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## About the Report

**Our sustainability report, which we published for the sixth time this year, includes our strategy, focus areas, goals, developments and performance in these areas.**

At ŞOK Marketler, we have been sharing our perspective, performance, and activities in environmental, social, and governance areas through our sustainability reports every year since 2017. Our sustainability report, which we published for the sixth time this year, includes our strategy, focus areas, goals, developments and performance in these areas in the sustainability journey we embarked on with the understanding of "This is Our World" between January 1 and December 31, 2022.

Our report, prepared in accordance with the GRI Standards Core option, also includes our direct and indirect contribution to the UN Sustainable Development Goals (SDGs). In 2022, we map the SDGs that we supported with our activities in our report.

We attach importance to making our sustainability report accessible to all our stakeholders and receiving their feedback and opinions on our report. In this context, you can access our current and past reports at [kurumsal.sokmarket.com.tr/en/sustainability](https://kurumsal.sokmarket.com.tr/en/sustainability). You can send your questions, comments and suggestions regarding the report to the e-mail address "[surdurulebilirlik@sokmarket.com.tr](mailto:surdurulebilirlik@sokmarket.com.tr)".

### Reporting Scope

The performance indicators and data we share in our report cover ŞOK Marketler Ticaret A.Ş. (ŞOK Marketler) Turkey operations between January 1 and December 31, 2022.

### Independent Assurance

Within the scope of our report, we receive independent assurance services for energy and water consumption, greenhouse gas emissions and waste amount environmental performance indicators, number of employees by gender, category and working hours, OHS performance, number of subcontractors and training hours social performance indicators. In this way, we ensure the accuracy of our data and work to conduct reliable trend analysis.



You can find our Independent Assurance statement in the [Annexes](#) section of our report.



**10,281**  
**Number of Stores**







## CEO Message

**At ŞOK Marketler, we operate with the goal of leaving a more livable world to future generations.**

**If you had to summarize 2022, what would be the issues you would highlight? In light of these issues, how would you evaluate 2022 for ŞOK Marketler?**

In 2022, we maintained our stability and successful financial and operational performance as in the past years. As of the end of 2022, our revenues increased by 108.7 percent to TL 59.3 billion, while the number of our employees exceeded 45 thousand. We were proud to reach our 10,000<sup>th</sup> store. We expanded our operational network with 7 new warehouses. 2022 was another year in which we fully fulfilled our mission to provide uninterrupted service to our customers from the closest point with our customer satisfaction priority. As always, we brought our customers our quality and reliable products at the most affordable prices with our "from unity to abundance" approach.

We continued to offer our long-established private labels such as Mis, Piyale, Mintax, Evin, and Amigo to our customers with ŞOK assurance. We continued our investments in digitalization and Cepte ŞOK with the importance we attach to e-commerce and digitalization to provide a better shopping experience.

As one of Turkey's leading food retail chains, we continue to grow by winning a place in the hearts of our customers while creating value for the Turkish economy. We strive to be sustainable in every sense by creating long-term value. With this vision, we integrate environmental, social, economic and technological trends and developments into our business models and reinforce our financial success with the sustainable value we create.

At ŞOK Marketler, we operate with the goal of leaving a more livable world to future generations. In addition to financial performance, we add environmental, social and governance-oriented performance within the framework of sustainability principles to our definition of success. We shape our strategy around three focuses and contribute to the 'Sustainable Development Goals'. We set our targets in line with these three foci:

**Working for the Future of Environment,  
Growing Stronger with Our Stakeholders  
and Inspiring the Future with Purpose Driven  
Products and Business Models.**

We strictly adhere to our waste-free company principles. We increase the share of renewable energy sources in energy generation in all our stores and warehouses across the country and take measures to use energy economically and efficiently.



**59.3**  
**TL billion**  
**Revenue**



**45+**  
**thousand**  
**Number of Employees**



## CEO Message

**Our main goal is to offer our customers alternatives, inspire them, guide them towards sustainable choices and ensure positive transformation through responsible business models and innovative products.**

In terms of efficiency, we take care to improve our service quality by utilizing our digital capabilities in the right way and trying to understand each step of the customer journey, and we are expanding our digital infrastructure investments.

In addition to all these steps, we also provide maximum support to domestic production within the scope of our sustainability responsibility. With our 'Fair Agriculture from Farm to Table' project, we bring quality products produced by farmers all over our country to our customers at the most advantageous prices.

We are aware of the importance of acting with a common vision with all our stakeholders, especially our employees, customers and suppliers, for our sustainability goals and we continue our work with this perspective.

**You mentioned that you identified your focus areas while shaping your strategy. What steps are ŞOK Marketler taking and what are your goals for Inspiring the Future with Purpose-Driven Products and Business Models, one of your focus areas?**

With this focus, our main goal is to offer our customers alternatives, inspire them, guide them towards sustainable choices and ensure positive transformation through responsible business models and innovative products. By allocating resources to innovation, we facilitate the emergence of purpose-driven and sustainable business model and product alternatives. We aim to have a resilient value chain.

Given the importance of access to healthy and affordable food, we offer our customers the closest and easiest shopping experience with our trusted private label products and national brands in our stores with our "everyday low price" policy. We encourage our customers to reduce their individual carbon footprint with easy access to our stores.

We supply agricultural products from the farmers we work with in the "Fair Agriculture from Farm to Table" contracted agriculture project, and bring high quality products to our consumers. While we work to ensure the quality and safety of the products we offer to our customers, we also address the quality and assurance issues of operational processes in our stores and warehouses.

With our ŞOKNet Call Management system, we prevent products with quality problems originating from suppliers from reaching customers. Thanks to this system, our stores collaborate with the quality team to protect customers' health and safety, reduce customer complaints, dispose of fewer products, and improve suppliers' quality assurance systems. This results in higher customer satisfaction and cost and time savings.

We strive to provide customers with a comfortable shopping experience that meets their different expectations and needs. We design our stores and shelves to provide the best experience for our customers. Disadvantaged groups such as the disabled and the elderly, as well as customers who prefer e-commerce, can access all our products at market prices and without paying any delivery fees through our Cepte ŞOK application.

**One of ŞOK Marketler's focus areas is strengthening with its stakeholders. Your employees are one of your strongest stakeholders in this area. What were the most prominent issues for your employees in 2022?**

At ŞOK Marketler, we believe that our most valuable asset is our employees and we act with a people-centered approach. In 2022, we strived to provide an equitable, fair and safe working environment for our 45,293 employees, including our head office, warehouses and stores. In this context, 3% of our employees are disabled colleagues. We stand against all kinds of discrimination among our employees and support equal opportunity. Within the scope of our principle of equal opportunity between genders, we hired 52% women employees in 2022.





## CEO Message

**We make continuous improvements to minimize greenhouse gas emissions by using energy efficiently and to manage our water consumption effectively.**



# 12-15%

**Energy Savings Achieved  
with Our Store Energy  
Efficiency Project**

While aiming for our employees to chart a career path according to their skills and expectations, we offer training and development opportunities that can contribute to organizational development, starting with their individual development. With our Academy ŞOK platform, our store employees can access trainings on computers, tablets, and all smart mobile devices and participate in trainings on many topics such as store processes and basic management. Within the scope of all our training programs, we provided a total of 545,199 hours of training this year, 12 hours of training per employee. Last year, we rewarded 94 employees with the instant rewarding system, contributing to the rewarding of business results that create added value.

We attach great importance to our employees working in an environment where they feel peaceful and valued. In this context, we regularly conduct Employee Satisfaction surveys, listen to our employees and work to meet their expectations. In this way, our generally high employee satisfaction average continues to increase every year.

Another focus this year is Occupational Health and Safety (OHS), which we always attach great importance to. We both try to eliminate the risks in business processes and ensure that our employees receive trainings to improve their awareness in this area. In 2022, we ensured that 3,690 employees received OHS trainings and we provided a total of 30,072 hours of training through face-to-face trainings.

**Working for the Future of Environment is another area of focus. How does ŞOK Marketler address climate change? What steps have you taken in this context?**

While our world is facing serious threats such as climate change, environmental problems and the rapid depletion of natural resources, it is our duty to use the limited resources we have in the most efficient and sustainable way. Aware of the responsibility that comes with operating in a sector such as food retail, where the most basic needs are met, we strive to continuously improve our environmental and social impact. We emphasize sustainability against global warming and climate change.

We make continuous improvements to minimize greenhouse gas emissions by using energy efficiently and to manage our water consumption effectively. In this context, one of our important projects, Store Energy Efficiency Project, we achieved energy savings of 12-15% with 2,297 MWh in energy consumption.

We aim to reduce waste and packaging generated by our operations at the source. We recycle waste where possible, and if it is not possible to recycle it, we dispose of it in accordance with the legislation and strive to minimize the negative impact on the environment.

While our procurement processes are also based on efficiency and sustainability, we continue our efforts to produce environmentally friendly products. We encourage all our stakeholders, including our employees, suppliers and business partners, to commit to responsible environmental management.

**Finally, how would you explain the link between sustainability and the success of ŞOK Marketler?**

For the future of our world and all humanity, it is indispensable today to review and redesign all of our business processes within the framework of sustainability principles and to continue our activities in light of these principles. With this perspective, we are working to create sustainable value for our country and the world, and although we have a long way to go in this area, we can say that we have made significant progress. We make great efforts to cooperate with all our stakeholders, especially our employees, within the framework of these commitments.

Our focus on utilizing our digital capabilities in the right way in terms of efficiency and improving our service quality enables us to achieve success faster within the framework of sustainability. We offer innovative services and perfect our customers' shopping experiences. In addition to constantly improving our service quality in line with customer orientations, our infrastructure investments in this area are expanding with the importance we attach to e-commerce and digitalization. Our waste-free company principles, which we diligently implement, stand out as another important factor that positively reflects on our success in terms of sustainability.

**Uğur Demirel**  
**ŞOK Marketler Tic. A.Ş.**  
**CEO**



# ABOUT ŞOK MARKETLER

With the right strategies and stable investments we continue our healthy growth. We have a superior performance with our stores, its number is more than 10 thousand all over Turkey and our employees its number is more than 45 thousand. With our new warehouse openings we have positive results both in reducing carbon footprint and supply management.







## About Us

**We aim to meet almost all of our customers' needs "in one place and from the nearest point" and we are continuously expanding our store network.**

With our 10,281 stores, 38 distribution centers and 45,293 employees in 81 provinces across Turkey, we aim to meet almost all of our customers' needs "in one place and from the nearest point" and we are continuously expanding our store network. By adding mobile application service to our widespread service network, we continue to be one of the most widespread supermarket chains in Turkey with 1,034 new stores opened in 2022 and a total of 7,716 new stores opened since 2015.

While offering many alternatives to meet consumer needs, we bring together more than 1,800 SKUs in food and non-food categories. We embrace the products that have become local brands in the past and are deeply rooted in consumers' memories. We continue to bring brands with a long history such as Mis, Piyale, Mintax, Evin and Amigo to our customers. We offer these well-established, nostalgic and well-known brands, each with a strong brand perception

and high recognition in their own field, to our customers at affordable prices. In addition to our private label brands, we are constantly enriching our product portfolio, which also includes national brands.

While diversifying our product portfolio with our private label brands and national brands; we continue to give confidence to our customers by delivering the best product at the cheapest price.

We offer our customers high quality products that are easily accessible at affordable prices. With our expertise in fruits and vegetables, we deliver the produce we procure "from our distribution centers to our stores" within 24 hours and offer the freshest products to our customers. We are one of the most important retailers of personal care and cleaning products in Turkey. We offer our customers a wide range of products in this area. **We aim to provide the best service to our customers with our differentiated business model, "every day low price" strategy and campaigns in different formats.**

Since the day we were founded, we have been visiting homes and touching lives all over Turkey with our love for our business. We improve our digital and operational processes end-to-end with our goal of always achieving better, and we continue to touch the hearts of consumers with our affordable and quality products. While adopting the strategy of "every day low prices", we act with the awareness that proximity to our customers is an important criterion in a comfortable shopping experience.

**For these reasons, we say ŞOK is 'More than Enough'.**



### Our Mission

To offer our customers the most convenient shopping experience through our differentiated business model, high-quality product variety, affordable prices, and advanced service concept and to be the first choice of our business partners and employees.



### Our Vision

To become the most preferred retail brand by the people and the leading food retailer of Turkey and to continue creating value for our investors.



### Our Business Model Principles

- Proximity
- Price
- Private Label Products
- Shopping Experience
- Product Range







## About Us

We operate with an “everyday low price” strategy and aim to increase customer demand with competitively priced products.

### Proximity

We act with the awareness that proximity is one of the most important criteria in a comfortable shopping experience. We aim to offer our customers the experience of **“shopping in one place and from the nearest point”**. Throughout Turkey, we aim to be accessible to our customers with a total of 10,281 stores, at least one in each city. In addition to our stores, the **“Cepte ŞOK”** application, which we have been offering fast and secure shopping since the pandemic, is rapidly expanding and continues to contribute to our reliable and uninterrupted service approach.

### Price

We operate with an **“everyday low price”** strategy and aim to increase customer demand with competitively priced products. We offer **our private label products** in bright yellow colored boxes with the “every day low price” label, side by side with equivalent products with national brands. We support the purchasing power of our customers with both a low price policy and various promotions.

### Private Label Products

We reintroduced **Mis, Piyale, Mintax, Evin and Amigo**, some of Turkey's best-known nostalgic brands, to our customers by adding them to our private label brands. We offer our private label products in yellow boxes side by side with the best-selling and higher-priced equivalent national branded products.

### Shopping Experience

We have designed our stores to be **clean, well-lit, with wide aisles and shelves for better visibility**. We offer our customers easy shopping in our stores, which we decorate according to a specific layout and product shelving diagram. In the store layout, we focus on making it easier for our customers to find certain products on the shelves.

### Product Range

We have **more than 1,800 SKU's** in our portfolio. With our wide product range and direct supply approach, we bring our private label brands and equivalent national brands together with our customers and become a center of attraction in shopping.



## About Us

### Highlights of ŞOK Marketler in Numbers

Thanks to our improving financial performance, we continue to grow and create value for the Turkish economy.

In 2022, we maintained our successful and stable financial and operational performance as well as our prominent achievements within the framework of our values. Thanks to our improving financial performance, we continue to grow and create value for the Turkish economy.



Details of our financial and operational performance can be found in our [2022 Annual Report](#).

#### ŞOK Strong

With our new stores and warehouses, we are increasing our contribution to employee employment and the economic development of our country.

**10,281** stores  
across **81** provinces  
**38** warehouses  
**45,293** employees

#### ŞOK Quick

We continue to increase investments in our Cepte ŞOK application, where we continuously improve the quality of our services, and we make a difference with our payment at the door, free of charge and same-day delivery options.

**1.7x** member increase in Cepte ŞOK, which focuses on green and clean environment

#### ŞOK Affordable

While diversifying our product portfolio with our private label products and national brands; we continue to reassure our customers by delivering the best product at the cheapest price.

More than **1,800 SKUs**  
Brands with a long history

#### ŞOK Efficient

We position supply chain management among the priority areas in achieving our sustainable growth targets.

**4,272 MWh** and  
**TL 13 million** worth of energy savings



#### In 2022...

We steadily increased our business volume and generated sales revenues of **TL 59.3 billion**, up 109%.

We achieved a gross profit of **TL 14.1 billion**, up 112%.

Thanks to our sustainable profitability approach, we achieved an **EBITDA of TL 4.7 billion**, up 82%.

We continued to steadily increase our net profit, posting a net profit of nearly **TL 2.4 billion** with a 4.0% profit margin.

Total assets increased by 92.9% year-on-year to **TL 18.8 billion**.

**16.6 billion TL** market cap





## About Us

## Private Label Brands

In addition to our private label brands, we are constantly enriching our product portfolio, which also includes national brands.



### Mis

Founded in 1976, Mis Süt has been one of Turkey's first modern dairy plants and remains to be one of our most popular nostalgic brands which is preferred by consumers with confidence.



### Piyale

Our 100-year-old Piyale brand continues to take our customers on a journey into the past while adding flavor to tables with pasta, flour, semolina, ground rice and starch products.



### Mintax

Operating since 1983 as one of the most recognized names in the industry, Mintax takes the lead in the cleaning products category of ŞOK Marketler.



### Amigo

As one of Turkey's first packed nut producers and known as the country's most well-known peanut brand, Amigo continues to satisfy customers.



### Anadolu Mutfağı

Anadolu Mutfağı brand offers wide range of products to our customers in the legumes and spices product groups.



### Deren Çay

Within the framework of our strategy to revitalize nostalgic brands and bring them back to the economy, Deren Tea flavors, which we acquired in 2018, are highly appreciated by our consumers with their quality and affordable prices.



### Mon Amour

We bring Mon Amour, which has a wide product range and attractive colors from lipstick to blush, mascara to BB cream, to make-up lovers at ŞOK Marketler at affordable prices.



### Bebeland

With dermatologically tested Bebeland products, we continue to offer healthy and quality baby cosmetic products, at attractive prices.



### Karmen

Karmen stands out for its high production standards and broad product selection, providing our customers with intense chocolate flavors.



**And many more private label brands and products...**



## Our Value Chain

We continue our value chain journey with our mission to offer the best shopping experience to our customers and to be the first choice of our business partners and employees with our differentiated business model, quality product portfolio, affordable prices and advanced service approach.

We work with our suppliers and other partners to responsibly source, manufacture, transport and sell our products to provide our customers with high quality products that are readily available at affordable prices. We are committed to improving sustainability throughout our value chain and to providing our customers with even more sustainable options and solutions in the future.

**We are committed to improving sustainability throughout our value chain and to providing our customers with even more sustainable options and solutions in the future.**



We procure products from our suppliers that meet product safety and quality specifications, following audits conducted by the quality department. We procure agricultural products from the farmers we work with as part of the contracted agriculture project. Within the scope of product supply and continuity, we provide facilities such as cash or prepayment in order to ensure the business and financial sustainability of suppliers. In this way, we ensure product availability at the supply chain. At the same time, we increase the number of warehouses, facilitate the transportation of products to stores and increase the availability of products so that products can be directed to stores continuously and in accordance with the needs.



Thanks to our 38 distribution centers, we distribute our products faster and more efficiently. We are improving our supply chain capability by increasing the number of distribution centers in parallel with our store growth.



We aim to provide our customers with easy ways to live healthier and more sustainable lifestyles. In addition to our expanding store network, our customers can access all the products they want in a comfortable shopping environment thanks to the spacious, wide and bright store concept as well as organized and better separated aisles. Our customers are in constant communication with us via our website, Cepte ŞOK application, Customer Services, product catalogs, informative e-mails, text messages and social media.

We produce commodity products through producers contracted by ŞOK Marketler with our private label brand concept. We eliminate the supplier network in between. Thanks to intermediary producers, product continuity, quality and safety can be fully controlled by ŞOK Marketler. By having these products produced ourselves, we ensure availability and product continuity.



With our network of more than 10,000 stores in 81 provinces and our Cepte ŞOK operation, we enable our customers to meet almost all of their basic needs in one place and from the nearest point to their homes.





## Our Corporate Governance Perspective

Our corporate governance approach, which is based on transparency, fairness, responsibility and accountability, forms the basis of the trust relationship we establish with our stakeholders.

Our corporate governance approach, which is based on transparency, fairness, responsibility and accountability, forms the basis of the trust relationship we establish with our stakeholders. Our corporate governance approach is based on maximum compliance with the Capital Markets Board's Corporate Governance Principles and all legal regulations. We continue our efforts to create value for society.

We take strategic decisions under our corporate governance structure in order to realize our mission of being a retail chain that offers our customers affordable, easily accessible and high quality products with a healthy and safe value chain and aims to provide the best shopping experience.

## Shareholding Structure

We continue to grow with our strong shareholding structure. As of December 31, 2022, the shareholding structure of ŞOK Marketler includes the leading companies of Turkey and the world.

İstanbul Portföy Yıldız Serbest Özel Fon

**5.13%**

Small Cap World Fund Inc.

**5.33%**

European Bank for Reconstruction and Development (EBRD)

**5.72%**

Gözde Girişim Sermayesi Yatırım Ortaklığı Anonim Şirketi

**23.66%**

Free Float and Other

**35.89%**

Turkish Retail Investments B.V.

**24.27%**

**593,290,008**  
**Total**  
**Capital**

Title of the Shareholder	December 31, 2022	
	Shares (%)	Share in Capital (TL)
Turkish Retail Investment B.V.	24.27	144,000,000.00
Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş.	23.66	140,400,327.27
European Bank for Reconstruction and Development (EBRD)	5.72	33,950,000.00
Small Cap World Fund Inc	5.33	31,602,962.00
İstanbul Portföy Yıldız Serbest Fon	5.13	30,428,571.00
Free Float and Other	35.89	212,908,147.73
<b>Total</b>	<b>100</b>	<b>593,290,008.00</b>



## Our Corporate Governance Perspective

### Demography of Board of Directors

Independent Member Rate: 37.5%

Women Member Rate: 25%

Average Years of Work Experience: 39

### Education

37.5% Master's Degree

62.5% Bachelor Degree

### Average Tenure

Independent Members : 3.3 Years

Other Members: 3.4 Years

### Committees operating under the Board of Directors;

Corporate Governance Committee

Early Detection of Risks Committee

Audit Committee

## Board of Directors

With our corporate governance approach, we act in compliance with all legal regulations. We adopt a management approach that will contribute to sustainability, which we believe is the accelerator of progress. Our Board of Directors, the highest body of our corporate governance approach, consists of eight members, three of whom are independent. The Board of Directors convenes as often as it deems necessary, provided that the majority of the members are present. At the same time, we have two female members on our Board of Directors.

**Cengiz  
Solakoğlu**

Chairman

**Ali  
Ülker**

Vice Chairman

**Murat  
Ülker**

Board Member

**Mehmet  
Tütüncü**

Board Member

**Erman  
Kalkandelen**

Board Member

**Ahmet  
Bal**

Independent Board  
Member

**Fatma Pınar  
İlgaz**

Independent Board  
Member

**Aytaç Saniye  
Mutlugüller**

Independent Board  
Member



You can find more detailed information about our Board members [here](#).

We have 3 committees operating in different areas to assist the Board of Directors in its guiding and directive role. Through these committees, our Board of Directors conducts evaluations within the scope of the company, presents its ideas on strategic actions and ensures that the necessary steps are taken.





## Our Corporate Governance Perspective

### The different committees and boards operating under the Executive Board are as follows

- Commercial Committee
- Investment Committee
- Human Resources Committee
- Supply Chain Committee
- Investor Relations Committee
- Disciplinary Board
- Personal Data Protection Law Board
- Sustainability Committee

## Senior Management

In addition to our Board of Directors, we realize our strategic goals with our Executive Board, which plays a primary role in our company management and consists of experts in their fields. We have Committees established to support our Executive Board in areas of need. With these committees, we decide on the steps we will take to achieve our goals. We manage our sustainability-related issues through our Sustainability Committee, which reports to our Executive Board representing the senior management of our company.

Details on Sustainability Governance can be found in the [Sustainability Governance](#) section of our report.

## Organizational Chart



In addition to all our committees and boards, our corporate governance approach is based on our policies. At the same time, we shape our corporate governance approach through our policies within our company together with our directive and decision-making committees.



## Our Corporate Governance Perspective

We shape our corporate governance approach through our policies within our company together with our directive and decision-making committees.

### Dividend Distribution Policy

Our dividend distribution policy has been determined by taking into account our medium and long-term strategies, investment and financial plans. Considering all the requirements, we adopt to distribute at least 30% of the distributable net profit for each accounting year as dividend in cash. *Details regarding the Dividend Distribution Policy can be found on our [website](#).*

### Remuneration Policy

Our remuneration policy has been determined to cover the components of the remuneration of the members of the Board of Directors and the principles of determining these components. The remuneration of the members is determined on a monthly gross basis, taking into account the opinions of the committee, and submitted to the approval of the General Assembly. It is essential that the remuneration of the independent members of the Board of Directors is at a level that protects their independence. *Details regarding the Remuneration Policy are available on our [website](#).*

### Related Party Transactions Policy

We conduct all our related party transactions in accordance with capital markets legislation, tax legislation and other relevant legislation. The Board of Directors is responsible for the implementation of this policy and for the full implementation and monitoring of all guidelines and procedures prepared under this policy. *Details regarding the Related Party Transactions Policy are available on our [website](#).*

### Donation Policy

In order to contribute to the society, we make donations and aids to universities, educational institutions, foundations, public benefit associations or similar organizations within the framework of the principles specified in the Capital Markets Board and the Turkish Commercial Code. *Details regarding the Donation Policy can be found on our [website](#).*

### Disclosure Policy

We have a Disclosure Policy in order to provide full, fair, accurate, timely, comprehensible, understandable, cost-effective and equally accessible communication to all stakeholders, including shareholders, investors, employees and customers, in compliance with the regulations to which it is subject.

### Information Security Policy

We have an Information Security Policy in order to ensure the security of all information assets and processes we use while performing our activities in the light of the principles of integrity, accessibility and confidentiality, and also to take the necessary measures to protect the physical and environmental security of Information Systems. *You can access the details of the Information Security Policy on our [website](#).*

## Our Corporate Governance Perspective

**98% of the notifications received via ethics hotline were resolved.**

### ŞOK Marketler Ethical Principles

- Regulatory Compliance and Responsibilities
- Human and Employee Rights
  - Mobbing
- Environment, Health and Safety
- Our Responsibilities to Shareholders
  - Political Activities
- Social Responsibility, Volunteering, Donations and Sustainability

## Our Ethical Principles and Understanding

The ethical principles that create the basis of our business processes guide us on how we should conduct our relations with our employees, customers, suppliers, business partners, shareholders, public institutions, the environment and society. We offer our employees a working environment where they feel safe, peaceful and valued, and where the quality of their work is appropriate. ŞOK Marketler's Code of Ethics covers issues such as human and employee rights, environment, health and safety, and data privacy, as well as regulations to prevent behavior such as corruption, bribery, and making payments to facilitate or accelerate business.

We expect all our stakeholders to pay the same attention to ethics as we do. In this context, we carry out important activities for our employees and suppliers, our primary stakeholder groups. We raise awareness of our ethical principles by providing one-hour ethics training to **our employees** through Akademi ŞOK. We make sure that our ethical principles are safe in the eyes of **our suppliers** by including specific clauses regarding our ethical understanding, especially in the contracts we make with

our suppliers. In addition to our material stakeholders, our ethical principles guide us in our relations with all other stakeholders.

Our stakeholders can report violations of ethics, bribery and anti-corruption via ŞOK Marketler Ethics Hotline (**0 850 \*\*\* \*\* \*\***) or [bildirim@sokmarket.com.tr](mailto:bildirim@sokmarket.com.tr) e-mail address. The identity of the whistleblower is kept anonymous. The Company takes necessary measures to prevent possible retaliation against the whistleblower and conducts necessary investigations in a confidential manner. **In 2022, 1,053 notifications were received via ethics hotline/ethics**

**e-mail. Of the notifications received, 1,031 notifications, corresponding to 98%, were resolved.** Our evaluations regarding unresolved notifications are ongoing.

The notifications are reviewed by the Disciplinary Board and appropriate actions are decided in line with the board's decision. With these actions, we aim to prevent a possible violation by taking the necessary measures. All attitudes and behaviors that do not comply with the Ethical Principles are evaluated sensitively within the scope of the disciplinary procedure.



You can find the details of our ethical principles in our Sustainability Principles Compliance Statement section in our [2022 Annual Report](#).







## Our Corporate Governance Perspective

## Risk Management

As the World Economic Forum's Global Risks Report reveals, addressing, identifying, and managing risks with an integrated approach that includes economic, social, and environmental components provides companies a sustainable business approach and high competitiveness. As part of our sustainability efforts, ŞOK Marketler assesses all financial and non-financial risks in a more comprehensive and systematic manner, in addition to traditional business risks such as security, product safety, supply chain, occupational health and safety.

While we manage our risks on a departmental basis, in the evolving management approach, we consider risk as a whole and evaluate it with an integrated approach on an organization basis. As a company that has interiorized the principles of Corporate Risk Management, we conduct risk assessment through the Early Detection of Risk Committee of the Board of Directors, which provides an effective risk management structure.

With our existing risk management approach, we identify the risks we face or are likely to face and take appropriate actions regarding the identified risks. In this way, we elaborate our risk management approach in environmental, social and economic dimensions by developing practices to ensure competitive advantage and continuity.

We review the risk management systems at least once a year and ensure that the systems operate effectively. We detail the working principles and rules regarding the formation of our Committee in the [Early Detection of Risk Committee Working Principles](#) document.

We categorize our risks under five main groups. Although these categories mostly include financial and operational risks, we aim to assess and monitor non-financial sustainability risks in addition to traditional business risks in a more systematic manner in the future.



### Risk Groups







# **SUSTAINABILITY PERSPECTIVE**

With our focusing on sustainability approach our progress into the future progress. We are focusing to make a contribution to the healing of the world, the development of the humanity and society and the construction of the future. In this process we take the advantage of global trends and guidance of the sustainability initiatives.





## YILDIZ HOLDING SUSTAINABILITY STRATEGY



### WE ARE WORKING FOR THE FUTURE OF ENVIRONMENT

We are minimizing the environmental impact caused by our company operations to fight against the climate crisis, and enabling the renewal of natural resources throughout the entire value chain.



### WE ARE GROWING STONGER WITH STAKEHOLDERS

We provide supportive, transformative and empowering contributions for companies to invest in stakeholder welfare-oriented, future-oriented and healthy-lifestyle prioritizing business models throughout their value chains.



### WE ARE INSPIRING THE FUTURE WITH PURPOSE-DRIVEN PRODUCTS AND BUSINESS MODELS

We provide supportive, transformative and empowering contributions for companies to invest in stakeholder welfare-oriented, future-oriented and healthy-lifestyle prioritizing business models throughout their value chains.



## Our Sustainability Approach

As ŞOK Marketler, we are committed to being a part of this transformation journey under the leadership of Yıldız Holding and we are working with all our strength to move forward successfully.

Success in today's and tomorrow's world involves much more than financial performance alone. Environmental and social challenges are preparing societies and the business world for a new journey of transformation. In the business world, we see the scope of this transformation as a change in existing ways of doing business, definitions of profitability and perspectives on risk, and we adopt the **"This Is Our World"** approach.

As ŞOK Marketler, we are committed to being a part of this transformation journey under the leadership of Yıldız Holding and we are working with all our strength to move forward successfully. **At the crossroads we are at, we believe that we need to take a different path that we know will lead us to a better future, not the conventional**

**path we have traveled so far.** As guided by the new world, we are adding our environmental, social and governance-oriented performance, which we touch with sustainability, to our definition of success in addition to financial performance.

**While working for the future of environment, we focus on contributing to the development of society and humanity and building the future.** In this process, we benefit from the guidance of global trends and sustainability initiatives.

With this perspective on which we base our understanding of sustainability, we shape our strategy around three focus area and through these three focus areas we contribute to the Sustainable Development Goals, which are the common goals aimed to be achieved by the United Nations by 2030.

In order to realize our sustainability vision, we shape our strategy under three focuses. We set our goals and objectives in line with our focus areas of **Working for the Future of Environment, Growing Stronger with Our Stakeholders and Inspiring the Future with Purpose-Driven Products and Business Models.** Under each focus, we detail the areas we need to work on and align our priorities that emerged as a result of the materiality analysis we used in 2022 under these three focuses. Thus, we manage our sustainability-related processes from thought to action with an integrated perspective from start to finish.



### WE ARE WORKING FOR THE FUTURE OF ENVIRONMENT

In order to fight climate crisis we minimize the environmental impact from our operations and enable natural resource regeneration across the entire value chain.



### WE ARE GROWING STRONGER WITH STAKEHOLDERS

We provide empowering, supportive, and transformative contributions to our companies to invest in business models that prioritize stakeholder's welfare, compatible with the future and healthy life along the value chain.



### WE ARE INSPIRING THE FUTURE

We strive to make responsible and innovative business models and products to offer alternatives to our customers, inspire them to take action and positive transformation possible with our products..







## Our Sustainability Approach

### Trends, Risks and Opportunities Analysis

We follow global and sectoral trends and evaluate them with a focus on sustainability while carrying out our activities.

In today's rapidly changing world, we are working with determination to be sustainable in every sense by creating long-term value and to be a company that is beneficial to our country and our stakeholders. In line with our "This is Our World" approach, we follow global and sectoral trends and evaluate them with a focus on sustainability while carrying out our activities. Thanks to this first step in establishing our sustainability approach, we have the chance to integrate many environmental, social, economic and technological trends into our business approach and achieve an inclusive vision.

While analyzing trends, we discuss their potential impact on ŞOK Marketler in terms of risks and opportunities. Thus, we evaluate potential environmental and social factors both in risk management and in strategic decision-making.



	Trend	Possible Impact to ŞOK Marketler	Goals and Projects
 <b>Fight Against Climate Change</b>	<p>Climate crisis is defined as the long-term changes in the average values of seasonal events such as temperature and precipitation, i.e. climate change, a process experienced as a result of the effects of global warming. In this context, the failure of measures against the climate crisis and the occurrence of extraordinary weather conditions stand out as one of the biggest threats to humanity in the coming period.</p> <p>According to the 2023 WEF Global Risks Report, the risks we face in the short and long term include <b>the potential failure to tackle and adapt to climate change, natural disasters and extreme weather events, biodiversity loss and ecosystem collapse, natural resource crises and large-scale environmental impact events.</b></p>	<p>As a company in the retail sector, we are not directly involved in food production, but we may be indirectly affected by risks that may arise due to climate change. We work meticulously to ensure that our production and supply processes are not affected by raw material and supply problems, especially in agricultural products, as well as water scarcity. We diversify our suppliers by prioritizing our local suppliers; thus, we try to prevent possible supply problems.</p> <p>We carry out many projects in the field of sustainable packaging and waste management on behalf of waste and plastic pollution, which is one of the areas in which our sector is active. Thanks to sustainable packaging alternatives, we reduce our environmental impact and create economic value for our company through financial savings.</p>	<p>You can find our efforts on fighting against climate crisis in the <a href="#">Working for the Future of Nature</a> section.</p>
 <b>Managing Changing Consumer Perception</b>	<p>Major social changes such as globalization, technological advancement and climate change that touch human life on a global scale may lead to changes in consumer activities, priorities and preferences over time. Consumers, increasingly oriented towards good nutrition and healthy lifestyle habits and in search of purpose-driven brands that reflect their own values, are turning to brands that are more transparent, ethical and respectful of nature, and changing their consumption habits accordingly.</p> <p>For a socially sustainable world, current and future global social themes such as human rights, access to fundamental rights, fair work, equality, diversity and inclusion are key to social cohesion as well as sustainable economic and social development.</p>	<p>Catching the changing consumer perception and quickly positioning ourselves accordingly is one of the biggest risks not only for us but for all companies. In this context, we constantly listen to our customers through different platforms and strive to bring them products that meet their expectations. By adding nutritious, innovative and healthy products to our product portfolio, we are responding to growing customer interest, especially in this area.</p> <p>Recognizing that consumers are particularly sensitive to social developments in the field of sustainability, we carry out awareness raising activities on human rights and employee welfare not only in our company but also throughout our entire value chain.</p>	<p>You can find our efforts to manage changing consumer perception in the sections titled <a href="#">Inspiring the Future with Purpose-Driven Products</a> and <a href="#">Business Models and Growing Stronger with Our Stakeholders</a>.</p>



# Our Sustainability Approach

## Trends, Risks and Opportunities Analysis

We evaluate potential environmental and social factors both in risk management and in strategic decision-making.

	Trend	Possible Impact to ŞOK Marketler	Goals and Projects
 <b>Keeping up with Technological Developments</b>	<p>In a world where new technologies such as robotics, artificial intelligence and virtual reality are rapidly emerging, automation, digital solutions and product innovations are becoming an indispensable part of the new world.</p> <p>Keeping up with the rapidly changing agenda of the digital world is becoming one of the biggest challenges of the business world. Making the right investments and getting efficiency from these investments fundamentally changes the productivity approach of companies. In today's business world, technological developments facilitate supply chain traceability, new packaging technologies are being developed and innovative products are being introduced. In the light of all these developments, solutions are developed and continuous and integrated demand planning is carried out.</p>	<p>Failure to keep up with the technological leap in the business world can lead to loss of market share and reduced competitive advantage. In order to prevent this risk, we always aim to bring our customers together with innovative products and innovative services through our R&amp;D studies and meticulous analysis in the field of quality and food safety.</p> <p>We also closely follow developments in climate technologies and aim to gain competitive and cost advantages by adapting to low carbon technologies such as renewable energy and energy efficiency (e.g. ovens, cooling systems for frozen products, etc.).</p>	<p>You can find our efforts to stay ahead of technological developments in the <a href="#">Working for the Future of Environment</a> section.</p>
 <b>Continuing to Generate Economic Impact</b>	<p>Economic developments such as local, regional and global economic uncertainties, fluctuations in fx rates, high inflation, economic recession, trade restrictions and price increases, financial crisis or social unrest may positively/negatively affect the continuity of operations and companies' revenues.</p> <p>Since 2020, the effects of the pandemic that shook the world have made global recovery difficult, while the IMF lowered its annual global growth forecast to a lower level. Due to supply shortages, global raw material, commodity and energy prices rose to record highs and economies faced inflationary pressures.</p>	<p>We are working to further improve our financial performance and growth targets, which have been increasing year by year. In order to minimize the impact of economic recession and fluctuations in certain areas, we are working in line with our strategic goals thanks to our senior management and our strong corporate governance approach. We closely monitor the changing consumer perception and offer products and services in line with the expectations of our customers in order to eliminate the effects in this area.</p> <p>At the same time, we reduce our financial vulnerability by keeping our investment range broad.</p>	<p>You can access our efforts to continue to create economic impact in the <a href="#">About ŞOK Marketler</a> section.</p>





## Our Sustainability Approach

### Materiality Analysis

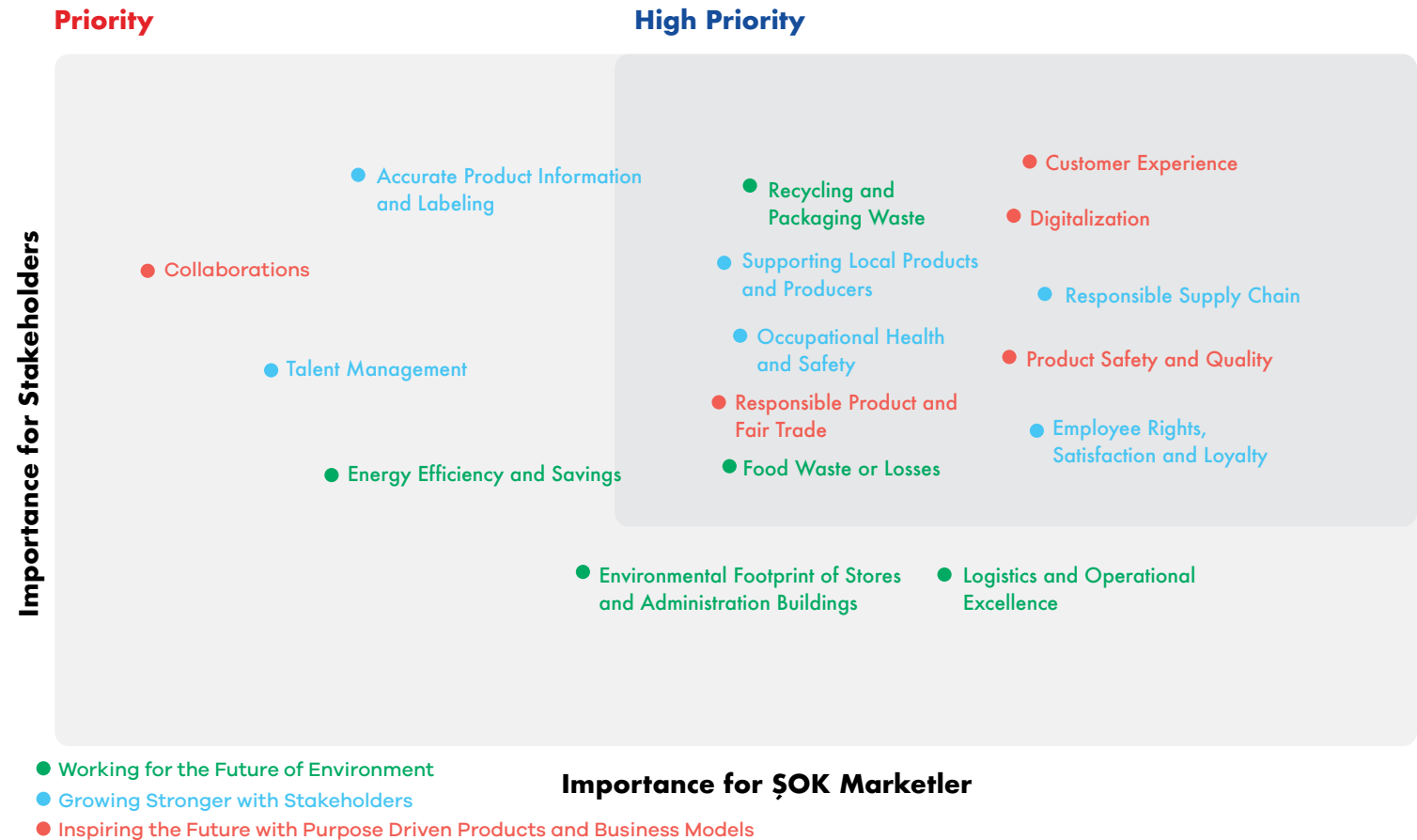
In our materiality analysis, we conducted a detailed study in order to obtain the opinions of all our stakeholder groups, reflect the perspective of our senior management and evaluate the outputs according to our company strategy.

In 2021, we conducted our materiality analysis that form the basis of our sustainability approach. With our materiality analysis, we identified and ranked material areas for both our company and our stakeholders in line with our three main focuses of our sustainability approach. While conducting our materiality analysis, we took into account the existing and potential impact of the relevant issues on our sectors, their relationship with the

results of our risk and opportunity study, and the value we, as ŞOK Marketler, will create on the relevant issues.

In our materiality analysis, we conducted a detailed study in order to obtain the opinions of all our stakeholder groups, reflect the perspective of our senior management and evaluate the outputs according to our company strategy. The matrix below contains the results of the

materiality analysis we conducted. On the matrix, the material issues related to the focus areas in our strategy are mapped with color codes. We include all our primary and secondary material issues in the relevant sections of the report according to their priority weight, and we map our primary material issues with our sustainability focus areas and share the objectives and scopes for which we are working in this context.
















# Our Sustainability Approach

## Materiality Analysis

For our materiality analysis, we took into account the existing and potential impact of the relevant issues on our sectors, their relationship with the results of our risk and opportunity study, and the value we, as ŞOK Marketler, will create on the relevant issues.

Focuses	Scope and Purpose	Relevant High Material Issues	Sustainable Development Goals We Contribute to
<b>Working for the Future of Environment</b>	<p>To be a pioneer in the sectors we are involved in the fight against the climate crisis,</p> <ul style="list-style-type: none"> <li>We carry out energy efficiency projects to reduce our carbon emissions,</li> <li>We monitor our water consumption,</li> <li>We work to reduce plastic use and waste,</li> <li>We are creating sustainable packaging solutions,</li> <li>We promote restorative and regenerative agricultural practices to maintain soil health.</li> </ul> <p>We know that with a waste-free company model, we can contribute to the renewal of the earth and natural resources.</p>	<ul style="list-style-type: none"> <li>Recycling and Packaging Waste</li> <li>Food Waste or Losses</li> </ul>	    
<b>Growing Stronger with Stakeholders</b>	<p>We grow and work together with all stakeholders in our value chain. We see society as one of our main stakeholder groups, our employees as the main players in our success and our suppliers as stakeholders that play a critical role in the continuity of our operations.</p> <ul style="list-style-type: none"> <li>We value diversity at the management and leadership level,</li> <li>We support our employees for the needs of the future,</li> <li>We prevent talent loss by trying to keep employee welfare at the highest level,</li> <li>We are working to transform the economic benefit we derive into social benefit.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Supply Chain</li> <li>Employee Rights, Satisfaction and Loyalty</li> <li>Supporting Local Products and Producers</li> <li>Occupational Health and Safety</li> </ul>	   
<b>Inspiring the Future with Purpose-Driven Products and Business Models</b>	<p>To shape the future from today,</p> <ul style="list-style-type: none"> <li>We are investing in innovative business models and develop business models that will be different and meaningful in the future,</li> <li>We offer sustainable alternatives to our customers with purpose-driven business models and products,</li> <li>We aim to have a resilient value chain.</li> </ul> <p>By allocating more resources to innovation for sustainability, we facilitate the emergence of purpose-driven products and business models.</p>	<ul style="list-style-type: none"> <li>Customer Experience</li> <li>Digitalization</li> <li>Product Safety Quality</li> <li>Responsible Product and Fair Trade</li> </ul>	 













## Our Sustainability Approach

### Communication with our Stakeholders

When we communicate with our stakeholders, we not only tell them about our activities, projects and targets, but also get inspired by their ideas.

We are in communication with our stakeholders in all processes as we carry out our activities. Thanks to the feedback we collect through many different platforms, we have the opportunity to review our decision-making processes, new products, supplier audits and the ideas of our employees. When we communicate with our stakeholders, we not only tell them about our activities, projects and targets, but also get inspired by their ideas. We reach the opinions of both our internal and external stakeholders through interactive tools and work meticulously on the notifications that need to be resolved

Stakeholder Group	Importance for ŞOK Marketler	Communication Process and Tools
 <b>Employees</b>	Being in constant communication with our employees helps us understand their needs and expectations and helps us achieve our future goals.	<b>Continuous Communication</b> Internal information e-mails, Academy ŞOK, meetings, ŞOKNet (intranet system), survey, social media, Sustainability Report
 <b>Shareholders, Investors</b>	Transparent communication with shareholders and investors is the foundation of the trust relationship we have created at ŞOK Marketler.	<b>Continuous Communication</b> Investor Relations department contacts, Annual Report, Sustainability Report, website, Public Disclosure Platform
 <b>Customers</b>	While putting our customers across Turkey at the center of our business, we develop our products and services by understanding their preferences and needs.	<b>Continuous Communication</b> Website, Cepte ŞOK, Customer Services, product catalogs, information e-mails and text messages, social media, surveys and meetings
 <b>Suppliers</b>	We care about establishing fair and ethical relationships with all our suppliers. We believe that we will create solutions to environmental and social problems together by establishing effective collaborations throughout our supply chain.	<b>Continuous Communication</b> Audits, Chain (intranet system), B2B meetings, e-mail, social media
 <b>Public Institutions</b>	Our communication with national and local governments and regulatory bodies helps us understand their priorities and concerns.	<b>Communication at least once a month</b> Visits, Annual Report, Sustainability Report
 <b>Partners and Consultants</b>	Our interaction with our business partners and consultants, who act as a bridge between us and our customers, enables us to understand their needs and priorities and helps us create solutions together.	<b>Continuous Communication</b> Joint projects
 <b>Media</b>	Through the communication we develop with the media, we ensure that our business model and sustainability strategy are shared with the public in the most accurate and transparent manner.	<b>Continuous Communication</b> Press releases, press conferences, social media
 <b>NGOs and Professional Organizations</b>		<b>Continuous Communication</b> Events such as congresses, conferences, seminars etc., joint projects
 <b>International Organizations</b>	Engaging with non-governmental organizations and professional associations, international organizations and international certification bodies helps us share our strategy, define our priorities and develop sustainable solutions to social problems.	<b>Continuous Communication</b> Events such as congresses, conferences, seminars, fairs, etc.
 <b>International Certification Bodies</b>		<b>Contact at least once a year</b> Visit (system follow-up audits)
 <b>Universities and Research Centers</b>	Interacting with the academic environment and students enables us to carry out our activities with a science-based and innovative approach and to support young people in discovering their talents by offering them the opportunity to experience.	<b>Continuous Communication</b> Joint projects, conferences, trainings





## Sustainability Governance

**We manage all our sustainability-related issues through our Sustainability Committee, which reports to our Executive Board.**

In 2022, ŞOK Marketler continued to play a role in the sustainability transformation initiated by Yıldız Holding with the “This World is Ours” strategy and to manage the environmental, social and economic impacts of our operations within this framework.

We manage all our sustainability-related issues through our Sustainability Committee, which reports to our Executive Board. **The responsibilities of our Sustainability Committee, which is a part of our corporate governance approach, include creating our sustainability strategy, goals, roadmaps and policies; mapping our environmental, social and corporate governance risks and managing them proactively; determining our sustainability-related performance**

**criteria; informing our employees in this area and working to internalize our policies; and establishing effective communication with our stakeholders.** Our committee convenes at least twice a year and plans its activities in line with our sustainability focus. In 2022, our Sustainability Committee met twice and took important decisions on sustainability-focused issues.

Through our Committee and our “More than Enough” philosophy on which our business processes are based, we manage processes to ensure compliance and continuity with international standards such as ISO 14001 Environmental Management System and ISO 9001 Quality Management System.

Our Sustainability Committee includes the CEO and CFO, as well as executives from critical departments of the company such as Investor Relations, Sales and Operations, Trade, Human Resources, Quality, Construction, Investment and Technical Procurement. In addition, we have a Working Group consisting of managers and employees from the Quality, CEO Office and Loss Prevention Group Directorates who are responsible for supporting the Sustainability Committee and implementing the decisions taken by the committee.

**In line with the importance attached to sustainability, sustainability targets have been added to the annual performance targets of ŞOK Marketler senior management.**



As part of our sustainability management approach, we take part in the Sustainability Platform of Yıldız Holding, of which we are a subsidiary. The Sustainability Platform within Yıldız Holding contributes to our company for corporate reputation and risk management. The platform also supports the management of the main issues raised by all stakeholders in a strategic framework of unity of discourse and action, taking into account the industry's global agenda, megatrends and the emerging regulatory environment (including the UN Sustainable Development Goals).

## Sustainability Governance

With our sustainability management structure, we take many effective and important steps within the scope of our sustainability priorities. Within the scope of our environmental footprint, we develop and implement projects to reduce carbon emissions in our business processes to combat climate change. In the social dimension, we work to improve our internal equality and inclusion performance and to develop policies regarding the steps we take in the field of governance.



Our Sustainability Committee includes the CEO and CFO, as well as executives from critical departments of the company such as Investor Relations, Sales and Operations, Trade, Human Resources, Quality, Construction, Investment and Technical Procurement.



# WORKING FOR THE FUTURE OF ENVIRONMENT

In order to fight climate crisis we minimize the environmental impact from our operations and enable natural resource regeneration across the entire value chain.



## 378

**The number of farmers we informed within the scope of the Fair Agriculture from Farm to Table Project**







## Working for the Future of Environment

**Within the scope of our Environmental Policy, we act in compliance with all environmental laws and obligations while conducting our operations and develop practices beyond legal obligations.**

In order to support sustainable development and leave a livable world for future generations, we integrate sustainability into all our strategies and processes and work to improve our environmental impact while ensuring superior quality and excellence in our products. Our environmental management processes are based on our Environmental Policy and Environmental Management System Framework. We conduct our environmental management in compliance with all environmental laws and regulations and in line with international standards. **Our ISO 14001 Environmental Management Certificate guides our business units in environmental management.**

Within the scope of our Environmental Policy, we act in compliance with all environmental laws and obligations while conducting our operations and develop practices beyond legal obligations. We contribute to the fight against climate change.

We adopt an environmental management approach based on continuous improvement. We continuously improve our environmental performance by measuring our environmental performance through targets and reporting the results, and we support our Environmental Management System performance with technological and digital developments.

We make continuous improvements to minimize greenhouse gas emissions by using energy efficiently and to manage our water consumption effectively. We strive to minimize the negative impact on the environment by reducing the waste and packaging generated as a result of our activities at the source, reusing, recycling and, if it is not possible to recycle, disposing of it in accordance with the legislation.

While our procurement processes are based on efficiency and sustainability, we continue our efforts to produce environmentally friendly products with low environmental impact. We encourage all our stakeholders, including our employees, suppliers and business partners, to commit to responsible environmental management.

Our Sustainability Board meets at least once a year with environmental management units and reviews the environmental policy and practices. The



Board of Directors is informed about the decisions and processes.

We share our performance developed within the scope of our environmental policy with the public every year. While determining our material issues within the scope of sustainability reporting, we collect the opinions of stakeholders on environmental

issues in the stakeholder analysis. In this context, we prioritize recycling, packaging waste, food waste/losses, energy efficiency and savings.



You can find all of the principles that make up our Environmental Policy and policy details on our [website](#).



## Combating Climate Change

**We develop projects to reduce and eliminate carbon emissions at every step of our value chain.**

We believe that combating the climate crisis is one of the most crucial issues for both our world and our industry. We work together with all stakeholders in our value chain to prevent and solve environmental problems caused by climate change. This year, we worked meticulously within the scope of our data and expanded the scope of the data we collect within our organizational boundaries. As a result of all the work we have carried out, our total consumption in 2022 increased compared to the previous

year and reached 903,538 MWh. We identified two important root causes for this increase in net emissions. The first was the effect of data increase due to the expansion of our calculation boundaries, while the other was the effect of the increase in electricity consumption due to the 1000 new stores and 7 new warehouses we opened in 2022.

We carry out projects to reduce our emissions in order to continue our

operations in the market and to manage the physical and transition risks arising from the climate crisis. We develop projects to reduce and eliminate carbon emissions at every step of our value chain. Due to the increase in our energy consumption, we also experienced an increase in our net carbon emissions. In 2022, our total carbon emissions reached 328,434 tons CO<sub>2</sub>e. Our carbon emission intensity, calculated in proportion to our total number of employees, was 7.25 tons CO<sub>2</sub>e/employee.





## Combating Climate Change

We saved TL 7.5 million by investing TL 6.2 million in the Store Energy Efficiency Project.

### Renewable Energy Transition Plans

At ŞOK Marketler, we are aware of the importance of switching to renewable energy to increase energy efficiency and reduce our carbon footprint. In this context, we have started to work on Solar Energy Power Plant. We aim to realize our planned projects in 2023.

## Energy Efficiency

Energy Saving (MWh)	Energy Saving (TL)	Avoided Emissions (tCO <sub>2</sub> e)
4,272	13,934,680	1,792

We carry out energy efficiency projects to reduce our emissions as part of the fight against climate change. In 2022, we reduced the negative impact of our environmental footprint thanks to the energy savings we achieved and the emissions we prevented through the projects we realized. With our energy efficiency projects, we save energy while minimizing our risk of being affected by fluctuations in energy prices and energy supply. As a result of all these activities, we achieve financial savings within the scope of our operational expenses.

### Energy Management System

As part of the Store Energy Efficiency Project, 9,174 stores were equipped with efficient equipment. In 2022, we installed energy saving systems in 1,034 newly opened stores with a total investment of TL 6.2 million. Thanks to this system, we automated applications such as on-off operation of store equipment, air conditioner temperature control, active consumption and reactive monitoring. Thanks to the transactions that can be monitored through the system, we were able to take managerial actions. Thus, we achieved 12-15% energy savings with 2,297 MWh in energy consumption. We saved TL 7.5 million by investing TL 6.2 million in the Store Energy Efficiency Project.



### Cooler Cabinet Replacement

Another activity we carried out within the scope of energy efficiency was the replacement of refrigerated cabinets. With an investment of TL 23.3 million, we replaced 100 refrigerated cabinets that had reached the end of their useful life, did not have glass doors and had high electricity consumption. Within the same scope, we also replaced 200 air conditioners. In the tests conducted, we observed that the replacement of refrigerated cabinets had a 35-40 percent consumption reduction effect and the replacement of air conditioners had a 25-30 percent consumption reduction effect. With this change, we not only save electricity consumption, but also reduce maintenance and repair costs and ensure product safety.

### Cold Room Changes

We renewed the cold room cooling systems with high electricity consumption and expired lifecycles in our two warehouses in Torbalı and Kazan. Thanks to the replacements we completed with a total investment of TL 5.3 million, we achieved an average 43 percent saving in electricity consumption.





## Combating Climate Change

We monitor the water use in all our stores and warehouses, especially in our head office, and raise awareness of our employees with articles and statistical information warning them against unnecessary water consumption.

## Water Management



*"We are developing practices that reduce consumption and increase efficiency to manage our water consumption."*

Changing and decreasing precipitation regimes due to climate change and the increase in consumption and production are increasing the need for effective management of water resources. Failure to develop practices that reduce consumption or increase efficiency in water resources, which are among the most important natural resources, increases water risk in regions with water scarcity and creates new risks in regions with water abundance.

	2020	2021	2022
Water Use (m <sup>3</sup> )	533,512	407,778	629,274

To manage our water consumption, we develop practices that reduce consumption and increase efficiency. In 2022, due to the increase in our operations and the number of our stores, we experienced an increase in our water consumption and used 629,273 m<sup>3</sup> of water. **We managed to reduce our water intensity per employee by 7% compared to 2020, keeping it at 13.89.** We monitor the water use in all our stores and warehouses, especially in our head office, and raise awareness of our employees with articles and statistical information warning them against unnecessary water consumption.



## Waste Management and Plastic

We attach importance to our waste minimization efforts and work to reduce waste both in our operations and at all our locations.

Waste management and reduction is an important part of our strategy to work for the future of environment. To this end, we work to reduce or recycle waste from our operations, ensure that our product packaging is sustainable and prevent food waste. Thus, we are taking steps to reduce and recycle waste across our entire value chain.

By 2024, we aim to reduce the consumption of single-use plastics used in our Headquarters building by 100%.

With the Branches Operation Control Group Directorate, we are working to prevent food losses and reduce our waste to ensure operational excellence by preventing all kinds of losses in our business processes. At weekly Executive Committee meetings, we discuss in detail the issues related to food loss and the actions taken and to be taken.

Thanks to **12,754 Waste Accumulation Equipment in our stores**, we collect our waste and send it to the relevant institutions for disposal.

In 2022, our total waste amount reached to 9,752 tons, of which almost 100% was non-hazardous waste.



### Transporting Fruit and Vegetable

**Products Using Reusable Crates Project**  
By transporting fruits and vegetables in special reusable plastic crates instead of disposable plastic or cardboard crates, we greatly reduced the amount of waste and reduced the costs associated with the use of crates.

As part of the project, we minimized waste generation with 7.5 million recyclable crates that can be reused after disinfection. With the use of each

recyclable crate, we eliminate the negative impact of single-use crates on the environment. In addition, these crates also function to reduce food waste by allowing the products to breathe. As a result of the disinfection and use of special reusable crates in accordance with food safety standards, we aim to create benefits in terms of reducing packaging waste and environmental impact, standardization in product display, ease of transportation with ergonomic handling, and cost reduction.



**12,754**  
**Waste Accumulation**  
**Equipment**



## Waste Management and Plastic

**We see reducing the amount of plastic used in our packaging as one of our top priorities.**

## Packaging Reduction Efforts

We continue our sustainable packaging efforts, one of the focal points of our waste reduction approach. We both try to make the materials from which our packaging is made recyclable and carry out packaging thinning activities. We see reducing the amount of plastic used in our packaging as one of our top priorities.

### Sustainable Packaging

We are working on developing more sustainable packaging for the packaging taken into production facilities. We continue to work especially on the use of pet and cardboard packaging.

### Packaging Thinning

As an alternative to the 10 mc stretch that we use for pallet wrapping in our warehouses within the scope of shipment, we conducted transition trials to 5 mc stretch, which contains less plastic and allows us to wrap more pallets. While 8.33 pallets can be wrapped with 10 mc stretch, we experienced that 11.5 pallets can be wrapped with 5 mc stretch. We aim to reduce plastic by conducting 5 mc stretch trials in our pilot warehouses. For thin packaging, which we temporarily tested in 3 of our warehouses, we realized the long-term trial process in our Diyarbakir warehouse. Our work with the companies we cooperate with on packaging with 5 mc stretch continues, and we plan to switch to the use of 5 mc stretch in all our warehouses in 2023.





## Waste Management and Plastic

As part of our responsible production and consumption approach, we separate our waste in all our stores and continue to pursue our goal of obtaining Zero Waste Certificates for our stores.



# 9,600

Stores with zero waste certificates

## Fight Against Plastic

### Zero Waste

As part of our responsible production and consumption approach, we separate our waste in all our stores and continue to pursue our goal of obtaining Zero Waste Certificates for our stores. In this context, zero waste certificates were obtained for all our warehouses (38 warehouses) and approximately 9,600 stores after the principles regarding the establishment of the zero waste system and collection system set out in the Zero Waste Regulation were met. We continue our efforts to include newly opened warehouses and other stores in the zero waste management system by creating their physical conditions. With the practices we have initiated within the scope of the Zero Waste Management System, we separate waste at its source and contribute more effectively to recycling. The packaging wastes of our warehouses and stores with zero waste certificates are given to contracted waste processing facilities that have received environmental licenses from the Ministry, thus waste management is carried out and our company gains added value.

### Our Business Plastics Initiative (IPG) Commitments and Progress

As ŞOK Marketler, we contribute to the fulfillment of the commitments made by taking part in the relevant Plastic Working Group in IPG initiative, of which Yıldız Holding became a signatory in 2019.

- We aim to reduce plastic use at Yıldız Holding and its companies by 400 tons by March 2022 and by 1,000 tons in total by March 2023.
- In 2022, we achieved a reduction of 980 tons of plastic, exceeding our target.
- We will completely stop using PVC in our snacks group packaging by the end of 2023 and utilize recyclable PET and similar materials.



YILDIZ ★ HOLDING



Established in 2019 by Global Compact Turkey, BCSD Turkey and TUSIAD on a voluntary basis, the Business Plastics Initiative (BPG) acts with the vision of realizing a circular economy for plastics. In this context, BPG brings together multiple stakeholders of the entire plastic value chain i.e. plastic value chain actors, local governments and public subsidiaries, investors, NGOs, academics and citizens..



## Waste Management and Plastic

**Through the Fair Agriculture from Farm to Table Project we prevent food waste starting from the harvest stage.**

## Prevention of Food Waste & Waste

In Turkey's waste report card, it has been revealed that approximately 50% of what is produced in fruit and vegetable products, the area with the highest food loss, is lost.

A significant portion of the products sold by ŞOK Marketler are fruit and vegetable products. Therefore, we take responsibility and develop projects to prevent food waste. While working to raise awareness on this

issue, we also develop practices to reduce food waste from harvest to consumption.

### Fair Agriculture from Farm to Table Project

Through the project we prevent food waste starting from the harvest stage. We prevent food loss by mechanizing the harvesting of large agricultural products such as cereals and legume grains and by industrial machines. Unlike dry grains and legumes, horticultural crops are harvested by hand. Like this, we ensure that harvesting workers are warned and periodically trained to reduce the loss rate and ensure that harvesting is done with care.

To minimize waste by preventing damage during harvesting;

- Uses appropriate scissors, baskets, crates,
- To avoid bruises and scratches on the peel of the fruit, the picker's fingernails are kept short or gloves are worn,
- The fruits are cut with blunt-tipped scissors suitable for harvesting and avoiding damage,
- Select a suitable time and weather for harvesting,

- Collection crates suitable for the crops are selected and a mat is laid under the plastic crates to prevent contact with the soil,
- The collected fruits are placed in the crates so that they do not exceed the length of the crates, making sure that the upper crate does not crush the fruits at the bottom.
- Due care is taken during the loading of the crates onto the vehicles, and operations such as sudden dropping of the crates perpendicular to the floor of the vehicles, fast crawling on the ground, etc. are avoided.

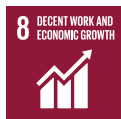
Thanks to all these stages, we ensure that the harvested products meet our customers without any damage and with minimum waste. You can find the details of the Fair Agriculture from Farm to Table Project in the [Product Safety and Quality](#) section of our report.





# GROWING STRONGER WITH STAKEHOLDERS

We provide empowering, supportive, and transformative contributions to our companies to invest in business models that prioritize stakeholder's welfare, compatible with the future and healthy life along the value chain.



## 51%

Female Employee Rate







## Our Employees

In 2022, we continue to create value with 45,293 employees, including our head office, warehouses and stores.

At ŞOK Marketler, we believe that our most valuable asset is our employees and we act with an approach that puts people at the center and aims to create long-term value for our employees. We work hard to provide our employees with an equitable, fair and safe working environment where they can develop themselves. We carry out all processes regarding our employees in an accurate, effective and transparent manner, and we grow stronger together every day thanks to the investments we make in their development.

In 2022, we continue to create value with 45,293 **employees**, including our head office, warehouses and stores. **Approximately 97 percent of our employees are blue-collar employees.**

With ŞOK Marketler Human Resources Policy, we manage human resources processes and stand against all forms of discrimination by covering all our employees. In this context, we focus on performance management, employee training, employee satisfaction and communication in terms of employee development. With the aim of providing a safe working environment for our employees, we strive to maximize our performance in the field of occupational health and safety, while also carrying out activities to support employee welfare. We act with an inclusive approach by observing equal opportunity throughout our employees' career journey at ŞOK Marketler and in every opportunity we offer them.

## Diversity, Inclusion and Equality

We oppose all forms of discrimination among our employees, support equal opportunity and act in accordance with our Human Resources Policy and our principle of inclusiveness. We observe diversity and equal opportunity in all processes from recruitment to promotion; we only recruit people who can uphold the values we embrace and have the professional and functional competencies required by the job.

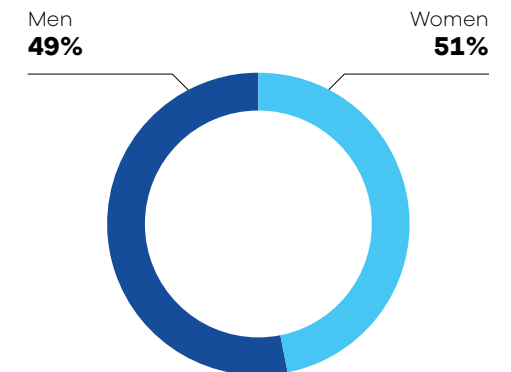
We aim to create a more inclusive work environment with the participation of young ideas and talents among our employees, while also considering equal opportunities between genders. The ratio of women among our newly recruited employees was 52 percent.



	2022
Female Employee Ratio	51%
Ratio of Female Executives	8%
Ratio of Women in White Collar	20%
Ratio of Women in Blue Collar	52%
Newly Employed Women Under 30	50%

While we continue to create value with more than 45 thousand employees, we are working hard to ensure that our women and young employees are more involved and more effective in this ecosystem. In 2022, our female employee ratio was 51 percent, while our blue-collar female employee ratio was 52 percent. In 2022, we increased the number of female employees.

### Employees by Gender





## Our Employees

**With the awareness that our employees play a major role in the success of our company, we support them in achieving their goals and aim to build their careers.**

We have also increased the share of female managers in total promotions within the company to approximately 20 percent. We believe that our female employees will have a very important share in both decision-making and revenue-generating roles in the coming periods, especially with our high ratio of female employees among our young talents up to the age of 30.

We care about hearing the voices of young talents, developing and improving together with them. Thanks to the young talent recruitment programs we have developed in this context, 50 percent of our employees are under the age of 30.

We aim to provide equal opportunities in our employee ecosystem with the principle of equality, diversity and inclusion. In this context, we support disabled individuals to participate in business life by providing them with job opportunities. As of 2022, 3 percent of our employees are disabled colleagues.

We are working to increase both the number of mid-level female managers working in sales and the ratio of women among all managers. In 2022, we aim to increase the number of female regional managers working in the field and to increase the number of female employees at the executive level.

## Talent Management, Development and Satisfaction

We address the development and career management of our employees under three main headings: performance management, employee training and employee satisfaction. We aim for our employees to chart a career path according to their skills and expectations.

With our career and performance management system, we offer training and development opportunities that can contribute to organizational development, starting with the individual development of employees. Every year, we determine the career plans, development steps and coaching needs of our employees and take the necessary actions in line with these needs.

As ŞOK Marketler, we believe that one of the most important outcomes of the many methods and methodologies we follow for employee development and career management is the acquisition of the talents we need from within our company. In this context, we support the transition of our blue-collar employees to white-collar positions and offer them various opportunities to make this transition.

This year, we conducted detailed and regular performance evaluations for a total of 448 employees, 33% of whom were women.

### Talent Management

With the awareness that our employees play a major role in the success of our company, we support them in achieving their goals and aim to build their careers. In light of this goal, we guide the careers of our employees and contribute to both individual and organizational development by conducting company-based performance evaluations through Balance Score Card and 360 Degree Performance Evaluation systems. We evaluate the career management and target and competency-based performance of our employees in an impartial and fair manner, taking into account business results.

With the Balance Score Card, a performance management tool, we create a system where people can manage and evaluate their competencies beyond the KPIs (Key Performance Indicators) determined at the beginning of the year. Thus, we are able to operate performance, career, succession, talent management and training/development processes in an integrated manner. We have started our efforts to transition to OKR (Objectives and Key Results) methodology, one of the new generation performance management systems. As of 2023, we aim to manage our performance and talent management processes at our head office with OKR methodology as a pilot.

## Our Employees

**Every year we conduct Human Resources Career Planning for our employees in all head office and branch directorates.**



In addition, every year we conduct Human Resources Career Planning for our employees in all head office and branch directorates. In 2022, we launched OPERA (Organization People Review), our renewed Human Resources Planning Process. Thanks to Career Planning, we identify the strengths and development areas of our employees and create our succession plans. We conduct training plans based on the evaluations made. In addition, we determine the actions that will support the development of employees with the 70-20-10 model, which is one of the human resources processes. According to this

model, we support our employees to be successful in their business and social lives with 70 percent experiential learning methods such as taking responsibility in projects and performing different tasks, 20 percent social learning methods such as feedback, coaching and mentoring, and 10 percent traditional learning methods such as classroom training, online training and seminars. Thus, we realize the development planning of our employees in a way that includes all development tools (coaching, mentoring, classroom training, rotation, project responsibility, etc.).

In our stores, we carry out Store Human Resources Planning activities on a quarterly basis. Following this planning process, we determine the candidates for promotion and offer them development plans by putting the store managers ranked in the branch success ranking according to the success criteria determined by the Company through processes such as case studies, individual presentations and question-answers.

We support the career development of our blue-collar employees and encourage their transition to white-collar positions. In this context, **70 of our blue-collar employees transitioned to white-collar positions in 2022, giving their careers a new direction.**

### Regional Manager Assessment Center Implementation

With our Regional Manager Assessment Center application, we carry out the process of selecting, preparing and appointing the most suitable and qualified internal candidates for the regional manager positions in accordance with the standards. Through the program, we both measure the competencies and identify the development areas of candidates during their promotion to a higher role. We provide feedback to the branches based on our evaluation at headquarters. Within this framework, we take action quickly and accurately by creating a pool of qualified regional manager candidates across the country according to the need for regional managers and our future needs.



## Our Employees

Our training topics include leadership development programs, mentoring and coaching, electronic libraries and online development tools, and mandatory trainings.

94 percent of our employees actively use our digital training platform Academy ŞOK.

## Employee Trainings

We believe that employee development, one of our strategic priorities, plays a major role in the success of our company as well as increasing the individual competencies of our employees. Employee development is of great importance to increase the competence of our employees and customer satisfaction. We aim to create a work environment where our employees develop themselves personally and professionally and acquire new skills in their career journey. In line with this goal, we organize many trainings in accordance with the expectations of our employees, their openness to development and our human resources planning processes.

We apply the 70/20/10 model when organizing our trainings. **We base 70 percent of our training and development practices on on-the-job experiences, 20 percent on mentoring, networking and different communication channels within the company, and 10 percent on traditional learning methodology.** In this context, our training topics include leadership development programs, mentoring and coaching, electronic libraries and online development tools, and mandatory trainings. **Within the scope of all our training programs this year, with an increase of 200% compared to the previous year, we provided a total of 545,199<sup>v</sup> hours of training to our employees and 12 hours of training per employee.**



### Academy ŞOK

Designed as a user-friendly platform with high accessibility, easy and understandable content that removes time and place limitations, Academy ŞOK is accessible to our employees via computers, tablets and all smart mobile devices. Employees can participate in trainings on many topics such as store processes and basic management through Academy ŞOK.

Thanks to these features, the platform provides a reduction in cost and an increase in efficiency compared to classroom training. Designed to be user-friendly, the platform offers a system structure that supports e-learning tools and easy-to-understand content. Our employees can access a wide range of trainings, from store processes to basic management information, through many channels.

Academy ŞOK also includes a training library on technical and managerial skills that our blue-collar employees working in stores may need in their business processes. Thanks to these trainings, employees can easily access the professional knowledge they need in their work processes.

Our orientation program, which helps new employees adapt to their jobs faster and more easily, continues through Academy ŞOK in parallel with 2-day face-to-face (on-the-job) training. 850 training stores have been identified for 2-day mandatory on-the-job training.

In 2022, we continued to design position-specific development journeys for our employees with our faculty fiction that we launched in 2021. **In 2022, the number of employees actively using Academy ŞOK reached 43,201.** We aim to continue supporting our employees by increasing the number of users and training content in the coming years.



## Our Employees

**We aim to increase employee satisfaction, motivation, and loyalty by providing our employees with a working environment where they feel safe, peaceful, and valued, and where the quality of their work is appropriate.**

### Leadership Development Training

"Tactical Leadership Development Center" trainings were initiated in cooperation with Sabancı University EDU for our employees in the Manager positions working at our head office. Our colleagues who completed the 4-month trainings designed in a hybrid model graduated from the program. We aim to continue "Tactical Leadership Development Center" trainings in 2023 for our managers appointed in the new period..

### Manager Training Program

In order to reinforce the high performance culture, we continued the 'Manager Candidate Training Program' in Sales Operations staff in 2022. In the Manager Training Program, which covers a 6-month development process, manager candidates will work as Store Sales Representative for 2 months, Assistant Store Manager for 2 months and Store Manager for 2 months. Candidates who are successful in this process will work with an experienced Regional Manager. In 2023, we aim to train more managers by expanding the Manager Training Program to all branches.

## Employee Satisfaction and Loyalty

At ŞOK Marketler, we aim to increase employee satisfaction, motivation, and loyalty by providing our employees with a working environment where they feel safe, peaceful, and valued, and where the quality of their work is appropriate. In line with this mission, we aim to be the first choice of our business partners and employees. By continuing to invest in human resources, we aim to make a difference in our sector with our happy employees and to provide a comfortable shopping experience for every customer.

In line with our goal of being among the most preferred companies in terms of working conditions and social opportunities, we conduct Organizational Climate Surveys and regularly monitor the satisfaction and loyalty levels of our employees. **In this context, in our employee satisfaction survey conducted with the participation of 1,015 white-collar employees in 2022, our employee satisfaction rate was measured as 83 percent, while our employee engagement rate was 88 percent.** After the survey, we evaluate and group all feedbacks. We organize meetings with the participation of our employees according to the feedback groups we have created and prepare our suggestions and action map. We aim to improve our performance in this area every day and develop employee-

oriented projects. Thanks to these surveys, we establish a multi-directional communication with our employees and receive their opinions on many issues such as loyalty, expectations, working environment and management approach.

### Instant Reward

We know that the rewarding mechanism is important in terms of employee loyalty and satisfaction, and in this context, we develop rewarding tools that encourage our employees. Our instant rewarding practice is a practice for our employees to be rewarded/recognized in line with their work results. **In 2022, 94 employees were rewarded with the instant rewarding system. Thus, we contribute to rewarding business results that create added value.**

### Employer Branding

The achievements that have brought ŞOK Marketler to the present day are nourished by the superior service understanding of our employees, who give ŞOK its strength, based on our principles and values. Together with tens of thousands of colleagues, we feel the principles and values that make us who we are, and that one is actually all of us. For both ŞOK Marketler employees and thousands of young talents who want to work at ŞOK Marketler, **#ouremployerbrand** represents our inspiring vision and corporate culture. In 2022, we launched our employer brand, "ŞOK Takes Its Strength from Me", and we will continue promotional activities in 2023.

## Our Employees

**We ensure that all business units adopt a sustainability-oriented OHS culture through our awareness-raising OHS activities.**

### Employee Health and Safety

With the goal of Zero Accident and Zero Occupational Disease, we carry out our Occupational Health and Safety (OHS) activities in full compliance with legal regulations and in light of international standards. Ensuring that our employees work in a healthy and safe work environment is among our biggest responsibilities. We fully comply with the Occupational Health and Safety (OHS) rules in our head office, distribution centers and stores within the framework of laws and regulations, and we make improvements every year in line with our “Zero Occupational Accident” target. As the highest level manager responsible for occupational health and safety, our Branches Operations Control Group Directorate monitors the processes by reporting directly to the CEO on a regular basis.

We ensure that all business units adopt a sustainability-oriented OHS culture through our awareness-raising OHS activities. In occupational health and safety issues, which we manage with a risk-based systematic approach, we operate in compliance with the relevant legal regulations and aim to provide a safe and healthy working environment in line with the goal of zero occupational accident.

In 2023, we aim to obtain ISO 45001 certification for our stores and headquarters, and then to obtain this certification for our other locations. We take steps to improve our occupational health and safety performance by taking action on issues that we see as a threat to the health of our employees. We use different methods to manage occupational health and safety risks and prepare Risk Assessment Reports at each location. In 2022, we conducted field visits to 7,693 stores with OHS professionals to minimize risks. We conduct detailed analyses on accidents and near misses and related statistics and take measures to prevent them from happening again.

As a result of all the measures we took, we reduced the number of occupational accidents by 1% in 2022.

In addition to our efforts to eliminate risks, we ensure that our employees receive OHS trainings that will both improve their occupational health and safety awareness and support the development of our system with our continuous improvement perspective. **In 2022, we ensured that 3,690 employees received OHS trainings, which is among our priorities. We provided a total of 30,072 hours of training in face-to-face trainings, increasing our training hours by more than 200% compared to the previous year.**







# Supply Chain

**In order to use our resources in the most efficient way, we analyze the risks in the supply chain and take these risks under control by managing them with a central system.**

## Supply Chain Management

At ŞOK Marketler, we position supply chain management as one of the priority areas in achieving our sustainable growth targets. In this context, we focus on supply chain efficiency, digitalization, and collaboration with our suppliers and business partners. In order to use our resources in the most efficient way, we analyze the risks in the supply chain and take these risks under control by managing them with a central system.

Within the scope of our [Supply Chain Policy](#) and [Supplier Management Processes Procedures](#), we select suppliers that comply with our social and corporate principles and meet quality standards, and offer safe, high quality and healthy products according to customer needs through our collaborations. In this context, we ensure that all food production raw materials, additives, packaging, finished products and products made on behalf of our company and using our brands are produced and supplied by approved suppliers.

We consider the supply chain from producers to the end consumer as a holistic process. [Thanks to the 38 distribution centers we had in 2022, we not only distributed our products faster and more efficiently, but also contributed to reducing our carbon footprint from transportation.](#) We aim to improve our supply chain capability by increasing the number of distribution centers in parallel with our store growth.

The Supply Chain Director, the senior executive responsible for supply chain management, reports directly to the Chief Executive Officer. In addition, in order to increase operational efficiency, business processes have been centralized with the Central Supply Unit since 2017. In this way, we are able to carry out our operations systematically and with fewer employees. With this system, we guarantee product availability by reducing the stock day level and make seasonal planning more effectively.

## Sustainable Supply Chain

By prioritizing sustainability in the supply and production chain, we ensure that our cooperation with our suppliers is long-term and that the process is carried out in a way that respects social and environmental rights. In our sustainable supply chain approach, which is one of our strategic priorities, we work by considering environmental, social and economic impacts in all processes from the procurement of the product to reaching consumers. We adopt a responsible purchasing approach for a sustainable supply chain and conduct activities that protect the soil and farmers and center on sustainable agriculture.

In order to ensure the business and financial stability of our suppliers, we provide financial facilities such as cash or advance payment. In this way, we also ensure product availability. By increasing the number of our warehouses, we facilitate the transportation of products to stores and ensure product availability.

[Every year we improve the Advanced Planning and Demand Forecasting, Product Distribution Algorithm, Development of Order Suggestion System and Automatic Invoice Closing projects completed within the scope of digitalization.](#)

## Supply Chain

**As a local food retailer, we prioritize local procurement to make our supply chain sustainable and contribute to the local economy.**

### Local, Responsible and Sustainable Procurement

As one of the focal points of our sustainable supply chain approach, we prioritize local producers in our product purchases. There are strategic reasons why we prefer local suppliers. Thanks to the payments we make to local suppliers, we directly support local development and employment and reduce our logistics-related carbon emissions.

#### Local Procurement

As a local food retailer, we prioritize local procurement to make our supply chain sustainable and contribute to the local economy. While supporting the development of local producers with the products we procure from local suppliers; we also protect local products. By working with local suppliers, we also help reduce our carbon footprint from transportation.

#### Logistics Management

We control our logistics operations with a centralized and holistic system. We perform inventory control and manage our resources effectively by tracking goods acceptance, storage, addressing, picking, shipment and return processes from start to finish with the Enterprise Resource Planning System. Within the scope of the system, we optimize processes with in-store routing and store shipment routing studies.

In addition to in-store and store shipment routing studies, we aim to save both time and fuel and increase our operational efficiency by increasing the number of our warehouses every year. In this way, we aim to contribute to minimizing the emissions during the shipment stages



## Supply Chain

**We carry out fair agricultural practices at every stage from farm to table, both in fruit and vegetable products such as citrus fruits, potatoes, cauliflower and cabbage, and in agriculture-based products such as rice, olives and tomato paste.**

### **Fair Agriculture from Farm to Table**

As a company operating in the food sector, we see carrying the agricultural sector into the future as one of our most important responsibilities. With this responsibility, we protect producers and encourage production by providing purchase guarantees to farmers through contracted agricultural activities and direct procurement practices within the scope of our "Fair Agriculture from Farm to Table" project.

We carry out fair agricultural practices at every stage from farm to table, both in fruit and vegetable products such as citrus fruits, potatoes, cauliflower and cabbage, and in agriculture-based products such as rice, olives and tomato paste. We are constantly expanding the scope of our support for agriculture and farmers through projects and strategic collaborations.

We stand by our farmers in all processes from seed to harvest. We establish one-to-one communication with our farmers, protect and support them. Thanks to the Fair Agriculture from Farm to Table project, we ensure that our farmers receive the money for their products without any loss of maturity difference or broker deductions through cash purchases.

In addition, with the opportunity to make planned production, we make them feel safe and focus on quality and efficiency. We support production costs with the option of early payment in return for a letter of guarantee. In addition to suppliers, we also conduct product safety audits in stores and warehouses and develop processes that comply with international quality standards.







# Society

## Social Benefit

We create social benefit with all our activities, projects and workforce. We bring safe, high quality and healthy products from farm to table to customers. We contribute to local employment through our suppliers, stores and warehouses and support social development and transformation through our investments.





# INSPIRING THE FUTURE WITH PURPOSE DRIVEN PRODUCTS AND BUSINESS MODELS

We strive to make responsible and innovative business models and products to offer alternatives to our customers, inspire them to take action and positive transformation possible with our products.



**You can reach our Cep'te ŞOK application on your mobile  
by reading the QR Code from your smart devices.**



## Diverse, Accessible and Quality Products

Product diversity and accessibility, as well as quality, are at the heart of our business.



**1,800+**  
Products



You can find detailed information about our products and our private label products in the [Private Label Brands section](#) of our report or on [our website](#).

With access to healthy and affordable food more important today than ever before, we continue to offer our customers the nearest and easiest shopping experience through our vision and “Everyday low price” strategy. We offer affordable prices and special promotions to millions of customers every day to help make shopping affordable without breaking budgets.

We take into account the needs of our customers with our customer-oriented approach and the products and services we offer. We diversify our product portfolio with our private label brands and national brands. In addition to our private label brands, we continuously enrich our product portfolio by offering the products of many national and international brands. We protect the products which hold an affectionate place in consumers’ memories as national brands from the past. We continue to offer more than 100 private label products such as Mis, Anadolu Mutfağı, Mintax, Bizim Vatan, Piyale and Evin, which are available only at ŞOK stores. In addition to food products in various categories, including fresh fruits and vegetables, we enrich our product range with non-food products such as kitchenware, cleaners, paper products, and apparel, bringing over more than 1,800 SKUs to our customers.

With our stores located in 81 provinces across Turkey, we encourage shopping at the nearest point, providing easy access to products and promoting our customers to reduce our individual carbon footprint. With our Cepte ŞOK operation, we contribute



to ensuring that disadvantaged groups such as disabled and elderly customers can easily access ŞOK products and have access to affordable and high-quality products.

Product diversity and accessibility, as well as quality, are at the heart of our business. We responsibly source, produce, transport and deliver our products to our consumers in order to provide our customers with high quality products that are easily accessible at affordable prices. In this context, we conduct a comprehensive quality and safety assessment from our production

facilities to our supply chain. We supply agricultural products from the farmers we work with in contracted agriculture project and bring high quality products to our consumers. In addition to all these, we carry out analyzes for compliance with the criteria specified by the Turkish Food Codex throughout the year. In these analyzes, when situations that do not meet the criteria are detected, we immediately recall the products and start a new audit process to ensure that we deliver quality products to our customers.



## Diverse, Accessible and Quality Products

**We meticulously handle all stages of our products from procurement to reaching the end consumer and ensure their quality.**

## Product Safety and Quality

As one of Turkey's most widespread supermarket chains, product safety and quality are among the most important issues. The health of our millions of customers shopping in our stores is always among our top priorities. In order to ensure product safety from farm to table and to offer reliable products to our customers, we work with suppliers that meet the requirements of our [Integrated Management Policy](#) without compromising national and international quality standards.

We meticulously handle all stages of our products from procurement to reaching the end consumer and ensure their quality.

Our perspective on product quality and assurance consists of three different areas. On the one hand, we carry out studies on the quality and safety of the products we bring together with our customers, and on the other hand, we address quality and assurance issues in the operational processes related to our stores and warehouses in detail. In addition to our private label brands, we strive to keep our customer satisfaction at the highest level through audit and analysis steps in the quality and assurance processes related for the products we supply. The last step of our quality and assurance perspective is our processes related to fruit and vegetable products. We meticulously monitor seasonal

products from the moment they are planted to the time they are harvested, and support farmers who are our business partners to produce in accordance with ŞOK Marketler's quality approach.

### **Our Quality and Assurance Process for Products**

From the beginning to the end of our supply chain, we produce in accordance with preventive and traceable food safety legislation and the international HACCP Standard. We manage product safety and quality issues within the scope of international standards. We ensure that products reach consumers in accordance with legal regulations by performing all controls for our suppliers with IFS, BRC, ISO 22000 and ISO 9001, COVID-19 Safe Production Certificate, Halal and Vegan certificates.

In supplier selection and evaluation, we define processes that comply with production conditions, specifications and relevant legislation and legal regulations for quality, food safety and consumer sensitivities. Within the framework of these defined criteria, we conduct supplier selection and periodic supplier audits and take actions based on the results.

We audit our existing suppliers at least twice a year and support their needs identified as a result of the audits to improve their performance. We also conduct audits in different areas such as compliance audits with the Turkish Food Codex Legislation of the Ministry of Food, Agriculture and Livestock, halal food audits and audits in different areas depending on the product group and then classify suppliers according to certain categories.



## Diverse, Accessible and Quality Products

**While we procure all purchased products from approved suppliers, we also have approved suppliers produce products made on behalf of our company and using our brands.**

We do not limit audits only to suppliers; we also have our distribution centers and stores regularly audited by competent persons or institutions. As a result of the audit, we identify areas for improvement, if any, and review our processes.

While we procure all purchased products from approved suppliers, we also have approved suppliers produce products made on behalf of our company and using our brands. In addition, we eliminate the intermediate supplier network by having ŞOK Marketler produce its private label products. Thus, product continuity, quality and safety can be fully controlled by ŞOK Marketler. By having the products produced by ourselves instead of working with any supplier, we also ensure availability and product continuity.

### Operation Based Quality and Assurance Process

#### Effective Communication in Operations: Call Management

Thanks to the ŞOKNet Call Management System, products with quality problems originating from the supplier are prevented from reaching customers. Defective products reported by stores to the ŞOKNet Call Management System are monitored by the quality team and product controls are carried out. Product problems are identified and necessary actions are taken. Thanks to this system, our stores cooperate with the quality team to protect the health and safety of customers, reduce customer complaints, dispose of fewer products, and improve the quality safety systems of suppliers. With ŞOKNet Call Management, we achieve higher customer satisfaction and cost and time savings.

### Quality Trainings

Our employees are regularly provided with basic and updated internal and external quality trainings, including global developments and global risks. At the same time, the effectiveness of these trainings is also evaluated. We know that producing products that will be appreciated by our consumers can only be achieved with the quality and food safety awareness of our employees.

To make all our employees understand the importance in quality culture and to be aware of quality and food safety,

- We support them to attain knowledge and competence in line with their duties and responsibilities and to ensure the continuity of this knowledge and competence.
- We inform them about quality-related assessments and results.
- We raise awareness about their duties and responsibilities in quality processes.
- We are involved in solving problems that arise in every process that affects quality.





## Diverse, Accessible and Quality Products

Thanks to the Fair Agriculture from Farm to Table project, we eliminate concerns about public health and the reliability of products, and ensure that products comply with legal regulations.



### Quality and Assurance Process in Fruit and Vegetables

#### Fair Agriculture from Farm to Table Project

As ŞOK Marketler, with the Fair Agriculture from Farm to Table project, we purchase directly from farmers, ensure controls at every stage from seed to table, and carry products from the farm to the aisle while fully supporting farmers. In this way, we support the production system in a way that is socially livable, economically profitable, efficient, protects human health and existence, and cares for the environment.

We aim to provide convenience to farmers and suppliers by gathering this movement under a standard. When it is time to harvest, our producers can receive support from us for labor, crates, trucks, sorting and packaging. Until harvest time, we provide training support on irrigation, fertilization and spraying through our agricultural engineers. **In 2022, 378 farmers were informed by our agricultural engineers on issues such as bringing products in the appropriate color scale, the correct fight against diseases, what to pay attention to at harvest, environmental protection and controlled pesticide use.** By purchasing all the products in the farms and gardens of our producers, regardless of caliber, we prevent them from falling into a disadvantaged position.

Thanks to the Fair Agriculture from Farm to Table project, we eliminate concerns about public health and the reliability of products, and ensure that products comply with legal regulations. We aim to reduce the risks related to food safety and human health thanks to the audits and controls carried out during the process. Thus, we meet the demands of consumers regarding food quality and safety. By targeting quality product cultivation, we provide the opportunity to reduce production costs and increase profitability in the long term. In this context, **we conducted 273 pesticide (residue) analyzes for our internal control in 2022 and informed our producers about the issue.**

With the Fair Agriculture from Farm to Table project, we contribute to the protection of natural life and biodiversity by ensuring sustainability through environmentally responsible production, while working to reduce the harmful effects of agriculture on the environment. We aim to prevent waste that may occur during the harvest period with the right harvesting methods. We not only contribute to the environment, but also reduce the crowded urban population by creating employment in local areas through increasing job opportunities in rural areas, and increase our social and societal impact.



## Customer Experience and Digital Solutions

We enhance our customers' shopping experience by adding affordable and quality products to our portfolio and offering promotions that offer advantages in various product groups.

With our advanced service approach, we strive to provide customers with a comfortable shopping experience that meets their different expectations and needs. We aim to offer a convenient and easy customer experience through different channels.

Our customers' easy access to our stores is one of the most important criteria for us. In this context, **we increased the number of our stores to 10,281 with the 1,034 new stores we opened in 2022.** With our extensive and widespread store network and our Cepte ŞOK operation, we aim to enable our customers to purchase almost all of their basic needs in one place and at the nearest point to their homes.

In addition to the expanding store network, our customers can access all the products they want in a comfortable shopping environment thanks to the organized and better separated aisles in the spacious, wide and bright store concept.

We enhance our customers' shopping experience by adding affordable and quality products to our portfolio and offering promotions that offer advantages in various product groups.

In 2022, different campaigns were launched in line with consumer expectations. Different payment methods such as shopping with QR payment and E-Wallet were made available on the Cepte ŞOK application and in our stores. We started to offer many non-food product groups at advantageous prices both at ŞOK stores and Cepte ŞOK with "ŞOK Ekstra." ŞOKNET internet package renewal transactions were also made available online via Cepte ŞOK. Payment at the door option was launched in 81 provinces of Turkey.

In 2022, we managed to grow our LfL daily average sales per store by 88.2% and LfL daily average basket size per store by 74.7%, achieving a high growth rate compared to 2021.



### Customer Relationship Management

We manage our customers' expectations in the best way possible by creating special communication channels to improve customer experience. In this context, we prioritize customers' conveying their requests, opinions and expectations through ŞOK communication channels. We respond the customer feedbacks via ŞOK Marketler Customer Services' call center at **0850 808 00 00 00**, which enables us to quickly take action on customer complaints. We manage our Customer Services activities together with Turkcell Global Bilgi within the framework of the Information Security and PDPL policy. **In 2022, the number of notifications received by us amounted to 590,499.**

We aim to manage the customer experience in the most effective way and in this context, we conduct customer satisfaction surveys to track changing customer trends and respond in a timely manner. Thus, we ensure that stores are continuously evaluated in terms of products, fruit and vegetable aisles, personnel service quality, store physics, and ŞOK Mobile service, and we aim to increase customer satisfaction by continuously improving these areas.

## Customer Experience and Digital Solutions

**We employed more than 15,000 people in 2021 within the scope of the "Cepte ŞOK" application.**

### Cepte ŞOK

At ŞOK Marketler, our aim is to provide our customers with easy and fast access to a wide range of affordable products and our private label brands through the "Cepte ŞOK" application without paying any delivery fees. For this reason, we ensure that all the products we offer for sale in our stores are also available on our "Cepte ŞOK" application at store prices.

In line with our mission to provide uninterrupted service, we added "home delivery" service to our "Cepte ŞOK" application, which has the option of "click and collect." With the address delivery feature in the application, we deliver the needs of our customers to their homes free of charge on the same day. In this way, we

meet the needs of many disadvantaged customers who cannot go out, live alone and cannot do their shopping, and offer fast and secure shopping opportunities.

Orders received through the Cepte ŞOK application are delivered free of charge on the same day, and we also offer the opportunity to place orders by phone. We also provide payment diversity by offering online payment, credit card payment at the door and cash payment options. In 2022, especially wallet payment and payment at the door options increased significantly.

With the electric vehicles we use during delivery, we both optimize our operating costs and contribute to our fight against climate change by reducing our carbon emissions that may be released due to distribution.

Our users, who can access all products at the prices in ŞOK stores, can also access the current opportunity products in the stores through the application in the "Advantages of the Week" and "Campaigns" sections. While we continue to provide uninterrupted service with the "Cepte ŞOK" application, we offer cheap and high quality products to our customers with our stores in 81 provinces of Turkey and continue to our investments and provide employment.

The number of customers, orders and total members of Cepte ŞOK, which has increased brand awareness, increased at satisfactory levels in 2022. **Cepte ŞOK's revenues, which can be ordered from the app, the website, and by phone in 81 provinces across Turkey, increased rapidly in 2022 as well.** We continue our efforts



to ensure that Cepte ŞOK, which is seen as the locomotive of future growth and digitalization, grows in line with the targets set for 2023.

### ŞOK Smart Digital Services

In 2019, we expanded our service scope and launched ŞOK Smart Digital Services. With ŞOK Smart Digital Services, our customers have the opportunity to transfer money to all bank accounts, credit cards and all ŞOK Marketler stores in 81 provinces, 7 days a week. In addition to money transfers, customers can use ŞOK Smart Digital Services to pay their telephone, water, electricity and natural gas bills during the hours when ŞOK Marketler is open. In this way, our customers can transfer money while shopping and save time by paying their bills.

### ŞOK NET

As ŞOK Marketler, we continue to offer new services to our customers in our digitalizing world. We have added the home internet service, which has become one of the most basic needs of homes today, to our product and service portfolio. ŞOK NET is offered since 2021 in ŞOK stores in 81 provinces of Turkey as a monthly internet package without limit and commitment. The affordable priced home internet ŞOK NET provides internet connection up to a rate of 16 Mbps ADSL, 35 Mbps, and 100 Mbps Fiber. Customers can easily apply to ŞOK NET at the stores with a mobile phone number.



"You can reach our Cepte ŞOK application by reading the QR Code."

## Customer Experience and Digital Solutions

**We increase the awareness of our customers with the information we place on product labels regarding our campaigns.**

## Responsible Marketing and Labelling

We market our products that we offer to our customers in 81 provinces of Turkey with a responsible approach. In addition to communication practices that encourage our customers to consume responsibly, we comply with the sales and marketing restrictions required by legal regulations.

We are also committed to managing product quality and safety responsibly and set high standards for products from all our brands. Through quality specifications, we fulfill product and supplier requirements such as testing protocols, reporting and labeling to ensure safe and high quality products that comply with regulations.

We are aware of the importance of contributing to raising consumer awareness about the product in a transparent way with responsible labeling. This not only helps differentiate products with responsible labeling from other products, but also contributes to consumers' healthy purchasing decisions. As ŞOK Marketler, we continue our efforts in this area.

We increase the awareness of our customers with the information we place on product labels regarding our campaigns. Labels related to campaigns such as "From unity to prosperity", "VAT reduction", etc. were placed on the price tags and customers were made aware of these campaigns.

In addition, information on discounted products over 25 TL offered behind the cash register is also positioned behind the cash registers in a way to attract the attention of customers.





## Customer Experience and Digital Solutions

**In our Ethical Principles Guide we have prepared for our employees, we include the principles regarding data confidentiality, the use of information technology resources and the protection of confidential information and confidential information.**

## Data Security and Privacy

At ŞOK Marketler, we carry out all of our work on data security and privacy under the leadership of Yıldız Holding through the teams under the Holding Compliance and General Legal Directorate. In 2022, we elaborated our work on the Law on the Protection of Personal Data (KVKK) and Competition Law in particular. As a result of these efforts, we aim to improve the existing processes and policies at the Holding and ŞOK Marketler and to establish a standardized management approach in all our operations.

We call our work in the process of protecting personal data and information as the KVKK Compliance Cycle. On this path we set out with the motto "Full Compliance with Legislation Zero Risk", we proceed with effective governance, discovery of personal data, determination of standards, creation of documents, uniform practices and audit steps.

In our Ethical Principles Guide we have prepared for our employees, we include the principles regarding data confidentiality, the use of information technology resources and the protection of confidential information and confidential information. Thus, we define confidential information and list the measures our employees should take.

In addition to this process, we take the necessary measures to protect the physical and environmental security of information systems thanks to our [Information Security Policy](#) prepared by ŞOK Marketler.



### Use of Information Technology Resources

Our Information Technology Resources include all computer hardware that we own, lease or rent. Such hardware includes all kinds of software, personal computers, portable computer devices, network servers, internet access, intranet and e-mail access devices. All of ŞOK Marketler's information technology resources and the information created, stored or transmitted using these resources are the property of ŞOK Marketler. Our employees use and protect these resources responsibly for business purposes and in compliance with laws and Company regulations. Our employees take necessary measures to prevent unauthorized persons from accessing these resources.

### Confidential Information and Principles of Protection of Confidential Information

Our employees protect all confidential information and documents they access in the course of their work. They may never share non-public information with third parties for any reason or for their personal interests or the interests of anyone outside the Company.

We expect our employees to pay utmost attention to the aforementioned data confidentiality and security issues when using all kinds of information technology resources and electronic communication tools. We ask our employees to comply with the Company's policies and instructions without exception in order to take the necessary measures to prevent unauthorized access or leakage of confidential information.

# APPENDIX





## Appendix-1: Awards

Award Name	Info
<a href="#">34<sup>th</sup> Crystal Apple</a>	4 awards were won with the ŞOK Cepte ad.
<a href="#">One Awards Integrated Marketing</a>	With our Deren brand, we ranked 1 <sup>st</sup> in the tea category by the public jury at The One Awards Integrated Marketing Awards, where the "Reputable of the Year" were selected.
<a href="#">LACP Award</a>	ŞOK Marketler's 2021 online annual report received a <b>Platinum</b> award in its category from LACP (League of American Communications Professionals LLC). It ranked 10 <sup>th</sup> in EMEA and 106 <sup>th</sup> in the world. In the it won "Regional Special Achievement Award: Best Report Cover" category with the " <b>Silver</b> Award" and recognized as one of the "Turkey's 20 Best Reports"
International Stevie Awards	At the Stevie® Awards, one of the most prestigious awards in the world, where successful companies and teams are awarded every year, ŞOK Marketler won two gold awards this year with our Gray City Digital Orientation Program.
Advantage Group Supplier Voice Survey	In the Voice of the Supplier survey organized by Advantage Group, ŞOK Marketler was selected as the "Best Retailer" among discount markets according to suppliers.





## Appendix-2: Performance Indicators

### Environmental Performance Indicators

Energy Consumption (MWh)	2020	2021	2022
<b>Total Energy Consumption</b>	<b>344,611</b>	<b>323,289,48</b>	<b>903,583,26 ✓</b>
<b>Non-Renewable Energy Consumption</b>	<b>344,611</b>	<b>323,289,48</b>	<b>903,583,26</b>
Natural Gas	5,853.60	2,393,57	6,402,39
Fuel Oil	0	0	376,338,67
Coal	0	0,35	0
Diesel - Generator	12,750.81	1,712,57	3,397,42
Diesel – On road Vehicles	10,756.65	24,537,60	26,128,47
Gasoline	291.11	0	71,07
Electric Consumption	304,958.89	294,645,41	491,245,23
<b>Renewable Energy Consumption</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Energy Consumption Intensity (MWh/employee)</b>	<b>9.38</b>	<b>8.24</b>	<b>19.95 ✓</b>

Greenhouse Gas Emissions (ton CO <sub>2</sub> e)	2020	2021	2022
Scope 1	7,553	7,721	112,286
Scope 2	134,182	129,644	216,148
Scope 1+2	141,734	137,365	328,434.09 ✓
Greenhouse Gas Emission Intensity (tons CO <sub>2</sub> e/employee)	3.97	3.50	7.25 ✓

Water Withdrawal, Consumption and Waste Water (m <sup>3</sup> )	2020	2021	2022
Water Consumption	533,512	407,778	629,273.80 ✓
Water Consumption Intensity (m <sup>3</sup> /employee)	14.96	1.04	13.89 ✓

Waste (ton)	2020	2021	2022
Hazardous Waste	66,286	2,121.91	9,752.35
Non-hazardous Waste	-	0.21	4.14 ✓
Total Waste Amount	-	2,121.69	9,748.21 ✓



## Appendix-2: Performance Indicators

### Social Performance Indicators

Number of Employees by Gender	2020	2021	2022
Women	16,002	19,058	23,120 ✓
Men	19,663	20,175	22,173 ✓
<b>Total</b>	<b>35,665</b>	<b>39,233</b>	<b>45,293 ✓</b>

Number of Employees by Category	2020	2021	2022
<b>White Collar</b>	<b>1,156</b>	<b>1,366</b>	<b>1,586 ✓</b>
Women	203	241	313
Men	953	1,125	1,273
<b>Blue Collar</b>	<b>34,509</b>	<b>37,867</b>	<b>43,707 ✓</b>
Women	15,799	18,804	22,807
Men	18,710	19,063	20,900
<b>Total</b>	<b>35,665</b>	<b>39,233</b>	<b>45,293</b>

Number of Employees with Executive (Manager) Title	2020	2021	2022
Women	15	17	18
Men	133	179	207
<b>Total</b>	<b>148</b>	<b>196</b>	<b>225</b>

Number of Employees with Senior Manager Title	2020	2021	2022
Women	1	5	0
Men	12	13	0
<b>Total</b>	<b>13</b>	<b>18</b>	<b>0</b>

Distribution of Employees in Senior Management Bodies by Age	2020	2021	2022
Under 30 Years	1	0	0
Between 30-50 Years	34	27	12
Over 50 Years	<b>5</b>	8	4
<b>Total</b>	<b>40</b>	<b>35</b>	<b>16</b>

Number of Employees Leaving Employment by Gender and Age	2020	2021	2022
<b>Under 30 Years</b>	<b>18,701</b>	<b>22,772</b>	<b>30,556</b>
Women	8,405	10,347	15,224
Men	10,296	12,425	15,332
<b>Between 30-50 Years</b>	<b>3,595</b>	<b>4,179</b>	<b>5,933</b>
Women	1,503	1,670	2,919
Men	2,092	2,509	3,014
<b>Over 50 Years</b>	<b>30</b>	<b>52</b>	<b>52</b>
Women	3	9	9
Men	27	43	43
<b>Total</b>	<b>22,326</b>	<b>27,003</b>	<b>36,541</b>
Women	9,911	12,026	18,152
Men	12,415	14,977	18,389



## Appendix-2: Performance Indicators

Number of Employees by Duration of Employment	2020	2021	2022
<b>0-5 Year</b>	<b>31,397</b>	<b>33,848</b>	<b>37,298</b>
Women	14,559	17,248	20,088
Men	16,838	16,600	17,210
<b>5-10 Year</b>	<b>3,397</b>	<b>4,420</b>	<b>6,526</b>
Women	1,198	1,509	2,595
Men	2,199	2,911	3,931
<b>10 Year and Above</b>	<b>871</b>	<b>965</b>	<b>1,469</b>
Women	245	301	437
Men	626	664	1,032

Number of Subcontractor Employees	2020	2021	2022
Women	6	8	7 ✓
Men	25	20	30 ✓
<b>Total</b>	<b>31</b>	<b>28</b>	<b>37 ✓</b>

Employee Turnover Rate (%)	2020	2021	2022
Women	%62	%63.10	%78.51
Men	%63	%74.24	%82.93
<b>Total</b>	<b>%63</b>	<b>%68.83</b>	<b>%80.68</b>

Parental Leave	2020	2021	2022
<b>Number of Employees on Parental Leave</b>	<b>1,497</b>	<b>1,564</b>	<b>1,642</b>
Women	540	625	642
Men	957	939	1,000

Parental Leave	2020	2021	2022
<b>Number of Employees Returning to Work after the End of Parental Leave</b>	<b>1,256</b>	<b>1,422</b>	<b>1,875</b>
Women	374	484	888
Men	882	938	987

	2020	2021	2022
<b>Number of Employees Covered by Collective Bargaining Agreement/Unionized Employees</b>	<b>0</b>	<b>0</b>	<b>0</b>

Number of Employees with Disabilities	2020	2021	2022
Women	173	159	281 ✓
Men	734	587	945 ✓
<b>Total</b>	<b>907</b>	<b>746</b>	<b>1,226 ✓</b>

OHS Performance	2020	2021	2022
Number of accident	-	1,765	1,756 ✓
Number of lost days	-	9,052	9,786 ✓
Accident Frequency Rate	-	<b>4.87</b>	4 ✓
Lost Time Accident Rate	-	<b>25</b>	20 ✓
Number of Fatalities	-	1	0 ✓
Number of occupational diseases	-	-	0 ✓
Occupational Disease Rate	-	-	0

OHS Trainings (hours)	2020	2021	2022
Total OHS Training Hours	4,792	9,019	30,072
Average OHS Training Hours per Employee	0.13	0.23	0.66





## Appendix-3: Reporting Principles

### General Reporting Principles

This reporting principles ("Reporting Principles"), provides information on the methodologies of preparing, calculating and reporting the data of the related indicators within the scope of the sustainability report ("2022 Sustainability Report") of Şok Marketler A.Ş. ("Company" or "Şok Marketler")

These indicators include social and environmental indicators. The Company management is responsible to ensure that appropriate procedures are in place to prepare these indicators below, in all material respects and in line with the guidance.

The information contained in this principles cover the fiscal year 2022 which starts on January 1st and ends on December 31, 2022. Furthermore, this principles cover the operations in Türkiye as it is detailed in the "Key Definitions and Reporting Scope". The principles do not include any information related subcontractor(s).

The following principles were taken into account in the preparation of these principles;

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

### Key Definitions and Reporting Scope

For the purpose of this report, the Company defines:

Type of indicators	KPIs	Scope
Environmental	Total Energy Consumption (MWh)	It refers to the Company's total consumption of renewable and nonrenewable energy. It includes natural gas, fuel oil, diesel-generators, diesel off road vehicles, diesel company vehicles, gasoline – company vehicles, CO <sub>2</sub> fire extinguisher and electricity consumptions.
	Energy Intensity (Total Energy Consumption / Total Number of employees)	It refers to total energy consumption divided by number of employees in the reporting period.
	Greenhouse Gas Emissions (Scope 1&2 Greenhouse Gas Emissions / Number of employees)	It refers to total scope 1&2 emissions caused by the gases as a result of consumption of natural gas, diesel-generators, diesel off road vehicles, diesel company vehicles, gasoline – company vehicles, CO <sub>2</sub> fire extinguisher and electricity.
	Greenhouse Gas Intensity (Scope 1&2 Greenhouse Gas Emissions / Number of employees)	It refers to total scope 1&2 emissions caused by the gases as a result of consumption of natural gas, fuel oil, diesel-generators, diesel off road vehicles, diesel company vehicles, gasoline – company vehicles, CO <sub>2</sub> fire extinguisher and electricity, divided by the total number of employees in the reporting period of 2022.
	Water Intensity (m <sup>3</sup> / number of employees)	In the reporting period, it represents the ratio of the total water consumption, which is monitored monthly by the Company with the meters and bills, to the total number of employees of the Company as of 31.12.2022.
	Total Water Withdrawal (m <sup>3</sup> )	In the reporting period, it represents the total water consumption that the Company monitors monthly with meters and invoices and can be mapped with financial reporting systems.
Social	Hazardous Waste Amounts (ton)	It represents the amount of hazardous waste caused by the Company, which is tracked through the MOTAT (Mobile Waste Tracking System) available on the Company's page in Ministry of Environment portal (Integrated Environmental Information System) during the reporting period.
	Non-Hazardous Waste Amount (ton)	In the reporting period, it represents the amount of non-hazardous waste generated by the Company which is tracked with invoices received from the Company's page in Ministry of Environment portal (Integrated Environmental Information System) and licensed waste treatment facilities.
	Number of Employees by Gender (#)	As of 31 December 2022, it represents the breakdown by gender of the total number of employees, which is monitored and followed up with the Company's Human Resources data module, and whose Employment Declaration has been made to the Social Security Institution.
	Number of White Collar Employees (#)	As of 31 December 2022, It represents the number of white collar employees who are tracked and recorded on the Company's human resources data module and whose employment notices has been registered to the local Social Security Institution.



## Appendix-3: Reporting Principles

### Preparation of Data

#### 1. Environmental Indicators

##### Total Energy Consumption (MWh)

Within the scope of the Company's direct energy consumption, Natural Gas, Fuel Oil, LPG, Diesel – Generators, Diesel – Off road vehicles, Diesel – Company vehicles, Gasoline – Company vehicles and Electricity energy sources are reported.

The conversion of energy consumptions by kcal to MWh are executed by the calculations shown in below;

Based on the conversion unit 1 kcal = 0.00000116222 MWh, and by using the calorific values and density values which are published by the local Ministry of Energy and Natural Resources, the calculations were executed.

\*1: Enerji Kaynaklarının Ve Enerjinin Kullanımında Verimliliğin Artırılmasına Dair Yönetmelik (Sayı : 28097) <https://www.resmigazete.gov.tr/eskiler/2011/10/201111027-5.htm>

Type of indicators	KPIs	Scope
Social	Number of Blue Collar Employees (#)	As of 31 December 2022, It represents the number of blue collar employees who are tracked and recorded on the Company's human resources data module and whose employment notices has been registered to the local Social Security Institution.
	Number of Disabled Employees by Gender (#)	It represents the number of employees by gender in the reporting period who is defined as a disabled person in the Law No. 5378.
	Number of Accidents (#)	It represents the number of accidents which occurred to the employees during the activities defined by the occupational safety laws and regulations. The number of accidents are tracked with the declarations made to the Social Security Institution in the reporting period.
	Number of Lost Days (#)	It represents the number of days lost during the reporting period due to the accidents that occurred during the activities defined by the occupational safety laws and regulations and which also prevent the employee from working on the next shift or the next working day. Number of lost days are tracked by the declarations which is made to the Social Security Institution.
	Total Working Hours (hour)	It represents the sum of 7.5 hours work in a normal working day and in addition to normal working day overtime hours are also included.
	Accident Frequency Rate	It represents the ratio of the number of accidents in the reporting period which occurred during the activities defined by the occupational safety laws and regulations and which also prevent the employee from working for three working days, divided by total work hour during the reporting period. Defined number of accidents are tracked by declarations made to the Social Security Institution.
	Accident Severity Rate	It represents the ratio of number of days lost during the reporting period due to the accidents that occurred during the activities defined by the occupational safety laws and regulations and prevent the employee from working on the next shift or the next working day, to the total work hour during the reporting period. Defined lost days are tracked by declarations made to the Social Security Institution
	Number of Fatalities (#)	In the reporting period, it represents the number of fatal cases followed by the notifications made to the Social Security Institution, which are included in the definition of "fatal work accident" within the scope of the Occupational Health and Safety Law No. 6331.
	Number of Occupational Diseases (#)	In the reporting period, it represents the number of fatal cases followed by the notifications made to the Social Security Institution, which are included in the definition of "occupational disease" within the scope of the Occupational Health and Safety Law No. 6331.
	Total Training Hours (hour)	It refers to the internal, external and compulsory trainings given to the employees by the Company, during the reporting period. (Trainings given to subcontracted employees are not included.)
	Number of Subcontracted Employees by Gender (#)	It represents the total number of employees hired by the Company as subcontractors until 31.12.2022.



## Appendix-3: Reporting Principles

The references used in the calculations are given in the table below;

Energy Source	Activity Value Unit	Lower Calorific Value	Unit
Natural Gas	thousand m <sup>3</sup>	8,250,000	Kcal
Fuel Oil	1 ton	9,860,000	Kcal
Diesel - Generators and Company Vehicles (On Road)	1 ton	10,200,000	Kcal
Gasoline	1 ton	10,400,000	Kcal

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

Şok Marketler calculates greenhouse gas intensity by following formula;

Total Scope 1-2 Greenhouse Gas Emissions / Number of Employees

While calculating Total Scope 1-2 Greenhouse Gas Emissions, in the calculations made by following the Greenhouse Gas Protocol methodology, for the emission factors used, the IPCC Guidelines for 2006 National Greenhouse Gas Inventories, the Global Warming Potential values in the IPCC 2nd Assessment Report (100 years), Energy and the Ministry of Natural Resources, Turkey Electricity Production and Electricity Consumption Point Emission Factors Information Form, ETKB-EVÇED-FRM-042 Rev.00, and Defra GHG Conversion Factors resources were taken as reference. The greenhouse gases that are included in the calculations caused by fuel and electricity consumptions. Emission Management includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O gases.

\*2: 2006 IPCC Guidelines for National Greenhouse Gas Inventories, (<https://www.ipcc-nggip.iges.or.jp/public/2006gl/>)

\*3: IPCC, 2014: Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland, 151 pp. ([https://www.ipcc.ch/site/assets/uploads/2018/05/SYR\\_AR5\\_FINAL\\_full\\_wcover.pdf](https://www.ipcc.ch/site/assets/uploads/2018/05/SYR_AR5_FINAL_full_wcover.pdf))

\*4: Türkiye Elektrik Üretimi Ve Elektrik Tüketim Noktası Emisyon Faktörleri Bilgi Formu: ETKB-EVÇED-FRM-042 Rev.00 (<https://enerji.gov.tr/Media/Dizin/EVCED/tr/%C3%87evreVe%C4%B0klim/%C4%B0klimDe%C4%9Fi%C5%9Fikli%C4%9Fi/EmisyonFaktorleri/BilgiFormu.pdf>)

\*5: UK Government GHG Conversion Factors for Company Reporting, Conversion factors 2022: full set (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>)

Formula;

Emission amount = Activity Data\*Net Calorific Value\*Emission factor

Subject Matter	Emission Factor	Emission Factor Unit	Net Calorific Value	Net Calorific Value Unit
Natural Gas	56.15	tCO <sub>2</sub> e/TJ	48	TJ/Gg
Fuel Oil	77.64	tCO <sub>2</sub> e/TJ	40.4	TJ/Gg
Electricity	0.44	tCO <sub>2</sub> e/MWh	-	-
Diesel (Stationary Combustion-Generators)	74.34	tCO <sub>2</sub> e/TJ	43.0	TJ/Gg
Diesel (Mobile Combustion)	75.24	tCO <sub>2</sub> e/TJ	43.0	TJ/Gg
Gasoline	71.07	tCO <sub>2</sub> e/TJ	44.3	TJ/Gg
LPG	63.15	tCO <sub>2</sub> e/TJ	47.3	TJ/gg
CO <sub>2</sub> Fire Extinguisher	0.001	tCO <sub>2</sub> e/kg	-	-

### Water Intensity (m<sup>3</sup> / Number of Employees)

Şok Marketler calculates water intensity by the following formula:

Water intensity = Total water consumption / Number of employees

The Company's total water consumption is monitored monthly through the Company's meters and invoices from service providers.

## 2. Social Indicators

### Accident Frequency Rate

ŞOK Marketler calculates the accident frequency rate by the following formula;

Number of Accidents x 200,000 / Total Working Hours

### Accident Severity Rate

ŞOK Marketler calculates accident severity rate by following formula:

Number of lost days x 200,000 / Total working hours

### Restatements

The measuring and reporting of data inevitably involve a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Company level.



# Appendix-4: Independent Assurance Report

## Limited Assurance Report to the Board of Directors of Şok Marketler Ticaret A.Ş.

We have been engaged by the Board of Directors of Şok Marketler Ticaret A.Ş. ("Şirket" veya "Şok Marketler") to perform a limited assurance engagement in respect of the Selected Sustainability Information (the "Selected Information") stated in the Şok Marketler Sustainability Report 2022 (the "Sustainability Report 2022") for the year ended 31 December 2022 and listed below.

### Selected Information

The scope of the Selected Information for the year ended 31 December 2022, which is subject to our limited assurance work, set out in the pages 60,61 and 62 of the Sustainability Report 2022 with the sign "✓" is summarized below:

### Environmental Performance Indicators

- Total Energy Consumption (MWh)
- Energy Intensity (Total Energy Consumption / Total Number of Employees)
- Total Greenhouse Gas Emissions (Scope 1-2) (tonCo2)
- Greenhouse Gas Intensity (Scope 1&2 Greenhouse Gas Emissions / Total Number of employees)
- Total Water Withdrawal (m3)
- Water Density (m3/Total Number of Employees)
- Hazardous Waste Amount (tonnes)
- Non-Hazardous Waste Amount (tonnes)

### Social Performance Indicators

- Number of Employees by Gender (#)
- Number of White-Collar Employees (#)
- Number of Blue-Collar Employees (#)
- Number of Disabled Employees by Gender (#)
- Total Working Hour (hour)
- Number of Accidents (#)
- Number of Lost Days (#)
- Accident Frequency Rate (#)
- Accident Severity Rate (#)
- Number of Fatalities (#)
- Number of Occupational Diseases (#)
- Training Hours (hour)
- Number of Subcontractors by Gender (#)

Our assurance was with respect to the year ended 31 December 2022 information only and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with "✓" in the Sustainability Report 2022 and, any other elements included in the Sustainability Report 2022 and, therefore, do not express any conclusion thereon.



## Appendix-4: Independent Assurance Report

### Criteria

The criteria used by the Company to prepare the Selected Information is set out in section “Sustainability Report 2022 – Reporting Principles” (the “Reporting Principles”) on pages 63,64 and 65 of the Sustainability Report 2022.

### The Company’s Responsibility

The Company is responsible for the content of the Sustainability Report 2022 and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

### Inherent Limitations

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

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

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work has not included examination of the derivation of those factors and other third-party information.

### Our Independence and Quality Management

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

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

### Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information<sup>1</sup>, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

## Appendix-4: Independent Assurance Report

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

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

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

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation.
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company and
- undertook analytical procedures over the reported data.

### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Selected Information for the year ended 31 December 2022, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

### Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Company as a body, to assist the Board of Directors in reporting Company's performance and activities related to the Selected Information. We permit the disclosure of this report within the Sustainability Report 2022 for the year ended 31 December 2022, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Şok Marketler Ticaret A.Ş. as a body and Şok Marketler Ticaret A.Ş. our work or this report save where terms are expressly agreed and with our prior consent in writing.

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

Mert Tüten, SMMM Partner

Istanbul, 28 July 2023





## Appendix-5: GRI Index

<b>Statement of use</b>	ŞOK Marketler Ticaret A.Ş., has reported in accordance with the GRI Standards for the period 1 January to 31 December 2022
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Since the industry standard in the field of food sector has not been prepared yet, no industry standard has been used.

GRI Standard	Disclosure	Location	Omission
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021	2-1	Organizational details	About the Report, page 3 About Us, page 8-9
	2-2	Entities included in the organization's reporting	About the Report, page 3
	2-3	Reporting period, frequency and contact point	About the Report, page 3
	2-4	Restatements of information	There is no revised declaration for the previous period report.
	2-5	External assurance	Independent Assurance Report, page X
	2-6	Activities, value chain and other business relationships	About Us, page 8-11 Our Value Chain, page 12
	2-7	Employees	Performance Indicators, page 61

GRI Standard	Disclosure	Location	Omission
GRI 2: General Disclosures 2021	2-8	Workers who are not employees	Performance Indicators, page 62
	2-9	Governance structure and composition	Our Corporate Governance Perspective, page 13-14
	2-10	Nomination and selection of the highest governance body	Our Corporate Governance Perspective, page 14
	2-11	Chair of the highest governance body	Our Corporate Governance Perspective, page 14
	2-12	Role of the highest governance body in overseeing the management of impacts	Our Corporate Governance Perspective, page 14
	2-13	Delegation of responsibility for managing impacts	Our Corporate Governance Perspective, page 14-15
	2-14	Role of the highest governance body in sustainability reporting	Our Corporate Governance Perspective, page 15 Sustainability Governance, page 27-26
	2-15	Conflicts of interest	Our Corporate Governance Perspective, page 16-17 <a href="#">ŞOK Marketler 2022 Annual Report, Corporate Governance Principles Compliance Report</a>
	2-16	Communication of critical concerns	Our Corporate Governance Perspective, page 17
	2-17	Collective knowledge of the highest governance body	<a href="#">ŞOK Marketler 2022 Annual Report</a> , Board of Directors



## Appendix-5: GRI Index

GRI Standard	Disclosure	Location	Omission
GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	<a href="#">ŞOK Marketler 2022 Annual Report, Corporate Governance Principles Compliance Report</a>
	2-19	Remuneration policies	<a href="#">Remuneration Policy</a>
	2-20	Process to determine remuneration	<a href="#">Remuneration Policy</a>
	2-21	Annual total compensation ratio	<a href="#">Remuneration Policy</a>
	2-22	Statement on sustainable development strategy	CEO Message, page 4-6
	2-23	Policy commitments	Our Corporate Governance Perspective, page 17-18 <a href="#">ŞOK Marketler 2022 Annual Report, Corporate Governance Principles Compliance Report</a>
	2-24	Embedding policy commitments	Our Corporate Governance Perspective, page 17-18 <a href="#">ŞOK Marketler 2022 Annual Report, Corporate Governance Principles Compliance Report</a>
	2-25	Processes to remediate negative impacts	Our Corporate Governance Perspective, page 17-18

GRI Standard	Disclosure	Location	Omission
	2-26	Mechanisms for seeking advice and raising concerns	Our Corporate Governance Perspective, page 17-18 <a href="#">ŞOK Marketler 2022 Annual Report, Corporate Governance Principles Compliance Report</a>
	2-27	Compliance with laws and regulations	There is no non-compliance with laws and regulations.
	2-28	Membership associations	<a href="#">ŞOK Marketler 2022 Annual Report</a>
	2-29	Approach to stakeholder engagement	Our Sustainability Perspective, page 26
	2-30	Collective bargaining agreements	Performance Indicators, page 62
<b>Material Topics</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our Sustainability Perspective, page 24
	3-2	List of material topics	Our Sustainability Perspective, page 24-25



## Appendix-5: GRI Index

GRI Standard	Disclosure	Location	Omission
<b>Economic Performance</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	About Us, page 10
	201-1	Direct economic value generated and distributed	About Us, page 10
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Our Sustainability Perspective, page 22-23
	201-3	Defined benefit plan obligations and other retirement plans	Our Employees, page 40-42
	201-4	Financial assistance received from government	About Us, page 10
<b>Market Presence</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Corporate Governance Perspective, page 18-19
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<a href="#">Remuneration Policy</a>
	202-2	Yerel Societydan İşe Alınan Üst Düzey Yöneticilerin Oranı	Our Corporate Governance Perspective, page 14-15

GRI Standard	Disclosure	Location	Omission
<b>Indirect Economic Impact</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	About Us, page 10 Society, page 48
GRI 203: Indirect Economic Impact 2016	203-1	Infrastructure investments and services supported	About Us, page 10 Society, page 48
	203-2	Significant indirect economic impacts	About Us, page 10 Society, page 48
<b>Procurement Practices</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Supply Chain, page 45-46
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Supply Chain, page 45-46
<b>Anti-corruption</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Corporate Governance Perspective, page 18-19
	205-1	Operations assessed for risks related to corruption	Our Corporate Governance Perspective, page 18-19
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Our Corporate Governance Perspective, page 18-19
	205-3	Confirmed incidents of corruption and actions taken	Our Corporate Governance Perspective, page 18-19





## Appendix-5: GRI Index

GRI Standard	Disclosure	Location	Omission
Anti-competitive Behavior			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Corporate Governance Perspective, page 17
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During the reporting period, there were no lawsuits filed regarding anti-competitive behavior, antitrust or monopoly activities.
Tax			
GRI 3: Material Topics 2021	3-3	Management of material topics	About Us, page 10
GRI 207: Tax 2019	207-1	Tax approach	<a href="#">ŞOK Marketler 2022 Annual Report, Corporate Governance Principles Compliance Report</a> <a href="#">ŞOK Marketler 2022 Annual Report</a> , page 131-133
	207-2	Tax governance, control, and risk management	Our Corporate Governance Perspective, page 16-18
	207-3	Stakeholder engagement and management of concerns related to tax	About Us, page 10 Our Sustainability Perspective, page 26

GRI Standard	Disclosure		Location	Omission
GRI 207: Tax 2019	207-4	Country-based reporting	About Us, page 10 <a href="#">ŞOK Marketler 2022 Annual Report</a> , page 131-133	
<b>Materials</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Waste Management and Plastic, page 34-36	
GRI 301: Materials 2016	301-1	Amount of materials used	Waste Management and Plastic, page 34-36	
	301-2	Recycled input materials used	Waste Management and Plastic, page 34-36	
	301-3	Reclaimed products and related packaging materials	Waste Management and Plastic, page 34-36	
<b>Energy</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Working for the Future of Environment, page 30 Combating Climate Change, page 31-32	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Combating Climate Change, page 31-32	
	302-2	Energy consumption outside of the organization	Combating Climate Change, page 31-32	
	302-3	Energy intensity	Performance Indicators, page 60	
	302-4	Reduction of energy consumption	Combating Climate Change, page 31-32	



## Appendix-5: GRI Index

GRI Standard	Disclosure	Location	Omission
<b>Water and Effluents</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Water Management, page 33
GRI 303: Water and waste water 2018	303-1	Interactions with water as a shared resource	Water Management, page 33
	303-2	Management of water discharge-related impacts	Water Management, page 33
	303-3	Water withdrawal	Water Management, page 33
	303-4	Water discharge	Water Management, page 33
	303-5	Water consumption	Water Management, page 33
<b>Emissions</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Working for the Future of Environment, page 30 Combating Climate Change, page 31-32
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Combating Climate Change, page 31-32
	305-2	Energy indirect (Scope 2) GHG emissions	Combating Climate Change, page 31-32
	305-3	Other indirect (Scope 3) GHG emissions	Combating Climate Change, page 31-32
	305-4	GHG emissions intensity	Performance Indicators, page 60

GRI Standard	Disclosure	Location	Omission
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	Combating Climate Change, page 31-32
<b>Waste</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Waste Management and Plastic, page 34-36
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management and Plastic, page 34-36
	306-2	Management of significant waste-related impacts	Waste Management and Plastic, page 34-36
	306-3	Waste generated	Performance Indicators, page 60
	306-4	Waste Sent to Disposal	Performance Indicators, page 60
	306-5	Waste prevented from being sent to disposal	Performance Indicators, page 60
<b>Supplier Environmental Assessment</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Supply Chain, page 45-46
GRI 308: Environmental Assessment of Suppliers 2016	308-1	New suppliers that were audited using environmental criteria	Supply Chain, page 45-46
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain, page 45-46



## Appendix-5: GRI Index

GRI Standard	Disclosure	Location	Omission
<b>Employment</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Employees, page 39-40
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Performance Indicators, page 62
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Employees, page 39-43
	401-3	Parental leave	Performance Indicators, page 62
<b>Labor/Management relations</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Employees, page 40-41
GRI 402: Labor/Management relations 2016	402-1	Minimum notice periods regarding operational changes	Our Employees, page 43

GRI Standard	Disclosure	Location	Omission
<b>Occupational Health and Safety</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Employees, page 44
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Our Employees, page 44
	403-2	Hazard identification, risk assessment, and incident investigation	Our Employees, page 44
	403-3	Occupational health services	Our Employees, page 44
	403-4	Worker participation, consultation, and communication on occupational health and safety	Our Employees, page 44
	403-5	Worker training on occupational health and safety	Our Employees, page 44
	403-6	Promotion of worker health	Our Employees, page 44
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our Employees, page 44
	403-8	Workers covered by an occupational health and safety management system	Our Employees, page 44
	403-9	Work-related injuries	Performance Indicators, page 62
	403-10	Work-related illness	Performance Indicators, page 62



## Appendix-5: GRI Index

GRI Standard	Disclosure	Location	Omission
<b>Training and Education</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Employees, page 42-43
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Our Employees, page 42
	404-2	Programs for upgrading employee skills and transition assistance programs	Our Employees, page 42-43
	404-3	Percentage of employees receiving regular performance and career development reviews	Our Employees, page 40-41
<b>Diversity and Equal Opportunity</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Employees, page 39-40
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Our Employees, page 39-40
	405-2	Ratio of basic salary and remuneration of women to men	Our Employees, page 39-40

GRI Standard	Disclosure	Location	Omission
<b>Non-Discrimination</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Corporate Governance Perspective, page 17
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	There were no notifications during the reporting period.
<b>Freedom of Association and Collective Bargaining</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Corporate Governance Perspective, page 17
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Performance Indicators, page 62
<b>Child Labor</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Corporate Governance Perspective, page 17
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">ŞOK Marketler Ethics</a>





## Appendix-5: GRI Index

GRI Standard	Disclosure	Location	Omission
<b>Forced or Compulsory Labor</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Corporate Governance Perspective, page 17
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">ŞOK Marketler Ethics</a>
<b>Local Communities</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Supply Chain, page 45-46 Society, page 48
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Supply Chain, page 45-46 Society, page 48
	413-2	Significant Actual and Potential Adverse Impacts on Local Communities	Supply Chain, page 45-46 Society, page 48

GRI Standard	Disclosure	Location	Omission
<b>Supplier Social Assessment</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Supply Chain, page 45-46
GRI 414: Social Assessment of Suppliers 2016	414-1	New suppliers that were audited by using social criteria	Supply Chain, page 45-46
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain, page 45-46
<b>Customer Health and Safety</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Diverse, Accessible and Quality Products, page 50-53
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Diverse, Accessible and Quality Products, page 50-53
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Diverse, Accessible and Quality Products, page 50-53



## Appendix-5: GRI Index

GRI Standard	Disclosure	Location	Omission
<b>Marketing and Labeling</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Responsible Marketing and Labelling, page 56
	417-1	Product and service information and labeling	Responsible Marketing and Labelling, page 56
GRI 417: Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	Responsible Marketing and Labelling, page 56
	417-3	Incidents of non-compliance concerning marketing communications	Responsible Marketing and Labelling, page 56
<b>Customer Privacy</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Data Security and Privacy, page 57
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Privacy, page 57



## Appendix-6: Info

To get more detailed information about and to submit your suggestions for ŞOK Marketler Sustainability Report:

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### Legal Notice

The ŞOK Marketler Sustainability Report (Report) has been prepared by ŞOK Marketler Ticaret A.Ş. (ŞOK Marketler) in accordance with the GRI Reporting Principles. All information and opinions contained in this document, which do not purport to be complete, have been provided by ŞOK Marketler and have not been independently verified for the purpose of this document. This Report has been prepared for informational purposes only and is not intended to form the basis for any investment decision. Accordingly, neither ŞOK Marketler nor any of its affiliated companies, nor any of their board members, advisors, directors or employees shall be liable for any loss or damage suffered directly or indirectly by any person as a result of any information or communication provided in this Report or as a result of any information contained or omitted from this Report.

