



2020

**SUSTAINABILITY
REPORT**





**SUSTAINABILITY
REPORT**



Contents

3	Message from the General Manager	22	People Empower
5	Bizim Toptan	30	Occupational Health and Safety
6	Corporate Management	32	Planet Restore
8	Our Sustainability Approach	36	Annexes
12	Products Inspire		
16	Customer Relations and Satisfaction		



Message from the General Manager

Dear Stakeholders,

It has been a tough year. As Turkey's most widespread Cash & Carry company, we have prioritized protecting the health of our employees and customers since the first day of the pandemic, adopting the "Along with Life" approach as well as our "Along with Trade" approach. We have focused on providing uninterrupted services during this period, delivering the products our customers need according to our low-price policy. However, thanks to our multi-channel business model and responsible corporate culture, we have continued to grow, facing these extraordinary challenges together with all our stakeholders, and obtaining the Turkish Standards Institute (TSI) COVID-19 Safe Production Certificate.

We have also continued investing in digitalization in order to respond quickly to changing consumer trends the pandemic has created. Since 2020, we have transformed ourselves into a trading platform that serves our customers through many different channels. As our digital trade volume has grown, we have also focused on increasing our number of private label products and corporate customers. With our newly designed e-commerce infrastructure, we have delivered products all over Turkey with just one click, providing our customers with a reliable and contactless shopping experience. Our online sales channels grew by 174% compared to 2019, with a yearly turnover of 51 million TL. Our Click-Come-Pick-Up application also reached over 200,000 users,

offering consumers nearly 5,000 products and creating a fast and effective solution to the changing demands of the industry.

In 2020, we expanded our supply chain business partnership model referred to as SEÇ stores. We increased our accessibility with the power of professional sales through our PROSAF sales channel, and improved our customers' experience with innovative applications such as tele-sales.

In 2020, we transformed into a trading platform that serves our customers through many different channels.

Bizim Toptan has been the biggest supporter of local production, whose many benefits range from reducing carbon emissions from logistics to strengthening local economies and people. All the suppliers we worked with in 2020 were local suppliers, and we consider each of them to be business partners, as per our principles. We have grown and become stronger together thanks to the training programs we have been providing.

Bizim Toptan supports local production, and 100% of our suppliers are local.

Along with our strong financial performance, we are continuously improving our environmental, social, and governance (ESG) performances, with the aim of sustainable, responsible growth. We carry out our sustainability activities according to Yıldız

Holding's sustainability approach called "This Is Our World". We track our environmental, social, and economic performances under the headings Products - Inspire; People - Empower; and Planet - Restore.

Throughout our whole value chain, we perform innovative practices to ensure that our activities are sustainable and environmentally responsible. We also take action concerning effective energy efficiency, and waste and water management. We care about preventing waste in our country, so we cooperate with various stakeholders to prevent and reduce waste. For example, in cooperation with Fazla Gıda (an initiative established to serve in the area of responsible production and consumption) we used 79 tons of surplus products as animal feed.

Our work to improve our ESG performance qualified us to be listed in the BIST Sustainability Index in 2020.

In line with our goal of sustainable growth, I am pleased to present our esteemed stakeholders with our 2020 Sustainability Report, in which we share our strategies, targets, impacts, and performance in the environmental, social and governance fields. I would like to take this opportunity to thank all our stakeholders, especially our employees, who contributed to the preparation of this report.

Hüseyin Balcı
General Manager

About the Report



2017



2018



2019



2020

This is Bizim Toptan Satış Mağazaları A.Ş.'s fourth Sustainability Report, in which we share all our efforts in the environmental, social, and governance fields, carried out according to Yıldız Holding's This Is Our World sustainability approach.

With this report, we present our stakeholders with the sustainability performance of our activities pertaining to the environment and society, and that create economic value. This report has been prepared in accordance with the "Core" option of the Global Reporting Initiative (GRI) Standards.

This report covers our performance from January 1 to December 31, 2020, and we have compared this with past data where necessary to display any changes.



Any questions, opinions, or suggestions can be sent to surdurulebilirlik@bizimtoptan.com.tr

Bizim Toptan

Bizim Toptan Satış Mağazaları A.Ş. is a wholesaler for national and international companies and brands that are well-known by consumers in main product categories such as food, non-alcoholic beverages, tobacco products, cleaning supplies, personal care, and paper products.

With 173 stores in 70 provinces, powerful Customer Relationship Management (CRM) applications and a multi-channel sales model, we are the biggest in terms of store numbers, the most widespread in terms of accessibility, and the most innovative company in the Cash & Carry sector. We have been traded on the Istanbul Stock Exchange (BIST) since 2011. We purchased a business partnership goods supply system in July 2014 and became the supplier of member markets within this system. By this means, we became the only and leading company in the industry to operate the business partnership goods supply system.

We earned the right to be included on the Istanbul Stock Exchange Sustainability Index in 2020.

In line with our strategic plans, we are focusing on increasing the variety and number of our customers, we are increasing

store efficiency for a higher turnover per store, and we are developing alternative sales channels and digital sales platform channels.

Wholesalers, merchants, grocers, markets, supermarkets, specialized retailers, our SEÇ business partners, hotels, restaurants, and cafes constitute the general customer portfolio of Bizim Toptan. Individual customers are also free to shop with us. Customer consumption habits are becoming more and more important every day, so in the field of digital commerce, which has a great growth potential, we offer our customers the Bizim Toptan Digital sales platform, with its industry pioneering applications.

Our customers can shop on www.bizimtoptan.com.tr and mobile platforms.

Vision

To be the number one wholesaler in Turkey with a widespread, contemporary, and reliable concept in the fast-moving consumer goods sector.

Mission

To be a strategic business partner that reduces the costs and risks of its customers and suppliers and provides them with competitive advantages.

BİZİM TOPTAN BY THE NUMBERS

173 stores in
70 provinces

2,538 employees

Approximately
2.2 million¹
active customers

An average of
30,000
customers daily

Stores with
average net sales
areas of
1.000 m²²

Averaging
3,500
inventory items
per store

Approximately
8,000 product types
in stores across Turkey

571 suppliers

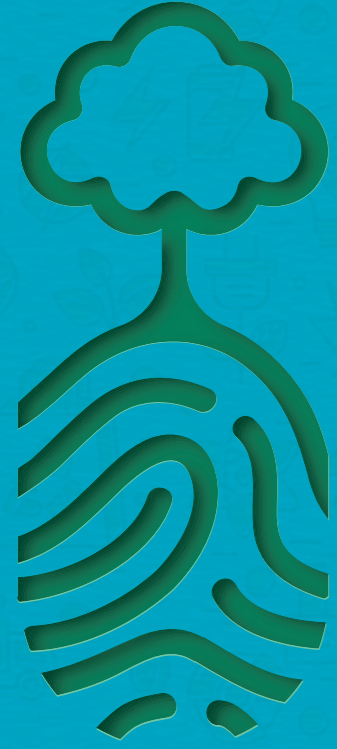
PROSAF team
consisting of
303 people operating
in 102 stores
in 70 provinces

1,209 SEÇ Stores
working with dealership
models in 77 provinces

5.4 billion TL
sales volume

¹ This data is valid as of December 31, 2020.

² This refers to the average closed store area.



Corporate Management

Our corporate governance approach is based on the principles of transparency, responsibility, and accountability. We consider the establishment of a trust-based relationship with our stakeholders as one of our most fundamental duties. Our corporate governance approach is based on full compliance with the Capital Markets Board (CMB) Corporate Governance Principles and all legal regulations. The Board of Directors, which consists of eight members, three of whom are independent, constitutes the highest body of our corporate governance structure. A new Board of Directors was elected at the Ordinary General Assembly Meeting in 2020. There is one

female member on the Board of Directors. The Chairman of the Board of Directors and the Chief Executive Officer are different people. Consists of the General Manager and senior executives, the Senior Management is responsible for execution. The Board of Directors convenes when necessary depending on the activities of Bizim Toptan. The Audit Committee, the Early Detection of Risk Committee, the Corporate Governance Committee, and the Sustainability Committee operate in support of the Board of Directors. The Corporate Governance Committee also performs Nomination and Compensation Committee duties as necessary. The principles of corporate governance implementation

and the reasons for corporate governance principles not applied are included in the Corporate Governance Principles Compliance Report. You can find detailed information about our Corporate Governance structure on pages 25-29 of the [2020 Annual Report](#) and the [2020 Corporate Governance Principles Compliance Report](#).

[On our corporate website](#), you can access detailed information about the Audit Committee, the Corporate Governance Committee, and the Early Detection of Risk Committee working under the Board of Directors.

Ethical Principles

Ethical principles are the foundation of how we do business. In 2018, we collected these principles as the Bizim Toptan Satış Mağazaları Inc. Ethical Principles. They guide our work against anti-bribery and corruption. We expect all our stakeholders, especially our employees and suppliers, to comply with these principles. We have provided Ethical Principles training to the employees of our Head Office since 2019 through OnCampus, an online training platform. As of the end of 2020, we have provided a total of 588 hours of ethical principles training to our employees.

Our stakeholders can notify bribery, corruption, and ethical rule violations through the Yıldız Holding Ethics Notification Line (0216 524 34 24), or they can send an e-mail to etik.bildirim@yildizholding.com.tr. In addition, the Yıldız Holding Customer Relations Center, call center 0212 576 33 00 and mim@yildizholding.com.tr are also available as channels through which ethical notifications can be made. We keep these notifications confidential. Employees who are found to violate ethical principles are referred to the Disciplinary Board. The Disciplinary Board, together with the Executive Board, imposes sanctions when necessary, including termination of employment. In 2020, four notifications for Bizim Toptan were submitted to the Ethics Committee and all of them were resolved. There were no notifications of bribery or corruption.

In addition to the Yıldız Holding Ethics Notification Line, we created the Bizim Toptan

Notification Line in 2020. We take immediate action in case of a situation or behavior contrary to our company's rules and procedures, the rules on the Disciplinary Board Punishment Sheet, our working principles, or our ethical principles and legal processes. A total of twelve notifications were submitted during the year. We investigated all the notifications and took action as necessary.

You can access the Bizim Toptan Satış Mağazaları A.Ş. Ethical Principles [here](#).

Risk Management

Within the scope of risk management, we address all the factors that might damage the company's reputation or the trust relationship established between us and our stakeholders, or that might hinder the company's achievement of its financial and operational goals, and determine the actions necessary. We analyze potential balance sheet risks in five groups - strategic, operational, financial, compliance, and reputation. The Early Detection of Risk Committee, which works with the Board of Directors performs risk assessment activities. The committee comprehensively evaluates risk factors and then creates prevention plans against these risks. The Investor Relations Senior Management of Bizim Toptan, the Risk Management and Internal Auditing Units of Yıldız Holding carry out the risk management together.

By notifying relevant committee and board members of audit results, all company work flows

and employee authorizations are taken under control within the scope of risk management. The Audit Committee, which consists entirely of independent members, is responsible for conducting all internal and independent audits of our financial data in a sufficient and transparent way. We are also working on creating a risk management system together with Yıldız Holding. We maintain our strategic goals and detailed analyses, updates, root causes, results, and probability studies of possible risks to achieving these goals. We continuously monitor the risk map we created and share it regularly with the Early Detection of Risk Committee.

In 2020, we organized risk inventory workshops involving all Bizim Toptan senior management staff, bringing together the relevant managers and employees for root cause analyses. We put the Near Miss application into practice, which enables employees to proactively identify risks using an application on their phones. We see this practice as an important step towards spreading awareness of risk within the company to all employees, be they blue or white collar. In addition, we have conducted earthquake and natural disaster analyses in our stores and established committees responsible for taking the necessary actions.

You can access the Duties and Working Principles of the Audit Committee [here](#).

You can find detailed information about the Early Detection of Risk Committee on page 81 of the [2020 Annual Report](#).

Our Sustainability Approach

Climate change, extreme weather events, environmental problems, and limited natural resources are the leading risks stated in the World Economic Forum (WEF) 2021 Global Risks Report³. In addition, the world is going through a very rapid and radical change with the COVID-19 pandemic that started in 2020. On the other hand, global trends such as digitalization and rapid urbanization are increasing their impact in the world. Since this change has differentiated individual preferences and expectations, the business world is also affected by changing customer demands in various ways. As a company operating in the food and retail industry, we know that we can maintain our competitive advantage by observing these changes closely and taking the necessary actions.

We at Bizim Toptan continue to do our share of the sustainability transformation initiated by Yıldız Holding's "This Is Our World" approach, and manage the environmental, social, and economic effects of our activities accordingly. The Bizim Toptan Sustainability Committee coordinates

ESG work for sustainability management. In line with Yıldız Holding's sustainability strategy, the committee is responsible for setting corporate goals, planning and implementing necessary actions, and monitoring ESG performance in order to improve ESG performance.

The Committee is formed and appointed with the approval of the Board of Directors. The execution takes place under the sponsorship of the Vice President of the Board of Directors, the chairmanship of the General Manager, and the secretariat of the Investor Relations Senior Manager. Eleven members, including the Marketing and Customer Relations Director, the Human Resources Director, the Supply Chain and Channel Development Director, the Marketing Manager, the Brand Manager, the Environmental Management Representative, the Quality Specialist, and the Project Manager, are responsible for decisions regarding sustainability. Our General Manager is also a member of Yıldız Holding's Sustainability Platform, which performs its activities under the main sponsorship of Yıldız



Holding Chairman of the Board, Ali Ülker and under the chairmanship of Yıldız Holding General Manager, Mehmet Tütüncü.

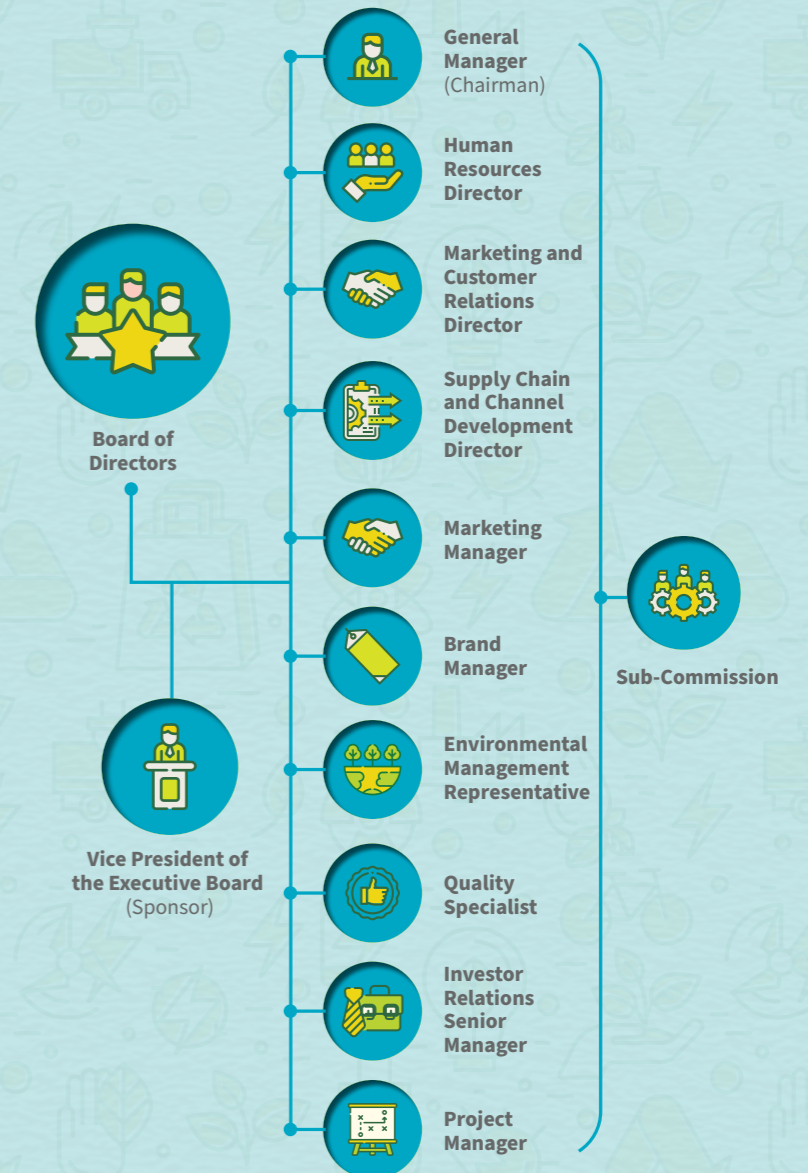
The platform aims to help Yıldız Holding's subsidiaries integrate sustainability into their business practices and guides them on the journey of global sustainability leadership. In addition to the platform, the Sustainability Steering Committee established under the chairmanship of Yıldız Holding Vice Chairman of the Management Board and General Manager Mehmet Tütüncü, is responsible for the consolidation, coordination, goals, and strategies of sustainability projects run by Yıldız Holding Turkey.

The Bizim Toptan Sustainability Committee meets at least twice a year as necessary. Decisions made by the Committee are regularly reported to the Board of Directors by the Chairman of the Committee. The Sub-Commission (working group) was established in 2019 in order to carry out work under the Sustainability Committee, and is responsible for making decisions on sustainability throughout the company and monitoring their progress. We present our sustainability performance to our stakeholders through the sustainability report as a result of Committee and Sub-Commission work.

The Sub-Commission works to implement Sustainability Committee's decisions throughout the company, and supports the Committee. The Sub-Commission consists of ten members, including the Special Channels Sales Specialist, the Maintenance Repair Manager, the Demand Planning and Supply Chain Managers, the Human Resources Manager, the Assistant Quality Specialist, the Software Specialist, the Sales Operations Manager, the Project Manager, and a representative from the Finance Directorate.

You can find detailed information about the Duties and Working Principles of the Sustainability Committee on [the sustainability tab of our corporate website](#).

Sustainability Committee Organizational Structure



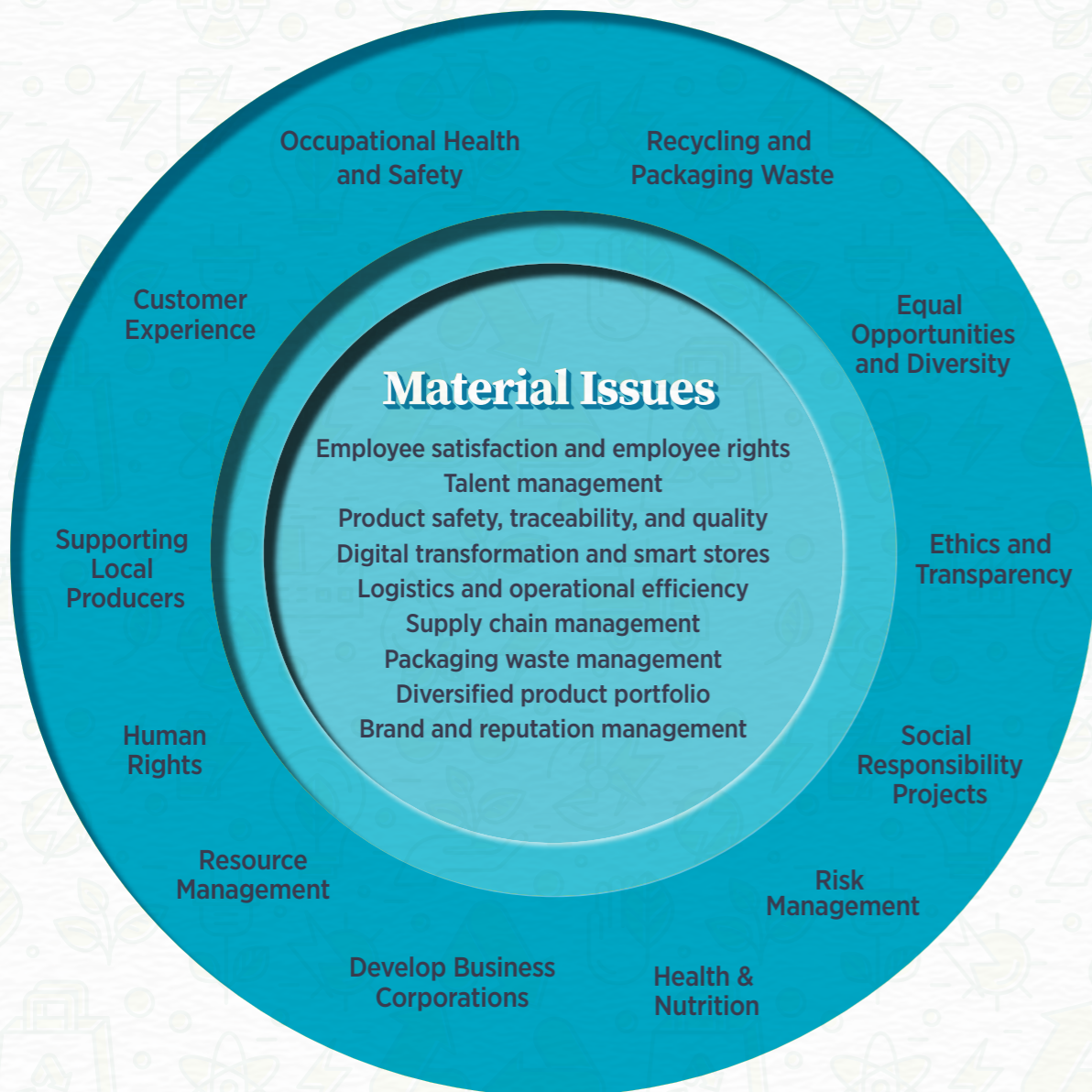
³ The Global Risks Report 2021, World Economic Forum (WEF), 2021.

Material Issues

At Bizim Toptan, we improve our financial, environmental, and social effects in line with our sustainable growth goals, implementing practices that strengthen our society, environment, and all stakeholders while improving our company's performance. We asked our internal and

external stakeholders for their opinions on what our priorities should be and finalized them as employee satisfaction, talent management, quality and product safety, digitalization, logistics, and supply chain management. We carried out a goal-setting workshop with Committee members in 2019

to set goals that will enhance the company's performance on material issues. We are continuing to work to improve our sustainability performance, and we aim to review and update our materiality analysis in 2021 in line with changing conditions, expectations, and demands.



Communication with Stakeholders

We use various methods to communicate with our stakeholders.

Stakeholder Group	Communication Method	Frequency
Employees	Internal information e-mails, internal communication bulletins, meetings, satisfaction surveys, website, social media, OnCampus (Corporate social communication platform)	Continuous
Customers	Website, social media, information e-mails, text messages, surveys, mobile applications, Customer Communication Center (CCC).	Continuous
Suppliers	B2B meetings, e-mail, meetings, site visits.	Continuous
Business Partners	Audits, B2B meetings, e-mail.	Continuous
Non-Governmental Organizations and Associations	Joint projects.	At least twice a year
Investors	Investor conferences, roadshows, webcasts following quarterly financial results announcements, documents shared through the investor relations website and statements published on the Public Disclosure Platform.	Continuous
Analysts	Investor conferences, roadshows, webcasts following the quarterly financial results announcements, documents shared through the investor relations website and statements published on Public Disclosure Platform. In addition, the analyst day meeting is held once a year with other publicly traded companies of our main partner Yıldız Holding A.Ş.	Continuous



Products Inspire

We offer our customers safe, quality products with competitive advantages.

With our customer-oriented business culture, our goal is to keep customer satisfaction at its highest level.

Quality and Affordable Products

With a diverse product portfolio consisting of approximately 700 brands, we offer our customers economical products with no sacrifice of quality standards. We focus on quality and food safety, which are among our high priority issues, and present consumers with products produced in accordance with international standards. The goal of our customer-oriented business model is to always be increasing customer satisfaction.

Along with the importance we give to customer satisfaction, we also strengthen society and reduce our environmental impact by focusing on priority issues. We determine our focal points using the guidance of the United Nations (UN) Sustainable Development Goals (SDGs). We contribute to the SDG 8-Decent Work and Economic Growth and SDG 12-Responsible Consumption and Production.

With 173 stores in 70 provinces, we serve approximately 8,000 kinds of quality, economical products to over 2.2 million customers. Our goal is to create a wide customer network by our economical products that do not sacrifice quality and increase the purchasing power of our customers. In order to



support domestic production, we deliver customers products we purchased from 571 different domestic suppliers, and we use a route optimization application to keep employee and customer satisfaction at a high level while shipping.

We are the most widespread company in the Cash & Carry sector in terms of the number of stores. Bizim Toptan aims to offer a wide portfolio of reliable, quality products to customers and provide digital solutions to support customers' business processes. We started the buy-sell business model in 2019 and expanded to all our stores in 2020 reaching over 200,000 users. We aim to advance this business model by cooperating with companies to create an online sales channel (online marketplace) using the Click-Come-Pick-Up application.



We respond to the needs of more than **2.2 million** customers with over **6,800** different product types and **173** stores in **70** provinces.



In 2020, our turnover volume of private label products increased by 41% compared to the previous year, reaching 924 million TL.

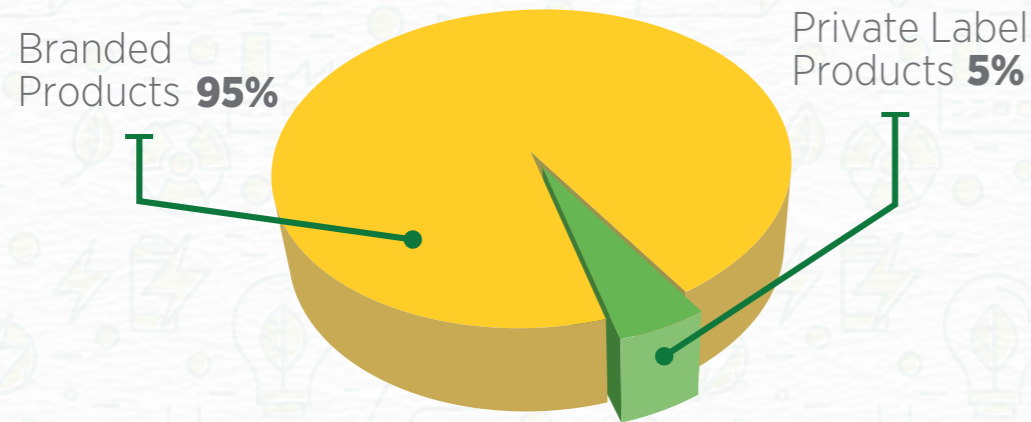
We deliver domestic and international brands and private label products to our customers with competitive price advantages in 15 different categories, such as staple foods, snacks, delicatessen and breakfast foods, soft drinks, and cleaning and non-food products. We offer our customers a total of 315 products from 20 private brands.

We take our customers' expectations into account

when creating a product portfolio, and as necessary, we update them regionally to meet the demands of customers, diversifying it with private label products.

95% of our products are branded products and 5% are private label products. In 2020, our turnover volume of private label products increased by 41% compared to the previous year, reaching 924 million TL. The share of revenues from the sales of private label products

increased from 21% to 24%, excluding sugar and tobacco products, reaching 1.25 million customers at an increase of 25%. We plan to further develop our line of private label products in the coming years with the private brands team, the quality assurance team, the trade teams, all the sales and field teams, and the supply planning team collaborating.



Product Ratios by Brands (%)

Product Safety and Quality

We conduct our operations according to the quality standards we have set, from the supply chain to the shelves, so that customers can shop with confidence, and then safely present the goods they've bought to their own customers. We check all the private label products we offer to customers for compliance with legal regulations and international safety and quality standards. They all comply with the Turkish Food Codex Criteria, and we manage our stores in accordance with the quality standards specified in the ISO 9001:2008 Quality Management System.

We regularly conduct supplier audits to ensure suitable production conditions within the scope of food safety and suitability for human health. We evaluate all private label products and all suppliers we work with in terms of consumer health and safety, carrying out inspection and controls on compliance with human health, food safety, and production in healthy and hygienic conditions. In addition, we ensure the quality and food safety of private label products by performing periodic inspections and analyses.

Thanks to our efforts to protect the health of our employees and customers against COVID-19,

we received the TSE COVID-19 Safe Production Certificate. Our meetings were moved to online platforms where we provided informative trainings about COVID-19 and our initiatives regarding hygiene in common areas to create a safe working and shopping experience.

Also, we are producing 90% of our private label products at plants certified with international food safety management systems. We are evaluating all of these products in terms of consumer health and safety.

We manage all Bizim Toptan stores using the ISO 9001:2008 Quality Management System.

In addition, we are providing trainings to all store employees on Quality, Food Safety, Occupational Safety Systems, and Hygiene Standards. With these trainings, we ensure that employees both act in full awareness of food safety responsibility at each stage of the sales process, starting from the goods acceptance process, and provide safe, healthy services to customers. In 2020, 27 manager candidates received a total of 40.5 person*hours of food safety training as part of the B-Raise Manager Training Program.

As of 2020, quality control staff started to work in our main logistics warehouses, providing the necessary checks during goods acceptance, warehouse cleaning, and order and pest control.

After determining a new store or warehouse location and completing the construction Works, we perform environmental risk audits in this location. We evaluate the environmental risks in terms of pest management and take any necessary measures in this regard.



You can find our **Understanding of Quality (Turkish) [here](#).**



You can find our **Food Safety Policy [here](#).**

Customer Relations and Satisfaction

Despite the pandemic conditions, we offered our customers pioneering applications thanks to our multi-channel sales strategy and strong customer relations management. We see our customers as our strategic business partners, so we focus on their satisfaction. We closely follow their needs and demands. We offer healthy, quality, reliable, and advantageous products that meet these needs and demands, and we implement innovative applications. In this way, we increase customer satisfaction, enhance customer experience, and focus on different customer and consumer groups. Our number of customers increased by 14.8% compared to the previous year, exceeding 2.2 million. The number of customers using online channels in 2020 was approximately 230,000.

56% of our customers are SMEs. All 173 of our stores in 70 provinces support local employment and strengthen SMEs, offering them the products they need at the closest location, with affordable prices, and with a wide product portfolio.

Our priorities in 2020 were “health” and “sustainable, uninterrupted service” due to the COVID-19 pandemic. We prioritized the health of our customers and our employees. We improved our multi-channel sales model, altering our targets

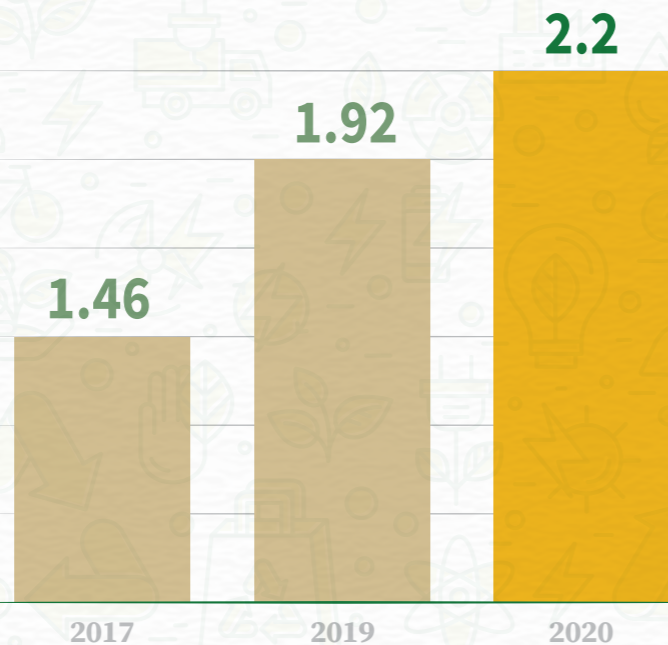
for managing digitalization and resource planning in 2020 and making the Click-Come-Pick-Up application, which had been tested in Istanbul in 2019, available in all stores.

Despite the negative impact of the pandemic restrictions on canteen and out-of-home consumption (OHC) customers, PROSAF expanded its service to 5 more cities, totaling 102 stores in 70 provinces. Tele-sales became operational towards the end of 2020, providing support to PROSAF customers over the phone along with face-to-face service.

With strong customer relationship management, our number of customers increased by 14.8% compared to the previous year, exceeding 2.2 million.

We achieved a turnover of 51 million TL, with 174% growth in online sales channels in 2020.

Number of Customers (Million People)



Voice of the Customer

Bizim Toptan has transformed into a trading platform that serves customers over many online and offline channels. In order to keep customer satisfaction at the highest level, we made our value to customers visible by regularly monitoring and evaluating customer feedback using social media, e-mail, our call center, website comments, and mystery shopper research. We created customer experience measurement tools with the Voice of the Customer Project. We developed

actions according to customer expectations based on the insight obtained from this project.

We collected customer complaints, requests, opinions, and suggestions by actively using channels such as MIM, the Digital Commerce Call Center, Somera, surveys, and customer representatives. We digitalized all customer-contact processes to make them measurable. We identified improvement areas and made progress in line with the expectations of

our customers to improve their experience and increase their satisfaction.

Upon completion of the project, we reduced the number of complaints from 19 to 16 per 100,000 invoices. We increased the satisfaction rate of store services from 3.80 in the third quarter, to 3.92 in the last quarter of the year. Our Digital Commerce Satisfaction rate increased by 10% compared to 2019, reaching 3.91.

Customer Groups and Channels





Customer Feedback

We collect customer feedback about our products and services through various channels and use it to develop our services in every field according to their requests and demands.

We receive and respond to customer feedback through MIM's call center at 0850 969 62 96, our website communication channel, and social media accounts. Our Customer Experience Management Directorate answers notifications received by Yıldız Holding's MIM within 48 hours. In 2020, we received a total of 6,275 feedback messages from customers. 66% of them were resolved with the first contact. When resolving notifications, we ensure the confidentiality and information security of customers in accordance with the Personal Data Protection Law and Yıldız Holding MIM Policy.

In addition to our proactive works, we also identify areas to improve using studies that measure customer satisfaction levels and take any necessary steps. We conducted our first Customer Satisfaction Survey in 2017, and in 2020 we conducted the fourth one. According to the 2020 survey results from 76,600 customers, our customer satisfaction score was determined as 4. We aim to increase this rate to 4.1 in 2021. Our mystery shopper survey results showed the satisfaction rate to be 85% in 2020, 7 points above the industry average.

We send survey text messages to our customers to measure their satisfaction following their shopping and take action based on their feedback.



The New Power of Sales PROSAF

(Professional Sales Power)
Professional Sales Team

PROSAF is a micro distribution channel we use to supply and distribute products to gas station markets, school and hospital canteens, fast food outlets, and out-of-home consumption and corporate sales points such as kiosks and cafes. We offer customers all the products they need with short or long-term agreements, and provide special advantages and services.

By creating a special product portfolio for each customer group, we provide all the products our customers need. We deliver all the brands in our stores to traditional and out-of-home consumption points. With a turnover of 400 million TL in 2020, we grew by 28% and took one step closer to our goal of becoming widespread across the whole of Turkey.

We offer customers all the products they need with advantages such as getting them from a single supplier, online ordering, flexible payment options, on-site delivery, and easy returns and exchanges. Our PROSAF team of 303 people operates in 102 stores in 70 provinces, offering a wide portfolio of

more than 7,000 branded and private label products from more than 450 suppliers.

With PROSAF, we provide our customers with arrangement & display support, easy returns & exchanges, flexible payment advantages, on-site delivery, alternative order channels, and operational convenience advantages.

Despite the decrease in out-of-home consumption due to COVID-19, we made strategic decisions to continue our growth, such as focusing on companies who continued to operate like fuel stations, bakeries, and business kitchens. We met our customers' needs by anticipating their rapidly changing demands and taking quick action.

This is how we increased our number of customers from 15,000 in 2019, to 23,000 in 2020, growing by 28% and reaching a turnover of 400 million TL compared to the previous year. We are planning for the future, making the necessary digital investments to expand throughout Turkey.





Digital Trade

In the light of technological developments, changing shopping habits due to digitalization, and daily increasing digital trade volume, we changed the address of our digital sales platform we launched in 2017 to bizimtoptan.com.tr.

The first stage of our digital trade infrastructure renewal project was to adapt to the changing consumer demands of the retail industry by combining the multi-channel digital sales functions of Bizim Toptan Satış Mağazaları on a single platform.

In the second phase of the project, we plan to provide the same infrastructure for the digital sales platforms of PROSAF and PLATINUM (large wholesale customer) sales channels in 2021.



When customers order products using our website or mobile application, they are able to pick them up from whatever store they want, whenever they want. We expanded this service, which we call Click-Come-Pick-Up, to all our stores in Turkey in 2020, providing uninterrupted services to our customers during the pandemic period.



The Click-Come-Pick-Up application created a fast and effective solution to the changing demands of the industry, presenting more than 5,000 product types to consumers on digital platforms, offering a contactless, fast, and reliable shopping experience for customers during the pandemic.



We hope to make the Click-Come-Pick-Up application popular with all Bizim Toptan customers from different segments, and our goal is to do 50% of our total sales through this platform. This way, we can prioritize customer satisfaction and work to provide customers with an easy, reliable shopping experience where they can save time and benefit from advantageous prices and campaigns. In the coming years, we will launch the Click-Come-Pick-Up Delivery Vending Machine service to provide uninterrupted service to customers 24/7. Customers will be able to receive their orders with zero contact at any time from vending machines located in front of the store.



In 2020, we initiated the infrastructure preparations for applications such as order registration through WhatsApp Business and ordering by phone. In 2021, we aim to expand our online product portfolio and improve customer experience by expanding our digital sales platform.





People Empower

As the most widespread organized wholesale trade company in Turkey, we interact with many stakeholder groups. We have adopted a business model that supports social and economic development throughout our entire value chain. The influence of stakeholder capitalism is growing in today's world, and we at Bizim Toptan are working to achieve our goals together with our employees, customers, suppliers, business partners, and society.

Strategic Supply Chain Management

As Turkey's largest company in the Cash & Carry sector in terms of the number of stores, and the most widespread in terms of accessibility, we see supply chain management as one of our priority areas to achieve our sustainable growth targets. We focus on efficiency, digitalization, and cooperation with suppliers and business partners in the supply chain. We analyze risks in the supply chain and take these risks under control by managing them with a central system to use our resources in the most efficient way.

As of 2020, we have been working with 571 suppliers, all of whom are local. And among them, 123 are new suppliers. We prioritize local suppliers, and we support domestic production and capital. We are getting stronger through the various collaborations we have established with our suppliers. Our work directly supports local socio-economic development.

As of 2020, we have been working with 571 suppliers, 123 of which are new and all of whom are local.

Since 2017, we have managed our entire supply chain with a centralized system.

At Supply Chain Management, we manage demand-supply and planning-order and logistics. We inform suppliers of our goods acceptance standards to prevent possible wastes of time in handling, transfer, etc. regarding goods acceptance and conveyance operations such as pallet overflows, weak-strength pallets, and product quality problems. According to feedback from suppliers, we improve our ordering, planning, and shipping processes, most of which are digitalized, so we work on a common system with suppliers. This system increases coordination, so we save time and make our business more efficient. Digitalization minimizes turnover losses, increases product stock availability, and improves shipment performance by optimizing supply chain processes. With the Enterprise Resource Planning (ERP) system, we integrate communication between field teams and stores on mobile applications, ensuring faster execution of requests and approvals, cutting costs, and saving time and labor.

We control our logistics network with applications such as our Warehouse Management System, Vehicle

Field Management, Warehouse Automatic Count Parameter, ABC Analysis Report, and Route Optimization, and we track the entry, exit, and delivery processes of orders. We perform occupancy calculations and route optimizations according to truck and lorry capacities at the planning stage of orders. We make regular shipments to stores all over Turkey from warehouses in Adana, Gebze, and Erzurum and out of cold storage in Tuzla.

With a vehicle occupancy rate of over 96% in 2020, we covered approximately 6 million km.

Supplier Selection and Audit

As Bizim Toptan, we consider it our responsibility to improve the business processes of our suppliers, who we see as business partners. We consider quality and food safety important and a priority. In order to maintain the mutual trust relationship, we have established with our customers; we expect our suppliers to be sensitive to this as well.

In this line, we expect the food suppliers we work with to comply with the quality and food safety standards we set. Therefore, we conduct periodic inspections and controls of our suppliers' production plants. Before signing a contract with suppliers, we audit their production plants for compliance within the framework of the Quality and Food Safety Management Systems (ISO 9001, ISO 22000, BRC, IFS, FSSC 22000). In addition, we expect food suppliers that will produce private label products to have at least one Global Food Safety Initiative (GFSI) approved quality certificate. We inspect suppliers at least once a year periodically and send the private label products they produce for analysis at least twice a year to check their compliance with legal limits and standards. Following a successful conclusion of the supplier audit, we start working with the suppliers. In case of non-compliance during the audits, we inform the supplier and take action.

As of 2020, our 60 private label product suppliers have been producing at 67 plants. Due to the COVID-19 pandemic, travel restrictions, and other measures taken, inspections were delayed, but we completed the audits of 48 of these plants in 2020.

In 2020, we audited 72% of our private label product suppliers.

In addition to regularly auditing our suppliers, we support them with training and contribute to their development. In 2020, we organized training covering occupational health and safety, COVID-19 precautions, employee legislation, and employee rights and responsibilities. 154 suppliers participated in these trainings in which 308 hours of training was provided.

In 2020, we provided a total of 308 person*hours of training to 154 Bizim Toptan suppliers.

Business Partnership Supply Model

We strengthen tradesmen through the business partnership goods supply model we have implemented since 2014. We are the first and only wholesale company in the industry to implement this model. Our strategy is to grow with our business partners using a mutual win-win approach within the scope of B2B.

At Bizim Toptan, we provide affordable, quality goods and services to markets within the scope of the model by taking advantage of our purchasing power and wide product portfolio. All SEÇ Market stores are made up of tradesmen who own their own workplaces. This model puts us in the position of being the largest supplier of our business partners while at the same time, we contribute to the development of tradesmen by increasing their competitiveness. In addition to logistics, promotion, and promotion support, we support our business partners' growth by increasing their competitiveness with fast, easy ordering, marketing, and operational information sharing.

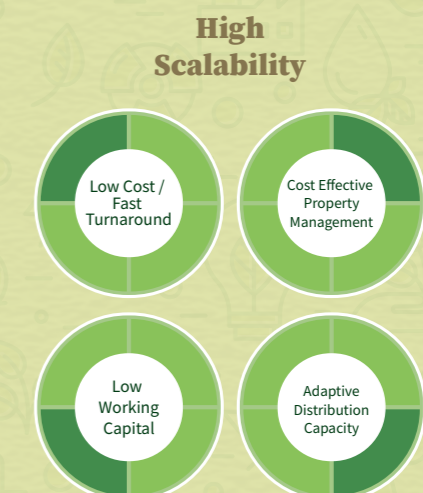
Our goal is to lead in the retail industry through the vision of SEÇ Market, which has four pillars: Corporate Identity & Standardization, Brand Positioning, Digital Brands, and Creating Happy Customers. SEÇ Markets are positioned as "Neighborhood Markets", and they blend tradesmen's culture with the modern retail industry. In an era when digitalization is affecting all industries, we act according to our vision of becoming a "Digital Brand". In 2020, we started improving the SEÇ Portal system to enable market dealers to easily manage their supply processes and monitor their financial structures quickly and effectively. We also aim to make it easier for the end consumer to order over online channels, providing customers with a better shopping experience.

2020 was an important year on the journey of SEÇ Market, which continues to follow its "Accelerated Growth" strategy. In August 2020, we established SEÇ Marketçilik Inc., a partnership owned 90% by Bizim Toptan and 10% by Yıldız Holding. By the end of the year, we had increased our number of stores by more than 50%, reaching 1,209 stores in 77 provinces. SEÇ Market contributed 795 million TL to Bizim Toptan's sales revenues, increasing its share of Bizim Toptan's total turnover to 15%. In 2021, we will continue the SEÇ Market model, whose value is increasing day by day, with our vision and strategies.



By the end of the year, SEÇ Markets had reached 1,209 stores in 77 provinces and increased its share of turnover to 15%, contributing 795 million TL to Bizim Toptan's sales revenues.

- Win-win model based on business partnerships.
- Retail expertise support.
- The means to supply low cost, quality products, from a single supplier, in a stable, regular way.
- The advantage of earning customer loyalty by selling exclusive brands.
- Fast, easy ordering system.
- The opportunity to start a business with minimum investment.
- Low operating costs.
- Easy payment terms are offered, such as purchasing in installments, which positively affects the working capital management of SEÇ Market dealers.





Corporate Social Responsibility

In addition to our leadership in the industry, providing benefits to society is also one of our priorities. We work to strengthen society with practices that respect and support the environment, education, and public health.

As a company operating within Yıldız Holding, we have been contributing to the Make Happy, Be Happy Day every year in November since 2014, cooperating with various non-governmental organizations. The Make Happy, Be Happy Day was organized online in 2020 due to the COVID-19 pandemic. During this period, we donated computers on behalf of our employees as part of the "Supporting Distance Education" campaign through the Red Crescent, and made our customers happy with small treats.

The Good Movement team, a social responsibility group formed by female employees in 2018, continued its work in 2020 despite the pandemic conditions. We provided clothing to earthquake victims and toys for earthquake victim children in Elazığ. We donated shoes to the students of a school in Şanlıurfa with the income obtained from a charity sale. With the Toy Fellowship Platform, we provided toys to children in Mardin through a wish tree at the headquarters.

Employees

We follow a human-centered approach towards our employees which aims to create long-term value. The happiness of our employees plays an important role both for our company's success and our customers' happiness and satisfaction⁴. Our goal is to grow stronger sustainably with happy, qualified employees who are experts in their fields. For this reason, we provide our employees with a healthy and safe work environment, and we also offer all the necessary opportunities for their career development.

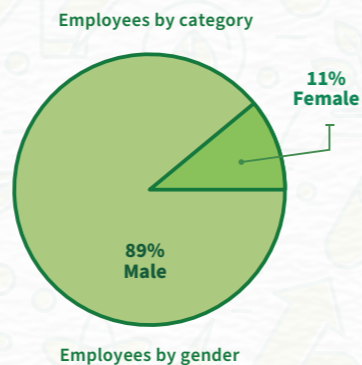
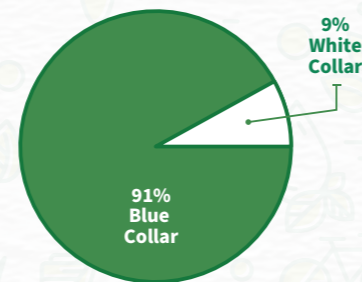
All our human resources practices are based on equal opportunity and fairness, from recruitment and application processes to promotion and remuneration, and from career development and training to performance management. As part of our effective career and performance management approach, we prepare employee development plans to facilitate their adaptation to rapidly changing trends and customer expectations. We care about attracting young talents to Bizim Toptan and retaining them within the company, and we develop innovative applications to achieve this aim.

In 2020, the number of employees in our headquarters and stores reached 2,538, an increase of approximately 15% compared to 2019. 33% of our employees are under the age of 30. 11% of our employees are women. 91% of our employees are field workers. In 2020, we employed 40 disabled people - 2 women and 38 men.

During the COVID-19 pandemic, we continued our digitalization efforts in human resources and as well as our efforts to sustain our environment where our employees work safely and efficiently. In this process, we worked on a hybrid working model for all employees.

We developed and continue to develop our IT infrastructure and team to adapt to the hybrid model. During the pandemic, we saw that we were able to transform our goals into performance with hybrid working models for our managers and employees. We anticipate increasing employee satisfaction and performance by expanding digitalization processes in the future.

You can access our human resources approach, which includes issues such as business rules, equality of opportunity, discrimination, and employee rights, in the [Bizim Toptan Code of Ethics](#) and the [Yıldız Holding Code Of Conduct](#).



Performance and Career Management



Global trends such as constantly changing customer expectations and digitalization play an important role in our transformation and development along with other actors in the industry. Our employees' ability to keep up with these changes is very important for company performance. Therefore, we invest in human resources. We provide our employees with trainings for both their personal and professional development to help them explore career opportunities.

The goal of Bizim Toptan's performance and career management system is to enable employees to direct their careers, provide training and development opportunities, and contribute to both individual and organizational development. To do this, we use a performance evaluation system based on progress in business goals and competencies. We have created the most effective evaluation approach for both our head office employees and our field employees.

Our performance management process consists of three phases: planning (defining company, department, and individual goals), interim evaluation (tracking progress) and year-end evaluation. We evaluate both the goal that had been set previously and how it was achieved with the performance management system. Under the leadership of Yıldız Holding's Human Resources, we perform Competency Evaluations according to the "Become a Star" 360-degree evaluation system.

We organize a Goal-Setting Workshop every year with a balanced score card methodology for all white-collar employees at the headquarters. With this methodology, we evaluate employee performance once a year in terms of financial, customers, business processes, and human aspects with a system consisting of three phases.

Field employees are included in the performance evaluation process twice a year through the IKON system.

In the evaluation process, employees are evaluated in three phases: task, competency, and target-based. In addition, key performance indicators such as profitability, customer satisfaction, stock management, and auditing are included in the premium system for field workers in the quarterly periods. In 2020, we carried out performance evaluations on 2,508 people in total, including field and office employees.

We use the performance system to determine year-end premiums. We apply a remuneration system based on position workloads and we use premium systems based on objective measurements, where all employees move towards the same goal.

Employee training (person*hours)	2018	2019	2020
Total employee training hours (excluding OHS training)	43,104	39,823	25,647
Yearly average training hours per employee	21.4	18	10.1

⁴ [How Does Employee Satisfaction Affect Customer Satisfaction?, Forbes, 2019](#)



The B-Raise Manager Training Program aims to train qualified managers with different perspectives to carry Bizim Toptan into the future, with Training Programs for Store Managers, Customer Representatives, and Sales Representatives.



Our B-Raise Store Manager Training Program provides training to store manager candidates by internal trainers who are experienced in company culture, internal auditing, customer management, finance, and human resources. The field leg of the training lasts for three months, and manager candidates perform various jobs, from cash register to shelving, and from warehouse to goods acceptance, in pilot stores located in different regions of Turkey. They change pilot stores every month and gain experience in all the roles they will manage. 145 employees participated in this program in 2020.



We started the Customer Representative Training Program to train customer representatives, who perform an active role in the acquisition of new store customers, thereby expanding the talent pool. 36 employees participated in the program in 2020.



We established the Sales School to promote POSAF and deliver products from all brands in the stores to traditional and out-of-home consumption points. The School provides in-class and field training consisting of technical training for field sales teams that have just started to work. 82 employees attended the Sales School in 2020.

Store Manager Development Program

We continued the Store Manager Development Program, which was designed as three modules, to help Bizim Toptan achieve its future goals, take action starting today, and help the whole team move towards the same goal. Important program topics include Positive Attitude and Relationship Management in Retailing, Team Management in Retailing, Being a Store Manager and Strategic Retail Management, Management of Goals and Financials in the Store, Sales and Customer Management, Store Area Management, and Sales Increasing Activities. 111 employees participated in the Store Manager Development Program in 2020.

Yıldız Holding Data Navigators Program

With this program, we aim to learn to use technological tools and competencies that will contribute to changing the way we do business in Bizim Toptan's digital transformation. 7 employees participated in the program in 2020.



Thanks to the Jump Career Path Program, which lasted four months in total, we defined the steps all our employees will take to reach their target positions. We aimed to identify the candidates most suitable for the position of Regional Manager, which is one of the most critical positions for our company. The JUMP Career Path Program prepares them for the position of Regional Manager through projects they prepare and applied learning programs they participate in while working in the field in their current positions. The aim of the JUMP Career Program is to make our employees' career planning transparent and fair, and we contribute to their career development by enabling them to gain experience in different positions. Four employees participated in the JUMP Career Path Program in 2020.



OnCampus is a corporate social communication and learning-development platform our employees can access through their mobiles or our corporate website. It aims to align all employees with the same perspective and understanding of quality by providing technical, professional, and personal development training with internal resources. Also, this platform allows our employees to share their best practices and achievements, which contributes to the culture of learning from each other. We provided a total of 13,254 people*hours of training through the platform.

In order to inspire our employees, we collected the success stories of our teammates who started their careers in our company in field positions and continue to work as managers today. We shared these stories under the "A Career from Us" column to contribute to employee development.



Employee Satisfaction and Engagement

We believe that qualified, happy, and highly motivated employees are indispensable for making a difference and being competitive in our industry. We care about our employees' satisfaction and engagement and we take actions in this direction.

We believe that productivity and employee communication play an important role in increasing satisfaction. In 2018, the Human Resources Senior

Directorate and the Information Technologies Directorate started the IKON project to digitalize human resources processes.

We completed the second phase of the project in 2020, digitalizing processes such as payroll monitoring, the promotion-transfer-rotation process, temporary assignments, instant rewards, the leave process, recruitment, and performance evaluation

We have made the necessary improvements to finalize the system. In order to strengthen our communication with our employees and to inform them of developments within Bizim Toptan, we continued to publish the internal communication bulletin BIZDEN, keeping our employees up to date every quarter about the developments in the company, success stories, and awards.



With our weekly digital bulletin Tam Bizlik, which has reached its 30th issue, we shared activities, food recipes, and book and movie suggestions for our employees and their families during the pandemic.

Occupational Health and Safety



Ensuring that employees work in a safe, healthy environment is among our most important responsibilities. We manage the occupational health and safety (OHS) of our head office and stores completely within the framework of laws and regulations, and we make improvements every year in line with our goal of Zero Work Accidents. We have invested in digitalizing processes such as the systematic and centralized monitoring and reporting of OHS activities in 173 stores in 70 provinces. We conduct risk assessments throughout the year, and we track the processes and practices for eliminating OHS risks.

We create a risk map specific to each store across Turkey, determining its risks, and making evaluations such as a topographical map specific to each store, the level of seismicity, the rate of possible earthquake impacts, the possibility of flooding, and areas that might be affected by fire, sabotage, or terrorist incidents. Based on the risk data, we create a joint action schedule.

We have installed an automatic extinguishing system in the electrical panel assemblies in all

stores that can intervene with no need for human intervention to stop fires from growing. We also installed a residual current relay in the system structure, so the system could protect itself in case of possible leakages. In 2021, we will start fire drills in all stores with the support of the fire department. We aim to continue this process on a regular basis every year.

Between 2019 and 2020, we conducted earthquake survey analyses of all stores in 285 buildings. Based on the results, we created a list of stores that needed re-enforcing and initiated the necessary projects. For risky earthquake cases where sufficient measures could not be taken, we moved the stores to other locations to ensure building security. We conduct earthquake drills at least once a year and record the results of these drills.

On the first Monday of every month, the members of the Earthquake Committee consisting of 33 people evaluate the actions that will and should be taken in all stores across the country in case of an earthquake.

Among its other completed activities, the committee established a support store, an

emergency communication line, and supplied earthquake kits. At the same time, we created action plans for procurement and logistics processes as well as sales operations in case of possible emergencies.

At the headquarters, the OHS committee of 17 people, consisting of senior managers, meets regularly every 2 months under the chairmanship of the General Manager. The OHS committee includes: the General Manager, the SEÇ General Manager, the Assistant General Manager of Sales Operations, the SEÇ Assistant General Manager, the Supply Chain and Channel Development Director, the Trade Director, the Human Resources Director, the Finance Director, the Sales-Operations Senior Manager, the Visual and Area Management Manager, the Investment Relations Senior Manager, the Occupational Health and Safety Manager, the Technical Purchasing Manager, the Human Resources Manager, the Istanbul Asia Regional Manager, the Sales Manager, and the Energy and Efficiency Manager.



In order to prevent any workforce loss that might occur due to the pandemic or natural disasters, and ensure the continuity of our business, we have created a backup system at our headquarters and stores.

We launched the "Fellow Store" for our stores to ensure the safety of employees in stores affected by a disaster, and then, to take measures

regarding the safety of the goods in the store to be able to restart sales processes, if possible. As part of this application, we provided more than six trainings to fellow stores and selected employees to complete first aid training as a support team. The manager of the support team provides communication with public institutions and rescue teams.

We aim to build a corporate culture to ensure OHS and make this culture sustainable, while being a company that works with zero accidents in the long term. Furthermore, we aim to reduce our equipment-based occupational accident rate by 20% within a year in the short-term. As part of the smart store concept, we plan to complete 40% of the system that will do online tracking through the forklift system and provide OHS performance analysis. Based on earthquake analyses, we aim to close one of four high-risk stores with a score scale of 3 and re-enforce the other three stores.

In 2020, our company recorded no fatal accidents or occupational diseases. A total of 57 accidents were detected, 45 of them suffered by employees and 12 by subcontractors. Following occupational accidents, we perform a root cause analysis to investigate the main causes of the accident. If there is an action

that needs to be taken due to technical or physical building conditions, we convey the matter to the relevant departments and follow up. We provide training to employees who return to work after accidents and we evaluate the accident together with them. Taking these accidents into account, we create posters and deliver OHS awareness posters on two different topics to all stores every month.

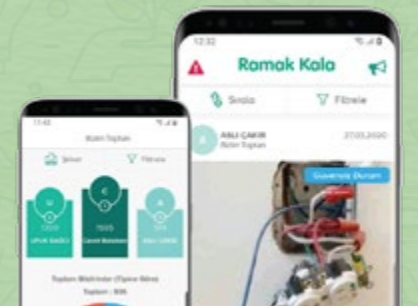
In 2020, we provided 25,205 person*hours of OHS training to our employees. We provided 308 person*hours of OHS training to subcontracted employees.

Near Miss

We can instantly report risky situations that might occur in the workplace with Near Miss, the OHS-oriented mobile application we have developed. With this application, employees can take photos of unsafe situations, behavior, and near miss situations that occur on their mobile phones and send them to headquarters authorities. The application enables fast, easy notifications on OHS, quality, and environmental issues, and we give points and gifts to employees who make notifications, so it becomes widespread among employees.

In this way, we increase OHS awareness of our employees. With the application, we reduced the monthly average rate of work accidents from 4.75 to 3.75. In the application flow, our employees learn from each other's notifications and develop a common perspective on the concepts of danger and risk in stores.

In addition, we performed simultaneous drills in all stores and recorded them online with this application. We are improving these processes with the feedback we receive from our employees to continually develop the application.



Environmental Management



Planet Restore

We protect our natural capital which is critical for meeting the needs of future generations and ensuring the continuity of our industry.

We improve our environmental impact with projects on energy efficiency and savings.

As climate change effects increase, resulting in extreme weather events and droughts, agricultural areas are getting smaller and smaller. The World Resources Institute (WRI), predicts that 40% of the world's agricultural lands will face water stress by 2040.⁵

In the face of this risk to agricultural sustainability, we are aware of our responsibilities as a land-bound company that provides 47% of its turnover from food. Therefore, we try to reduce the environmental impact of our operations by developing projects to reduce carbon emissions and increase energy efficiency. We aim to make our operations sustainable with good practices of water and waste management.

Yıldız Holding, which we are a subsidiary, has the motto of World-Healing as part of its This Is Our World sustainability approach. This motto guides us to reduce our environmental impact and helps us determine the effects of our business on the environment. Thus, we aim to improve our performance in terms of energy, water, and waste in the light of this motto.

The main focus areas we have identified to reduce our environmental impact are as follows:

- Ensuring the development of environmental awareness and protection of the environment

in line with our goals with the support and participation of our employees and all relevant stakeholders,

- Reducing waste at its source, reusing it, and using natural resources efficiently,
- Reducing our carbon footprint by using energy efficiently,
- Ensuring that the products we offer our customers are sustainable based on life cycle,
- Fulfilling all environmental compliance obligations.

As a company operating in the retail industry, our main environmental impacts are carbon emissions from logistics, energy consumption in warehouses and markets, and packaging waste. In order to systematically manage this impact, we obtained the ISO 14001:2015 Environmental Management System Certificate in 2019. The Certificate covers all Bizim Toptan stores and headquarters.

We share documents over the Quality System Document Management System, an intranet system accessible to all employees. We also continuously report all work regarding the requirements of ISO 14001 standards to the relevant unit managers, and to senior management once a year. We provided the TS EN ISO 14001:2015 Basic Environmental

and Internal Auditor training to a team of 24 people from the stocktaking team, headquarters staff, and regional managers in order for employees to understand the scope of the Environmental Management System, adopt it, and perform environmental management in a systematic way. We uploaded the relevant training content to the compulsory training category on OnCampus to raise environmental awareness of all our employees. In 2020, we provided 970 person*hours of training on sustainability and the environment.

Apart from our efforts to conduct our activities in an environmentally responsible manner, we also comply with legal obligations. We received no environmental penalties due to our activities in 2020.

The Environmental Policy and ISO 14001 Environmental Management System define the framework of the environmental management approach at Bizim Toptan.

⁵ One-third of Irrigated Agricultural Lands Face Water Stress, World Resources Institute, 2019



We identify possible environmental risks in all our business processes to prevent the impact of adverse environmental conditions on our business due to our operations. These are:

- Risks affecting the company's policy, vision, and mission,
- Risks arising from internal and external environmental analyses affecting relevant parties and the company,
- Common risks affecting the overall Environmental Management System,
- Risks arising from the company's impact on the environment,
- Risks arising from legal and other conditions.

In 2020, we focused on energy efficiency, infrastructure improvement, and waste reduction in order to improve our environmental performance.

You can find the Bizim Toptan Environmental Policy [here](#).

You can access the Basic Principles of our Environmental Management System [here](#).



Energy Efficiency

Following the Paris Agreement in 2015 which aims to keep global warming below 1.5 degrees, the European Union put forward the European Green Deal in 2019, making it clear that it has become more important to take precautions against damages caused by climate change.

Reducing greenhouse gas emissions and increasing energy efficiency are positioned as the most important actions in this regard. Bizim Toptan is one of the leading actors in the Turkish retail industry, so we take the actions necessary to reduce our emissions and increase our energy efficiency by improving our air conditioning and lighting system infrastructure and carrying out route optimization studies.

In order to control energy consumption, we completed infrastructure integration on our cooling, air conditioning, and lighting systems. We renovated all stores according to our remote monitoring and energy management systems. As of 2020, the hourly, daily, and monthly electricity consumption of all stores can be monitored on a category basis.



Waste Management

The effects of population growth and the COVID-19 pandemic have created an increase in single-use plastics and packaging wastes.⁶ Daily habits are changing, increasing the use of plastic in the belief that it is more sterile, and exacerbating the waste crisis which is already a critical environmental problem.⁷

For this reason, we have adopted the philosophy of responsible production and consumption. Waste is one of the important effects of our activities, and one of the main issues we focus on as part of our environmental management. Since the majority of our waste comes from packaging, our waste management approach develops practices that reduce and recycle this waste.

We categorize our waste, separate them at the source, and ensure that they are recycled through licensed companies. Mixed packaging waste from each store are collected by municipalities and the institutions they contract with. In addition to our own recycling practices, we also carry out communication activities about recycling in order to raise our

customers' awareness, as they are parts of the supply chain.

In order to prevent waste in our country, use natural resources efficiently, reduce waste, and develop studies for the separation of waste at the source, the Ministry of Environment and Urbanization started the Zero Waste practice. In this context, together with the Basic Level Zero Waste Certificate all our stores have received, we certified each store for the Zero Waste Certificate by working on the management, separation, and recycling of waste.

- We collect paper, plastic, metal, glass, electronic, and battery waste in offices, kitchens, and warehouses in defined boxes in common areas and send them for recycling.

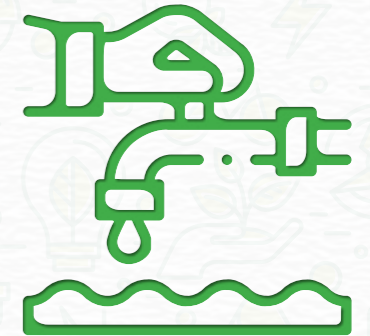
- We placed waste battery boxes in all stores in 2020 to collect batteries brought in by customers and sent them to the Portable Battery Manufacturers and Importers Association, authorized by the Ministry of Environment and Urbanization.

- As part of our cooperation with the Waste Paper and Recyclers Association (AGED), we collect the wastes of our private label products from the market and send them for recycling.

- We process cardboard boxes used in e-commerce activities in a packaging machine and transform into new, high-quality packaging material. This material is only used to prevent products from being damaged during shipment, so we avoid the use of secondary packaging with this method. By recycling packaging waste, we reduce our environmental impact and obtain financial savings.

- In a project run in cooperation with Deha Biodiesel and the Turkish Marine Environment Protection Association (TURMEPA), we collect waste vegetable oils in pet bottles in waste oil bins located in Bizim Toptan Stores that are then donated per liter to TURMEPA.

- We used 79 tons of products in related channels as animal feed in cooperation with Fazla Gıda and prevented the emission of 268 tons of CO₂, which equals the energy necessary to charge 31 million smartphones.



Water Consumption

We implement practices for efficient water use in stores and at our headquarters, focusing on reducing our water-related environmental impact by monitoring water use and reducing it through systematic improvements.

⁶ Increase in Plastic Waste Due to Coronavirus, Forbes, 2020

⁷ Plastic in the Pandemic: Pollutant or Protective? WEF, 2020



Annexes

- Social Performance Indicators
- Environmental Performance Indicators
- GRI Content Index

Social Performance Indicators

Number of employees	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Number of employees by gender	179	1,833	192	2,021	282	2,256
Total number of employees	2,012		2,213		2,538	

Employees by category *	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Number of white-collar employees	42	116	46	126	69	150
Number of blue-collar employees	137	1,717	146	1,895	213	2,106
Total number of employees	2,012		2,213		2,538	

*There is no collective labor agreement.

Employees by employment type	2018		2019		2020	
	Full time	Part time	Full time	Part time	Full time	Part time
Number of employees by work time	2,007	5	2,209	4	2,533	5
Total number of employees	2,012		2,213		2,538	

New recruitments	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Number of new employees	60	452	85	835	108	565
Under 30 years old	44	294	61	487	73	355
30-50 years old (including 30 and 50 years old)	16	158	24	347	35	205
Over 50 years old	0	0	0	1	0	5

Subcontracted employees	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Number of subcontracted employees by gender	5	31	5	40	21	9
	Full time	Part time	Full time	Part time	Full time	Part time
Number of subcontracted employees by work time	36	0	45	0	30	0

Number of employees by term of employment	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
0-5 years	172	1,000	172	1,152	235	1,327
5-10 years	6	451	18	451	38	545
10 years and over	1	382	2	418	1	392

Employees in management	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Under 30 years old	0	0	0	0	0	0
30-50 years old	4	41	4	44	5	52
Over 50 years old	0	2	0	4	0	7
	Women	Men	Women	Men	Women	Men
Number of men and women on the Board of Directors	1	7	1	7	1	7

Social Performance Indicators

Number of employees left by age and gender	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Under 30 years old	83	410	71	345	55	266
30-50 years old	22	270	23	282	16	194
Over 50 years old	0	8	0	3	0	4
Total	105	688	94	630	71	464
Employee turnover	23,3		32,2		19,1	

Parental leave	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Number of employees on maternity/parental leave	4	186	4	148	3	148
Number of employees returning to work after maternity/parental leave	4	186	4	148	1	14

Performance evaluations	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Number of employees subject to performance evaluation	43	113	45	126	273	2.235

Training hours (OHS Trainings excluded)	2018	2019	2020
Total employee training hours	43,104	39,823	25,647
Training hours per employee	21.4	18	10.1
Total subcontractor training hours	150	60	0

*Due to the COVID-19 pandemic, there was no subcontractor training in 2020.

Occupational Health and Safety	2018	2019	2020
Number of accidents	15	46	45
Number of fatalities	0	0	0
Number of occupational diseases	0	0	0
Occupational disease rate*	0	0	0
Accident frequency rate**	3.30	1.84	2.30
Accident severity rate***	15.87	1.87	15.98

* Occupational disease rate (ODR): Number of occupational diseases * 200.000 / Total work hours

** Accident severity rate: Total days lost / (Total work hours) * 200.000

*** Accident frequency rate: Number of total accidents / (Total work hours) * 200.000

OHS Training	2018	2019	2020
Total of employee training hours	13,196	4,308	25,205
Training hours per employee	6.55	1.94	9.93
Total subcontractor training hours	-	160	308

Anti-Bribery and Anti-Corruption	2018	2019	2020
Number of detected corruption cases	10	17	3
Number of employee disciplinary penalties for corruption	9	16	3
Number of public prosecutions regarding corruption	1	5	3

Environmental Performance Indicators

Energy Consumption (MWh)*	2018	2019**	2020
Buildings' fuel and electricity	26,053	27,942	31,492
<i>Purchased electricity</i>	24,408	26,889	28,905
<i>Natural gas & fuel oil & LPG</i>	1,352	967	2,255
<i>Generator (diesel)</i>	294	87	332
Vehicle fuel	2,731	6,817	8,536
<i>Diesel</i>	2,731	6,817	8,536
<i>Gasoline</i>	0	0	0
TOTAL	28,784	34,759	40,028
Renewable Energy	0	0	0
<i>Renewable Energy (Electricity)</i>	0	0	0
Energy Sold	0	0	0
TOTAL NET Energy Consumption	28,784	34,759	40,028

* Energy consumption is provided in TL and calculated using annual average unit prices (EMRA, Natural Gas distribution companies, etc. sources). Lower calorific values and conversion coefficients for energy sources were taken from the "Regulation on Increasing Efficiency in the Use of Energy Resources and Energy" dated October 27, 2011, numbered 28097, and published in the official gazette, APPENDIX-2 Lower Calorific Values of Energy Resources and Conversion Coefficients for Gasoline Equivalents.

** 2019 data has been recalculated.

Greenhouse Gas Emissions* (tons CO ₂ -equivalent)	2018	2019**	2020
Scope 1	1,121.3	2,109.1	2,934.2
<i>Vehicles</i>	739.9	1,846.5	2,312.3
<i>Plant vehicles</i>	302.6	239.2	532.7
<i>Generators (diesel)</i>	78.8	23.4	89.2
Scope 2	12,365.1	13,813.5	13,786.5
<i>Electricity consumption</i>	12,365.1	13,813.5	13,786.5
TOTAL	13,486.4	15,922.6	16,720.7

* Greenhouse gas emissions (CO₂ equivalent tons) data are provided in TL and are calculated as an average value.

** 2019 data has been recalculated.

Greenhouse gas emissions are calculated according to the GHG protocol. The Global Warming Potential (GWP) coefficients were taken from the 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

Water use (m ³)	2018	2019	2020
Tap water	27,176.05	11,092.4	35,561

* Water data was obtained in TL and calculated as an average value, taking into account the Istanbul Water and Sewerage Administration (İSKİ) workplace price list.

Raw materials used in packaging (tons)	2018	2019	2020
Plastic (bags)	629.14	-	-
Plastic weight composite (Stretch)	74.34	98.34	-

* The data for 2019 is provided as the number of plastic bags.

Packaging waste	2018	2019	2020
Plastic bags (piece)	-	3,269,732	4,955,397

GRI Content Index

GRI Standard	Indicator	Page Number and/or Link	Explanation of Information Not Provided	
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
GRI 102: General Indicators 2016	Corporate Profile			
	102-1	4	-	
	102-2	5	-	
	102-3	44	-	
	102-4	5	-	
	102-5	2020 Annual Report, p. 14 https://biziminvestorrelations.com/en/financial-and-operating-data/annual-reports.aspx	-	
	102-6	2020 Annual Report, p. 16, 17 https://biziminvestorrelations.com/en/financial-and-operating-data/annual-reports.aspx	-	
	102-7	2020 Annual Report, p. 16, 17 https://biziminvestorrelations.com/en/financial-and-operating-data/annual-reports.aspx	-	
	102-8	26, 37, 38	-	
	102-9	23-25	-	
	102-10	There was no significant change.	-	
	102-11	7	-	
	Strategy			
	102-14	3	-	
	Ethics and Integrity			
	102-15	7	-	
	102-16	7	-	
	102-17	7	-	
	Governance			
	102-18	6	-	
	102-19	8, 9	-	
	102-20	8, 9	-	
	102-21	11	-	
	102-22	2020 Annual Report, p. 25-29 https://biziminvestorrelations.com/en/financial-and-operating-data/financial-statements.aspx	-	
	102-23	6	-	
	102-24	6	-	
	102-25	6	-	
	102-35	https://biziminvestorrelations.com/en/corporate-governance/remuneration-policy.aspx	-	
	Stakeholder Engagement			
	102-40	11	-	
	102-41	There is no employee under the collective labor agreement.	-	
	102-42	11	-	
	102-43	11	-	
	102-44	10	-	
	Reporting			
	102-45	2020 Annual Report https://biziminvestorrelations.com/en/financial-and-operating-data/annual-reports.aspx	-	
	102-46	4	-	
	102-47	10	-	
	102-48	There was no significant change.	-	
	102-49	There was no significant change.	-	
	102-50	4	-	

GRI Content Index

GRI Standard	Indicator	Page Number and/or Link	Explanation of Information Not Provided	
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
GRI 102: General Indicators 2016	Reporting Practice			
	102-51	4	-	
	102-52	4	-	
	102-53	4	-	
	102-54	4	-	
	102-55	40-43	-	
	102-56	The report has not been externally assured.	-	
	GRI 200: Economic Standard Series			
Economic Performance				
GRI 103: Management Approach 2016	103-1	https://biziminvestorrelations.com/en/financial-and-operating-data/financial-statements.aspx	-	
	103-2	https://biziminvestorrelations.com/en/financial-and-operating-data/financial-statements.aspx	-	
	103-3	https://biziminvestorrelations.com/en/financial-and-operating-data/financial-statements.aspx	-	
GRI 201: Economic Performance 2016	201-1	https://biziminvestorrelations.com/en/financial-and-operating-data/financial-statements.aspx	-	
Procurement Practices				
GRI 103: Management Approach 2016	103-1	23	-	
	103-2	23	-	
	103-3	23	-	
GRI 204: Purchasing Practices 2016	204-1	23, 24	-	
GRI 300: Environmental Standard Series				
Energy				
GRI 103: Management Approach 2016	103-1	33	-	
	103-2	33	-	
	103-3	33	-	
GRI 302: Energy 2016	302-1	34, 39	-	
Water				
GRI 103: Management Approach 2016	103-1	33	-	
	103-2	33	-	
	103-3	33, 35	-	
GRI 303: Water and Effluents 2016	303-1	39	-	
Emissions				
GRI 103: Management Approach 2016	103-1	33	-	
	103-2	33	-	
	103-3	33	-	
GRI 305: Emissions 2016	305-5	34, 39	-	

GRI Content Index

GRI Standard	Indicator	Page Number and/or Link	Explanation of Information Not Provided
GRI 400: Social Standard Series			
Employment			
GRI 103: Management Approach 2016	103-1	26	-
	103-2	26	-
	103-3	26	-
GRI 401: Employment 2016	401-1	26, 37, 38	-
	401-3	38	-
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	30, 31	-
	103-2	30, 31	-
	103-3	30, 31	-
GRI 403: OHS 2016	403-5	31, 38	-
	403-9	31, 38	-
	403-10	31, 38	-
Education and Training			
GRI 103: Management Approach 2016	103-1	27, 28	-
	103-2	27, 28	-
	103-3	27, 28	-
GRI 404: Education and Training 2016	404-1	27, 28, 38	-
	404-2	38	-
	404-3	38	-
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1	13-16	-
	103-2	13-16	-
	103-3	13-16	-
GRI 416: Customer Health and Safety	416-1	15	-
Marketing and Labeling			
GRI 103: Management Approach 2016	103-1	13-15	-
	103-2	13-15	-
	103-3	13-15	-
GRI 417: Marketing and Labeling 2016	417-1	15	-

GRI Content Index

GRI Standard	Indicator	Page Number and/or Link	Explanation of Information Not Provided
Material Topics that are not covered by the GRI Standards			
Product Safety, Traceability and Quality			
GRI 103: Management Approach 2016	103-1	15	-
	103-2	15	-
	103-3	15	-
Digital Transformation and Smart Stores			
GRI 103: Management Approach 2016	103-1	16-17	-
	103-2	16-17	-
	103-3	16-17, 20-21	-
Logistics and Operational Efficiency			
GRI 103: Management Approach 2016	103-1	23	-
	103-2	23	-
	103-3	23	-
Brand and Reputation Management			
GRI 103: Management Approach 2016	103-1	14-17	-
	103-2	14-17	-
	103-3	14-17	-

Bizim Toptan Satış Mağazaları A.Ş.

Kuşbakışı Caddesi No: 19

Post Code: 34662

Altunizade / Üsküdar / İstanbul

+90 212 577 75 72

www.bizimtoptan.com.tr