As a global Turkish company serving a geography with a population of 4 billion, we focus particularly on sustainable production, and pursue our operations by adopting the waste-free company model we inherited from our founder Sabri Ülker.

Dearest Stakeholders,

Changing global trends shape both today and tomorrow for our environment, societies and the business world alike. The food industry, in which we mainly operate, is also directly affected by global developments such as the climate crisis, population growth, changing consumer behavior, technology and digitalization. According to the data of Food and Agriculture Organization of the United Nations (FAO), the global population is expected to reach 9.7 billion by 2050, whereas global food production needs to be increased by approximately 50 percent to meet the food demand. The solution to this problem is not only to ensure an adequate food supply, but also to meet this increasing demand with sustainable food production. As a global Turkish company serving a geography with a population of 4 billion, we focus particularly on sustainable production, and pursue our operations by adopting the waste-free company model we inherited from our founder Sabri Ülker.

When we look back, we see that 2019 has been a year of economic uncertainties stemming from worldwide fluctuations in the financial markets. And right after that, we entered the year of 2020 with the COVID-19 pandemic. The global outbreak had negative effects on many business areas. In this process, it was seen that more agile, more durable and more flexible companies, in other words, companies with high adaptability, were less affected by the epidemic by developing different competencies. The need for a substantial transformation in terms of sustainability has once again emerged with the epidemic. In such an environment, we as Yıldız Holding swiftly adapted to changing conditions; with the measures we took and the agile transformation processes we initiated, we continued our steady growth in the food and retail industries we operate in, despite all adverse conditions. And meanwhile, we determinedly continued our sustainability initiatives initiated prior to the epidemic. In the next period, we maintain our goal of leading our industries and ranking among the sustainable pioneers of the business world.

Within the framework of the United Nations Global Compact (UNGC), to which we have been a signatory since 2019, we refer to the Sustainable Development Goals as guidance in our business. In addition, as stated in the 2020 manifesto of the World Economic Forum (WEF), we aim to create a shared and sustained value together with all our stakeholders, including the public and NGOs. In line with our understanding of This is Our World strategy, we continue our efforts to effectively manage not only financial risks, but also environmental, social and governance (ESG) risks together with all our stakeholders.

According to the 2020 Global Risks Report of the WEF again, environmental risks constitute the first five of the top 10 risks most likely to occur; when, on the other hand, evaluated in terms of impact, three of the top five risks appear to be climate action failure, biodiversity loss, and extreme weather events. The fact that the food industry in which we operate is dependent on natural resources makes us susceptible to being significantly impacted by these risks. The transition to a low-carbon economy in tackling climate crisis stands out as a critical issue that urgently needs to be addressed. To this end, also in the transformation of the food industry, solutions to reduce greenhouse gas emissions, from producer to end consumer, across the entire value chain are at the forefront. We, together with all our companies under the umbrella of Yıldız Holding, also support the fight against climate change for the continuity of our business, and to leave a more livable world to future generations.

It is my pleasure to share with you our Sustainability Report that illustrates the environmental, social, economic and governance performance of Yıldız Holding and its companies, prepared to provide a comprehensive perspective on all these components. On this occasion, I take the opportunity to thank all our stakeholders, especially our colleagues, who contributed to the preparation of the report.

1. WEF, How to Sustainably Feed 10 Billion People by 2050, in 31 Charts
2. Deloitte, The heart of resilient leadership: Responding to COVID-19
3. WEF, Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution
4. WEF, Stakeholder Capitalism: A Manifesto for a Cohesive and Sustainable World
5. WEF, The Global Risks Report 2020
we declared 2020 to be the “year to invest in people” in order to facilitate the transition of the Turkish economy through the difficult pandemic period, we increased our recruitment activities, acted in solidarity with our suppliers and farmers, and ensured the continuity of our business with our investments within the scope of our food and retail focus.

Dear Stakeholders,

As Yıldız Holding, we share the aspiration of humanity to live in prosperity both today and in the future, and we bear the responsibility of protecting the land where we produce as well as the farmers who work it, and to provide solutions to social needs in the awareness of corporate citizenship. We aim to add value to the regions we operate in and hand over a more livable and happier world to future generations. Together with our companies under the Holding, we act in line with This Is Our World strategy. We enable sustainable transformation in our business models where we focus on the value areas of the (Restore) Planet, (Empower) People, and (Inspire) Product. And in doing so, we work towards contributing to the United Nations Sustainable Development Goals.

The COVID-19 epidemic, which has shaken the world since the beginning of 2020, rendered social problems more evident. The outbreak showed how important sustainable food systems are in our lives and how the balances in this system have deteriorated. And consequently, it has revealed the need for our habits and consumption behaviors that we have adopted until today to be reviewed. With the epidemic, the importance of companies providing support to local production and producers and supporting sustainable food and agricultural policies has once again emerged. In this respect, as Yıldız Holding, we declared 2020 to be the “year to invest in people” in order to facilitate the transition of the Turkish economy through the difficult pandemic period, we increased our recruitment activities, acted in solidarity with our suppliers and farmers, and ensured the continuity of our business with our investments within the scope of our food and retail focus.

Since our establishment, the vast majority of our business activities have been based on agriculture. The sustainability of agricultural production is closely related to the protection of the soil, environment, water and biodiversity, which are our sources of life. We are aware of the impact of the climate crisis on the future of our industry. We focus on improving our environmental performance while reducing our impact to ensure the sustainability of our business. We give attention to reducing greenhouse gas emissions and carrying out an effective energy management.

We adopt circular economy models that aim to increase the value and use of products and materials in circulation, while reducing waste. We work to minimize the environmental impacts of waste with innovative solutions by using the power of technology. We develop projects that encourage both the reduction and recycling of packaging waste. In this context, in 2019, we joined the Business Plastics Initiative established jointly by Global Compact Turkey, the Business Council for Sustainable Development Turkey, and the Turkish Industry and Business Association to prevent plastic pollution. We signed to confirm that our companies under the Sustainability Platform would determine their commitments and take actions in the use of plastic by the year 2021.

On the other hand, despite the increase in the world population and the need to increase food production, according to FAO data,\(^7\) 13 billion tons, which corresponds to approximately one-third of the food produced at large financial and environmental costs, is lost or wasted in the food supply chain processes. We carry our programs to prevent this, and act with a common value understanding with all stakeholders in the value chain in order to produce food in accordance with the demands of the population from raw material to final products.

We benefit from the power of R&D, innovation and digitalization in advancing our production processes, reducing product costs, increasing product quality, understanding the needs of our customers and offering new products, as well as reducing our impact on the environment. In the project initiated by Ülker Bisküvi in cooperation with Kanya Bahri Dağdaş International Agricultural Research Institute geared at ensuring sustainable production, securing wheat supply for many years, and producing high quality domestic and national cookie-grade wheat, the first harvest was gathered this year. In addition, as the Holding, we aim to contribute to over 500 thousand families with our efforts within the scope of domestic and contracted agriculture by purchasing approximately 700 thousand tons of raw materials on an area of 175 thousand decades by the end of 2020. Our Kendi, ŞOK Marketler and pladis companies also support sustainable agricultural practices and implement projects that will regenerate the soil and bring life to production. In short, with our activities centered on Turkey and spread worldwide, we continue our efforts towards securing the future of our planet, societies and our business without deceleration.

In the upcoming period, we will continue to seek solutions to critical problems of our industry and the wider world, to create sustainability road maps in our companies, and to develop new products, systems and services to reduce our carbon footprint. I would like to thank all our colleagues and valuable stakeholders who contributed to the Sustainability Report, which includes our 2019 sustainability performance and the best practices of our companies.

We present our third Sustainability Report to our stakeholders covering the activities of Yıldız Holding and its group companies, in line with the motto of This is Our World which shapes our sustainability vision. This report is prepared in accordance with the GRI Standards “Core” option and also includes Yıldız Holding’s second Communication on Progress under the United Nations Global Compact (UNGC). The report contains the environmental and social performance of Yıldız Holding and its group companies, and includes their contributions to the 2030 Sustainable Development Goals (SDGs).

The report covers the consolidated sustainability performance data for the operating year of January 1, 2019 - December 31, 2019 of the companies within the Yıldız Holding Sustainability Platform; namely, Adapazarı Şeker Fabrikası A.Ş. (Adapazarı Şeker), Besler Gıda ve Kimya Sanayi ve Ticaret A.Ş. (Besler), Bizim Toptan Satış Mağazaları A.Ş. (Bizim Toptan), Kerevitası Gıda ve Kimya Sanayi ve Ticaret A.Ş. (Kerevitası), Ülker Bisküvi Sanayi A.Ş. (Ülker Bisküvi) and ŞOK Marketler Ticaret A.Ş. (ŞOK Marketler).

In the report, the sustainability approaches of Gözde Girişim Sermayesi Yatırım Ortaklığı (Gözde Girişim), pladis and GODIVA, which operates under pladis, are included as good practice examples. Unless otherwise stated, the expression “Yıldız Holding and its group companies” refers to Adapazarı Şeker, Besler, Bizim Toptan, Kerevitası, Ülker Bisküvi and ŞOK Marketler.
About Yıldız Holding

Founded in 1944, Yıldız Holding has become a preferred organization that carries out strategic partnerships with the world’s leading companies. As the largest food producer in Central and Eastern Europe, the Middle East and Africa, our Holding’s consolidated IFRS revenue (net sales figure) is TRY 46,287,564,000 as of December 31, 2019. At the Holding, we employ 61,250 people including all group companies* and we produce at a total of 61 factories, 23 of which are abroad and 38 in Turkey. With over 300 brands in more than 130 countries, we are ranked second in the cookie and seventh in the chocolate categories, based on our revenues.

Yıldız Holding operates in four main units; snack, retail, frozen food, and oil. We also have various affiliated companies operates in different units such as meat products, starch, sugar production, packing etc. Besides, Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. (Gözde) of which we are the shareholder, invests in 17 companies operating in industrial minerals, manufacturing industry, fast moving consumer goods, and wholesale trade.

Following the acquisition of GODIVA at the end of 2008, Demet’s Candy Company, established in the USA, joined our group of companies at the beginning of 2014. Finally, at the end of 2014, we bought United Biscuits, the leading biscuit producer in England, taking a further significant and major step towards becoming a global player in the snack market. CCC, which we established as a 50-50 percent partnership with the Danish Gumlink, one of the world’s leading companies in the field of chewing gum and confectionery, today exports chewing gum and confectionery to almost all of Europe. In order to support our claim to global leadership in the snacks category, we focused on this category and implemented synergies by organizing our global operations under the pladis company in 2016.

We have broadened our sustainability journey, which begun by stating in 2014 that This is Our World is Ours within Ulker Bisküvi, to later include Yıldız Holding and its group companies in 2017 under the motto of Be Happy. Make Happy. In 2019, we adopted This is Our World motto as the umbrella motto of Yıldız Holding and its group companies. Adapazarı Şeker, Besler, Bizim Toptan, Kerestitā, Ulker Bisküvi and 5% Marketlet are all part of the sustainability activities carried out under Yıldız Holding. Also, with pladis, that has iconic brands under its roof, we carry our sustainability practices to the global level.

* 50,774 in Turkey and 10,476 abroad; a total of 61,250 employees.
Sustainability Approach

While the global temperature increases in 2019 caused by climate change led to extreme weather events, they also brought many natural disasters. Both in our country and in different geographies of the world, the negative effects of climate change are intensely evident in every area, especially in the field of agriculture and food. In addition, we face problems such as poverty, income inequality and rapid urbanization which have a direct impact on global welfare. Digitalization and technology, rapidly changing consumer expectations and demands force the business world to take additional actions every day. Today, a great responsibility falls on the private sector in addressing these environmental and social problems. Companies taking action by integrating sustainability into their business models find the opportunity to render their business models more prepared and resilient against possible crises.

As Yıldız Holding, we integrate sustainability into our business model with exemplary practices with our leadership in the food industry. In creating our sustainability approach, we use as basis our goal for the future, GOAL21, and the Sustainable Development Goals (SDGs), which provide a comprehensive guide by addressing the most challenging social and environmental issues facing the world.

Among the goals of the Platform are:

- Designing a sustainable structure which will enable industrial and inter-industry co-operations and will be an exemplar and a pioneer for other companies in Turkey.
- Creating a sustainability roadmap for Yıldız Holding and its group companies to reach the SDGs, to provide trainings to company representatives, to establish collaborative learning platforms,
- Supporting companies to develop new products, systems and services that contribute to the realization of SDGs

Platform initiatives are carried out under the main sponsorship of Yıldız Holding Board of Directors Chairperson Ali Ülker, and under the leadership of CEO Mehmet Türünç. The CEOs of Adapazarı Şeker, Besler, Bizim Toptan, GODIVA, Gözde Girişim, Kerevitaş, pladis, Ulker Bisküvi and ŞOK Marketler participate on the Board of Management. The platform, which has a high level of representation, thus enables an efficient and active flow of information to all companies. Together with Yıldız Holding, it continues its efforts to integrate sustainability into the business strategies of 10 companies in total. Platform members met twice in 2019 to evaluate the activities of that year and the steps to be taken in 2020. In 2020, Platform meetings were moved to the digital environment. At these three meetings, the 2020 roadmap and the effects of the epidemic on it were discussed and the measures and the steps to be taken were determined.

Yıldız Holding Sustainability Platform Organizational Structure

![Organizational Structure Diagram]

- Sustainability Platform Main Sponsor Chairperson
- Head of the Sustainability Platform Vice Chairperson
- Coordinator General Manager of Communication and Sustainability
- Sustainability Platform Board of Management

- Gözde Girişim & MTE CEO
- pladis CEO
- Kerevitaş CEO
- Ulker Bisküvi CEO
- BTS CEO
- GODIVA CEO
- ŞOK Marketler CEO
- Adapazarı Şeker General Manager
Some of the work carried out within the scope of the Platform and their outputs:

- Yıldız Holding became a member of the Business Plastics Initiative in 2019.
- On Sustainability Future Day, which was held for the first time in 2019, an awareness raising event on sustainability was organized with the participation of 150 employees from companies within the Platform as well as expert speakers. In 2020, the event was held online due to the pandemic, and information was shared during the day to increase employee awareness on sustainability. Best practices were shared at the event attended by the CEOs of companies included within the Platform. Various awards were granted to the participants as a result of the survey organized in parallel with the event and taken by more than 200 employees.
- Ülker Bisküvi has been selected as the “Good Life Brand” in the food industry for the second time in a row, according to the Good Life Research conducted by Nielsen and Sustainable Brands Istanbul.
- 40 of Holding employees, who participated in the Sustainability Trainings organized in cooperation with Yıldız Holding, BÜYEM and S360, successfully completed their trainings.
- Bizim Toptan, Kerevitaş, Ülker Bisküvi, ŞOK Marketler and Adapazarı Şeker have published their 2019 reports.
- Besler also plans to publish its 2019 report in 2020.
- Ülker Bisküvi has been included in the Borsa İstanbul Sustainability Index since 2015, and in the FTSE4Good Emerging Markets Index since 2016 with its sustainability performance.
- ŞOK Marketler and Kerevitaş have been included in the Borsa İstanbul Sustainability Index since 2019.
- Bizim Toptan is listed in the Borsa İstanbul Sustainability Index as of November 2020.
- Ülker Bisküvi and Kerevitaş support the Save Your Food, Claim Your Table campaign, which was launched in collaboration with the Ministry of Agriculture and Forestry and the Food and Agriculture Organization (FAO) to prevent food waste and raise public awareness.
This is Our World

<table>
<thead>
<tr>
<th>STRATEGIC FOCUS AREAS</th>
<th>PLANET</th>
<th>PEOPLE</th>
<th>PRODUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restorative environmental impact within a circular economy</td>
<td>Diverse, Safe and Satisfied Employees and partners</td>
<td>Safe, appealing products as part of healthy diet and lifestyle</td>
<td></td>
</tr>
</tbody>
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Action and Target Areas

- Energy efficiency, reduction and using renewables across operations and supply chain and tackling climate change
- Sustainable supply of raw materials
- Packaging and food waste reduction
- Green logistics
- Water management

- Support farmer welfare and socio-economic development
- Support and increase diversity
- Support equality of opportunity regardless of race, gender or any other discrimination
- Provide equal opportunities in all levels throughout the company
- Respect human rights
- Be involved in solving problems that require cooperation
- Ensure health and safety and safe work environment
- Talent management
- Provide training opportunities

- Product traceability and disclosure
- Targeting emerging markets
- Leading and educating consumers about balanced nutrition and offer product options for more balanced nutrition
- Developing collaborations

Sustainable Development Goals We Contribute To

Facilitators

- Education, Engagement, Collaboration, Innovation, Digitisation, Process, Systems, Culture

Basic Principles

- Robust Governance
- Accountable
- Transparent
- Ethical Trading Codes and Values

Corporate Governance

Code of Conduct

The Code of Conduct covering Yıldız Holding and group companies; it defines not only legal and commercial, but also ethical responsibility before all parties in all our business processes. Yıldız Holding Code of Conduct cover our relations with employees, customers, shareholders, business partners, suppliers, competitors, public institutions and the society.

Employees can report any action or situation that they believe violates the Code of Conduct, in the following ways:
- To the Chairman of the Board in writing,
- To the Ethics Board via sending an e-mail (etik.bildirim@yildizholding.com.tr),
- To the Ethics Hotline via 0216 524 34 24 telephone number.

You can find our ethical rules that regulate our relations with all our stakeholders in Yıldız Holding Code of Conduct.

In 2019, 56 notifications were submitted to the Ethics Hotline and all were solved.

Risk Management

Bizim Toptan, Kerevitaş, ŞOK Marketler ve Ülker Bisküvi companies each have an Early Detection of Risk Committee. In Adapazarı Şeker, the General Manager is the senior authorized person in charge of risk management.

We established a Risk Management Business Unit within Yıldız Holding to coordinate risk management across Yıldız Holding Group Companies with a standardized approach and to create synergy. The Risk Committee is responsible for regularly monitoring the impact areas of the risks defined in the risk matrix, their probability of incidence, responsible units, first actions required to be taken and type of risk.

Determining threats that may affect business strategy is a priority in identifying risks. In this regard, the determination of all risks that may prevent the realization of company goals is carried out with the guidance of senior management and with the help of detailed analysis prepared by experts in the field. As a result of the assessment of identified risks, the severity and impacts of the risks are determined and priorities are set, while actions that can be taken regarding prioritized risks are established and implemented in line with the assessments of the risk officers. Changes in risk levels are regularly monitored and necessary measures are taken. The Risk Committee regularly reports to the Board of Directors and is audited both by Yıldız Holding internal audit units and independently. Additionally, in our strategy preparation, we request our companies to elaborate the opportunities and risks they observe in their own markets and to create action plans that show how to eliminate/reduce the impacts of these risks. We group these impacts according to their effect on growth, turnover, profitability and/or costs.
While inspiring our customers with our products, we also aim to be a part of the happiness of thousands of suppliers, producers, farmers and different stakeholders in the value chain.
INSPIRE

We providing our customers with products which are high in nutrition, safe, high quality, innovative and sustainable.

WE act with a responsible approach across our entire value chain, thereby providing our customers with products which are high in nutrition, safe, high quality, innovative and sustainable. While inspiring our customers with our products, we also aim to be a part of the happiness of thousands of suppliers, producers, farmers and different stakeholders in the value chain. On this road we set out on to contribute to a happy future. we unite our products with our customers by reducing our environmental impact from raw material production to the delivery of products to the end consumer in line with our strategy, with over 300 brands. With our brands, we secure the social value we create by our high standards, and contribute to the formation of a healthy society with the products we offer that are both high in nutrition and delicious.

We contribute to the Decent Work and Economic Growth (8), Responsible Consumption and Production (12) and Partnerships for the Goals (17) SDGs with responsible product categories that are high in nutritional value, and in our relationships with suppliers.

“Product – Inspire” Action Areas

- Traceability of all products and the sharing of this in a transparent manner
- Targeting emerging markets
- Providing customers with guidance, training and product options on a more balanced diet
- Developing collaborations

Sustainable Development Goals We Contribute To (Sub Targets)

- 8.2 Diversification, innovation and improvement for economic productivity
- 8.1 Sustainable economic growth
- 12.8 Promoting universal sustainable lifestyle understanding
- 17.6 Knowledge sharing and collaboration for access to science, technology and innovation
- 17.7 Promoting effective partnerships
A balanced and healthy diet plays a major role in the formation of a healthy society. Studies of the World Health Organization and various researches reveal that a strong immune system and balanced diet containing products of high nutritional value should be pursued, and that the use of fat, salt and sugar should be reduced in combating diseases.  

On the other hand, in the latest report of the EAT-Lancet Commission, which features the world’s leading scientists, it is stated that the world population of 8.5 billion people envisaged by 2030 can only be fed adequately with the help of a healthy, balanced and sustainable diet. At the same time, it is stressed that such nutrition would make a great contribution to the fight against the climate crisis with a more effective and correct use of resources.  

Among the main trends affecting the future of the food industry, consumers becoming more conscious and gravitating towards healthy eating habits are cited. Various environmental and product labeling regulations enforced by governments, require companies to create labels that are easier to understand and to establish more responsible, transparent, open and accessible communication in terms of marketing for children. In respect to raising awareness of a balanced and healthy diet, various responsibilities fall upon products and brands.  

As Yıldız Holding, we believe that guiding our customers in their choices plays an important role for them to be able to access more sustainable food systems. For the happy children and healthy communities of tomorrow, we offer responsible products of low environmental impact to our consumers. We share all information about the origin and content of our products on labels in a clear and understandable manner.

Ülker Bisküvi

Ülker Bisküvi promotes a balanced diet and better living in line with its 2024 Goals. The company strives to reduce the amount of saturated fat, salt and sugar used in all its product categories. Having reduced 180 tons of fat, 109 tons of sugar and 16.3 tons of salt in all product categories over the past year, approximately 9% of Ülker Bisküvi’s turnover consists of products with reduced sugar, fat and salt. Indeed, approximately 5% of its turnover, comes from products of high nutritional value. Ülker Bisküvi also carries out its actions in the field of responsible marketing taking its High-Quality Responsible Nutrition Communication Guide as a basis. This year, Ülker was selected as the “Good Life Brand” in the food industry for the second time in a row in the Good Life Survey, which focuses on consumers’ lifestyles, consumption habits, and values that redefine and shape the good life.

Kerevitaş

By means of its from-farm-to-plate business model, Kerevitaş reduces food waste to zero in all its production processes and offers its customers responsible products under the SuperFresh brand. Owing to its superior freezing technology, IQF, products not to lose their vitamin and mineral values and maintain their freshness. In addition, packaging and shipping processes are carried out without breaking the cold air chain. Thus, the products happen to gain a long shelf life without the need for additives. SuperFresh, which does not use trans-fat in any of its products, also offers Vegan Certified “Bean Burger” and “Falafel” product options.


9. The research was conducted by Nielsen and Sustainable Brands Istanbul.
In solving these problems, developing common solutions by acting together with all stakeholders comes to the forefront. In this context, in addition to ensuring fair, equal, ethical and respectful working conditions to all stakeholders, it is necessary to increase those practices that will observe and raise the welfare of producers and society, and that support sustainable development.

As Yıldız Holding and its affiliated companies, we contribute to the sustainable development of society by creating common value together with our stakeholders across the value chain on a journey stretching from raw materials to final product.

**Strategic Supply Chain Management**

As required by the industry in which we operate, the supply chain must be managed strategically in order for food to reach every segment of society, safely and to a high quality standard. As we have come to realize during the COVID-19 pandemic, predicting disruptions and risks that may occur in globalized supply chains, and making supply chains resilient by effectively managing these risks carry a great importance.

In order to be prepared for any such crises that may occur in the future, a focus on infrastructure investments, engaging mechanisms that will empower and support farmers and turning to shorter, more transparent, fair and local supply chains to prevent interruptions that may occur in the face of intense demand, stand out.

Moreover, for global, resilient supply chains and food safety, innovative applications such as digitalization, big data and artificial intelligence offer various opportunities in terms of transitioning to more transparent and traceable practices.

Today, as Yıldız Holding and its affiliated companies, we have an expansive supply chain. In this direction, the Holding and our affiliated companies apply the working principles of the Central Procurement Units. These principles, prepared within the framework of legal regulations and international standards, cover issues such as quality and safety that suppliers are expected to comply with, as well as human rights, working conditions, environmental protection and ethics. In addition, we focus on domestic and lean supply chains in order to be better prepared for future crises.

Starting with the Turkish farmer, all suppliers, stakeholders in the distribution channel, logistics support units, consumers, shareholders and all other stakeholders have become part of our sustainability efforts with a holistic approach and shared wisdom.

Bizim Toptan – SEÇ Market

Bizim Toptan continued its business partnership procurement model from 2016 to 2020 under the SEÇ Market brand. In 2020 however, SEÇ Market became a joint stock company and changed its name to SEÇ Marketçilik. SEÇ Marketçilik, where Bizim Toptan is a 90% and Yıldız Holding a 10% partner, aims to increase the advantages it offers to small entrepreneurs in the new period it is set to operate under its joint stock company status.

In addition, it aspires to transfer knowledge and experience to entrepreneurs by taking advantage of Yıldız Holding’s group structure, thereby strengthening its competitive advantage. In this context, small entrepreneurs receiving service from SEÇ Marketçilik will be able to obtain mentorship support from senior managers of Yıldız Holding companies operating in the food and retail industries.
**Bizim Toptan – Prosaf**

Prosaf, the micro distribution channel launched by Bizim Toptan in 2018, creates a special product portfolio for each customer group with its professional sales team and supplies and distributes all the products that customers need with special advantages it offers and services it renders. The Prosaf team comprising 220 people, and operating at 97 stores in 66 provinces in 2019, offers customers choices such as ordering all products online from a single supplier, flexible payment options, on-site delivery, easy return and exchange opportunities.

**Ülker Bisküvi – Supplier**

**Self-Assessment Surveys**

Having an expansive supplier chain, Ülker Bisküvi selects these suppliers within the framework of its Ülker Bisküvi Supply Chain Policy established by adopting internationally accepted principles and standards such as International Labor Organization (ILO) Conventions, UNGC and the United Nations Convention on the Rights of the Child as basis. While suppliers are subjected to product safety, quality, and environmental audits as well as risk analyses, local development is supported by purchasing raw materials, equipment and services from local suppliers. Rendering 97% of its supplier payments to local suppliers in 2019, Ülker Bisküvi conducted self-assessment surveys which included social and environmental questions concerning matters such as employee rights, working conditions, energy and water consumption, and waste management, with its critical suppliers determined based on different criteria such as their purchasing volume and the criticality of the products they provided. In the next step, it plans to conduct pilot audits of critical suppliers found to be at risk from surveys analyzed.

**ŞOK Marketler – 100% Local Supplier**

Striving to offer fresh fruits and vegetables to consumers at its stores every day, ŞOK Marketler prioritizes making its supply chain sustainable and contributing to the local economy. To this end, all products sold are 100% procured from local suppliers. By means of its direct business model, it offers products from the farm to the buyers, quickly and as freshly as possible; furthermore, it engages in planting planning together with growers who require such assistance. Working with various farmers in Manisa, Bursa, Izmir and Aydın, ŞOK Marketler guarantees product quality, ensures product traceability, supports the development of local producers, protects local products and helps to reduce the logistics-related carbon footprint without the need for multiple intermediaries.
Increasing pressure on natural resources, population growth and climate crisis pose a great risk to global food systems.

According to data presented by FAO in 2016, at least 815 million people in the world suffer from hunger and malnutrition. The food required for a balanced diet of the public must be produced and delivered in high-quality and a safe manner.

Sustainable food practices are of critical importance in terms of ensuring the continuity of agriculture, which plays a great role in sustainable development. Human rights, farmer health and welfare, the environment and responsible use of natural resources come forward in the sustainable cultivation and protection of agricultural areas.

As one of the biggest agricultural raw material purchasers of Turkey, we believe that sustainable agricultural practices should be developed and increased, and in this direction, we continue our innovative and leading works without interruption.

The main raw materials of our products are cocoa, wheat, palm oil, hazelnuts and oats. We strive to procure these raw materials responsibly. We continue to be the sponsor of the PACTS program for the sustainable production and responsible supply of cocoa. Ülker Çikolata and GODIVA, members of the World Cocoa Foundation, also take part in various farmer support programs of the Cocoa Horizons Foundation and procure UTZ certified cocoa. As a member of the Cocoa & Forests Initiative, GODIVA is committed to taking action on a global scale to prevent deforestation and the devastation of forests in the cocoa supply chain.

Ülker Çikolata, the only large-scale company in Turkey to have implemented the bean-to-bar process, sources 22% of its total cocoa procurement from farmers and cooperatives in the Ivory Coast.

18. FAO, “Transforming Food and Agriculture To Achieve The SDGs”, 2018.
Adapazarı Şeker – Farmer’s Handbook

Adapazarı Şeker conducts studies to support the development of farmers and contribute to local socioeconomic development. In this context, the company prepared the Farmer’s Handbook for the farming of sugar beet, which is the main raw material of its operations, under the most appropriate conditions that protect the soil, and so as to inform farmers. The Handbook containing technical information on fertilization, pest control, and the resting of soil is distributed to those farmers with whom Adapazarı Şeker works. The company has also been providing training to farmers for the past three years in order to deepen their technical knowledge and to reflect their knowledge on production. You may access the Handbook here.

Kerevitaş – Contracted Agriculture Model

The sustainable production chain at Kerevitaş includes the management of environmental, social and economic impacts from the procurement of raw materials to the delivery of products to consumers. With this perspective, a responsible purchasing approach is adopted for a sustainable supply chain; practices that protect the land and the farmers and focus on sustainable agriculture are implemented; by purchasing raw materials from local producers, the local economy and employment are being supported. Kerevitaş, which sees the strengthening of farmers and supporting agricultural production as one of its priorities, is in an important position in terms of intermediation and cooperation aimed at increasing the commercial agricultural production of small and large-scale farmers with the contracted agriculture model applied in this context. Within the scope of the model with a purchase guarantee given for agricultural products, the producer is secured economically, which encourages planned production by determining the production amount and price in advance. In this way, producers are not affected by seasonal price fluctuations. In 2019, the rate of farmers that Kerevitaş worked on a contract basis with increased by 3% compared to 2018, reaching 85%. The rate of contracted raw material purchases, at 83% in 2018, increased to 85% in 2019.

<table>
<thead>
<tr>
<th>Rate of Contracted Farmers</th>
<th>Rate of Raw Materials Purchased with Contract</th>
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<tbody>
<tr>
<td>86% 82% 85%</td>
<td>89% 83% 85%</td>
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<tr>
<td>90% 70% 50% 30% 10%</td>
<td>90% 70% 50% 30% 10%</td>
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We consider food safety, which is indispensable for a healthy society, as the top priority at our Holding and affiliated companies.

We control our IFS, BRC, ISO 22000 and ISO 9001 certified production plants together with our suppliers and ensure that our products travel from farm to table in accordance with legal regulations. Our affiliated companies apply world-class systems and controls to produce the safest and most delicious products; they pass the checks of the T.R. Ministry of Agriculture and Forestry. All our companies subject their suppliers to audits within the scope of compliance with specified product safety and quality standards. With these audits, we also support suppliers in raising their own standards.

Managing its product safety and quality processes in accordance with the Integrated Management System, which also includes the ISO 9001: 2015 Quality System Management Standard, ŞOK Marketer requires suppliers to have obtained at least one certificate, such as BRC International Food Safety Standard and FSSC 22000 Food Safety System, and conducts inspections accordingly.

Producing all of its products in IFS, BRC, ISO 22000 and ISO 9001 certified facilities, Ülker Bisküvi, by instituting Central Quality Systems to ensure that common quality procedures and standards are established within the company with a sustainable quality understanding, and that each business unit is managed with the same principles, has combined quality and food safety requirements in the Zero-Defect Manual. In order to improve quality standards and spread the Zero-Defect culture to every point in the field, the “Zero-Defect in Quality from Supply to Shelf” project, begun at the Ulker Çikolata Sivilvi factory, is scheduled for implementation in all factories.

Adapazarı Şeker – Zero Black Project
Adapazarı Şeker’s factory has ISO 9001 Quality Management System, ISO 22000 Food Safety Management System, FSSC 22000 Food Safety System, and the Halal Food certificates. It prefers to work with suppliers who fulfill its quality and food safety requirements, and though not mandatory, demands all suppliers to have ISO 9001 Quality Management System Certificate. It also demands the ISO 9001 certificate, the Halal Food certificate, or a letter of undertaking for critical materials that come into direct contact with the product from suppliers. In the sugar production process, white sugar crystals can contain unwanted particles in the product and black grains due to many reasons arising at the factory. Adapazarı Şeker has implemented the Zero Black project in order to protect the appearance of white crystalline powder, which is an indicator of safety and quality for customers. In this context, crystal vacuum boilers were replaced with stainless pipes at the factory, cooking time was shortened, existing filter systems in the refinery section were renewed, and drum magnets were added to the process lines. Due to the use of stainless materials in sherbet storage areas and pipelines Adapazarı Şeker eliminated the black grain problem and saved approximately TL 3 million.
Consumer and Customer Satisfaction

Providing the best customer experience by following trends such as changing customer expectations and digitalization plays a key role in sustainable success.

At Yıldız Holding and its group companies, we follow customers closely, adapting and expanding our products and services to ensure that they are better appreciated, and customers are satisfied. We focus on providing faster, easier and more customized services to customers and consumers by means of digital technology and platforms. In this context, we provide continuous and periodic privileges to our customers through loyalty programs, card memberships and mobile applications.

In order to monitor and improve customer and consumer satisfaction, we regularly conduct satisfaction surveys at our group companies, secret customer evaluations through independent companies, and brand health research. Feedback from stakeholders plays an important role in the development of our customer and consumer-oriented approach. Within the framework of customer relations management efforts, our customers can call the Yıldız Holding Customer Relations Center (MİM), contact us via mim@yildizholding.com.tr or relevant e-mail addresses of group companies. Our group companies take actions regarding suggestions and complaints within the same business day. We process the notifications in accordance with the Law on the Protection of Personal Data and Yıldız Holding MİM Policy, taking into consideration the privacy and information security of our customers and consumers.

41 notifications were submitted to MİM in 2019 and all were resolved.

Bizim Toptan – Click-Come-Pick-up, Bizim Card and Bizim Card Mobile Application

Bizim Toptan provides its customers with the opportunity to earn and spend points regularly, with the advantages it offers through its customer loyalty program, Bizim Card and Bizim Card Mobile Application. With the Click-Come-Pick-up method, put into operation in 2019, Bizim Toptan launched its service where orders placed on the website or mobile application are prepared at stores and await collection by customers from the stores they specify, and at the time window they prefer. In 2020, products and services that directly touch the customer determined as a result of order registration, satisfaction survey participation, and in-store analytics conducted via WhatsApp Business, are planned to be carried to the livestream shopping platform.

ŞOK Marketler – Mobile Shopping Application: Cepte ŞOK

ŞOK Marketler, one of the largest food retailers in Turkey, offers its digital shopping channel, a mobile application called Cepte ŞOK for the use of its customers. The application, which initially started with 18 stores in 2017, today covers all stores, including newly-opened ones. Customers who use the application that works with the Click-Come-Get system can easily pick up the products they selected beforehand, from the closest ŞOK store within the time frame they have determined. Since the end of 2019, we have commenced work on the home delivery option.
In order to feed the ever-growing world population, the agricultural industry is required to produce 70% more than today.  

It has become of utmost importance to meet increasing food demand, to boost productivity in order to ease the pressure on natural resources, and to prevent food waste.

While digitalization and Industry 4.0 offer various opportunities to the agriculture and food industry, there is a greater need for skilled employees in the industry to conduct R&D studies and come up with new innovations. By means of the right investments in R&D and innovation, it is possible for companies to achieve greater profitability, growth and market value.

In Yıldız Holding and its affiliated companies, we benefit from the power of R&D, innovation and digitalization in order to advance our production processes with innovative solutions, reduce product costs, increase product quality, offer new products by realizing our customers’ needs and reducing our environmental impact.

Innovation and Entrepreneurship Culture

Çağımızın trendlerini yakalamak için en son teknolojilerle süreçleri iyileştirip yenilik yapmanın yolu inovasyondan geçiyor.

Innovation is the means of improving processes and leveraging the latest technologies to catch the trends of our age. Current research shows that companies investing in innovation culture happen to be more profitable. Companies are now able to quickly find solutions to problems in food and agriculture industries with their own resources and employees by means of innovation, a means of increasing productivity in business processes with a creative perspective, and of identifying new business and product opportunities.

Indeed, at Yıldız Holding, we also encourage the participation of our internal and external stakeholders in R&D and innovation processes. In our Holding and affiliated companies, all of our employees, including blue collar workers, can convey their inquiring, creative and innovative ideas and solutions through the Akıl Küpü platform in order to develop and strengthen business processes and culture, and to identify existing and potential problems. In 2019, 4,459 suggestions were submitted by Ülker Bisküvi employees through the Akıl Küpü platform; 9% of which were implemented. Nine of 29 suggestions were implemented in Adapazarı Şeker, 72 of 235 suggestions in Kervi, and 58 of 211 suggestions in Besler, and 18 of 54 suggestions in Marsa.

At our annual Stars of the Year and Quality event, we both encourage the development of innovative ideas in every unit and at every level, and at the same time strengthen employee loyalty, with the awards granted to the best projects in the Innovation category.

More than 1000 creative ideas were implemented through the 
Akıl Küpü Platform

Start-up Days

Today, while investments in agricultural technology-focused start-up companies have increased by 58% each year, the total annual investment has quadrupled since 2015 to $ 2.7 billion. To this end, taking part in the entrepreneurial ecosystem and cooperating with start-ups is of great importance.

By taking advantage of the power of open innovation, with our 365 Days Innovation theme, we ensure that Yıldız Holding continues to progress with innovative steps every day and maintain its identity as a pioneer company that has caught up with the era.

We are running various different programs in line with this purpose. Together with the out-of-the-box ‘disruptive’ project groups we formed within our enterprise, we organize stages where we gather project ideas that discover solutions to our problems with an extraordinary perspective; on the other hand, under the title of outside-in innovation, we work closely with local and international entrepreneurial ecosystems. With our Start-up Days Program, we find solutions that will shed light on the digital transformation journey of our companies, and introduce our business units to initiatives that make a difference in the ecosystem. In 2019, we met with over 70 start-ups. Our incubation process is ongoing with some of these ventures, and with 15 of them we are already working on pilot projects.

In particular, we support innovative ventures that use digital transformation technologies such as artificial intelligence, machine learning, and the Internet of Things (IoT), which are collectively called as new generation technologies. Being an organization that engages in significant areas of activity in many parts of the world from the UK to America, we see our geographical diversity as an important added value for domestic enterprises to expand abroad. We aim to continue making a difference in the field of innovation in 2020 by accelerating our continuing endeavors.

Gözde Girişim Sermayesi

Gözde Girişim Sermayesi (Gözde) was established to invest in venture companies and projects of developmental potential and that require resources and structuring. The company aims to invest in non-food businesses that require financial and operational restructuring, promising relatively rapid returns and high financial yields. The company, which since its inception has taken as its point of principle the utilizing of strategic advantages, knowledge and expert resources developed by Yıldız Holding, reflects this strategy in its current investment portfolio as well.

The company contributes to the Turkish economy in the finance, retail, industrial minerals, manufacturing industry, fast moving consumer goods, wholesale trade and packaging industries it invests in. It operates with the aim of adding value to society with a responsible investor perspective as well as to the economic development taking place in its fields of activity. In line with Yıldız Holding’s innovative vision and pioneering role, it aspires to integrate environmental, social and corporate governance issues into investment processes by addressing the responsible investor perspective within a strategic framework. Gözde Girişim’s Board of Directors consists of nine members, three of whom are independent. Members of the Board of Directors, who have expertise in different industries and are experienced in many structuring projects, devise the strategic direction of the company.

The company was established in order to address goals and issues specified in the regulations of the Capital Markets Board (CMB) regarding Venture Capital Investment Trusts (VCIT), and more specifically to make medium and long-term investments in venture companies established, or to be established in Turkey, that have the potential to develop and are in need of resources. The company complies with the regulations of the CMB and relevant legislation in terms of scope of activity, activity limitations and portfolio restrictions. In terms of corporate governance practices, significant compliance was achieved with the CMB Corporate Governance Principles. Effectively established management and internal control mechanisms are again effectively operated. The rights of shareholders and stakeholders are protected fairly, and public disclosure and transparency activities are carried out at a high level. Board of Directors and Committee structures are fully and actively operational at the current time.

One of the key considerations of our sustainability strategy is growing stronger together with our employees, business partners and society.
With our business approach, we offer a healthy and safe work environment that supports equality and diversity, and respects human rights; we support the welfare of the society and socioeconomic development.

ONE OF THE KEY considerations of our sustainability strategy is growing stronger together with our employees, business partners and society. With our business approach, we offer a healthy and safe work environment that supports equality and diversity, and respects human rights; we support the welfare of the society and socioeconomic development.

With our 61,250 employees, we address a geography of 4 billion people worldwide. We contribute to the Decent Work and Economic Growth (8), Responsible Consumption and Production (12) and Partnerships for the Goals (17) among the SDGs.
Demographic, technological, socioeconomic changes worldwide have a significant impact on the business world.

Employment dynamics and job skills are also undergoing a transformation with this effect, which brings challenges and opportunities in different areas from recruitment to employee development and talent management. In a rapidly changing world by virtue of technology and digitalization becoming a major trend, investing in the workforce with digital and transferrable skills has also become one of the critical tools necessary to adapt to the change. Creating an agile and flexible workforce possessed of digital skills, empowers companies in times of uncertainty.

We believe that having diversity in our human resources will carry us forward by nurturing us through a diversity of talents. Moving from this point of view, we attempt to increase the rate of female employees. Our happy and satisfied employees are among our most critical assets in terms of creating value for our customers and the society. We develop practices that increase employee satisfaction and support employee participation.
Our successful employees propel us forward.

Within Yıldız Holding, an egalitarian, effective and comprehensive performance and career management plays a key role in providing career opportunities for our employees and shaping their future together with them. Based on this, we evaluate the performance of all our employees fairly and transparently, recognizing and rewarding success.

Within the scope of the instant reward system, 30 employees were awarded at Adapazarı Şeker, 15 at Besler, 58 at Bızım Toptan, 12 at Kerevitaş, 1,027 at Ülker Bisküvi, 66 at ŞOK Marketler and 17 at Yıldız Holding.

The fringe benefits provided at Ülker Bisküvi, other than the excluded compensation, are determined in line with the requests of the employees with the Senseç (Your Choice) Flexible Fringe Benefits Platform. Within the specific budgets offered, employees are able to choose from alternatives such as shopping vouchers, check-ups, and private pension insurance on the flexible fringe benefits portal.
Skills Management

In today’s conditions where global changes altered the way of doing business, we stay abreast of change with a skilled workforce

We strengthen our workforce via providing trainings, focusing on the acquisition of new skills, the development of existing skills and adaptation to new conditions. We design trainings on learning and development at Yıldız Academy. For the sake of creating a dynamic workforce, we focus on attracting young talents.

In 2019, we provided with trainings on different topics, especially on sustainability, language and occupational health and safety (OHS). In 2019, training per employee was six hours in Yıldız Holding and affiliated companies.

We provide our employees training opportunities on sustainability in partnership with BÜYEM. A total of 68 employees, 28 in 2019 and 40 in 2020, attended the "Sustainability 101" trainings. In 2020, we continued the trainings without interruption by transferring the contents to the online platform due to the pandemic. Within the scope of the training, employees took courses on Sustainability Basics, Sustainability: Agriculture and Food, Sustainable, Socially Responsible Brand Positioning and Marketing, Future Trends, Sustainable Innovation and Technology, Sustainability Strategy, Leadership for Sustainability and System Thinking for Change. 90% of participants attended online trainings.

In 2019, of partcipants attended online trainings.

JOB@YıldızHolding

JOB@YıldızHolding is an internship and recruitment program running for nine years. Although it began initially began as an internship program, the scope of the program has been subsequently expanded by including the recruitment of new graduates for the past three years. While 80 people in 2019 and 100 people in 2020 benefited from the internship opportunity, 40 people were employed.

Ülker Bisküvi, which designs programs for the recruitment of young and new talents, provided 10 employees with the opportunity to do internships, and enabled eight people to start work as new graduates within the scope of the Job internship program. With the JOB program implemented in Bizim Toptan, six people did internships, and two people were employed. In 2019, internship opportunities were provided to seven students at ŞOK Marketler, also within the scope of the program.

ŞOK Marketler – Akademi ŞOK

ŞOK Marketler created the Akademi ŞOK, an e-learning and development platform that supports the simultaneous development processes of all employees at its headquarters and stores to create a corporate culture that “learns from each other”. Designed as a user-friendly platform with high accessibility, easy and understandable content, without time and place restrictions, and launched as a pilot application in 2017, with the Akademi ŞOK platform, company employees are provided with the opportunity to participate in trainings on plenty of subjects such as in-store processes and the basics of management which they can access via their computers, tablets and all smart mobile devices.

The platform, which 85% of employees actively use, has exceeded the 30% activation rate on similar platforms. This platform won the “Best” award in the “Digital Platform/Education” category within the scope of the TEGEP Learning and Development Awards in 2019.

ŞOK, used by 85% of employees, won the “BEST” award in the “Digital Platform/Education” category at the TEGEP

AKADEMİ ŞOK, used by 85% of employees, won the “BEST” award in the “Digital Platform/Education” category at the TEGEP
Employee Participation

Increasing employee participation plays an important role in creating a work environment where employees feel happy.

We seek the opinions of our employees to improve all our business processes. Employees share their opinions on issues such as leadership, performance and rewarding, talent and career management, and employee communication through Yıldız’s Voice Employee Engagement survey. With this application, which strengthens communication with our employees, we also identify our areas of improvement.

Each year, we collect and implement ideas regarding our processes through Stars of the Year, which we launched to support in-house innovation and showcase the innovative ideas of our employees. 174 applications were submitted to the Stars of the Year, which was held on the 12th occasion in 2019. 10 awards were given in nine categories. A total of 1.4 billion TL in cost advantage and contribution to growth has been achieved throughout Yıldız Holding with the innovative and productivity-enhancing projects implemented so far.

Occupational Health and Safety

We continue our activities with the goal of zero occupational accidents in all our production facilities and offices.

With OHS trainings and international certification standards taken as a basis, we protect our employees and business partners, and thoroughly meet all legal responsibilities.


Having carried its operations to digital platforms within the scope of HR Digital Transformation Projects, Ülker also takes advantage of digitalization in the field of OHS, developing practices geared towards achieving the goal of zero accidents. Duly, a Behavior Oriented Occupational Safety system was put into operation to ensure the participation of employees in the system, and establish self-regulation. With this system, by recognizing positive employee behaviors on-site, and in case of negative behaviors, by reaching a consensus on the required appropriate behavior, we ensure feedback is provided via the BBS / BBQ card.

Ülker Bisküvi informs all employees in detail with the Accident / Near Miss Map and OHS Handbooks, and shares its occupational safety performance with employees through the Safety Scoreboard application.

Developed from the results of the survey conducted with its employees, 10 Golden OHS Rules guide Kerevitaş in all its operations. Kerevitaş, which has spread the rules with handbooks, constantly shares OHS-related information with employees via text messages and visuals.

**Kerevitaş 10 Golden Rule**

1. I call 4444 emergency number in case of emergencies.
2. I walk on pedestrian walkways.
3. I don’t touch moving and running machines before they stop.
4. I wear ear protectors in noisy environments.
5. I wear personal protective equipment where necessary.
6. I follow all occupational safety and health rules.
7. I don’t do any work for which I am not authorized.
8. My first priority is always job safety.
9. I take all safety precautions before starting work.
10. I leave the electrician’s job to the electrician, and the mechanic’s job to the mechanic.
Social Responsibility

Only in a developed and advanced society we can continue our activities sustainably.

We position ourselves as a stakeholder of the industry to develop solutions with a focus on social benefit, and work to create value for all stakeholders we have impact on through our broad operations.

We conduct various social responsibility projects, for children in particular, although we also carry out projects in sustainable agriculture, the environment and healthy living.

Since 2014 we are celebrating Make Happy, Be Happy Day within Yıldız Holding. Each year 65,000 Yıldız Holding employees from all over the world participate in the Make Happy, Be Happy Day with donations or diverse projects. At Yıldız Holding, we support volunteering efforts, and carry out projects that encourage our employees in this field.

As a global Turkish company, we cooperate with many non-governmental organizations both in Turkey and abroad. First among the ranks is Turkish Red Crescent, followed by Turmepa, LÖSEV, TEMA Foundation, Darüşşafaka and Deniz Feneri, among other organizations. Within the scope of these collaborations, our employees periodically donate blood and stem cells, in addition to donating books, stationery, toys and clothing to children in need. With the Sabri Ülker Environment Award, organized in cooperation with Turmepa, we aim to highlight and support scientific studies developed in support of conservation, and to raise awareness among individuals, institutions and non-governmental organizations.

Together with all the companies of Yıldız Holding, Ülker Bisküvi became an important part of the “Be Happy, Make Happy Day” celebrations in 2019. Activities were organized throughout the year for employees and managers to make lots of children happy. Among these activities were providing necessary assistance for the renovation of schools, painting schools, planting saplings, and visiting Love Homes, in addition to donations of books and stationery.

pladis organizes events to support Starlight, which works to improve the physical conditions and lives of children with serious diseases, and to raise awareness. pladis employees raised GBP 26,000 in 2019.

As a member of the World Cocoa Foundation, GODIVA empowers local communities within the framework of sustainable cocoa cultivation. The company invests in the education and training of children in areas where cocoa is produced. GODIVA, through the Gives Month global employee volunteering program, supports the creation of social value by encouraging employees to work voluntarily on issues that they consider close and important to them, such as socio-economic development, protection and support of women and children, as well as increasing environmental awareness.

The Lady GODIVA Initiative, established by GODIVA, recognizes and rewards the achievements of NGOs working to empower women. In 2020, the initiative will provide $25,000 in support for each of the five initiatives to be selected from five countries.

With the Ben de Vann (Count Me In) project implemented to support women’s socio-economic development, cloth bags produced by housewives are put up for sale in ŞOK stores. A total of 7,551 bags were sold in 2019.

The Lady GODIVA Initiative provided $25,000 for five initiatives from five countries.
What Did We Do During COVID-19?

We managed the course of COVID-19 under the coordination of the Yıldız Holding Earthquake and Emergency (DAD) Management Team.

The DAD Management Team, which includes senior management, has organized coordination meetings as of 11 March 2020, when the first COVID-19 case in Turkey was announced, implementing practices in many areas such as travel restrictions, business continuity, hygiene, and social distancing. We regularly shared these practices with employees in line with our principles of transparent communication. We ensured that the practices, which we also shared with the DAD Management Teams of the group companies, were being actualized according to the respective structuring of the companies.

In line with the guidelines of the World Health Organization and the Turkish Ministry of Health, we put rotational working into practice as of 18 March 2020. In this context, we determined the principles of remote working in order to ensure the continuity of the business, providing regular information on digital channels. We included all units within the scope of remote working, excepting production and retail sales points, and took full measures to protect employee and public health.

Considering the statements of the TR Ministry of Health and the course of the epidemic, we returned to our offices gradually as of 1st June 2020. In this context, we reduced the number of people simultaneously present on the campuses by 50%, depending on their physical capacities. We did not include those employees aged 65 years or above, or who were pregnant, suffering from chronic lung disease, asthma, COPD, cardiovascular disease, kidney disease, hypertension and liver diseases, or employees in the risk group using drugs that suppress the immune system.

During the gradual return to offices, we reorganized all working areas, especially office spaces, dining halls and meeting rooms, in accordance with social distancing rules. Body temperatures of employees are being taken at the entry point, and disinfection points are placed throughout the campuses. We made the use of masks compulsory in offices and started to distribute them at office entrances.

The Digital Corridor and How Are You applications received "Exemplary Employer Category: Best COVID-19 Action" and "HR Digitalization: Human Resources Achievement Award" at the Stevie Awards.

Aid Efforts During the COVID-19 Outbreak

Once the COVID-19 outbreak began, we mobilized all our resources to stand by those in need. At the first stage, we delivered our food products through the Red Crescent to 20,000 people under quarantine. In addition to medical equipment such as intensive care monitors, ultrasonography, ECG, defibrillator, laryngoscope, video laryngoscope, and stethoscopes, we also donated a total of 3,000 medical products and materials to Bezmialem University, including disinfectant hand sanitizers and floor-surface disinfectants. We gave support to the online auction, the entire revenue of which was donated to the Istanbul Medical Faculty Foundation, and which was organized to benefit healthcare professionals at the forefront in combating the COVID-19 pandemic. For this purpose, we donated the artwork by artist Ekrem Yağcı named "Contrasts" from Yıldız Holding’s art collection to the auction. Ülker provide emotional support to health care professionals who work tirelessly with its products.
We aim to protect nature and reduce our environmental footprint across the value chain, from raw material procurement to delivery of products to customers.
we are working to effectively manage our energy consumption and greenhouse gas emissions, to increase efficiency in water use, and to reuse waste in a circular model.

OUR GOAL is to protect nature and reduce our environmental footprint throughout the value chain, from the supply of raw materials to the delivery of the product to customers. We strive to effectively manage energy consumption and greenhouse gas emissions, increase efficiency in water use, and recycle waste in a circular model. The global impact of the climate crisis, increasing pressure on natural resources and the extent of environmental pollution continue to affect the sustainability of both the world and our business. The 2020 issue of the Global Risks Report published annually by the World Economic Forum, marks the high point where environmental risks have reached at the global scale. Environmental risks constitute eight of the top 10 risks, evaluated in terms of impact and probability in the report, for the first time since its publication.

As a Holding that derives its strength from agriculture, we believe that natural capital should be protected and managed consciously to ensure the continuity of our business and intergenerational justice. As such, and in parallel with the Planet - Restore focus area, we are working to effectively manage our energy consumption and greenhouse gas emissions, to increase efficiency in water use, and to reuse waste in a circular model. We aim to protect nature and reduce our environmental footprint across the value chain, from raw material procurement to delivery of products to customers.

Climate Change and Energy Management

Today, the world is found to be 1.1°C warmer than pre-industrial era. Effects of climate change such as irregularities encountered in precipitation regimes, rapid rise in sea levels, melting of glaciers and increase in magnitude and frequency of extreme weather events such as fires, floods and hurricanes boost the negative impact on the environment and society at a rapid rate.

To reduce these effects, global warming should be kept below 1.5°C. To achieve this goal, states and the private sector continue to announce more ambitious goals and policies every day. With the European Green Deal announced by the European Commission, the continent was committed to be carbon-neutral by 2050, while China, the country responsible for the highest greenhouse gas emissions, has set a net zero carbon target by 2060.

Along with global warming, climate change is among the issues that directly affect agricultural production and food security. It is estimated that if global warming rises above 2°C, it will add 189 million more people to the 800 million already suffering from food shortages.

As Yıldız Holding, most of our activities are based on food and agriculture. We care about reducing greenhouse gas emissions and adopting an effective energy management to ensure the sustainability of our business.

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<th>ISO 14001 Environmental Management System</th>
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<td>Ülker Bisküvi*</td>
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*The process of Ülker Bisküvi’s Silivi factory ISO 50001 Energy Management System is ongoing. Also in Kerveitaş, the system is only available at the Ermidag factory.

pladis UK has been using 100% renewable electricity at all its factories and offices since 2018. pladis identifies opportunities to reduce energy costs and greenhouse gas emissions at its Harlesden and Manchester factories in the UK and in Ireland. Subsequently, project outputs are targeted for implementation at all UK facilities.

Within the scope of its 2024 Goals, Ülker Bisküvi aims to grow without an increase in greenhouse gas emissions, to develop a long-term energy efficiency strategy and to reduce greenhouse gas emissions per unit production by 40%. The company, whose emissions remain at the same level as in 2014, is working on renewable energy supply to reduce emissions per unit of production. In 2019, Ülker Bisküvi installed energy monitoring systems at all its factories in Turkey and commenced instant monitoring of its energy usage. In addition, with an energy saving of 2,502 MWh, equivalent to the consumption of 1,500 households, 1,000 tons of CO2 emissions was saved and approximately 1 million TL in financial savings was achieved. Logistics routes were optimized for product shipments to effectively manage related emissions within Scope 2, and a 2.5-million-kilometer reduction was achieved between the years 2014-2020. All factories of Ülker Bisküvi except Silivi, operate under ISO 50001 Energy Management System and it is integrated with the Greenhouse Gas Emission Inventory and Verification System. At the Silivi factory, the process is in its final stage.

Kerveitaş achieved a reduction in both energy consumption and greenhouse gas emission compared to 2018, based on the innovations it implemented within the scope of its efficiency projects. Accordingly, 8% reduction in energy consumption and 4% reduction in greenhouse gas emissions was achieved in 2019.
With its efficiency investments in 2019, Besler achieved an energy saving of 27,074 MWh, equivalent to a financial saving of almost 6 million TL. These operations resulted in the prevention of 9,422 tons of CO₂ emissions.

Bizim Toptan received ISO 14001: 2015 Environmental Management System Certification covering all its stores and headquarters to accelerate the combat against climate change, and to manage the environmental issue in accordance with international standards.

In 2019, ŞOK Marketler focused on improving its environmental performance in its operations within the scope of ISO 14001 in order to reduce greenhouse gas emissions and combat climate change. Duly, it has achieved a 21% reduction in each of its energy and greenhouse gas concentrations over the past two years. Series of efficiency providing equipment were installed at 1,000 stores as part of the In-Store Energy Efficiency Project.

With the implementation of the inert diffusion system in 2019 in Adapazan Şeker, while the total energy savings reached 1,422 MWh by means of using steam energy and the replacement of the engines in the production process with their high efficiency alternatives, 15,933 tons of CO₂ emission was prevented. As a result of improvements in energy use, greenhouse gas intensity was reduced by 47%, and energy intensity by about 12% compared to 2018. Having started to use methane gas obtained in the anaerobic reactors in its wastewater treatment plant to meet its steam energy need with the Biogas Energy Recovery project, the company saves energy by directly delivering this steam to the plate heaters in its sugar production process.
Coupled with rising pressure on water resources due to climate change, effective management of resources has become all the more important.

It is predicted that the number of regions experiencing water stress, or the number of days without water, will increase rapidly as demand for water exceeds available volume of resources in a certain period, or as water becomes unusable due to decreased quality. With irrigation in the first place, all agricultural activities are directly dependent on water resources. To ensure environmental, social and economic sustainability, it is primarily necessary to increase water use efficiency and to reduce water consumption. In addition, companies reviewing their wastewater management, and approach water as if a new resource by utilizing practices such as recycling/reuse, plays an important role in reducing pressure on water resources.

Most of our activities at Yıldız Holding are based on agricultural production. For this reason, we consider it our priority to use water efficiently, by taking water stress into consideration. In the light of this approach, we improve our production processes and reduce water consumption.

31. UN Water, “Water and Climate Change.”
Population growth and changes in consumer preferences cause an increase in waste generation; meanwhile, non-recyclable packaging and insufficient waste recycling negatively impact human and environmental health. Particularly in recent years, and with packaging being in first place, plastic waste has developed into a global crisis. It is predicted that by 2050, there will be more plastic than fish in the oceans and seas. To prevent this, reducing waste at its source, disposing of it correctly, popularizing the use of recyclable materials and reclaiming all waste at its source within the framework of a circular model are among the important steps to be taken.

To feed the 2 billion people to be added to the world population by 2050, global food production will need to be increased by 50% and food waste reduced significantly.

The initiative aptly named #RoadToZero, launched by pladis in the United Kingdom in 2018, resulted in a 2.1% reduction in waste generated between 2018 and 2019, while food waste was reduced by 8,000 tons annually. pladis UK and Ireland have collected and recycled 8 million plastic packaging over the past seven years, by means of their partnership with TerraCycle. The company also donated £150,000 to charities between 2012 and 2019. pladis UK and Ireland, a member of the UK Plastics Pact, aspires to eliminate single-use packaging, aiming to use 100% reusable, recyclable or compostable plastic packaging by 2025. In this context, it aims to effectively recycle 70% of all annual plastic waste until 2025, and to use an average of 30% recycled raw materials in all plastic packaging used in products. By the end of 2020, it aims to remove black (non-recyclable) plastic and PVC from all its packaging and hard materials.

Concerning waste management, Ülker Bisküvi, with its 100% recycling target, aims to send zero waste to landfills and to reduce the return packaging rate by 50% by 2024. In 2019, Ülker Bisküvi recycled 13,308 tons of waste, corresponding to 91% of its total waste bulk in Turkey, and sent only 9% of its waste to landfills. In addition, with the improvements made in packaging, it exceeded its 2024 target by reducing the return flexible packaging rate by 63% and the parcel rate by 99% compared to 2014. Moreover, with the changes made in the packaging content, the plastic used was reduced by 355 tons, paper by 96 tons and aluminum by 10 tons, compared to 2018.

To feed the 2 billion people to be added to the world population by 2050, global food production will need to be increased by 50% and food waste reduced significantly.

As Yıldız Holding and its affiliated companies, we go beyond legal regulations in terms of waste disposal; by gaining the initiative through R&D and innovation, and with pioneering solutions, we work to minimize waste-based environmental impacts. We develop projects that encourage both reduction and recycling of packaging waste, which we consider to be among the most important issues concerning waste management. We aim to reduce our plastic waste through the Business Plastics Initiative, which we became a signatory to in 2019, as well as inspiring our industry and business community in the fight against plastic pollution.
Adapazarı Şeker recycled approximately 82% of the food waste generated in 2019, sending only 18% of it to landfills. With its waste recycling project, the company recycled 6 tons of paper, 16.5 tons of plastic and 58 tons of iron and steel in 2019 and saved TL 264,000.

Adapazarı Şeker is conducting the Asphalt Production from Filter Soil (PKF) Project with TÜBİTAK, Yeditepe University and ISFALT. It aims to contribute to the zero-waste target with the project, which is planned to run for three years, and was initiated to prevent the disposal of process soil containing high ratios of calcium carbonate. The company, which reclaims food wastes, also reclaims the wet pulp and molasses that are produced as a by-product of crystal sugar production after putting it through necessary processes. In 2019, TL 22.5 million was obtained from the sale of 104,000 tons of beet pulp and TL 14.8 million from the sales of 17,400 tons of molasses.

Kerestas reclaims most of the food waste generated during production in livestock farming and uses the remainder to generate energy at biogas facilities. In 2019, it used 40,000 tons of food waste in feeding 8,000 cattle. Currently, it conducts experiments and develops projects to determine thinner plastic packaging combinations through R&D collaborations on waste established with suppliers. In this context, it aims to reduce the amount of plastic material used by at least 10% per product. While the studies resulted in savings of up to TL 42 million in 2019, they ensured a plastic reduction of 7.46% (by weight).

Within the scope of Transporting Fruit and Vegetable Products with Reusable Crates Project, ŞOK Marketer aims to greatly reduce its waste volume and lower costs associated with the use of crates, along with the transporting of fruit and vegetable products, previously carried in disposable plastic or cardboard cases, in special reusable plastic cases. By means of the project, it prevented 9,875,000 cardboard or plastic cases to turn waste in 2019.

Bizim Topkan classifies its wastes, separates them at the source, and through licensed companies ensures that they are regularly recycled. An average of 780 kg of waste per month is collected from each store through municipalities and municipality-contracted organizations.

At Besler, with projects such as reduction of chemicals used in manufacturing by-products and amount of soil used in the bleaching unit, waste volume was reduced by 139 tons annually in 2019. As a result of the projects, TL 633,000 in financial savings were realized with the efficiency achieved in waste management costs and resource use.

B/izim Toptan collects its wastes, separates them at the source, and through licensed companies ensures that they are regularly recycled. An average of 780 kg of waste per month is collected from each store through municipalities and municipality-contracted organizations.

GIDA SAN. VE TİC. A.Ş.

B/izim Toptan collects its wastes, separates them at the source, and through licensed companies ensures that they are regularly recycled. An average of 780 kg of waste per month is collected from each store through municipalities and municipality-contracted organizations.
Biodiversity

Preserving biodiversity and preventing rapid loss of species is of great importance for the health of ecosystems and its ecological functioning. In addition, biodiversity plays a key role, especially for the sustainability of the food industry and agricultural production.

As Yıldız Holding, we support the protection of biodiversity by developing projects and practices for the continuity of agriculture. Preserving the diversity of species in regions where the Holding and its affiliated companies operate, holds a significant place in our This is Our World sustainability vision.

We act by considering the effects of our activities on biodiversity and strive to protect nature by carrying out scientific research and local projects.

-created in 2011 with the contributions of Ülker Bisküvi employees, Ülker Ankara Memorial Forest, including the 1,500 saplings planted in 2019, has today become a forest of over 30,000 cedar and pine trees, hosting a wide variety of wildlife.

In the project initiated by Ülker Bisküvi in cooperation with Konya Bağı Dağdaş International Agricultural Research Institute with the aim of ensuring sustainable production, securing wheat supply for many years, and producing high quality domestic and national biscuit-grade wheat, the first harvest was gathered this year. By means of the project’s product, Allça Wheat, a high yielding, disease and drought-resistant biscuit type wheat, an extremely high quality, durable and yielding wheat has been brought to the agricultural industry.

As a part of its efforts to preserve biodiversity, Kerevit as is conducting an Ecological Research Project on the Otter (Lutra lutra) Population inhabiting Ulubat and Iznik lakes in Bursa with the Hatay Nature Conservation Association. Within the scope of the project, the presence of otters, classified as being close to extinction according to the criteria of the International Union for Conservation of Nature (IUCN), along with the rivers, streams, and ponds vital for continuation of these species are determined. In addition, measures to be taken for otter conservation are determined and information is obtained on human activities such as inappropriate fishing methods that may pose a risk, as well as domestic and agricultural wastes and the destruction of various reed beds.

We have been working with wheat farmer cooperatives for over 10 years through the Back to the Farm program run by pladis in the UK. The program has had a positive impact on the vital bee population. We believe that it will also provide benefits to biodiversity, wildlife and soil over the coming years.

pladis has continued its responsible wheat procurement program with wheat suppliers in the UK and achieved a traceability of 41% all the way to the farm.

As a part of its efforts to preserve biodiversity, Kerevit as is conducting an Ecological Research Project on the Otter (Lutra lutra) Population inhabiting Ulubat and Iznik lakes in Bursa with the Hatay Nature Conservation Association.
## CORPORATE MEMBERSHIPS

United Nations Global Compact (UNGC)
- Vegetable Oil Manufacturers Association (BYSĐ)
- Food Drink EUROPE
- Independent Industrialists’ and Businessmen’s Association (MÜSİAD)
- Corporate Communicators Association
- Culinary Products and Margarine Industrialists Association (MÜMSAD)
- Roundtable on Sustainable Palm Oil (RSPO)
- Retailers Association (PERDER)
- Advertisers Association
- Confectionery Products Manufacturers Association (ŞEMAD)
- Business Council for Sustainable Development Turkey (SKD Turkey)
- The European Food Information Council
- Turkish Industry and Business Association (TÜSIAD)
- Turkish Food and Beverage Industry Association (TÜGIS)
- International Life Sciences Institute (IILSI)
- Women on Board Association Turkey

## EMPLOYEE DEMOGRAPHICS*

### Total Number of Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>11,558</td>
<td>21,490</td>
<td>13,995</td>
<td>22,654</td>
<td>15,356</td>
<td>23,200</td>
</tr>
<tr>
<td>2018</td>
<td>33,048</td>
<td>36,649</td>
<td>38,556</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Employees by Category

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>455</td>
<td>1,774</td>
<td>429</td>
<td>1,727</td>
<td>455</td>
<td>1,788</td>
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<tr>
<td>2018</td>
<td>2,229</td>
<td>2,156</td>
<td>2,243</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>11,103</td>
<td>19,716</td>
<td>13,566</td>
<td>20,927</td>
<td>14,901</td>
<td>21,412</td>
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<td></td>
<td>30,819</td>
<td>34,493</td>
<td>36,313</td>
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</tr>
</tbody>
</table>

### Number of White-Collar Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,630</td>
<td>6,171</td>
<td>7,868</td>
<td>8,562</td>
<td>5,983</td>
<td>7,244</td>
</tr>
<tr>
<td>2018</td>
<td>656</td>
<td>1,171</td>
<td>720</td>
<td>1,760</td>
<td>1,229</td>
<td>2,338</td>
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<tr>
<td>2019</td>
<td>141</td>
<td>224</td>
<td>122</td>
<td>197</td>
<td>73</td>
<td>190</td>
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<tr>
<td></td>
<td>3,427</td>
<td>7,666</td>
<td>10,567</td>
<td>7,285</td>
<td>9,770</td>
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</tr>
</tbody>
</table>

### Number of Blue-Collar Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>33,048</td>
<td>36,649</td>
<td>38,556</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>10,994</td>
<td>19,375</td>
<td>17,055</td>
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<td></td>
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</tbody>
</table>

### Number of Employees Who Left their Job by Gender and Age

<table>
<thead>
<tr>
<th>Year</th>
<th>Under 30 y/o</th>
<th>Between 30-50 y/o</th>
<th>Over 50 y/o</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,630</td>
<td>6,171</td>
<td>7,868</td>
<td>17,669</td>
</tr>
<tr>
<td>2018</td>
<td>656</td>
<td>1,171</td>
<td>720</td>
<td>1,547</td>
</tr>
<tr>
<td>2019</td>
<td>141</td>
<td>224</td>
<td>122</td>
<td>507</td>
</tr>
</tbody>
</table>

### Distribution of Employees in Senior Management Bodies by Age and Gender

<table>
<thead>
<tr>
<th>Year</th>
<th>Under 30 y/o</th>
<th>Between 30-50 y/o</th>
<th>Over 50 y/o</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0</td>
<td>7</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>2018</td>
<td>28</td>
<td>47</td>
<td>53</td>
<td>128</td>
</tr>
<tr>
<td>2019</td>
<td>3</td>
<td>11</td>
<td>3</td>
<td>17</td>
</tr>
</tbody>
</table>

* Consolidated data from companies of which performance data within the scope of the report was shared.
### Environmental Performance Indicators

#### Energy Consumption*

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Energy Consumption (MWh)</td>
<td>2,008,584</td>
<td>2,114,169</td>
<td>2,245,798</td>
</tr>
</tbody>
</table>

#### Energy Intensity (Total Energy Consumption / Number of Employees)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>58</td>
<td>58</td>
<td>58</td>
</tr>
</tbody>
</table>

*Within the scope of the report, performance data is the consolidated data of the companies shared.

#### Greenhouse Gas Emissions*

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse Gas Emissions** (ton CO₂e)</td>
<td>443,807</td>
<td>459,714</td>
<td>466,574</td>
</tr>
</tbody>
</table>

#### Greenhouse Gas Intensity (Scope 1 & 2 Greenhouse Gas Emissions / Number of Employees)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13</td>
<td>13</td>
<td>12</td>
</tr>
</tbody>
</table>

*Within the scope of the report, performance data is the consolidated data of the companies shared.
Greenhouse gas emissions are calculated appropriate to the World Resources Institute (WRI)/World Business Council on Sustainable Development (WBCSD) Greenhouse Gas Protocol methodology. **Scope 1 and Scope 2 emissions

#### Water Consumption*

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Volume of Water Consumed (m³)</td>
<td>3,237,918</td>
<td>3,373,603</td>
<td>3,778,393</td>
</tr>
</tbody>
</table>

#### Water Intensity (Total Water Consumption(m³) / Number of Employees)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>98</td>
<td>92</td>
<td>98</td>
</tr>
</tbody>
</table>

*Within the scope of the report, performance data is the consolidated data of the companies shared.
Within the scope of water consumption data, network water, groundwater and rainwater consumption are reported. Water consumption data is obtained from the meters and invoices of service providers, as well as from in-house meters.
### GRI Standard: General Indicators 2016

#### Stakeholder engagement

| GRI 102-40 | Besler, Kerevit and Ülker Bisküv, among the companies covered by the report, have employees under collective bargaining agreement. All of the blue-collar employees in Besler are covered by the collective bargaining agreement. Ülker Bisküv 2019 Sustainability Report, page 60 http://ulkerbiskuv investorrelations.com/assets/pdf/surnurulubirkkinsonroplu-2019-en.pdf “87% of the employees are covered by collective bargaining agreement.”
| GRI 102-41 | There are no employees in Bism Itfaiye and Sülich Market under collective bargaining agreement. |

#### Report Profile

| GRI 102-45 | 11 |
| GRI 102-46 | 8, 16 |
| GRI 102-47 | 16 |
| GRI 102-48 | Not available. |
| GRI 102-49 | Not available. |
| GRI 102-50 | 1 January 2019 - 31 December 2019 |
| GRI 102-51 | 2018 Sustainability Report 1 January 2018 - 31 December 2018 https://english.yildizholding.com/tr/media/79291/1/3770/y/3770_y_et/3770_k_k/3770_k_tapc/3770_k_/3770_ng.pdf |

### GRI 200: Economic Standard Series

#### Economic Performance

| GRI 201-1 | 11 |

### GRI 300: Environmental Standard Series

#### Energy

| GRI 301: Management Approach 2016 | 103-1 | 59, 60 |
| GRI 301: Energy 2016 | 302-1 | 76 |
| GRI 301: Energy 2016 | 302-3 | 76 |
| GRI 301: Energy 2016 | 302-4 | 61 |

#### Water

| GRI 302: Management Approach 2016 | 103-1 | 64, 65 |
| GRI 302: Water 2016 | 303-1 | 76 |
| GRI 302: Water 2016 | 303-3 | 65 |

#### Emissions

| GRI 303: Management Approach 2016 | 103-1 | 60 |
| GRI 303: Emissions 2016 | 305-1 | 76 |
| GRI 303: Emissions 2016 | 305-2 | 76 |
| GRI 303: Emissions 2016 | 305-4 | 76 |

### GRI 400: Social Standard Series

#### Employment

| GRI 401: Management Approach 2016 | 103-1 | 43, 44 |
| GRI 401: Employment | 401-2 | 47 |

#### Labor/Management Relations

<p>| GRI 402: Management Approach 2016 | 103-1 | 44 |
| GRI 402: Labor/Management Relations | 402-1 | Legal notice periods are compiled with regard to significant operational changes. |</p>
<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Indicator</th>
<th>Page Number and/or Link</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRI 400: Social Standard Series</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Occupational Health and Safety</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>51</td>
</tr>
<tr>
<td>GRI 403: Occupational Health and Safety 2016</td>
<td>403-1</td>
<td>51</td>
</tr>
<tr>
<td><strong>Training and Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1</td>
<td>48</td>
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<tr>
<td></td>
<td>103-2</td>
<td>48</td>
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<tr>
<td></td>
<td>103-3</td>
<td>48</td>
</tr>
<tr>
<td>GRI 404: Training and Education 2016</td>
<td>404-1</td>
<td>48, 49</td>
</tr>
<tr>
<td></td>
<td>404-2</td>
<td>48, 49</td>
</tr>
<tr>
<td><strong>Diversity and Equal Opportunity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1</td>
<td>46, 47</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>46, 47</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>46, 47</td>
</tr>
<tr>
<td>GRI 405: Diversity and Equal Opportunity 2016</td>
<td>405-2</td>
<td>There is no discrimination based on gender. <a href="https://english.yildizholding.com.tr/media/13795/yh_etlik_kitapci_k.pdf">https://english.yildizholding.com.tr/media/13795/yh_etlik_kitapci_k.pdf</a></td>
</tr>
<tr>
<td><strong>Non Discrimination</strong></td>
<td></td>
<td></td>
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<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1</td>
<td>16, 17</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>16, 17</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>16, 17</td>
</tr>
<tr>
<td>GRI 406: Non Discrimination 2016</td>
<td>406-1</td>
<td>We reject discrimination on gender, race, religion, language, marital status, political opinion, disability, age, issues... <a href="https://english.yildizholding.com.tr/media/13795/yh_etlik_kitapci_k.pdf">https://english.yildizholding.com.tr/media/13795/yh_etlik_kitapci_k.pdf</a></td>
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