annual total compensation ratio	Omission: Confidentiality constraints. Anadolu Group does not share this information publicly in accordance with the privacy policies.
	2-22 Statement on sustainable development strategy	Sustainability Strategy, p.20 Sustainability Management, p.24
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
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<b>GRI 207: TAX 2019</b>	207-1 Approach to tax	Anadolu Group Annual Report 2023, Notes to The Consolidated Financial Statements As of December 31, 2023, Note 29 - Tax Assets and Liabilities 
	207-4 Country-by-country reporting	Anadolu Group Annual Report 2023, Notes to The Consolidated Financial Statements As of December 31, 2023, Note 29 - Tax Assets and Liabilities, Note 1 - Organization and Nature Of Activities Of The Group (Cont'd) 
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<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 Integrated Governance for the Future, p.70
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<b>GRI 3: MATERIAL TOPICS 2021</b>	3-1 Process to determine material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of Nature, p.32

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<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of Nature, p.32
	306-1 Waste generation and significant waste-related impacts	Circular Economy for the Future, p.41
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	306-5 Waste directed to disposal	Environmental Performance Indicators, p.118
	<b>CIRCULAR ECONOMY</b>	
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of Nature, p.32 Circular Economy for the Future, p.41
	<b>EMPLOYEE LOYALTY AND SATISFACTION</b>	
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of People, p.80
	401-1 New employee hires and employee turnover	Social Performance Indicators, p.113
<b>GRI 401: EMPLOYMENT 2016</b>	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Equality and Diversity, p.81 Talent Management, p.86 Employee Engagement and Volunteerism, p.94
	401-3 Parental leave	Social Performance Indicators, p.113
<b>GRI 406: NON-DISCRIMINATION 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Employee Engagement and Volunteerism, p.94

GRI STANDARDS	DISCLOSURES	PAGE NUMBER, SOURCE AND/OR DIRECT ANSWERS
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of People, p.80
	403-1 Occupational health and safety management system	Occupational Health and Safety, p.96
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>	403-2 Hazard identification, risk assessment, and incident investigation	Social Performance Indicators, p.113
	403-3 Occupational health services	Occupational Health and Safety, p.96
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p.96
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, p.96
	403-6 Promotion of worker health	Occupational Health and Safety, p.96
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p.96
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, p.96
	403-9 Work-related injuries	Social Performance Indicators, p.113
	403-10 Work-related ill health	Social Performance Indicators, p.113
	<b>TALENT MANAGEMENT</b>	
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of People, p.80
	404-1 Average hours of training per year per employee	Talent Management, p.86 Social Performance Indicators, p.113
<b>GRI 404: TRAINING AND EDUCATION 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management, p.86
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Management, p.86 Social Performance Indicators, p.113
<b>EQUAL OPPORTUNITY AND SAFETY</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of People, p.80



GRI STANDARDS	DISCLOSURES	PAGE NUMBER, SOURCE AND/OR DIRECT ANSWERS
<b>GRI 405: DIVERSITY AND EQUAL 2016</b>	405-1 Diversity of governance bodies and employees	Equality and Diversity, p.81 Social Performance Indicators, p.113
	405-2 Ratio of basic salary and remuneration of women to men	Talent Management, p.86 Social Performance Indicators, p.113
<b>HUMAN RIGHTS AND FAIR WORKING CONDITIONS</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of People, p.80
<b>GRI 406: NON-DISCRIMINATION 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Employee Engagement and Volunteerism, p.94
<b>COMMUNITY INVESTMENT PROGRAMS</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of Business, p.50 Empowered Community for the Future, p.99
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>	203-1 Infrastructure investments and services supported	Empowered Community for the Future, p.99
	203-2 Infrastructure investments and services supported	Empowered Community for the Future, p.99
<b>GRI 413: LOCAL COMMUNITIES 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Empowered Community for the Future, p.99
<b>RESPONSIBLE RESOURCE MANAGEMENT AND PROCUREMENT</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of Business, p.50
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>	201-1 Direct economic value generated and distributed	<b>Anadolu Group Annual Report 2023, Key Financial Indicators p.12</b> 
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Management, p.24 Material Topics, p.25 Risk Management, p.74
	201-3 Defined benefit plan obligations and other retirement plans	<b>Anadolu Group Annual Report 2023, Consolidated Statements of Financial Position</b> 

GRI STANDARDS	DISCLOSURES	PAGE NUMBER, SOURCE AND/OR DIRECT ANSWERS
<b>DATA PRIVACY AND CYBERSECURITY</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 The Future of Business, p.50 Protection to Personal Data, p.73
<b>CONTRIBUTION TO LOCAL DEVELOPMENT</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 Empowered Community for the Future, p.99
<b>MULTI-STAKEHOLDER INITIATIVES AND COLLABORATIONS</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 Corporate Memberships, p.112
<b>CUSTOMER SATISFACTION AND COMMUNICATION</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 Leading Brands for the Future, p.58
<b>DIGITAL TRANSFORMATION</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 Digitalization and Innovation for the Future, p.50
<b>R&amp;D AND INNOVATION</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 Digitalization and Innovation for the Future, p.50
<b>PRODUCT QUALITY AND SAFETY</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 Responsible Manufacturing for the Future, p.61
<b>STAKEHOLDER ENGAGEMENT</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-3 Management of material topics	Sustainability Management, p.24 Material Topics, p.25 Stakeholder Communication, p.29



# UN Global Compact (UNGCC) Content Index

TOPICS	GLOBAL PRINCIPLES	LOCATION OF DISCLOSURE
Human Rights	<b>Principle 1</b> - Businesses should support and respect the protection of internationally proclaimed human rights.	Human Resources for the Future, p.80 Code of Business Ethics and Compliance, p.72
	<b>Principle 2</b> - Businesses should make sure that they are not complicit in human rights abuses.	Human Resources for the Future, p.80 Code of Business Ethics and Compliance, p.72
	<b>Principle 3</b> - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Equality and Diversity, p.81 Employee Engagement and Volunteerism, p.94
Labor	<b>Principle 4</b> - All forms of forced and compulsory labor should be eliminated.	Human Resources for the Future, p.80
	<b>Principle 5</b> - All forms of child labor should be eliminated.	Human Resources for the Future, p.80
	<b>Principle 6</b> - Discrimination in respect of employment and occupation should be eliminated.	Human Resources for the Future, p.80 Equality and Diversity, p.81
	<b>Principle 7</b> - Businesses should support a precautionary approach to environmental challenges.	The Future of Nature, p.32
	<b>Principle 8</b> - Businesses should undertake initiatives to promote greater environmental responsibility.	The Future of Nature, p.32
Anti-Corruption	<b>Principle 9</b> - Businesses should encourage the development and diffusion of environmentally friendly technologies.	The Future of Nature, p.32
	<b>Principle 10</b> - Businesses should work against corruption in all its forms, including extortion and bribery.	Internal Control and Internal Audit, p.72 Anti-Bribery and Anti-Corruption, p.73 Responsible Manufacturing for the Future, p.61

# World Economic Forum (WEF) Stakeholder Capitalism Metrics

THEME	DESCRIPTION	REFERENCE(S)
<b>PRINCIPLES OF GOVERNANCE</b>		
<b>Governing Purpose</b>	<b>Setting Purpose:</b> 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.	About the Report, p.3 Sustainability Strategy, p.20
<b>Quality of Governing Body</b>	<b>Governance body composition:</b> It should be disclosed that 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.	Sustainability Strategy, p.20 Sustainability Management, p.24 Integrated Governance for the Future, p.70
<b>Stakeholder Engagement</b>	<b>Material issues impacting stakeholders:</b> 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 should be disclosed.	Sustainability Strategy, p.20 Sustainability Management, p.24 Stakeholder Communication, p.29 Material Topics, p. 25 Value Creation Model, p.22
<b>Ethical Behavior</b>	<b>Anti-corruption:</b> 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 should be disclosed. 2. (a) Total number and nature of incidents of corruption confirmed during the current year but related to previous years (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year and 3. Initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption should be discussed.	Anti-Bribery and Anti-Corruption, p.73
<b>Risk and Opportunity Oversight</b>	<b>Protected ethics advice and reporting mechanisms:</b> Internal and external mechanisms for seeking advice about ethical and lawful behavior and organizational integrity and reporting concerns about unethical or lawful behavior and organizational integrity should be described.	Code of Business Ethics and Compliance, p.72
	<b>Integrating risk and opportunity into business process:</b> 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 should be discussed. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.	Risk Management, p.74

THEME	DESCRIPTION	REFERENCE(S)
<b>PLANET</b>		
Climate Change	<b>Greenhouse Gas (GHG) emissions:</b> For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions should be reported. Material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate should be calculated and reported.	Net-Zero for the Future, p.34 Environmental Performance Indicators, p.118
	<b>TCFD implementation:</b> 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 Nature, p.32 Risk Management, p.74
Nature Loss	<b>Land use and ecological sensitivity:</b> 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).	Biodiversity for the Future, p.46
Fresh water availability	<b>Water consumption and withdrawal in water-stressed areas:</b> Report for operations where material, mega litres of water withdrawn, mega litres 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.	Water Cycle for the Future, p.39 Environmental Performance Indicators, p.118
<b>PEOPLE</b>		
Dignity and equality	<b>Diversity and inclusion:</b> Percentage of employees should be disclosed per employee category, per age group, gender and other indicators of diversity (e.g. ethnicity).	Human Resources for the Future, p.80 Equality and Diversity, p.81 Social Performance Indicators, p.113
	<b>Pay equality:</b> Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality should be disclosed: women to men; minor to major ethnic groups; and other relevant equality areas	Talent Management, p.86 Equality and Diversity, p.81 Social Performance Indicators, p.113
	<b>Risk for incidents of child, forced or compulsory labour:</b> Operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour should be disclosed. Such risks could emerge in relation to type of operation (such as manufacturing plant) and type of supplier; or countries or geographic areas with operations and suppliers considered at risk should be explained.	<b>AG Anadolu Grubu Holding Code of Business Ethics and Non Compliance Notification Regulations</b> 
	<b>Health and Safety:</b> 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 should be disclosed. 2. How the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers should be explained.	Occupational Health and Safety, p.96 Social Performance Indicators, p.113

THEME	DESCRIPTION	REFERENCE(S)
Skills for the future	<b>Training provided:</b> 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 trainings provided to employees divided by the number of employees) and average training and development expenditure per full time employee should be disclosed.	Training and Development Programs, p.90 Social Performance Indicators, p.113
<b>PROSPERITY</b>		
Employment and wealth generation	<b>Absolute number and rate of employment:</b> Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region and total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region should be explained.	Social Performance Indicators, p.113
	<b>Economic Contribution:</b> 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations should be explained. Ideally split out by: <ul style="list-style-type: none"> <li>• Revenues</li> <li>• Operating costs</li> <li>• Employee wages and benefits</li> <li>• Payments to providers of capital</li> <li>• Payments to government</li> <li>• Community investment</li> </ul> 2. Financial assistance received from the government should be disclosed: total monetary value of financial assistance received by the organization from any government during the reporting period.	Anadolu Group Annual Report 2023, p.144 
	<b>Financial investment contribution disclosure:</b> Total capital expenditures (CapEx) – Depreciation supported by narrative to describe the company's investment strategy and share buybacks + Dividend payments supported by narrative to describe the company's strategy for returns of capital to shareholders should be disclosed.	Anadolu Group Annual Report 2023, p.144 The Future of Business, p.50
Innovation in better products and services	<b>Total R&amp;D expenses:</b> Total costs related to research and development should be disclosed.	Digitalization and Innovation for the Future, p.50
Community and social vitality	<b>Total tax paid:</b> 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 should be disclosed.	Anadolu Group Annual Report 2023, p.144  Empowered Community for the Future, p.99

Source: <https://www.weforum.org/stakeholdercapitalism/our-metrics/>



# Independent Assurance



## Limited Assurance Report to the Board of Directors of AG Anadolu Grubu Holding A.Ş.

We have been engaged by the Board of Directors of AG Anadolu Grubu Holding A.Ş. (“Anadolu Group”) to perform a limited assurance engagement in respect of the Selected Sustainability Information (the “Selected Information”) stated in the Anadolu Group Integrated Report 2023 (the “Integrated Report 2023”) for the year ended 31 December 2023 and listed below.

### Selected Information

The scope of the Selected Information for the year ended 31 December 2023, which is subject to our limited assurance work, set out in the pages between 113, 114, 115 and 116 of the Integrated Report 2023 with the sign “✔” is summarized below:

### Social Indicators

- Employees by Gender and Category (#)
- Number of Employees by Age (#)
- Employees by Year (#)
- Executives by Gender and Age (#)
- Number Of Employees Granted Maternity/Parental Leave
- Number of Employees Who Returned to Work Following Maternity/Parental Leave (#)
- Employees Who Returned from Parental Leave and Have Worked for at least 12 Months (#)
- Employees with Disabilities by Gender (#)
- Employees Subject to Regular Performance Appraisal (#)
- Training Hours by Year (#)
- Supervisors (#)
- Senior and Mid-Level Executives (#)
- Non-Managerial Employees (#)
- Employees in Income Generating Positions (#)
- Employees in the Information Technology (IT) Workforce (#)
- Employees in the Engineering Workforce (#)
- Employees in STEM Positions (#)

Our assurance was with respect to the Selected Information marked with “✔” in the in the Integrated Report 2023 and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with “✔” in the Integrated Report 2023 and any other elements included in the Integrated Report 2023 and therefore do not express any conclusion thereon.

### Criteria

The criteria used by the Anadolu Group to prepare the Selected Information is set out in section “Anadolu Group Integrated Report 2023 – Reporting Principles” (the “Reporting Principles”) on pages between 136 and 137 of the Integrated Report 2023.

### The Anadolu Group’s Responsibility

The Anadolu Group is responsible for the content of the Integrated Report 2023 and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

### Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles

### Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.



### **Our Responsibility**

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Made inquiries of the persons responsible for the Selected Information;
- Understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- Evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- Performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Anadolu Group and;
- Undertook analytical procedures over the reported data.

### **Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Anadolu Group's Selected Information for the year ended 31 December 2023, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

### **Restriction of use**

This report, including the conclusion, has been prepared for the Board of Directors of the AG Anadolu Grubu Holding A.Ş. as a body, to assist the Board of Directors in reporting AG Anadolu Grubu Holding A.Ş.'s performance and activities related to the Selected Information. We permit the disclosure of this report within the Integrated Report 2023 for the year ended 31 December 2023, to enable the Board of Directors of the AG Anadolu Grubu Holding A.Ş. to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of AG Anadolu Grubu Holding A.Ş. as a body AG Anadolu Grubu Holding A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Burak Özpoyraz, SMMM  
Independent Auditor

Istanbul, 19 November 2024

# Anadolu Group Integrated Report 2023 – Reporting Principles

## General Reporting Principles

This reporting principles (“Principles”) provides information on the data preparation and reporting methodologies of indicators (“Indicators”) within the scope of the limited assurance in AG Anadolu Grubu Holding A.Ş. (“Group or Anadolu Group”) in the Anadolu Group Integrated Report 2023 (Integrated Report 2023) in accordance with the Principles.

The indicators include social indicators. Anadolu Group is responsible for implementing appropriate procedures to prepare these indicators in all material aspects in accordance with the Principles.

The information in these principles covers the 2023 financial and reporting year ending December 31, 2023 (January 1 - December 31, 2023) and the information of the following companies in Anadolu Group's Turkey and foreign operations as detailed in the “Key Definitions and Scope of Reporting” section and does not include subcontractor information.

- AG Anadolu Grubu Holding A.Ş.
- Migros Ticaret A.Ş.
- Coca-Cola İçecek A.Ş.
- Anadolu Efes Biracılık ve Malt Sanayii A.Ş.
- Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş.

- Çelik Motor Ticaret A.Ş.
- Anadolu Motor Üretim ve Pazarlama A.Ş.
- Aep Anadolu Etap Penkon Gıda ve Tarım Ürünleri Sanayi ve Ticaret A.Ş.
- Aslancık Elektrik Üretim ve Ticaret A.Ş.
- Anadolu Kafkasya Enerji Yatırımları A.Ş.
- Adel Kalemcilik Ticaret ve Sanayi A.Ş.
- Anadolu Vakfı
- ASM Anadolu Sağlık Merkezi A.Ş.
- Anadolu Efes Spor Kulübü
- AEH Sigorta Acenteliği A.Ş.

In preparing this guidance document, consideration has been given to following Principles:

- Indicator Preparation – to highlight to users of the indicator the primary principles of relevance and reliability of indicator; and
- Indicator Reporting – to highlight the primary indicator of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

## Key Definitions and Reporting Scope

For the purpose of this report, Anadolu Group defines:

TYPE	INDICATOR	SCOPE
Social Indicators	Employees by Gender and Category (#)	As of 31.12.2023, it refers to the total number of Anadolu Group employees who are tracked by Group's Human Resources data platform and for whom the Social Security Institution has been made a Declaration of Employment (declarations made to local organizations for foreign locations), categorized as white-collar, blue-collar, men and women.
	Number of Employees by Age (#)	As of 31.12.2023, it refers to the breakdown of men and women according to age groups below 30, between 30 and 50, and above 50, among Anadolu Group employees who are categorized by Group's Human Resources data platform and whose Social Security Institution Employment Declaration (declarations made to their local organizations for foreign locations) is made.
	Employees by Year (#)	As of 31.12.2023, the number of Anadolu Group employees with 0-5 years, 5-10 years, and 10 years or over employment experience, broken down by men and women, for whom the Social Security Institution has been made a Declaration of Employment (declarations made to local organizations for foreign locations), which is monitored by Group's Human Resources data module.
	Executives by Gender and Age (#)	As of 31.12.2023, the number of men and women employees at the levels defined as first, middle and senior management among Anadolu Group employees whose employment declarations to the Social Security Institution (declarations made to their local organizations for foreign locations) are monitored through Group's Human Resources data platform, refers to the breakdown of women and men according to age groups below 30, between 30-50 and above 50.
	Number of Employees Granted Maternity/Parental Leave (#)	In the reporting period, within the scope of Anadolu Group's Regulation on Partial-Time Work to be Performed After Maternity Leave or Unpaid Leave (according to local legislation for foreign locations), it refers to the number of men and women employees of the Group who have been granted parental leave within the periods specified in the regulation.

TYPE	INDICATOR	SCOPE
Social Indicators	Number of Employees Who Returned to Work Following Maternity/Parental Leave (#)	In the reporting period, within the scope of Anadolu Group's Regulation on Partial-Time Work to be Performed After Maternity Leave or Unpaid Leave (according to local legislation for foreign locations), it refers to the number of men and women employees of the Group who returned to work after taking parental leave within the periods specified in the regulation.
	Employees Who Returned from Parental Leave and Have Worked for at least 12 Months (#)	In the prior reporting period, within the scope of Anadolu Group's Regulation on Partial-Time Work After Maternity Leave or Unpaid Leave (for foreign locations, according to their local legislation), refers to the number of men and women employees of the Group who returned to work after taking parental leave and continued to work for at least 12 months within the periods specified in the regulation.
	Employees with Disabilities by Gender (#)	As of 31.12.2023, it refers to the breakdown of the total number of women and men employees of Anadolu Group within the definition of disabled according to the Law No. 5378 on Disabled Persons (according to local laws for foreign locations).
	Employees Subject to Regular Performance Appraisal (#)	It refers to the total number of men and women employees included in this appraisal, which is performed during the year-end performance appraisal periods of Anadolu Group within the reporting period, monitored through the Human Resources data platform, and includes a separate appraisal form for each employee.
	Training Hours by Year (#)	In the reporting period, it refers to the total number of hours of training provided to Group employees, breakdown by men and women, as recorded on the training tracking platform of Anadolu Group's Human Resources Department.
	Other Gender Equality Indicators (#)	
	Supervisors, Senior and Mid-Level Executives (#)	In the reporting period, it refers to the number of men and women employees at the first, middle and senior management levels of Anadolu Group's employees whose employment declarations to the Social Security Institution (declarations made to their local organizations for foreign locations) are monitored through Group's Human Resources data platform.
Non-Managerial Employees (#)	In the reporting period, it refers to the number of men and women employees who are not included in the scope of management of Anadolu Group employees whose employment declarations to the Social Security Institution (declarations made to their local organizations for foreign locations) are monitored through Group's Human Resources data platform.	
Employees in Income Generating, Information Technology (IT), Engineering Workforce and STEM positions (#)	In the reporting period, it refers to the number of women and men working in Anadolu Group's income generating positions, information technology (IT), engineering and STEM positions, which are monitored through Group's Human Resources data platform.	

## Data Preparation

### 1. Social Indicators

#### Supervisors (#)

It refers to the number of Anadolu Group employees with the title of supervisor or chief.

#### Senior and Mid-Level Executives (#)

It refers to the number of Anadolu Group employees with the titles of president, general manager, assistant general manager, coordinator, director, assistant coordinator and manager.

#### Employees in Income Generating Positions (#)

Anadolu Efes;  
Employees in Sales and Market development positions are included.  
Migros;  
Employees in the sales department are included.  
CCI;  
Employees in the finance department are included.

#### Employees in the Information Technology (IT) Workforce (#)

Anadolu Group's men and women employees working in information technology (IT) functions were included.

Anadolu Efes Russia and Ukraine employees were excluded from the total.

#### Employees in the Engineering Workforce (#)

Anadolu Group's men and women employees working in engineering functions were included.

#### Employees in STEM Positions (#)

Anadolu Group's men and women employees working in the fields of Science, Technology, Engineering and Mathematics were included.

#### Number of Employees Who Returned to Work Following Maternity/Parental Leave (#)

Anadolu Efes men employees were excluded from the total.

#### Employees Who Returned from Parental Leave and Have Worked for at Least 12 Months (#)

Anadolu Efes employees were excluded from the total.

## Restatement

The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Group level.

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