

The background is a light blue gradient. It is decorated with various cutouts of colorful candies (including orange, red, blue, and yellow) and green leaves, arranged in a scattered, artistic pattern. The text is centered and reads: 

save today  
**for better**  
**tomorrow**

## ABOUT THE REPORT

At Kervan Gıda, we proudly present our 2023 Sustainability Report, showcasing our strong commitment to sustainability principles and our continuous improvement in environmental and social performance. This report provides a comprehensive overview of our activities between January 1, 2023, and December 31, 2023, reflecting the sustainability vision of our company. It covers our production activities conducted at our facilities in Istanbul Beylikdüzü and Manisa Akhisar.

Prepared in accordance with the Global Reporting Initiative (GRI) Standards, this report outlines our environmental and social performance, sustainability targets, and performance outcomes that are comparable to those of previous periods. We evaluate current trends and transformations within the food sector, detailing our strategies to adapt to and lead these changes.

This report highlights our progress in areas such as energy recovery, resource efficiency, and climate crisis mitigation, clearly stating our objectives to minimize our environmental impact. Furthermore, it addresses employee satisfaction, our social contributions to

communities, and the strong relationships we maintain with our stakeholders, demonstrating our commitment to sustainable social impact.

At Kervan Gıda, we emphasize that our sustainability report is accessible to all stakeholders in line with our principles of transparency and accountability. We value and welcome feedback.

#SaveToday

save today  
for better  
tomorrow



For more information, please visit <https://kervangida.com/> or contact [kurumsal.iletisim@kervangida.com](mailto:kurumsal.iletisim@kervangida.com)



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# ABBREVIATIONS AND DEFINITIONS

## ABBREVIATIONS

**CDP:** Carbon Disclosure Project

**CPA:** Corrective and Preventive Actions

**ESG:** Environmental, Social, and Governance

**EBITDA:** Earnings Before Interest, Taxes, Depreciation and Amortisation

**SPP:** Solar Power Plant

**GRI:** Global Reporting Initiative

**ILO:** International Labour Organization

**OHS:** Occupational Health and Safety

**KAP:** Public Disclosure Platform

**KPI:** Key Performance Indicators

**MES:** Manufacturing Execution System

**MOTAT:** Mobile Waste Tracking System

**OPEX:** Operational Excellence

**RO:** Reverse Osmosis

**SDGs:** Sustainable Development Goals

**STEM:** Science, Technology, Engineering, and Mathematics

**NGO:** Non-Governmental Organisation

**TAS:** Turkish Accounting Standards

**TSRS:** Turkish Sustainability Reporting Standards

## DEFINITIONS

**Licorice:** It is a plant extract that is widely used in the confectionery and food industry. Licorice is used as a flavouring agent in the industry.

**Marshmallow:** It is a type of candy that is typically made by whipping a mixture of sugar, water, and gelatin, resulting in a light and soft texture.

**Jelly:** This is the finish product of the production process.

**OTC (Over-The-Counter):** This term refers to a category of dietary supplements.

**Freight:** Carriage Charge: The fee paid to freight forwarders for the transportation of goods from one location to another. This term is typically used in the context of sea transport, although it can also be applied to other types of transportation.

**HSE (Health, Safety, Environment):**

Health, Safety and Environment - Rules and measures applied in occupational health, environmental protection and occupational safety. Standards and practices developed to protect the health and safety of employees in the workplace and to ensure minimal environmental impact.

**OPP (Oriente Polipropilen):** A type of durable and transparent bag produced by orientating polypropylene material (stretching it to make it stronger and more transparent).

# MESSAGE FROM OUR GENERAL MANAGER

## Dear Stakeholders, Valued Investors, and Business Partners,

As Türkiye's leading manufacturer of soft candy, we have proudly been producing high-quality products for 27 years, bringing joy to more than 2 million people every day. As we continue to expand our production capacity, we remain steadfast in upholding transparent and ethical corporate governance practices, ensuring that our employees, business partners, and customers place their trust in us. In line with our commitment to integrity, we are dedicated to contributing to a brighter future for our country and society.

As one of Türkiye's largest exporters, we recognize the importance of safeguarding the environment and our planet while expanding our influence across continents. We view it as our responsibility to add value to the environment, people, and nature through sustainable initiatives. At Kervan Gıda, we manage our environmental impact using high-tech equipment, renewable energy investments, and proactive environmental risk initiatives. Our long-term vision is to create a better world by positively contributing to society and the environment while simultaneously growing our brand.

Aligned with this vision, we continue to lead the sector through strategic investments. In 2023, we made a substantial investment in renewable energy and sustainable infrastructure at our Akhisar factory. Our rooftop and ground-mounted solar power plant project now supplies 100% of our energy needs from solar power. By installing Solar Power Plants (SPP), we contribute to the nation's energy management while significantly reducing our environmental footprint. Our employees play a critical role in advancing our sustainability mission, helping to realize this vision.

In 2023, we continued to implement the sustainability roadmap we established in 2022. Our strategic partnership with the UK's ASDA, following the US Walmart collaboration in 2023, has further strengthened our market position. Additionally, we are continuing our Digitalisation, Optimisation, Profitability, and Automation (DOPA) project, developed with the goal of optimizing internal processes and reducing resource consumption. One of our key initiatives, the Packaging Usage Reduction project, yielded significant results, saving TL 8 million and preventing 110 tonnes of plastic usage in 2022. In the coming period, we plan to expand our environmentally friendly product range, enhance waste management procedures, and implement further energy-saving projects.

To meet our customers' demand for confectionery with healthier and more natural ingredients, we are committed to continuously updating our R&D efforts and enhancing our products. As part of the Sugar Reduction Projects, we aim to produce healthier snacks. The launch of Kervan Gıda OTC Group's first vegan product is designed to reduce mineral loss and provide energy for athletes, marking our first sports food certification.

By the end of 2023, our consolidated net profit grew by 2,824 percent compared to the same period in 2022, reaching 335 million TL. Our overseas investments, particularly in Egypt, have significantly contributed to this growth, and we anticipate their continued positive impact on our 2024 growth figures.

Recently, we made a strategic investment of TL 2.5 million in Dryff Dried Food Industry (Dryff), a leading food processing company based in the Izmir-Tire Organized Industrial Zone. This investment has driven significant advancements in product variety and innovation, positioning us to make a substantial impact in the food sector with high-value-added products. Our subsidiaries in the United States, the United Kingdom, Germany, Poland, and Egypt allow us to export to 85 countries worldwide. The dedication, expertise, and innovative approach of our employees are fundamental to our success, alongside our unwavering commitment to quality products and financial investments. I would like to take this opportunity to express my gratitude to all Kervan Gıda employees for their efforts and contributions.



**İDRİS CAN**  
KERVAN GIDA  
GENERAL MANAGER

*By the end of 2023, our consolidated net profit grew by 2,824 percent compared to the same period in 2022, reaching 335 million TL.*



## 2.0 Kervan Gida

# save value for a more successful tomorrow

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## ABOUT KERVAN GIDA



➔ **57<sup>th</sup> place**

**In the 2023 Global Top 100 Candy Companies - In the 2023 Global Top 100 Soft Candy Companies list, we have risen from 66<sup>th</sup> to 57<sup>th</sup> place, and we are among the top 5 companies in our category.**

**Since 1994, Kervan Gıda has been on a sweet journey of passion, innovation and global perspective.**

Kervan Gıda was established in 1994 with a focus on passion, innovation and a global perspective. We have since expanded our operations to 85 countries across 12 different soft candy categories, with a total production area of 116,000 m<sup>2</sup> across our facilities in Akhisar, Poland and Egypt. Our businesses in the USA, England, Germany and Poland contribute to the daily happiness of 2 million people.

Our product range has expanded to include chewing gum, dragée chocolates and surprise eggs, offering consumers a diverse range of flavours and products. We have expanded our product range with the introduction of our licorice and marshmallow line. The acquisition of Akaş in 2014 and Uçantay in 2016 enabled us to expand our product range to include toy products sold under the Cosby brand. Furthermore, we have introduced new products such as dragée chocolates and surprise eggs.

Our company operates in Akhisar with three production facilities, including our Uçantay company. It is our intention to increase our annual production capacity in Türkiye by reaching full capacity by 2024, with the aforementioned facilities. Furthermore, production of licorice has commenced at our new facility in Egypt, with the jelly production line from Istanbul scheduled for commissioning in 2024. We are committed to transforming into a brand that will bring happiness to more people by maintaining

**85 countries**



**daily happiness of  
+2.000.000**



Total production area of  
**116.000 m<sup>2</sup>**



**12** different soft candy categories



our dynamic business model, which includes innovative products and investments. **In this regard, following six years of research and development, we place a strong emphasis on innovation, as evidenced by our ranking of 324th among 1003 AGM centres in terms of basic components and sub-components according to the 2021 index.**

In the 2023 Global Top 100 Candy Companies - In the 2023 Global Top 100 Soft Candy Companies list, we have risen from 66<sup>th</sup> to 57<sup>th</sup> place, and we are among the top 5 companies in our category.



# KERVAN GIDA IN NUMBERS

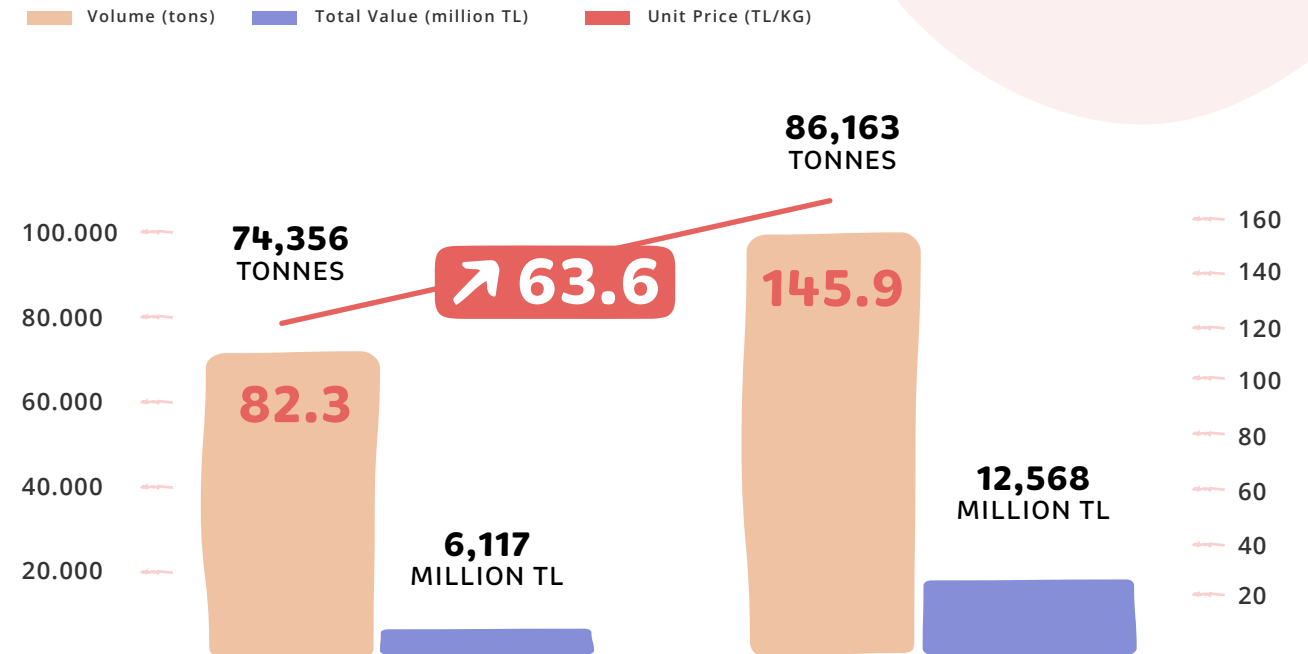
**Our production capacity has increased by 63% over the past three years, while our turnover has grown twofold.**

## COUNTRIES WITH PRODUCTION FACILITIES

	2022	2023
Countries with Production Facilities	Türkiye	Türkiye, Poland, Egypt
Number of Factories	3	8
Production Capacity	70,000 tonnes	110,000 + Tonnes
Production Area	70.000 m <sup>2</sup>	116.000 m <sup>2</sup>
Product Categories	9	12
Number of Employees	2.100	3.300+
Ciro	144.5 million USD	308 million USD

**In the Turkish soft candy sector, as of December 2023, our Bebeto brand is currently ranked second with 1.2% growth and a 17.2% market share.**

## TÜRKİYE SOFT CANDY SECTOR





# SUBSIDIARIES AND AFFILIATES




United Kingdom

Sweden

Poland

Türkiye

Egypt

U.S.A

Germany

## Germany

ERTI FOOD HANDELS GMBH

Field of Activity: **Overseas sales and marketing**

Nature of Relationship: **Subsidiary**

Effective Shareholding: **55%**

## Türkiye

UÇANTAY GIDA SAN. TIC. A.Ş.

Field of Activity: **Production and sale of dragee chocolate and surprise eggs, sale of products with toys**

Nature of Relationship: **Subsidiary**

Effective Shareholding: **100%**

## U.S.A

KERVAN USA LLC

Field of Activity: **Overseas sales and marketing**

Nature of Relationship: **Subsidiary**

Effective Shareholding: **100%**

## UK

KERVAN GIDA UK LIMITED

Field of Activity: **Overseas sales and marketing**

Nature of Relationship: **Subsidiary**

Effective Shareholding: **100%**

## SWEDEN

KERVAN INTERNATIONAL AB

Field of Activity: **Holding abroad**

Nature of Relationship: **Subsidiary**

Effective Shareholding: **100%**

## EGYPT

MCC FOR CONFECTIONERY MANUFACTURING

Field of Activity: **Production and sale of soft sugar**

Nature of Relationship: **Subsidiary**

Effective Shareholding: **75%**

## POLAND

ZPC OTMUCHOW S.A.

Field of Activity: **Production of soft candy, chocolate products**

Nature of Relationship: **Subsidiary**

Effective Shareholding: **67%**

PWC ODRA S.A.

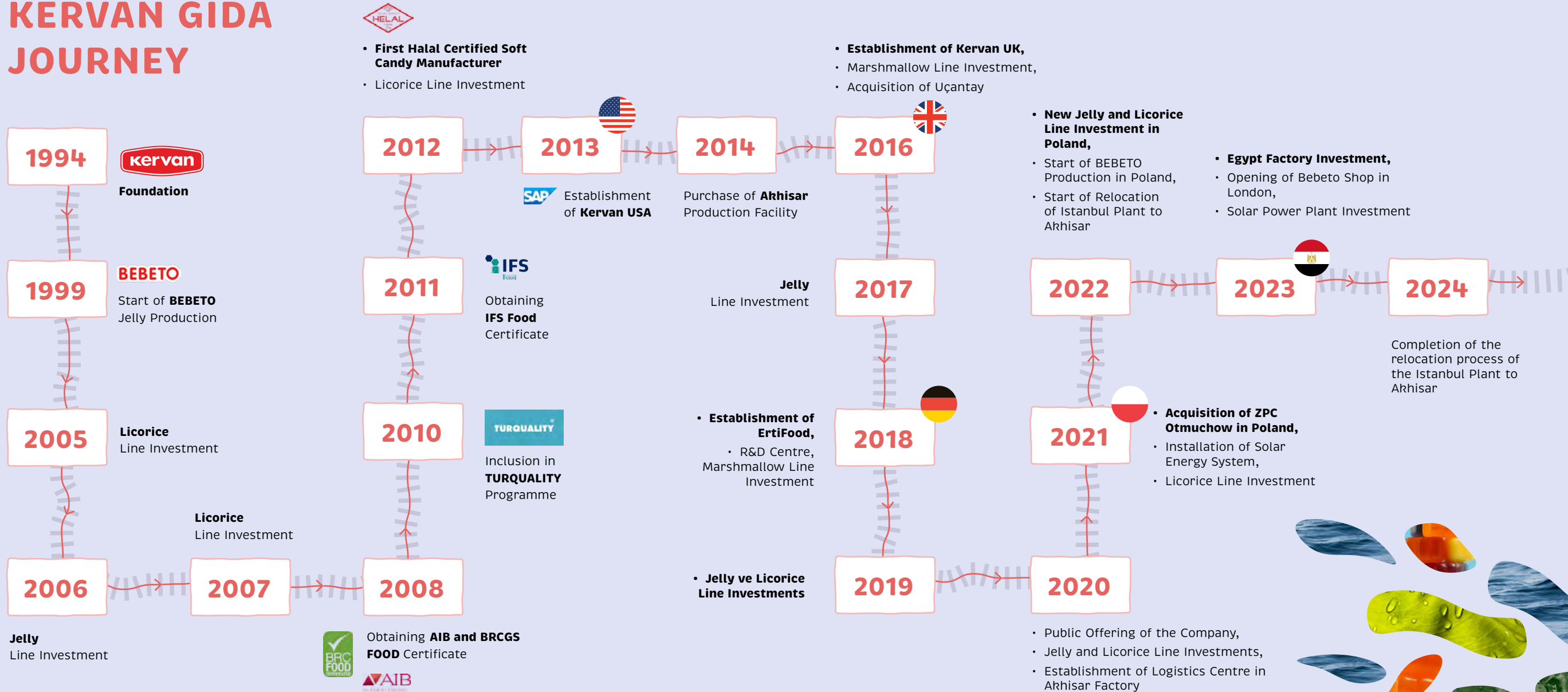
Field of Activity: **Production of chocolate products**

Nature of Relationship: **Subsidiary**

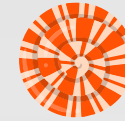
Effective Shareholding: **75%**



# KERVAN GIDA JOURNEY



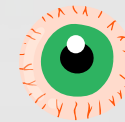
# MISSION, VISION AND VALUES



## OUR MISSION

**As Kervan Gıda, our objective is to enhance our brand image in a manner commensurate with our leading position in the sector. We aim to create value for our stakeholders by leveraging our knowledge and experience.**

In doing so, we are committed to environmental responsibility, prioritising the development and welfare of our employees, establishing a sustainable production model and managing our resources in an environmentally conscious manner. We support sustainable growth in both local and global markets by offering innovative and high-quality products.



## OUR VISION

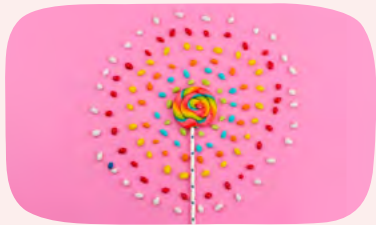
**Our objective is to become one of the top five soft candy producers in the world, to become a market leader and to become an internationally recognised brand.**

In line with this vision, our objective is to reach a wide audience worldwide and increase our influence in the sector day by day. To achieve this, we will focus on innovation, quality and customer satisfaction.



# MISSION, VISION AND VALUES

## OUR VALUES



### WE CARE TRANSPARENCY AND RELIABILITY

Transparency is the foundation of our corporate governance approach. We act as a reliable business partner by maintaining transparent and open communication with our stakeholders. By fostering sustainable relationships and creating an environment of trust, we aim to add value to society and build long-term, mutually beneficial partnerships. By fostering trust, we are able to contribute to the development of our country and fulfil our social responsibilities fully.



### WE ARE OPEN TO NEW IDEAS AND EAGER TO LEARN.

We are committed to ongoing improvement to ensure we remain at the forefront of the sector and are well-positioned to capitalise on emerging market opportunities. We place a high value on creativity and foster an environment where new ideas can flourish. We encourage our employees to think freely and to take calculated risks.



### WE SEEK EXCELLENCE

By embracing perfectionism as a core principle and paying attention to every detail, we subject our work to continuous scrutiny and strive to achieve outstanding results. By meticulously managing all aspects, we aim for quality at every stage and prioritize customer satisfaction to meet this goal.



### WE ARE AWARE OF OUR RESPONSIBILITIES

Our company's continued success and reputation depend on our ability to focus on success and build a strong brand image. To achieve this goal, we take ownership of our business, accept responsibility, and take pride in being part of a common purpose. By adopting this attitude, we ensure that our company continues to grow and succeeds in the long term.



### WE BRING INNOVATIVE AND CREATIVE SOLUTIONS

To remain at the forefront of the sector and ensure the continued growth of our company, we place great emphasis on the development of innovative solutions and the encouragement of new ideas. We are committed to developing new products and services that meet the evolving needs of our customers. Concurrently, we facilitate innovative methodologies by encouraging our personnel to think independently and generate novel concepts.



## OUR CIVIL SOCIETY PARTICIPATION AND COLLABORATIONS

At Kervan Gıda, we consider collaboration with non-governmental organisations and other stakeholders to be a strategic priority, essential to achieving our sustainability vision. By addressing our environmental, social and economic responsibilities in a holistic manner through our collaborations and memberships, we aim to create not only commercial success but also a positive impact on society.

### Government Supports and Incentive Programmes

Our participation in the Turquality Programme has enabled us to gain invaluable support for our branding and international competitiveness. The programme provides invaluable support for our branding strategies, enabling our brand to gain a stronger position in the global market. Additionally, our subsidiary U cents Turquality/ Branding Programme provides further financial assistance with the objective of enhancing our brand's global recognition and reinforcing our marketing efforts. Furthermore, our objective is to create new employment opportunities and increase employment by utilising European Union funds through the Registered Employment Creation Project Grant Programme (EU grant). This programme contributes to the creation of a new workforce and the support of employment within our company. Finally, we receive support for our new product development and technology research projects within the scope of R&D Incentives and TÜBİTAK projects, which encourages our innovation processes and increases the efficiency of these projects. These incentives facilitate our research and development activities, enabling us to produce innovative solutions in the sector.

All incentives and support programmes are managed in accordance with Kervan Gıda's principles of transparency and traceability. Information on the use of the support received is regularly reported and shared with the public in accordance with the relevant legislation. Our primary objectives in this process are to ensure the effective use of incentives, achieve the set targets and provide clear information to our stakeholders.



ITO - Istanbul Chamber of Commerce



ISO - Istanbul Chamber of Industry



DTO - Chamber of Shipping



Mavera Foundation



Chamber of Mechanical Engineers



Şemad Federation of Food and Beverage Industry Associations of Türkiye



Cereals, Pulses, Oil Seeds and Products Exporters Association



TİM - Turkish Exporters Assembly



Sustainable Food Platform

## OUR ROLE IN THE INTERNATIONAL MARKET

The global market for sugar confectionery has experienced a period of notable expansion in recent years, with this trajectory anticipated to persist. As of 2023, the global sugar confectionery market is estimated to be worth approximately USD 71.5 billion and 7.7 million tonnes. According to data from Euromonitor, the market is projected to reach USD 96.6 billion in 2029, representing an annual increase of 5.1%. The soft candy market, which reached \$30.3 billion and 3.1 million tonnes in 2023, has demonstrated a notable growth trajectory, particularly in products such as gums, soft candies, marshmallows, and fruit-based candies.

The global market for non-cocoa sugar products is valued at approximately USD 15.9 billion, with Germany representing 13% of this figure and Türkiye ranking seventh with a share of 5.2%. Türkiye is a significant player in the global snack sugar market, distinguished by its commitment to high quality standards and innovative production technologies. Turkish producers have a strong presence in the European, American and Middle Eastern markets.

At Kervan Gıda, we are pursuing a strategy of international expansion and market share growth in line with our objective of becoming the global leader in the soft candy industry. Our innovative technologies and high-quality standards have earned us a reputation for excellence among our global customer base. In 2013, the effective entry of our Bebetto brand into the US market enabled us to gain the trust of Walmart, a major retail chain. Walmart has selected Kervan Gıda as a key global supplier, facilitating our growth in the international market.

In 2016, we reinforced our presence in the European market by acquiring the British brand Dexters. By forming a new partnership in Germany, we expanded the reach of our Bebetto brand in the European market. Following our IPO in 2020, we achieved financial stability and investor confidence. In 2021, we further strengthened our growth in Europe by acquiring the shares of ZPC Otmuchów, one of Poland's leading soft candy manufacturers, and its subsidiary PWC Odra. This acquisition has enabled us to significantly expand our presence in international markets and to enhance our product range. In 2023, the Board of Directors of Kervan International AB took the decision to establish a new company in Egypt. This investment will expand the production and sales of soft sugar into the Middle East and African markets.



# AREAS OF ACTIVITY

**Our OTC product line, comprising five categories, is designed to support healthy and balanced nutrition for individuals of all age groups.**



At Kervan Gıda, we operate in the food sector, offering a comprehensive range of products. Our product portfolio includes soft candy, chewing gum, hard candy, dragee chocolate, surprise eggs, and toy products, which we produce and sell across various categories. In the soft candy segment, our product portfolio also includes sugared and sugar-free chewing gum, lollipops, bonbon candies, chocolate-coated products, surprise eggs, and toy items. Additionally, our offerings encompass sugared and sugar-free chewing gum, lollipops, bonbon candies, chocolate-coated products, surprise eggs, and toy items. We also offer a wide range of over-the-counter (OTC) dietary supplements. Our OTC product line, comprising five categories, is designed to support healthy and balanced nutrition for individuals of all age groups.

In 2021, we made a significant acquisition in Poland, taking over two well-established confectionery and snack manufacturers: ZPC Otmuchow SA and PWC Odra SA. The acquisition marked the commencement of our production and sales activities in four factories situated in three distinct locations across Poland. By expanding our product range, we are now able to offer a wider variety of products, including jelly, licorice, marshmallow, breakfast cereal, snack bar, chips, chocolate-covered candy, halva and hard candy. These products are of great interest to both the Polish market and international markets.

At Kervan Gıda, our objective is to contribute to the healthy nutrition of our consumers while offering delicious and high-quality products. In line with this objective, we are continuously increasing our production capacity and product diversity while continuing our R&D studies to reduce the amount of sugar in our products with the "Sugar Reduced and Sugar Free Projects" and to develop new recipes to support body health with our OTC products.

We are committed to developing innovative products that meet the evolving needs of our customers. Our portfolio includes functional soft candies, gluten-free soft candies, collagen- and high vitamin-containing candies, probiotic-containing products, fibre and protein-containing jelly, sugar-reduced jelly, products suitable for gelatin-free and vegetarian diets, and products with natural ingredients





# ECONOMIC VALUE CREATED



**INNOVATIVE PRODUCT DEVELOPMENT**



**GROWTH IN GLOBAL MARKETS**



**TRANSPARENT REPORTING**

## DESIGNED TO CREATE LONG-TERM ECONOMIC VALUE.

In line with our core principles of innovative product development, global market growth and transparent reporting, our sustainability strategies are designed to create long-term economic value.



**As Kervan Gıda, we consider transparency and accountability to be of the utmost importance, as required of us as a publicly traded company. In this regard, we regularly disseminate our financial statements and annual reports to the public on a quarterly basis, thereby ensuring that our stakeholders and investors have access to accurate and up-to-date information.**

In line with our core principles of innovative product development, global market growth and transparent reporting, our sustainability strategies are designed to create long-term economic value.

### Sales (%)

	Year 2022	Change	Year 2023
EXPORT	67.8%	↗ 4.1%	71.9%
DOMESTIC MARKET	32.2%	↘ 4.1%	28.1%



## ECONOMIC VALUE CREATED

Uçantay, a leading producer of toy products, including dragées, chocolate, and surprise eggs, has reached a net sales figure representing approximately 10% of our consolidated sales as of 2023. With 35% of its revenues generated through export channels, Uçantay is a significant player in international markets. The launch of a new brand in chocolate products is part of Uçantay's strategy to innovate and expand its market presence.

As Kervan Gıda, we are determinedly continuing our sustainable growth on a global scale by observing our environmental and social responsibilities. Our 2023 performance shows that we are taking firm steps towards achieving our sustainable growth targets thanks to the right strategies and investments. Our company's vision for the future is to continue to reinforce our leadership in the sector with sustainable and innovative solutions by increasing our competitiveness in global markets.

<b>Consolidated Kervan Gıda</b>	01.01.2023 — 31.12.2023	01.01.2022 — 31.12.2022
Net Sales	8.207.180	8.668.128
Cost of Goods Sold	-6.013.359	-6.616.666
Gross Profit	2.193.821	2.051.462
Gross Profit Margin	26,7%	23,7%
Operating Expenses	-1.679.353	-1.502.577
Operating Profit	991.424	893.831
EBITDA	846.305	879.012
EBITDA Margin	10,3%	10,1%
Net Profit	334.624	11.444
Net Profit Margin	4,1%	0,1%

# 2023 FINANCIAL AND STRATEGIC PERFORMANCE

The year 2023 brought significant developments in our financial performance. In comparison to the previous year, our net sales decreased by 5%, resulting in a total of TL 8.2 billion. The primary factor contributing to this decline in sales figures for 2023 is the reduction in tonnage resulting from the relocation of our Istanbul plant to Akhisar and the postponement of the second jelly line investment in Poland. However, there was a 7% increase in gross profit, which reached TL 2.2 billion, and a 2824% increase in net profit, which reached TL 335 million.

In 2023, our foreign currency-based revenues reached USD 241 million (exclusive of the impact of IAS 29 – inflation accounting), while our domestic sales revenues totalled TL 1.85 billion. The company concluded the period with a profit of TL 322.6 million, total assets of TL 8.8 billion and shareholders' equity of TL 4.0 billion.

In 2023, revenue from the jelly and licorice categories, which accounted for 76% of our sales, increased from TL 6.17 billion to

TL 6.24 billion. In terms of category-based sales, jelly products were the leading contributor, with a turnover of TL 4.9 billion, followed by licorice with TL 1.4 billion, marshmallows with TL 425.4 million and toy products with TL 269.6 million. These products accounted for 59.3%, 16.7%, 5.2% and 3.3% of total sales, respectively. In comparison to the previous year, sales of these product categories saw a decline. Jelly sales decreased by 0.2%, while marshmallow and toy products experienced a significant drop of 18.9% and 25%, respectively. Conversely, licorice sales grew by 6.5%.

In 2021, our strategic growth initiatives included the acquisition of ZPC Otmuchow SA and PWC Odra SA, two well-established Polish companies. By the end of 2022, the combined production capacity of these companies was 27,210 tonnes per year. These developments enhance Kervan Gıda's visibility and competitiveness in global markets, aligning with its sustainable growth and innovation strategy.

## Operating and Profitability Ratios (%)

	31.12.2023	31.12.2022
Net Profit Margin (%)	4,1	0,1
Return on Assets Ratio (%)	3,8	0,1
Return on Equity (%)	8,1	1,0

## Director Opinion

# 66

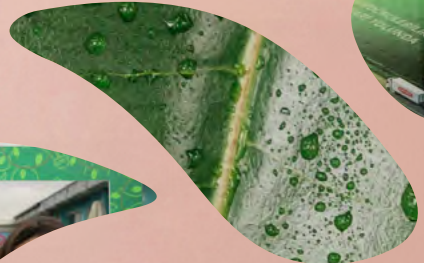


In 2023, despite a 5% decline in net sales, our gross profit increased by 7% and our net profit reached TL 335 million with a 2824% increase. In the same period, our foreign currency denominated revenues were USD 241 million, while our domestic sales totalled TL 1.85 billion.

Our strategic acquisitions in Poland and investments in Egypt increased our competitiveness in global markets. Overall, our financial and strategic steps supported sustainable growth and profitability.

Transparency towards our investors and stakeholders is one of our most important issues in terms of investor relations. To this end, we have explained in detail both the course of our Company and the investments we have made, both through the analyst and investor meetings we organised in quarterly periods and the statements we made on the Public Disclosure Platform. We will continue to inform our investors in the coming period.

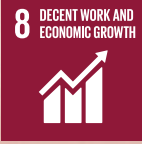
Consolidation and Investor Relations Director  
Yusuf Çezik



### 3.0 Corporate Governance

# save today for a better future

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# CORPORATE GOVERNANCE

At Kervan Gida, we adhere to a robust corporate governance framework to achieve our strategic objectives and reinforce our commitment to sustainable value creation, engaging all our stakeholders in this process. Our corporate governance approach is designed to create long-term, sustainable value for our company and our stakeholders. It is based on transparency, equality, accountability and responsibility. We are committed to ensuring that our corporate governance principles are fully compliant with the regulations and decisions of the Capital Markets Board. This compliance and diligence ensures transparency, fairness and accountability at every stage of our operations, while simultaneously demonstrating a sustainable value creation process for all our stakeholders. We are committed to maintaining a transparent and accountable management approach as we take decisive steps towards the future.



## TRANSPARENCY

At Kervan Gida, we consider transparency to be the foundation of our business processes. By fostering transparent and accessible communication throughout our company, we guarantee that our stakeholders have access to accurate information. By openly sharing our activities and decisions, we demonstrate an honest and reliable approach to all our processes.



## ACCOUNTABILITY

Accountability plays a key role in our corporate culture. By taking responsibility for every decision we take and every action we take, we regularly evaluate our performance and seriously fulfil our accountability obligation to our stakeholders.



## EQUALITY

In line with our commitment to equality, we foster an inclusive value chain by maintaining fair and non-discriminatory practices towards all our stakeholders. Our egalitarian management style, which ensures that the rights of our employees, business partners and customers are respected, provides a fair and level playing field where all our stakeholders can achieve their full potential.



## RESPONSIBILITY

At Kervan Gida, acting responsibly is at the core of our business vision. We adhere to the highest ethical standards in all aspects of our business operations and in our responsibilities to society. We take a responsible approach to minimising our environmental impact, increasing our social contribution and ensuring economic sustainability.



# OUR GOVERNANCE STRUCTURE

Our Board committees work actively to strengthen the sustainability and corporate governance of our business. With its strong structure, our Board makes decisions and shapes our management based on the principles of diversity and independence.

The Corporate Governance Committee, the Audit Committee and the Early Risk Identification Committee, which report to the Board of Directors, operate in accordance with a set of internal operating principles. These principles are published on our website and on the Public Disclosure Platform (KAP). All our committees and their work are overseen by a strong and independent Board of Directors.

The Audit Committee meets on a quarterly basis and submits its assessments and proposals on the financial statements to the Board in writing. Financial audits are carried out on a regular basis and reports are made on the financial performance of the company. These reports are made available to the public through PDP publications. The Early Risk Identification Committee reviews the effectiveness of the risk management and internal control systems at least once a year and reports its findings and recommendations to the Board of Directors and the external auditors, with a total of six quarterly reports during the year. The Sustainability Executive Committee, composed of members of the Strategic Executive Committee, provides information and receives suggestions on the sustainability reporting process. The head offices of all Group companies are monitored and evaluated on a quarterly basis through the Performance Management System (KPI).

## MEMBERS OF THE BOARD OF DIRECTORS

## BOARD POSITIONS

<b>Mehmet Şükrü Başar</b>	Chairman of the Board
<b>Mahmut Koçum</b>	Vice Chairman of the Board
<b>Burhan Başar</b>	Board Member
<b>Fikret Başar</b>	Board Member
<b>Mehmet Koca</b>	Independent Board Member
<b>Ömer Yüksel</b>	Independent Board Member

## MEETING NAME

## FREQUENCY

## MEETING SUBJECT

<b>Board of Directors Meeting</b>	<b>ONCE A MONTH</b>	Financial Results and Decisions of the Board of Directors
<b>Executive Committee Meeting</b>	<b>ONCE A WEEK</b>	Financial Results, Operational 'Executive' Decisions and Strategy
<b>GBR Meeting</b> (Global Business Review)	<b>ONE A YEAR</b>	Consolidated Financial and Sales Performance of All Subsidiaries and Evaluation of Short and Medium Term Strategies



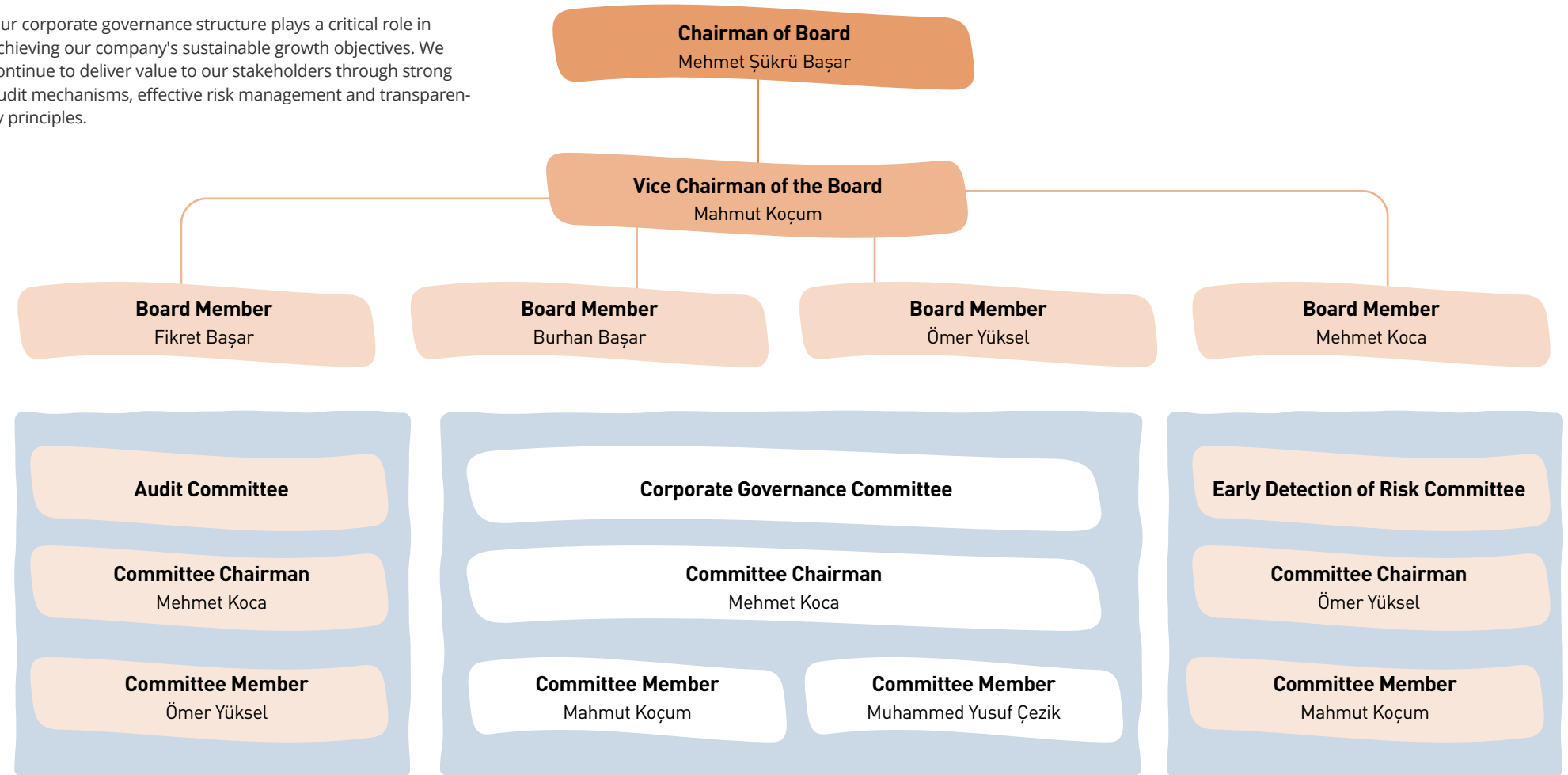
# ORGANISATION STRUCTURE

In line with our goal of sustainable growth and long-term success, we are committed to a strong corporate governance structure. This structure is based on the principles of transparency, accountability and efficiency required to gain and maintain the trust of our stakeholders while enabling our business to achieve its strategic objectives.

Under the leadership of our General Manager, the management structure of our company is supported by directorates and directorates covering various functional areas. The Audit Committee reports to the Board of Directors and oversees the effectiveness and independence of the internal audit function. Our risk management, which is managed by the Early Risk Identification Committee, covers various risks such as currency risk, credit risk and liquidity risk. A comprehensive framework is in place to identify, analyse and manage these risks. Our Business Development Department and R&D units ensure the continuous development of our business in innovative projects and strategic growth areas. Through our Operational Excellence Manager and related units, we create the necessary infrastructure to increase the productivity of our people. Our customer satisfaction and marketing strategies are designed to understand and meet our customers' expectations. Together with the Marketing Directorate and related units, we develop and implement strategies in line with market research and customer feedback.

Our approach to sustainability is not limited to economic performance, but also encompasses environmental and social responsibility. Accordingly, we are implementing various sustainability projects to minimise the environmental impact of our operations and increase social benefits.

Our corporate governance structure plays a critical role in achieving our company's sustainable growth objectives. We continue to deliver value to our stakeholders through strong audit mechanisms, effective risk management and transparency principles.



# BUSINESS ETHICS AND COMPLIANCE

Our business ethics form the basis of our business strategy and corporate identity. We apply the principles of fairness, respect, honesty, reliability and equality throughout our value chain, from our manufacturing and distribution processes to our relationships with our stakeholders. We strictly comply with local legislation, the laws of the countries in which we operate and international regulations.

We aim to prevent conflicts of interest and unethical behaviour by establishing ethical rules and policies. Together with our Human Resources and Internal Audit functions, we have established ethical principles that reflect our corporate values, mission and vision. We implement and strictly monitor these principles in each of our business processes. We continuously monitor the implementation of ethical rules through audit mechanisms and take the necessary action. We take ethical breaches seriously, investigate them and seek to prevent similar incidents from recurring through corrective and preventive action.

We provide channels for our stakeholders to report ethical violations. We enable them to report to us via the email address [etik@kervangida.com](mailto:etik@kervangida.com) or the telephone number **+90 0212 875 00 48**. We carefully investigate and analyse all reports and take prompt action. In 2023, we received no reports of ethical violations.

Our primary responsibility is to ensure compliance with all legal requirements, in particular the Capital Markets Act. We work diligently to comply with the laws of the countries with which we have export relationships, as well as universal requirements. We act in accordance with national and international laws in our decision-making processes and practices. The independent Internal Audit function and the Audit Committee review the effectiveness, efficiency and compliance of our operations and report regularly to the Board.

As Kervan Gıda, we continue our efforts to continuously improve and develop business ethics and compliance. We are determined to continue our efforts to strengthen the ethical culture of our company and to build a sustainable future.

You can access all of our company's current policies on our website.

#### Our Policies — Kervan Gıda

→ <https://kervangida.com/> 

## COMBATING CORRUPTION AND ANTI-COMPETITIVE BEHAVIOUR

Our corporate culture includes avoiding conflicts of interest, managing stakeholder relations in a professional manner and conducting all activities in accordance with the law. Our stakeholder relationships are clearly defined in the Kervan Gıda Code of Conduct and Ethics. In this context, we ensure that all our employees and stakeholders comply with the rules set out in our Anti-Bribery and Anti-Corruption Policy. We conduct all our communications with public authorities in a transparent, open manner and in compliance with competition laws. We also comply with anti-money laundering laws and regulations and undertake various activities to raise awareness of monopolisation and anti-competitive behaviour. As part of our Code of Ethics, we manage risks around issues such as gifts and entertainment, donations and grants, public tenders and conflicts of interest, and aim to prevent such unethical behaviour. We do not tolerate ethical violations such as bribery, corruption and misconduct in any form in our business.

**As Kervan Gıda, we are committed to conducting our business in an ethical and responsible manner and to being a reliable partner for all our stakeholders.**

We support international anti-corruption efforts and conduct all our business within the framework of competition law and ethical rules. In Türkiye and other regions where we operate, we do not support any political party and do not provide material or non-material, direct or indirect support to any political organisation or individual. We communicate transparently and honestly with public authorities and act in accordance with fair competition laws. We shall conduct our relations with our competitors on the basis of transparency and fair competition principles and avoid any anti-competitive behaviour. In accordance with confidentiality rules, we oppose actions that could be considered monopolistic and antitrust. During the reporting period, no cases of anti-competitive behaviour, monopolisation or antitrust were detected. There were no cases of corruption at Kervan Gıda in 2023.

As Kervan Gıda, we are committed to conducting our business in an ethical and responsible manner and to being a reliable partner for all our stakeholders.







# TRANSPARENCY AND TRACEABILITY

As Kervan Gıda, our wage study processes are as follows: measurement of business performance, wage surveys, determination of wage increase principles, performance negotiations, wage negotiations with managers and finally obtaining the approval of senior management.

At Kervan Gıda, we see the principles of transparency and traceability as cornerstones in achieving our sustainability goals. We openly share our business activities with all our stakeholders and strive to make every stage of our supply chain traceable.

Transparency is one of our core values in all our operations and decision-making processes. We are committed to being open and honest with our customers, business partners and employees. As part of this, we provide detailed information about our financial performance and our environmental and social responsibility projects in our annual reports.

Our Internal Audit Department prepares a detailed audit plan each year to safeguard Kervan Gıda's assets, ensure compliance with legal requirements and internal regulations, ensure the accuracy and reliability of financial and operational information, and carry out activities effectively and efficiently. Our Internal Audit Department provides an independent and objective

assurance service, aiming to add value to risk management, control and governance processes. In this context, all our transactions and activities are treated with a systematic and disciplined approach within the internal audit process, and audits are carried out in accordance with criteria determined according to the level of risk.

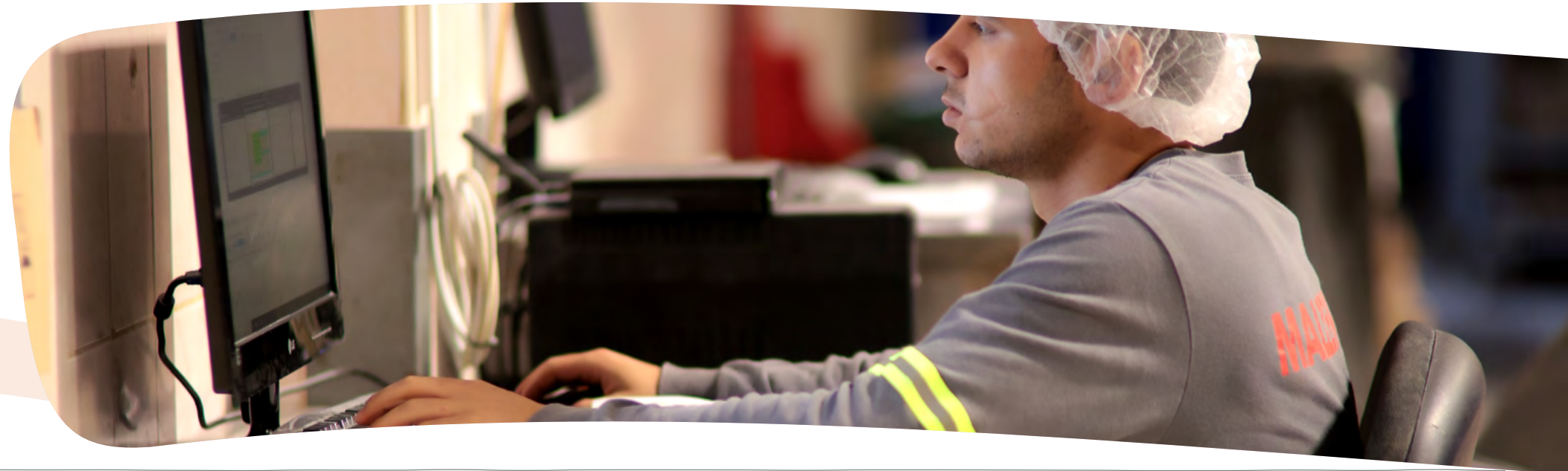
No. 213 of the Tax Procedure Law, we aim to ensure compliance with tax legislation and take advantage of tax incentives. In this regard, we take advantage of legal incentives such as Investment Incentive Discounts and Social Security Institution (SSI) Tax Reduction No. 5510, and we take care to make the most efficient use of these incentives.

To monitor the overall performance of our business, the general managements of all Group companies are regularly monitored through the Performance Management System (KPI). As a listed company, we evaluate our financial performance through

quarterly financial reports, which are published on the public disclosure platform (KAP). These reviews enable us to monitor the financial performance of our business in a transparent manner and provide up-to-date information to our stakeholders.

A communication mechanism is in place for all financial stakeholders to voice their concerns or opinions through regular analyst meetings, an Investor Relations contact number and social media. All contact details and a frequently asked questions section are available on the company's website.

As Kervan Gıda, our wage study processes are as follows: measurement of business performance, wage surveys, determination of wage increase principles, performance negotiations, wage negotiations with managers and finally obtaining the approval of senior management.



# INTEGRATED RISK MANAGEMENT

**A comprehensive risk analysis study was carried out within our company in 2023 to examine national and global risks. In this study, we defined our risk factors by ranking the risk situations according to their importance.**

As Kervan Gıda, one of our main objectives is to effectively manage the risks we face globally and locally. We carry out a continuous risk assessment process and take appropriate measures to deal with various risks such as economic uncertainties, supply chain management, climate change and regulatory changes.

The World Economic Forum's Global Risks Report 2024 details the most important threats we may face in the short and long term, and shows how risks will change over time. In the short term, misinformation and disinformation stand out as the biggest risk, highlighting that misinformation spread on digital platforms threatens social trust and stability. In this context, we ensure our transparency and reliability through our sustainability reports, which we publish regularly every year. In the longer term, the report highlights the continuing and increasing impact of extreme weather events caused by the climate crisis. In addition, environmental threats such as critical global system change, biodiversity loss and ecosystem collapse pose significant long-term risks. Aware of these risks, we are

developing projects to minimise these threats in our strategic decisions and production activities. Although the negative consequences of artificial intelligence technologies are a lower priority in the short term, they are seen as a major threat in the long term. In this context, we are continuously developing our production chain by focusing on our R&D and innovation activities.

The Early Risk Identification Committee provides advice and recommendations to the Board on the early identification, assessment, management and reporting of strategic, operational, financial and legal risks that could threaten the existence, development and continuity of the company. The Committee reviews the effectiveness of the risk management and internal control systems at least once a year and reports in writing to the Board on the risks identified and proposed solutions. In addition, regular reports are made every two months during the year and the minutes of the Committee meetings are kept by the Legal Department. In the case of risks, interim meetings are organised to evaluate the risks and the results are reported to the Board of Directors.

A comprehensive risk analysis study was carried out within our company in 2023 to examine national and global risks. In this study, we defined our risk factors by ranking the risk situations according to their importance.





# OUR RISKS AND ACTIONS

RISK AREA	RISKS	ACTIONS
<p><b>WATER STRESS AND SCARCITY</b>  <b>ACCESS TO CLEAN AND QUALITY WATER</b>  <b>WASTE WATER TREATMENT COSTS</b></p>		<p>We are developing water saving projects and raising awareness to prevent water wastage. We have an investment plan for dry steam cleaning. We also plan to invest in increasing the capacity of our treatment system. Compared to 2022, our total water consumption has decreased by 27%.</p>
<p><b>PACKAGING WASTE</b>  <b>FOOD WASTE AND WASTE</b>  <b>WASTE MANAGEMENT</b></p>		<p>Thanks to the packaging reduction project we implemented in 2022, we saved around TL 8 million by reducing the use of plastic and cutting costs. We contribute to the protection of our natural resources and ecosystem by avoiding the use of approximately 110 tonnes of plastic. In 2023, our hazardous waste decreased by 23% compared to 2021. The total amount of waste recycled at our Akhisar plant increased by 81% compared to the previous year. The amount of waste recycled to generate energy increased by 15% compared to 2021.</p>
<p><b>CLIMATE CHANGE</b>  <b>BIODIVERSITY</b>  <b>CARBON FOOTPRINT</b></p>		<p>We regularly report our corporate carbon footprint each year and monitor our emissions. We operate under the ISO 14001 environmental management system. We implement energy efficiency projects in our operations. We are in the process of developing a plan for a net zero roadmap. We participate in biodiversity conservation efforts and support stakeholder efforts. There is a "Mitat Başar Memorial Forest" project for reforestation in 2024. We have included the Scope 3 calculation in our Scope 1 - 2 calculations this year. In 2023, our Scope 1 and Scope 2 emissions at our Istanbul site will decrease by 40% and 51% respectively compared to 2022. Our Scope 1 and Scope 2 emissions at the Istanbul site decreased by 50% compared to 2022. Our total Scope 1 and Scope 2 emission reduction rate at the Akhisar and Istanbul sites is around 8%.</p>
<p><b>ENERGY MANAGEMENT</b>  <b>INCREASE IN ENERGY COSTS</b></p>		<p>We are increasing our investment in energy efficiency projects. We continue to carry out training and awareness-raising activities. We conduct unit-based metering for energy management. We have a photovoltaic solar power plant with a total cost of approximately USD 21 million and a capacity of 25,000 kWp on 325 decares of land in the Demirci district of Manisa. The power plant will be commissioned gradually from May 2024. In the second half of 2024, the remaining part will be commissioned and operate at full capacity.</p>



# OUR RISKS AND ACTIONS

RISK AREA	RISKS	ACTIONS
<b>LIQUIDITY RISK</b>		We identify and monitor liquidity risks by diversifying our investment portfolio. The aim is to reduce overdue receivables. The collection performance of all sales units is within the KPI targets. With these measures we aim to increase our financial stability and improve our operational efficiency. We are working on increasing our inventory turnover rate and on more effective inventory management.
<b>CURRENCY RISK</b>		In order to increase export sales, we are focusing on new target countries and foreign customer research. To this end, we plan to increase the diversity of our products and services and to start implementing alternative e-commerce sales channels. With these strategies we aim to make our business more resilient to currency risk and increase our natural hedge position. We also plan to use derivatives where appropriate.
<b>CYBER SECURITY</b>		We conduct regular internal and external cyber security audits. We provide information security training to our employees and undertake risk management and insurance. We conduct penetration tests. We have 24/7 third party anomaly monitoring of server and user computers. We have initiated a micro-segmentation process for access control and management from the network layer and we track this process in KPIs. We carry out all necessary control, monitoring, testing and improvement activities to ensure the robust and stable operation of the IT system infrastructure against cyber threats.
<b>FAILURE TO ADAPT TO TECHNOLOGICAL DEVELOPMENTS</b>		We ensure the creation of continuous learning and training strategies and the implementation of digital transformation processes. In this context, we digitally monitor parameters such as efficiency, waste and interruptions. As part of the DOPA project, which we initiated as an internal transformation movement, we launched our digitalisation efforts comprehensively in 2022. With the increase in the number of projects and pilot equipment, we are expanding our R&D centre area by 3.5 times to create a more spacious and convenient area. In addition, our R&D centre expenditure will increase by 2.3 times in 2023 compared to 2022, reaching TL 12 million. For 2024, the R&D centre expenditure amount is projected to be 20 million TL.

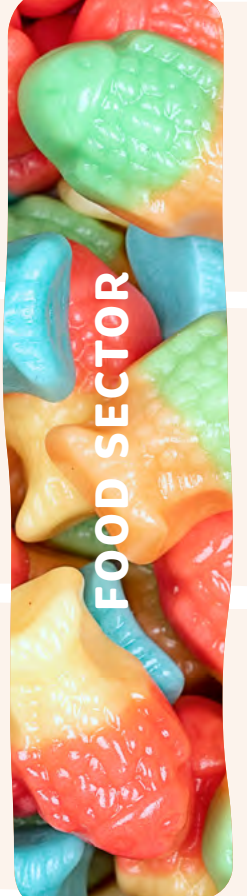


# OUR RISKS AND ACTIONS

RISK AREA	RISKS	ACTIONS
<b>WORK ACCIDENTS</b>		<p>We regularly carry out machine risk assessments and prepare accident investigation reports. We conduct root cause analyses and provide training to all employees. In 2023, we provided OHS training to 3854 employees and increased the number of employees participating in OHS training fivefold compared to the previous year.</p>
<b>CHANGES IN STAKEHOLDER EXPECTATIONS</b>		<p>We assess the expectations of all our stakeholders through regular stakeholder analysis. We develop action plans for material issues and carry out financial planning and analysis. We analyse market conditions on a regular basis. We communicate regularly with different stakeholder groups and seek their views. We involve all our stakeholders in our process of prioritising sustainability issues.</p>
<b>SUPPLY CHAIN MANAGEMENT</b>		<p>We create alternative supplier and raw material usage matrices. We create incentives to ensure the highest level of local content in all purchased items. As Kervan Gida, we monitor, support and audit our suppliers with projects such as "Supplier Portal" and "Supplier Scorecard" in order to manage our supply chain in a durable and sustainable way. We are planning to include sustainability criteria in the supply chain management and to include sustainability criteria as a question in the supplier approval form.</p>





# OUR RISKS AND ACTIONS

RISK AREA	RISKS	ACTIONS
<p><b>FOOD SAFETY AND PRODUCT QUALITY</b></p>		<p>We continue our activities with BRCGS, AIB, TSE Halal, ISO9001, ISO27001, ISO14001, ISO50001, ISO45001 certificates and we carry out on-site inspections with regular unannounced inspections. We have analyses for raw materials, products, ambient air, personnel hygiene, food contact and non-food contact surfaces.</p>
<p><b>CUSTOMER COMPLAINTS</b></p>		<p>We measure consumer/customer satisfaction. We investigate all customer complaints and respond quickly to all necessary requests.</p>
<p><b>CHANGES IN CONSUMER HABITS</b></p>		<p>We conduct regular research to monitor consumer trends. We conduct product and packaging innovation studies in response to customer requirements. We meet consumer and customer expectations in line with national and international regulations on sustainable raw material and packaging supply.</p>



# OUR RISKS AND ACTIONS

RISK AREA	RISKS	ACTIONS
<p><b>EXPORT QUOTAS / PROHIBITIONS</b></p>		<p>We have defined strategies to increase country diversity by targeting different countries against regional quotas. As a KPI, we aim to achieve a 'Legal Non-Compliance Rate' of zero.</p>
<p><b>EARTHQUAKE FIRE OTHER NATURAL DISASTERS</b></p>		<p>We carry out earthquake surveys in factories and offices and organise emergency drills. Our earthquake drills are scheduled every six months for all our sites. We regularly check the emergency readiness of all our equipment. We carry out awareness-raising activities for our employees and regularly follow ground investigation plans.</p>



## 4.0 Sustainability Governance

# save today for a sustainable tomorrow

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# OUR SUSTAINABILITY STRATEGY

## Vision of a Sustainable Future Beyond Commercial Success

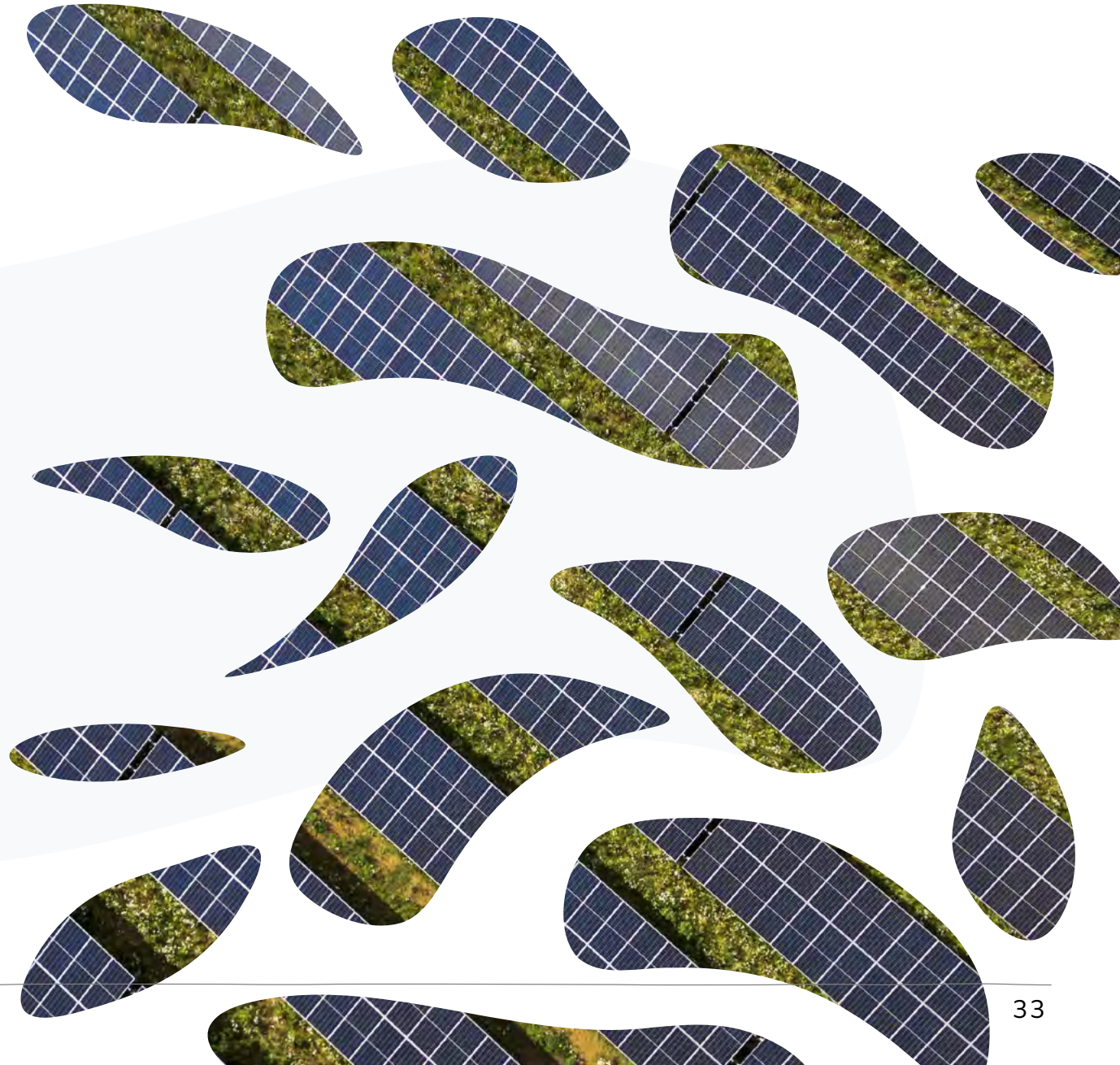
As Kervan Gida, we are a company that is not only focused on profit and commercial success, but also on our responsibility towards our planet and society. With our sustainability perspective, we aim to build a better world by combining our commercial success with our environmental and social performance.

We regularly monitor and report on our sustainability performance through our Corporate Sustainability Principles. We operate according to the principles of transparency and accountability and set sustainability targets in line with the United Nations Sustainable Development Goals. We encourage our employees to support our vision and regularly monitor our financial, operational and environmental metrics, making the goals we set part of our management strategy.

We are committed to protecting our planet, empowering society and building a sustainable future through transparent governance. We do this by focusing on critical sustainability issues, closely monitoring industry requirements and adopting best practice. We continuously update our sustainability strategy in line with national and international commitments.

To meet our environmental responsibilities, we are reducing energy and water consumption, investing in renewable energy sources and implementing various projects to optimise waste management. We assess our suppliers' compliance with responsible trade principles to ensure they respect human and labour rights. Through our community benefit approach, we develop social projects in partnership with local communities. We organise regular training and information programmes to raise the sustainability awareness of our employees, suppliers and customers. We implement various programmes to improve occupational health and safety standards and employee welfare. We carry out R&D activities to provide healthier alternatives within our product range.

We prioritise our environmental and social responsibilities by looking at sustainability from more than just an economic perspective. This broad and innovative perspective plays an important role in enhancing our long-term value creation potential and improving our ESG (environmental, social and governance) performance.



# SUSTAINABILITY GOVERNANCE CHART

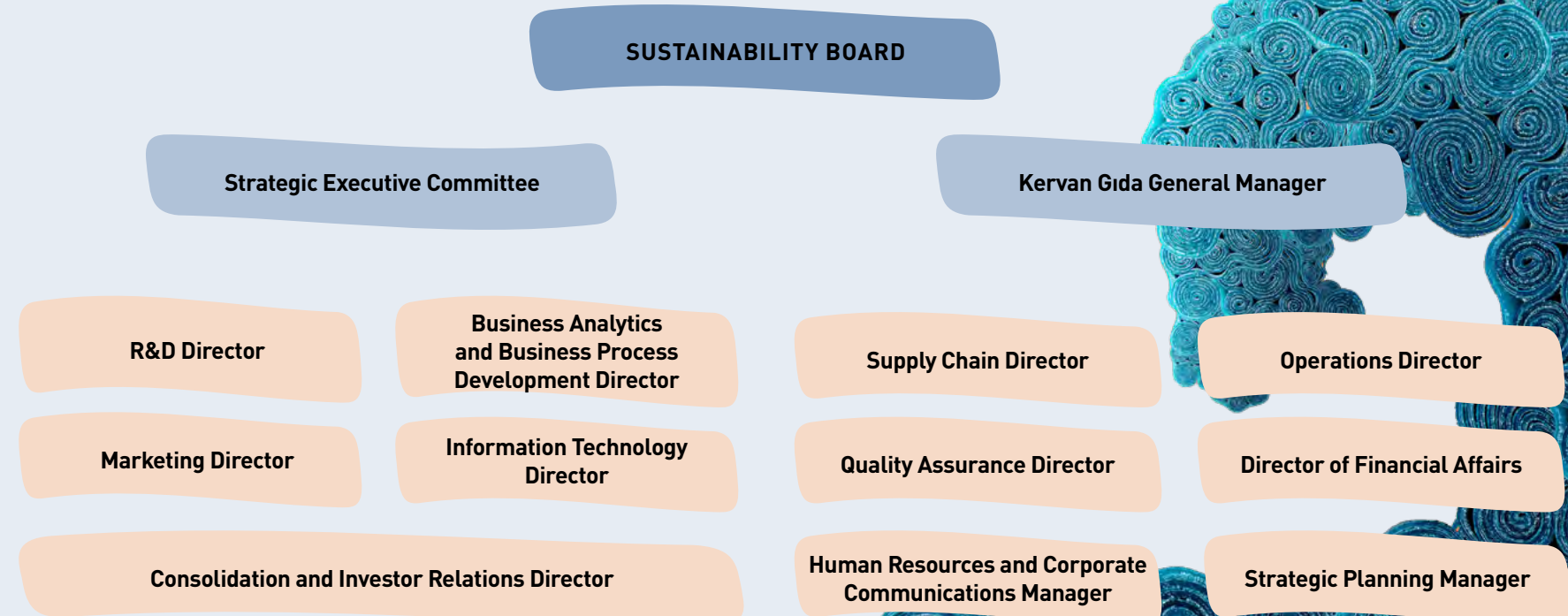
As Kervan Gida, we strive to fulfil our responsibility for the protection of our world and the well-being of society by approaching the concept of sustainability from a holistic perspective. Within this framework, our Sustainability Committee operates as a structure responsible for determining the strategies necessary to achieve sustainability goals, preparing policies and monitoring practices. The committee's main tasks include developing and implementing sustainability strategies, complying with national and international regulations, setting the company's sustainability goals, establishing performance criteria and monitoring progress against these goals.

It is also responsible for identifying sustainability risks, developing risk indicators and taking preventive action. Developing projects to reduce our carbon footprint as part of the fight against the climate crisis is also a key responsibility of our committee. Various training and awareness-raising programmes are organised to raise sustainability awareness throughout the company and to inform all employees on this issue.

Our Sustainability Committee is chaired by Kervan Gida, General Manager, and coordinated by the R&D Director, and consists of the Supply Chain Director, Marketing Director, Quality Assurance Director, Operations Director, Business Analytics and Business Process Development Director, Information Technologies Director, Financial Affairs Director, Consolidation and Investor Relations Director, Human Resources and Corporate Communications Manager, and Strategic Planning Manager. The committee is coordinated by the R&D Director and the Strategic Planning Manager.

We maintain effective communication with our stakeholders by adhering to the principles of transparency, accountability and efficiency in line with our company's sustainability goals. As Kervan Gida, we continue to work towards becoming a leading company in our sector through our commitment to sustainability and strong cooperation with our stakeholders.

We maintain effective communication with our stakeholders by adhering to the principles of transparency, accountability and efficiency in line with our company's sustainability goals.





# OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations set 17 Sustainable Development Goals to ensure peace and prosperity around the world. These goals aim to create a balanced development model to end poverty, protect our planet and ensure peace and prosperity for all. As Kervan Gıda, in line with these goals, we create our sustainability strategies with the SDGs that we directly and indirectly contribute to. We design our sustainability priorities and roadmap according to three main components: environmental protection, economic growth and social development, and we update these priorities every year and ensure their follow-up in our annual reports. Thanks to this approach, we are moving forward with determination to achieve our sustainable development goals and contribute to a sustainable future.

**AS KERVAN GIDA, IN LINE WITH THESE GOALS, WE CREATE OUR SUSTAINABILITY STRATEGIES WITH THE SDGS THAT WE DIRECTLY AND INDIRECTLY CONTRIBUTE TO.**



## SDGS WE DIRECTLY AFFECT



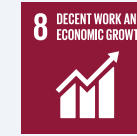
### HEALTHY INDIVIDUALS

In line with this objective, we implement strict quality controls to ensure that our products are healthy and safe and that we comply with health standards.



### ACCESSIBLE AND CLEAN ENERGY

We make investments to increase energy efficiency and utilise renewable energy sources in our production processes.



### DECENT WORK AND ECONOMIC GROWTH

We create healthy and safe working conditions for our employees, monitor employee satisfaction and implement fair wage policies.



### RESPONSIBLE CONSUMPTION AND PRODUCTION

We follow the life cycle of our products and carry out waste minimisation and recycling activities



### CLIMATE ACTION

We develop various projects to reduce our carbon footprint and maintain our reduction targets by regularly calculating our carbon footprint.



## SDGS WE INFLUENCE INDIRECTLY



### QUALIFIED EDUCATION

We provide training to our employees and potential employees and support their career development through various training and scholarship programmes



### GENDER EQUALITY

We promote gender equality among our employees and support women's participation in the labour force by keeping our female employee ratio high.



### INDUSTRY, INNOVATION AND INFRASTRUCTURE

We use innovative and sustainable technologies in our production facilities. We continue to work in our R&D and innovation centre.



### PARTNERSHIPS FOR THE GOALS

By establishing strong collaborations with our stakeholders, we carry out activities in all areas to achieve our sustainability goals.

# STAKEHOLDER ANALYSIS

By regularly communicating with different stakeholder groups on sustainability issues and soliciting their opinions, we involve them in our process of evaluating our material issues.

As Kervan Gida, we position the concept of sustainability as one of the core values of our corporate structure. With this sensitivity, we actively follow local and global developments in all areas of sustainability. By regularly communicating with different stakeholder groups on sustainability issues and soliciting their opinions, we involve them in our process of evaluating our material issues. This enables us to make a more comprehensive and balanced assessment by taking into account the views of our stakeholders. We recognise the importance of understanding our stakeholders' needs and expectations and setting priorities to best meet them. We therefore communicate openly and transparently with all our stakeholders and always take their feedback into account. We do not limit sustainability to our own organisation, but actively implement it at all stages of our value chain. We work closely with our suppliers and non-governmental organisations. Together with our partners, we are committed to raising our sustainability standards and building a greener future.





# STAKEHOLDER ANALYSIS

STAKEHOLDERS	COMMUNICATION METHOD	FREQUENCY OF COMMUNICATION	STAKEHOLDER IMPORTANCE	EXPECTATIONS OF STAKEHOLDERS	HOW IS IT MANAGED?	RELEVANT PRIORITY TOPIC	RELEVANT SDGS
<p><b>FINANCE COMMUNITY</b></p> <p>SHAREHOLDERS INVESTORS ANALYSTS BANKS</p>	All communication channels (meeting, mail, telephone, messaging), Analyst meetings	<p>CONTINUOUS</p> <p>EVERY THREE MONTHS</p> <p>EVERY THREE MONTHS</p> <p>ONCE A MONTH</p>	Financial communities help our businesses grow and develop by providing companies with a variety of resources such as capital, financial advice and marketing opportunities.	Ensuring that Kervan Gida plays an effective role in sustainability issues and that investments, financial and other data are shared accurately and timely	We advance our strategic priorities on the axis of profitability and sustainability by identifying sectoral and global risks and opportunities. As a publicly traded company, we regularly share our financial data.	<p>TRANSPARENCY AND TRACEABILITY</p> <p>STRATEGIC PLANNING</p>	
<p><b>STATE AND PUBLIC INSTITUTIONS</b></p> <p>GOVERNMENT OFFICIALS REGULATORY AUTHORITIES (TAX AND FINANCIAL AUTHORITIES) LOCAL MUNICIPALITIES</p>	Visits to relevant department officials, head office visits, memberships, meeting-seminar attendance	<p>-</p> <p>ONCE A MONTH</p> <p>EVERY THREE MONTHS</p>	The state and public institutions provide the legal framework, infrastructure, incentives and support necessary for companies to operate, grow and develop.	Preparation of Kervan Gida's tax obligations and tax returns, financial compliance, workplace licences, permits, environmental regulations, security protocols are appropriate	Material event disclosures regarding the information of our Company are prepared by the Investor Relations Unit reporting to the Board of Directors, electronically signed, submitted to the PDP and disclosed to the public.	<p>TRANSPARENCY AND TRACEABILITY</p> <p>COMPLIANCE WITH ETHICAL PRINCIPLES</p>	
<p><b>CUSTOMERS</b></p> <p>DOMESTIC CUSTOMER OVERSEAS CUSTOMER</p>	Meetings, written notifications, complaint and suggestion evaluations, business partnerships	ONCE A MONTH	Customers are the basis of company existence and success. Gaining and maintaining customer satisfaction and loyalty is crucial to the long-term success of your business.	Receiving requests, fulfilling orders accurately and on time, managing customer relations and providing after-sales support services	As Kervan Gida, our ultimate goal is to ensure that the products we offer to our customers are of the highest quality, food safe and meet the demands of our customers. We have a customer satisfaction-oriented approach that responds to the needs and demands of our customers in the shortest time and in the most accurate way.	<p>CONSUMER HEALTH AND SATISFACTION</p> <p>FOOD SAFETY AND QUALITY</p>	



# STAKEHOLDER ANALYSIS

STAKEHOLDERS	COMMUNICATION METHOD	FREQUENCY OF COMMUNICATION	STAKEHOLDER IMPORTANCE	EXPECTATIONS OF STAKEHOLDERS	HOW IS IT MANAGED?	RELEVANT PRIORITY TOPIC	RELEVANT SDGS
<p><b>COMMUNITY</b></p> <ul style="list-style-type: none"> <li>INTERNATIONAL ORGANISATIONS (REGULATORY AUTHORITIES)</li> <li>ASSOCIATIONS</li> <li>NGO</li> <li>TRADE UNIONS AND WORKERS' REPRESENTATIVES</li> <li>PUBLIC OPINION</li> </ul>	<p>Meetings, social events, volunteering activities, suggestion system, orientation programme, career development programmes, performance interviews</p>	<p>ONCE A YEAR</p> <p>EVERY THREE MONTHS</p> <p>-</p> <p>ONCE A YEAR</p> <p>EVERY SIX MONTHS</p>	<p>Engaging and collaborating with society on issues such as communities, market, employee pool, reputation, legal framework, infrastructure and sustainability are crucial to the success of companies.</p>	<p>Supporting outreach needs and environmental projects, ensuring employee labour follow-up, collective bargaining, safe food, transparency, environmental awareness, lobbying (effective communication to protect the interests of the sector), information sharing, helping to present standards and guidelines, good management of consumer perception</p>	<p>We take care to fulfil our social and environmental responsibilities towards society in harmony with our employees, the public, non-governmental organisations and other stakeholders. As a publicly traded company, in line with our donation and aid policy, we provide aid and donations to individuals, non-governmental organisations, associations or foundations, universities and public institutions and organisations operating in the fields of education, culture, arts, environment and sports within the framework of corporate social responsibility understanding, in compliance with the provisions of capital market legislation and the limitations specified in the policy.</p>	<p><b>CORPORATE GOVERNANCE</b></p> <p><b>STRATEGIC PLANNING</b></p>	
<p><b>UNIVERSITIES</b></p> <ul style="list-style-type: none"> <li>ACADEMIC ENVIRONMENT</li> <li>STUDENTS</li> </ul>	<p>Career days, seminars, internship and talent development programmes</p>	<p>EVERY THREE MONTHS</p> <p>ONCE A YEAR</p>	<p>Universities help our company in areas such as qualified labour force, R&amp;D and innovation, entrepreneurship, consultancy services and social responsibility.</p>	<p>Cooperation and partnerships in recruitment, development programmes, internship programmes and projects</p>	<p>We participate in career days, university collaborations and internship programmes in order to attract new graduates and young talents and to recruit young people with high potential as long-term employees.</p>	<p><b>CORPORATE GOVERNANCE</b></p> <p><b>STRATEGIC PLANNING</b></p>	



# STAKEHOLDER ANALYSIS

STAKEHOLDERS	COMMUNICATION METHOD	FREQUENCY OF COMMUNICATION	STAKEHOLDER IMPORTANCE	EXPECTATIONS OF STAKEHOLDERS	HOW IS IT MANAGED?	RELEVANT PRIORITY TOPIC	RELEVANT SDGS
<p><b>MEDIA AND PRESS</b></p>	<p>WRITTEN PRESS NEWSPAPERS SOCIAL MEDIA</p>	<p>ONCE A MONTH EVERY SIX MONTHS ONCE A MONTH</p>	<p>Using communication channels effectively helps companies increase brand awareness, manage reputation, conduct market research, build customer relationships and manage crises.</p>	<p>Promoting the company and products and providing transparent information</p>	<p>Since we are a publicly traded company, monitoring, supervision and development of our public disclosure and information policy falls under the authority and responsibility of our Board of Directors. We disclose information through various methods such as material event disclosures, financial statements and reports, annual reports, our website, presentations, investor meetings and teleconferences, information letters, press releases and the Trade Registry Gazette.</p>	<p>TRANSPARENCY AND TRACEABILITY</p>	
<p><b>EMPLOYEES</b></p>	<p>BLUE COLLAR WHITE COLLAR STEM FEMALE EMPLOYEE MALE EMPLOYEE SUBCONTRACTED WORKER SUB-COMPANY EMPLOYEES</p>	<p>ONCE A WEEK ONCE A YEAR ONCE A YEAR ONCE A YEAR EVERY THREE MONTHS EVERY THREE MONTHS</p>	<p>Employees are the most valuable asset of every company. Without their knowledge, skills, labour and motivation, it is impossible for companies to operate and achieve success.</p>	<p>Meeting Employee Satisfaction and Needs, meeting the needs of order and security</p>	<p>In line with our corporate governance approach, we aim to be a preferred employer with a competent organisational structure that keeps employee loyalty and motivation high. For this purpose, we aim to work with innovative, success-oriented, respectful to human rights, customer and quality-oriented responsible talents and to develop our employees in line with these competencies. We adopt a fair, impartial and sensitive approach to our employees, protecting their rights and valuing their opinions and suggestions.</p>	<p>EMPLOYEE SATISFACTION AND LOYALTY HUMAN RIGHTS EMPLOYEE HEALTH AND WELFARE JOB SECURITY</p>	



# STAKEHOLDER ANALYSIS

STAKEHOLDERS	COMMUNICATION METHOD	FREQUENCY OF COMMUNICATION	STAKEHOLDER IMPORTANCE	EXPECTATIONS OF STAKEHOLDERS	HOW IS IT MANAGED?	RELEVANT PRIORITY TOPIC	RELEVANT SDGS
<p><b>GOVERNANCE</b></p> <p>SENIOR MANAGEMENT BOARD OF DIRECTORS</p>	Direct Communication	ONCE A MONTH	Management has a critical role to play in maximising the company's value and ensuring its long-term success.	Realisation of objectives	In order to fulfil the targets set, we carry out effective studies in the fields of strategic, operational, technological and sustainability.	<p>CORPORATE GOVERNANCE</p> <p>STRATEGIC PLANNING</p> <p>ENTERPRISE RISK MANAGEMENT</p>	
<p><b>SUPPLIERS</b></p> <p>DEALERS AND DISTRIBUTORS FARMERS LOCAL SUPPLIER EXTERNAL SUPPLIER RAW MATERIAL SUPPLIERS PACKAGING SUPPLIER</p>	Audits, contracts, one-to-one contact and visits, joint cooperation projects	ONCE A MONTH	Collaborating with the right suppliers helps the company to reduce operational costs, control product quality, manage risks, innovate and quickly adapt to changing demands in the market.	Regularity of supply, compliance with payment terms and establishment of long-term relationships	We maintain our relations with our domestic and foreign business partners in our supply chain based on fundamental values such as honesty, transparency, reliability and quality. With the Supplier Portal Project, we save time by accessing supplier information faster, while also ensuring retrospective traceability of suppliers.	<p>SOCIAL COHESION IN THE SUPPLY CHAIN</p> <p>ACCESS TO RAW MATERIALS</p> <p>SUSTAINABLE AND RESPONSIBLE PROCUREMENT</p>	
<p><b>SUPERVISORS</b></p> <p>SUPPLIERS</p>	Audits, contracts, one-to-one communication and visits, meetings, e-mails	EVERY THREE MONTHS	Auditors are an important assurance and transparency tool for companies. Independent and objective auditors help companies manage their financial risks, ensure managerial accountability, operate in accordance with corporate governance principles and protect investors.	Transparent data sharing, open communication	Our Board of Directors carries out the necessary work to ensure that the audit activities of Kervan Gida, which is subject to CMB legislation, are carried out in the most effective manner.	<p>FOOD SAFETY AND QUALITY</p> <p>TRANSPARENCY AND TRACEABILITY</p>	





# STAKEHOLDER ANALYSIS

STAKEHOLDERS	COMMUNICATION METHOD	FREQUENCY OF COMMUNICATION	STAKEHOLDER IMPORTANCE	EXPECTATIONS OF STAKEHOLDERS	HOW IS IT MANAGED?	RELEVANT PRIORITY TOPIC	RELEVANT SDGS
<p><b>SUBSIDIARIES</b></p> <p><b>DOMESTIC AND FOREIGN SUBSIDIARIES</b></p>	Audits, contracts, one-to-one communication and visits, joint cooperation projects, board meetings, e-mails	<b>ONCE A MONTH</b>	Our subsidiaries play an important role in achieving strategic growth and sustainability by enabling our company to enter new markets by spreading its risks, gaining cost advantages and complying with local legislation.	Receiving requests, fulfilling orders accurately and on time, managing customer relations and providing after-sales support services	We manage our subsidiaries through a comprehensive process that includes various elements such as strategic planning, operational control, financial management and board oversight.	<p><b>STRATEGIC PLANNING</b></p> <p><b>CORPORATE GOVERNANCE</b></p>	   





# MATERIALITY ANALYSIS

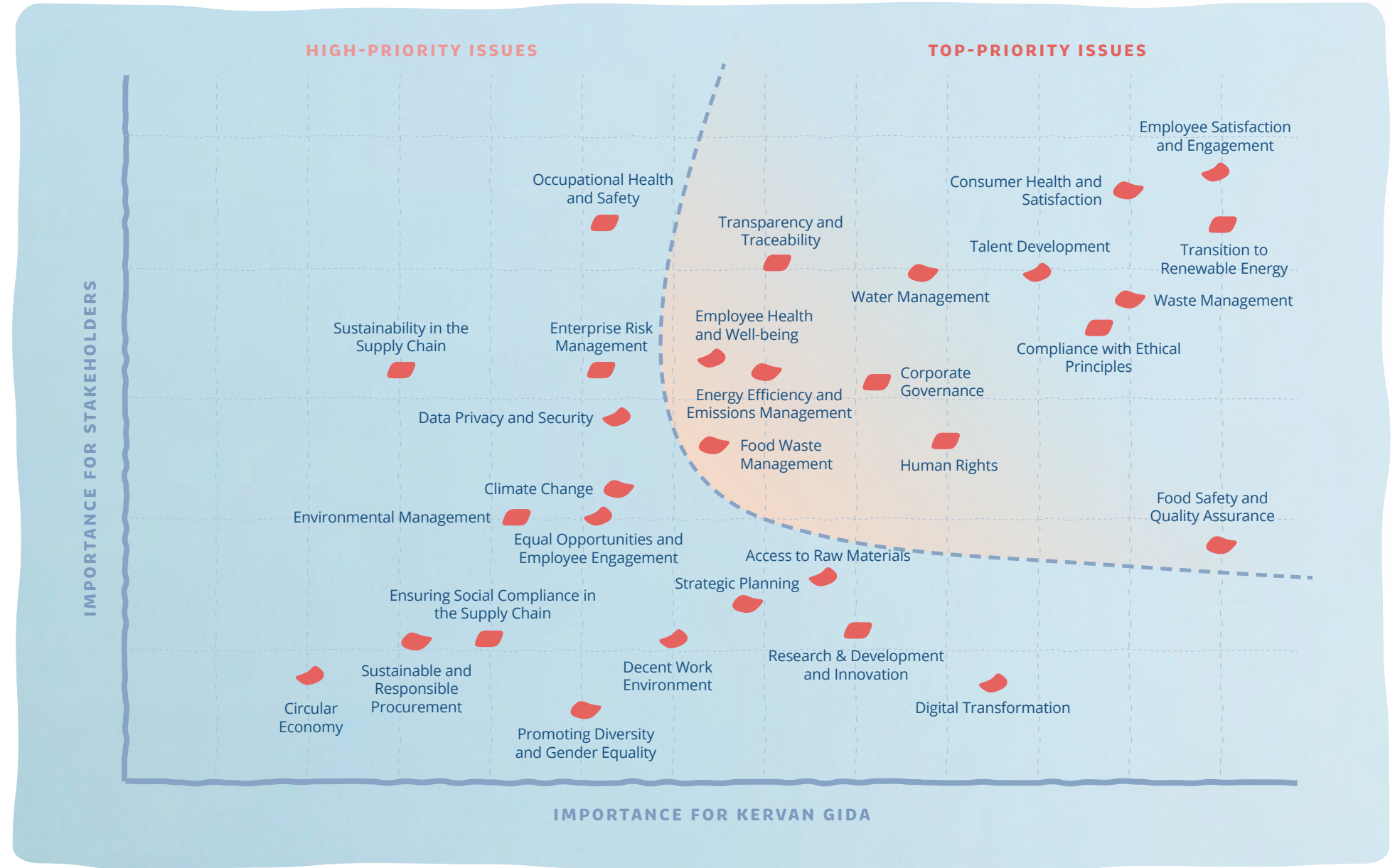
Our analysis identified 30 materiality issues. Of these, 14 have been identified as top priority and 16 as high priority issues and have been approved by the Board.

As Kervan Gida, we have updated our materiality analysis study in 2023. In this process, we focused on the priorities of both our company and our stakeholders, taking into account the opinions and expectations of our stakeholders, and in line with the opinions of 11 different stakeholder groups, comprehensive analyses were carried out on more than 100 issues. As a result, we have identified our key environmental, social and governance issues and ranked them in order of importance.

Our analysis identified 30 materiality issues. Of these, 14 have been identified as top priority and 16 as high priority issues and have been approved by the Board. We are working diligently on each material issue and taking the necessary action.

Environmentally, we focus on energy efficiency, water management and waste minimisation. Our social priorities include employee health and safety, employee satisfaction and human rights. In governance, we work on transparency, ethical business practices and corporate governance.

This comprehensive and detailed materiality analysis enables us to shape our sustainability strategies and plan our future steps.



# OUR VALUE CHAIN MODEL

## VALUE CHAIN STEPS



RAW MATERIAL SUPPLY



PRODUCTION



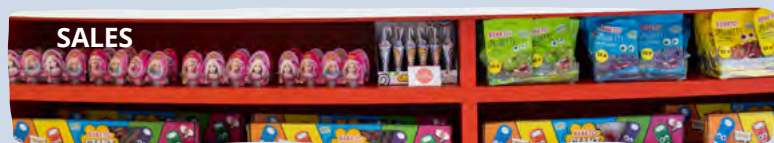
PACKAGING



STORAGE



DISTRIBUTION AND LOGISTICS



SALES



CONSUMPTION

## AFFECTED STAKEHOLDERS

Dealers and Distributors  
Local Supplier  
External Supplier  
Raw Material Suppliers  
Purchasing Unit

Blue Collar  
White Collar  
Subcontracted Worker  
Quality Assurance

Packaging Supplier  
Purchasing Unit  
Packaging R&D Unit

Sales and Marketing Unit  
Quality Assurance

Dealers and Distributors  
Sales Unit  
Quality Assurance

Sales and Marketing Unit  
Domestic Customer  
Overseas Customer  
Dealers and Distributors

Domestic Customer  
Overseas Customer  
Consumers

## LINKED RISKS

- Liquidity Risk
- Currency Risk
- Supply Chain Management
- Food Sector

- Energy Management
- Increase in Energy Costs
- Waste Water Treatment Costs
- Carbon Footprint
- Climate Change
- Work Accidents
- Failure to Adapt to Technological Developments

- Packaging Waste
- Food Waste and Waste
- Waste Management

- Work accidents
- Food safety and product quality

- Work accidents
- Supply Chain Management

- Foreign Exchange Risk
- Changes in stakeholder expectations
- Export quotas / prohibitions
- Cyber security

- Changes in consumer habits
- Customer Complaints

# OUR VALUE CREATION PROCESS

## INPUTS

**INTELLECTUAL CAPITAL** Interaction with Stakeholders  
**12.5 million TL** R&D and Innovation Investments, Training Programmes provided to **17367 people**, -Internal Transformation Movement

**NATURAL CAPITAL** **32 million kWh** Electricity Usage  
**21 million USD** Renewable Energy Investment  
**15%** Renewable Energy Use  
**23364 tonnes** Scope 1+2 Emission Amount  
**275 thousand m<sup>3</sup>** Water Consumption and Wastewater Management  
**1,700 tonnes** Waste Quantity Management  
**100.302 Million Turkish Lira** Environmental Investment

**SOCIAL CAPITAL** **2292** Number of Employees  
**Social Contribution** Investments  
**Social Responsibility** Projects  
**Talent and Internship** Programmes  
**Corporate Social** Responsibility Projects

**FINANCIAL CAPITAL** **4 Billion TL** Equity  
**TL 1.7 Billion** Operating Expenses  
**642.4 Million TL** Investment

**MANUFACTURED CAPITAL** **8** Production Facility  
**3** Different Solar Power Plants  
 Operating in **3** Different Continents and **85 Countries**

**HUMAN CAPITAL** Occupational Health and Safety Studies  
 Equality, Diversity and Inclusion Activities  
 Talent Management Projects  
**560** Number of Suggestions from Employees

## VALUE



We increase our investment in R&D and innovation through continuous interaction with our stakeholders. This investment ensures the development of new products and the improvement of existing ones. We continuously increase the total number of training courses and participants to enhance the skills of our employees through our training programmes.



We continue to expand our investment in renewable resources with our solar power plants. Our environmental investments significantly reduce our carbon emissions, while energy efficiency projects reduce overall energy consumption. In waste management, we are increasing waste recovery rates and reusing waste in line with the principles of the circular economy.



We support various segments of society through our social contribution and social responsibility projects. Through our gender equality policy, we aim to increase the number of female employees and the representation of women in management positions. We continue to operate on the basis of honesty and transparency by adhering to the principles of business ethics.



We are continuously improving our financial performance by increasing our sales and strengthening our profitability. We achieve our growth and expansion objectives through a range of investment activities.



We are increasing our production capacity by modernising production facilities and investing in solar power plants. We have a strong presence in the global market with operations in different continents and countries. We contribute to local economies by supporting local sourcing.



We reduce accident rates by setting high standards in occupational health and safety. We ensure high employee satisfaction through our Equality, Diversity and Inclusion policy and support employee retention and development through our talent management processes.

## OUTPUT

- **1505** Tübitak Project Application as a Result of R&D Studies
- **17367** Total Number of Training Participants
- **595** Increase in the Number of Participation in Trainings
- **16** improvement and development studies in production processes with DOPA

- **15%** Renewable Energy Utilisation
- **40%** Scope 1 and
- **51%** Scope 2 Emission Reduction
- **27%** Water Consumption Reduction
- **11%** Reduction in Electricity Use
- **345%** Increase in Environmental Investments compared to 2021
- Increase in the Amount of Recycled Waste at **81%** Akhisar Plant

- **52%** Female Employee Ratio
- **25%** Ratio of Female Employees in Managerial Positions
- **37** Different Employee Events
- **40%** Increase in the Scholarship Rate

- **8.2 Billion TL** Revenue
- **322.6 Million TL** Net Profit
- **846.3 Million TL** EBITDA
- **10.3%** EBITDA Profit Margin
- **642.4 Million TL** Investment

- **80%** Local Raw Material Supplier Ratio
- **83.2 Million** Units/Year Production Capacity

- **650 Hours** OHS Training Employees and Implemented
- **65% Employee** Satisfaction
- **80% Increase in** the Number of Suggestions Received from
- **548 Hours** Talent Development Trainings



## 5.0 Environment

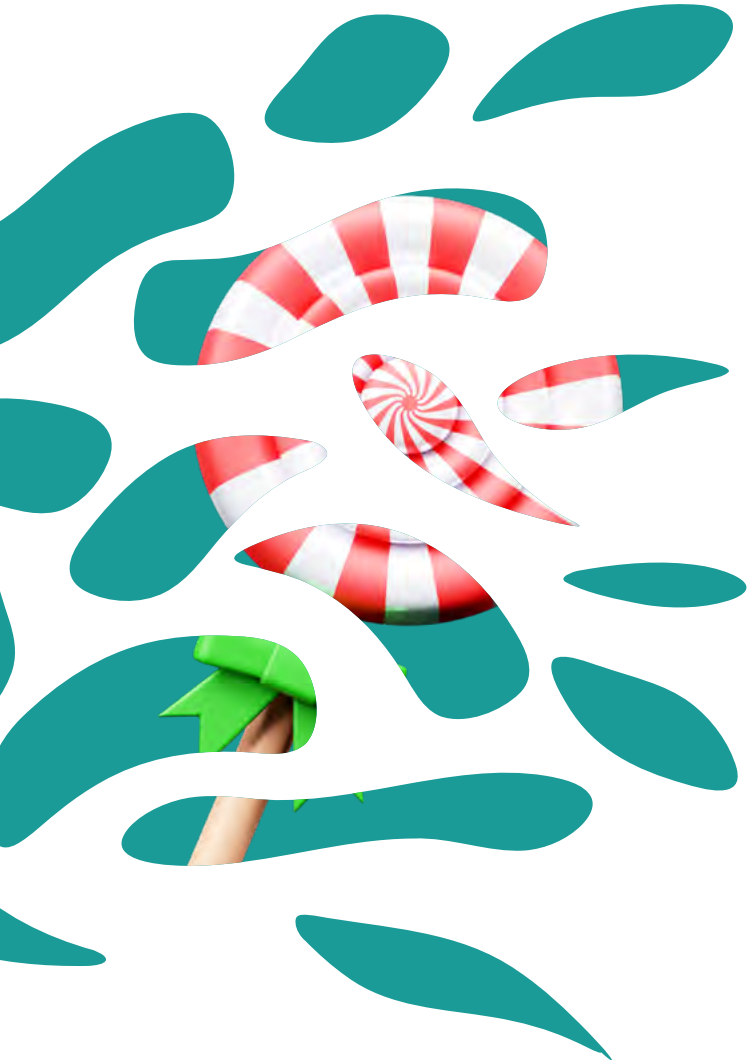
# save today for a better environment

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		5.9 Food Waste and Waste Prevention	58





# ENVIRONMENTAL OBJECTIVES



Targets	2023 Target	Progress Status	2023 Realised	SDGs	Relevant Materiality Issues
Increasing the ratio of facilities certified with ISO 14001 and ISO 50001 standards	75%	↗ 25%	100%		ENVIRONMENTAL MANAGEMENT
Carrying out carbon footprint reporting for all our facilities and setting reduction targets	50%	↔	50%		CLIMATE CHANGE ENERGY EFFICIENCY ANDEMISSION MANAGEMENT
Increasing the rate of renewable energy utilisation	15%	↔	15%		CLIMATE CHANGE ENERGY EFFICIENCY AND EMISSION MANAGEMENT
Completion of SPP Projects to meet the entire energy consumed from production	15%	↔	15%		TRANSITION TO RENEWABLE ENERGY
Reducing the total amount of waste per tonne of production	50%		- %		WASTE MANAGEMENT
Reduction of total packaging material usage per sales tonnage	20%		- %		CIRCULAR ECONOMY SUSTAINABLE AND RESPONSIBLE PROCUREMENT
Reducing the total amount of packaging waste per sales tonnage	20%		- %		CLIMATE CHANGE
CDP Climate Change declaration for all your facilities	- %		- %		CLIMATE CHANGE
Water footprint calculation and CDP Water Security Programme declaration for all our facilities	- %		- %		WATER MANAGEMENT CLIMATE CHANGE

# ENVIRONMENTAL POLICY AND SUSTAINABILITY COMMITMENT

We maintain resource efficiency practices to ensure sustainability in industrial production and all our activities and continuously improve environmental quality standards in our sector.

Our environmental policy includes full compliance with national and international legislation and continuous investment in the sustainability and efficiency of energy resources. We increase efficiency by optimising the use of raw materials and water in our production processes, promoting recycling and implementing waste minimisation strategies. We also aim to mitigate the effects of climate change by supporting renewable energy projects.

We always take environmental sustainability principles into consideration when constructing our new facilities and renovating our existing facilities. We encourage our employees and management on sustainability, integrate these principles into all our business processes and regularly organise trainings to raise environmental awareness.

We effectively manage our environmental impacts through our ISO 14001 Environmental Management System and continually update our environmental risk analysis through technological

innovation. By adopting circular economy and business models, we create cost benefits through resource efficiency and raise awareness of environmental sustainability in the business community.

We lead on priority issues such as climate change, energy, water and resource efficiency, zero waste management and food waste. We maintain resource efficiency practices to ensure sustainability in industrial production and all our activities and continuously improve environmental quality standards in our sector.

These policies and projects contribute to creating a sustainable and efficient business model by minimising our environmental impact.

## Director Opinion

“

In 2023, Kervan Gıda made significant progress in energy, water and food waste management. While reducing our energy consumption by 11%, we met 15% of our energy needs from renewable sources with rooftop SPP investments. We reduced our water consumption by 12% and achieved 20% municipal water savings, especially in our Akhisar facility. Regarding food waste, we disposed of 1564 tonnes of food waste by composting and we plan to produce glucose from waste sugar with the Waste Recovery Project. We managed to reduce our food waste rate from 2.1% to 1.5%. These achievements reflect our commitment to our environmental sustainability and economic efficiency goals. The steps we take for a sustainable future strengthen our leadership position in our industry.

Operation Director  
**Hasan Şener**









# COMBATING CLIMATE CHANGE

In our 2023 Kervan Gıda risk analysis study, we have clearly established the magnitude of the risk posed by climate change on a global scale. The rapidly worsening climate crisis and the associated climate disasters stand out as one of the greatest threats facing humanity. With this in mind, we know that we must take decisive action to combat climate change. According to the World Economic Forum's Global Risk Report, we see that the risks that rank first in the short term will, in the long term, emerge as purely environmental risks as a result of climate change. We are assessing the impact of these risks on our business strategies and food safety, and developing strategies to minimise them.

According to the World Economic Forum's Global Risk Report, we see that the risks that rank first in the short term will, in the long term, emerge as purely environmental risks as a result of climate change.

RISKS INCLUDED IN THE GLOBAL RISK REPORT	EFFECTS ON KERVAN GIDA		
LONG TERM RISKS	RISK DISCLOSURE	IMPACT AREA IN VALUE CHAIN	KERVAN FOOD ACTIONS
 <p><b>CRITICAL GLOBAL SYSTEM CHANGE</b></p>	<p>Major changes in the global system threaten economic and political stability, leading to crises around the world. These changes have profound and long-term impacts on international trade, security and social structures. In particular, supply chains are heavily affected, resulting in disruption of global trade and serious problems in the availability of materials, products and services.</p>	<p><b>PRODUCTION PROCESSES SUPPLY CHAIN RAW MATERIAL ACCESS</b></p>	<p>We shape our supply chain management in line with sustainability principles. Within this framework, we are developing a sustainability-oriented supply chain policy. We are also working on a comprehensive supplier evaluation survey that assesses the environmental impact of our suppliers.</p>
 <p><b>EXTREME WEATHER EVENTS</b></p>	<p>Extreme weather events of increasing frequency and severity challenge the resilience of societies by damaging infrastructure and causing loss of life. These events reduce agricultural productivity, jeopardise food security and cause economic losses.</p>	<p><b>CUSTOMER SATISFACTION SUPPLY CHAIN</b></p>	<p>Within the scope of combating climate change, we have been regularly carrying out carbon footprint measurements for the last two years. In 2023, our scope 1 and scope 2 emissions decreased by 8% compared to 2022.</p>
 <p><b>BIODIVERSITY LOSS AND ECOSYSTEM COLLAPSE</b></p>	<p>Biodiversity decline leads to the degradation of ecosystem services and disruption of vital natural processes. The collapse of ecosystems threatens the sustainability of food and water supplies, resulting in serious negative impacts on human health and livelihoods.</p>	<p><b>RAW MATERIAL ACCESS</b></p>	<p>We attach great importance to the efficient use of water in our production processes. Our water consumption intensity per production has decreased by 17% compared to 2021. We also continue our Mitat Başar Memorial Forest project to protect biodiversity.</p>
 <p><b>NATURAL RESOURCE SCARCITY</b></p>	<p>The scarcity of vital natural resources such as water, energy and minerals severely limits economic growth and the sustainability of daily life. The scarcity of these resources adversely affects production processes, disrupts the supply-demand balance and threatens global economic stability.</p>	<p><b>RAW MATERIAL ACCESS PRODUCTION PROCESSES</b></p>	<p>In 2023, 15% of our electricity consumption was met from renewable energy. Our total electricity consumption intensity per tonne of production has decreased by 24% compared to 2022. In addition, the total amount of waste recycled at our Akhisar plant increased by 51% compared to the previous year.</p>





# COMBATING CLIMATE CHANGE

As Kervan Gıda, in order to reduce our greenhouse gas emissions; we gradually switch to renewable energy sources in our production processes and invest in modern technologies to increase energy efficiency. By utilising renewable resources such as solar energy, we reduce our dependence on fossil fuels and try to minimise our environmental impact. We also encourage the sustainable use of natural resources through waste management and recycling practices and work on strategies to reduce our water consumption. In this respect, we have increased our environment-focused expenditures from 22,500 million Turkish Liras in 2021 to 100,302 million Turkish Liras in 2023 with our increasing awareness and efforts.

**Our environment-focused expenditures increased by 345% in 2023 compared to 2021.**

## Environment Focused Expenditures



Facility	2021	2022	2023
Akhisar	11.880.000TL	32.940.000TL	43.242.000TL
Istanbul	10.620.000TL	20.532.000TL	57.160.000TL
<b>Total</b>	<b>22.500.000TL</b>	<b>53.472.000TL</b>	<b>100.302.000TL</b>





# ENERGY MANAGEMENT AND EFFICIENCY

As Kervan Gıda, we closely monitor our energy management in accordance with the ISO 50001 energy management system standard. In 2023, our Akhisar plant consumed 24,178,800 kWh of electricity and our Istanbul plant consumed 7,853,463 kWh of electricity. While our electricity consumption at our Akhisar plant increased by 20% compared to the previous year, it decreased by 51% at our Istanbul plant. Overall, our electricity consumption was reduced by 11% compared to 2022.

In 2023, we also achieved significant improvements in our electricity consumption per tonne of production. At our Akhisar plant, our electricity consumption intensity decreased from 476 kWh/tonne in 2022 to 373 kWh/tonne in 2023. Similarly, our electricity consumption intensity at our Istanbul plant decreased from 608 kWh/tonne to 522 kWh/tonne. In 2023, compared to 2022, there is a 22% reduction at the Akhisar site and a 14% reduction at the Istanbul site.

These reduction rates show that the steps we have taken to improve our energy efficiency have been successful. To maintain our improvement trend, we aim to use energy and natural resources efficiently in all our production processes and to continue to reduce our energy consumption. We take effective measures to prevent energy waste by encouraging our employees to adopt energy efficient practices. As Kervan Gıda, we aim to integrate our energy management systems into our corporate governance practices by committing to comply with national legislation and global regulations.

## Total Electricity Consumption (kWh)



Facility	2021	2022	2023
Akhisar	18.014.778	20.031.807	24.178.800
Istanbul	18.074.048	16.162.317	7.853.463
<b>Total</b>	<b>36.088.826</b>	<b>36.194.124</b>	<b>32.032.263</b>

While our total electricity consumption decreased by 11% compared to 2021, our total electricity consumption intensity decreased by 24% per tonne of production.



# TRANSITION TO RENEWABLE ENERGY

In line with our goals to reduce our carbon footprint and ensure environmental sustainability, we are accelerating our transition to renewable energy sources. We are transforming our energy infrastructure by investing in clean energy solutions such as solar power.

In 2021, we will cover all the energy consumed in our production processes from the grid, while in 2023, we will cover 15% of the electricity consumed in our production processes from renewable energy sources with the rooftop SPP investments that we started in 2022. Currently, we have a total installed capacity of around 4.5 MW with our SPP projects Akhisar-1, Akhisar-2, Akhisar Central Warehouse, Akhisar Heybe Warehouse and Uçantay Factory. We are rapidly increasing our investment in renewable energy. With our solar power plants, which we have started to build in 2022 and are scheduled to be operational by mid-2024, we aim to cover 100% of the energy consumed in production from our own power plants.

Our power plant, which is being built in the Demirci district of Manisa at a total cost of approximately USD 21 million, is a 25,000 kWp photovoltaic solar power plant on 325 decares of land. The power plant was commissioned in stages starting in May 2024. It will be operating at full capacity from June 2024. With this investment, we aim to reduce our Scope 2 emissions, avoid air pollution from fossil fuels, increase energy security and contribute to the fight against the climate crisis.

Our renewable energy transition strategy helps us minimise our environmental impact and achieve our long-term sustainable growth goals.

Our investments in renewable energy not only increase our environmental sustainability, but also contribute to our economic sustainability by reducing our energy costs. In this context, as Kervan Gıda, we aim to be an important actor in our sector to build a more environmentally and economically sustainable future.

	2023	Progress	2024 (Targeted)
Percentage of Renewable Energy Used	15%	85%	100%

Project	Target Year	Realised Year	Project outcome	Related SKA
Akhisar - 2 SPP Project	2023	2023	The two projects provide a total of approximately 4.5 MW of power.	7.2 - Increasing the Global Share of Renewable Energy
Akhisar Heybe Warehouse SPP Project				7.3 - Doubling the improvement in energy efficiency
Land SPP Project	2024	-	It is planned to meet 100% of the energy consumed from production.	12.2 - Sustainable Management and Utilisation of Natural Resources
Waste Heat Recovery Project	2024	2023	This project was commissioned in 2023 and 697,440 kWh of energy has been saved so far.	13.3 - Improving knowledge and capacity to combat climate change



# EMISSION MANAGEMENT

We adopt low-emission and environmentally friendly policies to reduce our environmental and climate change risks. We closely monitor our carbon emissions and take the necessary measures through regular calculations and reports for our Akhisar and Istanbul plants.

At our Akhisar manufacturing site, diesel fuel consumption will increase by 29% in 2023, while petrol consumption will decrease by 22%. At our Istanbul site, diesel and petrol consumption increased by 37% and 33% respectively in 2023. Our natural gas consumption decreased by 12% in 2023 compared to 2022, while an increase of 11.5% was observed in the Akhisar region. This increase is due to the relocation of our production facilities

from Istanbul to Akhisar. We aim to reduce our carbon emissions and are conducting extensive studies to control the negative situations that will arise.


With the "Freight Improvement Project" we started in 2022, we have achieved high savings in fuel costs by using 80 vehicles instead of 100 vehicles to transport 1000 parcels, achieving a freight advantage of 47.6% and reducing our carbon emissions from these processes. As Kervan Gida, we aim to create a more sustainable production process and minimise our environmental impact with these measures and projects we have taken to minimise our carbon footprint.

We regularly monitor our emissions through our corporate carbon footprint reports and take action to improve them. In 2023, our Scope 1 and Scope 2 emissions at our Istanbul site decreased by 40% and 51% respectively compared to 2022. Our Scope 1 and Scope 2 emissions at the Istanbul site decreased by 50% compared to 2022. Our total Scope 1 and Scope 2 emission reduction rate at the Akhisar and Istanbul sites is approximately 8%.

## Scope 1 + Scope 2 Total Emission Amount (Ton CO<sub>2</sub>e)

Location	2022		2023	
Scope 1	6.533	3.158	7.222	1.608
Scope 2	8.814	7.111	11.086	3.448
Location Based Total	15.347	10.270	18.308	5.056
General Total	25.617		23.364	

Akhisar 
Istanbul



In 2023, our Scope 1 and Scope 2 emissions at our Istanbul site decreased by 40% and 51% respectively compared to 2022. Our Scope 1 and Scope 2 emissions at the Istanbul site decreased by 50% compared to 2022. **Our total Scope 1 and Scope 2 emission reduction rate at the Akhisar and Istanbul sites is approximately 8%.**

# EMISSION MANAGEMENT

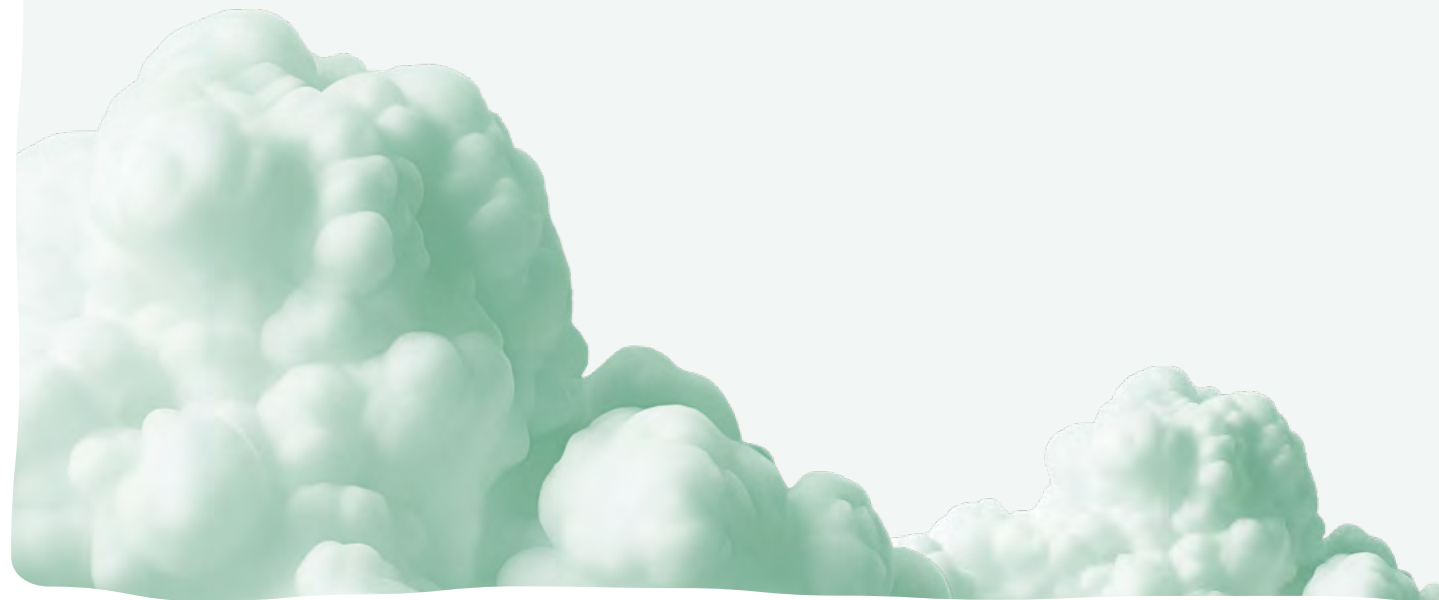


In 2023, our Scope 3 carbon footprint is calculated at 28,317.66 tonnes of CO<sub>2</sub>e. Inbound and outbound logistics, employee transport, business travel, purchased goods and services and waste are included in our Scope 3 calculations. Raw materials purchased in connection with the manufacture of our products is the subcategory with the highest emissions at 93%. We plan to continue our Scope 3 emissions calculations, which we started at our Akhisar factory, on a wider scale by including our other sites in the coming years.

In 2023, our Akhisar site emits 3.09 tonnes of CO<sub>2</sub>e per tonne of production, while this value is 0.33 tonnes of CO<sub>2</sub>e at our Istanbul site. Similarly, when looking at the number of employees and square metres of production, the emission intensities at the Akhisar site are higher than at the Istanbul site. The main reason for this is that our Istanbul production has been relocated to Akhisar.

**In 2023, our Akhisar site emits 3.09 tonnes of CO<sub>2</sub>e per tonne of production, while this value is 0.33 tonnes of CO<sub>2</sub>e at our Istanbul site.**

As Kervan Gıda, we continue our determined efforts to reduce emissions at all our sites and take the necessary measures to make our production processes more sustainable.





# WATER MANAGEMENT

In line with our sustainability goals, we continuously monitor and improve our water use performance. Water is both a critical resource in our manufacturing processes and an important part of our environmental and social responsibilities. To reduce our water consumption, we use water-saving technologies and develop innovative ways to recover and reuse wastewater. We also carry out various projects to protect local water resources and develop water management strategies in cooperation with our stakeholders. As a company located in a water-stressed region, these efforts demonstrate our sensitivity to the threat of water scarcity and help protect water for future generations.

Like Kervan Gıda, the food sector is one of the world's most water-intensive sectors. In Türkiye, the food sector has the highest share of water consumption in industry on a sectoral basis, with a rate of 22%. In the food sector, water is used in processes such as washing and rinsing of process lines, scalding, pasteurisation, freezing, cooling, steam production, sanitation and disinfection. Türkiye, where most of our manufacturing operations are located, is one of the countries experiencing water stress. Water stress occurs when the demand for water in a region exceeds the available water resources, and this situation is becoming an increasing problem in Türkiye as a result of the climate crisis.

In 2023, our total water consumption is 197,060 m<sup>3</sup> at the Akhisar site and 77,798 m<sup>3</sup> at the Istanbul site. Compared to 2022, there is a significant decrease in water consumption at both sites.

At our Akhisar plant, our municipal water consumption in 2023 is 62,376 m<sup>3</sup>. Compared to 2022, our mains water consumption has decreased by 20%.



## Water Consumption (m<sup>3</sup>)

Compared to 2022, our total water consumption has been reduced by 12%.

	2021	2022	2023
Total	291.279	310.112	274.858





# WASTE MANAGEMENT AND RESOURCE EFFICIENCY

As Kervan Gıda, we are taking decisive steps to reduce the use of packaging and cut costs in line with our environmental sustainability goals. We are optimising our waste management by adopting circular economy principles. Thanks to the packaging reduction project we implemented in 2022, we saved approximately TL 8 million by reducing the use of plastic and cutting costs, and contributed to the protection of our natural resources and ecosystem by preventing the use of approximately 110 tonnes of plastic.

As part of the Packaging Usage Reduction Project, we carried out packaging thinning studies on existing products in collaboration with packaging suppliers. We made improvements by optimising the thickness of the packaging (box, bag, parcel) within the limits

that protect the product. In this way, we have saved approximately TL 1.5 million by reducing our packaging usage (film, paper, plastic).

We have a number of strategies in place to minimise the amount of packaging waste generated during the manufacturing process. We aim to reduce our environmental impact by increasing the use of recyclable materials and reducing the use of plastics. We are also investing in innovative technologies to improve energy efficiency in logistics and warehousing. These efforts are at the heart of our circular economy and waste management policy for a sustainable future, and will continue to be pursued to reduce our environmental footprint.

The management of packaging waste in the food sector is of great importance in terms of sustainability and the protection of environmental ecosystems. We are therefore increasing our use of recyclable packaging and packaging made from recycled materials. Raw material and packaging costs represent 65% of our total production costs. We are working hard to manage and minimise packaging waste, which represents a significant proportion of our production costs.

By 2023, 80% of end-of-life packaging will be made from recyclable materials for OPP and 90% for parcels. As part of our R&D studies and sustainable purchasing strategies, our plan to move to 100% recyclable materials in all our packaging by 2025 is progressing steadily.

Waste Amount (kg)	2021	2022	2023
Total Waste Amount	1.173.331	1.746.165	1.727.106
Total Hazardous Waste from Production	2.325	1.633	1.790
Total Non-Hazardous Waste from Production	1.312.067	1.704.229	1.936.189

In 2023, the amount of hazardous waste will be reduced by 23% compared to 2021.





# WASTE MANAGEMENT AND RESOURCE EFFICIENCY



We follow the correct packaging and packaging processes with the DOPA P committee, taking into account the packaging quantities for each new project that comes into effect. We evaluate our packaging supply with the Supplier Scorecard. To ensure the sustainability of our packaging supply and the implementation of ethical rules, we support our suppliers by assessing them against these principles and by including ILO (International Labour Organisation) clauses in their contracts.

As Kervan Gida, we continue our efforts towards a more sustainable planet by fulfilling our commitments to packaging management and efficient use of resources.

In 2023, the amount of hazardous waste will be reduced by 23% compared to 2021.

The total amount of waste recycled at our Akhisar plant increased by 51% compared to the previous year. The amount of waste recycled to produce energy has increased by 18% compared to 2021.

For all our factories;

The total amount of waste recycled at our Akhisar plant increased by 51% compared to the previous year.



### Amount of Recycled Waste (kg)

	2021	2022	2023
Total Recycled Waste Amount	1.744.460	2.104.233	3.172.714
Amount of Waste Recycled for Energy Purposes	1.932.300	2.267.639	2.282.044

The amount of waste recycled to produce energy has increased by 18% compared to 2021.







# WASTE MANAGEMENT AND RESOURCE EFFICIENCY



Project	Target Year	Realised Year	Project outcome	Related SKA
Semi-Product (before going into the bag) Optimisations	2023	2023	Environmental impact has been reduced by maximising efficiency in the production area, eliminating downtime and reducing the number of line washings that occur during semi-product variety changes.	<div data-bbox="2262 574 2375 678"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div data-bbox="2262 702 2375 805"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div data-bbox="2262 829 2375 933"> <p>13 CLIMATE ACTION</p> </div> <div data-bbox="2262 957 2375 1061"> <p>13 CLIMATE ACTION</p> </div> <p>8.4- Increasing resource efficiency in consumption and production</p> <p>12.2- Sustainable Management and Utilisation of Natural Resources</p> <p>13.2- Incorporate climate change measures into policies and plans</p> <p>13.3- Improving knowledge and capacity to combat climate change</p>
Parcel Commonisation Project	2024	-	Minimum paper and parcel usage is ensured by reviewing all our existing parcels. Product variety definition is carried out with labels and injected printing, and it is aimed to reduce costs by increasing purchasing power. With the studies carried out within this framework, 62% improvement was achieved.	
Freight Improvements Project	2022	CONTINUOUS	Within the scope of the project, a freight advantage of 47.6% was achieved. Approximately 47.6% more products are transported in the same lorry, which reduces container costs, fuel consumption and carbon emissions.	
Commonisation and Raw Material Reduction in Injection Packaging	2024	-	In this study, which aims to reduce the use of plastic bags, a plastic reduction of approximately 5% per unit packaging is targeted.	
UV Printing Project	2024	-	Necessary investments have been made and transitions have started.	
BEBETO GreenMail Project	2023	2024	It is aimed to ensure that servers consume less energy and use resources more efficiently. It is aimed to reduce the digital carbon footprint and create less electronic waste.	



# FOOD WASTE AND WASTE PREVENTION

With the world's population growing rapidly, food waste has become a major global problem and a major obstacle to achieving sustainability goals. One third of the food produced globally each year is wasted, wasting our natural resources, increasing greenhouse gas emissions and threatening global food security.

Food waste refers to unwanted losses that occur at every stage of the food value chain, from production to consumption. These losses also have a significant impact on the sustainability of companies' supply chains. Rotting food waste causes the production of methane, a greenhouse gas, contributing to climate change. In addition, spoiled food can contaminate clean water sources and soil, negatively impacting agricultural production and ecosystem health. Dwindling food resources and food security issues have a particularly severe impact on poor communities.

As Kervan Gıda, we are taking strategic steps in our company within the framework of the DOPA project that we launched in 2022. Thanks to our DOPA project, we ensure that important issues are managed in the most successful way with the principles of optimal capacity utilisation, efficiency and profitability. By eliminating waste and unnecessary complexity in all our processes, we are significantly increasing overall efficiency. In this way, we optimise the use of resources and aim to reduce our costs. All product waste from our manufacturing activities is used as animal feed.

In 2023, our Akhisar plant generated 1564 tonnes of food waste. By composting this waste, we are both reducing our food waste and preventing environmental damage to ecosystems.



All product waste from our manufacturing activities is used as animal feed.

Project	Target Year	Realised Year	Project outcome	Related SDGs
 Waste Recycling Project	2024	-	The aim is to recycle and recover the waste generated. The project plans to recycle waste in jelly, hard candy and marshmallow products, particularly liquorice, our largest tonnage product.	 2.1- Universal access to safe and nutritious food   2.4- Sustainable food production and resilient agricultural practices



## 6.0 Social

# save today for a more responsible tomorrow

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# SOCIAL OBJECTIVES



Targets	2023 Target	Progress Status	2023 Realised	2030 Target	SDGs	Relevant Materiality Issues
Increasing the proportion of female employees	50%	↗ 2%	52%	55%	5 GENDER EQUALITY	ENSURING DIVERSITY, GENDER AND EQUAL OPPORTUNITIES
Increasing the ratio of female members in the board of directors	- %		50%	25%		
Increasing the proportion of women in managerial positions (manager and above)	25%	↗ 5%	30%	35%		
Reducing the rate of occupational accidents in operations	15%		- %	85%	8 DECENT WORK AND ECONOMIC GROWTH	OCCUPATIONAL HEALTH AND EMPLOYEE WELLBEING  EMPLOYEE SATISFACTION AND LOYALTY
To increase employee satisfaction and loyalty rate	70%	↘ 5%	65%	80%		
Reducing the rate of employee complaints	- %		- %	30%		
Increasing trainings for the development of employees	15%	↘ 10%	5%	30%	4 QUALITY EDUCATION	TALENT DEVELOPMENT
Reducing the rate of customer complaints	40%		- %	60%	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	CONSUMER HEALTH AND SATISFACTION
Increasing the utilisation rate of existing OTC production capacity	50%	↘ 10%	40%	100%		
Increasing the share of local suppliers in turnover	50%	↗ 30%	80%	85%		



# OUR HUMAN RIGHTS POLICY

As Kervan Gida, we are building a working model in which we prioritise our responsibilities to society and our employees, as well as the care we give to our business. We actively strive to ensure that our relationships with our employees, suppliers, business partners and the community are in accordance with the United Nations Universal Declaration of Human Rights. Our policy is based on international standards such as the International Labour Organisation's Core Principles and the Universal Declaration of Human Rights.

We are committed to full compliance with occupational health and safety legislation for the safety and well-being of our working environment.

We value diversity and act in strict accordance with the principle of equal opportunities. We have a zero-tolerance policy towards child and forced labour, and respect the dignity and confidentiality of our employees to ensure a working environment free from violence, harassment or threats. Recognising the right to freedom of association, we support the right of our employees to join or not to join a trade union within the limits of the law. We are committed to full compliance with occupational health and safety legislation for the safety and well-being of our working environment.

We implement all these policies with the commitment of our senior management and continue our efforts to promote human rights principles to all our stakeholders. We are committed to taking the necessary steps to prevent any violation of human rights and to provide a fair working environment. We will continue our efforts to create a fairer and more supportive working environment by making continuous improvements in this direction.





# ENSURING DIVERSITY, GENDER AND EQUAL OPPORTUNITIES

Our 2023 target of 50% female employees was achieved at 52% and our target of 25% female managers was achieved at 30%.

The talents, passion and commitment of each and every one of our employees are the key elements that have brought our company to the successful position it is in today. By recognising the value and contribution of our people and embracing diversity in our working environment, we are committed to providing a level playing field for all. We increase the diversity of our workforce by increasing the proportion of female employees and supporting our disabled employees. Recognising that diversity and difference are actually our richness and strength, we strive to provide a supportive environment for our employees to maximise their potential. As Kervan Gıda, we aim to create a corporate culture that allows each individual within our ecosystem to express themselves and succeed.

Equality, diversity and inclusion are core values of our business. The fact that we have increased the proportion of women in our workforce to 52% and the proportion of women in management positions to 30% shows that we have strengthened diversity and equal opportunities. These achievements demonstrate the important steps we have taken to create a fair working environment for all.

In addition, by supporting our disabled employees, we aim to encourage their participation in the workforce and their integration into society, and to create an environment in which they can make the most of their talents. The number of disabled employees in our company, 51, is an indication of the value we place on inclusion in our workforce and valuing our differences.



## Number of Employees by Gender

	2021	2022	2023
Woman	1024	1156	1210
Man	1030	1057	1082
<b>General Total</b>	<b>2054</b>	<b>2213</b>	<b>2292</b>





# ENSURING DIVERSITY, GENDER AND EQUAL OPPORTUNITIES

The fact that 55% of our blue-collar employees and 36% of our white-collar employees are women is a clear indication of our commitment to equal opportunities in business. Encouraging the presence of women in the workplace and giving them opportunities commensurate with their talents helps to reduce disadvantage in the business world and gives everyone the chance to progress on an equal footing. In this context, we are taking a more inclusive approach to internal leadership and decision-making by increasing the representation of our female employees at all levels. As a result, we are striving to create a fairer, more inclusive and more balanced structure within our business.



The fact that 55% of our blue-collar employees and 36% of our white-collar employees are women is a clear indication of our commitment to equal opportunities in business.

## Number of Employees by Employment Type and Gender

	2021	2022	2023
Blue Collar	1801	1960	1998
White Collar	216	253	294



# EMPLOYEE SATISFACTION AND LOYALTY

**37** EVENTS

In 2023, the number of employee suggestions received and implemented increased by 54% compared to the previous year.



We are committed to open and transparent communication with our employees, who are the most important architects of the quality work we produce. With this in mind, we carry out various activities to increase our employees' satisfaction and commitment to their work. By creating an inclusive working environment, we ensure that every employee feels valued and respected. In line with our equal opportunities policy, we offer all employees equal opportunities for career development and support them in achieving their full potential. Through regular feedback and evaluation processes, we gather the opinions of our employees and take steps to continuously improve. We encourage our employees and aim to increase their motivation by presenting our managers' employees with Good Luck Seed Cards with our Good Luck project. We also help our employees to enhance their skills through training and development programmes that encourage personal and professional growth. These approaches strengthen our employees' loyalty to the company and contribute to our long-term success and sustainability goals.

We consider our employees to be one of the most valuable parts of our business. Every year, we receive regular suggestions and feedback from our employees, and we strive to carefully consider and implement this feedback. While the number of suggestions received from our employees was 403 in 2022, this number increased to 563 in 2023. The number of suggestions implemented increased from 60 to 306 in 2023. Compared to the previous year, the number of suggestions received from employees increased by 40%, while the number of suggestions implemented increased by 410%. These statistics show that we value our employees' feedback, take action and make their satisfaction a priority.

In the General Evaluation survey conducted in 2023, our employee satisfaction rate was determined to be 65%. We will continue to work to increase employee satisfaction and maximise their happiness. We tripled the number of internal events we organised for our employees compared to 2021, organising 37 different events in 2023. In 2023, we organised 37 different

events attended by our employees. Our events, which tripled in number compared to 2021, are organised to bring together different departments, have different content and strengthen our corporate culture.



	2022	Progress	2023
Number of suggestions received from employees	<b>403</b>	<b>↗ 40%</b>	<b>563</b>
Number of suggestions received from employees and accepted	<b>287</b>	<b>↗ 51%</b>	<b>434</b>
Number of proposals realised	<b>60</b>	<b>↗ 410%</b>	<b>306</b>



# EMPLOYEE SATISFACTION AND LOYALTY

## In 2023, Some of the Projects We Implemented for Our Employees

### Coffee Conversations

At our annual event, we bring together each of our departments and our Human Resources department for discussions over Turkish coffee in Közde. The requests and feedback received at the event are evaluated, reported and presented to senior management. In this way, we share the voices of our employees directly with management and strengthen internal communication. This year, our coffee chats were held with all departments (17 departments in total) at our Istanbul headquarters and were completed in 10 sessions. At our Akhisar site, it was completed in a single session with the participation of 12 departments.



### Stakeholder Opinion

# 66

I have been working for 24 years and I am proud to be in the constantly developing and renewed project / maintenance system in the Kervan Gıda family. We would like to thank our employers who gave us this opportunity.

Marshmallow Mechanic  
Yüksel Çalışkan

# EMPLOYEE SATISFACTION AND LOYALTY

## Social Activities Community

Through the Social Activities Group, which organises activities such as hobby workshops, theatre and cinema events, trekking trips, gastronomic events, book clubs, sports events and music clubs, we ensure that our employees develop a stronger bond with each other and with our company. Under the leadership of elected club presidents, we successfully organise our activities and strengthen communication and cooperation between different departments. We also strive to reduce the stress of work and increase the overall motivation of our employees. Our community, which consists of 2 different clubs, has 131 members, while our hobby club has 82 members.



## My Story / One of Us

With the My Story organisation, we are organising a special event where all our employees can participate and share their common experiences. We are building a sense of togetherness through our event, where colleagues who have worked in our company for many years and have different experiences share theirs. We want to ensure that our employees have a sincere interaction with each other while telling their own stories, thus strengthening internal communication within the company.



# EMPLOYEE TRAINING AND TALENT DEVELOPMENT

At Kervan Gida, we aim to identify our employees' strengths, improve their weaknesses and encourage their development through continuous learning by focusing on the development of their skills and performance. To this end, we provide various training, coaching and feedback systems. In this way, we enhance the quality of our business and support sustainable growth by enabling employees to identify, develop and use their own talents in the most effective way. In addition, through effective talent and performance management, we identify the areas in which our people are strong and support the process of achieving individual and business goals by placing them in the most appropriate positions.

As Kervan Gida, we include not only our own employees but also the employees of our subsidiaries and subcontractors in our training processes. While we had 12522 training participants in 2022, we have 17367 training participants in 2023 with an increase of 39%. Compared to 2021, there is a noticeable increase in the number of participation in the trainings we organise. This situation shows that our support for the performance development of employees has increased.

39%

Compared to 2022, the number of participants in the trainings we organised increased by 39%.





# EMPLOYEE SATISFACTION AND LOYALTY

Education Programme	Target Year	Progress Status	Objective - Target	Application	Acquisition
<b>Mentor-Mentee Programme</b>	<b>2023</b>	<b>REALISED</b>	The role of a mentor is to facilitate the professional development of their mentee by sharing their knowledge and experience gained throughout their careers. It is expected that mentees will receive guidance on career planning, education, personal development and regular meetings with their mentors.	Applications for the mentor-mentee programme are initially submitted digitally, followed by a mentor interview to complete the process. Subsequently, mentors and mentees are matched according to the programme requirements, and a bespoke programme is created. The interviewing process is overseen by the human resources department. Following the completion of the interviews, mentors are evaluated and awards are presented to those who have demonstrated exemplary performance.	This year, 23 mentors and 29 mentees took part in the programme, which accelerates the learning process of the mentees and enables them to progress more effectively thanks to the experience and guidance of the mentors. The programme also facilitates intra-company information sharing and supports the personal and professional development of employees.
<b>Leadership School Programme</b>	<b>2023</b>	<b>REALISED</b>	The aim of this programme is to enhance the leadership skills of C-level and second-generation managers in order to increase the effectiveness and performance of the company's management.	The six-month training programme is based on a coaching and mentoring-oriented structure. The programme supports a structure in which C-level and second-generation executives are mentors and new graduates are mentees.	The Leadership School, which this year ran in two groups with 26 participants, supports the integration of innovative ideas and fresh perspectives into the corporate culture by encouraging the participation of new graduates in the company. The dynamic energy brought by young talent helps to improve existing processes and lay the foundations for future growth and success. It also enhances the leadership skills of managers and contributes to the long-term growth of the company.
<b>B-Young Talent Programme</b>	<b>2023</b>	<b>REALISED</b>	The main objective of this programme is to strengthen the company's employment by contributing to the development of talented young graduates.	For the B-Young Talent Programme, for which 1179 people applied this year, applications are received digitally via online platforms and candidates take a general aptitude test. Candidates who pass this test are sent an English test. Candidates who pass the English test are invited to a video interview. Candidates who successfully complete the video interview will be invited for an online interview. Candidates who are found positive will start the 4-month preparation process of the B-Genç Talent Programme.	Recruiting young talent brings innovative perspectives and dynamic energy to the company. In addition, internal training and mentoring programmes give young talent a solid start to their careers. This process helps to speed up the young people's adaptation to the business world. This year, 7 people joined Kervan Gıda's staff through the B-Young Talent Programme.



# EMPLOYEE SATISFACTION AND LOYALTY

Education Programme	Target Year	Progress Status	Objective - Target	Application	Acquisition
<b>B-Academy   LMS System</b>	<b>2023</b>	<b>REALISED</b>	This project aims to strengthen internal communication, support the continuous training of employees and increase motivation through various content. It also aims to ensure effective management of information and resources to improve business processes and increase efficiency.	A user-friendly platform was created that combines mobile and web versions of internal training content, events, weekly and monthly articles, vlogs, internal job postings, academy studies, orientations, handbooks and more. Thanks to this platform, employees can easily access the site anytime, anywhere.	It strengthens communication between employees and accelerates the flow of information within the organisation. By presenting training content on mobile and web platforms, employees have easy access to ongoing training. It also gives employees access to up-to-date information and internal developments.
<b>Internal Trainer Project</b>	<b>2024</b>	<b>IN PLANNING</b>	The internal training project aims to increase knowledge sharing within the company, enabling employees to learn quickly and effectively.	The internal trainers who will be involved in the project will create a system where employees can focus on specific knowledge and skills related to their work.	It encourages continuous learning and provides easier access to information. Through internal trainers, employees can specialise in specific areas, gain in-depth knowledge and improve the overall efficiency and effectiveness of the company by enhancing their work skills and performance.
<b>White Collar Competency Based 360 Degree Assessment Project</b>	<b>2024</b>	<b>IN PLANNING</b>	The aim is to ensure that employees acquire basic leadership skills appropriate to their position.	A software system is being developed to allow employees to view and access 360-degree assessments of themselves.	360-degree reviews increase transparency and motivation within the organisation. The results are used in the performance management process to help employees set goals and improve performance. Employees have the opportunity to assess and improve their own competencies through 360-degree reviews.

# EMPLOYEE HEALTH AND WELLBEING

We are pleased to report that the return rate of employees on maternity leave was 100%. This success is an indication that the support and flexibility policies we offer to our employees are being effectively implemented.

100%



At Kervan Gıda, we recognise that a healthy, highly motivated and happy workforce is critical to our long-term success and sustainable growth. With this in mind, we develop various programmes to protect and improve the health and well-being of our employees. These include occupational health and safety training, psychological support programmes and various health events. We also provide our employees with crèche and dietician services to ensure that they can lead healthy lives and enjoy equal opportunities.

We are pleased to report that the return rate of employees on maternity leave was 100%. This success is an indication that the support and flexibility policies we offer to our employees are being effectively implemented. As Kervan Gıda, we are committed to supporting our employees in every way possible and always prioritising their well-being.

We use the Blue Collar Performance System, designed specifically for our blue-collar employees, to measure their technical skills and knowledge levels and to assess their performance. We also use job analysis interviews and job description reviews to ensure that the tasks and responsibilities of each position are clearly defined. As part of this process, we create position-specific job description cards as a result of interviews with our employees and make normative staffing calculations. We identify areas for improvement through job analysis surveys and departmental compliance calendars.

## The Pink Breakfasts Breast Cancer Awareness Seminar

We organise during Breast Cancer Awareness Week aims to raise awareness among our female employees about their physical health. We support and improve the adaptation process of our employees with programmes such as the Buddy Programme and the E-Orienta-tion Project, which we have implemented to ensure that our new employees adapt quickly to the corporate culture.



## Stage is Yours There is a Talent Here!"

With this project to enable our employees to showcase their talents and feel more comfortable at work. This project aims to create an atmosphere where employees have the opportunity to express themselves and reduce work stress. Our employees who are interested in various fields such as poetry reading, workshop exhibition, drama performance, playing a musical instrument, marbling, etc. have the opportunity to showcase their talents through various activities.





# OCCUPATIONAL HEALTH AND SAFETY

In 2023, 3854 employees received OHS training and the number of employees participating in OHS training increased fivefold compared to the previous year.



We take all necessary measures to ensure the safety of our employees through our Occupational Health and Safety Policy, which we have developed in accordance with current OHS legislation and other requirements. We carry out all the necessary work with the help of our Health and Safety Committee established for this purpose. We continue our efforts to continuously improve and develop our work in the field of occupational health and safety.

Through these steps, we aim to make continuous progress in the health and safety of our people and our workplace. By embedding a culture of health and safety at every level of our business, we are committed to creating a sustainable workplace where everyone can work in a safe and healthy environment.

We encourage our employees to actively participate in processes related to occupational health and safety through the training activities we organise to improve occupational health and safety awareness. As Kervan Gıda, we have provided a total of 650 hours of Occupational Health and Safety (OHS) training to our employees in 2023. The number of employees in our company, which is growing and developing every year, is also increasing. With our increasing number of employees and the OHS policies we implement, the number of people receiving training has increased significantly. In 2021, 36 people received OHS training; in 2022, 778; and in 2023, 3854. However, the number of OHS training hours per person has decreased. We are aware of this situation and are making the necessary improvements. In line with this data, we will continue to take steps to regularly increase and improve our OHS training.

As Kervan Gıda, we have not only established an OHS Committee but also an HSE (Health Safety Environment) Committee as part of the DOPA project. The HSE Committee was established to carry out activities to prevent occupational accidents and occupational diseases, to identify hazards and risks in the work environment and take precautions, to ensure continuous improvement of the occupational health and safety system, and to continue its activities to develop the occupational health and safety culture and to raise awareness.

**In this direction;**

- We carry out regular workplace risk assessments, identify emerging risks and take the necessary action.
- We provide regular health and safety training to our employees and aim to continually raise their level of awareness.
- We ensure that our employees use personal protective equipment correctly and regularly.
- We regularly inspect the working environment, review safety measures and eliminate potential hazards.
- We keep detailed records of accidents at work and occupational illnesses, and take steps to develop preventive measures by analysing this data.



	2021		2022		2023	
Total hours of OHS training provided to employees	40	27	226	11	624,5	26
Total Number of Employees Attending OHS Trainings	17	19	759	19	2154	1700
Occupational Safety Training Hours per Employee (hours/person)	2.35	1.42	0.30	0,58	0.29	0.015

Akhisar  Istanbul



# OCCUPATIONAL HEALTH AND SAFETY

Through these projects, we aim to continuously improve and develop our occupational health and safety standards. We remain committed to protecting the health of our employees and the safety of our workplace.

In addition, our HSE (Health, Safety, Environment) card application aims to prevent accidents by providing feedback on potentially hazardous situations in our workplaces. As part of the Safest Department project, we have introduced a monthly reward system to spread this practice to all our sites. Each month, we aim to select the safest department at our sites from among 13 departments, and to improve site safety and raise safety awareness through various awards.

## The Occupational Safety Painting Competition

held for the first time in 2023, is an event that our employees can take part in with their children. We aim to organise our competition, which in its first year involved the children of 14 employees, every year. Similarly, we aim to organise our OHS slogan competition every year, in which 119 employees took part and we rewarded the top three.



## Select and Near Miss

A total of 20 training sessions were planned for all departments, especially the liquorice department, and 374 people received "Select and Near Miss" training. Line-based risk analysis studies were carried out and departmental OHS corners were established and completed for the Akhisar 2 factory. We have started the management action study on safe walking and prepared a master plan for 2024. We have completed the liquorice and jelly production departments and are implementing the EKED procedure in all planned maintenance.







# CONSUMER HEALTH AND SATISFACTION

In 2023, our improvement and development studies for the production process show a 4-fold increase compared to the previous year.

As Kervan Gıda, we are committed to providing the highest safety and quality standards in the products we manufacture to ensure customer satisfaction and our long-term success. Our products are regularly safety tested and labelled with clear information on ingredients and conditions of use. Customer feedback is essential in helping us to understand our quality and service standards and to make improvements where necessary. We act on this feedback and focus on continuously improving the quality of our products.

We are able to communicate with our customers easily and quickly thanks to the contact numbers on our packaging and website. In addition, through our membership of the "Şikâyet Var- (I have a Complaint)" platform, we evaluate and resolve our consumers' complaints quickly and effectively.

Our consumer and customer reporting procedures are not limited to receiving and responding to reports. Returned products and recurring problems are analysed in detail by our Quality Assurance, Production and R&D departments. As a result of these analyses, we make suggestions to our R&D and marketing units to improve the quality of our products. In 2023, improvement and development studies were carried out on 16 production processes. These studies represent a fourfold increase over the previous year. Our Quality Assurance department

monitors and reports on each report in detail. In addition, we carry out the necessary statistical studies on a monthly basis and share this data with our senior management. Our relevant departmental managers ensure that the processes are managed effectively by communicating with the organisations concerned, within the knowledge of the product managers.

We act in accordance with national and international regulations on issues such as consumer research and trend monitoring, customer feedback and relationship management, product and packaging innovation in line with customer demands, sustainable raw material and packaging supply. Our marketing unit works to develop Bebetto's innovation roadmap and ensure compliance with the 2024 launch plan. Global consumer and market data is regularly monitored. In this way, we aim to meet consumer expectations and reduce our environmental footprint by expanding our vegan product range. We are also continuing our projects and studies to bring reduced sugar products to our consumers, in line with the growing trend for healthy snacks in the food sector.

## Stakeholder Opinion

# “



Sustainability is an important concept that aims to meet the needs of today while taking into account the needs of future generations. In our world where natural resources are limited, sustainability ensures the long-term well-being of people and the planet. For this reason, we should aim to minimise the amount of damage to the environment while encouraging the efficient use of natural resources. In this context, steps such as energy saving, recycling, preferring environmentally friendly products constitute the basic elements of sustainability. Kervan Gıda fulfils its moral responsibility in this field by presenting a holistic approach to sustainability with its economic, environmental and social dimensions. It is an important step for a more livable world for societies and individuals as well as companies to act in accordance with the principle of sustainability.

South Africa / Creative Sweets  
**Graciano Manuel Da Mata Rodrigues**



# CONSUMER HEALTH AND SATISFACTION

For this brand, we decided to relocate our snack bar production line from Poland to Akhisar and started manufacturing our products in Türkiye.

As Kervan Gıda, we have made an important investment in the dried food sector. Our new plant, located in the Izmir-Tire Organised Industrial Zone, has started operations with a purchase price of approximately EUR 500,000. With this facility, we aim to produce high value-added products with our freeze-dried jelly products by focusing on functional products and gaining the appreciation of consumers by offering health and taste together.

On the other hand, we are more actively marketing our Freeyu brand in the dietary supplements category. For this brand, we decided to relocate our snack bar production line from Poland to Akhisar and started manufacturing our products in Türkiye.

Together with all our employees, suppliers and business partners, we are committed to a culture of quality and food safety and to continuous improvement of the products we produce. Through integrated management systems, we continually review our processes and improve their efficiency. We implement the necessary measures and controls to ensure that our raw materials and finished products comply with legal requirements. Our R&D department conducts shelf-life studies to determine the useful life of products. We are progressively implementing digitisation studies in the traceability system, sequential measurements to monitor process quality controls and artificial intelligence-based monitoring systems.



# CORPORATE SOCIAL RESPONSIBILITY

In 2023, the budget allocated for education scholarships increased by 41% from 1.141.800 TL to 1.608.000 TL.

↑ 41%



At our company, we are dedicated to meeting our obligations to the environment and society in all our processes. We recognise our responsibility to the planet and to society and are actively engaged in social responsibility projects on a voluntary basis. While we endeavour to prevent pollution, we also prioritise raising the environmental awareness of our employees.

We ensure that our operations comply fully with the laws of the countries in which we operate. We also act in a manner that is sensitive to local traditions and cultures. We contribute to sustainable development by fulfilling our responsibilities to society and our stakeholders in accordance with the highest standards of corporate governance. We are aware of the needs and problems of the local community and are committed to addressing them through our activities. We are proud to support

social projects in collaboration with the Spinal Cord Paralysis Association of Türkiye. In collaboration with the local municipality, we are engaged in the Stray Animal Support Project, which encompasses activities such as feeding, health checks and the establishment of shelters for animals. Our objective is to address the needs of stray animals in terms of shelter and health.

We respect human rights and value equality, diversity and inclusion in our business practices. In collaboration with the Maveria Foundation, we offer social support to our employees and their families. Our objective is to enhance female employment and economic empowerment through our involvement in the European Union-backed Women's Employment Support Project. In 2023, our corporate social responsibility programmes reached a total of 151 individuals.

In line with our commitment to corporate social responsibility, we provide support to organisations engaged in activities related to education, culture, the environment and sport. Donations are made in accordance with the limits set by capital market legislation and in compliance with our transparent policy. In 2023, a total of TL 486,000 was invested in donation and sponsorship programmes. In 2023, the amount of our educational scholarships increased from TL 1,141,800 to TL 1,608,000, representing a 41% growth. At Kervan Gıda, we are committed to effectively fulfilling our social and environmental responsibilities, which are an integral part of our business ethics.

## Deniz Temiz and Mitat Başar Memorial Forest

A total of 11 employees from the company took part in a one-day coastal clean-up organised by our Deniz Temiz project. The objective of this activity is twofold: firstly, to contribute to the cleaning of the sea and coastal areas, and secondly, to raise environmental awareness within our organisation. Furthermore, we intend to collaborate with the Ministry of Environment and Forestry on the Mitat Başar Memorial Forest Project in 2024. This initiative aims to enhance forest cover and safeguard ecosystems in Türkiye.



## 7.0 Governance

# save today for a more efficient tomorrow

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3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS





# GOVERNANCE OBJECTIVES



Targets	2023 Target	Progress Status	2023 Realised	2030 Target	SDGs	Relevant Materiality Issues
To guarantee regular external evaluation of sustainability performance and enhance the ESG Score.	- %		- %	<b>25%</b>		<b>SOCIAL COHESION IN THE SUPPLY CHAIN SUSTAINABLE AND RESPONSIBLE PROCUREMENT</b>
We are pleased to announce the implementation of a new business continuity and emergency action planning process, which will increase the ratio of facilities that have received the ISO 22301 Business Continuity Management Certificate.	- %		- %	<b>100%</b>		<b>SUSTAINABILITY IN THE SUPPLY CHAIN</b>
It is recommended that the objectives of the DOPA project be incorporated into the unit objectives.	<b>50%</b>		<b>50%</b>	<b>100%</b>		<b>DIGITALISATION</b>
The performance system will now include sustainability performance and risk indicators.	<b>50%</b>		<b>20%</b>	<b>100%</b>		
To increase the ratio of the number of The objective is to increase the ratio of projects completed within the scope of R&D and innovation compared to the previous year.	<b>30%</b>		<b>30%</b>	<b>60%</b>		<b>R&amp;D AND INNOVATION</b>
The proportion of commercialised projects falling within the remit of research and development and innovation.	<b>10%</b>		- %	<b>40%</b>		
The objective is to increase the proportion of sales of innovative products commercialised within the scope of R&D and innovation in turnover.	<b>3%</b>		- %	<b>8%</b>		
The objective is to minimise the climate change risks of suppliers and to increase the ratio of suppliers for which environmental baseline studies are conducted.	<b>10%</b>		<b>10%</b>	<b>50%</b>		<b>SUSTAINABILITY IN THE SUPPLY CHAIN</b>

# SUSTAINABILITY IN THE SUPPLY CHAIN

At Kervan Gıda, we recognise the critical importance of supply chain sustainability and are committed to playing our part in addressing this issue. In this context, our objective is to minimise our environmental impact and adhere to the principles of social responsibility by working in close cooperation with our suppliers.

We foster mutually beneficial relationships with our domestic and foreign business partners in our supply chain, based on the fundamental values of honesty, transparency, reliability, and quality. Our supplier selection process begins with risk analysis, with a focus on working with companies that have BRCGS, FSSC 22000 (GFSI- Global Food Safety Initiative approved) certificates. As of 2023, our supplier base comprises 340 entities. We collaborate with 75 domestic, 50 wholesale, 50 retail, and 120 dealer partners abroad. Eighty percent of our total suppliers are local.

It is vital to establish a sustainable food supply chain in order to enhance the resilience of the food system against the impacts of the climate crisis and to guarantee food safety. In this context, as Kervan Gıda, we monitor, support and audit our suppliers through projects such as the Supplier Scorecard in order to ensure the resilience and sustainability of our supply chain.

## Supplier Scorecard Application

The Supplier Scorecard project has been introduced with the objective of assessing the performance of suppliers. We conduct annual evaluations of our suppliers and quarterly assessments of our critical suppliers using the Supplier Scorecard method. This method is based on criteria such as return, price and on-time delivery. In the event that a supplier receives a low score, we will take the necessary steps to address the issues identified in the audit report. This may include requesting an action plan from the supplier.

## Our evaluation criteria:

The following scores are to be considered: Audit Score, DÖF (Corrective and Preventive Action) Non-Response Rate Score, Return Rate Score, Order Fulfilment Rate Score, Supply Time Compliance Score, Delivery Date Deviation Rate Score, Change in Price Score, Completeness of Documents.

With this method, we continuously monitor and improve the performance of our suppliers and increase the efficiency of our supply chain.

## Director Opinion

# 66



As Kervan Gıda, we adopt sustainability and social responsibility as the basic principle in our supply chain. By establishing transparent and strong relationships with our suppliers, we aim to reduce environmental impacts and fulfil our responsibility to society. With our "Supplier Scorecard" practice, we regularly evaluate and improve the performance of our suppliers. In this process, we attach great importance to occupational health and safety, environmental compliance and ethical business practices. While supporting economic sustainability by working with local suppliers, we expand our vegan and vegetarian product range. Through these efforts, we ensure high quality and reliability at every stage of our supply chain for a sustainable future.

Supply Chain Director  
Erçin Ünal

## SOCIAL COHESION IN THE SUPPLY CHAIN

At Kervan Gida, we prioritise the development of robust and reliable partnerships with our suppliers. This approach ensures the rights of our employees and suppliers are upheld, and that our operations adhere to the highest standards of fairness and transparency. Social compliance in our supply chain not only increases the efficiency of our business processes, but also enables us to fulfil our social responsibilities and build a sustainable future. Consequently, we endorse social compliance in our supply chain, considering it an integral component of our company's ethical standards and a crucial factor in our long-term success. Social compliance encompasses the promotion of fair and humane working conditions, occupational health and safety practices, respect for human rights and the enhancement of community well-being at each stage of our supply chain. At Kervan Gida, we adhere to these principles and expect our suppliers to do the same. In collaboration with our suppliers, we are committed to maintaining safe working environments and ensuring fair compensation for our employees.

### Policies and Ethical Business Practices

As Kervan Gida, we anticipate and encourage our suppliers and business partners to adhere to our policies that apply to the businesses we own and the facilities we manage. These policies address environmental sustainability, social responsibility, occupational health and safety, and ethical business practices. Adherence to ethical business practices requires strict compliance with the values of honesty, transparency and reliability. It is our expectation that our suppliers will adopt and implement these values in their own operations.

### Environmental Sustainability

We are committed to enhancing the quality of life not only for our company but also for the people in our wider community. In addition to fulfilling our social responsibility with regard to environmental protection and pollution control, we also raise awareness among our employees and suppliers on this issue. Kervan Gida is committed to a sustainable future and maintains rigorous control over its activities through the implementation of comprehensive social management and quality management systems. In line with this objective, we are committed to working with our suppliers and business partners to achieve environmental sustainability. It is our expectation that our suppliers will adhere to environmental principles and we encourage them to improve their environmental performance.

### Occupational Health and Safety

The safety and wellbeing of our employees and suppliers is of the utmost importance to us. We implement all necessary measures to provide safe working environments, prevent occupational accidents and minimise health risks. It is our expectation that our suppliers will implement health and safety standards that are consistent with our own.

At Kervan Gida, our objective is to make a positive contribution to society and the environment by working in partnership with our suppliers to achieve a sustainable future. In line with our sustainability vision, we are committed to maintaining and improving high standards at every stage of our supply chain.

### Stakeholder Opinion

“

We have a long cooperation with Kervan Gida, which we can call a quarter of a century, exceeding 25 years as of 2024. I can count 3 main focuses at the basis of our sustainable business partnership: agility, customer orientation and reliability. We put innovation and continuous research and development at the centre of our business in our joint projects and we believe that we improve each other every year. In the genes of our slogan "Your Creative Flavour Partner", beyond providing product and R&D support to our business partners and customers, we act as an R&D partner to produce benefits for both our industry and our ecosystem.

Aromsa Assistant General Manager and 2<sup>nd</sup> Generation Representative  
Melis Yasa



# SUSTAINABLE AND RESPONSIBLE PROCUREMENT AND ACCESS TO RAW MATERIALS

89% of our raw material suppliers are local producers.

89%



In line with our commitment to sustainable purchasing, we consider a number of key criteria when procuring products and services from our suppliers. In line with our sustainability vision, we aim to give preference to local producers and contribute to their economic development. By optimising our raw material suppliers through the supplier-approved list method, we enhance quality and reliability while fostering a sustainable supply chain.

Our relationships with local suppliers not only support the local economy, but also increase the traceability of our products, enabling us to offer our consumers a safe, quality and responsible food experience. We have a total of 70 raw material suppliers, 89% of which are local producers. Our preference for local suppliers, coupled with the fact that raw material costs account for 65% of overall production costs, offers additional benefits such as price advantages, reduced stocking and warehouse costs.

Our production processes are supported by a total of nine warehouses, each with a storage capacity of approximately 800,000 products. These warehouses facilitate the efficient management of our supply chain and ensure the secure storage of our products. Our warehousing processes enhance the traceability of products throughout the supply chain, enabling us to provide our customers with a safe, quality and responsible food experience. Our total annual expenditure on raw materials represents 65% of our overall production costs. As a significant budget item in our production processes, raw material costs inform our cost control and efficiency strategies.

We foster transparent and trust-based relationships with our suppliers, develop strategies that support shared success, and collaborate continuously to ensure economic sustainability. To enhance local capabilities in production and bolster R&D initiatives, we collaborate with our suppliers, facilitating their attainment of commercial advantages. By way of illustration, we have conducted R&D for a mould starch, which is not available

in Türkiye and is produced specifically for jelly products. We are pleased to be able to supply 100% of this product from our own suppliers.

In recent years, we have been focusing on vegan and vegetarian products with the objective of reducing the effects of the climate crisis and the environmental impact of traditional animal gelatin production. In response to the growing consumer demand for vegan and vegetarian products, Kervan Gıda is continuously expanding its vegan product range, investing in R&D studies and expanding its supplier network for vegan products to meet this demand. We are actively developing vegan products and innovations in this field with the dual objective of minimising our environmental impact and increasing customer satisfaction.





# FOOD SAFETY AND QUALITY

During 2023, 3217 personnel were trained by quality and thus the training hours per person was increased to 5.4 person/hours.

**5.4 person/hours**



As Kervan Gıda, we prioritise providing healthy, reliable and accessible products to our consumers as our highest priority. In order to achieve this goal, we effectively manage our "Quality and Food Safety Management System" and carry out improvement activities by carefully evaluating customer feedback. The quality control and safety protocols that we meticulously apply at every stage of our production processes both minimise health risks and ensure that we do not encounter any legal problems. In this context, we continue our production with BRCGS (British Retail Consortium Global Standards), AIB (American Institute of Baking), TSE Halal, ISO 9001, ISO 27001, ISO 14001, ISO 50001 and ISO 45001 certificates.

We aim to increase quality and reliability by supporting our production processes with digital tools and platforms. In this context, trainings were uploaded to the B-Academy application in the last quarter of 2023 and digital process studies were initiated. With MES (Manufacturing Execution System) and OPEX (Operational Excellence) applications, we aim to continuously optimise our production processes and ensure high performance in these processes.

In 2023, we carried out various activities to further improve our quality management system. In this context, we initiate Quality Walk practices and integrate this process into Internal Audits by conducting Hygiene Infrastructure Audit. In order to increase our food safety culture, we place quality mascots in our catering halls and remind our rules through these mascots.

A process of assessing field competencies was initiated with a group of quality personnel and operators, and we have comprehensively assessed the competencies of 224 people in total. In addition, the quality team of 30 people is given before-after kaizen targets, which are implemented every 2 months, and these targets are regularly monitored. As a result of this process, 87 suggestions were opened by the quality unit.

After the variety change in the jelly production and packaging departments, blind spots were identified and the rate of products blocked due to foreign products decreased by 92% compared to 2022. This success demonstrates the effectiveness of the improvements in our quality management system.

During 2023, 3217 personnel were trained by quality and thus the training hours per person was increased to 5.4 person/hours. These comprehensive training activities aim to increase the competences of our staff and reinforce the food safety culture.

With 6 different categories of trainings, we aim to strengthen the culture of quality and food safety.



QUALITY AND FOOD SAFETY CULTURE



HACCP TRAINING



STANDARD PRODUCT



KEEPING ACCURATE RECORDS



MACHINE EQUIPMENT CLEANING



PRODUCTION ORDER READING

# R&D AND INNOVATION

We expanded our R&D centre by 3.5 times, creating a larger and more modern research environment.

↑ x3,5



Our extensive R&D activities over the past six years are ongoing to strengthen our position in the sector, provide effective solutions for consumer needs and achieve our goal of becoming a sustainable food company. Obtaining the title of approved R&D Centre is tangible evidence of our commitment to innovation and determination in this field.

Our innovative product development processes encompass a range of R&D projects, both aimed at enhancing our existing product range and introducing new products to the market. In addition to meeting consumer demands, these projects are designed to establish our company as a leader in sustainability and innovation within the food industry.

We are committed to ongoing enhancements to our R&D centre capabilities. In 2023, we expanded our R&D centre by 3.5 times, creating a larger and more modern research environment. The expansion enables us to undertake our projects in a more comprehensive manner, effectively monitor new product trials and facilitate innovation processes with advanced pilot equipment.

In our R&D centre, we offer a research environment equipped with the following features:

- Large and Modern Laboratory Areas: More space for R&D studies and laboratory environment supported by modern equipment.
- Advanced Pilot Equipment: State-of-the-art pilot equipment capable of simulating product development processes.
- High Capacity Test and Analysis Tools: Comprehensive test and analysis tools for testing the quality and safety of products.

The location of our R&D centre in the Akhisar plant is strategically positioned to facilitate close collaboration with production processes, enabling comprehensive monitoring of experimental outcomes. This strategic positioning allows for seamless integration of R&D projects with production, enabling rapid implementation of innovative ideas.

## Advantages of our Akhisar R&D Centre:

- Close Integration with Production: Direct integration of R&D studies into production processes.
- Improving Trials and Pilots: A favourable environment for testing and refinement of new products.
- Co-operation Between Teams: Ensuring effective co-operation between production, R&D and other departments.





# R&D AND INNOVATION

In 2023, our R&D-centred expenditures increased 2.3 times compared to 2022 and reached TL 12 million.

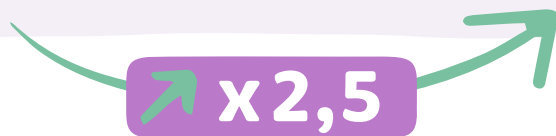
In 2023, our R&D-centred expenditures increased 2.3 times compared to 2022 and reached TL 12 million.

This substantial increase is a clear indication of our commitment to enhance our research and development capacity by allocating more resources to our innovative projects. We anticipate that our expenditure on R&D will reach TL 20 million by 2024. This objective aligns with our goal of further expanding our R&D activities and strengthening our position as a market leader.

At Kervan Gıda, we are engaged in a number of research and development projects with the objective of developing sugar-reduced products. The objective of these projects is to develop both health-oriented and flavour-oriented innovations while reducing the amount of sugar in our products. We provide products that support healthy eating habits through optimisation of sugar content, use of alternative sweeteners and consumer awareness strategies. Concurrently, our OTC (over-the-counter) product development initiatives prioritise supplements that offer a positive consumption experience and encompass a comprehensive range of products. We guarantee the quality, reliability and effectiveness of our products through rigorous R&D studies, accredited external laboratory analyses and meticulous inspections in production facilities.

## Total R&D Expenditure (TL)

	2021	2022	2023
Total R&D Expenditure (TL)	3.293.580	5.459.839	12.557.629



## Director Opinion

“



Our R&D team is constantly developing innovative solutions to meet rapidly changing consumer expectations. We are constantly developing our innovative perspective with natural ingredients, low-calorie alternatives, sustainable production methods and new flavours. We expand our product portfolio and raise our quality standards with the projects we have carried out. With the aim of offering delicious, reliable and healthy products to our customers, we expanded our R&D centre area by 3.5 times in 2023, expanding our modern research environment and increasing our expenditures by 2.3 times to TL 12 million. These investments increase our ability to offer innovative solutions for consumer demands, improve our existing products and bring new products to the market.

We will continue to invest in our sustainable future with our R&D and innovation efforts.

R&D Director  
Güler Ceyhan



# DIGITALISATION AND PROCESS MANAGEMENT

The DOPA Project, which we launched in 2022, is the cornerstone of our digitalisation and sustainability journey. With digitalisation, we redesign our processes with speed, transparency and efficiency.



At Kervan Gıda, we believe that digitalisation is the key to gaining a competitive advantage and supporting sustainable growth in the modern business world. Digitalisation enables businesses to optimise operational efficiency, reduce costs and enhance customer experience. New technologies and digital solutions offer innovative approaches in areas such as data analytics and artificial intelligence, enabling companies to gain deeper insights into market trends and make more informed decisions in a timelier manner.

We utilise a MES (Manufacturing Execution System) software system to effectively manage and monitor our production processes. By integrating the MES system into our production processes, we are working towards achieving a sustainable, traceable production area. The MES system enables us to enhance production efficiency, quality control and overall performance by collecting and analysing real-time data from the production line. The system offers a range of advantages, including integration with real-time data collection and monitoring, production planning and scheduling, quality control, traceability and reporting. The MES system enables us to achieve more efficient and high-quality results in our production processes.

Furthermore, XSPlanner enables us to create balanced and efficient line loads, develop plans that optimise resource utilisation and generate automatic production schedules aligned with these plans. Integrated with our ERP (Enterprise Resource Planning) system, this planning tool enhances the effectiveness and efficiency of our production processes. XSPlanner enables us to develop strategies that optimise production efficiency and reduce costs. This enhances our competitive advantage and supports our sustainable growth.

In general, we optimise our production and project management processes, increase our productivity and manage our business processes more effectively by utilising advanced technology software such as MES, XSPlanner, JIRA Software and KAIZEN philosophies. Our digitalisation strategy is designed to enhance customer satisfaction and deliver swift and effective solutions to evolving market demands.

## Director Opinion

# “



Reflecting the innovative spirit of Kervan Gıda, the DOPA Project, which we launched in 2022, is the cornerstone of our digitalisation and sustainability journey. With digitalisation, we redesign our processes with speed, transparency and efficiency. Operational excellence optimises our production processes by always maximising quality. Cost optimisation and efficiency strategies increase our profitability and build a sustainable future. Automation makes our workflows faster and error-free. With our KAIZEN philosophy, we pursue continuous improvement and innovation with the contributions of our employees. The DOPA Project and the KAIZEN approach are an important factor in achieving Kervan Gıda's sustainable growth targets. I would like to thank all our employees. Together we are building a brighter future!

Business Analytics and Business Process Development Director  
**Baran Balcı**

## DOPA PROJECT: A NEW DIRECTION FOR ORGANISATIONAL TRANSFORMATION

**DOPA**  
DIGITALIZATION | OPEX | PROFITABILITY | AUTOMATION



“BÜTÜNSEL  
DÖNÜŞÜM  
HAREKETİ  
BAŞLADI,,

kervan KUCANTAY GIDA OTMUCHÓW

In 2022, Kervan Gıda initiated the DOPA Project, marking the start of our corporate transformation journey. DOPA is a project that brings together the concepts of digitalisation, operational excellence, profitability and automation. These four basic components shape the future goals of our organisation. The name of our project, comprising the concepts represented by each letter, provides the overarching framework for our transformation process and vision.

### D: Digitalisation

Digitalisation refers to the integration of our business processes with technology. Within the scope of the DOPA Project, it is aimed to make all processes more effective and efficient in the digital environment. By integrating technology, it is aimed to make business processes faster, more transparent and more accessible.

### O: OPEX

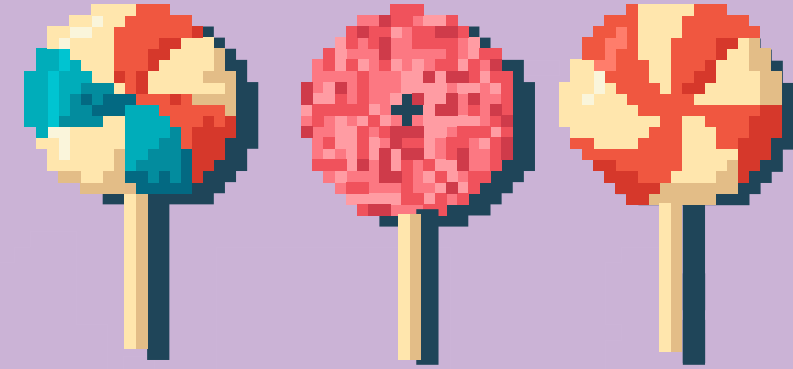
Operational excellence refers to the achievement of the highest efficiency and quality standards in processes. The DOPA Project aims to achieve operational excellence by identifying and implementing the best practices in business processes. This goal is realised by making processes leaner and more effective.

### P: Profitability

Profitability aims to improve the financial performance of the company and ensure sustainable growth. The DOPA Project aims to increase profitability by optimising costs and increasing efficiency. In line with this goal, strategies to increase profitability are developed and implemented.

### A: Automation

Automation refers to reducing manual interventions in business processes and making operations more efficient with technological solutions. The DOPA Project aims to provide faster and error-free workflows through automation applications in processes.

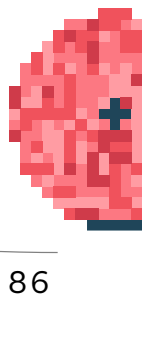
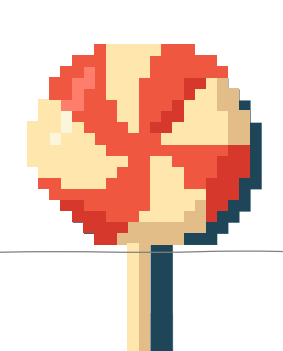
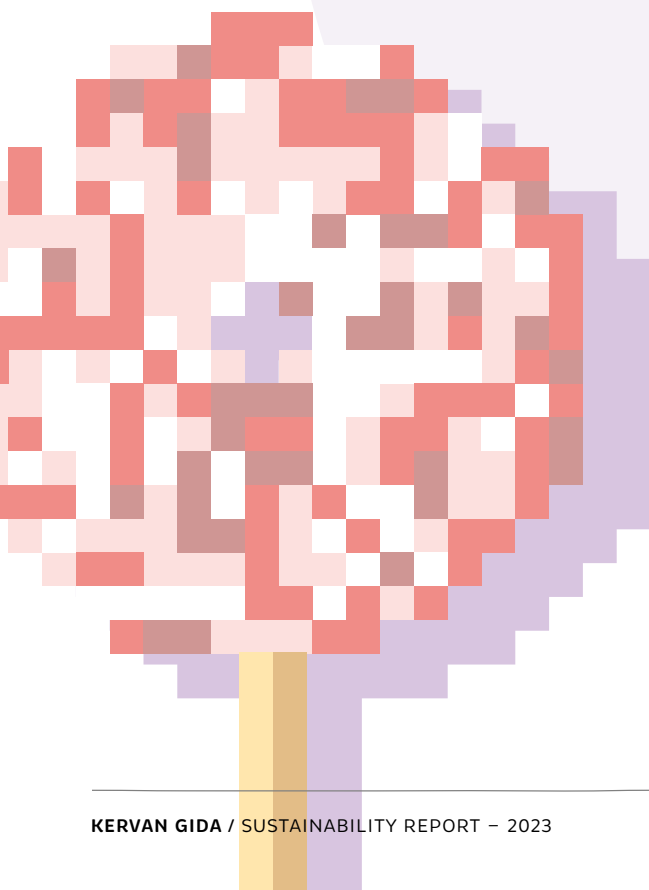




# DOPA PROJECT: A NEW DIRECTION FOR ORGANISATIONAL TRANSFORMATION

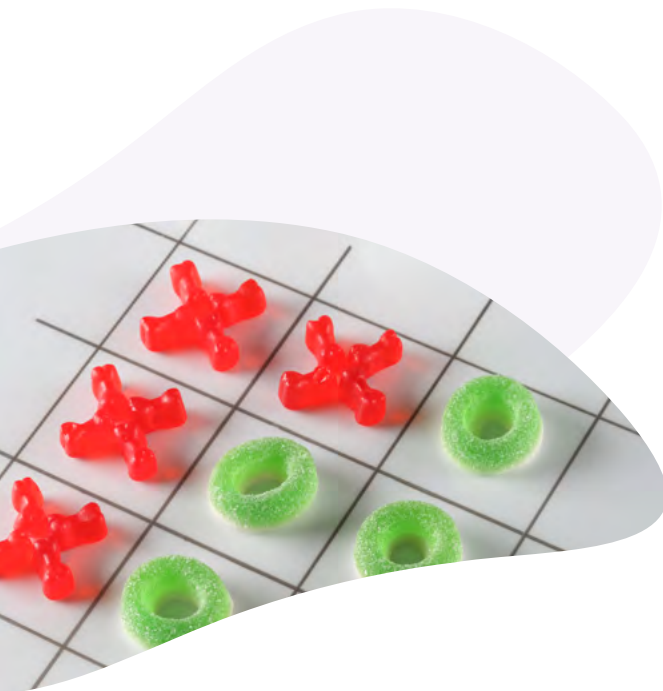
## DOPA Project Objectives

- **Faster Adaptation to Our Organisation's Growing Business Volume:**Necessary infrastructure and system improvements are made in order to quickly adapt to evolving market conditions and increasing workload. This increases the scalability and flexibility of business processes and gives the ability to respond quickly to market changes.
- **Providing Ease and Simplicity in All Processes:**By restructuring workflows, complexities in processes are eliminated and lean process management is applied. In this way, it is aimed to create more value with fewer resources in business processes.
- **Pursuing a Sustainable and Profitable Growth Strategy:**Sustainable growth strategies are developed and implemented to ensure long-term success and financial health. These strategies include a balanced approach to both short-term goals and long-term vision.
- **Minimising Errors and Problems:**Errors and problems are minimised through systematic analyses and improvement methods. In this process, techniques such as root cause analysis, risk management and preventive measures are used.
- **Providing a "Supply - Production - Quality - Marketing - Sales" cycle independent of individuals, where the system is the main one:**By ensuring that each stage is managed systematically and effectively, a cycle of business processes that reduces personal dependencies is created.
- **Creating Maximum Value by Using Capacity in the Most Efficient Way:**We aim to utilise existing resources more effectively with efficiency-enhancing solutions. For this purpose, methods such as process optimisation and capacity planning are applied.
- **Achieving Permanent Improvements in Costs through Standardisation and Commonisation Projects:**Standardisation projects aim to reduce costs and commonise processes. These projects focus on reducing costs and standardising processes.
- **Saving Time by Using Technology in All Processes:**Technological innovations are used to speed up processes and improve time management. In this context, technologies such as automation, data analytics and digital tools are utilised.





# DOPA PROJECT: A NEW DIRECTION FOR ORGANISATIONAL TRANSFORMATION



## DOPA Main Objectives



Digitalisation	OPEX	Profitability	Automation
<ul style="list-style-type: none"> <li>• Digitalisation of manual processes,</li> <li>• Development of a lock mechanism for process / authorisation gaps</li> <li>• Increasing data / information security</li> <li>• Ensuring Centre integration with all group companies</li> </ul>	<ul style="list-style-type: none"> <li>• Analysing operational losses and coordination of improvement processes</li> <li>• Quality-production integration</li> <li>• Operator competence level development</li> <li>• Ensuring accident-free work environment conditions</li> <li>• Maintenance, downtime analyses and taking improvement actions</li> <li>• Updating and implementing all factory standards</li> </ul>	<ul style="list-style-type: none"> <li>• Product optimisation studies</li> <li>• Packaging optimisation studies</li> <li>• Efficiency studies</li> <li>• Analysing sales ratios and managing the delist/blocking process</li> <li>• Customer, Channel Management: Sales analyses and recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Analysing the lines with high manual labour and proposing suitable automation systems</li> <li>• Line standardisation: Automation of the system and quality improvements in employee-dependent lines</li> <li>• Implementation of automation proposals in lines with high energy and maintenance costs</li> </ul>

## KAIZEN: A CULTURE OF CONTINUOUS IMPROVEMENT

KAIZEN is a Japanese term meaning "change for the better" and is used as "Continuous Improvement" in Western literature. As Kervan Gıda, by adopting the KAIZEN culture, we effectively carry out continuous improvement processes in our workplaces with the contribution of employees at all levels.



### Stakeholder Opinion

# 66



As a whole company, we care about taking environmental impacts into consideration while continuously improving our business processes. In our Kaizen projects, we prioritise sustainability aspects such as energy efficiency and waste management. This approach helps us minimise our company's environmental footprint while increasing our operational efficiency. These efforts are considered as an important step both for the sustainability of our business and for a livable future worldwide.

Opex Responsible Engineer  
**Özge Urcuk**



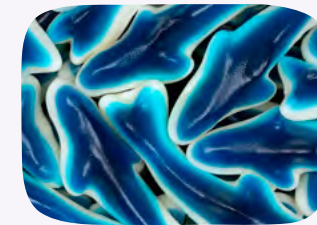




# KAIZEN: A CULTURE OF CONTINUOUS IMPROVEMENT

## KAIZEN's Main Objectives

- **OEE (Overall Equipment Effectiveness) Improvement:** Making production processes more effective and efficient by increasing equipment productivity.
- **Reduction of Product Waste:** Improving product quality by minimising losses during the production phase.
- **Improving Quality:** To increase customer satisfaction by continuously improving product and service quality.
- **Analysing Losses:** To develop solutions by determining the losses arising in production and operation processes.
- **Reducing Costs:** To strengthen the financial performance of the company by reducing costs in business processes.



- **Strengthening Teamwork to Eliminate Losses:** Contributing to the solution of problems by increasing co-operation and co-ordination among team members.
- **Increasing the Value Created in Processes:** Increasing efficiency by aiming to create value in production and operation processes.
- **Developing Problem Solving Employees:** Encouraging employees to contribute to process improvements by improving their problem solving skills.
- **Increasing Employee Productivity:** To increase overall productivity by increasing the contribution of employees to business processes.
- **Developing Managerial Skills of Employees:** To increase leadership and management competences through the development of managerial skills.



## KAIZEN: A CULTURE OF CONTINUOUS IMPROVEMENT

Kervan Gıda achieves these goals by integrating the KAIZEN philosophy into its business processes, thereby ensuring continuous improvement and significant success. The KAIZEN Committee's objective is to enhance process efficiency, elevate quality standards and bolster employee productivity through the utilisation of metrics such as KPI (Key Performance Indicators) and KAI (Kaizen Performance Metrics). The performance indicators allow us to measure the results achieved in line with the KAIZEN philosophy and identify future improvement opportunities.

In 2023, the suggestion system & Kaizen training was included in the orientation plan of new personnel. The cumulative suggestion process participation, which was 34% in 2022, increased to 40% in 2023. With the Kaizen Award Ceremony, 206 employees who contributed to our company by making kaizen were presented certificates of appreciation by our managers.

A3 A total of TL 11,016,631 was saved from Kaizen activities. 35,033,648 TL savings were achieved through before/after KAIZEN improvements.

↓ **TOTAL  
46 MILLION TL**

A3 A total of TL 11,016,631 was saved from Kaizen activities. 35,033,648 TL savings were achieved through before/after KAIZEN improvements.

### Stakeholder Opinion

“



What I have observed in my career at Kervan Gıda, which has been going on for more than a year; In the light of the trainings provided by Kervan Gıda, we want to create a culture of sustainability, green energy and zero waste in all company employees so that future generations can see the beauties of our world with projects such as reducing production waste, reprocessing, energy efficiency monitoring in the production area in order to be a leading role model in the food industry with the projects we have carried out.

Method Engineer  
**Adem URAL**



## 8.0 Annex

# save today for a better future

8.1 Environmental Performance Indicators	92	8.5 GRI	110
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# ENVIRONMENTAL PERFORMANCE INDICATORS

Akhisar



Istanbul



## ENERGY MANAGEMENT

	2021		2022		2023		Unit
Total Electricity Consumption	18.014.779	18.074.049	20.031.808	16.162.317	24.178.801	7.853.463	kWh
Total Electricity Consumption Intensity	538,54	644,26	476,47	608,41	373,71	522,14	kWh/production (tonnes)
Total Electricity Consumption Intensity	472,76	377,75	525,70	337,79	634,53	164,14	kWh/production (m <sup>2</sup> )
Total Electricity Consumption Intensity	15.624	20.060	14.288	19.929	11.881	30.558	kWh/employee
Renewable Energy Consumption	0	0	69.342	0	4.554.065	0	kWh
Vehicle Fuels Total - Diesel	13.377	93.041	22.591	65.731	117.515	119.252,18	litre
Vehicle Fuels Total - Gasoline	2.870	70.676	20.084	92.211	131.403	138.193	litre
Natural Gas Consumption	28.810.601	21.710.136	31.306.328	14.685.551	34.929.399	5.755.175	sm <sup>3</sup>
Natural Gas Consumption Intensity	861,28	773,87	744,64	552,82	539,88	522,14	sm <sup>3</sup> /production (tonnes)
Natural Gas Consumption Intensity	756,08	453,75	821,58	306,93	916,66	120,29	sm <sup>3</sup> /production (m <sup>2</sup> )
Natural Gas Consumption Intensity	24.988	24.096	22.330	18.108	17.164	22.394	sm <sup>3</sup> /number of employees



# ENVIRONMENTAL PERFORMANCE INDICATORS

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## EMISSION MANAGEMENT

		2022		2023		Unit
Scope 1		6.533	3.158	7.222	1.608	Tonnes CO <sub>2</sub>
Scope 2		8.814	7.111	11.086	3.448	Tonnes CO <sub>2</sub>
Scope 3		-	-	28.318		Tonnes CO <sub>2</sub>
Scope 1, 2 Total		15.347	10.270	18.308	5.056	Tonnes CO <sub>2</sub>
Scope 1, 2, 3 Total		25.617		51.682		Tonnes CO <sub>2</sub>
Emission Intensity		1,02	0,68	3,09	0,33	Tonnes CO <sub>2</sub> / production (Tonnes)
Emission Intensity		59,71	39,95	181,25	19,70	Tonnes CO <sub>2</sub> /number of employees
Emission Intensity		0,32	0,21	0,97	0,10	Tonnes CO <sub>2</sub> / production (m <sup>2</sup> )



# ENVIRONMENTAL PERFORMANCE INDICATORS

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## WATER MANAGEMENT

	2021		2022		2023		Unit
Mains Water Usage	62.872	-	78.225	-	62.376	-	m <sup>3</sup>
- Groundwater (Well) Utilisation	118.383	-	125.047	-	134.684	-	m <sup>3</sup>
Total Water Consumption	181.255	110.024	203.272	106.840	197.060	77.798	m <sup>3</sup>
Water Consumption Intensity	1,88	3,92	1,86	4,02	0,96	5,17	kwh/production (tonnes)
Water Consumption Intensity	1,65	2,30	2,05	2,23	1,64	1,63	kwh/production (m <sup>2</sup> )
Water Consumption Intensity	54,5	122,11	55,8	131,74	30,7	302,72	kwh/number of employees
Waste Water Discharge Point	1	1	1	1	1	1	quantity
Wastewater Amount	5166	-	18.515,70	-	18.19	-	m <sup>3</sup>



# ENVIRONMENTAL PERFORMANCE INDICATORS

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## WASTE MANAGEMENT

	2021		2022		2023		Unit
Total Waste Amount	715.616	457.715	1.382.505	363.660	1.541.614	185.492	Kg
Total Hazardous Waste from Production	307	2.018	561	1.072	750	1.040	Kg
Total Non-Hazardous Waste from production	1.091.637	220.430	1.381.944	322.285	1.541.614	394.575	Kg
Amount of Waste Disposed	743.620	222.448	850.362	323.357	1.467.020	395.615	Kg
Total Recycled Waste Amount	1.744.460	-	2.104.233	-	3.172.714	-	Kg
Amount of Waste Recycled for Energy Purposes	1.744.460	187.840	2.104.233	163.406	3.172.714	109.330	Kg



# SOCIAL PERFORMANCE INDICATORS

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## NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

	2021		2022		2023		Unit
Woman	583	441	754	402	1129	81	Person
Male	570	460	648	409	906	176	Person
Total	1153	901	1402	811	2035	257	Person
Number of Employees covered by Collective Labour Agreement (CBA)	1153	901	1402	811	2035	257	Person

## DISTRIBUTION BY GENDER AND AGE WITHIN THE SCOPE OF MANAGER

	2021		2022		2023		Unit
Blue Collar	1097	704	1345	615	1951	47	Person
White Collar	45	171	90	163	84	210	Person
Blue Collar Women	570	370	735	330	1099	3	Person
Blue Collar Male	527	334	610	285	852	44	Person
White Collar Women	13	60	31	60	30	78	Person
White Collar Male	32	111	59	103	54	132	Person





# SOCIAL PERFORMANCE INDICATORS

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## DISTRIBUTION BY GENDER AND AGE WITHIN THE SCOPE OF MANAGER

	2021		2022		2023		Unit
Under 30 - Female	0	0	0	0	0	1	Person
Under 30 - Male	0	0	0	2	2	6	Person
30 - 50 Years - Female	4	18	2	14	3	17	Person
30-50 years old - Male	9	40	10	50	22	62	Person
30-50 Years - Total	13	58	12	64	25	79	Person
Over 50 - Female	0	0	0	0	0	0	Person
Over 50 - Male	2	7	2	8	1	7	Person
Over 50 - Total	2	7	2	8	1	7	Person
Total	30	130	28	146	54	179	Person



# SOCIAL PERFORMANCE INDICATORS

Akhisar



Istanbul



## BREAKDOWN OF NEWLY RECRUITED EMPLOYEES BY GENDER AND AGE

	2021		2022		2023		Unit
50 Years and Over - Female	10	0	4	0	1	0	Person
51 and Over - Male	7	7	3	6	2	3	Person
30-50 years old - Female	167	26	182	25	217	3	Person
30-50 years old - Male	234	38	108	38	133	20	Person
Under 30 - Female	136	35	193	24	201	9	Person
Under 30 - Male	301	36	184	46	440	17	Person
Total	855	142	674	139	994	52	Person



# SOCIAL PERFORMANCE INDICATORS

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## DISTRIBUTION OF QUITTED EMPLOYEES BY GENDER AND AGE

	2021		2022		2023		Unit
50 Years and Over - Female	2	10	4	7	3	65	Person
50 years and over - Male	6	11	3	12	3	43	Person
30-50 years old - Female	70	50	106	52	108	217	Person
30-50 years old - Male	147	69	88	65	132	163	Person
Under 30 - Female	58	51	58	51	220	59	Person
Under 30 Under 30 - Male	203	48	203	48	243	42	Person
Voluntary Separation Employee Turnover Rate		18		20		14	Person
Total	486	257	462	255	709	603	Person



# SOCIAL PERFORMANCE INDICATORS

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## DISTRIBUTION BY WORKING HOURS AND GENDER

	2021		2022		2023		Unit
0-5 II - Female	560	270	723	227	1079	60	Person
0-5 Years - Male	537	293	591	238	813	117	Person
Number of Employees between 5-10 Years - Female	34	147	46	183	59	14	Person
Number of Employees between 5-10 Years - Male	44	134	66	148	84	34	Person
Number of Employees 10 and More Years - Female	9	50	7	78	10	11	Person
Number of Employees 11 and More Years - Male	9	51	14	56	31	28	Person

## MATERNITY LEAVE RATES

	2021		2022		2023		Unit
Employees on Maternity Leave - Female	15	16	9	26	6	29	Person
Employees on Maternity Leave - Male	4	19	23	26	7	47	Person
Employees Returning from Maternity Leave - Female	15	16	9	26	6	29	Person
Employees Returning from Maternity Leave - Male	4	19	23	26	7	47	Person



# SOCIAL PERFORMANCE INDICATORS

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## OTHER

	2021		2022		2023		Unit
Personnel Turnover Rate	0,03	1,87	47,7	3,95	0,29	12	%
Number of Employees Promoted - Female	1	5	1	6	7	10	person
Number of Employees Promoted - Male	4	6	0	16	15	15	person
Replacement Rate of Key Positions (Including Blue Collar)	-	-	-	-	-	-	%
Ratio of Disadvantaged Employees (Disabled Employees)	20	25	22	24	28	23	person
Number of Events with Employee Participation Organised	11		12		37		quantity



# SOCIAL PERFORMANCE INDICATORS

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## TRAININGS

	2021		2022		2023		Unit
Total Number of Participants	472	313	10938	1584	15895	1472	Person
Total Number of Participants - Female	175	161	5187	728	8216	712	Person
Total Number of Participants - Male	297	152	5751	856	7679	760	Person
Total Number of Participants - Blue Collar	379	145	10471	1001	15016	372	Person
Total Number of Participants - White Collar	93	168	467	596	879	1100	Person
Total Number of Participants - Blue Collar Women	140	78	5043	480	7858	222	Person
Total Number of Participants - Blue Collar Male	239	67	5428	521	7158	150	Person
Total Number of Participants - White Collar Women	35	83	144	248	358	490	Person
Total Number of Participants - White Collar Male	58	81	323	348	521	610	Person
Total Training Hours	97	429	475	377	380,5	167,5	hours
Training Hours per Person	1,79	2,93	23,94	6,16	17,87	13,14	hours/person



# SOCIAL PERFORMANCE INDICATORS

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## SUGGESTION SYSTEM

		2022		2023		Unit
Number of Suggestions from Employees		392	11	559	4	Quantity
Number of Suggestions Received and Accepted from Employees		277	10	430	4	Quantity
Number of Suggestions Implemented		56	4	302	4	Quantity

## SUPPLIER MANAGEMENT

	2021	2022	2023	Unit
Supplier Ratio - Domestic Purchasing	95	91	93	%
Supplier Ratio - Foreign Purchasing	5	9	7	%
Percentage of targeted suppliers signing the Supplier Code of Conduct (raw materials and auxiliary materials)	-	-	54	%

# SOCIAL PERFORMANCE INDICATORS

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## OCCUPATIONAL HEALTH AND SAFETY

	2021		2022		2023		Unit
Lost Time (Work Accident + Illness)	634	595	444	480	965	224	Day
Lost Time Due to Work Accident	127	562	132	358	162	146	Day
Occupational Disease Rate (ODR)	0	0	0	0	0	0	Quantity
Number of Fatal Accidents	0	0	0	0	0	0	Quantity
Number of Accidents with Lost Days	61	51	50	39	112	11	Quantity
Lost Time Accident Frequency Rate	248,25	705,09	471,93	226,63	527,83	342,8	%
Lost Time Accident Severity Rate	1,83	5,6	3,5	1,81	3,96	2,74	%
Number of Limited Incapacity for Work	0	0	0	0	0	0	Quantity
Number of Medical Interventions	1077	2488	1716	3406	590	7717	Quantity
Number of First Aid Cases (Emergency Response)	111	76	83	81	35	165	Quantity
Number of Recordable Accidents (Registered)	76	88	81	64	145	21	Quantity





# SOCIAL PERFORMANCE INDICATORS

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## OCCUPATIONAL HEALTH AND SAFETY

	2021		2022		2023		Unit
Rate of Absence from Work (Report after Work Accident)	634	595	444	480	965	224	%
Total hours of OHS training provided to employees	40	27	226	11	624,5	26	Clock
Total Number of Employees Attending OHS Trainings	17	19	759	19	2154	1700	Person
Occupational Safety Training Hours per Employee	2,35	1,42	0,30	0,58	0,29	0,015	hours/person
Total Number of Members in Board OHS Committees	-	-	6	-	6	-	Person
Number of Employee Representatives in Board OHS Committees	-	-	6	-	6	-	Person
Ratio of Employees with Supplementary / Private / Complementary Insurance	0	0	0	0	32	9	%



## SOCIAL PERFORMANCE INDICATORS

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### BENEFIT TO SOCIETY

	2021		2022		2023		Unit
Total Number of People touched by Social Responsibility Programmes	-	-	-	-	17	134	Person
Number of Cooperated Institutions	0	4	0	4	0	4	Person
Amount of Education Scholarship Awarded	-	-	1.141.800,00 TL		1.608.000,00 TL		TL
Donation and Sponsorship Amount	-	-	-	-	55.000,00 TL	431.500,00 TL	TL
Number of Corporate Memberships (Committee, Association, Chamber, etc.)	0	4	0	4	0	4	Quantity



# GOVERNANCE PERFORMANCE INDICATORS

Akhisar



Istanbul



## PRODUCT AND FOOD SAFETY

	2021		2022		2023		Unit
Number of Product Recalls (Returns)	0	0	0	0	0	0	Quantity
Customer complaints	246	212	415	207	167	95	Quantity
Number of Product-Borne Diseases	0	0	0	0	0	0	Quantity

## R&D / DESIGN / INNOVATION

	2021	2022	2023	Unit
Total R&D Expenditure	3.293.580	5.459.839	12.557.629	TL
Number of R&D / Design Projects Produced Annually	7	6	8	Quantity
Number of Participation in Domestic/International Fairs, Symposiums and Congresses with Scientific Activity Value	4	8	8	Quantity



## GOVERNANCE PERFORMANCE INDICATORS

### CONSOLIDATED DATA

	01.01.2023 — 31.12.2023	01.01.2022 — 31.12.2022	Unit
Net Sales	8.207.180	8.668.128	Thousand TL
Cost of Goods Sold	-6.013.359	-6.616.666	Thousand TL
Gross Profit	2.193.821	2.051.462	Thousand TL
Gross Profit Margin	26,7%	23,7%	Thousand TL
Operating Expenses	-1.679.353	-1.502.577	Thousand TL
Operating Profit	991.424	893.831	Thousand TL
EBITDA	846.305	879.012	Thousand TL
EBITDA Margin	10,3%	10,1%	Thousand TL
Net Profit	334.624	11.444	Thousand TL
Net Profit Margin	4,1%	0,1%	Thousand TL

## ANNEX: CERTIFICATES AND DISCLOSURES OF KERVAN GIDA

### **FSSC 22000 (Food Safety System Certification 22000):**

It is an international certification scheme for food safety management systems. It is based on the ISO 22000 standard and aims to improve food safety, quality and customer satisfaction. FSSC 22000 can be applied at all stages of organisations in the food chain and requires a comprehensive audit process.

### **BRCGS (British Retail Consortium Global Standards):**

It is a certification system developed for the retail sector that sets food safety and quality management standards. The BRC standard is applicable to food manufacturers, packaging and distribution companies and aims to increase customer confidence. This standard guarantees that production processes are hygienic and safe.

### **AIB (American Institute of Baking):**

An organisation that sets food safety and hygiene standards and is particularly applicable to the bakery sector. AIB audits assess the hygienic conditions and food safety practices of production facilities. AIB certification indicates that production facilities comply with high hygiene standards.

### **The TSE Halal:**

The TSE Halal certificate is issued by the Turkish Standards Institute (TSE) in Türkiye and attests to the halal status of the product in question. This certificate is issued to products that have been produced and processed in accordance with Islamic rules, and it serves to indicate that the products in question are halal and have been produced in accordance with Islamic conditions. The objective of the TSE Halal certificate is to provide consumers with safe and halal products.

### **ISO 9001:**

An international standard for quality management systems. ISO 9001 enables organisations to effectively implement and maintain quality management systems to increase customer satisfaction and ensure continuous improvement. This standard includes the principles of effective management of processes, customer orientation and continuous improvement.

### **ISO 27001:**

An international standard for information security management systems. ISO 27001 specifies the controls and processes necessary to protect the confidentiality, integrity and availability of information assets. This standard helps organisations manage information security risks and continuously improve their information security management systems.

### **ISO 14001:**

An international standard for environmental management systems. ISO 14001 enables organisations to manage their environmental impact, reduce negative impacts on the environment and achieve sustainability goals. This standard includes the establishment of environmental policies, monitoring of environmental performance and continuous improvement processes.

### **ISO 50001:**

An international standard for energy management systems. ISO 50001 helps organisations improve their energy performance and manage energy consumption effectively. This standard aims to increase energy efficiency, reduce energy costs and minimise environmental impacts.

### **ISO 45001:**

An international standard for occupational health and safety management systems. ISO 45001 specifies the processes and controls necessary to identify and manage risks and prevent occupational accidents and occupational diseases in order to protect the health and safety of employees. This standard aims to ensure safe and healthy working conditions.



# GRI

GREY STANDARDS	EXPLANATION	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisation Details	About the Report About Kervan Gida
	2-2 Units of the Organisation Included in Sustainability Reporting	About the Report
	2-3 Reporting Period, Frequency and Contact Point	About the Report
	2-4 Restatement of Information	
	2-5 External Assurance	None
	2-6 Operations, Value Chain and Other Business Relationships	Areas of Activity Our Value Creation Model
	2-7 Employees	Social performance indicators
	2-8 Non-Employee Workers	Social performance indicators
	2-9 Governance Structure and Composition	Corporate Governance Our Governance Structure
	2-10 Nomination and Election of the Highest Governance Body	Corporate Governance Our Governance Structure
	2-11 Chairperson of the Highest Governance Body	Corporate Governance Our Governance Structure
	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	Corporate Governance Our Governance Structure
	2-13 Delegation of Responsibility for Management of Impacts	Corporate Governance Our Governance Structure
	2-14 The Role of the Highest Governance Body in Sustainability Reporting	Prioritisation Analysis

## GRI

GRI 2: General Disclosures 2021	2-15 Conflicts of Interest	Business Ethics and Compliance Anti-Corruption and Anti-Competitive Behaviour
	2-16 Communicating Critical Concerns	Stakeholder Analysis
	2-17 Collective Knowledge of the Highest Governance Body	Annual Report
	2-18 Evaluation of the Performance of the Highest Governance Body	Governance Structure Transparency and Traceability
	2-19 Wage Policies	Transparency and Traceability
	2-20 Wage Determination Process	Transparency and Traceability
	2-22 Sustainable Development Strategy Statement	CEO Message
	2-23 Policy Commitments	Environmental Policy and Sustainability Commitment Our Human Rights Policy
	2-24 Internalisation of Policy Commitments	Environmental Policy and Sustainability Commitment Our Human Rights Policy
	2-25 Processes to Eliminate Negative Impacts	Organisation Structure Integrated Risk Management
	2-26 Mechanisms for Consultation and Raising Concerns	Business Ethics and Compliance
	2-27 Compliance with Laws and Regulations	Business Ethics and Compliance Transparency and Traceability
	2-28 Membership Associations	Our Civil Society Participation and Collaborations
	2-29 Approach to Stakeholder Engagement	Stakeholder Analysis Materiality Analysis
	2-30 Collective Bargaining Agreements	Social performance indicators

# GRI

GRI 3: Key Issues 2021	3-1 Process of Identification of Important Issues	Stakeholder Analysis
	3-2 List of Important Issues	Importance Analysis
GRI 3: Key Issues 2021	3-3 Management of Priority Issues	Economic Value Created Our Financial and Strategic Performance for 2023
	201-1 Direct Economic Value Created and Distributed	Economic Value Created Our Financial and Strategic Performance for 2023
	201-2 Financial Impacts and Other Risks and Opportunities Due to Climate Change	Risks and Actions
	201-4 Financial Assistance Received from the Government	Our Civil Society Participation and Collaborations
GRI 202: Market Presence 2016	3-3 Management of Priority Issues	Areas of Activity
	202-2 Proportion of Senior Management Employed from the Local Community	None
GRI 203: Indirect Economic Impacts 2016	3-3 Management of Priority Issues	Our Role in the International Market
	203-1 Infrastructure Investments and Supported Services	Annual Reports
	203-2 Significant Indirect Economic Impacts	Our Role in the International Market
GRI 204: Procurement Practices 2016	3-3 Management of Priority Issues	Sustainability in the Supply Chain Social Cohesion in the Supply Chain Sustainable and Responsible Procurement and Access to Raw Materials
	204-1 Ratio of Expenditures to Local Suppliers	Sustainable and Responsible Procurement and Access to Raw Materials





# GRI

GRI 205: Anti-Corruption 2016	3-3 Management of Priority Issues	Combating Corruption and Anti-Competitive Behaviour
	205-1 Operations Assessed for Corruption Related Risks	Combating Corruption and Anti-Competitive Behaviour
	205-2 Communication and Training on Anti-Corruption Policies and Procedures	None
	205-3 Confirmed Corruption Incidents and Measures Taken	Combating Corruption and Anti-Competitive Behaviour
GRI 206: Anti-Competitive Behaviour 2016	3-3 Management of Priority Issues	Business Ethics and Compliance Combating Corruption and Anti-Competitive Behaviour
	206-1 Lawsuits Filed for Anti-Competitive Behaviour, Monopoly and Monopolisation Practices	Combating Corruption and Anti-Competitive Behaviour
GRI 207: Tax 2019	3-3 Management of Priority Issues	Transparency and Traceability
	207-1 Approach to Tax	Transparency and Traceability
	207-2 Tax governance, control and risk management	Transparency and Traceability
	207-3 Stakeholder engagement and management of tax concerns	Transparency and Traceability
	207-4 Country-by-country reporting	Annual Reports
GRI 301: Materials 2016	3-3 Management of Priority Issues	Waste Management and Resource Efficiency
	301-2 Use of recycling materials	Waste Management and Resource Efficiency
	301-3 Recycled products and packaging materials	Waste Management and Resource Efficiency Environmental Performance Indicators

# GRI

GRI 302: Energy 2016	3-3 Management of Priority Issues	Energy Management and Efficiency
	302-1 Energy consumption within the organisation	Energy Management and Efficiency Environmental Performance Indicators
	302-2 Energy consumption outside the organisation	Environmental Performance Indicators
	302-3 Energy density	Environmental Performance Indicators
	302-4 Reduction of energy consumption	Energy Management and Efficiency
	302-5 Reduction in energy requirements of products and services	Energy Management and Efficiency Transition to Renewable Energy
GRI 303: Water and Wastewater 2018	3-3 Management of Priority Issues	Water Management
	303-1 Interaction with water as a shared resource	Water Management Environmental Performance Indicators
	303-3 Water withdrawal	Water Management Environmental Performance Indicators
	303-4 Water discharge	Environmental Performance Indicators
	303-5 Water consumption	Water Management Environmental Performance Indicators
GRI 305: Emissions 2016	3-3 Management of Priority Issues	Emission Management
	305-1 Direct (Scope 1) greenhouse gas emissions	Emission Management Performance Indicators
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	Emission Management Environmental Performance Indicators



# GRI

GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) greenhouse gas emissions	Emission Management Environmental Performance Indicators
	305-4 Greenhouse gas emission intensity	Performance Indicators
	305-5 Reduction of greenhouse gas emissions	Emission Management
GRI 306: Waste 2020	3-3 Management of Priority Issues	Waste Management and Resource Efficiency
	306-1 Waste generation and management of significant waste-related impacts	Waste Management and Resource Efficiency
	306-2 Management of significant waste-related impacts	Waste Management and Resource Efficiency
	306-3 Waste generated	Waste Management and Resource Efficiency Performance Indicators
	306-4 Waste not disposed of	Waste Management and Resource Efficiency Performance Indicators
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of Priority Issues	Sustainability in the Supply Chain Social Cohesion in the Supply Chain
	308-1 New suppliers screened according to environmental criteria	Sustainability in the Supply Chain
	308-2 Negative environmental impacts in the supply chain and measures taken	Risks and Actions Our Value Chain model
GRI 401: Employment 2016	3-3 Management of Priority Issues	Ensuring Diversity, Gender and Equal Opportunity
	401-2 Work provided to full-time employees but not to temporary or part-time employees	Employee Satisfaction and Loyalty
	401-3 Parental leave	Performance Indicators



# GRI

GRI 402: Labour/Management Relations 2016	3-3 Management of Priority Issues	Ensuring Diversity, Gender and Equal Opportunity
	402-1 Minimum notification periods for operational changes	Ensuring Diversity, Gender and Equal Opportunity
GRI 403: Occupational Health and Safety 2018	3-3 Management of Priority Issues	Occupational Health and Safety
	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety
	403-4 Workers' participation, consultation and communication on occupational health and safety	Occupational Health and Safety Social Performance Indicators
	403-5 Occupational health and safety training	Occupational Health and Safety Social Performance Indicators
	403-6 Promotion of workers' health	Occupational Health and Safety
	403-7 Prevention and mitigation of impacts directly linked to occupational health and safety through labour relations	Occupational Health and Safety
	403-8 Workers within the scope of occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injury	Occupational Health and Safety Social Performance Indicators
404: Education and Training	3-3 Management of Priority Issues	Employee Training and Talent Development
	404-1 Average training hours per employee per year	Social Performance Indicators
	404-2 Employee skills development and transition assistance programmes	Employee Training and Talent Development

## GRI

404: Education and Training	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance Indicators
405: Diversity and Equal Opportunities	3-3 Management of Priority Issues	Ensuring Diversity, Gender and Equal Opportunity
	405-1 Diversity of management bodies and employees	Social Performance Indicators
	405-2 Basic salary and pay ratio for men and women	Our Social Responsibility Policy
406: Prohibition of Discrimination	3-3 Management of Priority Issues	Our Human Rights Policy Business Ethics and Compliance
	406-1 Incidents of discrimination and corrective measures taken	Not encountered during the reporting period
407: Freedom of Association and Collective Bargaining	3-3 Management of Priority Issues	Our Human Rights Policy Business Ethics and Compliance
	407-1 Transactions and suppliers where the right to freedom of association and collective bargaining may be at risk	Not encountered during the reporting period
408: Child Labour 2026	3-3 Management of Priority Issues	Our Human Rights Policy Business Ethics and Compliance
	408-1 Operations and suppliers at significant risk for incidents of child labour	Not encountered during the reporting period
409: Compulsory or Forced Labour 2016	3-3 Management of Priority Issues	Our Human Rights Policy Business Ethics and Compliance
	409-1 Transactions and suppliers at significant risk for incidents of forced or compulsory labour	Not encountered during the reporting period
413: Local Communities 2016	3-3 Management of Priority Issues	Corporate Social Responsibility
	413-1 Operations with engagement with local communities, impact assessments and development programmes	Corporate Social Responsibility



## GRI

413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Not encountered during the reporting period
414: Supplier Social Assessment 2016	3-3 Management of Priority Issues	Sustainability in the Supply Chain Social Cohesion in the Supply Chain
	414-1 New suppliers screened using social criteria	Social Cohesion in the Supply Chain
	414-2 Negative social impacts in the supply chain and measures taken	Sustainability in the Supply Chain Our Value Chain Model
415: Public Policy 2016	3-3 Management of Priority Issues	Combating Corruption and Anti-Competitive Behaviour
	415-1 Political contributions	Combating Corruption and Anti-Competitive Behaviour
416: Customer Health and Safety 2016	3-3 Management of Priority Issues	Food Safety and Quality
	416-1 Assessment of the health and safety impacts of categories of products and services	Food Safety and Quality
	416-2 Incidents of non-compliance related to health and safety impacts of products and services	Food Safety and Quality Consumer Health and Satisfaction
417: Marketing and Labelling 2016	3-3 Management of Priority Issues	Food Safety and Quality Consumer Health and Satisfaction
	417-1 Requirements for product and service information and labelling	Food Safety and Quality
	417-2 Incidents of non-compliance with product and service information and labelling	Not encountered during the reporting period
	417-3 Incidents of non-compliance in marketing communications	Not encountered during the reporting period
418: Customer Privacy 2016	3-3 Management of Priority Issues	Consumer Health and Satisfaction Combating Corruption and Anti-Competitive Behaviour
	418-1 Substantiated complaints of breaches of customer privacy and losses of customer data	Not encountered during the reporting period



# TSRS

## TSRS-1

	Standard Item Code	Related Content
Governance	27-a	Integrated Risk Management Transparency and Traceability
	27-b	Integrated Risk Management Governance Structure
Strategy	29-a, 30-a, 30-b, 30-c	Risks and Actions
	29-b, 32-a, 32-b	Risks and Actions
	29-c, 33-a, 33-b, 33-c	Sustainability Strategy Risks and Actions Governance Structure
	29-e, 41, 42	Sustainability Strategy Risks and Actions
Risk Management	44-a	Risks and Actions
	44-b	Integrated Risk Management Risks and Actions
	44-c	Integrated Risk Management Risks and Actions



# TSRS

## TSRS-2

	Standard Item Code	Related Content
Governance	6-a	Integrated Risk Management Transparency and Traceability
	6-b	Integrated Risk Management Governance Structure
Strategy	9-a, 10-a, 10-b, 10-c, 10-d, 11, 12	Risks and Actions
	9-b, 13-a, 13-b	Risks and Actions Our Value Creation Process
	9-c, 14-a, 14-b, 14-c	Sustainability Strategy Risks and Actions Governance Structure
	9-e	Sustainability Strategy Risks and Actions
Risk Management	25-a	Risks and Actions
	25-b	Integrated Risk Management Risks and Actions
	25-c	Integrated Risk Management Risks and Actions
Metrics and Targets	28-a, 29-a	Emission Management Environmental Performance Indicators Reporting Guidelines





# TSRS

## ANNEX VOLUME 25 PROCESSED FOODS

Subject	Metric	Related Content
Energy Management	1- Explains the total amount of energy consumed by the enterprise as a total value in gigajoules (GJ).	Energy Management and Efficiency Environmental Performance Indicators
	2- Explains the percentage of energy consumed by the enterprise and supplied from the grid electricity.	Energy Management and Efficiency Environmental Performance Indicators
	3- The enterprise explains the renewable energy percentage of the energy it consumes.	Energy Management and Efficiency Transition to Renewable Energy Environmental Performance Indicators
Water Management	1- The enterprise explains the amount of water withdrawn from all sources in thousand cubic metres.	Water Management Environmental Performance Indicators
	3- The enterprise explains the amount of water consumed in its activities in thousand cubic metres.	Water Management Environmental Performance Indicators
Content Environmental and Social Impacts of Supply Chain	1- The establishment discloses the percentage of food ingredients certified to a third-party environmental or social standard	Food Safety and Quality Our Certificates
	2- The enterprise discloses the percentage of food ingredients it supplies that are certified to a third-party environmental or social standard as standard	Food Safety and Quality Our Certificates
	3- Scope of disclosure includes food ingredients purchased from Tier 1 suppliers	Sustainability in the Supply Chain Social Cohesion in the Supply Chain Sustainable and Responsible Procurement and Access to Raw Materials

## ACTIVITY METRICS

Activity Metric	Related Content
Weight of Products Sold	Kervan Food in Numbers
Number of Production Facilities	Kervan Food in Numbers



## REPORTING GUIDELINES

Subject	Indicator	Scope
<b>SOCIAL INDICATORS</b>	<b>OCCUPATIONAL HEALTH AND SAFETY</b>	
	Lost Time (Work + Sickness)	It shows the time lost due to occupational accidents and illnesses of company employees during the reporting period.
	Lost Time Due to Work Accident	In the reporting period, it shows the time lost due to occupational accidents experienced by the company employees during their work activities.
	Occupational Disease Rate (DRR)	It shows the ratio of the number of recurrent illnesses due to the workplace or work performed during the reporting period to the total number of employees.
	Number of Fatal Accidents	It shows the number of accidents resulting in death of company employees during the reporting period.
	Number of Accidents with Lost Days	It shows the number of accidents resulting in lost days during the reporting period.
	Lost Time Accident Frequency Rate	In the reporting period, it shows the ratio of the number of accidents resulting in lost days to total working hours.
	<b>EMPLOYEES</b>	
	Total Number of Employees	Indicates the number of employees for whom the Social Security Institution was notified of employment during the reporting period.
	Female Employee Ratio (%)	Indicates the ratio of the number of female employees for whom the Social Security Institution was notified of employment during the reporting period to the total number of employees.
	Ratio of Female Managers (%)	Indicates the ratio of the number of female executives for whom the Social Security Institution was notified of employment during the reporting period to the total number of executives.
	Newly Recruited Employees	The number of employees recruited by the Company during the reporting period and the number of employees for whom the Social Security Institution has been notified of employment during the reporting year.
	Employees who quit their jobs	It shows the number of employees for whom the Company's Social Security Institution has been notified of resignation during the reporting period.



## REPORTING GUIDELINES

Subject	Indicator	Scope
<b>SOCIAL INDICATORS</b>	Number of Employees on Maternity Leave	In the reporting period, it shows the number of employees who went on maternity/paternity leave within the scope of 4857 Labour Law and Regulation on Part-Time Work After Maternity Leave or Unpaid Leave.
	Number of Employees Returning from Maternity Leave	In the reporting period, it shows the number of employees who returned to work after taking maternity/paternity leave within the scope of 4857 Labour Law and Regulation on Part-Time Work After Maternity Leave or Unpaid Leave.
	<b>TRAININGS</b>	
	Hours of Training Provided to Employees	Indicates the total number of training hours attended by the Company employees during the reporting period.
	OHS Training Hours	Indicates the total OHS training hours attended by the Company employees during the reporting period.
	Training Hours per Person	In the reporting period, it shows the ratio of the total training hours attended by the Company employees to the number of employees participating in the training.
	OHS Training Hours per Person	In the reporting period, it shows the ratio of the total OHS training hours attended by the Company employees to the number of employees participating in the training.
	Employee Engagement Survey Results	In the reporting period, it shows the result of the survey prepared by a third party to measure the satisfaction and loyalty of the Company's employees.
<b>ENVIRONMENTAL INDICATORS</b>	<b>RESOURCE UTILISATION</b>	
	Total Energy Consumption (kWh)	Indicates the total energy consumed by the Company during the reporting period.
	Electricity Consumption (kWh)	The amount of electricity purchased by the Company for its operations during the reporting period.
	Renewable Energy Production (kWh)	Indicates the amount of renewable energy generated by the Company during the reporting period.
	Renewable Energy Consumption (kWh)	Indicates the amount of renewable energy consumed by the Company during the reporting period.
	Natural Gas Usage (m <sup>3</sup> )	In the reporting period, it shows the amount of natural gas purchased and used by the Company in the related operations.



## REPORTING GUIDELINES

Subject	Indicator	Scope
ENVIRONMENTAL INDICATORS	Total Vehicle Fuel-Diesel (litres)	In the reporting period, it shows the amount of diesel purchased and used by the Company in the related operations.
	Total Vehicle Fuel-Gasoline (litres)	In the reporting period, it shows the amount of petrol purchased and used by the Company in the related operations.
	<b>WATER CONSUMPTION</b>	
	Water Consumption - Mains Water (m <sup>3</sup> )	It shows the mains water withdrawals made by the Company in the relevant locations during the reporting period.
	Water Consumption-Rain Water (m <sup>3</sup> )	It shows the amount of rainwater used by the Company in the relevant locations during the reporting period.
	Water Consumption-Groundwater (Well) (m <sup>3</sup> )	It shows the well water withdrawals made by the Company in the relevant locations during the reporting period.
	Total Water Consumption (m <sup>3</sup> )	It shows the amount of mains, groundwater and rainwater used by the Company in the relevant locations during the reporting period.
	Amount of Wastewater (m <sup>3</sup> )	It shows the amount of wastewater generated as a result of the Company's operation processes in the relevant locations during the reporting period.
	<b>WASTE AMOUNTS</b>	
	Total Waste Amount (tonnes)	It shows the total amount of waste generated by the Company during the reporting period, which is monitored by MOTAT (Mobile Waste Tracking System) on the portal of the Ministry of Environment, Urbanisation and Climate Change (Integrated Environmental Information System).
	Total Hazardous Waste (tonnes)	It shows the total amount of hazardous waste generated by the Company during the reporting period, which is monitored by MOTAT (Mobile Waste Tracking System) on the portal of the Ministry of Environment, Urbanisation and Climate Change (Integrated Environmental Information System).
	Total Non-Hazardous Waste (tonnes)	It shows the total amount of non-hazardous waste generated by the Company during the reporting period, which is monitored by MOTAT (Mobile Waste Tracking System) on the portal of the Ministry of Environment, Urbanisation and Climate Change (Integrated Environmental Information System).
	Amount of Waste Disposed (tonnes)	During the reporting period, it shows how much of the waste generated by the Company, which is monitored by MOTAT (Mobile Waste Tracking System) in the portal of the Ministry of Environment, Urbanisation and Climate Change (Integrated Environmental Information System), was disposed of.
	Total Amount of Recycled Waste (tonnes)	During the reporting period, it shows how much of the total waste generated by the Company, which is monitored by MOTAT (Mobile Waste Tracking System) on the portal of the Ministry of Environment, Urbanisation and Climate Change (Integrated Environmental Information System), was recycled.



## REPORTING GUIDELINES

Subject	Indicator	Scope
<b>ENVIRONMENTAL INDICATORS</b>	Amount of Waste Recycled for Energy Purposes (tonnes)	During the reporting period, it shows how much of the total waste generated by the Company, which is monitored by MOTAT (Mobile Waste Tracking System) in the portal of the Ministry of Environment, Urbanisation and Climate Change (Integrated Environmental Information System), is recycled for energy purposes.
	<b>INVESTMENTS</b>	
	Environment Focused Expenditures (million TL)	Indicates the amount of the Company's environmental awareness-raising expenditures during the Reporting Period.
	<b>SCOPE 1,2 AND 3 EMISSIONS</b>	
	Scope 1 Emissions (tonnes CO <sub>2</sub> )	In the reporting period, it shows the Company's emissions from stationary combustion, mobile combustion and refrigerant gases.
	Scope 2 Emissions (tonnes CO <sub>2</sub> )	It shows the amount of emissions arising from the Company's electricity consumption in the reporting period.
	Scope 3 Emissions (tonnes CO <sub>2</sub> )	Indicates the total amount of emissions generated indirectly by the Company during the reporting period
	Scope 3 - Emissions from the transport or distribution of goods (inbound to the establishment)	It shows the amount of emissions from logistics to the Company during the reporting period.
	Scope 3 - Emissions from the transport or distribution of goods (to the establishment)	In the reporting period, it shows the amount of emissions from Logistics outgoing from the Company.
	Scope 3 - Emissions from transport of customers and visitors	It shows the amount of emissions arising from the transport of the Company's employees during the reporting period.
	Scope 3- Emissions from business travel	In the reporting period, it shows the amount of emissions arising from the flights made by the Company employees within the scope of business travel.
	Scope 3 - Emissions from purchased raw materials/finished goods/ semi-finished goods etc. associated with the manufacture of the product	In the reporting period, it shows the amount of emissions arising from the products and services purchased by the Company for its operations.
Scope 3 - Emissions from solid and liquid waste disposal	In the reporting period, it shows the amount of the Company's emissions from waste disposal (domestic waste, waste water discharge and treatment, paper and cardboard waste, organic waste, plastic waste, metal waste, mixed hazardous waste, landfill, recycling and incineration).	



# DATA PREPARATION

## SOCIAL INDICATORS

### 1. OCCUPATIONAL HEALTH AND SAFETY

The accidents that occurred during the reporting period were evaluated as occupational accidents. The number of fatal cases within these accidents and the number of employees reported as having occupational diseases were also recorded. The term "number of accidents" refers to the total number of occupational accidents. Monitoring and calculation is performed using the table listing SSI notifications. During the relevant period, there were no cases of occupational disease or fatalities.

The following definitions and formulae are employed in the calculation of occupational health and safety indicators.

Occupational Disease Rate (ODR) The occupational disease rate is calculated by the formula below;

Occupational Disease Rate (ODR): (Number of Occupational Diseases / Total Number of Employees) X 1,000

### 2. EMPLOYEES

The total number of employees represents the total number of individuals employed by the companies as of the end of the reporting period. This figure is based on the information available in the human resources systems as of 31 December 2023.

The formulae set out below illustrate the calculation of employee distribution indicators.

Female Employee Ratio = Number of Female Employees / Total Number of Employees

Female Manager Ratio = Number of Female Managers / Total Number of Managers

Return to Work Rate after Maternity Leave = Number of Employees on Maternity Leave / Number of Employees Returning from Maternity Leave

Voluntary Separation Turnover Rate = Number of Voluntary Separations / Total Number of Employees

## 3. TRAININGS

It shows the training data specified in the reporting period based on the information contained in the human resources systems as of 31 December 2023.

Training Hours per Person = Total Training Hours / Number of People Attending Training

OHS Training Hours per Person = Total OHS Training Hours / Number of People Attending the Training

## ENVIRONMENTAL INDICATORS

### 1. ENERGY CONSUMPTION

In line with our commitment to transparency, we are pleased to present our latest energy consumption data, which includes primary fuel sources such as electricity, natural gas, diesel and petrol. Electricity consumption data is sourced from service providers' meters and invoices. Information regarding diesel consumption is sourced from invoices provided by service providers for the generator and company-owned vehicles. Information regarding the consumption of gasoline is sourced from invoices provided by service providers for company-owned vehicles.

The Company uses the following published conversion factors in its energy consumption calculations:

Since the electricity supply unit is invoiced in kWh, a conversion factor of 1 kWh = 0.001 MWh is used.

Since the natural gas supply unit is invoiced in m<sup>3</sup>, during mWh conversion, the consumption was first converted to KJ with the conversion factor 8250 kcal/m<sup>3</sup>\*4,186 KJ/kcal/1000 and then the value found was converted to mWh by dividing by 0,0036. Finally, the conversion factor of 1 sm<sup>3</sup> = 0,009593 mWh was used.

Since the diesel supply unit is invoiced in lt, during mWh conversion, the consumption was first converted to KJ with a conversion factor of 10, 200 kcal/m<sup>3</sup> \* 4.186 KJ/kcal/1000, and then the value found was divided by 0.0036 and converted to mWh. Finally, 1 litre = 0,01186 mWh conversion factor was used

## 2. GREENHOUSE GAS EMISSIONS

During the reporting period, the Company's corporate greenhouse gas emission inventory studies were conducted in accordance with the corporate greenhouse gas emission calculation methodology set out in ISO 14064-1:2019, the Greenhouse Gas Calculation and Reporting Standard. In preparing the report, we have taken into account the organisational and operational boundaries, headings that should be included in the calculation, emission factors and their internationally valid sources, conversion coefficients and the headings recommended to be included in the reporting.

The emission factors used in the calculations are sourced from the ISO 14064-1:2019 Standard, as previously mentioned. These sources have been recommended and accepted as valid by the ISO 14064-1:2019 Standard.

These sources are:

- International emission factor calculation tools presented in the annexes of the IPCC1 5th and 6th Assessment reports and directly provided emission factors for fuel types,
- Emission factors published by DEFRA2 , updated annually,
- Emission factors and calculation methods updated annually by EPA3.

This study utilises the global warming potentials outlined in the IPCC Climate Change 6th Assessment Report, as presented in the table below.

Chemical Formula	Global Warming Potential
CO <sub>2</sub>	1
CH <sub>4</sub>	27,9
N <sub>2</sub> O	273



# DATA PREPARATION

Scope 1 - Direct Greenhouse Gases: Fuels used in factories and buildings and emergency generators using diesel, company vehicles and refrigeration gases

Scope 2 - Indirect Greenhouse Gases from Energy: Electricity consumption

Scope 3: Other Indirect Greenhouse Gases

Category 1: Products and Services Purchased

Category 4: Upstream Transport and Distribution

Category 5: Waste Generated as a Result of Operations

Category 6: Business Travel

Category 7: Employee Services

Category 9: Downstream Transport and Distribution

### Scope 3 Subcategories

Category 1 Products and Services Purchased	tonne	DEFRA 2023 - Material use DEFRA 2023 - Water Supply Carbon Cloud
Category 4 Upstream Transport and Distribution	km	DEFRA 2023 - Freightng goods
Category 5 Waste generated as a result of operations	ton	DEFRA 2023 - Water Treatment DEFRA 2023 - Waste Disposal
Category 6 Business Travel	km	DEFRA 2023 - Business Travel - Air
Category 7 Employee Services	km	DEFRA 2023 - Business Travel - Air
Category 9 Downstream Transport and Distribution	Km	DEFRA 2023 - Freightng goods

### 3. WATER USAGE

In line with our commitment to transparency, we are pleased to report the following data on water withdrawal: municipal water, rainwater and groundwater. The data on water withdrawal is sourced from the meters and invoices of the service providers, as well as from internal meters. Production figures are sourced from scorecards.

Water Consumption Intensity = Total Water Consumption / Production (tonnes)

Water Consumption Intensity = Total Water Consumption / Production (m<sup>2</sup>)

Water Consumption Intensity = Total Water Consumption / Production (number of employees)

### 4. WASTE MANAGEMENT

Wastes are grouped according to the definitions set out in the Waste Management Regulation (Definitions, Article 4 (jj, kk)) and the specifications outlined in the Waste Code Determination Hierarchy and Waste Code Descriptions (Annex 1). The total amount of hazardous waste and non-hazardous waste is monitored through the submission of waste declaration forms and MOTAT (Mobile Hazardous Waste Tracking) records. The amount of recycled waste represents the total amount of waste that has been recycled, recovered for energy purposes and reused by the company itself or by another organisation. This is also monitored through the submission of waste declaration forms and MOTAT (Mobile Hazardous Waste Tracking) records.

save today  
**for better  
tomorrow**

**KERVAN GIDA**  
**SUSTAINABILITY REPORT – 2023**

Sustainability and  
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PREVIOUS  
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