



# **Sustainable success goals**

Integrated Annual Report 2023

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# Our goal is to achieve better under all circumstances

In our connected world, companies and individuals will be inevitably impacted by events and conditions that occur on a global scale. In 2023, we withstood challenges such as high inflation, natural disasters and geopolitical events, thanks to our strong management approach and a solid partnership based on trust with our stakeholders, especially our suppliers and customers. We uphold our core values, namely high-quality goods at reasonable prices, at all times and under all circumstances, and we take firm steps into the future by achieving sustainable success with our products, services and projects.



## Sustainability Investments

TL 1 billion in 2023, approximately  
TL 2 billion in 2024



# Our goal is a better future

We care about the future of our planet and, to leave a better world for the future generations, our energy investments are ongoing. As of the end of 2023, we have installed Solar Power Plants (SPP) in 16 regional warehouses across the country. This year, we installed SPPs on the roofs of our warehouses in Kastamonu, Balıkesir, Lüleburgaz, Sincan, Şanlıurfa and Güzelhisar-Ankara. We aim to reduce our carbon emissions via the rooftop SPPs on these warehouses.





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# **20% GHG intensity reduction target by 2026**

compared to 2019

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# Our goal is sustainable product diversity

Providing quality products to our consumers is at the forefront of our duties. In this scope, we raise our market competitiveness through the sustainable products that we produce and improve with innovative approaches. We continue our innovation efforts to expand diversity on a product category basis.





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In sustainable products by 2026

**10% total turnover  
share target**

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# Our goal is to use resources efficiently

We contribute to the circular economy by reducing, transforming and reusing the waste we generate in food and packaging areas via projects conducted across all our stores and warehouses. This year, as a result of our efforts to increase resource efficiency in packaging and expand the use of sustainable raw material resources, we prevented the consumption of 450 tons of plastic and 759 tons of paper, saving approximately TL 21 million.





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Target to reduce plastic use in packaging by

**750 tons/year in 2025**

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# Our goal is high satisfaction

We present pleasant and beneficial shopping experiences by means of transformation initiatives to renew our stores. We make a difference, not just in terms of architecture and design but with regard to products and services. For example, in our stores that have bakeries, our fresh bakery products attract great interest and significantly enhance customer satisfaction levels.





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## **BIM's Net Promoter Score (NPS)\***

**39**

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*\*Brand Health Research conducted by NielsenIQ*



## ABOUT THE REPORT

# BİM's first Integrated Annual Report

As BİM Birleşik Mağazalar A.Ş. (BİM), we have been presenting our sustainability efforts to measure and evaluate the economic, social and environmental impact arising from our operations to the information of our stakeholders through our annual sustainability reports published since 2020. The financial and operational performance of our company was analyzed with a holistic approach within the framework of six capital components. As of 2023, we are pleased to introduce our first Integrated Annual Report published to present future targets and the value we generated as a result of our financial and non-financial activities in different areas from economy to environment, corporate governance to social investments with an integrated thinking approach to all our stakeholders in a transparent, reliable, consistent and year-on-year comparable manner.

BİM Birleşik Mağazalar A.Ş. 2023 Integrated Annual Report includes the financial and non-financial results of our economic, social, environmental and governance activities and our targets between January 1, 2023 and December 31, 2023.

The financial information in the report consists of consolidated data of domestic and international operations, stores and warehouses of BİM Birleşik Mağazalar A.Ş. environmental and social data and information covers, unless otherwise stated, operations of BİM Birleşik Mağazalar A.Ş. in Türkiye, including 11,439 stores and 73 regional directorates.

This report was prepared in accordance with the Value Reporting Foundation's (VRF) Integrated Reporting Framework and 2021 Standards "Core" option of the Global Reporting Initiative (GRI). It includes the areas of direct contribution to the United Nations

Global Sustainable Development Goals (SDGs) and their sub-goals, and information sharing for the Task Force on Climate-related Financial Disclosures (TCFD).

The consolidated financial data included in BİM Birleşik Mağazalar A.Ş. 2023 Integrated Annual Report was audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a Member firm of Ernst &Young Global Limited). We have included the audit results in the "Convenience Translation into English of Independent Auditor's Report on the Board of Directors' Annual Report Originally Issued in Turkish" section of this report.

You can send all your questions and comments about the report to: [esg@bim.com.tr](mailto:esg@bim.com.tr).





## MESSAGE FROM THE BOARD OF DIRECTORS

# BİM's sustainable growth performance

Despite facing numerous challenges on a global scale, Türkiye maintained its uninterrupted growth, marking the highest growth performance among OECD countries.

18%

Real growth rate in 2023

*\*Global Economic Outlook Report 2024*

*\*Risk Outlook 2024: continued high interest rates could lead to global recession, GfK Survey*

*\*OECD Economic Outlook: A mild slowdown in 2024 and slightly improved growth in 2025*

Esteemed Shareholders,

The year 2023 was spent under the grip of tightening financial conditions on a global scale, slowing economic activity and persistent inflation concerns, as well as extreme weather events brought about by climate change and heightening geopolitical tensions in the Middle East. In Türkiye, we were shaken by the devastation wrought by the February 6, 2023 earthquakes, which were centered in Kahramanmaraş, and affected 11 cities across the region.

The 2023 year-end data showed that tight monetary policies, implemented by central banks to combat inflation on a global scale, started to yield results, pointing to a moderate slowdown in global economic activity. According to IMF data, global inflation declined from 8.7% in 2022 to 6.8% in 2023, while the world economy, which grew by 3.5% in 2022, decelerated and grew by 3.2% in 2023.

Despite weak external demand and the serious impact of the earthquakes, the Turkish economy remained buoyant thanks to the contribution of domestic demand, growing by 4.5% as of the end of 2023 compared to the previous year. Despite numerous challenges on a global scale, Türkiye continued its uninterrupted growth, becoming the country with the highest growth performance among the OECD countries.

The impact of consumption expenditures brought forward due to high inflation, along with construction and industrial investments for the reconstruction of the earthquake region, were felt in the economic growth. The first half of 2023 was marked by loose monetary and fiscal policies that prioritized growth and employment; in the second half of the year, the new economic administration's systemic approach to stabilizing the economy and ensuring price stability through gradual monetary tightening and selective lending practices within the framework of the disinflation target was well received in both business circles and financial markets.



Supply-side constraints in the domestic market due to climatic conditions, volatility in exchange rates and minimum wage adjustments raised input costs and emerged as factors affecting food inflation in Türkiye in 2023. Food and non-alcoholic beverages inflation was 72% in 2023.

As in the previous year, Türkiye's retail sector recorded high increases in sales volume in line with strong domestic demand and growth. While the fast-moving retail sector contracted in volume around the world and in Europe, Türkiye's strong differentiation from other countries was evident in its high volume performance. The accelerated growth recorded by the retail sector, which develops and institutionalizes all stakeholders in its ecosystem, is pleasing for all of us, considering its contribution to production and employment in our country.

BİM achieved a real growth rate of 18% in 2023, adjusted for inflation. As of year-end 2023, our Company delivered its products and services to consumers at more than 12 thousand locations with more than 86 thousand employees, achieving successful operational and financial results.

As the first representative of the hard discount model in Türkiye, BİM undertakes an important social mission with its "everyday low price" policy, the principle of reflecting cost savings to product prices, and its lean business model.

The product lines from our own high-quality brands, offered to the public in BİM and FİLE stores at affordable prices, play an important role in Türkiye's fight against inflation.

On the other hand, 2023 was the hottest year in 174 years of observable records and the ninth hottest year in a row since 2015. Extreme weather events are highlighting the severity of the climate crisis, which poses a critical threat to our lives and to our Earth – our common and most precious heritage.

As BİM, we are committed to fostering shared values for all our stakeholders through our sustainability approach, which is based on our business philosophy. We act in awareness of our responsibilities to our society, and we take decisive steps to bequeath a livable world to future generations.

As BİM, we incorporate our efforts to prevent climate risks and to seize opportunities into our strategic decision-making processes, aiming to build an agile and resilient system. We monitor these endeavors under the leadership of the Sustainability Committee, reporting to the Board of Directors.

With our successful sustainability efforts, we are listed on the BIST Sustainability Index since 2022.

The inclusion of BİM in 2023 among the top 10 companies in the BIST Sustainability 25 Index, which

is composed of large and highly liquid companies with superior sustainability performance, confirms the decisive steps we took in this direction.

From the first hours after the earthquakes of February 6, 2023, we undertook efforts to supply assistance to those affected by our nation's most catastrophic disaster in recent years – a disaster that profoundly affected our country and greatly impacted 11 provinces. In cooperation with official public institutions, we provided approximately TL 100 million in in-kind and cash assistance during the first stage to meet the urgent needs in the disaster area. We will continue to stand by the people of the region and, together, will strive to help heal their wounds. Among the citizens who lost their lives in the earthquake were 27 valuable members of our BİM family. We wish mercy to our deceased employees, whose memories we will always cherish, and we extend our deepest condolences to their relatives and the BİM family.

Kind regards,

**Board of Directors**

## MESSAGE FROM THE CEO

# Sustainable value-producing activities

We take decisive steps to achieve the impact-oriented sustainability goals established within the scope of our sustainability roadmap, crafted with the understanding of producing shared value.



supply effective solutions to fight climate change. As the severity of the climate crisis grows, the cost of combating the crisis increases across all business areas.

Companies tasked with effectively managing the risks posed by the climate crisis and minimizing the environmental impact of their activities must also rebuild their business models and organizational structures by evaluating the opportunities and risks presented in this age of rapid technological advancement. While companies are at the forefront of a transformation driven by environmental, social and governance challenges, the emergence of breakthrough technologies related to artificial intelligence and climate positive activities necessitates a more agile adaptation.

BİM's increased sales revenues strengthened our financial structure. We also generated economic value for our country by fostering job opportunities in food production, logistics, storage and packaging, especially in stores carrying our BİM and FILE brands, while delivering products to the final consumer. Despite contracting financial conditions, caused by tight monetary and fiscal policies pursued

**328**  
TL BILLION  
Net sales

The year 2023 was overshadowed by challenging macroeconomic conditions, rising geopolitical tensions, and uncertainties in supply chains during the post-pandemic period. After the earthquakes hit our country, we deployed every resource at our disposal and collaborated with our public institutions to alleviate the suffering and destruction in the impacted areas.

**13.7**  
TL BILLION  
EBITDA

Achieving a balance between our planet's finite natural resources and the expanding human population and its activities has never been more critical to the sustainability of humanity and life. Not only government but also private sector organizations and companies must



by economic administrations in Türkiye and around the world to fight persistent inflation, we maintained our investments with the determination and strength derived from our own resources.

In recent years, discount retailing has reached a high-paced growth momentum in the Turkish retail sector, the most important players of which are discount stores. BİM maintained its sector leadership in 2023 thanks to the Company's sustainable growth performance.

Despite mounting operational costs, our Company continued to grow in 2023, a result of effective cost management, investment in its own brands, and increased customer traffic in both physical and online channels. Our consolidated sales surged by 18% to TL 328 billion. Thanks to strong turnover growth, we generated TL 13.7 billion in EBITDA in the operating period, up 1% compared to the previous period, with an EBITDA margin of 4.2%. Our operational and financial performance ensured a successful operating period, with a net profit of TL 15.4 billion.

BİM, which has a high cash-generation capacity, invested TL 11.2 billion on a consolidated basis as of year-end 2023 with financing from its own resources.

In line with our organic growth strategy, we expanded our domestic and international operations with new store launches. In 2023, we opened 972 new stores in Türkiye, Morocco and Egypt. Today, BİM represents a large family with more than 86 thousand employees.

In line with the escalation of online shopping during the pandemic, we developed a multi-channel management that fulfils consumers' demands for an integrated shopping experience through mobile applications. By using our multi-channel structure to make our products and services available to more consumers, we expanded our customer base. In 2023, the average number of daily visitors to BİM stores reached 6.3 million, while the total number of visits to our BİM Mobile and FİLE Mobile applications reached 4 million.

In accordance with our vision of leaving a livable environment for future generations, we are pleased to present our first Integrated Annual Report, which evaluates the environmental, social and governance impact of our operations from an integrated perspective, and discloses both our sustainability performance and our financial results in a transparent manner.

We take decisive steps forward to achieve our impact-oriented sustainability goals – goals we set within the scope of our sustainability roadmap, which was formulated in 2022 with the understanding of producing shared value. In the first stage, we aim to reduce the greenhouse gas emissions from our operations by 20%. Accordingly, we continue our transition to newly designed stores that feature high thermal insulation and to solar power plant installations in our warehouses, consistently focusing on increasing energy efficiency and renewable energy sources.

As of year-end 2023, 5,066 BİM stores were transitioned to the new design and we realized our target by 45%. As part of our solar power plants project, launched in 2020 and standing out as an exemplary practice in our industry, we installed SPPs on the roofs of 6 more warehouses during this activity period. In 2023, the total installed capacity of the SPP project in 16 warehouses reached 22.5 MW, while the electricity generated from SPP projects reached 4% of BİM's total electricity consumption. In 2023, we saved 10.4 thousand tons of CO<sub>2</sub> thanks to 23.7 MWh of electricity generated from renewable energy sources, bringing us even closer to our goal of reducing greenhouse gas intensity by 20% in 2026.

The retail sector unfortunately has a high environmental impact due to its packaging and waste generation practices. As such, packaging and waste management are among our sustainability priorities. As BİM, we endeavor to reduce both food and packaging waste at their sources and, via projects conducted in our stores and warehouses, to recycle this waste with a circular economy perspective. In 2023, thanks to our efforts to heighten

resource efficiency in packaging and to expand sustainable raw material alternatives, we reduced the consumption of 450 tons of plastic and 759 tons of paper, saving approximately TL 21 million.

In line with our Environmental Management and Occupational Health and Safety policies, we continue to improve our management systems practices. In 2022, our Iskenderun regional warehouse was qualified to receive ISO 14001 Environmental Management System certification and our Piraziz regional warehouse was qualified for ISO 45001 Occupational Health and Safety Management System certification. We continue our efforts to extend these best practices to our other warehouses.

BİM, which has been listed on the BIST Sustainability Index for two years, was included in the BIST Sustainability 25 Index as well, thanks to the Company's notable sustainability success in 2023.

BİM, whose sustainability efforts transcend national boundaries, was recognized in 2023 by being included in the London Stock Exchange's Sustainability Index, FTSE Emerging ESG Index and FTSE4Good Emerging indexes.

We will persevere in our efforts to cultivate sustainable value, strengthened by our 28 years of experience in the retail sector, our strong financial structure and our qualified human resources. I would like to express my gratitude to all our valuable colleagues, suppliers, customers, shareholders and other stakeholders who contributed to the achievement of our environmental, social and governance targets and helped improving our performance during the previous operating period.

Kind regards,

**Haluk Dortluoğlu**  
CEO

## 2023 SUSTAINABILITY OUTLOOK

### STRONG CORPORATE GOVERNANCE

- In 2023, changes were made to the management structure. A dynamic organizational structure has been developed to improve flexibility in response to commercial perspectives, customer centricity, and changing market dynamics, as well as to boost technology integration.
- With the changes in the management structure in 2023, the roles of Chairman of the Board of Directors and Chairman of the Executive Committee have been separated in accordance with sound corporate governance applications.
- A **Diversity and Inclusion Policy** and **Related Party Transactions Policy** was developed to strengthen the Company Board of Director Corporate Governance. Within this scope, the aim is to appoint female members to the Board of Directors in 2027.

### CONTRIBUTION TO FIGHT AGAINST CLIMATE CHANGE

- In 2023, the Company's solar power (SPP) investments accounted for **4%** of its electricity consumption from the energy generated in SPP projects. BiM aims to increase this rate to **25%** by 2025.
- In 2023, BiM reduced its greenhouse gas emissions by **18%** compared to 2019 and continues to work towards a 20% reduction target by 2026. Thanks to the 23,690 MWh of electricity generated in 2023, 10.4 thousand tons of CO<sub>2</sub> was saved.
- In 2023, to increase energy efficiency in stores, **glass doors** were introduced to be used **in refrigerators**. Thus, the plan is to prevent the emission of 20 thousand tons greenhouse gases with a 9% saving per year in total electricity consumption.
- BiM prevented the consumption of 450 tons of plastic and 759 tons of paper in 2023 as a result of its efforts to increase resource efficiency in packaging and spread sustainable raw material alternatives. These practices resulted in financial savings of approximately TL 21 million. BiM aims to reduce paper waste by 820 tons/year and plastic waste by 750 tons/year and to use 480 tons/year of recycled plastic in its packaging in 2025.





## SUSTAINABLE PRODUCTS

- BİM continued to invest in the **sustainable product** category in 2023. Within this scope, the turnover of sustainable products reached **9.2%** in 2023 within its total turnover and came near to the target of 10% in 2026.



## VALUE TO HUMAN

- In 2023, compared to 2022, total experience time in **trainings** increased 10-fold, reaching **360,000 hours**.
- With the change in the management structure, Human Resources started to be managed at the Executive level level and the Human Resources Department and sub-units were established.

## ABOUT BİM

# Leading brand of the retail industry

Since the day BİM was established, we set our primary objective as offering high-quality products to customers at the most affordable prices.



The decentralized organizational structure of BİM ensures our decision-making and implementation processes to be fast and efficient by facilitating to establish a dynamic logistics and information network between our regional offices and stores.

BİM avoids any unnecessary expenses that would raise product prices.

We effectively control quality standards by limiting our product range to around 900 items and deliver our products to customers at the most affordable prices possible.

We update the composition of our product range every year by launching new products and removing some of our products from the list according to the expectations and needs of our customers, which diverge over time.

### **We Invest in Our Private Labels**

Our private labels, produced exclusively for BİM by our suppliers, constitute the foundation of our high discount business model and our sustainable product approach.

# 62%

Ratio of BİM's private-label products to net sales

As the leader in Türkiye's retail sector, BİM's journey to success started with 21 stores in 1995. Since the day BİM was established, our primary objective has been offering high-quality products to customers at the most affordable prices.

# ~900

Product portfolio of BİM

We act on the principle of keeping our operational costs at a minimum level and reflecting the consequent savings to customers as discounts. With its organizational structure, effective cost management practices and limited product range, our Company is the first representative of the hard discount model in Türkiye.



The main characteristic of these products is their more affordable pricing compared to equivalent, branded products of the same quality.

### **We Implement Effective Cost Management**

Our basic principle in carrying out our operations is to keep costs at the lowest level and reflect our gains to customers as low prices. We have adopted a detailed and precise working method for the selection and pricing of the products in the Company. The products offered at our stores are carefully selected to meet 80% of the daily basic needs of a household. Our limited product range enables us to purchase low-priced products from our suppliers in high quantities and reflect this value in product prices.

Instead of promotions, campaigns and loyalty card practices, we apply an “everyday low price” policy for all our customers. Instead of promotions and campaigns that offer short-term price reductions, we make our prices more understandable by keeping them low every day and reflect the cost savings we achieve to product prices.

One of the most important features distinguishing BİM from its competitors in the sector is to avoid short-term discounts even when there is no sufficient consumption. Our pricing policy is a building block of the trust our customers place in us.

As BİM, we are consolidating our leadership and strong position in the retail industry every day with the effective cost management policy we implement in all our operations. BİM, which is the leader in the market when considering the sales volume, had a 15.7% market share in fast moving consumer goods across Türkiye.\*

At BİM, we conduct our cost management practices within the framework of the following principles:

1. In general, we rent the stores.
2. Instead of high-cost stores on main streets, we prefer to locate the stores in the back streets to save on rent.
3. We employ sufficient personnel in stores to maintain uninterrupted service.
4. We keep store decoration as simple as possible, use minimum shelving, keep costs at minimum and reflect gains obtained to the product prices.
5. We keep promotion and advertising expenditures to a minimum.
6. We distribute products through our own logistics network.
7. We keep the product portfolio limited and purchase in large quantities from the suppliers at low prices.
8. We include our private labels in the product portfolio as much as possible.
9. We keep cost calculations on a daily basis and implement effective cost inspections, with immediate action taken whenever required.
10. We evaluate, develop and implement new saving methods.

We use only Turkish Lira in our transactions and finance our operational investments through our powerful equity capital. We thus minimize the impact of fluctuations in exchange rates and interest rates on our activities.

### **We Establish Strong Ties with Our Suppliers**

We are the biggest purchaser of the majority of the products we sell in Türkiye thanks to our high purchasing power. We encourage our suppliers to produce high-quality products at lower costs and procure quality products at affordable prices.



15.7%

**Market share of BİM in fast moving consumer goods across Türkiye\***

## ABOUT BİM

# Sustainable business model

**We, in accordance with our business model, keep the costs at a minimum level without compromising the service quality, reflect our consequent savings to product prices and maintain our operations with a limited level of profit margin.**



## **We Work with High Inventory Turnover Rate**

We conduct our inventory management work at BİM via a program used commonly in the world. Inventories that are managed from regional directorates are effectively monitored as they are transferred from warehouses to stores and from stores to customers via its own logistics infrastructure.

# 39

**Net Promoter Score (NPS) of BİM\***

## **“EVERYDAY LOW PRICE” POLICY**

**BİM is effective in spreading low prices throughout the sector with its “everyday low price” policy, setting an example for the market.**

By offering the shortest payment terms in the industry, we take care to provide all necessary support to our suppliers, whom we see as our business partners. This approach makes BİM the first company preferred by suppliers in the retail sector.

Thanks to our strong cash position, successful supply and inventory management, we did not leave our shelves empty in 2023, when supply problems occurred. We preferred to use our strong cash position to ensure product supply and procure cost-effective products, allowing us to maintain high levels of customer satisfaction.

## **Product Quality Is Under Our Guarantee**

We work to provide reliable products that fully and continuously meet our customers' basic needs timely at most affordable prices. We established the Quality Assurance Unit, which reports to the Chief Commercial Officer (CCO), to continuously enhance food safety, which we have adopted as a company policy.

## **We Contribute to Economic Welfare with Our Sustainable Business Model**

We, in accordance with our business model, keep the costs at a minimum level without compromising the service quality, reflect our consequent savings to product prices and maintain our operations with a limited level of profit margin. Our Company's fight against inflation has been continuous

\*Brand Health Report prepared by NielsenIQ.



since the day it was established. BİM is effective in spreading low prices throughout the sector with its “everyday low price” policy, setting an example for the market. It contributes to the balanced course of price mechanisms in the market, especially during periods of high inflation. Although the pressure has increased on costs due to the ongoing inflation trend and the depreciation of the Turkish lira in 2023, we supported the fight against inflation by postponing price increases as much as possible.

### **Our Customers Are Always Right**

We operate with the effort to keep customer satisfaction at the highest level with the unconditional return guarantee policy applied in our stores. This policy allows our customers to return any product at any time - without the need to provide an explanation - at the closest BİM store by providing the receipt and credit card slip.

### **Our Investment Policy Creates the Foundation for Organic Growth**

As part of our organic growth strategy, the majority of our investments is focused on expanding our operational network by launching new stores and establishing regional centers. We strive to keep our investment costs relatively low by decorating our new stores, most of which are rented, in the simplest and most functional way possible.

For BİM that is managed via a decentralized organizational structure, regional centers are of strategic importance. We construct our new warehouses and regional centers by acquiring land in accordance with compliance criteria.

Also in 2023, when investment costs remained high, we kept contributing to the national economy and employment by continuing our new store launches and the establishment of regional centers in line with our investment policy.



### **We Also Operate Outside Türkiye with Our Morocco and Egypt Operations**

The first foreign operation of our Company, Morocco, is the first discount chain in the country. We began active operations in Morocco on April 11, 2009 with the launch of our first store in Casablanca. BİM owns 65% of the capital of the company that carries out the operations in the country.

We aim to maintain and develop the current growth trend in the Kingdom of Morocco with Helios Investment Partners LLP, which acquired 35% share in the Morocco operations, and to contribute to localization with investors specialized in the region.

Being geographically close to Europe, Morocco has a more developed infrastructure in terms of culture, economy, and politics compared to other African and Middle Eastern countries. In

Morocco, which has a population of more than 37 million, the modern retail industry has significant potential.

Our Morocco operations, which achieved operational and net profitability (before TFRS 16) as of the year-end 2019, continued this trend by maintaining profitability in 2023 as well. The number of stores reached 687 with 60 new store launches in 2023.

In Egypt, the second foreign operation of BİM, which started its operations in 2013, we opened 45 stores in 2023, totaling 356 stores. BİM owns the whole capital of our subsidiary that carries out the Egypt operation. BİM operates with two regional directorates in Egypt, which is one of the biggest countries in the Middle East with a population of over 100 million and is the production base of its region.

## ABOUT BİM

**Having introduced the notion of private-label product sales to the Turkish retail sector, BİM plays an important role in Türkiye's fight against inflation by offering the high quality private-label products to customers at affordable prices.**

<b>Number of Stores</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
BİM Türkiye	9,451	10,370	11,203
FİLE Türkiye	160	202	236
BİM MAROC	578	627	687
BİM Egypt	300	311	356
<b>Total</b>	<b>10,489</b>	<b>11,510</b>	<b>12,482</b>

11,203  
Number of BİM Türkiye stores

1,043  
Total number of BİM stores abroad

### BİM Brands

Having introduced the notion of private-label product sales to the Turkish retail sector, BİM plays an important role in Türkiye's fight against inflation by offering the high quality private-label products to customers at affordable prices. BİM meticulously carries out its studies for the protection, development and quality controls of these brands both in terms of flavor and package quality. BİM develops its' private-label product portfolio every year, and the share of its private labels in net sales increased from 46% in 2005, the year the Company went public, to 62% in 2023.

### BİMcell

Launched in 2012, BİMcell is a BİM brand operating in the field of mobile communications. Offering special communication solutions with its Internet and mixed packages, BİMcell has a population coverage rate of 98% throughout Türkiye. BİMcell is preferred by consumers with its economic, competitive and innovative packages that offer "pay as you go" options by charging customers per second.

#### Principles of BİMcell:

- It is plain and simple.
- It is transparent.
- There is no hidden pricing.
- There are no terms and conditions.
- It provides high-quality service at low prices.

The number of subscribers of BİMcell, a virtual prepaid operator, was 2.7 million as of year-end 2023.



## FiLE

We launched our innovative retail model FiLE in March 2015. Combining the concept of discount with a supermarket notion, FiLE stood out in the retail sector in a short time with a strong, fresh, high-quality, and diverse product range and gained the appreciation of customers. With our FiLE service model, we aim to meet consumer needs in groceries, personal care and general hygiene with good or best quality healthy and fresh products produced at high standards, and offered continuously at low prices. Our FiLE stores offer a larger aisle area compared to discount stores, allowing customers to shop in a large and open space. In our FiLE stores, we have included special service sections such as bakery, meat-charcuterie, fresh food and personal care. FiLE provides service with 236 stores in 28 provinces and a total of three warehouses, two in Istanbul and one in Ankara.

Establishing a new supply chain, FiLE included new private-label products to its portfolio in addition to national and international products. 33% of the sales of FiLE, which serves consumers with its three brands in basic product categories, is comprised of private-label products. We introduced 81 products not previously offered to the market before in Türkiye to consumers for the first time with the FiLE concept.

Thanks to a plain presentation of the correct business model, FiLE quickly achieved EBITDA and net profitability. The share of online sales in turnover reached 5% in 2023 at FiLE, which launched its mobile shopping application in 2021.

## FiLE Brands

Harras is a food product brand, its' product development and manufacturing processes are closely monitored by FiLE. These products are produced by the leading suppliers in the product category and have at least the same quality as the leading brands in the market and are only sold in FiLE stores. The products and manufacturers of the Harras brand are regularly audited by independent and certified organizations.



Actisoft is FiLE's private-label brand in the segment of general hygiene, paper products and supplementary products, which addresses the diverse needs of households, such as paper towels, garbage bags, baking papers, room odors. The products and manufacturers of the Actisoft brand are regularly audited by independent and certified organizations.

Daycare is a brand for personal care products offered in FiLE stores only. The brand has been developed innovatively according to customers' needs for health, hygiene, beauty, personal care, and colorful cosmetics. These products are manufactured by the leading suppliers in the product category and have at least the same quality as the leading brands in the market.

236

Number of FiLE stores

33%

Ratio of FiLE's private-label products to net sales

## SERVICE PHILOSOPHY

# The first representative of the high discount model

With its organizational structure, effective cost management practices and limited product range, BİM is the first representative of the high discount model in Türkiye.





BİM displays products in their original cardboard boxes to avoid unnecessary store expenses.



BİM employs a sufficient number of personnel to provide uninterrupted service at its stores.

BİM customers can return the products they are not satisfied with without any problems.



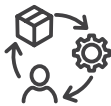
BİM rents the most affordable stores in the locations closest to its customers.

For BİM, customer benefits are more important than short-term high profits.



BİM stores are decorated as simply as possible.

BİM offers high quality products manufactured specifically for its customers.



BİM offers the highest quality products at the most affordable prices.

BİM customers pay for the product itself, not the packaging or the brand.

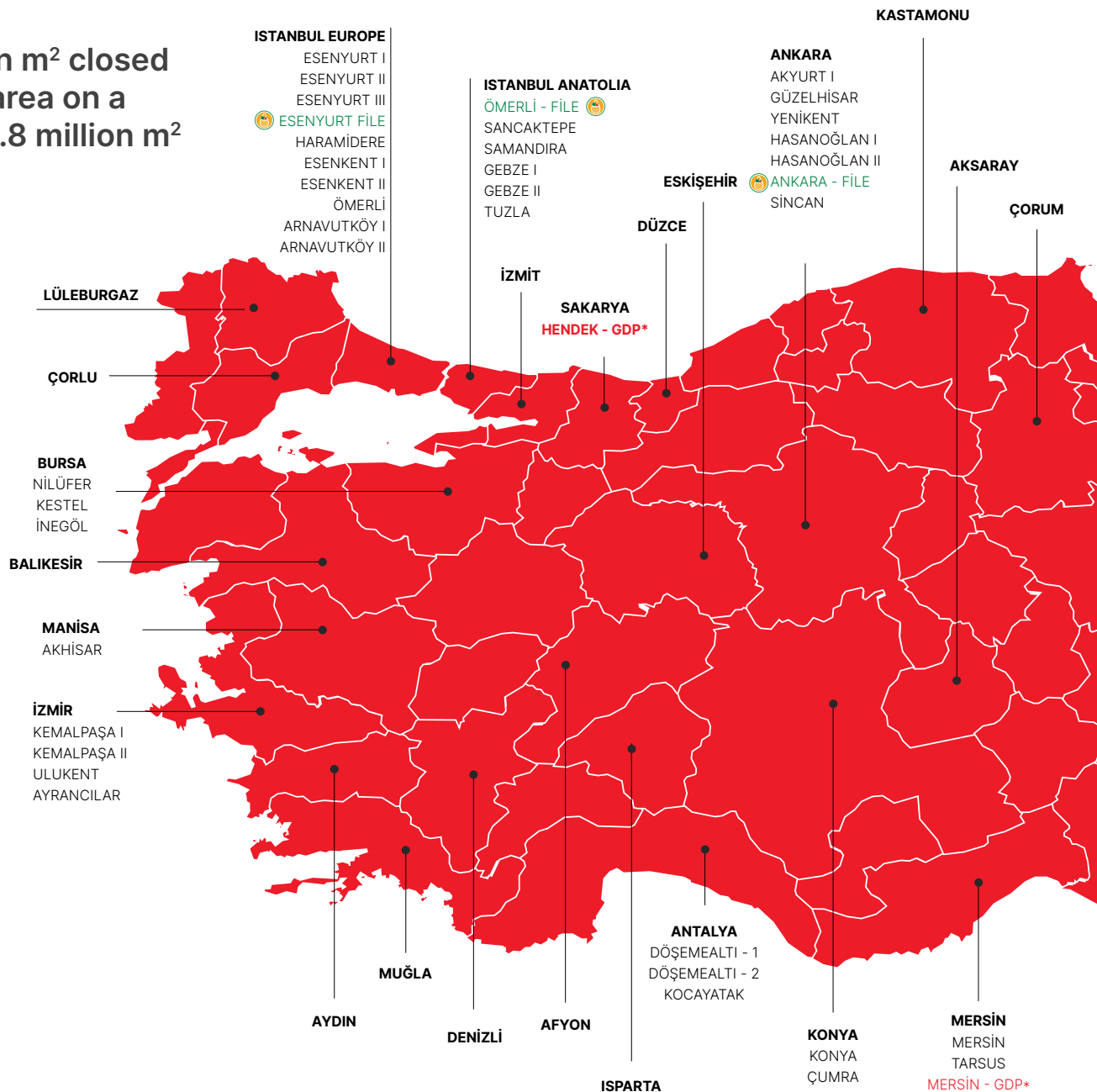


BİM avoids excessive advertising that could lead to an increase in the price of its products.

## REGION OF OPERATION

# BIM's domestic and foreign operations

**1.5 million m<sup>2</sup> closed storage area on a total of 2.8 million m<sup>2</sup> land**



\* Two of its logistics centers include the warehouses of GDP Gıda Paketleme Sanayi ve Ticaret A.Ş., a subsidiary subject to consolidation.



Türkiye

11,203

Stores

68+2

Logistics Centers



FiLE

236

Stores

3

Logistics Centers



Morocco

687

Stores

3

Logistics Centers



Egypt

356

Stores

2

Logistics Centers





## OUR MILESTONES

# Sustainable success story

**1995**

Commenced operations with 21 stores.

**2005**

44.12% of BİM shares were offered to the public.

**2010**

BİM became the leader in the sector through organic growth only.

**1997**

Released Dost Süt, the first private-label product in the retail sector in Türkiye.

The 100<sup>th</sup> store was opened.

**2009**

Commenced its first foreign operation by opening stores in Morocco.

**2012**

Launched BİMcell, mobile operator brand.



**2013**

First stores launched in Egypt, as its second foreign operation.

**2020**

BİM switched to its new store design.

Started investments for renewable energy on warehouse roofs.

The first sustainability report was published.

**2022**

The number of BİM stores in Türkiye exceeded 10 thousand.

The Company started to be included in the BIST Sustainability Index.

**2015**

FİLE, BİM's new retail model, opened its first stores.

**2021**

Bircan Fide, which produces tomatoes under soilless farming method in geothermal greenhouses, was acquired.

Es Global was established for the production of biscuits and confectionery products.

Online shopping channels with BİM Market and FİLE Market applications were launched.

**2023**

The number of BİM's consolidated stores exceeded 12 thousand.

The Company started to be included in the BIST Sustainability 25 Index.



## KEY FINANCIAL AND OPERATIONAL INDICATORS

# Strong financial and operational results

As BİM, being aware of our social responsibility in 2023, a period of increasingly high inflation, we took care to stand by consumers with our “everyday low price” approach. By reflecting the gains we achieved from efficiency improvements to our product prices, we continued to generate added value for our country. BİM's and FİLE's private-label products, which we offer to the public with high quality and low prices, play an important role in the fight against inflation in our country. As of year-end 2023, BİM's private-label products accounted for 62% of net sales.

Thanks to its strong capital structure and cash-raising power, our Company met its sustainable growth from its own resources and invested TL 11.2\* billion on a consolidated basis in 2023. In 2023, BİM continued its organic growth by opening 972 new stores and generated over 6 thousand new jobs.

Financial results are prepared as consolidated statements within the framework of the Communiqué (Series II, No. 14.1) issued by the Capital Markets Board in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards (TAS/IFRS). Information about the consolidated subsidiaries are available in the section titled Subsidiaries and Affiliates of the Report.

In accordance with the decision numbered 81/1820 dated December 28, 2023, by the Capital Markets Board (SPK), it was decided to apply inflation accounting by applying the provisions of TAS (Turkish Accounting Standards) 29 to the financial statements of issuers subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards and capital market institutions for the annual financial statements of the accounting periods ending as of December 31, 2023. Accordingly, our company's audited consolidated financial statements for the years 2022 and 2023 were presented comparatively, adjusted for the effects of inflation.

Condensed Consolidated Income Statement (TL Million)*	2023	2022	Change (%)
Sales	328,442	279,253	18%
Gross Profit	51,683	42,071	23%
Gross Profit Margin	15.7%	15.1%	
EBITDA	13,751	13,632	1%
EBITDA Margin	4.2%	4.9%	
EBIT	3,359	5,510	-39%
EBIT Margin	1.0%	2.0%	
Net Profit (Owners of parent)	15,441	16,596	-7%
Net Profit Margin	4.7%	5.9%	

Condensed Consolidated Balance Sheet (TL Million)*	2023	2022	Change (%)
Current Assets	54,459	46,718	17%
Non-current Assets	93,674	79,383	18%
<b>Total Assets</b>	<b>148,133</b>	<b>126,101</b>	<b>17%</b>
Short Term Liabilities	54,074	47,471	14%
Long Term Liabilities	24,317	20,323	20%
Shareholders' Equity	69,742	58,307	20%
Equity Holders of the Parent	69,112	57,748	20%
Non-Controlling Interest	630	559	13%
<b>Total Equity and Liabilities</b>	<b>148,133</b>	<b>126,101</b>	<b>17%</b>

\*Including TAS 29 inflation accounting



# 18%

Net sales increase\*

# 86,646

Number of employees

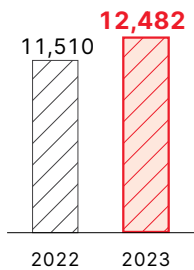
# 12,482

Number of stores

Number of  
Stores

## 8.4%

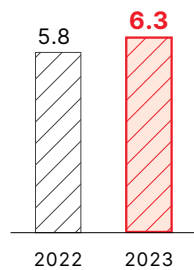
Growth



Average Number of Daily Consolidated  
Customer Visits (Million)

## 9%

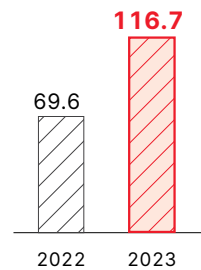
Growth



Basket Size  
Per Visit (TL)

## 68%

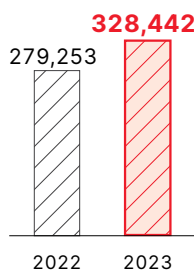
Growth



Net Sales (TL Million)\*

## 18%

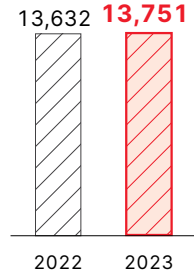
Growth



EBITDA (TL Million)\*

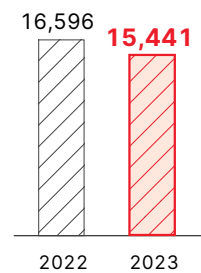
## 1%

Growth



Net Profit (Owners of parent, TL million)\*

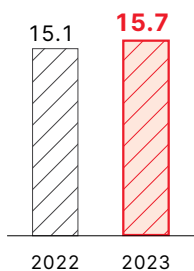
## -7%



Gross Profit Margin (%)\*

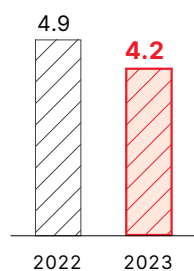
## +60 points

Growth



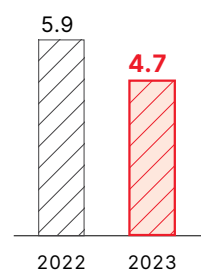
EBITDA Margin (%)\*

## -70 points



Net Profit Margin (%)\*

## -120 points



\*Including TAS 29 inflation accounting

## FUTURE EXPECTATIONS/REALIZATIONS

# Firm steps towards the future...

**BİM aims to increase its sales by 75% in 2024 compared to the previous year and estimates its EBITDA margin at 7.5%-8.0%\*\***



BİM closed the year with a sales increase of 81% and an EBITDA margin of 7.9%, excluding TAS29 inflation accounting. The Company continued its capital expenditure without interruption, invested more than its target for 2023.

Aiming to increase its sales by 75% in 2024 compared to the previous year, BİM estimates its EBITDA margin at 7.5% - 8.0%. BİM will continue to contribute to employment, with plans to invest approximately 3.0% - 3.5% of its sales for domestic and international operations.

The Company aims to maintain its leading position in the retail sector through its robust financial structure and employment capacity.

<b>2023 (TAS 29 not applied)</b>	<b>Targets (March 13, 2023)</b>	<b>Targets (November 07, 2023)</b>	<b>Realizations</b>
Increase in Sales	75% (±5)	80%	81%
EBITDA Margin*	7.0%-7.5%	7.5%-8.0%	7.9%
CAPEX to Sales Ratio	3.5%	3.2%	3.6%
<b>2024 (TAS 29 not applied)</b>			<b>Expectations</b>
Increase in Sales			75% (±5)
EBITDA Margin*			7.5%-8.0%
CAPEX to Sales Ratio			3.0%-3.5%

\* The EBITDA margin target includes TFRS 16 effects.

\*\*Excluding TAS 29 inflation accounting.

## SUBSIDIARIES AND AFFILIATES

Trade Name	Field of Activity of the Company	Paid-in/Issued Capital	Currency	BİM's Share in Capital (%)	Nature of the Relationship with the Company	Consolidation Method
BİM MAROC	Food Retail Activities in the Kingdom of Morocco	246,824,000	MAD	65	Subsidiary	Full consolidation
BİM Stores LLC	Food Retail Activities in the Arab Republic of Egypt	875,000,000	EGP	100	Subsidiary	Full consolidation
Dost Global Danışmanlık A.Ş.	Advisory and Operation	728,996,130	TL	100	Subsidiary	Full consolidation
Es Global Gıda Sanayi Ticaret A.Ş.	Production of Biscuits and Confectionery	1,300,000,000	TL	100	Subsidiary	Full consolidation
Bircan Fide Tohum Tarım Nakliyecilik Sanayi ve Ticaret A.Ş.	Soilless Agriculture Activities in Geothermal Greenhouses	65,000,000	TL	100	Subsidiary	Full consolidation
GDP Gıda Paketleme Sanayi ve Ticaret A.Ş.	Food and Beverage Packaging	5,000,000	TL	100	Subsidiary	Full consolidation
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş.	Toothbrush Production and Sales	8,000,000	TL	100	Subsidiary	Full consolidation
FLO Mağazacılık ve Pazarlama A.Ş.	Marketing of Shoe Products	34,500,000	TL	11.5	Affiliate	Not consolidated.

### BİM MAROC

BİM became a 100% shareholder in BİM MAROC, a company established on 19<sup>th</sup> May of 2008 to operate in the discount food retail sector in Morocco. BİM MAROC opened its first store in Morocco on July 11, 2009. As a result of the localization decision taken by BİM in foreign markets, the procedures regarding the sale of 35% of BİM MAROC's shares to Helios Investment Partners, a private equity fund based in England, were completed in 2021 for USD 83.2 million.

greenhouses, set in an area of 100 decares, using the soilless farming method.

Bircan Fide produces tomatoes within the framework of best agriculture practices in an environment friendly manner in computer-equipped greenhouses. The Company reinjects thermal water, discharged from greenhouses heated with geothermal resources, back into the ground without harming the environment.

### GDP Gıda Paketleme Sanayi ve Ticaret A.Ş.

GDP Gıda Paketleme ve Sanayi ve Ticaret A.Ş., which is a fully owned subsidiary of BİM ensuring the supply and packaging of various food products sold in BİM stores, primarily rice and pulses, started its operations on July 13, 2017. The Company carries out the activities relating to the purchase, quality control, storage and packaging of products procured from suppliers in Türkiye and abroad, as well as their transportation to regional warehouses.

### BİM Stores LLC

BİM became a 100% shareholder in BİM Stores LLC, a company established on July 24, 2012 to operate in the discount food retail sector in Egypt. BİM Stores LLC stores were opened in Egypt in April 2013.

### Es Global Gıda Sanayi ve Ticaret A.Ş.

To produce certain biscuits and confectionery products sold in its stores, BİM decided to establish a company titled Es Global Gıda Sanayi ve Ticaret A.Ş. in 2021. The establishment procedures of the factory started in 2022, and it became operational in 2024.

### FLO Mağazacılık ve Pazarlama A.Ş.

Operating in the footwear sector since 1960, FLO Mağazacılık is the leader of the Turkish shoe sector, with more than 500 stores located in Türkiye and abroad, and an e-commerce web site: www.flo.com.tr. In November 2013, 11.5% of the shares of the Company were acquired with a group of entrepreneurs for financial investment purposes.

### Bircan Fide Tohum Tarım Nakliyecilik Sanayi ve Ticaret Anonim Şirketi

To improve supply sustainability in the fresh fruit and vegetable category, BİM acquired all shares of Bircan Fide Tohum Tarım Lojistik Sanayi ve Ticaret Anonim Şirketi in 2021 for TL 51.3 million. The Afyon-based Bircan Fide produces tomatoes in geothermal

### Dost Global Danışmanlık A.Ş.

BİM's fully owned subsidiary Dost Global Danışmanlık A.Ş. was established on January 8, 2020 to ensure the achievement of a more efficient organizational structure within the scope of BİM's overseas investments.

### İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş.

The Company was acquired for TL 12,590,000 in 2012 and is engaged in toothbrush production.



## RETAIL INDUSTRY IN THE WORLD AND TÜRKİYE

# 2023: A successful year for the retail industry

Türkiye's retail industry achieved double-digit turnover increases in 2023 due to the positive impact of food inflation, price increases, rising demand for private-label products and high interest in online channels.



Ongoing long-term global inflation and deteriorating price stability prompted customers to limit non-essential purchases and to shift successfully to products and services that allowed them to save money. The global Fast-Moving Consumer Goods (FMCG) market, which contracted during 2022 and 2023 in terms of volume, is expected to grow by 2% in 2024.

Online shopping, which increased worldwide due to Covid-19 restrictions, contributed positively to the development of the global FMCG market in 2023. Online sales, which grew by 7% worldwide in 2023, are expected to attain double-digit growth in 2024. With e-commerce rapidly gaining momentum on a global scale, the multi-channel customer experience has gained importance.

Increasing awareness of the impact of climate change on food production raised demand for sustainable and environmentally friendly products, while the trend towards healthy and fresh foods continued, driven by a health consciousness that was heightened during the pandemic.

## EFFECTS OF E-COMMERCE ON THE RETAIL SECTOR

Although the online shopping habit continues to increase, the demand for an integrated shopping experience from consumers who do not give up on physical stores continued to strengthen the multi-channel strategies of retail chains.

### Retail Industry in the World

Overshadowed by long-term inflation, fluctuations in commodity markets, irregularity in supply chains and food security concerns, 2023 was a challenging year for the global economy. According to IMF data, the world economy has grown by 3.2% in 2023, slowing down compared to the previous year. The slowdown in economic growth was driven by tight financial conditions and weak commercial activity, as well as by low consumer confidence. Although headline inflation declined in most economies, thus easing the pressure on household income, core inflation remained more persistent.

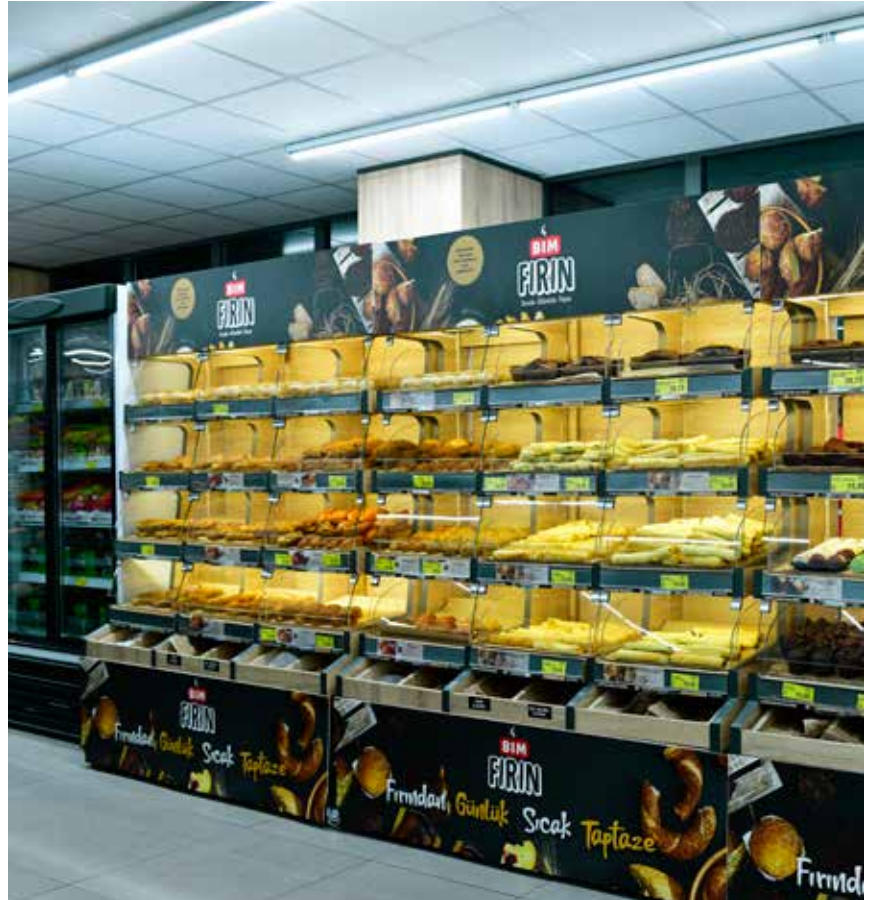
While macroeconomic developments in recent years, as well as the pandemic, geopolitical tensions and the climate crisis, have played decisive roles in shopping preferences by influencing consumer behavior, the age of technology has had a transformative effect on business strategies, organizational structures and value generation models for all actors in the retail industry value chain. Rapidly developing technology offers a wide range of opportunities for companies to develop the optimal product and service channels for meeting customer expectations and to present a seamless shopping experience by means of data-driven analyses.

#### **Retail Industry in Türkiye**

Türkiye's retail industry achieved double-digit turnover increases in 2023 alongside the positive impact of food inflation, price increases, an increasing demand for private-label products and high interest in online channels. Retail trade in Türkiye recorded a turnover growth of 86% in 2023.

In 2023, a year of contraction in the global and European Fast-Moving Consumer Goods markets, Türkiye's high-volume performance differentiated the country among its peers. Growth in Türkiye's retail sector was driven by personal care, household cleaning, and snacks and soft drinks under the food category. Considering the sub-components of growth, the food category contributed positively to total growth with 5%, personal care with 8% and household cleaning with 6%.

E-commerce, which demonstrated strong growth during the pandemic in our country in parallel with the rest of the world, maintains its appeal for consumers due to its price advantages, product diversity and accessibility. E-commerce, which recorded a 119% turnover growth in 2023, increased its weight in fast-moving consumer goods. In Türkiye, the food and snacks group in particular stood out for both online and physical growth performance. Although



online shopping behaviors continue an upward trend, the demand for an integrated shopping experience from consumers who frequent brick-and-mortar stores has continued to reinforce the multi-channel strategies of retail chains.

Deteriorating price stability around the world elevates uncertainty, leading consumers to be more cautious and attentive to higher 'price-value.' Due to pressure exerted on household budgets by price increases, consumers continue to seek more affordable alternatives without compromising quality. This mindset has intensified the demand for discount markets, as well as for their private labels.

Led by the discount markets, store openings in the retail industry moved at a rapid pace in 2023. Despite greater investment costs, the industry continued to provide high employment in line with ongoing investments.

*\*Economist Intelligence Unit, Industry Outlook 2024*

*\*Economist Intelligence Unit, Consumer goods and retail Outlook 2024*

*\*What retailers need to know about 2024*

*\*Price and sustainability are consumers' top two priorities in 2024 for food, drink, and supplement purchases, predicts FMCG Gurus*

## VALUE GENERATION MODEL OF BİM

As BİM, we aim to generate a positive impact on the environment and society at every stage of our value chain, from the development of our private-label products to customer relations and feedback. We monitor the impact we generate through processes that extend beyond our stores and logistics centers to include our suppliers and customers.





With a tangible and impact-oriented sustainability strategy and approach that covers the entire value chain, BİM directly contributes to the United Nations Sustainable Development Goals.

In its “Value Generation Model,” BİM summarizes how it generates value for all its stakeholders in the short, medium and long term through its financial, human, social and relational, intellectual, manufactured and natural capital elements, which are treated as integrated in 2023.

Value Areas	Outputs	SDG
<p><b>We Offer Quality Products and Services.</b></p> <p>With effective cost management and our “Everyday low price” policy, we offer our customers quality, safe, responsible products and services and continuously improve our private-label product portfolio.</p>	<ul style="list-style-type: none"> <li>6,837 net recruitments</li> <li>51% employee turnover rate</li> <li>50% ratio of women employees in Türkiye</li> <li>76 thousand person* 4.6 hours of online training in Türkiye</li> <li>21% reduction in accident severity rate</li> <li>117 Number of Ethics Line notifications</li> </ul>	           
<p><b>We Manage Our Value Chain Responsibly.</b></p> <p>With our warehouse, logistics and production facility investments, we secure product supply and ensure that products are supplied at low cost. We aim to reach more people every day with our store investments, and we observe our Responsible Procurement Policy in our entire value chain.</p>	<ul style="list-style-type: none"> <li>BİM Mobile and FİLE Mobile applications 4.0 million total number of users</li> <li>Number of transactions realized through BİM Para and FİLE Para 4.2 million</li> <li>210 new products, of which 36% are our private-label products</li> <li>Share of private-label products in total 62%</li> <li>20 innovative applications in trial phase</li> <li>Long-term and strategic partnership with suppliers</li> </ul>	
<p><b>We Work for a Livable Environment.</b></p> <p>We reduce our environmental impact throughout the value chain by focusing on energy and resource efficiency and decarbonization. We prioritize biodiversity and sustainable agricultural practices in line with our wide product portfolio based on our agricultural activities.</p>	<ul style="list-style-type: none"> <li>Average dividend distribution rate of 68% in the last 5 years</li> <li>809 supplier audits performed in 2023</li> <li>2.7 million BİMcell subscribers</li> <li>15.7% Market share overall in Türkiye</li> <li>6.3 million average number of daily customer visits</li> <li>39 Net Promoter Score (NPS)</li> </ul>	
<p><b>We Ensure Efficient and Sustainable Growth with Our Employment Capacity.</b></p> <p>With our employment capacity and the dedication of our employees, we provide services with a high quality approach. The high customer satisfaction we thus achieve enables sustainable growth.</p>	<ul style="list-style-type: none"> <li>5,066 sustainable stores with the new design</li> <li>Solar Power Plants (SPP) in 16 regional warehouses</li> </ul>	
	<ul style="list-style-type: none"> <li>Ratio of SPP generation to total electricity consumption %4</li> <li>Approximately TL 21 million financial savings with 1.209 tons of resource consumption efficiency in packaging</li> <li>Ratio of fuel consumption to net sales 0.2%</li> <li>Food waste to turnover ratio 0.52%</li> <li>18% emission reduction between 2019-2023</li> </ul>	
	<ul style="list-style-type: none"> <li>TL 15.4 billion net profit (Including TAS 29)</li> <li>Performance above BIST100 by 66% in 2023</li> </ul>	

## SUSTAINABILITY STRATEGY

# For the benefit of humanity and future generations

Managing sustainability through result-oriented efforts that generate common benefit and value, BİM has been aware of its social responsibilities since its foundation and does not see its sustainability efforts as a marketing and advertising activity.

### Four Main Focus Areas

**BİM provides quality products and services.**

**BİM manages the value chain responsibly.**

**BİM aims to ensure a healthy and thriving environment.**

**BİM ensures efficient and sustainable growth with its employment capacity.**

BİM, a pioneer in the food retailing sector with innovative approaches it introduced to the sector such as the hard discount model and the "Everyday low price" policy, undertakes to always move forward and generate shared value for its stakeholders through its Sustainability Approach. Committed to social and economic welfare, BİM prioritizes the interests of its customers over short-term high profits in its daily operations with its principle of reflecting cost savings on product prices and its lean business model. With this philosophy, which forms the basis of its sustainability approach, BİM focuses on topics where it can generate real impact and contribute to the solution of problems, while considering the interests of humanity and future generations.

Managing sustainability through result-oriented efforts that generate common benefit and value, BİM has been aware of its social responsibilities since its foundation and does not see its sustainability efforts as a marketing and advertising activity. In this scope, it carries out communication activities to raise social awareness and transparently share its impact-oriented efforts.

With a tangible and impact-oriented sustainability strategy and approach that cover the entire value chain, BİM contributes to the United Nations Sustainable Development Goals (SDGs). Through its business model, BİM provides access to high quality products, and supports household purchasing power with its "Everyday low price" policy, successfully implemented via cost-effective management. The Company also encourages responsible purchasing and production and operates at locations that are extremely close and accessible to its customers. Continuing its operations with strategies to utilize its operational capabilities in the most efficient manner, BİM manages its vision and the sustainability topics it focuses on in line with the Company's business model through four main focus areas within the scope of the BİM Sustainability Approach.





## SUSTAINABILITY GOVERNANCE

# Sustainability roadmap

**As BİM, we define sustainability as taking into account Environmental, Social and Governance (ESG) factors in our operations and decision-making mechanisms, as well as effectively managing risks and opportunities in the field of ESG.**



2023 was recorded as the hottest year in 174 years according to observable records. United Nations data indicate that the Mediterranean Region, where our country is located, has warmed 20% more than global averages. At the COP28 United Nations Climate Change Conference held in the United Arab Emirates between November 30 and December 12, 2023 to fight global climate change and reduce greenhouse gas emissions, reducing the global consumption of fossil fuels remained on the agenda as one of the most fundamental elements in the fight against the climate crisis. The goal of reaching carbon net zero by 2050 requires a global intergovernmental consensus and broad cooperation.

Extreme weather events, rising temperatures and natural disasters caused by climate change adversely affect food supply, while rising geopolitical tensions and hot conflicts threaten food safety through population fluctuations and pressure on supply chains.

As the climate crisis deepens, the costs for organizations to fight the climate crisis are increasing. Global environmental, social and governance risks are diversifying and expanding their sphere of influence, necessitating a unique transformation for all corporate structures. Crises in areas such as energy supply, high inflation, food supply and cost of living, which are felt globally, make it necessary for all stakeholders that make up social and economic structures to develop a proactive sustainability management approach.

As BİM, we shape our business model and thought system by focusing on value and ensuring appropriate governance for each stakeholder. While achieving our development goals through our activities such as generating economic value, fostering employment and making investments, we care about including our stakeholders into the process.

As BİM, we define sustainability as taking into account Environmental, Social and Governance (ESG) factors in our operations and decision-making mechanisms, as well as effectively managing risks and opportunities in the field of ESG in order to generate long-term value, sustain and increase the value generated. Our sustainability approach plays an active role in our strategic decision-making processes. In this scope, we continue to implement our action plans in line with our sustainability strategy (BİM Sustainability Approach) and sustainability roadmap that we developed in 2020. In 2022, taking our sustainability efforts one step further and taking into account our sustainability priority areas, we set our ESG-focused long-term goals and shared them with the public. In 2023, we published our Tax, Diversity and Inclusion Policy. We see sustainability as an integral part of our corporate culture and continue our efforts to ensure that it is adopted and embraced by all our stakeholders in our value chain.



The Sustainability Committee, which reports directly to the Board of Directors, the highest governance body of our Company, is responsible for the realization and follow-up of the actions and targets included in the sustainability roadmap. The members of the Sustainability Committee include three members of the Board of Directors and the Chief Executive Officer (CEO). Chaired by an Independent Board Member, the Committee convened once in 2023.

Managers and employees from relevant departments contribute to the i) Sustainability Strategy Management & Corporate Governance, ii) Customer Experience & Products & Supply Chain, iii) Employees and iv) Environment working groups operating under the Sustainability Committee.

## THE ROLE OF THE SUSTAINABILITY COMMITTEE

**The Sustainability Committee, which reports directly to the Board of Directors, the highest governance body of our Company, is responsible for the realization and follow-up of the actions and targets included in the sustainability roadmap.**

**General Coordination:** Investor Relations & Sustainability Department



BİM Sustainability Committee Working Principles can be found **here**.

## STAKEHOLDER MAP AND COMMUNICATION WITH STAKEHOLDERS

By Impact	Stakeholder Group	Communication Method	Communication Frequency
Direct Economic Impact	Employees	In-house communication activities, In-house meetings, integrated annual report, PDP disclosures	Year-round
	Suppliers	Meetings, official correspondence, integrated annual report, PDP disclosures	
	Shareholders and Investors	Conferences, briefings, investor presentations, integrated annual report, PDP disclosures	
	Customers	Website contact form, integrated annual report, PDP disclosures	
Indirect Economic Impact	Financial Institutions and Analysts	Briefings, investor presentations, integrated annual report, PDP disclosures	Multiple times a year
	Business Partners	Meetings, official correspondence, integrated annual report, PDP disclosures	
	Public Institutions	Meetings, workshops, official correspondence, integrated annual report, PDP disclosures	
	Non-Governmental Organizations	Meetings, integrated annual report, PDP disclosures	
	Media	Press releases, interviews, integrated annual report, PDP disclosures	
Introducers of New Opportunities, Knowledge and Insight	Universities	Meetings, integrated annual report PDP disclosures	Multiple times a year



## MATERIAL TOPICS AND MATERIALITY MATRIX

# A participatory stakeholder analysis process

Within the scope of the materiality analysis made, international literature, stakeholder opinions and business strategy were evaluated from an integrated viewpoint.



## PRIORITIES IDENTIFIED THROUGH STAKEHOLDER FEEDBACK

In its materiality analysis, BİM also analyzed the priorities of external stakeholders and the impacts of the relevant material topics on external stakeholders.

Current situation, comparison and stakeholder analyses were conducted in order to determine material topics in our sustainability focus areas.

### Materiality Analysis

Within the scope of the materiality analysis made, international literature, stakeholder opinions and business strategy were evaluated from an integrated viewpoint. With an impact-focused sustainability approach, the impacts of our operations on the environment, society and economy were also evaluated, providing input to the materiality analysis. BİM's sustainability priorities will be updated in 2024 with a double materiality approach and reorganized to address the impacts of the Company's activities on the environment and society, as well as the financial dimension of these impacts.

An exhaustive stakeholder analysis was realized in accordance with AA1000 Stakeholder Engagement Standard. While determining the priorities of the stakeholders:

- An online questionnaire was sent to the employees as internal stakeholders and investors, suppliers, business partners, non-governmental organizations (NGOs) and representatives as external stakeholders.
- Insights related to global risks that the World Economic Forum points out under the scope of external trend analysis dwelling upon international and local developments, material topics that Sustainability Accounting Standards Board (SASB) prepared specially for the sectors, SDGs, European Green Deal, 11th Development Plan of Türkiye and retail trends of the post-pandemic period have been reviewed.

While analyzing business priorities of BİM:

- Issues that BİM focuses on in line with the business strategy has been taken into consideration.
- Opinions of the BİM's Board members were received in one-on-one meetings and opinions of senior management were obtained via online questionnaire.

## MATERIAL TOPICS AND MATERIALITY MATRIX

### BİM carries out work regarding the development of projects and practices for recycling wastes, and the correct usage of circular economy principles.

- Impact analysis methodology which ensures that every issue is handled in terms of different effects and opportunities was used as recommended by SASB in determining material topics. The risks and opportunities standing out financially, legally and with respect to innovation and competition were evaluated.

As a result of the materiality analysis conducted by an independent consulting company, extremely important and very important topics were determined with the approval of BİM Board of Directors.

#### **BİM External Stakeholder Priorities**

In its materiality analysis, BİM also analyzed the priorities of external stakeholders and the impacts of the relevant material topics on external stakeholders. The impacts of BİM's business processes on external stakeholders were also determined by analyzing the positive and negative impacts of the material topics for external stakeholders consisting of Investors, Suppliers,

Business Partners, Customers, International Organizations, Associations, and NGOs. As a result of the study, "Food Waste" and "Climate Crisis and Energy" were identified as the two material topics that affect external stakeholders the most due to BİM's business processes.

#### **Food waste**

Preventing food waste is of great importance for the organized retail sector in which BİM operates. The rapid increase in the global population and changes in consumer habits increase the demand for food. In order to prevent food waste due to wastage and loss, resource efficiency and raw material consumption must be optimized across food chains. Efficient and sustainable food production and distribution systems are needed to reduce food waste, which accounts for 8-10% of global greenhouse gas emissions. BİM carefully considers the opinions and suggestions of external stakeholders regarding food waste, which is identified as the most material topic for its external stakeholders. In the retail sector, where food products become waste due to various reasons such as inappropriate storage conditions or supply-demand imbalance, it causes negative environmental impacts such as pollution and greenhouse gas emissions. During the interviews with external stakeholders, especially the stakeholder group of non-governmental organizations and associations, they provided opinions and suggestions for BİM to reduce food waste and drew attention to this issue.

In this respect, BİM carries out activities regarding the re-design of existing waste-generating systems, the development of projects and practices for recycling wastes in case of waste generation, and the correct usage of circular economy principles. Food products account for 75% of BİM's net sales and food losses in related products are among the material topics for the Company. The Company makes efforts to prevent food waste throughout the value chain, including projects to keep the cold food chain intact in logistics operations. Furthermore, food waste rate is defined among employees' performance criteria and monitored closely; thus, the food waste rate is considerably low. The Company monitors its performance on food waste by taking ratios of waste to net sales and works to improve this performance every year.

#### **Climate change and energy**

The organized retail sector in which BİM operates is among the sectors most affected by the climate crisis, while also standing out due to its impact on the climate crisis. Energy resources used intensively for operational processes increase carbon emissions throughout the value chain. BİM places the topic of climate change and energy, identified as the second most material issue by external stakeholders, at the core of its sustainability approach. Investors expect BİM to disclose more indicators and information in line with international standards, while suppliers and various non-profit organizations have expressed their views that BİM should continue to reduce the greenhouse gas emission impacts stemming from its operations.

## SUSTAINABILITY IN THE VALUE CHAIN

As part of its efforts to combat the climate crisis, which is at the core of BİM's sustainability strategy, BİM carries out impact reducing projects throughout its value chain.

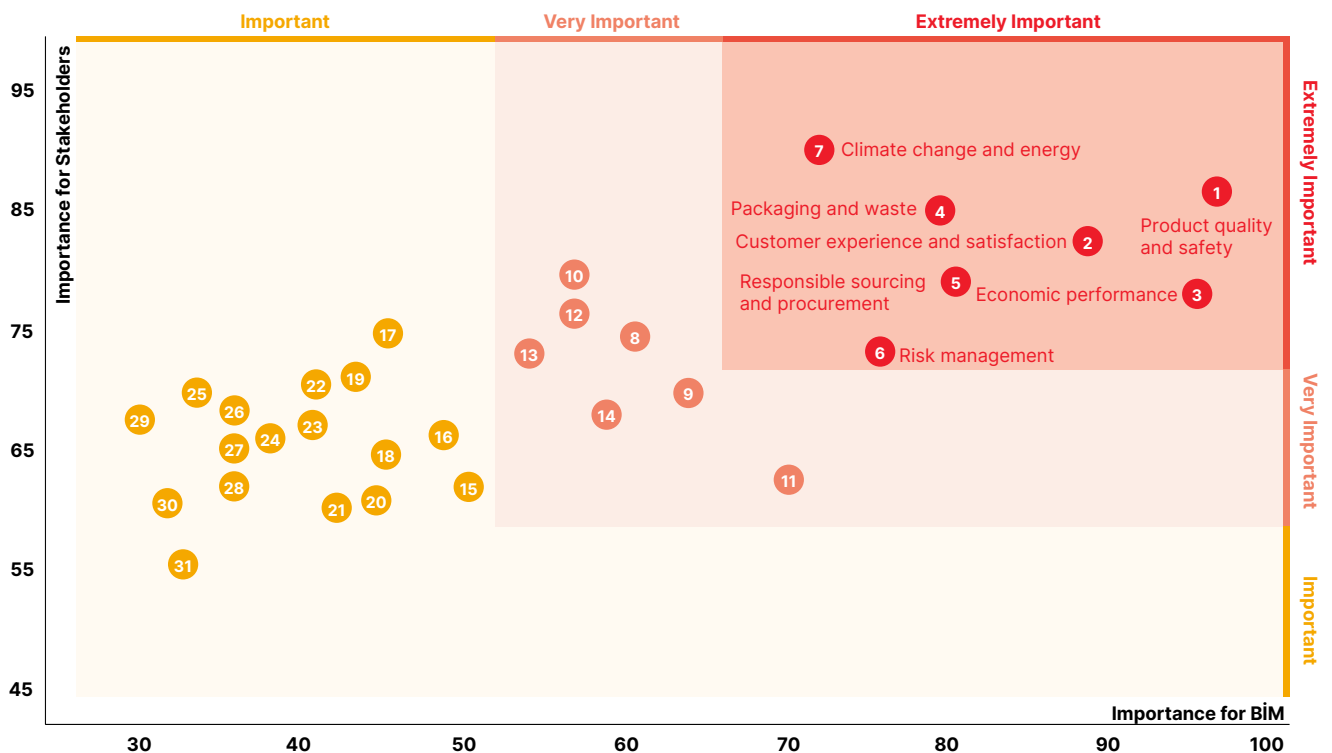
Furthermore, they provided their views and suggestions on projects and collaborations that would enable the reduction of environmental impacts throughout the value chain.

As part of its efforts to combat the climate crisis, which is at the core of BİM's sustainability strategy as well, BİM carries out impact reducing projects throughout its value chain. The Company's performance management on energy efficiency is largely dependent on the electricity consumption of its stores. By

increasing energy efficiency in its stores and warehouses, the Company both reduces its environmental impact and achieves financial savings. In this context, the designs of BİM stores were renewed in 2020 with improvements focusing on energy saving and thermal insulation. In addition to its energy efficiency efforts, BİM aims to reduce greenhouse gas emissions comprehensively by investing in power generation from renewable energy. Having calculated Scope 3 emissions in 2022 using the data of suppliers corresponding to 8% of its turnover and included them

in the report, the Company included supplier data corresponding to 9% of its turnover in the calculation in 2023. Due to the sector in which BİM operates, transportation and distribution activities also account for a significant portion of its environmental impact. The Company carries out these activities through its warehouses with a decentralized logistics organization, thereby optimizing fuel consumption in its operations. BİM warehouses are opened considering the location of the stores in order to ensure the highest efficiency, and they are arranged in such a way that the distance between store and warehouse remains minimum.

## Materiality Matrix



### Importance for Stakeholders

- 1 Product quality and safety
- 2 Customer experience and satisfaction
- 3 Economic performance
- 4 Packaging and waste
- 5 Responsible sourcing and procurement
- 6 Risk management
- 7 Climate change and energy

### Very Important

8. Business ethics
9. R&D and innovation
10. Human rights and fair working conditions
11. Food accessibility
12. Food waste
13. Transparency
14. Corporate governance











### Important





15. Talent management
16. Technology and digital transformation
17. Occupational Health and Safety
18. Anti-Bribery and Anti-Corruption
19. Water and wastewater
20. Contribution to local development
21. Product information
22. Employee engagement and satisfaction
23. Circular economy
24. Sustainable agriculture
25. Equal opportunity and diversity
26. Stakeholder engagement
27. Data privacy and cyber security
28. Multi-stakeholder initiatives and collaborations
29. Biodiversity
30. Animal welfare
31. Social responsibility programs



## CONTRIBUTED SUSTAINABLE DEVELOPMENT GOALS

### BiM 2023 Material Topics

Importance	Relevant Strategy Area	Material Issue	How is It Managed?	Relevant Section	Related SDG
<b>Extremely Important</b>	BiM provides quality products and services	Product quality and safety	BiM provides quality and safe products at affordable prices, having them produced specially for its customers. Food safety is assured according to international standards	Product Quality and Safety	 
	BiM provides quality products and services.	Customer experience and satisfaction	For BiM, customer benefits are more important than short-term high profits. With its unconditional return policy, BiM ensures that the customers return the products they are dissatisfied with, without any further discussion. Locations that are very close to the customers and its quality private-label products and services assure that BiM keeps customer satisfaction at a high level constantly.	Customer Experience and Satisfaction	
	BiM achieves sustainable growth with strong governance.	Economic performance	Maintaining strong economic performance every year, BiM periodically distributes profit share to its investors in accordance with its dividend policy. BiM contributes to the welfare and purchasing power of the society in line with its "Everyday low price" policy. BiM also reduces its environmental impacts at the same time with its effective cost management that it implements in all operations and decision making processes. While providing a significant support to the employment of the regions where it operates, BiM provides great convenience to its suppliers whom it considers among the most important stakeholders with short payment periods and other means of support.	Our Key Financial and Operational Indicators	
	BiM aims to ensure a healthy and thriving environment.	Packaging and waste	BiM makes efforts to manage the environmental impact of private-label packages and activate cost structure.	Furthermore, BiM supports the public projects.	
	BiM manages the value chain responsibly.	Responsible sourcing and procurement	BiM improves social and environmental conditions by making its operations efficient throughout the entire supply chain in line with the responsible purchasing and production principles. BiM supports the suppliers to make quality production at low cost with its high purchasing power and the tailored products. BiM transforms and develops the sector by encouraging the producers of private label products for responsible production. Via efficient monitoring and auditing mechanism, it keeps sustainability and quality of the supply chain at the highest level.	Supply Chain Management	 
	BiM achieves sustainable growth with strong governance.	Risk management	BiM manages the risks and opportunities in a proactive manner for a robust and sustainable growth. In line with the future targets of the company, BiM realizes its effective management of the risks in the field of ESG.	Risk Management and Internal Control Mechanisms	
	BiM aims to ensure a healthy and thriving environment.	Climate change and energy	With its lean business model, BiM works focused on efficiency by avoiding all unnecessary expenditures including energy consumption. BiM focuses on mitigating environmental impact in its operations in order to support the fight against climate change. Within this scope, BiM takes firm steps to secure energy efficiency and makes renewable energy investments. It increases resource productivity with its effective logistics infrastructure.	Combating Climate Change and Environment Management  Energy and Emission Management	 

Importance	Relevant Strategy Area	Material Issue	How is It Managed?	Relevant Section	Related SDG
<b>Very Important</b>	BİM achieves sustainable growth with strong governance.	Business ethics	BİM establishes fair, transparent and responsible relations based on accountability principles with all stakeholders in accordance with local and international legislation and the Ethical Principles of the Company.	Business Ethics and Legal Compliance	 
	BİM provides quality products and services.	R&D and innovation	BİM develops responsible and innovative products with innovation works. It ensures healthy, beneficial, quality and innovative products are manufactured for everybody. BİM offers solutions for responsible purchasing and production for the environment and society and supports sustainable transformation of the business world by collaborating with public and private sector and NGOs.	R&D and Innovation	
	BİM manages the value chain responsibly.	Human rights and fair working conditions	Any discrimination in any issue such as religion, language, race and gender is not tolerated in the human resources policies. Human values are given priority and efforts are made to enhance the quality of life throughout the value chain.	Human Resources	 
	BİM provides quality products and services.	Food accessibility	BİM has high quality and safe products produced specially at low costs for its customers. BİM attains low prices without compromising on the quality by keeping operational costs at the lowest level. BİM avoids decoration and advertising expenses. It makes high quality affordable for everybody.	Our Service Philosophy Product Quality and Safety BİM Private-Label Products	
	BİM aims to ensure a healthy and thriving environment.	Food waste	Various projects protecting cold chain in store and warehouse operations are implemented and public projects are supported so as to reduce food wastes. Food wastes are one of the performance assessment criteria of the employees.	Packaging and Waste Management	 
	BİM achieves sustainable growth with strong governance.	Transparency	BİM transparently shares information on activity, ESG strategy and performance with its stakeholders.	Corporate Governance	
	BİM achieves sustainable growth with strong governance.	Corporate governance	BİM oversees the benefits of the investors and all stakeholders and creates values for them under the scope of corporate management. While rendering its financial performance sustainable thanks to its strong corporate management, BİM adopts transparent and ethic understanding of business with an efficient risk management.	Corporate Governance	 

## SUSTAINABILITY COMMITMENTS AND GOALS

Title	Base year	Value in base year	Target	Target year	2023 realization ratio
Greenhouse gas density	2019	132.5	To reduce by 20%	2026	109 (18% decrease)
Transition to new design stores	2021	0	All stores	2030	45%
Proportion of private label products with QR codes	2021	0	10%	2026	4%
Turnover share of sustainable products	2022	8.6%	10%	2026	9.2%
Accident frequency rate	2022	2.8	To reduce by 15%	2026	25% increase
Time spent in training in the BIM Academy project	2022	41 thousand hours	200 thousand hours	2026	360 thousand hours ✓
Reducing the use of plastic raw materials (Annual)	2022	439 tons	750 tons	2025	450 tons
Reducing the use of paper raw materials (Annual)	2022	351 tons	820 tons	2025	759 tons
Use of recycled raw materials (Annual)	2022	295 tons	480 tons	2025	311 tons
Ratio of SPP generation to total electricity consumption	2022	2.2%	25%	2025	4%
Sustainability themed training for employees	2023	0	5 thousand hours	2024	New target
Ratio of food waste to turnover	2023	0.5%	< 0.6%	2024-2026	New target
Water consumption intensity	2023	0.159	To reduce by 20%	2025	New target







# **THE MOST PRECIOUS VALUE: SUSTAINABLE PRODUCTS AND SERVICES**

We focus on providing sustainable satisfaction to our consumers with our products and services. We guarantee all processes from the procurement of our products to the moment they will meet our consumers with BIM quality.



# Quality, safe, responsible products and services offered to our customers with effective cost management and “every day low price” policy

With the strength we derive from our 28 years of experience in the retail sector, we maintained our market leadership in Türkiye’s retail sector with our sustainable products and services that take into account consumer interests in 2023 as well.

## 9.2%

Share of sustainable product sales in total turnover

Our business model, based on 28 years of experience in the retail sector, focuses on delivering basic food and consumer goods to consumers at high quality and the most affordable prices. Through our more than 12 thousand physical stores and online sales channels, we bring our products and services to consumers annually in our geography of operations, which extends to Türkiye, Morocco and Egypt.

### **BİM is the leader of the Turkish retail sector.**

Also in 2023, BİM continued to enhance economic value for the agricultural production, manufacturing, packaging and distribution sectors and contribute to local employment through its operational network expanded with its organic growth strategy while delivering its products from the producer to the final consumer.

We act on the principle of keeping our operational costs at a minimum level and reflecting the consequent savings to customers as discounts and aim to maintain our leading position in the low price policy with our organizational structure, effective cost management practices and limited product portfolio. In its daily operations, BİM not only prioritizes the interests of its customers over short-term high profits, but also makes a difference with programs and projects that consider the well-being of humanity and future generations in line with its understanding of sustainability.

The development of private-label products in the BİM service chain, product procurement and production, storage and distribution, retail sales and customer relations constitute the basic elements of value generation.



## PRODUCT QUALITY AND SAFETY

# High quality approach

As BİM, we prioritize improving shared value and protecting product quality from the procurement of our products and services until they reach our customers, taking into account both customer satisfaction and the environmental impact caused by our operations.



the number of responsible and sustainable products by considering social and environmental factors along with economic criteria.

### Our Quality Is Assured

In our company, controls and audits are carried out to assure product quality in all processes from the supply of products to their final delivery to the customer. Each product is offered for sale after being tested and approved by the BİM Quality Assurance Unit for compliance with legal requirements and BİM criteria. The quality and legal compliance of all products on the aisles are also regularly tested by independent and accredited laboratories.

BİM Quality Assurance Unit continues its efforts of:

- Conducting activities to ensure the sustainable quality standards of purchased products as per the defined strategies,
- Conducting activities for legal proceedings of product packages,
- Following up on legal changes and problems in respective product groups,
- Inspecting the quality of the products as per the procedures,
- Performing tests when necessary and at planned times, under our CCO.

# 13,585

Number of analyzed product samples in 2023

With effective cost management and our “everyday low price” policy, BİM offers its customers quality, safe, responsible products and services, and continuously improve our private-label product portfolio.

In line with the high quality policy that we adopt by prioritizing quality over any financial return, the quality control and analysis of all products in BİM's portfolio are meticulously monitored in accordance with legal regulations. In order to ensure food safety, we take care to play an active role in the entire supply process by working with local suppliers, and we produce flexible solutions in the face of increasing food demand. For healthy generations and a sustainable future, we work to increase

# 4%

Our private label products with QR codes

As BİM, we work in coordination with official and private laboratories as well as international laboratories in the quality control processes of our product portfolio. All food products offered for sale at BİM are subjected to physical, chemical and microbiological tests in these laboratories, where they are checked for pathogenic and non-pathogenic microorganisms, toxins, pesticides, veterinary drugs, antibiotic residues, additives and preservatives with limited use, presence of genetically modified organisms, etc. Non-food products are regularly checked in these laboratories for ingredients that may threaten human health such as azo-dyes, phytates and heavy metals. Our stores do not sell products containing GMOs in accordance with Turkish legislation.

By limiting our product portfolio to approximately 900 products, we aim to audit quality standards in the most effective way.

#### High Food Safety and Consumer Health

At BİM, our private-label products are critical to ensure the sustainability of our product supply. Our private-label products, which are produced in facilities with international food safety systems certificates, constitute 62% of our total product portfolio. Suppliers and branded producers of BİM's private-labels that do not have certificates in accordance with international standards are subject to regular audits under the sub-headings of product safety, infrastructure and processes, cleaning practices, pest control and critical applications.

As BİM, we implement a full legal compliance policy in terms of product safety and consumer health and ensure that all of our products are inspected by Ministry-approved laboratories. In this scope, 1.2 million parameters were analyzed in 13,585 samples for products in 2023.

In 2021, we founded Es Global Gıda Sanayi ve Ticaret A.Ş. to enhance the quality of some biscuits and confectionery sold in our stores

and to strengthen product supply. Our factory located in Eskişehir became operational in the first quarter of 2024.

#### Responsible/Sustainable Products

Responsible/Sustainable Products, which we define as products that are produced and improved with innovative approaches by taking into account social and environmental factors as well as quality and economic criteria, include:

- Organic products,
- Foods with reduced salt/fat/sugar,
- More nutritious products that support healthy living,
- Products for disadvantaged groups (consumers who are allergic to certain food products or who need additional nutrition due to certain diseases or cannot consume various food products)
- Products made with certified raw materials,
- Products traceable throughout the supply chain,
- Recyclable/recycled products and packaging,
- Products that use less water, energy or raw materials in their production compared to similar products,
- Products that reduce the consumption of energy, water, raw materials during use, and
- Products made by disadvantaged groups (women producers, local producers, minority groups).

We carry out work to increase the diversity of the sustainable product category in BİM stores. In 2023, the share of our product sales in the sustainable product category in our total turnover was realized as 9.2%.

We aim for the ratio of sustainable product turnover to total turnover to reach 10% by 2026.



In line with our Company policy, our stores do not sell tobacco and alcoholic products that are harmful to human health.

In our FİLE stores, we started the black label application in order to raise awareness about the accessibility of gluten-free products. FİLE aims to make life easier for celiac patients who have to eat gluten-free products and for those who prefer a gluten-free diet but have difficulty accessing these products.

	2022	2023	2026 Target
Share of Sustainable/Responsible Products in Turnover	8.6%	9.2%	10%

## R&D AND INNOVATION

# Innovative product development activities

As BİM, we continue to increase our R&D and innovation efforts in line with our goal of improving our product portfolio, quality and safety, and to offer new products to our customers by integrating innovative solutions into our production processes.



Through the project jointly conducted by TÜBİTAK M.A.M (Marmara Research Center) and BİM, the production of yogurt with domestic starter culture has been achieved. As a result of the first batch production, our Binvezir full-fat yogurt product was introduced to our consumers on December 26, 2023.

R&D and innovation efforts are central to the success of our Company's sustainable growth strategy. While directing our product development activities, we take into account the changes in consumer habits and shopping trends at home and abroad, as well as the opportunities and risks in the supply chain.

The responsibilities of the Commercial Directorate, which carries out R&D and innovation activities at BİM, include:

- Ensuring the quality standards of the products purchased in accordance with the determined strategies,
- Carrying out activities to improve the quality and packaging of products,
- Following up on legal changes, current prices, conditions, and problems in product groups,
- Controlling the quality of the products in accordance with procedures, conducting tests when necessary and at planned times,
- Sparing no effort in producing its private-label products, ensuring their continuity, preserving and developing their quality.

As part of our product development activities, we benefit from the opinions we receive through customer feedback, as well as the results of taste and performance tests. In 2023, there was an increase in the number of products we added to the product portfolio





# 210

Number of new products  
launched in BİM stores in 2023

# 36%

Ratio of private-label products  
in new products launched in  
BİM stores in 2023

with this method. We work in close cooperation with our suppliers, whom we consider among the critical stakeholders in our R&D efforts to introduce new products and bring them to more consumers. In 2023, as a result of the work we conducted with the participation of our suppliers and the tests we made, we successfully brought a total of 210 new products to our shelves, 36% of which were our private-label products. In our FİLE stores, where we combine the discount concept with the supermarket notion, we have offered 81 products that were not previously available on the market in Türkiye to consumers for the first time.

### High Quality and Affordable Product Range

We adopt high quality and low prices as our main criteria when crafting our product portfolio. We

select the products we offer to consumers at BİM stores in such a way to meet the daily basic needs of a household. Our Company conducts a detailed and sensitive cost study in product selection and pricing. In line with the discount concept, we have limited the product range in our stores to nearly 900 products. We differentiate our product mix by launching new products every year by closely observing the changes in customer habits and behaviors.

The products we offer to our customers consist of four main groups.

### BİM's private label products

High quality products whose brands and formulas are owned only by BİM and which are manufactured by suppliers selected by BİM.

### Exclusive products

These are branded products with package sizes or contents specifically designed for BİM, that are offered to consumers only at BİM stores.

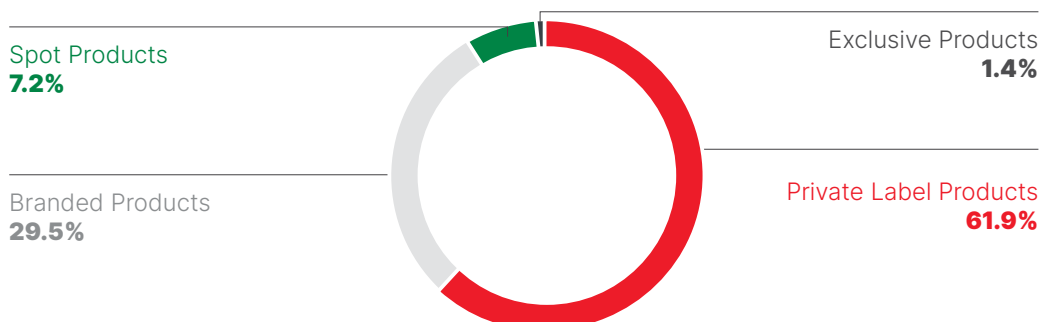
### Spot products

These are products kept in stock for a limited time and offered to customers in weekly periods. Spot products increase the number of visitors in our stores and contribute to the sales of standard listed products as well.

### Branded products

These are the products that are widely available in the market.

### Distribution of Products in 2023



## BİM PRIVATE-LABEL PRODUCTS

# Sustainability and efficiency of the product portfolio

We aim to support both social welfare and the fight against inflation by offering our private-label products to our customers at BİM and FİLE stores with a high quality at affordable prices approach.



Introducing the concept of private-label products to the retail sector in Türkiye for the first time in 1997 with 'Dost Süt', our Company has managed to maintain its pioneering position in the sector by increasing the number of its private-label products over the years.

Our private-label products, which play a critical role in our business model, enable us to increase the sustainability and efficiency of our product portfolio while maintaining quality and food safety at the highest level. BİM manages its private-label products with a dynamic approach, and the formula and design of these products belong solely to BİM. We have our private-label products manufactured by selected suppliers and ensure that they are more affordable than similar products of the same quality.

The share of private-labels in net sales increased from 46% in 2005, when BİM went public, to 62% in 2023.

62%

Ratio of BİM's private-label products to net sales

628

Number of BİM private-label products

10%

2026 goal: Share of sustainable product portfolio in total turnover

In our FİLE stores, Harras in the food category, Actisoft in the general cleaning category and Daycare in the personal care category stand out as FİLE's private-labels.

We support social welfare and the fight against inflation in our country by offering our customers high quality products of our private-labels at affordable prices at both BİM and FİLE stores. We work to improve production, packaging and distribution processes and to disseminate good practices throughout the supply chain by taking into account the social and environmental impacts of our private-label products as well as the positive economic results we achieved.

In order to increase information sharing and customer satisfaction, we started to provide consumers with information about the production stages of the product by switching to the QR code system in our private-label products. In line with our sustainability goals, we aim to increase the number of private-label products bearing QR codes to 10% of our total private-label product portfolio by 2026.





## DIGITALIZATION AND INFORMATION SECURITY

# Improved customer experience with digital services

With the aim of reaching more consumers with our products and services, we increase our digitalization investments and prioritize multi-channel management through BİM Mobile and FİLE Mobile applications.



### BİM Mobile Application

We sell non-food products through our online shopping channel BİM Market launched in 2021. Customers can easily download the BİM Market app from the Appstore or Google Play and access the current products offered by BİM. The BİM Market app focuses on customer satisfaction and offers free shipping, installment payment options, and affordable price advantages with the addition of new products every Friday. By the end of 2023, the number of BİM Mobile application users reached 2.7 million.

### FİLE Mobile Application

We launched the FİLE Mobile application, our other online shopping channel, in 2021 with the motto of "If you cannot come to us, we come to you" and started to offer our customers a brand new shopping experience with hundreds of national brand products as well as FİLE's private-labels. Through our FİLE Mobile application, which can be downloaded from the Appstore and Google Play, we deliver the food orders placed by our customers with refrigerated

# 2.7 MILLION

Number of BİM Mobile application users

# 1.3 MILLION

Number of FİLE Mobile application users

While we continued to grow organically with new physical store launches, we also began to reach our customers through alternative channels with the mobile applications that we developed by integrating innovative technology into our business models. As BİM, our aim with the digital services we develop in the retail sector is to make our customers' lives easier and increase customer satisfaction. With the influence of the increasing online shopping habits during the pandemic time, we address the consumers' demands for an integrated shopping experience with our mobile applications developed as part of our multi-channel management.

**We continuously assess the activities carried out within the scope of digitalization at BİM as part of cyber security measures and support them with internal and external audits on information security.**



vehicles without breaking the cold chain. By the end of 2023, the number of FİLE Mobile application users reached 1.3 million.

#### **BİM Para / FİLE Para**

With BİM Para and FİLE Para digital payment applications, we enabled BİM customers to send money easily and securely to each other from their mobile phones and make contactless payments in stores without using credit cards or cash. As of year-end 2023, the number of contactless payment transactions made by our customers through BİM Para and FİLE Para reached 4.2 million.

#### **Information Security**

Our Company developed an information security management approach to ensure that information is assessed within the scope of confidentiality, integrity, and accessibility and protected from all threats that it may be exposed from inside and/or outside, whether intentional or incidental, and ensure that the activities are carried out effectively, accurately, quickly, and safely. We continuously assess the activities carried out within the scope of digitalization at BİM as part of cyber security measures and support them with internal and external audits on information security. In this scope, we ensure that all our employees participate in information security trainings.

As BİM, we set the main goals of our information security management approach as raising the information security awareness of our employees, implementing technical security controls, ensuring that the basic and supporting business activities of the organization continue with minimum interruption, thus minimizing corporate risks. In this scope, we closely follow global developments in the fields of information security and cyber security, and regularly update our approach. In 2023, our company did not experience any violations related to cyber security and customers' personal information.

You can access BİM's Information Security Policy [here](#).

## CUSTOMER EXPERIENCE AND SATISFACTION

# Our priority is customer satisfaction

Recognizing the importance of ensuring customer experience and satisfaction in cultivating long-term shared value, BİM aims to provide better service to its customers every day in line with its values.

With our customer-oriented service approach we adopt at BİM, we develop business models and practices to increase customer benefit and satisfaction from the first moment we come into contact with our customers through our physical and online stores. In line with BİM's approach that prioritizes customer interests over short-term high profits, we always strive to offer our customers the best shopping experience with

our unconditional return policy, extensive store network and qualified employees.

As of year-end 2023, the number of daily consolidated customer visits to our stores, which are centrally located in 81 provinces of Türkiye, increased by 9% compared to the previous year and reached 6.3 million. The number of users of our BİM Mobile and FİLE Mobile online shopping channels was 4.0 million in the same period.

As BİM; we facilitated the monitoring processes by moving the customer suggestion and complaint forms, in which we rely on their feedback, to the online platform. With this new system, which we call the Customer Communication Management Platform, we no longer use customer complaint forms in stores and adopt the method of filling out forms digitally via tablets. We closely monitor all feedback we receive from our customers and ensure that actions are taken quickly.

As BİM, we aim to offer a better shopping experience to more customers, and measure customer satisfaction through periodic surveys. According to the Brand Health Research conducted by NielsenIQ, BİM's Net Promoter Score (NPS) is 39. Our customers cite affordable prices, point-of-sale location, product variety, and the quality of our private-label products as reasons for their satisfaction.

**6.3** MILLION

Number of daily consolidated customer visits

**39**

Net Promoter Score (NPS)\* of BİM

\*Brand Health Research conducted by NielsenIQ





## SUPPLY CHAIN MANAGEMENT

# End-to-end sustainability

We manage our operations with the approach of fostering a sustainable value chain and contribute to the development of the supply infrastructure in the sector by establishing long-term collaborations and trust-based relationships with our suppliers.



focus of our Company's supply chain management strategy is to support the local economy by working with local suppliers. While our effective value chain management supports our financial results by increasing our operational efficiency, it also provides us with the opportunity to evaluate our environmental and social impacts arising from our supply processes.

# 1,465

Total number of suppliers

As BiM, through the long-term and trust-based relationships we have established with our stakeholders, we enable our suppliers, whom we consider among our critical stakeholders, to increase their capacities, enhance their productivity, and improve their quality standards.

# 809

Number of supplier audits

The main objective of our supply chain management is to supply quality products at low cost and thus offer them to customers at competitive prices while maintaining the sustainability and standards of the supply chain. The

We established an organizational structure for the effective implementation and performance monitoring of supply chain management strategies. Our Commercial Directorate takes charge in determining and implementing working standards within the scope of supply chain management and regularly reports to the General Purchasing Committee (GPC).

In 2022, we published our Responsible Procurement Policy, which we prepared by taking into account our social, environmental and ethical responsibilities in supply chain management





processes. Within this framework, by adopting responsible procurement and production principles, we aim to improve the quality of life for both supply chain employees and our customers through the products we produce, all while observing human values.

We conduct regular audits to maintain our quality and safety standards throughout the entire supply chain. In order to measure the suitability and adequacy of the production processes of candidate suppliers, we audit their production sites within the scope of a BİM-specific question list. As a result of our evaluations, only suppliers that are deemed suitable and able to meet the specified standards are eligible to produce for BİM. We perform periodic audits of our existing suppliers, both with and without prior notification. Thus, we encourage suppliers to continuously raise their quality and safety standards.

Suppliers of branded products with IFS Food/Non Food, BRC Food/Non Food, and AIB certificates are exempted from audit. However, suppliers of branded products that do not have these certificates and suppliers of all private-label products, regardless of whether they have certificates or not, are subject to an audit process on product safety, infrastructure and process, cleaning applications, pest control, and critical applications.

In 2023, BİM's Quality Assurance Unit conducted a total of 809 supplier audits, 551 for suppliers responsible for the production of BİM's private-label products and the remaining for branded product manufacturers. As a result of the audits carried out in 2023, collaboration with 4 suppliers that failed to meet our quality standards was terminated.

#### Information on the Certificates Held by Our Suppliers as of 2023

Total Number of Suppliers with Certificates	280
Total Number of ISO Standard Certificates of Our Suppliers	625
Total Number of Certificates Compatible with Sustainability of Our Suppliers	238
Total Number of Certificates of Our Suppliers	863

You can access BİM's Responsible Procurement Policy [here](#).



# THE MOST PRECIOUS CAPITAL: PEOPLE

The happiness of our employees forms the basis of growth and success for us. We continue to set an example in the sector with our efforts to ensure the satisfaction, welfare and rights of our employees.

## 2023 Indicators

Total Number of Employees

86,646

Number of New Employees

6,837

## HUMAN RESOURCES

# BİM Family of 86.6 thousand people

We observe fundamental human rights and freedoms in all our relations with our stakeholders, and we do not tolerate discrimination based on religion, language, race, gender, etc.

### 2023 Indicators

Women Employment Rate  
Among New Employees

**58%**

Total OHS\* Training Hours

**550,652**

Our sustainable growth success is based on our uninterrupted investments in human capital, which we regard as our most precious capital. As of year-end 2023, we increased our total number of employees to 86.6 thousand by providing 6,837 new employment opportunities in our store, warehouse and office operations in Türkiye, Morocco and Egypt, while continuing to generate value for national economies.

We respect the fundamental rights and freedoms of people and pay utmost attention to human rights as the entire BİM family in our relations with our employees, customers, suppliers, business partners and all stakeholders in the geography we operate in Türkiye and abroad through our subsidiaries.

In this context, the BİM Human Rights Policy is a roadmap for all our employees. We prepared this Policy, which was approved by the Board of Directors of our Company, based on the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the Constitution of the Republic of Türkiye, and the International Labor Organization (ILO) Conventions.

You can access the BİM Human Rights Policy [here](#).

BİM observes human values and works to enhance the quality of life throughout the value chain. We adopt the principle of full compliance with national legislation in all our human resources processes and do not tolerate discrimination on the basis of religion, language, race, gender, etc. in our relations with our stakeholders in line with internationally recognized human rights principles. We actively support the participation of our stakeholders in our sphere of influence in Occupational Health and Safety practices that we implement to provide a safe and healthy work environment for our employees.

With our identity as a responsible corporate citizen, we, as BİM, develop projects in cooperation with public institutions and organizations as well as non-governmental organizations that work to improve the quality of life of the society. In 2023, we continued our efforts for social welfare by wholeheartedly participating in aid efforts in the earthquake region in order to alleviate the pain of the earthquake disaster that shook us all with the loss of thousands of citizens with a devastating impact on our 11 provinces.

\*Occupational Health and Safety

## HUMAN RESOURCES

**BİM takes into account objective criteria based on knowledge, skills and experience in recruitment and promotion processes to cultivate the workforce and staff that will support BİM's steady growth in the most appropriate way**



### OUR VISION IS TO BE THE MOST PREFERRED EMPLOYER IN THE SECTOR

**As BİM, we aim to implement human resources processes and practices that are embraced by and touch people, with our vision of becoming "the most preferred employer in the sector."**

As BİM, we aim to implement human resources processes and practices that are embraced by and touch people, with our vision of becoming "the most preferred employer in the sector."

We consider objective criteria based on knowledge, skills and experience in recruitment and promotion processes to cultivate the workforce and staff that will support BİM's steady growth in the most appropriate way, organize training programs for our employees to improve their professional and personal skills, and take care to fill vacant positions primarily from our own human resources.

Accordingly, we established the Human Resources Department within BİM in 2023.

The Human Resources Policy, approved by the BİM Board of Directors in 2021, adopts general principles on recruitment, training-development-planning-career management, remuneration system, compliance with legislation, protection of employee rights and prevention of discrimination and mistreatment.

You can access BİM Human Resources Policy **here**.



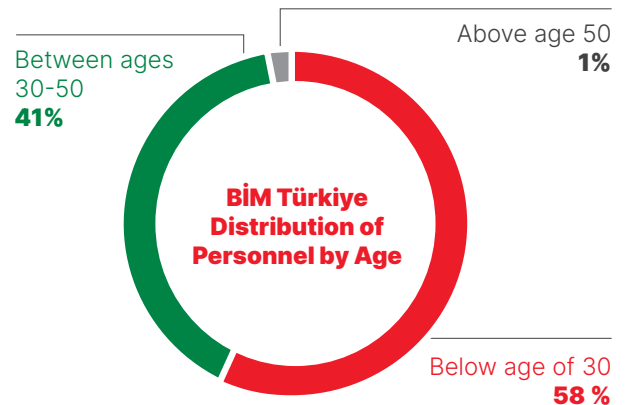
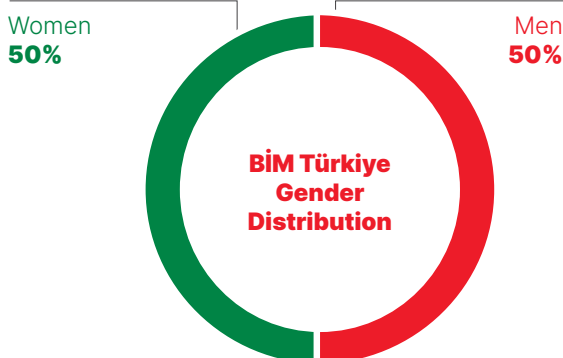
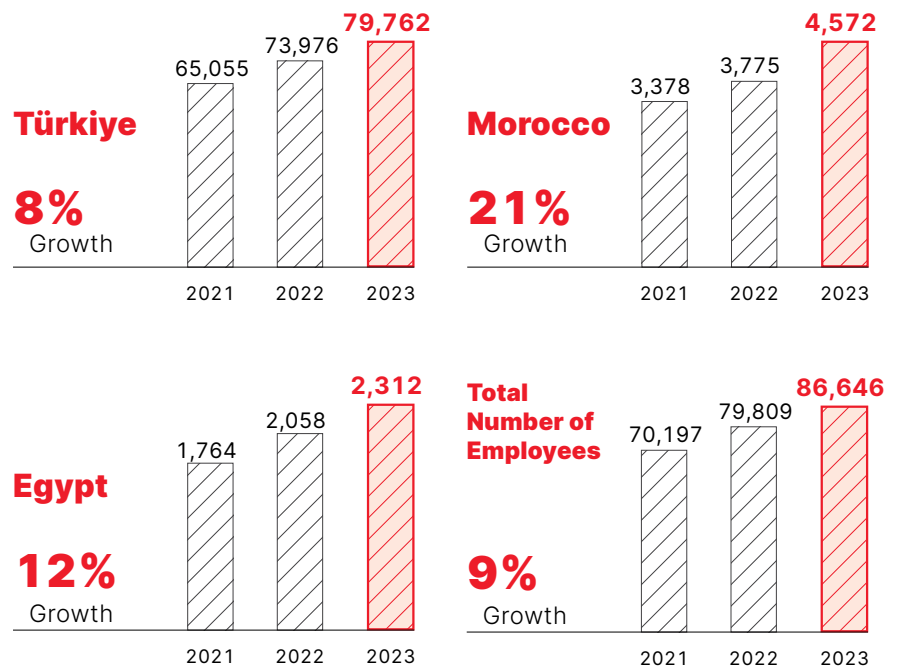
## With its organic growth strategy and high employee loyalty, BİM ranks at the top among the leading employers in Türkiye.

### Human Resources Profile

With its organic growth strategy and high employee loyalty, BİM ranks at the top among the leading employers in Türkiye. We continue our efforts to increase youth employment with approximately 1,000 store launches per year and a 58% employment rate under the age of 30. In 2023, 83% of newly recruited employees were under the age of 30.

As of year-end 2023, the total number of BİM employees increased by 9% compared to the previous year and reached 86.6 thousand. 92% of our employees work in Türkiye, 5% in Morocco and 3% in Egypt. The ratio of women among our employees in Türkiye was 50% by the end of 2023.

### Distribution of Employees by Domestic and International Operations



## HUMAN RESOURCES

**In order to support the active participation of women in the workforce, we adopt a balancing approach in favor of women's employment when building our human resources.**



We adopt the principle of equality in our recruitment processes and throughout the careers of our employees, taking care to demonstrate a fair approach and not to make any discrimination. In order to support the active participation of women in the workforce, we adopt a balancing approach in favor of women's employment when building our human resources. Over the years, we have increased the ratio of female employees in both our stores and warehouses.

As BİM, we provided a total of 6,837 new job opportunities in 2023 with the positive contribution of our organic growth. We continued to support youth employment in our country, with 83% of our recruitments consisting of people under the age of 30 and 58% of women.



# 50%

**BİM Türkiye women employee rate**

### **Diversity and Inclusion Policy**

We aim to establish a balanced and sustainable work culture in our organization by providing an understanding, safe and productive working environment for our employees with different languages, religions, races and ethnic origins in our geography of operations. We believe that our diverse workforce offers a broader perspective when assessing risks and opportunities.

We do not make any discrimination in our recruitment and promotion, personal rights, working conditions, performance evaluation, training, professional development, compensation and other human resources processes, and we favour equality, diversity and inclusion. We set our basic principles within our Diversity and Inclusion Policy based on our sensitivity to this issue, which was approved by our Company's Board of Directors, and presented it to all our stakeholders in 2023.

You can access the BİM Diversity and Inclusion Policy [here](#).

### **BİM Is Built on its Own Human Resources**

Another priority of our Human Resources management is to fill any strategic positions in our Company by evaluating our own human capital. Our management staff, consisting of employees who started their professional lives at BİM and were promoted due to their high performance, ensures the uninterrupted transfer of knowledge and experience at BİM and contributes to the sustainability of the corporate culture.

The vertical career opportunities we offer at BİM support our employees' work motivation and increase their commitment to long-term corporate goals. Career opportunities that increase employee satisfaction in our Company play an effective role in keeping employee turnover rates below sector averages. While the turnover rate for office employees was realized as 11% in 2023, it was 53% for store/warehouse employees. In 2023, the total number of employees who left their jobs voluntarily was 28,429.

# 37%

**BİM Türkiye ratio of women employees in management and office**



### Career Management and Development

We are aware that a properly well-designed career management is critical for guiding our employees to the right positions where they can apply their talents most efficiently and acquire the competencies of the future. Therefore, we strive to provide our employees with the necessary support and opportunities to utilize their potential and advance their careers. We support the career development of our employees by objectively evaluating their performance. In 2023, the performance and career development evaluations we organized for 15% of our employees working in office and management positions allowed us to objectively identify areas open to improvement while emphasizing the strengths of our employees.

The decentralized structure of our Company allows our employees to take more responsibility and initiative, while offering young executives the opportunity to develop their entrepreneurship and leadership skills. Young executives can advance their careers by gaining experience in managing projects, developing teamwork skills and participating in decision-making processes.

### Competitive Remuneration System

We formulate our remuneration policy competitively by considering the conditions of the sector in which we operate, the labor market and local legislation, and ensure that the lowest level of wage at our Company is above the minimum wage. We pay attention to ensure that annual wage increases are not below the inflation rate.

In our Company, applications relating to daily and weekly working hours, as well as overtime work, breaks, weekly holidays and annual paid leave are carried out in accordance with laws and regulations.

### Distribution of Employees\*

Employees by Category	2022	2023
Store and Warehouse Staff	95%	95%
Management and Office Staff	5%	5%
Employees by Gender		
Female	47%	50%
Male	53%	50%
Management and Office Staff Employees by Gender		
Female	35%	37%
Male	65%	63%
Store and Warehouse Employees by Gender		
Female	47%	51%
Male	53%	49%

\*BİM Türkiye

### Training Programs

We organize training programs that support the professional and personal development of our employees to ensure the sustainable development of our human resources. In this scope, we have continued to gradually expand our online trainings, which we launched in Çorlu region as a pilot project in 2020 for our store managers and regional supervisors, to other regions as well. In 2023, we provided 76 thousand person\*hours of online training. We gave 2,210 person\*hours of face-to-face training in 2023 through classroom trainings for marketing managers and regional supervisors. Approximately 76,000 employees benefited from the training within the program in 2023, and 55% of the participants were women. In 2023, training expenditure per person under this project amounted to TL 525.

We organize orientation trainings and programs for newly recruited or promoted employees. Our orientation trainings, which include detailed information about our corporate culture, values, policies and business processes, support our new colleagues joining the BİM family, making it easier for them to adapt to our company. The trainings we prepare for our employees for positions requiring expertise enable our employees to develop their knowledge and skills according to their areas of expertise.

In order to improve the quality of our training programs, we standardize all our training programs through internal regulations and update them in line with changing needs.

### Protection of Employee Rights

As BİM, we do not tolerate the exposure of our employees to ill-treatment, intimidation, and verbal or physical abuse. In accordance with the principle of equality included in the Constitution, which constitutes the legal basis of the principle of equality in Turkish Law, and the relevant regulations on gender discrimination in the Labor Law No. 4857 and the Law on the Human Rights and Equality Institution of Türkiye, establishing and maintaining a fair working environment where employees are not exposed to discrimination and ill-treatment is among our top priorities.



## CORPORATE SOCIAL RESPONSIBILITY

# With the awareness of a corporate citizen

Within the scope of our corporate social responsibility efforts, we continued to contribute to social welfare by providing resources for a total of TL 158 million in 2023.



and the regulations of the Capital Markets Board, we, as BİM, make cash and in-kind donations to foundations and associations, non-governmental organizations, public institutions and organizations, as well as clubs and associations engaged in sporting activities. Our shareholders are informed about the amounts and beneficiaries of all donations and aids realized by BİM in the activity period with a separate agenda item at the general assembly meeting.

# 100

## TL MILLION

Amount of in-kind and cash aid to the earthquake region

As a responsible corporate citizen, our Company supports economic welfare through donations and aids that prioritize social benefit beyond the contribution it makes to local employment in the seven geographical regions of Türkiye where it operates, and it strengthens its ties with society through collaborations with non-governmental organizations.

### Donation and Aid Policy

Within our Donation and Aid Policy, the basic elements of which we determined in line with the Turkish Commercial Code

In 2023, as BİM, we donated a total of TL 158 million, of which 57% was donated to public institutions and organizations, 25% to charitable associations and foundations, and 18% to educational institutions.

### Aid Provided in Provinces Damaged by the Earthquake

Since the first day of the biggest earthquake disaster of recent years, centered in Kahramanmaraş on February 6, 2023 and affected 11 provinces in the region, we have been doing our best to heal the wounds of the earthquake. In cooperation with official

public institutions, we provided approximately TL 100 million in-kind and cash aid at the beginning to meet the urgent needs of the disaster area. We will continue to stand by the people of the region and heal their wounds all together.

### 21 New Stores in Hatay

We continue our efforts to help the earthquake region get stronger and stand on its feet. In this scope, we are happy to have opened 21 new stores in Hatay. With our new stores, we reached 46 stores in the region in 1 year and 127 stores in total. We set out on this journey with the goal of boosting the local economy and employment, and our aim is to contribute to healing the wounds of the region. We also include products from local producers in the BİM stores opened in the region. Accordingly, we procure the daily local cookies sold in our store in Antakya from Aşhane. We offer products such as jam, noodles, tomato sauce, dried fruits, cookies and other products produced by Erzin Kadıneli Cooperative for sale in our 127 stores in the region.

### Meaningful Support for Women's Cooperatives

As BİM, we increased our support for local development and women's labor by establishing a cooperation with the Foundation for the Support of Women's Work (KEDV), which carries out various programs to support women to improve their economic living conditions and strengthen their leadership in local development.

On April 25, 2023, in the current products category, we started to offer local delicacies produced by women's cooperatives in 5 different cities specific to that city in all our stores across Türkiye.



As a result of the cooperation between BİM and KEDV, in 2023, dried lemons from S.S. Mersin Women's Initiative Production and Business Cooperative, pickled vine leaves from Tokat Women's Cooperative, honey from S.S. Hakkâri Çiçeklerin Özü Women's Initiative and Business Cooperative, tarhana from Uşak Hatice Sultan Natural Products and Urla-style artichokes from S.S. Urla Women's Initiative and Business Cooperative were supplied and offered for sale in our stores. Our Company, which always takes care to bring local producers and small-scale cooperative products to consumers, aims to increase the meaningful support it offers to women's cooperatives.

## FULL SUPPORT FOR WOMEN'S COOPERATIVES

On April 25, 2023, in the current products category, we offered local delicacies produced by women's cooperatives in 5 different cities specific to that city in all our stores across Türkiye.

## OCCUPATIONAL HEALTH AND SAFETY

# A safe and healthy working environment

We organized 551 person\* hours of training in 2023 in order to raise the awareness of our employees on Occupational Health and Safety, which we see as an indispensable component of our corporate culture.

# 3.5

Accident frequency rate\*

We consider establishing a safe and healthy working environment for all our employees and making this working environment sustainable among our top priorities. In line with our principle of full compliance with legal regulations on Occupational Health and Safety (OHS), we established the Occupational Health and Safety Board to manage and audit safe and healthy working conditions in all our stores, warehouses, regional directorates and other administrative offices. The Board, which reports to the BiM Board of Directors, carries out activities to determine, implement and review our Company's OHS policies.

We support the active participation of our employees in decision-making processes and provide appropriate conditions for them to have a say in OHS policies and practices. The representation rate of employees in the Occupational Health and Safety Board is at the level of 38% as of year-end 2023.

As BiM, we identify our OHS risks by taking into account the specific characteristics of the working environment, including offices, stores, warehouses and logistics areas, provide the necessary equipment and supplies, and establish communication channels for reporting risky situations and taking measures.

The Employees working group, one of the sustainability working groups, is dedicated to monitoring the developments in OHS issues. Led by the Deputy COO, this group operates with a reporting structure two levels below the CEO.

We meticulously monitor our company's OHS performance and regularly report accident statistics. As of year-end 2023, our accident frequency rate was 3.5 and our rate of absenteeism due to accidents was 39.2.



We analyze the causes of occupational accidents in detail and develop action plans to reduce accident frequency rates. We organize trainings to improve the frequency of occupational accidents in the first year of our new employees and carry out special studies by identifying equipments with high incidence of occupational accidents. As BİM, we aim to reduce our accident frequency rates by 15% by 2026 compared to the base year of 2022.

Within the scope of occupational health and safety, which we see as an indispensable component of our corporate culture, we aim to raise the awareness of our employees on this issue and get them to adopt safe working habits through the OHS training programs we organize throughout the year. In 2023, a total of 551 thousand hours of OHS training was organized for our employees, and the training hours per employee was approximately 6.9 hours.

BİM's Piraziz Regional Warehouse implemented the ISO45001 Occupational Health and Safety Management System in 2022 and received the related certificate. We continue our efforts to expand this successful practice to our other regional warehouses.

As BİM, within the framework of our OHS policies, we strive to ensure that the OHS culture is adopted by our employees as well as other stakeholder groups in our sphere of influence. In order to ensure that OHS measures are fully implemented in our contractor agreements, we have determined each violation of OHS rules as a penal clause. We thus encourage contractor companies that have contracts with BİM to fulfill their responsibilities regarding the health and safety of their own employees.



OHS Data	2020	2021	2022	2023
Accident frequency rate*	1.8	2.6	2.8	3.5
Occupational disease rate **	0.0	0.0	0.0	0.0
Absenteeism rate***	73.5	81.4	49.4	39.2
Number of cases resulting in death	4	5	3	2

\*Accident frequency rate = Total accidents with injury x 200,000 / Total hours worked

\*\* Occupational disease rate = Total occupational disease cases x 200,000 / Total hours worked

\*\*\* Absenteeism = Number of days lost due to accidents x 200,000 / Total hours worked  
2020 and 2021 data were recalculated due to methodology change.

OHS Trainings	2020	2021	2022	2023
Total OHS training hours	441,242	538,728	575,016	550,652
OHS training hours	298,250	364,144	447,000	425,852
First aid training hours	86,675	105,824	67,328	58,160
Emergency training hours	56,317	68,760	60,688	66,440
OHS training hours per employee	7.9	8.3	7.8	6.9

A close-up photograph of two hands, one from the left and one from the right, cupping a small, textured globe of the Earth. The hands are wearing dark green, ribbed sleeves. The globe is painted with blue for the oceans and green for the continents, with visible brushstrokes giving it a tactile, artistic appearance. The background is a solid, muted green color.

# **THE MOST PRECIOUS HERITAGE: THE EARTH**

On our way to a better future, we implement environmentally friendly practices in all geographies we operate. We care about the continuity and increase of prosperity in every region and territory we reach.

COMBATING CLIMATE CHANGE AND ENVIRONMENT MANAGEMENT

Vision of a healthy and thriving environment and a sustainable future

To manage the risks posed by the climate crisis, we are determined to measuring and reducing the environmental impact of our operations.

RESOURCE EFFICIENCY AND DECARBONIZATION EFFORTS

In 2023, we continued our investments without slowing down, focusing on energy and resource efficiency, as well as decarbonization, to contribute to the global fight against the risks posed by the climate crisis.

~TL 2 BILLION

Environmental sustainability investment plan for 2024

Climate change, which is increasing in severity every day, ranks first on the agenda of societies, governments and international organizations as one of the greatest threats to humanity and all life on our planet. It is vital that public and private sector organizations work together for the sustainability of our planet, which is our most precious heritage as humanity.

As BİM, in line with our vision of a healthy and thriving environment and a sustainable future, we are taking decisive steps to measure and reduce the environmental impact of our operations by developing new approaches that go beyond all legal obligations in the geography we operate.

In 2022, we set our targets and transparently shared our sustainability performance with our stakeholders through our Sustainability Report. In 2023, we reported to the Carbon Disclosure Project (CDP) - Climate Change for the first time and received a C score.

In 2023, we continued our investments without slowing down, focusing on energy and resource efficiency, as well as decarbonization, to contribute to the global fight against the risks posed by the climate crisis. We are accelerating our Solar Power Plant (SPP) installations to generate electricity from renewable energy. We also aim to significantly reduce our greenhouse gas emissions. Recognizing that we are also responsible for the environmental and social impact of our suppliers in our value chain, in addition to our own operations, we began to calculate Scope 3 emissions by evaluating data obtained from producers that correspond to 9% of our turnover in 2023. Due to our wide product portfolio based on our agricultural activities, biodiversity and sustainable agricultural practices are important and among our priority areas.

As a result of our successful efforts within the scope of the environmental management system, BİM İskenderun Regional Warehouse was qualified for ISO 14001 Environmental Management System standard in 2022. We continue our efforts to disseminate good practice examples in other regional warehouses of BİM.

	Target	2023 Realization Ratio
Greenhouse Gas Density	To reduce by 20%	18%



## ENERGY AND EMISSION MANAGEMENT

# Our focus: Renewable energy sources

Thanks to the SPP installations we continued in our regional warehouses, in 2023, we provided 4% of our total energy consumption from renewable energy sources.



**879**  
TL MILLION

Solar power plants (SPPs)  
investment amount

**23,690** MWh

Total installed capacity of solar  
power plants (SPPs)

At BiM, energy and emission management focuses on increasing energy efficiency in our stores and in our warehouses as well as replacing existing energy sources with renewable ones.

We continue to renew store designs through improvements in energy saving and thermal insulation at our stores. We ensure that stone wool and high windows are used to provide internal thermal insulation in our renovated stores, and we are switching to LED lighting models to reduce energy

consumption. We are switching from MDF to metal in shelf systems. Our goal is to ensure that all BiM stores are renovated within the scope of energy management and sustainability by 2030. By the end of 2023, the number of stores with new designs reached 5,066 and our target realization rate was 45%. Also, in order to increase the energy efficiency of the refrigerators in our stores, we decided to introduce glass doors on vertical refrigerators. The installation of glass doors on refrigerators is expected to save 9% of total electricity consumption. Thus, we plan to prevent greenhouse gas emissions equivalent to 20 thousand tons of CO<sub>2</sub> annually.

On the other hand, in order to optimize energy efficiency in our warehouses, we carry out thermal insulation works with the application of curtain walls/glass systems to reinforce the external facade insulations.



Our investments for the installation of solar power plants in our regional warehouses have an important place among our sustainability initiatives. As of year-end 2023, we invested a total of TL 879 million in this regard.

In continuation of our solar power plant project, initiated in 2021 as a pioneering endeavor in the industry, we expanded our efforts in 2023 by installing solar power plants on the rooftops of 6 additional warehouses. This advancement brings the total number of warehouses equipped with solar power to 16. By the end of 2023, the total production of our solar power plants reached 23,690 MWh. Through these installations, we have successfully integrated renewable energy sources into our energy portfolio, accounting for 4% of our total energy consumption. As part of our commitment at BİM, we aspire to increase our renewable energy consumption to 25% by the year 2025.

One of the important milestones of our decarbonization journey was to include Scope III emissions into our greenhouse gas emission calculations, reflecting the environmental impacts arising from our suppliers' operations. We calculate our Scope I, Scope

II and Scope III greenhouse gas emissions in accordance with the World Resources Institute (WRI)/World Business Council on Sustainable Development (WBCSD) Greenhouse Gas Protocol methodology. We reduced our greenhouse gas emission intensity to 109 kg CO<sub>2</sub>/m<sup>2</sup> in 2023.

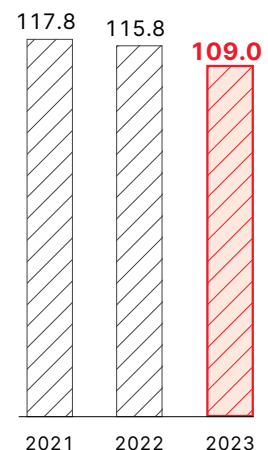
Considering the high environmental impact caused by transportation and distribution operations in the retail sector, BİM's decentralized organizational structure provides an advantage in emission management. We carry out our logistics operations through our regional warehouses and thus optimize our fuel consumption. In addition to arranging the shortest routes between stores and warehouses, we also optimize the number of travels for transportation. We ensure that the trucks in our logistics fleet are loaded as close to 100% full as possible, while 70% of the trucks are equipped with Euro 6 engines with the latest fuel efficiency and low emission standards. We launched the Fleet Tracking System, which supports both route optimization and efficient use of vehicles, at FİLE Market.

In 2023, the company-wide fuel consumption was 0.2% of net sales.

# 18%

**Reduction rate of GHG emissions**

**Greenhouse Gas Intensity  
(kg CO<sub>2</sub>/m<sup>2</sup>)**



WATER MANAGEMENT

Goal of minimizing water footprint

BİM consumed a total of 827,945 tons of water for its operations in 2023, with a water consumption intensity of 0.16%.



Wastewater generated in BİM stores, offices and logistics centers, where mains water is consumed, is treated and discharged at treatment plants in the relevant regions. Considering the operational size of our Company, it is observed that our impact on water resources is lower than that of other resources.

In line with our goal of minimizing our water footprint arising from our operations, we started our rainwater harvesting project on two of our warehouse roofs in 2023.

In 2023, a total of 827,945 tons of water was consumed, with a water consumption intensity of 0.16%.

As part of our water saving efforts, we aim to reduce water consumption intensity by 20% by 2025 compared to 2023.

Water Consumption (m³)	2021	2022	2023
Mains water	648,908	782,923	827,945
Water Consumption Density (m³/m²)	0.148	0.164	0.159



## PACKAGING AND WASTE MANAGEMENT

# Meaningful contributions to the circular economy

In order to protect the value of natural resources, our waste management focuses on preventing waste generation at the source and ensuring the recycling of the waste generated.



and preventing especially food waste are among urgent issues. The retail sector stands out also with the measures to be taken to optimize food waste as well as packaging waste, both of which it is responsible for generating.

As BİM, we carry out work on re-designing existing waste-generating systems, developing projects and methods to recycle waste in case of waste generation, and implementing circular economy principles correctly.

Our Company's waste management approach is based on two fundamental elements. These are preventing waste generation at the source in order to use and preserve the value of natural resources and reusing the waste generated in line with circular economy principles. In this scope, we develop in-house projects and practices to reinforce our physical infrastructure for both packaging and food waste management and support public projects to reduce waste.

~21  
TL MILLION

Economic savings by  
avoiding plastic and paper  
consumption

Rapid temperature increases and changes in precipitation regimes caused by the climate crisis put pressure on agricultural production, making it difficult to meet the increasing food demand of the rising world population. In order to ensure food safety on a global scale, optimizing resource efficiency and raw material consumption across food chains

## PACKAGING AND WASTE MANAGEMENT

**As BİM, we comprehensively handle the packaging of our private-label products and play an important role in waste reduction.**



////////////////////

**117,349**  
**TONS**

**Amount of non-hazardous waste fully recycled**

**0.52%**  
**POINTS**

**The ratio of food waste to sales**

////////////////////

### **Packaging Waste Management**

As BİM, we comprehensively handle the packaging of our private-label products and play an important role in waste reduction. We designed our organizational structure to increase our effectiveness in this field. In order to better manage the environmental impact of the packaging of our private-label products and to activate the cost structure, we established a Packaging Purchasing Unit under the Commercial Directorate. As a result of the projects we carried out to increase resource efficiency in packaging and promote sustainable raw material alternatives, we prevented the consumption of 450 tons of plastic and 759 tons of paper in 2023, saving a total of approximately TL 21 million.

As part of a pilot project to reduce plastic waste in our FİLE stores, we terminated the use of plastic bags at the checkout counters in one of our stores and started using paper bags instead. In the stores within the scope of the project, plastic bag and paper bag consumption was reduced by 86%. We aim to expand the pilot implementation gradually in 2024.

We send all solid waste generated in BİM stores and warehouses to municipalities and licensed companies that recycle packaging

waste. We thus recycle a large portion of the nylon and cardboard waste generated from operational activities. In 2023, we recycled all of our 117,349 tons of non-hazardous waste. One of the innovations we implemented to reduce our environmental footprint within our responsible production approach was to reduce paper use by cutting shopping receipts in BİM stores to a narrower size. We also reduced the size of the price tags of products. With these measures, we have prevented unnecessary paper waste.

In addition to our stores, we contribute to our waste reduction targets by reorganizing our business processes at our head office as well. As of year-end 2020, we digitalized our paper-based approval systems and prevented paper waste in invoices, expenses, permits and similar documents. In 2021, we expanded this good practice to all our regional directorates.

Within the scope of the Zero Waste Project launched by the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change, we allocated special areas for sorting recyclable waste in our stores, enabling our customers to contribute on waste management by raising their awareness. Furthermore, we contribute to the establishment of a deposit system for beverage packaging, the preparatory processes for which are underway by the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change and the Turkish Environment Agency. We completed the registration of our private-label products, which fall within the scope of deposit products and which we put on the market as BİM, to the Deposit Information Management System.

### Reducing Food Waste

Fighting food waste is important in terms of facilitating individuals' access to food, achieving financial savings and supporting the fight against the climate crisis by reducing environmental impacts. In the organized retail sector, of which BİM is a part, food waste management is among the top priorities. Food losses in food products, which account for approximately 75% of our company's net sales, have a great financial and environmental impact. 42,435 tons of food waste generated by BİM in 2023. The amount of food waste was 12.16 kg per square meter, 3.8 tons per store and 42,435 tons in total.

We monitor our Company's performance on food waste management by taking ratios of the amount of waste to our net sales and work to improve it every year. Also in 2023, we demonstrated an outstanding performance and reduced the ratio of food waste amount to total sales to 0.52% despite the increase in the fresh product range. BİM's project with the biggest contribution to its food waste performance is the use of ATP-FNB-X and/or FRC certified truck bodies in accordance with the Frigorific ATP (perishable food transport) Agreement, which ensures that the cold food chain is kept intact in its logistics operations. As of year-end 2023, 37.93% of our logistics fleet consisting of 1,328 vehicles is certified and we aim for all trucks in our logistics fleet to switch to frigorific bodies by 2026.

Within our waste management efforts, we completed the integration of waste generated per store with employee performance evaluation in order to ensure the active participation of our employees in our Company's waste reduction targets and started an annual bonus practice.



(tons)	2025 Target	2022	2023
Paper Waste Reduction (yearly)	820	351	759
Plastic Waste Reduction (yearly)	750	439	450
Use of recycled raw materials (yearly)	480	295	311

Non-hazardous Waste Amount (tons)	2021	2022	2023
<b>Total Non-hazardous Waste</b>	<b>125,721</b>	<b>136,358</b>	<b>159,784</b>
Recycled Waste	89,321	100,195	117,349
Food Waste	36,400	36,163	42,435



## BIODIVERSITY

# For the future of all living things

The existence of our wide product portfolio based on agriculture makes biodiversity and sustainable agricultural practices a priority for our Company.



# 100 THOUSAND M<sup>2</sup>

The area belonging to Bircan Fide, a subsidiary of BiM, where tomato production is realized with hydroponic agriculture method in geothermal greenhouses

Within the scope of sustainable use of biodiversity, which means the use of our natural resources in a way and at a rate that does not lead to a decrease in biodiversity in the long term and thus preserving the potential to meet the needs of present and future generations, we consider monitoring our risks and managing our impact in this area among our priorities.

Due to our activities based on agricultural production, it is important for our Company to protect biodiversity and establish balanced, efficient and sustainable agricultural ecosystems. As BiM, we act in accordance with the

targets to effectively protect at least 30% of coastal areas and oceans, restore 30% of terrestrial and marine ecosystems, halve global food waste and increase funding sources, in line with the United Nations Biodiversity Conference resolutions.

Afyon-based Bircan Fide, a subsidiary of our Company, produces tomatoes with hydroponic agriculture method in geothermal greenhouses built on an area of 100 thousand square meters. There are no pesticide residues in the products thanks to production without the use of pesticides. Geothermal water used during production is re-injected back into the system after use, ensuring sustainable production. We will continue our efforts to increase the greenhouse capacity of Bircan Fide in 2024 as well.

### Localization activities

A very large portion of the yogurt group products produced industrially in Türkiye are produced with imported starter cultures. As a result of the project carried out jointly by Tübitak M.A.M and BiM, yogurt production using local



starter cultures was accomplished in order for local yeast and culture to become widespread and sustainable in our country, as well as easily available to the entire society. As a result of the first mass production, our Binvezir full-fat yogurt product was offered to our consumers on December 26, 2023.

In 2023, BİM provided Biodiversity training to the relevant department in order to increase the awareness of our purchasing employees on biodiversity.

#### **For a more livable world**

Our FİLE markets broke new ground in the sector by removing all plastic products in the disposable products category from the shelves and replacing them with recyclable paper products. This step taken by FİLE to leave a cleaner and more livable world for future generations was a first among chain supermarkets. As part of this practice, plastic forks, spoons, plates, storage containers and plastic straws in the category

have now been replaced with paper equivalents on our shelves. Petroleum-based plastic wastes in nature cause global warming to accelerate through carbon dioxide emissions. Since the soil does not have the ability to absorb plastics, organisms living in the soil are exposed to the harmful effects of plastics over time by trying to digest plastic waste. The time for products such as plastic plates and straws to disappear in nature varies from 200 to 500 years. For this reason, we use recyclable and environmentally friendly products instead of plastic products in FİLE stores. With this preference, we make our customers a partner in the goal of a sustainable world.

We will continue our efforts to make production, supply and sales processes more sustainable through FİLE, which meets supermarket needs of consumers with its high standard products in a calm, spacious and comfortable environment with a constantly affordable price policy.

## **SUSTAINABLE PRODUCTS**

**We use recyclable and environmentally friendly products instead of plastic products in FİLE stores. With this preference, we make our customers a partner in our goal of reducing our environmental impact.**



# **THE MOST PRECIOUS UNDERSTANDING: CORPORATE GOVERNANCE**

**As BIM, we adopt a transparent, honest, accountable and ethical approach based on corporate governance principles in all our operations and ensure that this approach is adopted throughout our value chain.**



## THE MOST PRECIOUS UNDERSTANDING: CORPORATE GOVERNANCE

# In 2023, our Diversity and Inclusion Policy and Related Party Transactions Policy were published.

## GOVERNANCE TARGETS

**Important targets were set to ensure sustainability in corporate governance. The most important of these targets include having a female member on the BİM Board of Directors in the coming period.**

After Mustafa Latif Topbaş, who served as the Company's chairman of the Board of Directors and chairman of the Executive Committee, decided to leave his duties at BİM, there were changes in our management staff. BİM Board of Directors decided to appoint Mahmud Muhammed Topbaş as Chairman of the Board of Directors and Galip Aykaç as Vice Chairman of the Board of Directors. The CEO position was established and Haluk Dortluoğlu was appointed as CEO following the abolition of the

Executive Board. These changes became effective as of September 1, 2023.

With the changes in the management structure in 2023, the roles of Chairman of the Board of Directors and Chairman of the Executive Committee have been separated in accordance with sound corporate governance applications. The separation of the Chairman of the Board of Directors and Chairman of the Executive Committee roles inside a company is a fundamental part of corporate governance that seeks to provide control and balance, encourages transparency, and improves accountability. As BİM, we prioritize our commitment to strong corporate governance principles to ensure long-term sustainability via said change.

Changes were also made in terms of key executives to generate continuous value for all stakeholders. A dynamic organizational structure has been developed to improve flexibility in response to commercial perspectives, customer centricity, and changing market dynamics, as well as to boost technology integration. In 2023, the appointment of key

executives such as Chief Human Resources Officer (CHRO), Chief Technology Officer (CTO) and Chief Commercial Officer (CCO) emphasizes our strategic focus on using human resources and cutting-edge technology to drive growth and competitiveness.

Within our good corporate governance applications, the Diversity and Inclusion Policy and Related Party Transactions Policy were prepared in 2023. Operating in regions with different languages, religions, races and ethnic origins through its affiliates in Türkiye and abroad, BİM aims to establish a balanced and sustainable work culture throughout its organization by providing an understanding, safe and productive working environment brought about by diversity and inclusion. Furthermore, the Company believes that a diversified Board of Directors in terms of experience, know-how, skills, and expertise would be more effective in its decision making and contribute positively to the Company's success. Additionally, BİM aims to have female member/members in the Board of Directors until the end of 2027 in accordance with its Diversity and Inclusion Policy. BİM's Related Party Transactions Policy ensures that related party transactions follow market circumstances and comply with Capital Markets and Tax Law and other relevant regulations.

## BUSINESS ETHICS AND LEGAL COMPLIANCE

# The foundation of sustainability: Ethics

As BİM, we are committed to conducting our activities in an honest and ethical way, and we adopt a “zero tolerance approach” against bribery and corruption.



a zero tolerance approach to illegal activities for personal interest or on behalf of the Company, BİM has set ethical boundaries in the relations between its employees and the Company and between each other and has transparently set out its responsibilities towards its customers, suppliers and business partners, shareholders and the public, the environment, and society with its Basic Ethical Principles.

# 117

**Number of notifications received through Ethics Hotline in 2023**

As BİM, we aim to carry out our activities with an honest, reliable and fair approach towards all our stakeholders, and we care about creating a common business ethics culture among our employees. We published the BİM Basic Ethical Principles to guide all our stakeholders.

In this scope, it is essential that BİM employees act in a professional, fair and honest manner in all their business relations and fulfill their duties within the framework of basic moral and human values. Adopting

We pay attention to establish fair, transparent, responsible relations based on accountability principles with all our stakeholders in compliance with local and international legislation. Where the Basic Ethical Principles are insufficient, our Company's other policies and procedures, which serve as a guide for all BİM employees and managers to develop high ethical standards, provide guidance in situations that may be encountered in business life. We definitely believe that our employees will make the most appropriate and ethical decisions within common sense.

BİM attaches importance to the adoption of policies it develops in line with its vision and goals by its stakeholders. In this context, complaints received via the Ethics Hotline, which was established to report situations contrary to policies, are meticulously assessed. In this context, notifications of non-compliance can be made:

- by e-mail to [bimetik@kpmg.com.tr](mailto:bimetik@kpmg.com.tr),
- by telephone to 0 850 2208797, or
- by filling out a form on the website <https://etikdestekhatti.com/>.

In 2022, we launched the Ethics Hotline where our employees can anonymously report any unethical behavior they encounter. In 2023, BİM employees made 117 notifications through the Ethics Hotline.

You can access BİM Basic Ethical Principles [here](#).

### Anti-Bribery and Anti-Corruption

As BİM, we are committed to conducting our activities in an honest and ethical way, and we adopt a “zero tolerance approach” against bribery and corruption. BİM is committed to act professionally, fairly and honestly in all business agreements and relationships wherever it operates, including its subsidiaries over which it has management control, to establish and operate effective anti-bribery and anti-corruption systems, and to comply with all legal regulations. The Board of Directors of our Company is responsible for ensuring the implementation of BİM's Anti-Bribery and Anti-Corruption Policy.

BİM Anti-Bribery and Anti-Corruption Policy is available [here](#).



### Ethics and Compliance Trainings

Our employees participated in online ethics and compliance trainings held in 2023 via the mobile training platform on their smart devices. Our ethics and compliance trainings were assigned to 63,787 employees, 14,185 of whom left their jobs in this period. The training completion rate of 49,602 of our current employees was 90%. The 44,679 employees who completed the training spent a total of 7,400 hours in training. The average training time per person was 10 minutes.

90%

Completion rate of ethics and compliance training

7,400

Total hours of ethics and compliance training

### Ethics Hotline Reports

MAIN CATEGORY	SUBCATEGORY	NUMBER OF REPORTS
Employee Dissatisfaction	Manager Attitudes and Behaviors	94
Customer Dissatisfaction	Employee Negative Behaviors	22
Property Owner Dissatisfaction	Manager Attitudes and Behaviors	1
<b>Grand Total</b>		<b>117</b>



## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

### BOARD OF DIRECTORS

#### **Mahmud Muhammed Topbaş** *Chairman of the Board*

Mahmud Muhammed Topbaş started his professional career in 1995 as a manager at MKS Marmara Entegre Kimya Sanayi A.Ş. He later became a major partner in the establishment of Pro-Line Bilişim Sistemleri ve Ticaret A.Ş., an information technology (IT) venture, and later a partner in E-bebek, serving as Vice Chairman of the Board of Directors and Board Member of Avansas Ofis Malzemeleri Ticaret A.Ş. He was also appointed as the Chairman of the Board of Directors in the establishment of Evidea Mağazacılık A.Ş. and he is currently serving in this position. Muhammed Topbaş is married and has 3 children.

#### **Galip Aykaç** *Vice Chairman*

Galip Aykaç was born in 1957 in Yozgat Akdağmadeni. Having more than 18 years of professional experience in various executive positions at Gima, Türkiye's first organized retail chain, Aykaç started to work for BİM in 1997 as Purchasing Director. He is currently serving as Vice Chairman of the Board of Directors since 01 September 2023. Mr. Aykaç is also member of the Sustainability Committee. In Retail Sun Awards, the most prestigious awards of the retail sector, he received "The Most Successful Professional Manager in 2010" Award. Galip Aykaç is also Vice Chairman of the Turkish Retailing Council, established by The Union of Chambers and Commodity Exchanges. He served as the Chairman of the Board of Directors of the Food Retailers Association (GPD) between 2019-2022. According to the assessment of Fortune magazine, Mr. Aykaç

was rated as the third most successful business person in 2013 and 2014, as well as the second in 2015 ranking. In a research conducted by Xsights Research and Consultancy on behalf of Marketing Türkiye Magazine in 2013, Mr. Aykaç ranked 7<sup>th</sup> among "The Most Prestigious Executives in Business World." Finally, he received the "Leader of Food Retail Sector" Award at the retail days event in June 2022.

#### **Ömer Hulusi Topbaş** *Board Member*

Born in Istanbul in 1967, Ömer Hulusi Topbaş began his career as a sales executive at Bahariye Mensucat A.Ş., where he worked from 1985 to 1997. Employed at Naspak Ltd. from 1997 to 2000, he then served as Purchasing Manager for Seranit A.Ş. between 2000 and 2002. Since 2002 he has been the General Manager at Bahariye Mensucat A.Ş.

Ömer Hulusi Topbaş has been serving as a member of the Board of Directors at BİM since June 2005 and he is also member of the Sustainability Committee.

#### **Karl Heinz Holland** *Board Member*

Born in Augsburg/Germany in 1967. After graduation from Augsburg University of Applied Sciences, he started his career in 1991 at Lidl and learned retail there from scratch. In total Karl-Heinz worked more than 23 years for the Lidl Group, one of the leading food retailers in Europe. Holland served around 12 years on the Group Management Board of Lidl - from 2003 to 2008 as Chief Commercial Officer (CCO) and from 2008 to 2014 as Chief Executive Officer (CEO).

Karl Heinz is serving as Chairman of Takko Fashion, a European Discount Fashion retail chain. Since 2016, he supports The Boston Consulting Group as Senior Advisor on many of their retail projects all over the world and is also founder partner and chairman of Cleangang Holding in Germany.

Between 2016 and 2022, he was serving as Member and between 2021 and 2022 as Chairman of the Supervisory Board of Zooplus AG, the leading online pet food retailer in Europe. Holland served as a Member of the Supervisory Board of the X5 Retail Group, the leading grocery retailer in Russia between 2018-2021, and served as Board Member and CEO of DIA Group, a grocery retail chain in Spain, Portugal, Brazil and Argentina to lead the first phase of DIA's turnaround in 2019/2020. Additionally, Holland was Chairman of the Advisory Board of the DSD-Duales System Holding and Member of the Advisory Board of LetterOne Retail, London.

Karl Heinz has more than 30 years of experience in the retail industry; he is married and a German citizen, living in Germany.

#### **Ahmet Akça** *Independent Member of the Board*

Ahmet Akça studied mathematics at Middle East Technical University and sociology at Istanbul University and graduated from the Bursa Economics and Commercial Sciences Academy's Department of Economics in 1980.

From 1981 to 1988, he served as a Foreign Trade Manager in the glass and food industries. In 1988, he became the CEO of an international trading company, a position he held until 1992. He later started his own business, which he still runs. He is the founder and Chairman of the Board of Directors of the logistics company, Akça Lojistik Hizmetleri ve Ticaret A.Ş.

He was a member of the Committee of Trustees in April 2010, at the time of the establishment of Bezmialem Vakıf University and has served as the Chairman of the Committee of Trustees between November 2011 and June 2022.

In March 2013, Akça was appointed as a Board Member at Turkcell, by the Capital Markets Board, and he served as the Chairman of the Board of Directors at Turkcell between August 2013 and March 2020. He also served as Chairman of the Board of Directors and Audit Committee at Lifecell Ukraine between 2015-2020, Chairman of the Board of Directors at Global Tower between 2016-2020, Chairman of the Board of Directors at Enerjicell between 2017-2020 and Member of the Board of Directors at TOGG between 2018-2020.

Akça, who has also been the Chairman of the Board of Directors of the Tedarik Lojistik company since 2018, has been serving as the Independent Board Member of BİM as of May 2018 and he is also Chairman of the Audit Committee.

### **Paul Michael Foley**

#### ***Independent Board Member***

Born in London in 1958, Foley is currently serving as Independent Board Member at VOLI in Montenegro, Korzinka in Uzbekistan, and BİM Maroc.

Foley previously held Board positions at Fortenova (Konzum and Mercator) in the Balkans, Gippo in Belarus, AHT Cooling Systems in Austria, Inverto AG (a BCG company) in Germany, Iceland Foods in UK and at Eko Holdings in Poland.

Foley started his career with Bejam Frozen Foods in 1974 and has over 45 years of experience in retail management. The main bulk of his career was 23 years at Aldi Süd company, a privately held, German-headquartered global retailer, with operations in 10 countries covering Europe, the US and Australia, ending in 2012. During his tenure, Paul served on the company's international Board of Directors. He was the CEO for the UK and Republic of Ireland from 1999 -2009 as well as identifying and implementing new business opportunities, including market entry into new geographies. Paul is a British citizen residing in Austria and is married with 5 children.

Paul Foley is Independent Board Member of BİM, and he also has been serving as Chairman of Corporate Governance Committee, Chairman of Early Detection of Risk Committee, member of Audit Committee and Chairman of Sustainability Committee.

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Name and Surname	Independence	Date of Appointment and Term of Office	Role in the Board of Directors	Roles Outside the Company
Mahmud Muhammed Topbaş	Not Independent	01.09.2023 - 1 Year	Chairman of the Board of Directors	Board of Directors Memberships at Companies
Galip Aykaç	Not Independent	01.09.2023 - 1 Year	Vice Chairman of the Board, Member of the Sustainability Committee	
Ömer Hulusi Topbaş	Not Independent	16.05.2023 - 1 Year	Member of the Board of Directors, Member of the Sustainability Committee	General Manager at Bahariye Mensucat A.Ş.
Karl Heinz Holland	Not Independent	16.05.2023 - 1 Year	Board Member	Managing Director at Takko Fashion, Senior Consultant at The Boston Consulting Group, Co-Founder and CEO at Cleangang Holding
Ahmet Akça	Independent	16.05.2023 - 1 Year	Member of the Board of Directors, Chairman of the Audit Committee	Chairman of the Board of Directors of Akça Lojistik, Chairman of the Board of Trustees of Istanbul Bezmialem University, Chairman of the Board of Directors of Tedarik Lojistik
Paul Michael Foley	Independent	16.05.2023 - 1 Year	Member of the Board of Directors, Chairman of the Corporate Governance Committee, Chairman of the Early Detection of Risk Committee, Member of the Audit Committee and Chairman of the Sustainability Committee	Foley Retail Consulting (Retail Consulting)/ Austria Co-Founder, Konzum Plus/Croatia Chairman of the Board of Directors, Member of the Board of Auditors in Mercator/Slovenia, Voli/Montenegro and Korzinka/Uzbekistan

The Board of Directors convened 4 times in 2023. In addition, 26 occasions took place to make decisions with the consent of its members without holding an actual meeting as sanctioned in Article 390/4 of the Turkish Commercial Code. No counter vote was cast against the decisions taken. The attendance status of the members of the Board of Directors is listed below:

Board Member	Rate of Participation in Board of Directors Meetings
Mahmud Muhammed Topbaş*	100%
Galip Aykaç*	100%
Mustafa Latif Topbaş*	100%
Mahmud Pyarali Merali*	100%
Ömer Hulusi Topbaş	100%
Karl Heinz Holland	100%
Ahmet Akça	100%
Paul Michael Foley	100%

\*Based on the PDP disclosures dated September 01, 2023 and September 25, 2023, there were changes in the Board members.

In the General Assembly Meeting of 2022 held on May 16, 2023, the election of Board Members was made. The members of the Board of Directors and Executive Committee hold first-degree signature authorization, with the limits of their authority being specified by the Board of Directors and registered on June 02, 2023.

Pursuant to the decisions of the General Assembly, an honorarium is paid to the members of the Board of Directors. The company does not provide loans, credit, or other such benefits to the members of the Board of Directors or executives.

The total net amount of the financial rights such as honorarium, wage, premium and bonus that were paid to the Board of Directors, Senior Management and other directors comprised of 210 individuals in 2023 is TL 317,888,679 and directors are not given shares from the profit. All Members of the Board of Directors have directors & officers liability insurance.



## SENIOR MANAGEMENT

### Haluk Dortluoğlu

#### *Chief Executive Officer (CEO)*

Haluk Dortluoğlu graduated from Boğaziçi University, Department of Business Administration, and subsequently completed the Advanced Management Program (AMP) of Harvard Business School. After working for eight years at the independent audit firms Arthur Andersen and Ernst & Young, Dortluoğlu took the charge of Accounting Director of Turkish Airlines in 2003. Dortluoğlu, who has been the Chief Financial Officer (CFO) of BİM since 2005 and a Member of the Executive Committee since 2010, set up FİLE Markets, which were put into service in 2015. Dortluoğlu has been the Chairman of the Executive Committee of FİLE since its establishment. Additionally, Dortluoğlu has been appointed as the CEO of BİM Türkiye in September 2023. In addition to these duties, since 2021 Dortluoğlu has been the Chairman of the Board of Directors of BİM MAROC, which has been operating in Morocco, and a board member in FLO Mağazacılık since 2019. Haluk Dortluoğlu is married and has two children.

### Fatih Meriç

#### *Chief Financial Officer (CFO)*

Born in 1975 in İzmit, Fatih Meriç graduated from Boğaziçi University, Department of Business Administration.

Meriç held various positions at Eximbank, Toyota, Erdemir, Türk Telekom and TTNET, and most recently worked as CFO at SunExpress. Fatih Meriç has been appointed Chief Financial Officer (CFO) at BİM as of January 2024. He is married and has three children.

### Tolga Şahin

#### *Chief Operating Officer (COO)*

Born in 1977 in Niğde, Tolga Şahin graduated from Selçuk University, Department of Survey Technician and Anadolu University, Department of Economics.

In 2000, Şahin started his career at BİM as a store personnel and worked as Regional Responsible, Marketing Manager and Regional General Manager, respectively. In 2013, Şahin was appointed as a Member of the Operations Committee and General Purchasing Committee, and in July 2023, he became the Vice Chairman of the Operations Committee. Tolga Şahin was appointed as Chief Operating Officer (COO) in January 2024. He is married and has two children.

### Hasan Kaya

#### *Chief Human Resources Officer (CHRO)*

Born in 1974 in Kastamonu, Hasan Kaya graduated from Boğaziçi University, Department of Political Science and International Relations.

Kaya worked as Human Resources Group Manager at Yıldız Holding's Food and Beverage Group, Human Resources Director at Turkcell and Türk Telekom, and most recently as Head of Human Resources at Eksim Holding. Kaya has been appointed as the Chief Human Resources Officer (CHRO) at BİM as of February 2024. He is married and has three children.

### Umut Baba

#### *Chief Commercial Officer (CCO)*

Born in 1980 in İzmir, Umut Baba graduated from Bilkent University, Department of Economics and then studied at UC Berkeley in the USA.

He worked as Foreign Trade Sales Manager at Vestel and Purchasing General Manager at A101. In 2021, Baba started working as a member of the Operations Committee at BİM, and in 2023, he was appointed as Purchasing General Manager and General Purchasing Committee Member. Umut Baba has been appointed as the Chief Commercial Officer (CCO) in February 2024. He is married and has one child.

### Ali Can

#### *Chief Technology Officer (CTO)*

He was born in 1972 in Kocaeli. He graduated from Gazi University, Department of Electronics Education.

He worked as IT Officer at BİM between 2000-2014, and as IT Manager and IT Director at FİLE between 2014-2024, respectively. As of February 2024, he was appointed as the Chief Technology Officer (CTO) at BİM. He is married and has one child.

## BOARD COMMITTEES

Pursuant to the Corporate Governance Principles issued by the Capital Markets Board, an Audit Committee, a Corporate Governance Committee, and an Early Detection of Risk Committee have been formed within the Board of Directors. In addition, the Sustainability Committee was established in 2021 to monitor and manage the sustainability activities of the Company.

### Audit Committee

The Audit Committee was formed to ensure that the Board of Directors is carrying out its duties and responsibilities in a healthy manner and with the needs of the company in mind. The audit committee presents its reports to the Board of Directors on a quarterly basis. The members do not hold any other executive position at the Company.

Four reports were issued and submitted to the Board of Directors over the period. The reports issued include reviews to investigate whether the annual and interim financial statements reflect the facts in accordance with the accounting principles followed by the Company; no significant findings were obtained suggesting that legal regulations were not observed or that the Company's financial and operational situation does not reflect the facts, according to the results of such reviews.

**Ahmet Akça - Chairman**  
**Paul Michael Foley - Member**

### Corporate Governance Committee

Corporate Governance Committee has three members. One of the members holds an executive position as the Reporting and Investor Relations Director at the Company. The Corporate Governance Committee also assumes the duties and responsibilities of the Nomination Committee and the Remuneration Committee.

The Corporate Governance Committee meets at least once a year. The members of the Corporate Governance Committee are given below:

**Paul Michael Foley - Chairman**  
**Serkan Savaş - Member (Executive)**  
**Mahmud Merali - Member**

### Risk Committee

The members of the Early Detection of Risk Committee do not have executive duties/positions at the Company. The aim of the committee is to preemptively diagnose any risks that could endanger the existence, development, and continuity of the company, and to take necessary measures to mitigate these identified risks and manage the risks. Early Detection of Risk Committee presents reports to the Board of Directors every two months.

**Paul Michael Foley - Chairman**  
**Mahmud Merali - Member**

### Sustainability Committee

The Sustainability Committee has four members. Two of the members are Members of the Executive Board and have executive duties within the Company. The Sustainability Committee determines the Company's strategy, policy and objectives in the field of "Environmental, Social, Corporate Governance (ESG)" and ensures and monitors their implementation. The committee convenes at least twice a year.

**Paul Michael Foley - Chairman**  
**Ömer Hulusi Topbaş - Member**  
**Galip Aykaç - Member**  
**Haluk Dortluoğlu - Member**

The committees can make use of the independent expert opinions when necessary. Also in 2023, the Corporate Governance Committee has received support from independent experts and consultants for the design of a sustainability strategy and roadmap of the Company.

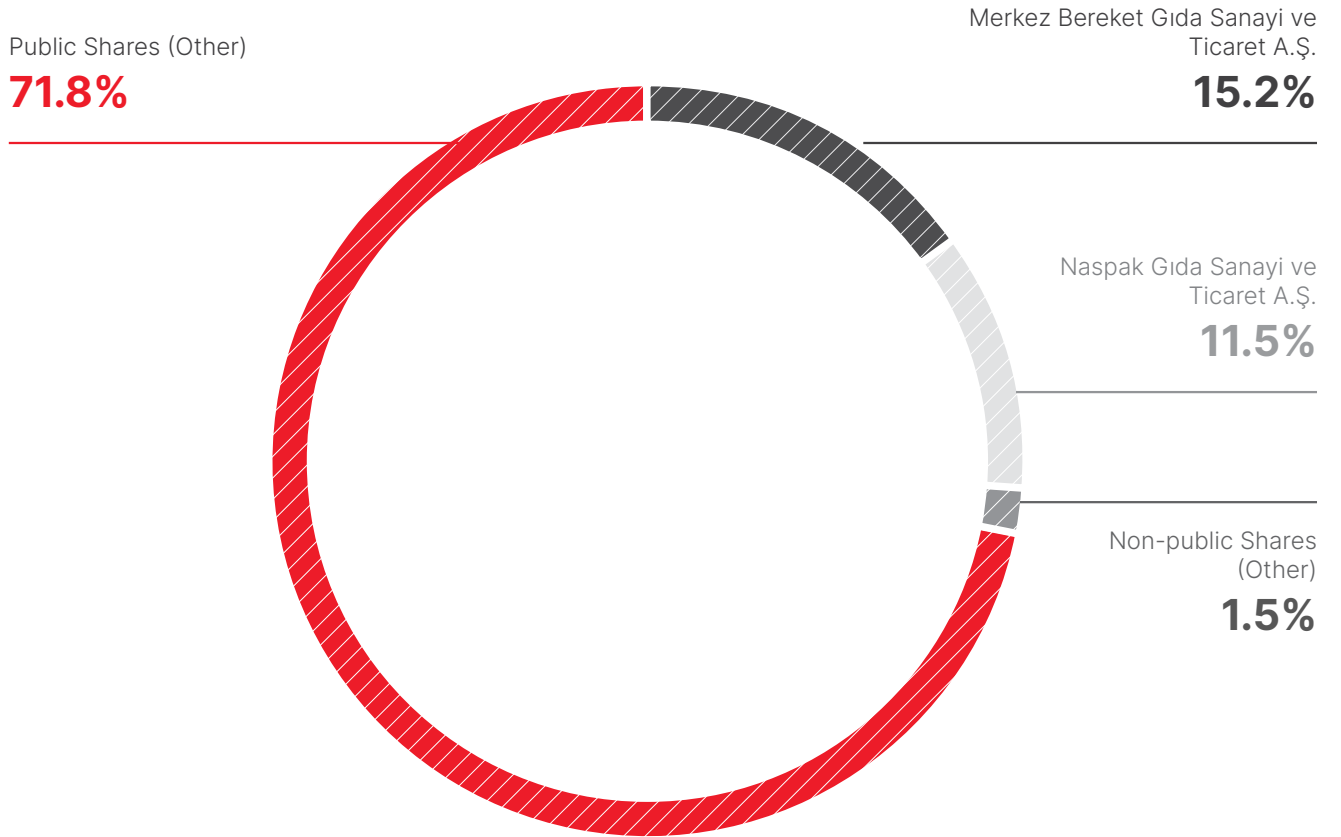
The Board of Directors thinks that the expected benefits were obtained from the activities of the committees during the year 2023.

The working principles of the committees and the names of their respective members were announced to the public through the Company's website <http://english.BİM.com.tr/Category/661/comittees.aspx>

## SHAREHOLDING STRUCTURE

### Shareholders Structure of BİM Birleşik Mağazalar A.Ş.

	2023	2022
Merkez Bereket Gıda Sanayi ve Ticaret A.Ş.	15.2%	15.2%
Naspak Gıda Sanayi ve Ticaret A.Ş.	11.5%	11.3%
Non-public Shares (Other)	1.5%	2.5%
Public Shares (Other)	71.8%	71.1%
	100.00%	100.00%





## INVESTOR RELATIONS

In our Company, the Investor Relations & Sustainability Department carries out investor relations activities within the framework of the Information Policy in order to accurately and promptly provide investors with the most correct and complete information in accordance with the CMB Legislation. Having made a total of 86 material event disclosures in 2023, the Unit reports to the Reporting and Investor Relations Directorate.

Under the Dividend Distribution Policy which was established in 2007 and updated in 2014 by our Company, at least 30% of the distributable profit to be calculated in accordance with the Turkish Commercial Law and regulations of the Capital Markets Board shall be distributed; however, actual dividend distributions were far above this rate. Dividends in the amount TL 3.036 million, which corresponds to 37% of the profit of 2022, were distributed in cash in 2023.

In 2023, as part of investor relations activities, we participated in five investor conferences and held approximately 121 meetings with investors.

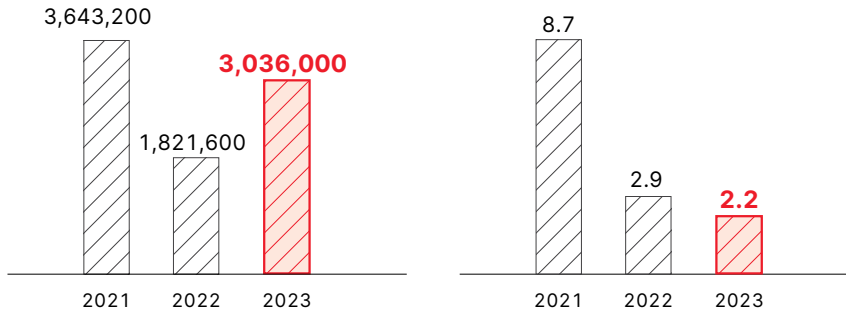
### Investor Relations Contact

Tel: +90 216 564 03 03  
E-mail: [ircontact@bim.com.tr](mailto:ircontact@bim.com.tr)  
Address: Abdurrahmangazi Mahallesi Ebubekir Caddesi  
No: 73 34887  
Sancaktepe/Istanbul-TÜRKİYE

### Cash Dividend Graph\*

Dividend Distributed (TL Thousand)

Dividend Yield (%)

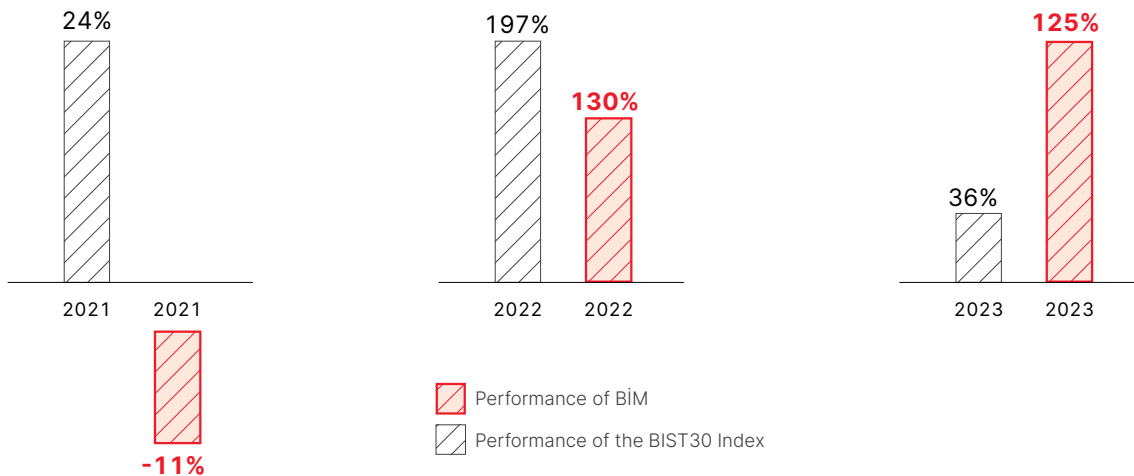


\*The graph expresses the dividend distributed from the profit of the previous year and the dividend yield in the related year.

## DIVIDEND YIELD

Dividends in the amount TL 3,036 million, which corresponds to 37% of the profit of 2022, were distributed in cash in 2023.

### The Comparison of BİM and BIST 30 Share Performance\*\*



\*\*BİM share performance variations have been calculated based on the adjusted share values.

## SHARE BUYBACK PROGRAMS

The share buyback program initiated with the decision of the Board of Directors dated February 2, 2023, ended with the General Assembly held on May 16, 2023. Within the scope of the program, 842,008 shares were purchased at an average share price of TL 130,89 until the date of the General Assembly. Together with the shares obtained from the share buyback programs initiated by the Company in previous years, the number of BİMAS shares owned reached 10,200,000 and the ratio of these shares to the Company's capital was 1.68%.

## RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

BİM Birleşik Mağazalar A.Ş. carries out its activities taking into account the risks to which it is exposed, as well as risk prevention measures. Within this framework, the risk management methods defined by the Board as per the risk appetite have become part of the Company's policies and procedures as well as its business processes.

In addition, and in accordance with the regulations of the Capital Markets Board and the relevant provisions of the Turkish Commercial Code, an Early Detection of Risk Committee has been established within the Company. This Committee is tasked with ensuring the early detection of risks that could endanger the existence, development, and future of the Company, and the implementation of necessary measures regarding such risks. The Committee has identified the types of risks that the Company may be exposed to and the associated risk indicators. Developments in these risk indicators are continuously monitored and analyzed, and appropriate risk prevention actions are regularly assessed.

The Company may be exposed to strategic, operational, credit/counterparty, currency, liquidity, compliance, reputation and sustainability risks due to its activities.

Strategic risk is the possibility of loss due to wrong choices made in the company strategy or mistakes in the implementation of the current strategy. The Company's strategic objective is to attain high productivity in the discount retailing industry, to expand into the countries where this concept can be applied in the future, and to serve consumers in those countries. Consistently offering quality products, increasing operational efficiency, providing discounted prices, increasing the ratio of private-label products in the product portfolio, and reducing costs by increasing the productivity of suppliers are also among the Company's objectives. Compliance with strategic objectives is closely monitored through supervision by the management and by means of the budget. Furthermore, customer preferences and the actions of other players in the market are closely monitored. Accordingly, the product portfolio is periodically reviewed and renewed in line with these needs. The Business Development Unit addresses new strategic issues, conducts research on projects with technological and digital aspects and evaluates the implementation processes of these projects. In addition, the Executive Board structure was abolished in 2023 and the CEO position was established, under which chairs were formed.

Thus, the Company aims to increase its capacity to make and implement strategic decisions.

In order to expand its market share in the retail sector, the company has implemented a business model targeting different customer segments with the FİLE brand. There are continuing efforts in the field of online shopping, which has grown significantly in the last period. Within this framework, FİLE started to offer home delivery and online sales services with a limited number of non-food products via the BİM market mobile application.

Operational risk is the risk of loss resulting from inadequate and unsuccessful business processes, employees and systems, or external events. The Company has established appropriate policies and procedures for business processes, has made functional segregation of duties within the organization, and has set up approval and authorization mechanisms as part of these processes. In addition, procedures have been put in place for the protection and reconciliation of physical assets. Effective reporting and monitoring practices also have been established.

## RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

Operational procedures and practices are regularly reviewed by the management and audit agencies. The development opportunities are assessed in terms of more efficient and productive operations, the favorable ones are put into effect. The Company's essential processes are carried out through a computer program that is widely used all over the world. In 2023, the new version of the program was commissioned, and its technological capability was increased.

Credit risk/counterparty risk refers to the risk that the Company may be exposed to due to the failure of the parties with whom it has commercial relations to fulfill their commitments. The Company may be exposed to these risks due to credit card receivables, money collected from stores by contracting companies, bank deposits, financial investments made and advances that may be paid to some suppliers. The Company has defined the selection procedures of parties with which it may be involved in a business relationship and has determined the information and documents to be obtained from these parties. In this way, the responsibilities for the commitments of the other party are examined before commencing business relations, and business relations are initiated with those considered appropriate. The Company works with reputable financial institutions. The operational and financial status of the subsidiaries and affiliates to which financial investments are made are closely monitored. Appropriate warranties are also taken for advance payments that are made as a natural process of the business.

Currency risk is the possibility of loss arising from the uncertainty caused by changes in exchange rates. The Company's transactions are for the most part in Turkish Lira, and assets and liabilities in foreign currencies are not significant. The Company is exposed to exchange rate risk mainly due to its operations in Morocco and Egypt. Their impact, however, is low.

Liquidity risk is the failure of assets owned by a company to meet the cash demand. The maturity alignment between the assets and liabilities is in favor of the Company. The liquidity requirement is closely monitored, asset and liability maturity adjustments are made, and sufficient cash reserves are maintained.

Compliance risk is the risk to suffer loss due to failure to fulfill legal obligations or the adverse effects resulting from changes in regulations on a company's operations. Based on its structure and operations, the Company is subject to various laws and regulations. In determining its policies and procedures, the Company has taken into consideration the requirements of the relevant legislation and has established its processes in compliance with these requirements. The amendments in relevant regulations are monitored through internal sources, consultants and sectoral associations. The potential effects are evaluated. The strategies and business procedures are revised if required.

The Company implemented a comprehensive policy to ensure full compliance with competition law, and in this scope, provided employees with regular competition law training and performed periodic audits.

Reputation risk refers to the current and potential impacts of negative public opinion on the Company. The company is mainly exposed to reputation risk based on products sold, customer services, employee relations and legislation. An effective control framework has been established for product and customer services with unconditional return policy, scheduled supplier inspections, product analyses and testing. In addition, all customer complaints are handled and finalized with precision. The regulations stipulated by labor legislation are complied with. The Company considers its employees as the key element for success and offers them an environment and career opportunity to improve themselves. Executive appointments are made mainly from internal human resources, which in turn enhance employee satisfaction.

Sustainability risk is the risk of financial, operational or reputational damage as a result of the inadequacy of the Company's business processes regarding the management of environmental or social issues or the occurrence of developments beyond the Company's control. Processes and risks related to sustainability are managed within the framework of a holistic and inclusive strategy. To this end, the sustainability targets of the Company have been determined and a road map that will be applied to achieve the targets has been developed. The process is carried out by working groups consisting of experts and managers under the leadership of the Sustainability Committee, which is affiliated to the Board of Directors.



As a result of the studies carried out, significant sustainability related processes such as product quality and safety, customer experience and satisfaction, packaging and food waste, climate change, bribery and corruption, business ethics, human rights and fair working conditions, as well as the risks associated with these processes have been determined. As part of the management of these risks, the Company has periodic laboratory analyzes conducted on the products and inspects the production facilities of its suppliers, with and without prior notification. It prioritizes customer satisfaction with its unconditional return policy and develops new business models in order to respond to the preferences of different customer groups. Renewable energy resources are used in energy consumption and projects for the reduction of packaging wastes are conducted in order to alleviate the impact of its operations on the environment.

Furthermore, food waste rate is defined among employees' performance criteria and monitored closely; thus, the food waste rate is considerably low. Ethical principles, anti-bribery and anti-corruption and whistleblowing policies have been established and acceptable business conduct has been defined in these policies and announced to employees and suppliers. An ethics hotline has been established in order to report possible violations in ethical matters and has been made available to employees and suppliers as of 2021. Employees are informed about the Ethics Hotline through regular trainings. All of the feedback received through the ethics line has been forwarded to the relevant units for investigation and has been largely resolved. In addition, regulations and practices for the protection of employee rights and the prevention of discrimination are governed by

personnel regulations, human rights policy, human resources policy and ethical principles.

In 2023, a comprehensive study was conducted to determine the earthquake risk that the Company may be exposed to and the condition of the buildings in high-risk areas where the stores were located was evaluated. In this scope, the buildings where stores are planned to be opened are also subjected to risk analysis.

The Company started to publish a sustainability report in 2020 in order to disclose its sustainability efforts to the public. A roadmap outlining long-term targets on ESG issues was established in 2022.

Risk exposures were closely monitored through predefined indicators within the year. The Early Detection of Risk Committee held six meetings covering 2023. The Committee has informed the Company's Board of Directors through reports regarding the outcomes they have reached and the assessments they have made.

BİM placed suitable internal control mechanisms against risks in the business processes. In addition, the Company also developed organizational structures, policies, job descriptions, procedures and monitoring practices.

The Company has an Internal Audit Unit tasked with assessing and developing the effectiveness of risk management, internal control, and corporate governance processes, helping the Company develop these and achieve its goals. The Internal Audit Unit operates under the Audit Committee, which consists of Independent Members of the Board of Directors. This unit identifies any major potential risks or deficiencies in internal control systems and identifies measures

to be taken to reduce these risks in the relevant management units. The unit then reports the actions taken and their outcomes to senior management and the Audit Committee.

All the activities of the Company are under the scope of the Internal Audit Unit. The activities are audited within the framework of annual plans prepared as a result of risk assessment. All phases of the internal audit process and the implementation procedures have been already defined. The activities of the Unit are carried out within this framework with the support of an international audit software. Internal audit activities are subject to an independent quality assessment once in five years. As a result of the assessments made in 2019, the activities were rated as "Generally Compatible," which is the highest level in terms of International Internal Auditing Standards and Code of Ethics.

The Internal Audit Unit presented their business plans, the situation of the existing activities according to this plan, the outcomes of their tasks, substantial risks and control issues, during the four meetings of the Audit Committee held in 2023.

## RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

### Climate Change-Related Risks and Opportunities

The organized retail sector in which BiM operates is one of the sectors feeling the effects of the climate crisis. In this context, the Company closely monitors the potential impacts of the climate crisis on its business processes. Having a proactive risk management approach, BiM incorporates efforts to prevent potential risks and evaluate opportunities into its strategic decision-making processes in order to design an agile and resilient system.

Climate-related risks are monitored by working groups consisting of experts and managers under the leadership of the Early Detection of Risk Committee and the Sustainability Committee reporting to the Board of Directors. The Committee continuously monitors and analyzes the types of non-financial risks to which the company may be exposed and the related risk indicators. It also evaluates the identification and implementation of appropriate risk actions. The Early Detection of Risk Committee is chaired by an Independent Board Member. The members of the Early Detection of Risk Committee do not have executive duties/positions at the Company. The aim of the committee is to preemptively diagnose any risks that could endanger the existence, development, and continuity of the company, and to take necessary measures to mitigate these identified risks and manage the risks.

The Early Detection of Risk Committee regularly evaluates the results of risk studies, while regularly informing the Board of Directors through reports regarding the outcomes they reached and the assessments they made. In parallel with the identified climate-related risks, the Board of Directors is responsible for determining, monitoring, and verifying management approaches and ensuring that BiM's overall sustainability performance is effective and in line with the targets. Climate change and all related sustainability issues are managed by the Sustainability Committee reporting to the Board of Directors. The Committee consists of the Vice Chairperson of the Board of Directors, two Board members and the Chief Executive Officer (CEO) and is chaired by an Independent Board Member. Climate change and related risks and opportunities are integrated into all strategic decision-making processes of the Company. BiM has developed a holistic approach to potential risks through organizational structure, policies, job descriptions, procedures, and monitoring practices by embedding appropriate internal control mechanisms into business processes against climate-related risks.

The outputs of risk analysis processes carried out to identify and assess climate-related risks and mitigate their potential impacts form the basis of the long-term business strategy of BiM. In this context, the Company shared information about the Task Force on Climate-related Financial Disclosures (TCFD) for the first time in its 2022 Sustainability Report, and includes this information in its Integrated Annual Report in 2023. As a result of the risk analysis conducted, climate-related transitional and physical risks are presented below.

### Transition Risks

The risks identified as BiM's climate-related transition risks include risks associated with the transition to a lower carbon economy, which may require policy, legal, technology, and market changes in parallel with climate change mitigation and adaptation efforts.

	Impact	Magnitude of Impact	Risk Mitigation Efforts
<b>Policy Risks and Legal Risks</b>	<p>In line with the new regulations that the developments in the European Union may cause in Türkiye, increase in costs and financial losses due to global and local regulations, penalties for non-compliance, or operational expenses incurred during the compliance process</p> <p>Financial losses due to fines for non-compliance with local and global regulations on sustainable agricultural practices and biodiversity or operational costs incurred during the compliance process</p> <p>Financial losses as a result of non-compliance with the EU's Green Claims directive, which aims to empower consumers for Green Transformation, and the directives of the Directorate General of Consumer Protection and Market Surveillance of the Turkish Ministry of Trade</p>	Very low	<p>Efforts to comply with local and international regulations are ongoing, and regulations that may affect BİM in the short, medium, and long term are closely monitored. We work closely with the Ministry of Environment, Urbanization and Climate Change on the Deposit Management System, Zero Waste Management System and other issues.</p> <p>We manage the climate crisis strategically within the framework of certain targets. In addition to the emission reduction targets, in 2023, Scope 3 emissions of identified critical suppliers, which were included in 2022, continued to be calculated and the scope was planned to be expanded.</p> <p>In 2023, BİM reported to the CDP Climate Change Program for the first time and received a C score.</p> <p>Details on BİM's management approach to the climate crisis and the projects implemented can be found in the section of the Most Precious Heritage: The Earth.</p> <p>The "Guideline on Advertisements Containing Environmental Declarations" issued by the Turkish Ministry of Trade, Directorate General of Consumer Protection and Market Surveillance includes regulations to protect consumers from unfair commercial practices that prevent them from making sustainable choices. In this respect, BİM avoids activities aimed at misleading consumers about the environmental declarations of its products in the statements it made within the scope of its sustainability activities and explains its activities accordingly.</p>
<b>Technological Risks</b>	<p>Reduced competitiveness and cost advantage due to failure to adapt to low carbon technologies such as renewable energy and energy efficiency</p> <p>40% of greenhouse gas emissions coming from refrigerants (F-gases), and Failure to switch to cooling technologies with low Global Warming Potential (GWP) impact</p>	Low-Medium	<p>BİM's performance management on energy efficiency is largely dependent on the electricity consumption of its stores. By increasing energy efficiency in its stores and warehouses, the Company both reduces its environmental impact and achieves financial savings. In this context, as part of the efforts to increase energy savings in stores, which started in 2020 and continued in 2023, actions such as the use of stone wool and high windows to ensure internal thermal insulation in stores, switching to LED lighting models instead of existing lighting to reduce energy consumption, and switching from MDF to metal in shelf systems are being taken. The Company also decided to introduce glass doors on vertical refrigerators as part of its efforts to increase energy efficiency in refrigerators in stores. Aiming to increase the rate of renewable energy consumption by reducing fossil fuel-based energy consumption, BİM expands its impact in this area and operates with the mission of becoming a company not only consuming renewable energy but also producing it. In addition, within the environmental management system, BİM İskenderun Regional Warehouse received the ISO 14001 Environmental Management System standard in 2022 and BİM aims to obtain this standard for other warehouses as well. In this scope, the Company has been installing solar power plants (SPPs) on the roofs of its regional warehouses since 2021 and continued this application also in 2023. Detailed information on this issue can be found in the Most Precious Heritage: The Earth section of the report.</p>
<b>Market Risks</b>	<p>Experiencing market share and thus financial losses in the case of failing to meet the increasing demand for sustainable products (products produced with good agricultural practices, organic agriculture, etc.)</p> <p>Loss of market share due to not using certified (responsible production, fair trade, organic products, sustainable products, etc.) raw materials and consumers not preferring products that cause deforestation</p> <p>Changes in raw material prices and financial losses or supply interruptions due to the physical impacts of the climate crisis</p>	Medium	<p>For BİM, "Responsible/Sustainable Products" include products that are produced and improved with innovative approaches by taking into account social and environmental factors as well as quality and economic criteria. Within the scope of the sustainable product definition it has developed, BİM is working to increase its diversity in the sustainable product category and thus aims to respond to changing consumer and market expectations.</p> <p>In order to ensure sustainable product supply, the risks in the regions where agricultural products with the highest share in net sales are grown and the risks of excessive precipitation, drought and seasonal variability on a product basis are regularly monitored and possible disruptions in the supply chain are prevented.</p>
<b>Reputation Risks</b>	<p>Revenue losses and talent losses that may occur as a result of damage to brand reputation due to failure to fulfill climate goals</p>	Low	<p>BİM transparently discloses its activities, sustainability strategy, targets, and performance.</p>

## RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

### Physical Risks

The climate-related physical risks that BİM has identified include immediate risks, including increased severity of extreme weather events such as hurricanes or floods caused by climate change, and longer-term changes in climate patterns that could lead to sea level rise or chronic heat waves.

	Impact	Magnitude of Impact	Risk Mitigation Efforts
<b>Acute Risks</b>	<p>As a result of increased frequency and severity of extreme weather events such as heat waves and floods:</p> <ul style="list-style-type: none"> <li>•Physical damage, loss of function, or loss of financial value of fixed assets,</li> <li>•Disrupted operational and manufacturing activities,</li> <li>•Cost increases</li> </ul> <p>As a result of the failure of direct and indirect suppliers to adapt to climate change and build physical resilience to extreme weather events:</p> <ul style="list-style-type: none"> <li>•Disrupted supply processes and reduced production capacity</li> <li>•Declined quality and production capacity of agricultural raw materials</li> <li>•Damaged natural ecosystems</li> <li>•Loss of revenue and increase in costs</li> </ul>	Low-Medium	<p>The Eskişehir Es-Global factory, which started its operations in 2024, and the Bircan Tarım production center, which is currently in operation, have a high water risk today according to the WRI Aqueduct Water Risk Atlas and a very high water risk according to the current business model scenario projected for 2030. The impact of this risk on BİM is also low as the production in question has a very low share in BİM's total turnover. Due to BİM's business model, the likelihood of BİM being affected by water risks is low since a water crisis does not pose an obstacle to the execution of warehouse and store operations and BİM has a high resilience against risks related to climate change due to the wide geographical spread of its operations.</p> <p>BİM aims to analyze the risks associated with climate change throughout its value chain. It is aimed to identify water stress risks that are anticipated to affect production activities and to prepare risk mitigation plans, especially for critical suppliers. It also works in collaboration with its suppliers and supports their development. BİM aims to maximize the sustainability of its supply chain through effective monitoring and auditing mechanisms. The Company monitors suppliers' production processes, controls their quality standards, and audits their compliance. This ensures the quality, reliability, and environmental and social compliance of products.</p>
<b>Chronic Risks</b>	<p>Due to long-term climate changes in average temperatures and precipitation patterns:</p> <ul style="list-style-type: none"> <li>•Disruptions in production capacity, quality, and indirect supply of critical raw materials used in production,</li> <li>•Financial loss due to decreased sales</li> <li>•Increased operational and insurance costs</li> <li>•Increased costs due to price fluctuations</li> </ul> <p>As a result of increased risks of water stress and forest fires in certain regions due to rising average temperatures:</p> <ul style="list-style-type: none"> <li>•Reduced product safety and quality due to disruptions in the production of critical raw materials,</li> <li>•Disrupted production and product supply processes due to price fluctuations,</li> <li>•Increased costs due to fluctuations in raw material prices</li> </ul>	Medium	<p>BİM applies a business model based on agricultural activities, with its food products accounting for approximately 75% of its net sales. Therefore, chronic risks associated with climate change are regularly analyzed in risk management processes. BİM carries out activities with its business partners to promote sustainable agricultural practices throughout its value chain. In order to ensure sustainable product supply, the risks in the regions where agricultural products with the highest share in net sales are grown and the risks of excessive precipitation, drought and seasonal variability on a product basis are regularly monitored and possible disruptions in the supply chain are prevented.</p>



## EMERGING NEW RISKS

### Packaging and Packaging Waste

**Possible Impacts:** Within the scope of Türkiye's harmonization process with the European Green Deal, the Circular Economy Action Plan (DEEP) studies are being carried out in order to strengthen Türkiye's institutional and technical capacity in the transition to circular economy in line with the European Union Plastics Strategy, Packaging and Packaging Waste Directive and the EU Circular Economy Model, and it is planned to prepare a National Strategy and Action Plan as a result of these studies. Accordingly, in addition to changing the design, production, use, and recycling of packaging products, it is expected that the new regulations, which will prevent the use of disposable packaging and promote biodegradable and recyclable packaging materials, will also impose legal obligations for companies operating in Türkiye in the short-/medium-term. In addition to legal regulations, the changing expectations of social and economic stakeholders, especially consumers, regarding packaging use and packaging waste continue to exert pressure on companies. The majority of the products in BİM's product portfolio use plastic and paper packaging. For this reason, the Company monitors possible new regulations that will directly affect its operations related to the use of plastic and paper packaging and integrates them into its risk analysis processes.

**Actions Taken:** With its efforts to reduce packaging use and waste, BİM prevented the consumption of 450 tons of plastic and 759 tons of paper in 2023 and achieved a total of 1.209 tons of resource efficiency as a result of its efforts to increase resource efficiency in packaging and spread sustainable raw material alternatives. With the planned improvements, BİM aims to reduce paper waste by 820 tons/year, plastic waste by 750 tons/year and use 480 tons/year of recycled plastic in its packaging in 2025.

### Changing consumer demands and responsible/sustainable products

**Possible impacts:** With the Covid-19 pandemic, increased interest in balanced nutrition and wellbeing has led to a shift in consumption preferences towards a healthy diet, in parallel with consumers' concerns about their personal health. Increasing number of consumers sensitive to products with allergenic ingredients and growing preference for organic products, vegan diets, portion control, and healthy alternatives are among the rising nutrition trends.

This market, which is growing year by year, poses new risks for companies operating in the food and retail sector. Among these risks, it is noteworthy that products such as plant-based, gluten-free, sugar-free, low-fat, low-salt, allergen-free (e.g. lactose-free) and organic products are not sufficiently included in the product portfolio in line with social sensitivity and consumer demands, and that sustainable and ethical production and responsible procurement processes that affect consumers' purchasing decisions are not embraced. Moreover, the lack of detailed and transparent label information on nutritional

content, packaging preferences, expiration dates, production processes, and food safety is considered a significant risk for the organized food retail sector in which BİM operates.

**Actions taken:** BİM provides quality and safe products at affordable prices, having them produced specially for its customers. Food safety is assured according to international standards. BİM's private label products, which account for 62% of its product portfolio, are produced in facilities certified by international food safety systems, while consumer health and safety-oriented audits are conducted for all products.

Furthermore, BİM is working to increase diversification in the sustainable product category that has been identified within the scope of the sustainable product definition it has developed. In 2023, the share of products in the sustainable product category in total turnover was 9.2% and this ratio is aimed to reach 10% by 2026. BİM provides consumers with information about the production stages of its BİM private label products through the QR code system, which it has switched to in order to increase information sharing and customer satisfaction. In line with the sustainability goals, BİM aims to increase the number of private-label products bearing QR codes to 10% of the total private-label product portfolio by 2026. Besides, necessary studies are being carried out to comply with the legislation within the scope of the obligation to sell gluten-free food products, which will enter into force as of the second half of 2024.

## AUDITOR'S REPORT ON THE EARLY DETECTION OF RISK SYSTEM AND COMMITTEE



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### To the Board of Directors of BİM Birleşik Mağazalar Anonim Şirketi.,

We have audited the Early Identification of the Risk System and Committee established by BİM Birleşik Mağazalar Anonim Şirketi.

### Responsibility of the Board of Directors

Pursuant to paragraph 1 of Article 378 of the Turkish Commercial Code 6102 ("TCC"), the board of directors is obliged to establish a committee of experts and operate and improve the system for the purposes of: early identification of factors posing a threat on the company's existence, development and continuation; implementation of necessary measures and solutions in this regard; and management of the risk.

### Responsibility of the independent auditor

Our responsibility is to express a conclusion on the Early Identification of the Risk System and Committee based on our audit. Our audit was conducted in accordance with TCC and the "Principles on the Independent Auditor's Report on Early Identification of the Risk System and Committee" and ethical requirements as announced by Public Oversight Accounting and Auditing Standards Authority ("POA") of Turkey. These Principles require us to determine whether the early identification of the risk system and committee has been established, and if established, to evaluate whether the system and committee operate in accordance with Article 378 of TCC. Our audit does not involve auditing the appropriateness of the solutions on the risks identified by the Early Identification of the Risk System and Committee and the practices performed by the management against the risks.

### Information Regarding the Early Identification of the Risk System and Committee

The Company established the Early Identification of the Risk System and Committee which consists of 2 members. For the period between January 1 – December 31, 2023, the committee has met for the purposes of early identification of factors posing a threat on the company's existence and development, implementation of necessary measures and solutions in this regard and the management of the risk; and has submitted the six reports it has prepared to the Board of Directors.

### Conclusion

Based on our audit, we have reached the conclusion that except for the matter(s) stated in the paragraph below, the early identification of the risk system and committee of BİM Birleşik Mağazalar Anonim Şirketi is, in all material respects, in compliance with article 378 of the TCC.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

  
Kaan Birdal, SMMM  
Partner

13 May 2024  
İstanbul, Türkiye

## REPORT ON TRANSACTIONS WITH RELATED PARTIES

In accordance with the Communiqué Serial: II-17.1, Article 10 of the Corporate Governance Communiqué by the Capital Markets Board, it is stated that in the case that the amount of prevailing and continuing transactions between the Company and its related parties in any accounting period is expected to be more than 10% of the cost of sales in accordance with the last annual financial statements announced to the public in purchasing transactions, or that the ratio of revenue to sales is expected to be more than 10% in sales transactions, it is obligatory for the Board of Directors to prepare a report on the conditions of transactions and provide a comparison with market conditions.

The report, which was prepared to examine the prevailing and continuing purchases from related institutions in 2023 in accordance with the relevant legislation, and to determine the suitability of similar transactions to be carried out in 2024, has been approved by the Board of Directors, and the aforementioned report will be presented to the shareholders at the General Assembly. The conclusion section of the report is provided below.

### Conclusion Section of the Report

In this report, which has been prepared by the Board of Directors based on the regulations made by the Capital Markets Board in the relevant communiqués, the related party transactions of BİM Birleşik Mağazalar A.Ş. have been evaluated and it has been concluded that the conditions of the common and continuous transactions carried out by BİM Birleşik Mağazalar A.Ş. in 2023 with the related parties determined under the International Accounting Standard No. 24 were not considerably different than their comparable and that conduct of prevailing and continuous purchases under similar conditions from the respective entities in 2024 is permissible.

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>Corporate Governance Compliance Report</b>						
<b>1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS</b>						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
<b>1.3. GENERAL ASSEMBLY</b>						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			X			In accordance with the Internal Directive on the Working Principles and Procedures of the General Assembly, the shareholders who are registered to the list of attendants or their representatives, board members, auditor, the Ministry representative and the persons to be elected or appointed to the presiding chair, are nominated to the Board of Directors, Members of the Executive Committee of the Company, those with responsibilities in the agenda, other company managers and employees invited to the meeting, voice and video reception officers, officers who provide services for Electronic General Assembly (EGKS) and other guests can join the meeting. On the other hand, if the stakeholders who are not included in the related directive wish to participate in the general meeting, the relevant demand is evaluated by the presidency and usually accepted. No any negativity detected regarding this issue.



	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>1.4. VOTING RIGHTS</b>						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	
<b>1.5. MINORITY RIGHTS</b>						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Articles of Association include a provision stipulating that the minority rights are to be used in compliance with the regulations of the Capital Markets Law and Capital Markets Board. Accordingly, no less than one twentieth of the capital was assigned for minority rights. There is not any proposal regarding this issue and no any conflict of interest detected. The Company does not have any short term plan to take action for this issue.
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					Due to the fact that the offering circular prepared for IPO in 2005, has been out for date, it does not appear on the website.
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
<b>2.2. ANNUAL REPORT</b>						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					Since the Company has not received any services in such areas as investment advisory and rating companies, the annual report does not contain any relevant issues.
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/ manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.		X				The company adopted an equal opportunity employment policy, but there is no succession planning for key executives.
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				The decisions that affect the employees are reported directly to the employees as soon as possible.

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				The Company aims to include women in the Board of Directors and increase their role. A policy has been adopted accordingly. There are no female members in the Board of Directors yet. However, the company aims to have female member/members in the Board
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
<b>4.4. BOARD MEETING PROCEDURES</b>						
4.4.1 -Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					



	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Although the duties of the members of the Board of Directors outside the Company are not bound to a certain rule, detailed resumes of the members and the duties they receive outside the Company are presented to the shareholders through annual report at the general assembly.
<b>4.5. BOARD COMMITTEES</b>						
4.5.5 - Board members serve in only one of the Board's committees.			X			In accordance with the structure of the Board of Directors of our company, some of the members of the Board of Directors may be present in more than one committee. No conflict of interest was detected. The company is evaluating the issue of increasing the number of independent board members.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.		X				Although there is no mechanism for the performance evaluation of the Board of Directors, the effectiveness of the Board of Directors are evaluated from time to time.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			Pursuant to the Corporate Governance Principles, remuneration paid to the members of the Board of Directors and executive managers and all other benefits granted, are publicly announced via annual report. However, the announcement is not made on an individual basis and the Company does not have any plans for this.

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

<b>1. SHAREHOLDERS</b>	
<b>1.1. Facilitating the Exercise of Shareholders Rights</b>	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	The company participated in 5 conferences in 2023 and organized 4 investor teleconferences regarding financial results and held 121 investor meetings.
<b>1.2. Right to Obtain and Examine Information</b>	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
<b>1.3. General Assembly</b>	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	<a href="https://www.kap.org.tr/en/Bildirim/1138987">https://www.kap.org.tr/en/Bildirim/1138987</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	No such transaction took place during the year.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	No such transaction took place during the year.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	<a href="https://www.kap.org.tr/en/Bildirim/1123892">https://www.kap.org.tr/en/Bildirim/1123892</a>
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations/Corporate Governance/Policies
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	<a href="https://www.kap.org.tr/en/Bildirim/431725">https://www.kap.org.tr/en/Bildirim/431725</a>
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	26
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Only the shareholders participated the General Assembly.
<b>1.4. Voting Rights</b>	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	None
The percentage of ownership of the largest shareholder	15.15%
<b>1.5. Minority Rights</b>	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	-
<b>1.6. Dividend Right</b>	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations/Corporate Governance/Policies
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	-
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
16.05.2023	0	74.74%	0.39%	74.36%	Investor Relations/ General Assembly Information	Investor Relations/ General Assembly Information	Article 8	0	<a href="https://www.kap.org.tr/en/Bildirim/1151711">https://www.kap.org.tr/en/Bildirim/1151711</a>

## 2. DISCLOSURE AND TRANSPARENCY

### 2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.

Investor Relations and About Us sections

If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.

Investor Relations / Shareholders

List of languages for which the website is available

Turkish and English

### 2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members

Board of Directors and Senior Management, Statement of Independence

b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure

Committees established under the Board of Directors

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings

Board of Directors and Senior Management - Executive Committee

ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation

Risk Management and Internal Control Mechanisms

d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof

There are no significant lawsuits filed against the company.

e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest

Such services are not received.

f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%

There are no mutual subsidiaries in which direct participation in capital exceeds 5%.

g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results

Human Resources and Corporate Social Responsibility

## 3. STAKEHOLDERS

### 3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy

The Company carries out the compensation related matters within the scope of the relevant provisions of the Labor Law.

The number of definitive convictions the company was subject to in relation to breach of employee rights

104

The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)

Internal Audit Director

The contact detail of the company alert mechanism

Non-compliance notifications can be done via e-mail to [bimetik@kpmg.com.tr](mailto:bimetik@kpmg.com.tr), by phone at +90 850 2208797 or, with the form to be filled in <https://etikdestekhatti.com/>

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

<b>3.2. Supporting the Participation of the Stakeholders in the Corporation's Management</b>	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Investor Relations/Corporate Governance/Policies
Corporate bodies where employees are actually represented	Audit Committee, Corporate Governance Committee, Occupational Health - Safety Committee and Sustainability Committee
<b>3.3. Human Resources Policy</b>	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	There is no succession plan.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Investor Relations / Corporate Governance / Policies
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Investor Relations / Corporate Governance / Policies
The number of definitive convictions the company is subject to in relation to health and safety measures	1
<b>3.5. Ethical Rules and Social Responsibility</b>	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations / Corporate Governance / Policies
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Investor Relations/Financial Reports/Annual Reports/Integrated Annual Report
Any measures combating any kind of corruption including embezzlement and bribery	The Company is committed to conduct its activities with an honest and ethical approach. As part of this, the Company adopts a zero-tolerance approach to bribery and corruption. In this regard, an Anti-Bribery and Anti-Corruption Policy has been established and there is an Ethics Hotline for reporting issues contrary to the policy. The policy is available on the Company's website under Investor Relations/Corporate Governance/ Policies.
<b>4. BOARD OF DIRECTORS-I</b>	
<b>4.2. Activity of the Board of Directors</b>	
Date of the last board evaluation conducted	Evaluated from time to time
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Mahmud Muhammed Topbaş was authorized as Chairman, and Galip Aykaç as Vice Chairman.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	11
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Risk Management and Internal Control Mechanisms
Name of the Chairman	Mahmud Muhammed Topbaş
Name of the CEO	Haluk Dortluoğlu - Chief Executive Officer
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	<a href="https://www.kap.org.tr/en/Bildirim/1197184">https://www.kap.org.tr/en/Bildirim/1197184</a>
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Investor Relations/Corporate Governance/Policies/Diversity and Inclusion Policy
The number and ratio of female directors within the Board of Directors	0



Composition of Board of Directors							
Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/He Is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has at Least 5 Years' Experience on Audit, Accounting and/or Finance or Not
Mahmud Muhammed Topbaş	Non-executive	Not independent director	31.08.2023	-	Not applicable	Not applicable	Not applicable
Galip Aykaç	Non-executive	Not independent director	31.08.2023	-	Not applicable	Not applicable	Not applicable
Mahmud P. Merali	Non-executive	Not independent director	4.04.2006	-	Not applicable	Not applicable	Not applicable
Ömer Hulusi Topbaş	Non-executive	Not independent director	1.06.2005	-	Not applicable	Not applicable	Not applicable
Karl-Heinz Holland	Non-executive	Not independent director	28.04.2021	-	Not applicable	Not applicable	Not applicable
Ahmet Akça	Non-executive	Independent director	25.04.2018	<a href="https://www.kap.org.tr/en/Bildirim/1138988">https://www.kap.org.tr/en/Bildirim/1138988</a>	Considered	No	Yes
Paul Michael Foley	Non-executive	Independent director	21.05.2019	<a href="https://www.kap.org.tr/en/Bildirim/1138988">https://www.kap.org.tr/en/Bildirim/1138988</a>	Considered	No	No

<b>4. BOARD OF DIRECTORS-II</b>	
<b>4.4. Meeting Procedures of the Board of Directors</b>	
Number of physical board meetings in the reporting period (meetings in person)	4
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	7 days
The name of the section on the corporate website that demonstrates information about the board charter	Investor relations/Corporate Governance/Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is none such policy.
<b>4.5. Board Committees</b>	
Page numbers or section names of the annual report where information about the board committees are presented	Committees established under the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	<a href="https://www.kap.org.tr/en/Bildirim/206977">https://www.kap.org.tr/en/Bildirim/206977</a> <a href="https://www.kap.org.tr/en/Bildirim/353650">https://www.kap.org.tr/en/Bildirim/353650</a> <a href="https://www.kap.org.tr/en/Bildirim/938513">https://www.kap.org.tr/en/Bildirim/938513</a>

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

<b>Composition of Board Committees-I</b>				
<b>Names of the Board Committees</b>	<b>Name of Committees Defined as "Other" in the First Column</b>	<b>Name-Surname of Committee Members</b>	<b>Whether Committee Chair or Not</b>	<b>Whether Board Member or Not</b>
Audit Committee	-	Ahmet Akça	Yes	Board member
Audit Committee	-	Paul Michael Foley	No	Board member
Corporate Governance Committee	-	Paul Michael Foley	Yes	Board member
Corporate Governance Committee	-	Serkan Savaş	No	Not board member
Committee of Early Detection of Risk	-	Paul Michael Foley	Yes	Board member
Committee of Early Detection of Risk	-	Mahmut Pyarali Merali	No	Not Board member
Sustainability Committee	-	Paul Michael Foley	Yes	Board member
Sustainability Committee	-	Ömer Hulusi TOPBAŞ	No	Board member
Sustainability Committee	-	Haluk DORTLUOĞLU	No	Not board member
Sustainability Committee	-	Galip AYKAÇ	No	Board member

<b>4. BOARD OF DIRECTORS-III</b>	
<b>4.5. Board Committees-II</b>	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Integrated Annual Report - Board Committees, website - Investor Relations/Corporate Governance/ Board Committees
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Integrated Annual Report - Board Committees, website - Investor Relations/Corporate Governance/ Board Committees
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The Corporate Governance Committee fulfills the duties of the nominating committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Integrated Annual Report - Board Committees, website - Investor Relations/Corporate Governance/ Board Committees
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The Corporate Governance Committee fulfills the duties of the Remuneration Committee.
<b>4.6. Financial Rights</b>	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Expectations and Achievements.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations/Corporate Governance/Policies/Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Board of Directors and Senior Management - Executive Committee

<b>Composition of Board Committees-II</b>					
<b>Names of the Board Committees</b>	<b>Name of Committees Defined as "Other" in the First Column</b>	<b>The Percentage of Non-executive Directors</b>	<b>The Percentage of Independent Directors in the Committee</b>	<b>The Number of Meetings Held in Person</b>	<b>The Number of Reports on Its Activities Submitted to the Board</b>
Audit Committee	-	100%	100%	5	5
Corporate Governance Committee	-	66.66%	33.33%	1	1
Committee of Early Detection of Risk	-	100%	50%	6	6
Sustainability Committee	-	75%	25%	1	1

## ORDINARY GENERAL ASSEMBLY MEETING AGENDA

The Ordinary General Assembly Meeting of BİM Birleşik Mağazalar Anonim Şirketi for 2022 was held on Tuesday May 16, 2023, at 11:00 am at the company headquarters at Abdurrahmangazi Mahallesi Ebubekir Caddesi No: 73 Sancaktepe, İstanbul. At the meeting, it was decided;

1. To be covered from the profit of 2022,
  - To distribute in cash gross TL 3,036,000,000 equivalent to 500% of the paid-in capital to partners,
  - Not to set aside primary reserves since the limits specified in article 519 of the TCC (Turkish Commercial Code) were reached,
  - To allocate TL 300,564,000 as secondary reserves,
  - To calculate the cash dividend distribution as “TL 1 Nominal value = 1 item = 1 lot”, and thereby, to pay gross = net TL 5.0 for the shareholders whose dividend income is not subject to stoppage and net TL 4.50 (gross TL 5.0) for other shareholders in terms of fully paid bearer shares of TL 1,
  - To distribute the cash dividend in two installments, the first installment being gross TL 2.00 for each share as of June 14, 2023 and the second installment being gross TL 3.00 for each share as of December 20, 2023,
2. To elect Mustafa Latif TOPBAŞ, Mahmud Pyarali MERALI, Ömer Hulusi TOPBAŞ, Karl-Heinz HOLLAND, Ahmet AKÇA (Independent) and Paul Michael FOLEY (Independent) as members of the Board of Directors for a period of 1 year and to pay them a monthly net attendance fee in the amount of TL 40.000,
3. To outsource the independent audit service to Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi in 2023.



## **ARTICLES OF ASSOCIATION AMENDMENTS**

There were no changes to the Articles of Association as of the reporting period.

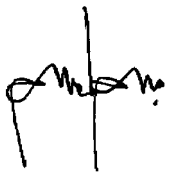
## STATEMENTS OF INDEPENDENCE

To the Board of Directors of BİM Birleşik Mağazalar A.Ş

Due to my "Independent Member" nomination and in accordance with the Corporate Governance Principles of the Capital Markets Boards; I declare that;

- a) There is no employment relationship of a managing position to assume important duties and responsibilities between me, my spouse and my relatives by blood and marriage up to the second degree, and BİM Birleşik Mağazalar A.Ş., partnerships under the management control or significant influence of BİM Birleşik Mağazalar A.Ş. and shareholders who have the management control of the Company or have substantial influence in the Company, as well as the legal persons whose management control is held by such shareholders, in the last five years; that I do own not more than 5% of the capital or voting rights or privileged shares, altogether or individually, or that there is no significant commercial relationship,
- b) I have not worked for those companies that carry out, in part or in full, the activities or organization of BİM Birleşik Mağazalar A.Ş. within the framework of existing agreements, primarily those that audit, rate, or provide consulting services for BİM Birleşik Mağazalar A.Ş., or have been a member of the Board of Directors at these companies within the past five years; I have not worked as an executive manager who would have important duties and responsibilities nor have I been a member of the Board of Directors or been a shareholder (with more than 5% of shares) in the companies that BİM Birleşik Mağazalar A.Ş. purchases significant amounts of products and services from or sells significant amounts of products and services to.
- c) I have the professional education, knowledge, and experience to carry out the duties I would assume as a result of becoming an independent member of the Board of Directors.
- d) I do not work full time for any public institution or organization, except any academic membership at any university (on the condition that it is compliant with the related legislation),
- e) I am considered a resident in Türkiye according to Income Tax Law, dated 31/12/1960 and numbered 193,
- f) I have strong ethical standards, professional reputation, and experience that would enable me to make positive contributions to the operations of BİM Birleşik Mağazalar A.Ş., enabling me to maintain impartiality during times of conflict of interest among the partners of the company, and to decide independently by taking the beneficiaries' rights into consideration.
- g) I shall devote enough time for the activities of BİM Birleşik Mağazalar A.Ş. to follow the operations of BİM Birleşik Mağazalar A.Ş. and to fully carry out the duties I would assume.
- h) I have not been a board member in BİM Birleşik Mağazalar A.Ş.'s Board of Directors for more than six years in the last ten years.
- i) I have not been an independent member of the Board of Directors in BİM Birleşik Mağazalar A.Ş. or in more than three of the companies controlled by the shareholders who control the management of BİM Birleşik Mağazalar A.Ş. and in more than five of the publicly traded companies in total,
- j) I have not been registered and announced on behalf of the juridical person elected as member of the Board of Directors.

Kind regards,



**Ahmet Akça**

To the Board of Directors of BİM Birleşik Mağazalar A.Ş

Due to my "Independent Member" nomination and in accordance with the Corporate Governance Principles of the Capital Markets Boards; I declare that;

- a) There is no employment relationship of a managing position to assume important duties and responsibilities between me, my spouse and my relatives by blood and marriage up to the second degree, and BİM Birleşik Mağazalar A.Ş., partnerships under the management control or significant influence of BİM Birleşik Mağazalar A.Ş. and shareholders who have the management control of the Company or have substantial influence in the Company, as well as the legal persons whose management control is held by such shareholders, in the last five years; that I do own not more than 5% of the capital or voting rights or privileged shares, altogether or individually, or that there is no significant commercial relationship,
- b) I have not worked for those companies that carry out, in part or in full, the activities or organization of BİM Birleşik Mağazalar A.Ş. within the framework of existing agreements, primarily those that audit, rate, or provide consulting services for BİM Birleşik Mağazalar A.Ş., or have been a member of the Board of Directors at these companies within the past five years; I have not worked as an executive manager who would have important duties and responsibilities nor have I been a member of the Board of Directors or been a shareholder (with more than 5% of shares) in the companies that BİM Birleşik Mağazalar A.Ş. purchases significant amounts of products and services from or sells significant amounts of products and services to.
- c) I have the professional education, knowledge, and experience to carry out the duties I would assume as a result of becoming an independent member of the Board of Directors.
- d) I do not work full time for any public institution or organization, except any academic membership at any university (on the condition that it is compliant with the related legislation),
- e) I have strong ethical standards, professional reputation, and experience that would enable me to make positive contributions to the operations of BİM Birleşik Mağazalar A.Ş., enabling me to maintain impartiality during times of conflicts of interest between the Company and shareholders, and to decide independently by taking the rights of the beneficiaries into consideration.
- f) I shall devote sufficient time for the activities of BİM Birleşik Mağazalar A.Ş. to follow the operations of BİM Birleşik Mağazalar A.Ş. and to fully carry out the duties I would assume.
- g) I have not been a board member in BİM Birleşik Mağazalar A.Ş.'s Board of Directors for more than six years in the last ten years.
- h) I have not been an independent member of the Board of Directors in BİM Birleşik Mağazalar A.Ş. or in more than three of the companies controlled by the shareholders who control the management of BİM Birleşik Mağazalar A.Ş. and in more than five of the publicly traded companies in total,
- i) I have not been registered and announced on behalf of the juridical person elected as member of the Board of Directors.

I hereby declare the above-mentioned matters.

Kind regards,



**Paul Michael Foley**

## **STATEMENT OF RESPONSIBILITY OF THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

### **RESOLUTION OF THE BOARD ON THE APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

**DATE OF RESOLUTION: 13 May 2024**

**RESOLUTION NO: 963/24**

### **STATEMENT OF RESPONSIBILITY**

**AS PER THE 9<sup>TH</sup> ARTICLE OF THE SECOND SECTION OF THE CAPITAL MARKETS BOARD COMMUNIQUE NO.14.1  
SERIES: II**

Our consolidated financial statements and related footnotes, and the consolidated annual report issued for the accounting period between the 1<sup>st</sup> of January and the 31<sup>st</sup> of December 2023, as per the Capital Markets Board's (CMB) "Communiqué II-14.1. (Communiqué) on the Principles of Financial Reporting in Capital Markets;"

Were reviewed by us and them;

Do not include any statements about any material matters that would be contrary to facts and do not have any imperfections that could be misleading as of the date the statement was made, within the framework of the information we have obtained in our area of duty and responsibility at our company; and

The consolidated financial statements, issued in accordance with the applicable financial reporting standards, truly reflect the facts about the Company's assets, liabilities, financial situation, and profit and loss and that the annual report truly reflects the progress of the business, the performance of the Company, the consolidated financial situation of the Company, significant risks and uncertainties the Company faces, within the framework of the information we have obtained in our area of duty and responsibility at our company,

We hereby declare the above-mentioned matters.

Respectfully,

BİM Birleşik Mağazalar A.Ş.



# INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT



Güney Bağımsız Denetim ve ŞMMM A.Ş.  
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ey.com  
Ticaret Sicil No: 479920  
Mersis No: 0-4350-3032-6000017

## To the Shareholders of BİM Birleşik Mağazalar Anonim Şirketi Company

### 1) Opinion

We have audited the annual report of BİM Birleşik Mağazalar Anonim Şirketi Company ("the Company") and its subsidiaries ("the Group") for the period of 1 January 2023-31 December 2023.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

### 2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated 13 May 2024 on the full set consolidated financial statements of the Group for the period of 1 January 2023-31 December 2023.

### 4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- The annual report also includes the matters below:
  - Subsequent events occurred after the end of the fiscal year which have significance,
  - The research and development activities of the Group,
  - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

## INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT



### 5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Kaan Birdal.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited



Kaan Birdal, SMMM  
Partner

13 May 2024  
İstanbul, Türkiye

(Convenience translation of the consolidated  
financial statements originally issued in Turkish)

## **BİM BİRLEŞİK MAĞAZALAR A.Ş.**

CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2023  
TOGETHER WITH AUDITOR'S REPORT



Güney Bağımsız Denetim ve SMMM A.Ş.  
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Ticaret Sicil No : 479920  
Mersis No: 0-4350-3032-6000017

**(Convenience translation of a report and consolidated financial statements originally issued in Turkish)**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of BİM Birleşik Mağazalar Anonim Şirketi**

### **A) Report on the Audit of the Consolidated Financial Statements**

#### **1) Opinion**

We have audited the consolidated financial statements of BİM Birleşik Mağazalar Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

#### **2) Basis for Opinion**

We conducted our audit in accordance with the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) and adopted within the framework of Capital Markets Board (CMB) regulations. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* (Code of Ethics) as issued by the POA and other ethical principles included in CMB legislation, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**3) Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Application of TFRS 16, "Leases", its impacts on the consolidated financial statements and notes to the consolidated financial statements</b></p> <p>The Group has right-of-use assets amounting to TRY 37.753.739 thousand and lease liabilities amounting to TRY 22.337.958 thousand in its consolidated financial statements.</p> <p>The amounts recognized as a result of the adoption of TFRS 16 are significant for the consolidated financial statements and the determination of the accounting policy requires the assessment of the Group management. In addition, the measurement of the right of use assets and financial lease liabilities are based on significant estimates and assumptions of the management. The substantial part of these estimates are interest rates used to discount cash flows and assessment of options to extend or terminate lease contracts.</p> <p>Therefore, the impacts of the first-time adoption of TFRS 16 on the consolidated financial statements and the notes to the consolidated financial statements are determined as a key audit matter for our audit.</p> <p>Explanations regarding TFRS 16 are made in Notes 6 and 12.</p>	<p>The audit procedures performed in relation to the application of TFRS 16 include a combination of validation of key controls in leasing process and substantive tests.</p> <p>The completeness of the contract lists obtained from the Group management is evaluated. It is evaluated whether the contracts defined as lease contracts are within the scope of TFRS 16.</p> <p>The right of use assets and related financial lease liabilities recognised in the consolidated financial statements are recalculated by using rates such as interest rate, rent increase rate etc. for the selected lease contracts that are in scope of TFRS 16.</p> <p>The lease contracts used in the calculation of right of use assets and financial lease liabilities are selected on a sample basis and the compliance of the discount rates, term of the lease contracts and the assessment of the extension options applied if such options exist with the provision of the contract are tested.</p> <p>The disclosures in the consolidated financial statements in relation to the application of TFRS 16 is tested and the adequacy of such disclosures are evaluated.</p>



**(Convenience translation of a report and consolidated financial statements originally issued in Turkish)**

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>The Group operates in hard discount retail markets on domestic and abroad with 12.482 stores in total as of 31 December 2023.</p> <p>In addition to being the most important financial statement line item for the retail industry, revenue is one of the most important criteria for evaluation of performance and results of strategies applied by the management.</p> <p>Revenue, amounting to TRY 328.441.924 thousand for the year ended 31 December 2023 is material to the financial statements and its audit is a key audit matter since the completeness and accuracy of revenue transactions are difficult to audit due to the high volume of transactions, due to number of stores and the high number of sales points.</p> <p>Explanations regarding Revenue are made in Notes 18</p>	<p>The audit procedures performed include a combination of validation of key controls in revenue recognition process, substantive tests and analytical procedures.</p> <p>The revenue recognition process was understood by way of inquiries with the process owners and the design effectiveness, implementation and operating effectiveness of key controls were evaluated with the support of our experts in Information Technology ("IT").</p> <p>Access to programs, program changes and program development controls were tested by our IT experts.</p> <p>The controls of accounting entry of sales data to make sure that it can only be performed by the approval of accounting department, automatic transfers of sales data to accounting system, sales prices to cashboxes and sales transactions of stores to the accounting system at the end of the day were tested to make sure that pricing and invoicing of revenue are complete and accurate.</p> <p>Testing on a sample basis was performed for recognition of daily transfers made to the cash boxes.</p> <p>Substantive analytical procedures were performed in order to assess the variance in revenue.</p> <p>Annual inflation rate used in the analytics was obtained from independent sources, the square meters were tested by tracing to documents of stores on a sample basis. Thus, the reliability of data used was validated. Product and category-based sales and gross margins were compared to prior periods and their consistency was evaluated.</p>



**(Convenience translation of a report and consolidated financial statements originally issued in Turkish)**

Key audit matter	How our audit addressed the key audit matter
<p><b>Application of the hyperinflationary accounting</b></p> <p>As stated in Note 2 to the consolidated financial statements, the Group has started to apply "IAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per IAS 29 as of December 31,2023.</p> <p>In accordance with IAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in IAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in Note 2.</p> <p>Given the significance of the impact of IAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> <li>• We inquired management responsible for financial reporting on the principles, which they have considered during the application of IAS 29, identification of non-monetary accounts and tested IAS 29 models designed,</li> <li>• We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations,</li> <li>• We have audited the restatements of corresponding figures as required by IAS 29,</li> <li>• We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with IAS 29.</li> </ul>



**(Convenience translation of a report and consolidated financial statements originally issued in Turkish)**

**4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



**(Convenience translation of a report and consolidated financial statements originally issued in Turkish)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**(Convenience translation of a report and consolidated financial statements originally issued in Turkish)**

**B) Report on Other Legal and Regulatory Requirements**

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on May 13, 2024.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Kaan Birdal.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

Kaan Birdal, SMMM  
Partner  
May 13, 2024 İstanbul, Türkiye

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(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

## BİM BİRLEŞİK MAĞAZALAR A.Ş.

### Consolidated Balance Sheets at December 31, 2023 and December 31, 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

<b>ASSETS</b>			
		<b>Audited</b>	<b>Audited</b>
	<b>Notes</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Current assets</b>		<b>54.458.958</b>	<b>46.717.906</b>
<b>Cash and cash equivalents</b>	<b>4</b>	<b>3.606.782</b>	<b>3.594.938</b>
<b>Financial investments</b>	<b>5</b>	<b>3.381.545</b>	<b>3.315.819</b>
<b>Trade receivables</b>		<b>16.125.030</b>	<b>11.656.606</b>
- Trade receivables from third parties	7	16.125.030	11.656.606
<b>Other receivables</b>	<b>8</b>	<b>197.958</b>	<b>181.067</b>
- Other receivables from related parties		1.023	1.628
- Other receivables from third parties		196.935	179.439
<b>Inventory</b>	<b>9</b>	<b>27.327.716</b>	<b>24.400.577</b>
<b>Prepaid expenses</b>	<b>14</b>	<b>2.096.998</b>	<b>1.743.024</b>
<b>Other current assets</b>	<b>16</b>	<b>1.722.929</b>	<b>1.825.875</b>
<b>Non-current assets</b>		<b>93.673.773</b>	<b>79.383.048</b>
<b>Financial investments</b>	<b>5</b>	<b>4.413.585</b>	<b>3.447.939</b>
<b>Other receivables</b>		<b>137.260</b>	<b>90.867</b>
- Other receivables from third parties		137.260	90.867
<b>Property, plant and equipment</b>	<b>10</b>	<b>49.639.441</b>	<b>45.058.844</b>
<b>Intangible assets</b>		<b>182.157</b>	<b>196.325</b>
- Other Intangible assets	11	160.043	174.211
- Goodwill		22.114	22.114
<b>Right of use assets</b>	<b>12</b>	<b>37.753.739</b>	<b>29.743.209</b>
<b>Prepaid expenses</b>	<b>14</b>	<b>1.477.939</b>	<b>751.274</b>
<b>Deferred tax assets</b>	<b>25</b>	<b>69.652</b>	<b>94.590</b>
<b>Total assets</b>		<b>148.132.731</b>	<b>126.100.954</b>

The accompanying notes form an integral part of these consolidated financial statements.



(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

## BİM BİRLEŞİK MAĞAZALAR A.Ş.

### Consolidated Balance Sheets at December 31, 2023 and December 31, 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

<b>LIABILITIES</b>			
	<b>Notes</b>	<b>Audited December 31, 2023</b>	<b>Audited December 31, 2022</b>
<b>Current liabilities</b>		<b>54.073.990</b>	<b>47.471.057</b>
<b>Short-term liabilities</b>	<b>6</b>	<b>4.658.830</b>	<b>4.037.553</b>
- Lease liabilities		4.658.830	4.037.553
<b>Trade payables</b>		<b>45.144.521</b>	<b>40.773.467</b>
- Trade payables due to related parties	28	2.945.307	4.092.521
- Trade payables due to third parties	7	42.199.214	36.680.946
<b>Other payables</b>		<b>868</b>	<b>1.434</b>
- Other payables due to third parties		868	1.434
<b>Deferred income</b>	<b>14</b>	<b>347.391</b>	<b>235.370</b>
<b>Payables related to employee benefits</b>		<b>1.068.735</b>	<b>716.345</b>
<b>Short term provisions</b>		<b>591.314</b>	<b>391.117</b>
- Provision for employee benefits	13	243.305	184.292
- Other short-term provisions	13	348.009	206.825
<b>Current income tax liabilities</b>	<b>25</b>	<b>1.400.147</b>	<b>585.295</b>
<b>Other current liabilities</b>	<b>16</b>	<b>862.184</b>	<b>730.476</b>
<b>Non-current liabilities</b>		<b>24.317.006</b>	<b>20.322.548</b>
<b>Long - term liabilities</b>	<b>6</b>	<b>17.679.128</b>	<b>15.588.299</b>
- Lease liabilities		17.679.128	15.588.299
<b>Non - current provisions</b>		<b>1.199.093</b>	<b>1.640.059</b>
- Provision for employee benefits	15	1.199.093	1.640.059
<b>Deferred tax liabilities</b>	<b>25</b>	<b>5.438.785</b>	<b>3.094.190</b>
<b>Equity</b>		<b>69.741.735</b>	<b>58.307.349</b>
<b>Paid-in share capital</b>	<b>17</b>	<b>607.200</b>	<b>607.200</b>
<b>Adjustments to share capital</b>	<b>17</b>	<b>3.823.414</b>	<b>3.823.414</b>
<b>Treasury Shares</b>	<b>17</b>	<b>(2.319.695)</b>	<b>(2.155.648)</b>
<b>Other comprehensive income/(expense) not to be reclassified to profit or loss</b>		<b>11.405.824</b>	<b>11.545.911</b>
- Property, plant and equipment revaluation fund	10,17	11.356.219	11.580.522
- Defined benefit plans revaluation fund loss		(1.349.785)	(828.859)
- Fair value increases in available-for-sale financial assets		1.399.390	794.248
<b>Other comprehensive income/(expense) to be reclassified to profit or loss</b>		<b>(1.159.293)</b>	<b>(759.929)</b>
- Foreign currency exchange difference		(1.159.293)	(759.929)
<b>Restricted reserves</b>		<b>7.716.465</b>	<b>7.138.932</b>
<b>Retained earnings</b>		<b>33.597.335</b>	<b>20.952.338</b>
<b>Net income for the period</b>		<b>15.440.733</b>	<b>16.596.239</b>
<b>Equity holders of the parent</b>		<b>69.111.983</b>	<b>57.748.457</b>
<b>Non-controlling interests</b>		<b>629.752</b>	<b>558.892</b>
<b>Total liabilities</b>		<b>148.132.731</b>	<b>126.100.954</b>

The accompanying notes from an integral part of these consolidated financial statements.

(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

## BİM BİRLEŞİK MAĞAZALAR A.Ş.

### Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Periods Ended December 31, 2023 and 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

	Notes	Audited January 1 - December 31 2023	Audited January 1 - December 31 2022
<b>PROFIT OR LOSS</b>			
Revenue	18	328.441.924	279.252.910
Cost of sales(-)	18	(276.759.269)	(237.182.345)
<b>GROSS PROFIT</b>		<b>51.682.655</b>	<b>42.070.565</b>
Marketing expenses (-)	19	(42.214.147)	(32.672.797)
General administrative expenses (-)	19	(6.109.712)	(3.887.274)
Other operating income	21	1.507.063	652.216
Other operating expense (-)	21	(905.780)	(361.172)
<b>OPERATING PROFIT</b>		<b>3.960.079</b>	<b>5.801.538</b>
Income related to investing activities	24	1.157.821	730.315
Expense related to investing activities (-)	24	(309.458)	-
<b>OPERATING PROFIT BEFORE FINANCIAL EXPENSES</b>		<b>4.808.442</b>	<b>6.531.853</b>
Financial income	22	394.967	434.042
Financial expense (-)	23	(2.777.179)	(2.525.075)
Monetary gain		19.618.382	14.852.212
<b>PROFIT BEFORE TAX FROM CONTINUED OPERATIONS</b>		<b>22.044.612</b>	<b>19.293.032</b>
- Current tax expense	25	(4.121.772)	(2.830.225)
- Deferred tax income	25	(2.477.551)	136.625
<b>PROFIT FROM CONTINUED OPERATIONS</b>		<b>15.445.289</b>	<b>16.599.432</b>
<b>NET INCOME FOR THE PERIOD</b>		<b>15.445.289</b>	<b>16.599.432</b>
<b>Profit for the period attributable to</b>			
Equity holders of the parent		15.440.733	16.596.239
Non-controlling interest	27	4.556	3.193
<b>Earnings per share</b>			
Earnings per share from continued operations (Full TRY)	26	25,86	27,75
<b>OTHER COMPREHENSIVE GAIN/LOSS</b>			
<b>Items not to be reclassified to profit/(loss)</b>		<b>(140.087)</b>	<b>11.545.911</b>
Defined Benefit Pension Plan Revaluation (Loss), Net		(520.926)	(828.859)
Revaluation of Available for Sale Financial Assets Gain/(losses), Net		605.142	794.248
Gain/(losses) on revaluation of Property, Plant and Equipment, After Tax		(224.303)	11.580.522
<b>Items to be reclassified to profit /(loss):</b>		<b>(275.870)</b>	<b>(571.007)</b>
Currency exchange difference		(275.870)	(571.007)
<b>Other Comprehensive Income</b>		<b>(415.957)</b>	<b>10.974.904</b>
<b>Total comprehensive income</b>		<b>15.029.332</b>	<b>27.574.336</b>
<b>Total comprehensive income attributable to</b>			
Non-controlling interest	27	128.050	72.246
Equity holders of the parent		14.901.282	27.502.090

The accompanying notes form an integral part of these consolidated financial statements.

(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

## BİM BİRLEŞİK MAĞAZALAR A.Ş.

### Consolidated Statement Of Changes In Shareholders' Equity for the Periods Ended December 31, 2023 and 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

	Audited												
	Other comprehensive income not to be reclassified to profit or loss						Retained earnings						
	Paid-in share capital	Adjustments to share capital	Treasury shares	Restricted reserves	Fair value changes in available-for-sale financial assets	Property, plant and equipment revaluation fund	Actuarial loss on defined benefit plans	Foreign currency exchange differences	Retained earnings	Net income for the period	Equities of the Parent	Non-controlling interests	Total equity
Balance at January 1, 2022	607,200	3,823,414	(1,989,528)	6,670,991	-	-	-	(119,869)	16,658,928	7,937,408	33,588,544	550,701	34,139,245
Transfers	-	-	-	295,148	-	-	-	-	7,642,260	(7,937,408)	-	-	-
Increase/decrease due to acquisition of treasury shares	-	-	(166,120)	166,120	-	-	-	-	(166,120)	-	(166,120)	-	(166,120)
Dividend paid (Note 17)	-	-	-	-	-	-	-	-	(3,182,730)	-	(3,182,730)	(64,055)	(3,246,785)
Increase Due to Other Changes	-	-	-	6,673	-	-	-	-	-	-	6,673	-	6,673
Net income for the period	-	-	-	-	-	-	-	-	16,596,239	16,596,239	16,596,239	3,193	16,599,432
Other Comprehensive income	-	-	-	-	794,248	11,580,522	(828,859)	(640,060)	-	-	10,905,851	69,053	10,974,904
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>794,248</b>	<b>11,580,522</b>	<b>(828,859)</b>	<b>(640,060)</b>	<b>-</b>	<b>16,596,239</b>	<b>27,502,090</b>	<b>72,246</b>	<b>27,574,336</b>
Balance at December 31, 2022	607,200	3,823,414	(2,155,648)	7,138,932	794,248	11,580,522	(828,859)	(759,929)	20,952,338	16,596,239	57,748,457	558,892	58,307,349
<b>Balance at January 1, 2023</b>	<b>607,200</b>	<b>3,823,414</b>	<b>(2,155,648)</b>	<b>7,138,932</b>	<b>794,248</b>	<b>11,580,522</b>	<b>(828,859)</b>	<b>(759,929)</b>	<b>20,952,338</b>	<b>16,596,239</b>	<b>57,748,457</b>	<b>558,892</b>	<b>58,307,349</b>
Transfers	-	-	-	413,486	-	-	-	-	16,182,753	(16,596,239)	-	-	-
Increase/decrease due to acquisition of treasury shares	-	-	(164,047)	164,047	-	-	-	-	(164,047)	-	(164,047)	-	(164,047)
Increase Due to Other Changes	-	-	-	-	-	-	-	-	59,879	-	59,879	-	59,879
Dividend paid (Note 17)	-	-	-	-	-	-	-	-	(3,433,588)	-	(3,433,588)	(57,190)	(3,490,778)
Net income for the period	-	-	-	-	-	-	-	-	15,440,733	15,440,733	15,440,733	4,556	15,445,289
Other comprehensive income	-	-	-	-	605,142	(224,303)	(520,926)	(399,364)	-	-	(539,451)	123,494	(415,957)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>605,142</b>	<b>(224,303)</b>	<b>(520,926)</b>	<b>(399,364)</b>	<b>-</b>	<b>15,440,733</b>	<b>14,901,282</b>	<b>128,050</b>	<b>15,029,332</b>
<b>Balance at December 31, 2023</b>	<b>607,200</b>	<b>3,823,414</b>	<b>(2,319,695)</b>	<b>7,716,465</b>	<b>1,399,390</b>	<b>11,356,219</b>	<b>(1,349,785)</b>	<b>(1,159,293)</b>	<b>33,597,335</b>	<b>15,440,733</b>	<b>69,111,983</b>	<b>629,752</b>	<b>69,741,735</b>

The accompanying notes form an integral part of these consolidated financial statements.

(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

## BİM BİRLEŞİK MAĞAZALAR A.Ş.

### Consolidated Statement of Cash Flows for the Periods Ended December 31, 2023 and 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

	Notes	Audited January 1- December 31, 2023	Audited January 1- December 31, 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>20.030.459</b>	<b>16.722.063</b>
<b>Profit for the period</b>		<b>15.445.289</b>	<b>16.599.432</b>
<b>Adjustments to reconcile profit for the period</b>		<b>7.845.170</b>	<b>7.246.611</b>
Depreciation and amortization	10,11,12	10.392.339	8.121.830
Provisions for impairments		98.279	1.728
- Provisions for impairments of inventories	9	699	1.525
- Allowance for doubtful receivables	8	(422)	203
- Adjustments related to impairment (cancellation) of tangible fixed assets	10	98.002	-
Adjustments related to provisions		847.626	(342.970)
- Adjustments related to provision for employment termination benefits	13,15	706.442	403.469
- Adjustments related to the legal provisions	13	124.714	(393)
- Adjustments related to other provisions	13	16.470	(746.046)
Adjustments related to financial income and expense		3.649.804	3.103.632
- Adjustments related to financial expenses	23	2.381.851	2.084.282
- Adjustments related to deferred financial expense from future purchases.	29	1.267.953	1.019.350
Other adjustments related cash flows arising from investing and financing activities		2.445.362	2.798.232
Adjustments for tax expense	25	6.599.323	2.693.600
Gain/(loss) on sale of property and equipment and Intangible assets	24	(311.590)	(23.932)
Adjustments related to unrealized currency exchange differences		(208.592)	(302.302)
Monetary Gain / Loss		(14.191.551)	(8.226.512)
Other adjustments related profit (loss) reconciliation		(1.475.830)	(576.695)
<b>Changes in net working capital</b>		<b>1.166.117</b>	<b>(1.967.759)</b>
Increases/decreases in inventories		(2.927.838)	(5.070.876)
Increases/decreases in trade receivables		(4.468.424)	(1.437.622)
Increases/decreases in other assets		(55.383)	(52.257)
Increases/decreases in trade payables		3.103.101	6.478.150
Increases/decreases in other payables		(566)	272
Increases/decreases other net working capital		5.515.227	(1.885.426)
<b>Net cash generated from operating activities</b>		<b>24.456.576</b>	<b>21.878.284</b>
Income taxes paid	25	(3.371.640)	(3.727.273)
Employee benefits paid	15	(1.054.477)	(244.895)
Other cash outflow	13	-	(1.184.053)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(11.640.803)</b>	<b>(9.559.311)</b>
Proceeds from sale of tangible and intangible assets		749.541	128.381
Cash outflows from purchases of tangible and intangible assets	10,11	(10.514.717)	(8.342.307)
- Purchases of tangible assets		(10.453.730)	(8.315.975)
- Purchases of intangible assets		(60.987)	(26.332)
Participation (profit) share and cash inflows from other financial instruments	24	(1.155.689)	(704.350)
Cash advances given and liabilities		(719.938)	(641.035)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(8.225.877)</b>	<b>(7.560.594)</b>
Cash inflows (outflows) from financial liabilities	6	-	(273.853)
Cash outflows from payments of rent agreements	6	(4.571.052)	(3.622.978)
Dividend paid	17	(3.490.778)	(3.497.643)
Cash inflows/(outflows) related to the company's own shares and receivables based on other equity instruments	17	(164.047)	(166.120)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY EXCHANGE DIFFERENCES (A+B+C)</b>		<b>163.779</b>	<b>(397.842)</b>
<b>D. EFFECTS OF CURRENCY EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>(141.413)</b>	<b>(69.535)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>22.366</b>	<b>(467.377)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>4</b>	<b>3.584.416</b>	<b>4.051.793</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	<b>4</b>	<b>3.606.782</b>	<b>3.584.416</b>

The accompanying notes form an integral part of these consolidated financial statements.



(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

## **BİM BİRLEŞİK MAĞAZALAR A.Ş.**

### **Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023 and 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

#### **1. Organization and nature of operations of the Group**

BİM Birleşik Mağazalar Anonim Şirketi ("BİM" or "the Company") was established on 31 May 1995 and commenced its operations in September 1995. The registered address of the Group is Ebubekir Cad. No: 73 Sancaktepe, İstanbul.

The Company is engaged in operating retail stores through its retail shops throughout Turkey, which sell an assortment of approximately 900 items, including a number of private labels. The Company is publicly traded in Istanbul Stock Exchange (ISE) since July 2005.

The Company established a new company named BIM Stores S.A. on 19 May 2008 with 100% ownership in Morocco which is engaged in hard discount retail sector and started to operate on 11 July 2009. As of May 4, 2021, the shares of BIM Stores S.A. ("Bim Morocco") representing 35% of its capital were sold to Blue Investment Holding. Full control of BIM continues and the relevant minority share amounts are stated in the financial statements and footnote 27. BIM Stores S.A. financial statements are consolidated by using the full consolidation method as of December 31, 2023.

The Company established a new company named BIM Stores LLC ("Bim Egypt") on 24 July 2012 with 100% ownership in Egypt which is engaged in that hard discount retail sector and first stores of BIM Stores LLC were opened in April 2013. BIM Stores LLC financial statements are consolidated by using the full consolidation method as of December 31, 2023.

GDP Gıda Paketleme ve Sanayi ve Ticaret A.Ş. ("GDP Gıda"), which is a 100% subsidiary to provide the supply and packaging of various foodstuffs, especially rice and pulses, became a legal entity and started its activities with the completion of the registration procedures in 2017. GDP Gıda financial statements are consolidated by using the full consolidation method as of December 31, 2023.

Dost Global Danışmanlık A.Ş. ("Dost Global"), is a 100% subsidiary to reach a more efficient organizational structure within the scope of the foreign investments of the Company was established 8 January 2020. Dost Global financial statements are consolidated by using the full consolidation method as of December 31, 2023.

Es Global Gıda Sanayi ve Ticaret A.Ş. ("Es Global") which is a 100% subsidiary to produce especially some of biscuits and confectionery products sold in the stores of the Company was established on 27 September 2021. Es Global financial statements are consolidated by using the full consolidation method as of December 31, 2023.

In order to improve the sustainability of the Company's supply in the fresh fruit and vegetable category, the acquisition of Bircan Fide Tohum Tarım Nakliyecilik Sanayi ve Ticaret Anonim Şirketi, ("Bircan Fide") which is a 100% subsidiary, was realized as of 14 October 2021. The financial results of Bircan Fide are consolidated in accordance with the full consolidation method in the financial statements dated December 31, 2023.

İdeal Standart Mümessillik San. ve Tic. A.Ş. ("İdeal Standart") which is a 100% subsidiary of the Company for the production of toothbrush products sold in the Company's stores. ("İdeal Standard") acquired all the shares of its subsidiary on January 30, 2012. İdeal Standard's financial results have been consolidated in the financial statements as of December 31, 2023 according to the full consolidation method.

Hereinafter, the Company and its consolidated subsidiaries together will be referred to as "the Group".

(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

## BİM BİRLEŞİK MAĞAZALAR A.Ş.

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023 and 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

#### 1. Organization and nature of operations of the Group (Cont'd)

##### Approval of financial statements:

Shareholder structure of the Group is stated in Note 17. Board of Directors has approved the financial statements and delegated authority for publishing it on May 13, 2024.

Although there is no such intention, the General Assembly and certain regulatory bodies have the power to amend the financial statements after issues.

For the periods ended December 31, 2023 and 2022, the year-end number of employees in accordance with their categories is shown below:

	December 31, 2023	December 31, 2022
Office personnel	4.315	4.010
Warehouse personnel	8.092	7.120
Store personnel	74.240	68.679
<b>Total</b>	<b>86.647</b>	<b>79.809</b>

As of December 31, 2023, the Group operates in 12.482 stores (December 31, 2022: 11.510).

#### 2. Basis of preparation of financial statements

##### 2.1 Basis of Presentation

##### Applied Financial Reporting Standards

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") Turkish Accounting Standards Boards. The consolidated financial statements of the Group are prepared as per the CMB announcement of 4 October 2022 relating to financial statements presentations.

The Company and its subsidiaries operating in Turkey, maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. These consolidated financial statements are based on the statutory records, with the required adjustments and reclassifications including those related to changes in purchasing power reflected for the purpose of fair presentation in accordance with the TFRS.

##### Financial Reporting in Hyperinflationary Economies

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.1 Basis of presentation (Cont'd)

The accompanying financial statements are prepared on a historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 31 December 2023 as per TAS 29.

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

Year-end	Index	Index, %	Conversion Factor
2004	113,86	13,86	16,33041
2005	122,65	7,72	15,16005
2006	134,49	9,65	13,82541
2007	145,77	8,39	12,75557
2008	160,44	10,06	11,58925
2009	170,91	6,53	10,87929
2010	181,85	6,40	10,22480
2011	200,85	10,45	9,25756
2012	213,23	6,16	8,72007
2013	229,01	7,40	8,11921
2014	247,72	8,17	7,50597
2015	269,54	8,81	6,89835
2016	292,54	8,53	6,35599
2017	327,41	11,92	5,67906
2018	393,88	20,30	4,72068
2019	440,50	11,84	4,22107
2020	504,81	14,60	3,68333
2021	686,95	36,08	2,70672
2022	1128,45	64,27	1,64773
2023	1859,38	64,77	1,00000

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2023. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2023 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

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## **BİM BİRLEŞİK MAĞAZALAR A.Ş.**

### **Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023 and 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

#### **2. Basis of preparation of financial statements (Cont'd)**

##### **2.1 Basis of presentation (Cont'd)**

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 31 December 2023.

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

##### **2.2 New and Revised Turkish Accounting Standards**

As of 31 December 2023, the accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2023, are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023, and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

##### **i) The new standards, amendments and interpretations which are effective as at January 1, 2023 are as follows:**

###### **Amendments to TAS 8 - Definition of Accounting Estimates**

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

The amendments did not have a significant impact on the financial position or performance of the Group.



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## **BİM BİRLEŞİK MAĞAZALAR A.Ş.**

### **Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023 and 2022**

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#### **2. Basis of preparation of financial statements (Cont'd)**

##### **2.2. The new standards, amendments and interpretations (Cont'd)**

###### **Amendments to TAS 1 - Disclosure of Accounting Policies**

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The amendments did not have a significant impact on the financial position or performance of the Group.

###### **Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The amendments did not have a significant impact on the financial position or performance of the Group.

###### **Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules**

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

The amendments did not have a significant impact on the financial position or performance of the Group.

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## BİM BİRLEŞİK MAĞAZALAR A.Ş.

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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.2. The new standards, amendments and interpretations (Cont'd)

###### ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Company / the Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

###### Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

###### TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies.
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

###### Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

The Group will wait until the final amendment to assess the impacts of the changes.

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## **BİM BİRLEŞİK MAĞAZALAR A.Ş.**

### **Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023 and 2022**

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#### **2. Basis of preparation of financial statements (Cont'd)**

##### **2.2. The new standards, amendments and interpretations (Cont'd)**

###### **Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback**

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The amendments did not have a significant impact on the financial position or performance of the Group.

###### **Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements**

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The effects of the change on the Group's consolidated financial position and performance are being evaluated.

##### **iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)**

The following amendments to IAS 21 and IFRS 18 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.2. The new standards, amendments and interpretations (Cont'd)

###### Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a significant impact on the financial position or performance of the Group.

###### IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

The amendments did not have a significant impact on the financial position or performance of the Group.

##### 2.3. Statement of compliance to TAS

The Group prepared its consolidated financial statements for the period ended December 31, 2023 in accordance with the framework of the Communiqué Serial: II and numbered 14.1 and its related announcements. The consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including the mandatory disclosures.

##### 2.4. Presentation and functional currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in Turkish Lira ("TRY"), which is the functional of the Company and the presentation currency of the Group. The functional currency of the Company's subsidiary, BIM Stores S.A., is Moroccan Dirham ("MAD").

In the consolidated financial statements, MAD amounts presented in the balance sheet for assets and liabilities are translated into Turkish Lira at the TRY which is the functional and reporting currency of the Company, 1 TRY = 0,3360 MAD and 1 TRY = 0,3354 exchange rates respectively and in the conversion of the income statement, the average exchange rate occurred during the period, 1 TRY = 0,4264 MAD rate is taken as the basis. Differences that occur by the usage of closing and average exchange rates are followed under currency exchange differences classified under equity.

The functional currency of the Company's other subsidiary, BIM Stores LLC is Egyptian Pound ("EGP"). In the consolidated financial statements, EGP amounts presented in the balance sheet for assets and liabilities are translated into Turkish Lira at the TRY which is the functional and reporting currency of the Company, 1 TRY = 1,0477 EGP and 1 TRY = 1,0491 EGP exchange rates respectively and in the conversion of the income statement, the average exchange rate occurred during the period, 1 TRY = 1,2887 EGP rate is taken as the basis.

Differences that occur by the usage of closing and average exchange rates are followed under currency exchange differences classified under equity.



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## **BİM BİRLEŞİK MAĞAZALAR A.Ş.**

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#### **2.5 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries prepared for the period ended December 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive incomes are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

#### **i) Subsidiaries:**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are shown in the consolidated financial statements from the date of formation of the controlling power to the date of termination.

#### **ii) Non-controlling interest:**

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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#### **2. Basis of preparation of financial statements (Cont'd)**

##### **2.5 Basis of consolidation (Cont'd)**

##### **iii) Partial share purchase and sale transactions with non-controlling interests**

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Accordingly, in the case of additional share purchases from and sales to non-controlling interests, the difference between the acquisition cost and the carrying amount of the net assets of the subsidiary in proportion to the acquired interest is recognized in equity. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

##### **iv) Eliminations:**

During the preparation of the carve-out consolidated financial statements, unrealized gains and losses arising from intra-group transactions between entities included in the carve-out consolidated financial statements, intra-group balances and intra-group transactions are eliminated. Gains and losses arising from the transactions between the associate and the parent company and the consolidated subsidiaries of the parent company and jointly controlled entities are offset against the parent company's interest in the associate. Unrealized losses are eliminated in the same manner as unrealized gains, unless there is evidence of impairment.

##### **2.6. Comparatives and restatement of prior periods' financial statements**

Intercompany balances and transactions between BİM and its subsidiaries, including unrealized intercompany profits and losses are eliminated. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

The financial statements of the Group for the current period are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. Comparative information is reclassified in the current period in order to comply with the presentation of the financial statements.

##### **Offsetting**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously.

##### **Accounting estimates**

The preparation of consolidated financial statements in accordance with TAS require the Group management to make estimates and assumptions that affect certain reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting year. Actual results could differ from those estimates. Those estimates are reviewed periodically, and as adjustments become necessary, they are reported in income statement in the periods in which they become known.

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are mainly related with accounting of employee termination benefits, provision for inventories, revaluation of land and buildings, assessment of economic useful lives of property, plant and equipment and intangibles, determination of the interest rates used to discount cashflows and the lease period used in the calculation of the right of use of assets and lease liabilities, provision for income taxes.

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## **BİM BİRLEŞİK MAĞAZALAR A.Ş.**

### **Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023 and 2022**

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#### **2.7. Changes in accounting policies**

The Group changes accounting policies when it is believed that the change will lead to better presentation of transactions and events in the financial statements. When the intentional change can affect the prior period results, the change is applied retrospectively as though it was already applied before. Accounting policy changes arising from the application of a new standard are applied considering the transition principles of the related standard, if any, retrospectively or forward. If no transition principle for the standard exists, the changes are applied retrospectively.

#### **2.8. Summary of significant accounting policies**

##### **Revenue recognition**

Revenue is recognized on accrual basis over the amount obtained or the current value of the amount to be obtained when the delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is reasonably assured. Revenue is recognized when customers obtain control of the goods. The cycle of control takes place at a certain time. Net sales represent the invoiced value of goods less any sales returns. Retail sales are done generally with cash or credit cards and the control is transferred to customers at the same time and revenue is recognized at the time of sale.

##### Sales of Goods

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- Identification of contracts with customers,
- Definition of performance obligations in contracts,
- Determination of transaction price in contracts,
- Distribution of transaction fee to performance obligations, and
- Revenue recognition.

##### Financial income

Profit shares income from participation banks are recognized in accrual basis.

##### Dividend income

Dividend income from investments is reflected in the consolidated financial statements when the shareholders are entitled to receive dividends.

##### Currency protected deposit accounts

Currency-protected deposit accounts are financial assets with cash flows that include principal and interest or dividends, but they also feature a derivative product, as these cash flows may change depending on the change in exchange rates. Therefore, currency protected deposit accounts are treated as hybrid contracts and accounted for as financial assets whose fair value is recognized in profit or loss in line with the provisions of TFRS 9 regarding mixed contracts.

Changes in the fair value of currency-protected deposit accounts are accounted for under "Income from Investing Activities" in the Statement of Profit or Loss and Other Comprehensive Income.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in transit and demand deposits, and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.8. Summary of significant accounting policies (Cont'd)

###### Trade receivables

Trade receivables comprise trade receivables, credit card receivables and other receivables with fixed or determinable payments and are not quoted in an active market; which have an average maturity of 15 days term (December 31, 2022: 14 days) as of balance sheet date are measured at original invoice amount and if they have long term maturity, the imputing interest is netted off and the provision of doubtful receivable is deducted. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate and credit card receivables are measured at the original invoice.

Estimate is made for the doubtful provision when the collection of the trace receivable is not probable. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Group has preferred to apply "simplified approach" defined in IFRS 9 for the recognition of impairment losses on trade receivables, carried at amortized cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

###### Inventories

Inventories are valued at the obtained cost price or the lower net realizable value. Costs comprise purchase cost and, where applicable and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in, first-out (FIFO) method. Rebates which generate from sales from ordinary operations are deducted from cost of inventories and associated with cost of sales. Net realizable value is the estimated selling price less estimated costs necessary to realize sale.

###### Right-of-Use Assets and Lease Liabilities

The Group has applied the TFRS-16 standard as of January 1, 2019.

###### Group - lessee

The Group's leases are mainly consisting of retail stores, warehouse and vehicles. At inception of a contract, the Group shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has the followings:

- The contract includes an identified asset (identification of an asset in a clear or implicitly specified form in the contract),
- A capacity portion of an asset is an identified asset if it is physically distinct and represents substantially all of the capacity of the asset (the asset is not an identified asset if the vendor has a fundamental right to substitute the asset for the duration of its use and obtain an economic benefit from it),
- The Group has the right to obtain almost all of the economic benefits that will be derived from the use of the identified asset,
- The right to direct the use of the identified asset. The Company has the right to direct the use of an identified asset throughout the period of use only if either



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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.8. Summary of significant accounting policies (Cont'd)

- a) The Group has the right to direct how and for what purpose the asset is used throughout the period of use
- b) the relevant decisions about how and for what purpose the asset is used are predetermined.

The Group recognizes right of use asset and lease liability at the start date of lease after evaluation of aforementioned criteria.

##### *Right of use asset*

At the commencement date, the Group shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- a) the amount of the initial measurement of the lease liability,
- b) any lease payments made at or before the commencement date, less any lease incentives received
- c) any initial direct costs incurred by the Group
- d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset,

To apply a cost model, the Group shall measure the right-of-use asset at cost:

- a) less any accumulated depreciation and accumulated impairment losses and
- b) adjusted for any remeasurement of the lease liability.

The Group shall apply the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating the right-of-use asset. The average useful lives of right-to-use assets are as follows:

	<b>Duration (Year)</b>
Buildings	10
Vehicles	4

The Company shall apply TAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

##### *Lease Liability*

At the commencement date, the Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the financing rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) fixed payments, less any lease incentives receivable
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- c) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.8. Summary of significant accounting policies (Cont'd)

After the commencement date, the Group shall measure the lease liability by:

- a) increasing the carrying amount to reflect interest on the lease liability,
- b) reducing the carrying amount to reflect the lease payment made; and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in substance fixed lease payments. The Group reflects the remeasurement amount of the lease liability in its financial statements as an adjustment for the right-of-use asset.

##### *Extension and early termination options*

Lease contracts are made for average 10 annual periods. The lease liability is determined by considering the extension and early termination options in the contracts. Most of the extension and early termination options included in the contracts are composed of the options that are applicable by the Group. The Group determines the lease term by the extension of the lease, if such extension and early termination options are at the Group's discretion and the use of the options is reasonably certain. If there is a significant change in the circumstances, the evaluation is reviewed by the Group.

##### *Practical expedient*

The Group applied a single discount rate to a rental portfolio with similar features. Initial direct costs were not included in the measurement of the right to use at the date of initial application. If the contract includes options to extend and terminate the contract, the lease term is determined and the management's evaluations are used.

##### Property, plant and equipment

All property and equipment is initially recorded at cost. Land and building are subsequently measured at revalued amounts which are the fair value at the date of the revaluation, based on valuations by external independent valuers, less subsequent depreciation for building. Group revalues the amounts of their lands and buildings every 3 years with the CMB-licensed valuation firm unless there is a change in the circumstances. All other property and equipment is stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the related accounts and any gain or loss resulting from their disposal is included in the statement of income. On disposal of revalued assets, amounts in revaluation reserves relating to that asset are transferred to retained earnings.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset ready for use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to income in the year the costs are incurred. If the asset recognition criteria are met, the expenditures are capitalized as an additional cost of property and equipment.

Increases in the carrying amount arising on revaluation of property are initially credited to revaluation reserve in shareholders' equity net of the related deferred tax. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against property and equipment revaluation reserve directly in equity; all other decreases are charged to the income statement.

Depreciation is provided on cost or revalued amount of property and equipment except for land and construction in progress on a straight-line basis. The depreciation periods for property and equipment, which approximate the estimated economic useful lives of such assets, are as follows:

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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.8. Summary of significant accounting policies (Cont'd)

##### Property, plant and equipment

	Duration (Years)
Land improvements	5
Buildings	25
Leasehold improvements	10
Machinery and equipment	4 - 10
Vehicles	5 - 10
Furniture and fixtures	5 - 10

The economic useful life, the present value and the depreciation method are regularly reviewed for possible effects of changes in estimates, the method used and the period of depreciation are closely aligned with the economic benefits to be gained from the related asset and are recognized on a prospective basis.

When a revaluated asset is sold, revaluation reserve account is transferred to retained earnings.

##### Leasehold improvement

The economic useful life for special costs is in line with the average duration of the lease contracts which is 10 years.

##### Intangible assets

Intangible assets which mainly comprise software rights are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized on a straight-line basis over the best estimate of their useful lives. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category consistent with the function of the intangible asset.

The Group does not have any intangible assets with indefinite useful lives.

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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.8. Summary of significant accounting policies (Cont'd)

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

##### Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the identifiable net assets of the acquiree over the fair value at the acquisition date of the acquirer's previously held equity interest in the acquiree. If the total transferred consideration, recognized non-controlling interests and previously held interests measured at fair value are less than the fair value of the net assets of the acquired subsidiary, for example in a bargain purchase, the difference is recognized directly in the statement of profit or loss.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. The carrying amount of goodwill is compared with its recoverable value, which is the higher of its value in use and fair value less costs to sell. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement and is not reversed in subsequent periods

##### Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income.

The recoverable amount of property and equipment is the greater of net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life while the net selling price is the amount obtainable from the sale of an asset after cost of sales deducted. For the purposes of assessing impairment, assets are grouped by regions which are determined operationally (cash-generating units).

##### Financial assets

##### Classification

The group classifies its financial assets in the following categories: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### Financial assets measured at amortized cost

Financial assets measured at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Trade receivables, cash and cash equivalents, lease certificate and investment funds are classified in this category.



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#### **2. Basis of preparation of financial statements (Cont'd)**

##### **2.8. Summary of significant accounting policies (Cont'd)**

###### *Financial assets measured at fair value through other comprehensive income*

Financial assets measured at fair value through other comprehensive income are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

###### *Financial assets measured at fair value through profit or loss*

Financial assets at fair value through profit or loss consist of "financial asset", which are acquired to benefit from short-term price or other fluctuations in the market or which are a part of a portfolio aiming to earn profit in the short run, irrespective of the reason of acquisition, and kept for trading purposes. Financial assets that are measured by their fair value and associated with the profit or loss statement are initially reflected on the consolidated statement of financial position with their costs including the transaction cost. These financial assets are valued based on their fair value after they are recognized. Realized or unrealized profit and losses are recognized under "income/expense from investing activities".

#### **Recognition and measurement**

Regular purchases and sales of financial assets are recognized on the trade-date the date on which the group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Financial assets measured at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Financial assets measured at amortized cost are subsequently carried at amortized cost using the effective interest method.

Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise not to be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under consolidated statement of income.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

#### **Recognition and derecognition of financial assets and liabilities**

The Group recognizes a financial asset or financial liability in its balance sheet when only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of it only when the control on rights under the contract is discharged. The Group derecognizes a financial liability when the obligation under the liability is discharged or cancelled or expires.

All the normal sales or purchase transactions of financial assets are recorded at the transaction date that the Group guaranteed to purchase or sell the financial asset. These transactions generally require the transfer of financial asset in the period specified by the general conditions and the procedures in the market.

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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.8. Summary of significant accounting policies (Cont'd)

All regular way financial asset purchase and sales are recognized at the date of the transaction, the date the Group committed to purchase or sell.

##### Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset is impaired.

##### *Financial assets measured at amortized cost*

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in the consolidated statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Provision for impairment is provided when there is an objective evidence of uncollectibility of trade receivables. Reserve is provided for the overdue uncollectible receivables. Also portfolio reserve is provided for the not due receivables based on certain criteria. The carrying amount of the receivable is reduced through use of an allowance account.

Financial assets classified as financial assets at fair value through other comprehensive income, accumulated fair value adjustments shown in equity when sold or impaired are classified into retained earnings.

##### Trade payables

Trade payables which generally have an average of 57 days term (December 31, 2022: 57 days) are initially recorded at original invoice amount and carried at amortized cost less due date expense. Due date expense is accounted for under cost of sales. This amount is the fair value of consideration to be paid in the future for goods and services received, whether or not billed.

##### Gift cards recognition

The gift cards that the Group sells to customers are classified under deferred income. Revenue is recognized when these gift cards are used by the customers.

##### Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.8. Summary of significant accounting policies (Cont'd)

##### Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of such transactions. Exchange rate differences arising on reporting monetary items at rates different from those at which they were initially recorded or on the settlement of monetary items or are recognized in the comprehensive income statement in the period in which they arise.

Foreign currency conversion rates used by the Group for the related period ended are as follows:

	US Dollars/TRY (full)	EUR/TRY (full)	GBP/TRY (full)
December 31, 2023	29,4382	32,5739	37,4417
December 31, 2022	18,6983	19,9349	22,4892

##### Earnings per share

Earnings per share are determined by dividing net income by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

##### Events after balance sheet date

Post year/period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post year/period-end events that are not adjusting events are disclosed in the notes when material.

##### Provisions, contingent assets and contingent liabilities

###### i) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as financial liability.

###### ii) Contingent assets and liabilities

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. Contingent liabilities are not recognized in the financial statements but they are disclosed only, unless the possibility of an outflow of resources embodying economic benefits is probable.

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#### 2. Basis of preparation of financial statements (Cont'd)

##### 2.8. Summary of significant accounting policies (Cont'd)

##### Related parties

- a) A person or a close member of that person's family is related to a reporting entity if that person:
  - i) Has control or joint control over the reporting entity,
  - ii) Has significant influence over the reporting entity, or,
  - iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
  - i) The entity and the reporting entity are members of the same group,
  - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member),
  - iii) Both entities are joint ventures of the same third party,
  - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
  - v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity,
  - vi) The entity is controlled or jointly controlled by a person identified in (a),
  - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

##### Income taxes

##### Current Income Taxes and Deferred Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in equity or other comprehensive income. In such case, the tax is recognized in shareholders' equity or other comprehensive income. The current period tax on income is calculated for the Group's subsidiaries, associates and joint ventures considering the tax laws that are applicable in the countries where they operate.

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and tax regulations that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the available expense accruals that are subject to tax and tax allowances that are not utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

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#### **2. Basis of preparation of financial statements (Cont'd)**

##### **2.8. Summary of significant accounting policies (Cont'd)**

###### **Statement of Cash Flows**

The Group prepares statements of cash flows as an integral part of its of financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, investing activities and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group's activities. Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

###### **Employee Benefits**

###### **a) Defined benefit plans:**

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnity payments to each employee who has completed over one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. As detailed in Note 15, the employee benefit liability is provided for in accordance with TAS 19 "Employee Benefits" and is based on an independent actuarial study.

Actuarial gains and losses that calculated by professional actuaries, are recognized in the actuarial gain/loss fund regarding employee termination benefits in the equity. Recognized gains and losses shall not be transferred to comprehensive statement of income in the following periods. Reserve for employee termination benefits is recognized to financial statements that calculated with the discount rate estimated by professional actuarial.

###### **b) Unused vacation**

Unused vacation rights accrued in the consolidated financial statements represents estimated total provision for potential liabilities related to employees' unused vacation days as of the balance sheet date.

#### **3. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers of the Group. The chief operating decision makers, who are responsible for allocation resources and assessing performance of the operating segments, have been identified as the senior management that makes strategic decisions.

The senior management of the Group makes strategic decisions as a whole over the operations of the Group as the Group operates in a single industry and operations outside Turkey do not present an important portion in overall operations. Based on those reasons, there is a single reportable segment in accordance with the provisions in TFRS 8 and segment reporting is not applicable.



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#### 4. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	1.281.313	961.241
Banks		
- Demand deposits	1.454.681	1.311.197
- Profit share deposits	-	494.319
Cash in transit	870.788	828.181
<b>Cash and cash equivalents</b>	<b>3.606.782</b>	<b>3.594.938</b>
Less: Accrual for profit share	-	(10.522)
<b>Cash and cash equivalents for cash flow</b>	<b>3.606.782</b>	<b>3.584.416</b>

As of December 31, 2023 and December 31, 2022 there is no restricted cash. As of December 31, 2023, there are no participation accounts. (As of December 31, 2022: Gross rate for TL and FX is 21.00%). Since the profit share deposits are not used for investment purposes by the Group, are readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value, profit share deposits are classified as cash and cash equivalents.

#### 5. Financial assets

##### a) Short-term financial assets

As of December 31, 2023, and December 31, 2022 Group's short-term financial investments measured at fair value through profit and loss are detailed in the table below:

	December 31, 2023	December 31, 2022
Lease certificates	307.671	-
Real estate investment funds	3.073.874	3.315.819
	<b>3.381.545</b>	<b>3.315.819</b>

##### b) Long-term financial assets

Financial investments amounting to TRY 4.413.585 as of December 31, 2023 are detailed below (December 31, 2022: TRY 3.447.939).

##### *i) Financial assets measured at fair value through other comprehensive income:*

The details of financial assets measured at fair value through other comprehensive income and fair values of the Group are as below:

Name of subsidiary	Share (%)	December 31, 2023	Share (%)	December 31, 2022
FLO Mağazacılık ve Pazarlama A.Ş. <sup>(*)</sup>	11,5	4.413.585	11,5	3.447.939
		<b>4.413.585</b>		<b>3.447.939</b>

(\*) As of December 31, 2023 the fair value of available-for-sale financial asset is calculated by using discounted cash flow analysis method with discount rate used as 24% and the terminal growth rate used as 10.7%.

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#### 6. Financial liabilities

##### a) Bank Loans

As of December 31, 2023, the Group has no short-term interest-free financial debts from banks.

##### b) Lease Liabilities

	December 31, 2023	December 31, 2022
<b>Short-term portion of long-term liabilities</b>		
Lease liabilities	4.658.830	4.037.553
	<b>4.658.830</b>	4.037.553
<b>Long-term lease liabilities</b>		
Lease liabilities	17.679.128	15.588.299
	<b>17.679.128</b>	<b>15.588.299</b>
<b>Total borrowings</b>	<b>22.337.958</b>	<b>19.625.852</b>

As of the report date, the maturity dates of the financial liabilities are as follows:

	December 31, 2023	December 31, 2022
Shorter than 3 months	3.020.792	1.137.327
3 - 12 month	1.638.038	2.900.226
More than 12 months	17.679.128	15.588.299
	<b>22.337.958</b>	<b>19.625.852</b>

Fair values are determined by using average effective annual financing rates.

As of December 31, 2023, and 2022, the movement table of the Group's liabilities arising from leasing transactions is as follows.

	December 31, 2023	December 31, 2022
Opening - January 1	19.625.852	21.764.365
Cash outflows from payments of lease liabilities	(4.571.052)	(3.622.978)
Additions (Note 12)	19.523.746	9.241.146
Changes in financial expenses accrual (Note 23)	2.381.851	2.084.282
Exchange rate differences	120.870	108.501
Change in accruals for termination of lease (Note 21)	(350.729)	(127.557)
Foreign currency exchange differences	(1.005.069)	(2.104.288)
Monetary gain/ loss	(13.387.511)	(7.717.619)
<b>Closing - December 31</b>	<b>22.337.958</b>	<b>19.625.852</b>

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#### 7. Trade receivables and payables

##### a) Trade receivables from third parties

	December 31, 2023	December 31, 2022
Credit card receivables	16.098.996	11.626.514
Trade receivables from third parties	25.461	29.482
Other trade receivables	573	610
	<b>16.125.030</b>	<b>11.656.606</b>

As of December 31, 2023 the average term of trade receivables is 15 days (December 31, 2022: 14 days).

##### b) Trade payables due to third parties

	December 31, 2023	December 31, 2022
Trade payables	43.365.416	37.589.990
Rediscount expense (-)	(1.166.202)	(909.044)
	<b>42.199.214</b>	<b>36.680.946</b>

As of December 31, 2023 the average term of trade payables is 57 days (December 31, 2022: 57 days). As of December 31, 2023 letters of guarantee, cheques and notes are amounting to TRY 2.891.474 and mortgages are amounting to TRY 51.517 (December 31, 2022: letters of guarantee, cheques and notes amounting to TRY 1.710.379 and mortgages amounting to TRY 53.917).

#### 8. Other receivables

##### a) Other receivables from related parties

	December 31, 2023	December 31, 2022
Receivables from related parties	1.023	1.628
	<b>1.023</b>	<b>1.628</b>

##### b) Other receivables from third parties

	December 31, 2023	December 31, 2022
Other receivables	196.935	179.439
Doubtful receivables	11.704	18.761
Less: Allowance for doubtful receivables	(11.704)	(18.761)
	<b>196.935</b>	<b>179.439</b>

Current period movement of allowance for doubtful receivables is as follows:

	December 31, 2023	December 31, 2022
Balance at the beginning of the period – January 1	18.761	31.149
Allowance for doubtful receivables	671	2.277
Collection in current year	(249)	(2.480)
Monetary gain /loss	(7.479)	(12.185)
<b>Balance at the end of the period – December 31</b>	<b>11.704</b>	<b>18.761</b>

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#### 9. Inventories

	December 31, 2023	December 31, 2022
Trade goods, net	27.159.089	24.260.599
Other	208.680	179.332
Allowance for impairment on inventory (-)	(40.053)	(39.354)
	<b>27.327.716</b>	<b>24.400.577</b>

Cost of inventories amounting to TRY 276.759.269 (December 31, 2022: TRY 237.182.345) was recognized under cost of sales.

As of December 31, 2023 an allowance for impairment amounting to TRY 40.053 (December 31, 2022: TRY 39.354) has been made for trade goods.

The movement of impairment for inventories in 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Balance at the beginning of the period - January 1	39.354	37.829
Allowance cancellations	(39.354)	(37.829)
Allowance for impairment	40.053	39.354
<b>Balance at the end of the period - December 31</b>	<b>40.053</b>	<b>39.354</b>

#### 10. Property, plant and equipment

The movements of property, plant and equipment and the related accumulated depreciation for the periods ended December 31, 2023 and 2022 are as follows:

	January 1, 2023	Additions	Disposals	Transfers	Allowance for impairment	Currency exchange differences	December 31, 2023
<b>Cost or revalued amount</b>							
Land	9.897.446	547.141	-	-	-	(10.063)	10.434.524
Land improvements	222.394	20.426	(2.853)	355	-	-	240.322
Buildings	15.136.427	838.312	(61.506)	31.426	(99.460)	(36.043)	15.809.156
Machinery and equipment	16.216.086	3.073.950	(502.555)	128.866	-	(926)	18.915.421
Vehicles	3.145.555	828.893	(88.018)	12.825	-	9.425	3.908.680
Furniture and fixtures	6.503.398	1.494.641	(225.565)	586	-	(427)	7.772.633
Leasehold improvements	13.820.832	2.519.309	(352.967)	135.983	-	(175.285)	15.947.872
Construction in progress	596.760	1.131.058	(10.316)	(310.041)	-	(31.678)	1.375.783
	<b>65.538.898</b>	<b>10.453.730</b>	<b>(1.243.780)</b>	<b>-</b>	<b>(99.460)</b>	<b>(244.997)</b>	<b>74.404.391</b>
<b>Less : Accumulated depreciation</b>							
Land improvements	(161.916)	(27.496)	2.254	-	-	(9)	(187.167)
Buildings	-	(1.057.305)	935	-	1.458	(903)	(1.055.815)
Machinery and equipment	(7.829.556)	(1.472.317)	349.068	-	-	22.751	(8.930.054)
Vehicles	(1.829.935)	(479.022)	67.876	-	-	(3.657)	(2.244.738)
Furniture and fixtures	(3.887.820)	(931.688)	194.925	-	-	7.503	(4.617.080)
Leasehold improvements	(6.770.827)	(1.144.952)	192.767	-	-	(7.084)	(7.730.096)
	<b>(20.480.054)</b>	<b>(5.112.780)</b>	<b>807.825</b>	<b>-</b>	<b>1.458</b>	<b>18.601</b>	<b>(24.764.950)</b>
<b>Net book value</b>	<b>45.058.844</b>						<b>49.639.441</b>

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#### 10. Property, plant and equipment (Cont'd)

	January 1, 2022	Additions	Additions Due to Company Acquisition	Disposals	Transfers	Offsetting	Re- valuation	Currency exchange differences	December 31, 2022
<b>Cost or revalued amount</b>									
Land	5.299.475	27.347	-	-	-	-	4.593.782	(23.158)	9.897.446
Land improvements	196.079	21.370	-	-	4.945	-	-	-	222.394
Buildings	8.603.881	227.246	-	(147)	862.764	(943.890)	6.418.870	(32.297)	15.136.427
Machinery and equipment	13.971.236	2.259.926	197.660	(36)	172.132	-	-	(384.832)	16.216.086
Vehicles	2.389.494	803.902	-	(45.811)	40.114	-	-	(42.144)	3.145.555
Furniture and fixtures	5.326.954	1.409.103	5.576	(165.872)	18.639	-	-	(91.002)	6.503.398
Leasehold improvements	11.964.243	2.143.447	4.546	(136.225)	148.347	-	-	(303.526)	13.820.832
Construction in progress	768.329	1.215.852	-	(140.472)	(1.246.941)	-	-	(8)	596.760
	<b>48.519.691</b>	<b>8.108.193</b>	<b>207.782</b>	<b>(488.563)</b>		<b>- (943.890)</b>	<b>11.012.652</b>	<b>(876.967)</b>	<b>65.538.898</b>
<b>Less : Accumulated depreciation</b>									
Land improvements	(145.061)	(16.855)	-	-	-	-	-	-	(161.916)
Buildings	(477.223)	(456.524)	-	13	-	943.890	-	(10.156)	-
Machinery and equipment	(7.097.451)	(1.013.889)	(91.996)	-	-	-	-	373.780	(7.829.556)
Vehicles	(1.524.508)	(368.580)	-	36.987	-	-	-	26.166	(1.829.935)
Furniture and fixtures	(3.382.578)	(731.144)	(3.289)	165.872	-	-	-	63.319	(3.887.820)
Leasehold improvements	(6.138.577)	(944.733)	(4.192)	96.357	-	-	-	220.318	(6.770.827)
	<b>(18.765.398)</b>	<b>(3.531.725)</b>	<b>(99.477)</b>	<b>299.229</b>		<b>- 943.890</b>	<b>-</b>	<b>673.427</b>	<b>(20.480.054)</b>
<b>Net book value</b>	<b>29.754.293</b>								<b>45.058.844</b>

As of January 1 - December 31, 2023, depreciation expense amounting to TRY 4.586.013 (January 1- December 31, 2022: TRY 3.316.586) were recognized in marketing expenses and TRY 454.853 (January 1- December 31, 2022: TRY 181.229) in general and administrative expenses and TRY 71.914 (January 1 - December 31, 2022: TRY 33.910) were recognized in cost of goods sold for the period January 1- December 31, 2023. The land and buildings were revalued and reflected to consolidated financial statements with their fair value. The book values of such assets were adjusted to the revalued amounts and the resulting surplus net of deferred income tax was credited to revaluation surplus in the equity. The revaluation surplus is not available for distribution to shareholders.

#### Fair values of land and buildings

As of December 31, 2023, the Group carries its land and buildings over the revalued amounts in the consolidated financial statements. The revaluation surplus, as of December 31, 2022 net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'property and equipment revaluation reserve' in shareholders equity. The fair value of non-financial assets by valuation method is calculated by inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).



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#### **10. Property, plant and equipment (Cont'd)**

##### **Valuation techniques used to derive level 2 fair values**

Sale or purchase costs or tax deductions are not taken into account in assumption of Level 2 fair value of land and buildings. The most common valuation techniques used is market comparable method, and for some land and buildings cost and income approach including discounted cash flow analysis are also used. Comparable value per square meter is determined based on assumptions such as bargaining share and adjustment for location in market comparable method.

##### **Market comparable method**

A property's fair value is estimated based on comparison of sales and market data of similar or comparable properties. The revaluated property is compared with the sales of similar properties in the market or asked price and bid price.

##### **Discounted cash flow method**

Value assumption is conducted through the discount method by taking into account the data of expenditure and revenue belonging to the revaluated property. Discounting is related to revenue and value, which converts the revenue amount into an estimate of value. Either the ratio of proceeds or/and discount should be taken into consideration. Within this approach, Direct Capitalization of Income and Cash Flow Analysis are applied predominantly. During the application of Direct Capitalization of Income, rental data belong to the similar real estate in the same region where the property based in has been used. Unless enough data for probable ratio of capitalization is attained, the method aforementioned has not been applied on.

##### **Cost approach**

Instead of purchase of property, the probability of construction of the same property or another property that provides the same benefit is taken into account. In practice the estimated value includes the amortization of old and less functional properties in case new one's cost exceeds the potential price to be paid for revaluation of the property.

It determines how transaction will be traded in the market and the approach and methods will be used in estimation of fair value of land and building. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into the valuation approach is price per square meter.

In the market comparable method, one of the methods applied during the valuation, room for negotiation has been considered and reconciliation has been done for the positive and negative features of property with respect to the precedents.

##### **Valuation processes of the group**

The Group's finance department reviews the fair value of land and buildings for reporting purposes. On an annual basis, the Group engages external, independent and CMB licensed valuation firms.

Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount as of balance sheet date. Group revaluates the amount of their lands and buildings every 3 years unless there is a change in the circumstances. The valuation of land and buildings was performed as of December 31, 2022.

The fair values of the land and buildings (administrative building, warehouses and stores) of the Group have been determined by a real estate appraisal company who has CMB license, holds a recognized and relevant professional qualification and has recent experience in the location and category of the land and buildings.

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#### 10. Property, plant and equipment (Cont'd)

##### Pledges and mortgages on assets

As of December 31, 2023 and 2022, there is no pledge or mortgage on property and equipment of the Group.

#### 11. Intangible assets

The movements of intangible assets and related accumulated amortization for the periods ended December 31, 2023 and 2022 are as follows:

	January 1, 2023	Additions	Disposal	Currency exchange differences	December 31, 2023	
Cost						
Right	605.479	60.987	(12.797)	52.281	705.950	
	605.479	60.987	(12.797)	52.281	705.950	
Accumulated amortization						
Right	(431.268)	(113.414)	10.800	(12.025)	(545.907)	
	(431.268)	(113.414)	10.800	(12.025)	(545.907)	
Net book value	174.211				160.043	
	January 1, 2022	Additions	Additions Due to Company Acquisition	Disposals	Currency exchange differences	December 31, 2022
Cost						
Right	568.313	26.025	307	(4.097)	8.939	599.487
Other intangible assets	6.335	-	-	(89)	(254)	5.992
	574.648	26.025	307	(4.186)	8.685	605.479
Accumulated amortization						
Right	(359.682)	(58.694)	(225)	2.139	(8.969)	(425.431)
Other intangible assets	(5.905)	(21)	-	89	-	(5.837)
	(365.587)	(58.715)	(225)	2.228	(8.969)	(431.268)
Net book value	209.061					174.211

As of December 31, 2023 amortization expense amounting to TRY 100.480 (January 1- December 31, 2022: TRY 55.634) has been charged in marketing expenses and TRY 9.966 (January 1- December 31, 2022: TRY 3.040) in general and administrative expenses and TRY 2.968 (January 1- December 31, 2022: 41.) is included in the cost of sales.

The intangible assets are amortized over estimated useful life which is 5 years. The rights mainly consist of software licenses.

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#### 12. Right of Use Assets

The movements of right use of assets and the related accumulated depreciation for the period ended December 31, 2023 and 2022 as follows:

	January 1, 2023	Additions	Disposals	Currency exchange differences	December 31, 2023
Building	43.099.338	19.193.564	(6.786.007)	(97.203)	55.409.692
Vehicles	1.003.013	330.182	(290.969)	(7.987)	1.034.239
	<b>44.102.351</b>	<b>19.523.746</b>	<b>(7.076.976)</b>	<b>(105.190)</b>	<b>56.443.931</b>
<b>Less: Accumulated amortization</b>					
Building	(13.673.350)	(4.968.580)	739.985	(28.075)	(17.930.020)
Vehicles	(685.792)	(197.565)	121.579	1.606	(760.172)
	<b>(14.359.142)</b>	<b>(5.166.145)</b>	<b>861.564</b>	<b>(26.469)</b>	<b>(18.690.192)</b>
<b>Net book value</b>	<b>29.743.209</b>				<b>37.753.739</b>
	January 1, 2022	Additions	Disposals	Currency exchange differences	December 31, 2022
Building	34.796.417	9.089.831	(668.763)	(118.147)	43.099.338
Vehicles	922.003	151.315	(48.290)	(22.015)	1.003.013
	35.718.420	9.241.146	(717.053)	(140.162)	44.102.351
<b>Less: Accumulated amortization</b>					
Building	(9.571.417)	(4.286.980)	183.702	1.345	(13.673.350)
Vehicles	(489.966)	(244.409)	33.426	15.157	(685.792)
	<b>(10.061.383)</b>	<b>(4.531.389)</b>	<b>217.128</b>	<b>16.502</b>	<b>(14.359.142)</b>
<b>Net book value</b>	<b>25.657.037</b>				<b>29.743.209</b>

For the period ended December 31, 2023, TRY 4.699.988 (December 31, 2022, TRY 4.296.608) of amortization expenses is recognized under selling and marketing expenses and TRY 466.157 (December 31, 2022: TRY 234.781) is recognized under general administrative expenses.

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#### 13. Provisions, contingent assets and liabilities

##### a) Short term provisions for employee benefits

Unused vacation amounting to TRY 347.837 is shown on the current provisions for employee benefits amounting in the Group account of short-term provisions for the period ended December 31, 2023 (December 31, 2022: TRY 237.988).

Current period movement of short-term unused vacation provision is as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Balance at the beginning of the period – January 1	184.292	130.650
Used in the period	(184.292)	(130.650)
Provision of unused vacation	347.837	237.988
Monetary Gain / Loss	(104.532)	(53.696)
<b>Balance at the end of the period - December 31</b>	<b>243.305</b>	<b>184.292</b>

##### b) Other short-term provisions

	December 31, 2023	December 31, 2022
Legal provisions <sup>(*)</sup>	268.129	143.415
Other	79.880	63.410
<b>Total</b>	<b>348.009</b>	<b>206.825</b>

(\*) As of December 31, 2023 and December 31, 2022, the total amount of outstanding lawsuits filed against the Group, TRY 531.910 and TRY 324.807 (in historical terms), respectively. The Group recognized provisions amounting to TRY 268.129 and TRY 143.415 for the related periods, respectively.

Current period movement of provision for lawsuits is as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Balance at the beginning of the period - January 1	143.415	87.544
Provisions required	214.011	64.929
Monetary gain / loss	(89.297)	(9.058)
<b>Balance at the end of the period - December 31</b>	<b>268.129</b>	<b>143.415</b>

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#### 13. Provisions, contingent assets and liabilities (Cont'd)

##### Letter of guarantees, mortgages and pledges given by the Group

As of December 31, 2023 and December 31, 2022, breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

	December 31, 2023				
	Total TRY equivalent	TRY	US Dollars	EUR	Moroccan Dirham
<b>A.Total amount of guarantees, pledges and mortgages given in the name of</b>	<b>192.252</b>	<b>184.867</b>	<b>250.870</b>	-	-
Guarantee	192.252	184.867	250.870	-	-
Pledge	-	-	-	-	-
Mortgage	-	-	-	-	-
<b>B.Total amount of guarantees, pledges and mortgages provided on behalf of the parties which are included in the scope of full consolidation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Guarantee	-	-	-	-	-
Pledge	-	-	-	-	-
Mortgage	-	-	-	-	-
<b>C.Total amount of guarantees, pledges and mortgages provided on behalf of third parties to conduct business activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D.Total amount of other guarantees, pledges and mortgages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
i. On behalf of majority Shareholder	-	-	-	-	-
ii. On behalf of other group companies which are not covered in B and C above	-	-	-	-	-
iii. On behalf of third parties which are not covered by item C	-	-	-	-	-
<b>Total</b>	<b>192.252</b>	<b>184.867</b>	<b>250.870</b>	<b>-</b>	<b>-</b>



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#### 13. Provisions, contingent assets and liabilities (Cont'd)

	Total TRY equivalent	December 31, 2022			
		TRY	US Dollars	EUR	Moroccan Dirham
<b>A.Total amount of guarantees, pledges and mortgages given in the name of</b>	<b>125.394</b>	<b>117.745</b>	<b>250.870</b>	-	-
Guarantee	125.394	117.745	250.870	-	-
Pledge	-	-	-	-	-
Mortgage	-	-	-	-	-
<b>B.Total amount of guarantees, pledges and mortgages provided on behalf of the parties which are included in the scope of full consolidation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Guarantee	-	-	-	-	-
Pledge	-	-	-	-	-
Mortgage	-	-	-	-	-
<b>C.Total amount of guarantees, pledges and mortgages provided on behalf of third parties to conduct business activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D.Total amount of other guarantees, pledges and mortgages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
i. On behalf of majority Shareholder	-	-	-	-	-
ii. On behalf of other group companies which are not covered in B and C above	-	-	-	-	-
iii. On behalf of third parties which are not covered by item C	-	-	-	-	-
<b>Total</b>	<b>125.394</b>	<b>117.745</b>	<b>250.870</b>	<b>-</b>	<b>-</b>

#### Insurance coverage on assets

As of December 31, 2023, and December 31, 2022, insurance coverage on assets of the Group is TRY 27.809.173 and TRY 45.654.689 respectively.

#### 14. Prepaid Expenses and Deferred Income

##### a) Short term prepaid expenses

	December 31, 2023	December 31, 2022
Order advances given to third parties for inventories	1.702.571	1.465.418
Order advances given to related parties (Note 28)	-	25.034
Prepaid service expenses	374.127	222.995
Other	20.300	29.577
	<b>2.096.998</b>	<b>1.743.024</b>

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#### 14. Prepaid Expenses and Deferred Income (Cont'd)

##### b) Long term prepaid expenses

	December 31, 2023	December 31, 2022
Advances given for property, plant and equipment	1.450.355	730.417
Other	27.584	20.857
	<b>1.477.939</b>	<b>751.274</b>

##### c) Deferred Income

	December 31, 2023	December 31, 2022
Gift cards income	346.639	235.344
Other	752	26
	<b>347.391</b>	<b>235.370</b>

#### 15. Employee termination benefits

	December 31, 2023	December 31, 2022
Provision for employee termination benefits	1.199.093	1.640.059
	<b>1.199.093</b>	<b>1.640.059</b>

The amount payable consists of one month's salary limited to a maximum of full TRY 23.489,83 for each period of service as of December 31, 2023 (December 31, 2022: full TRY 15.371,40). The retirement pay provision ceiling is revised semiannually, and full TRY 23.489,83 which is effective from December 31, 2023, is taken into consideration in the calculation of provision for employment termination benefits (effective from December 31, 2022: full TRY 15.371,40). Liability of employment termination benefits is not subject to any funding as there is not any obligation. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability. Actuarial loss/ (gain) is accounted in the statement of comprehensive income under "Defined benefits plans revaluations fund loss".

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as of December 31, 2023, and December 31, 2022, the provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Provisions at the balance sheet date were calculated by using real discount rate of 4,05% by assuming an annual inflation rate of 21% (December 31, 2022: 17%) and a discount rate of 25,05 % (December 31, 2022: 21,5 %). The anticipated rate of termination benefits not paid as a result of voluntary leaves is also taken into consideration.

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#### 15. Employee termination benefits (Cont'd)

The following tables summarize the components of employee termination benefits recognized in the comprehensive statement of income and amounts recognized in the balance sheet:

	January 1- December 31, 2023	January 1- December 31, 2022
Current service cost (Note 20)	430.934	178.400
Interest cost of employee termination benefit (Note 23)	165.659	151.425
<b>Total</b>	<b>596.593</b>	<b>329.825</b>

Changes in the carrying value of defined benefit obligation are as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Balance at the beginning of the period - January 1	1.640.059	1.052.705
Current service cost	430.934	178.400
Interest cost of employee termination benefit	165.659	151.425
Payments made in the current period	(1.054.477)	(244.895)
Current Actuarial loss/ (gain)	762.643	945.436
Monetary Gain / Loss	(745.725)	(443.012)
<b>Balance at the end of the period - December 31</b>	<b>1.199.093</b>	<b>1.640.059</b>

#### 16. Other assets and liabilities

##### a) Other current assets

	December 31, 2023	December 31, 2022
VAT receivable	1.697.541	1.823.611
Other	25.388	2.264
	<b>1.722.929</b>	<b>1.825.875</b>

##### b) Other current liabilities

	December 31, 2023	December 31, 2022
Taxes and funds payables	861.327	724.009
Other	857	6.467
	<b>862.184</b>	<b>730.476</b>

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#### 17. Equity

##### a) Share capital and capital reserves

As of December 31, 2023, and December 31, 2022, the breakdown of shareholders and their ownership percentages in the Company are summarized as follows.

	December 31, 2023		December 31, 2022	
	Historical cost	(%)	Historical cost	(%)
Merkez Bereket Gıda Sanayi ve Ticaret A.Ş.	92.000	15,15	92.000	15,15
Naspak Gıda Sanayi ve Ticaret A.Ş.	70.000	11,53	68.600	11,30
Other	15.012	2,47	15.012	2,47
Publicly traded	430.188	70,85	431.588	71,08
	<b>607.200</b>	<b>100,00</b>	<b>607.200</b>	<b>100,00</b>
Capital Adjustment Differences	3.823.414		3.823.414	

The Company's share capital is fully paid and consists of 607.200.000 (December 31, 2022: 607.200.000) shares of full TRY 1 nominal value each.

##### Property, plant and equipment revaluation fund

As of December 31, 2023 the Group has revaluation fund amounting TRY 11.356.219 (December 31, 2022: TRY 11.580.522) related to revaluation of land and buildings. The revaluation fund is not available for distribution to shareholders.

##### b) Restricted reserves and retained earnings

The legal reserves consist of first and second legal reserves, per the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of net statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

The statutory accumulated profits and statutory current year profit are available for distribution, subject to the reserve requirements referred to above and Turkish Capital Market Board (CMB) requirements related to profit distribution. Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable instalments and advance dividend can be paid in accordance with profit on financial statements of the Company.

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#### 17. Equity (cont'd)

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees, and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash. Dividend distribution policy of the Company is in line with the CMB Law numbered 6362 dated December 31, 2012.

Inflation adjustment to shareholders' equity and book value of extraordinary reserves can be used as an internal source in capital, dividend distribution in cash or net-off against prior years' loss. In case the inflation adjustment to shareholders' equity is used for dividend distribution in cash, the distribution is subject to corporate tax.

According to the financial statements prepared in accordance with the Tax Procedure Law as of December 31, 2023 and 2022, the legal reserves, retained earnings, and net profits for the period are as follows:

	December 31, 2023	December 31, 2022
Legal reserves	10.695.671	1.698.046
Extraordinary reserves	11.357.365	857.514
Net profit for the period	11.111.273	5.100.486
	<b>33.164.309</b>	<b>7.656.046</b>

As of December 31, 2023, net profit for the Company's statutory books is TRY 11.111.273 (December 31, 2022: TRY 5.100.486) and net profit per consolidated financial statements in accordance with CMB accounting standards is TRY 15.445.289 (December 31, 2022: TRY 16.599.432). Equity holders of the parent company of profit is TRY 15.440.733 (December 31, 2022: TRY 16.596.239)

#### c) Treasury Shares

As part of the resolution of the Board of Directors on 2 February 2023, buy-back operations have been started. As part of such buy-back operation shares of the Company which are equivalent to 842.008 units of BİM shares corresponding to TRY 164.047.000 have been repurchased. As of December 31, 2023, 10.200.000 shares repurchased for a total of TRY 2.319.695.000 (full TRY) together with the purchases made in the previous periods, in the Company's capital is 1.6798%.

The financing of share repurchases is provided by the Company's internal resources. As of the report date, there has been no sale of the repurchased shares.

#### d) Dividend payment

At the Ordinary General Assembly meeting dated May 16, 2023, it was decided to distribute 3.492.248.000 (full TRY) cash dividends from the profit of 2022 to the shareholders and to make the payment on June 14, 2023 and December 20, 2023. The gross dividend paid per share is total 5,0 full TRY. The total amount of dividends corresponding to the distribution of dividends decided upon is 58,660,000 (in full TL), which constitutes the dividend payment attributable to the Group's own shares. Additionally, Bim Stores S.A., a subsidiary of the Group, distributed dividends to its non-group shareholders from the profit of the year 2022, totaling 57,189,757 full TL on June 13, 2023.



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#### 17. Equity (cont'd)

##### Non – controlling interest

Equity in a subsidiary that is not directly or indirectly associated with the parent is classified under "Non-controlling interests" in the consolidated financial statements.

As of December 31, 2023, the relevant amount in the "Non-controlling interests" account in the consolidated statement of financial position is TRY 629.752. In addition, net profit or loss in a subsidiary that is not directly or indirectly attributed to a parent is classified under "Non-controlling interests" in the consolidated statement of profit or loss. As of December 31, 2023, the amount of profit attributable to minority interests in the consolidated statement of comprehensive loss is TRY 4.556.

#### 18. Sales and cost of sales

##### a) Net Sales

The Group's net sales for the periods ended December 31, 2023, and 2022 are as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Sales	330.136.014	280.600.901
Sales returns (-)	(1.694.090)	(1.347.991)
	<b>328.441.924</b>	<b>279.252.910</b>

##### b) Cost of sales

	January 1- December 31, 2023	January 1- December 31, 2022
Beginning inventory	24.260.600	19.258.596
Purchases	279.582.876	242.132.176
Depreciation and amortization expenses	74.882	33.951
Ending inventory (-)	(27.159.089)	(24.260.599)
Additional stock from the merger	-	18.221
	<b>276.759.269</b>	<b>237.182.345</b>

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#### 19. Operational expenses

##### a) Marketing expenses

	January 1- December 31, 2023	January 1- December 31,2022
Personnel expenses	23.874.912	16.619.011
Depreciation and amortization expense	9.386.481	7.668.828
Electricity, water and communication expenses	3.060.482	3.504.303
Maintenance and repair expenses	934.149	710.961
Advertising expense	857.129	551.220
Truck fuel expense	795.290	903.270
Freight expenses	384.389	233.388
Provision for employee termination benefits	379.468	160.812
Packaging expenses	357.620	416.482
Stationary expenses	303.176	292.137
Rent benefits	243.196	148.640
Taxes and duty expenses	223.501	144.242
Information technology expenses	206.529	166.994
Directly expensed fixed asset	143.612	125.086
Insurance expenses	140.531	75.245
Cleaning expenses	96.429	104.814
Other	827.253	847.364
	<b>42.214.147</b>	<b>32.672.797</b>

##### b) General and administrative expenses

	January 1- December 31, 2023	January 1- December 31, 2022
Personnel expenses	3.543.115	2.259.121
Depreciation and amortization	930.976	419.050
Tax and duty expenses	602.034	592.634
Legal and consultancy expenses	198.492	113.136
Motor vehicle expenses	163.475	104.265
Money collection expenses	129.999	101.423
Provision for employee termination	51.466	19.503
Electricity, water, gas and communication expenses	43.719	44.131
Office supplies	18.799	21.740
Other	427.637	212.271
	<b>6.109.712</b>	<b>3.887.274</b>

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#### 20. Expenses by nature

##### a) Depreciation and amortization expenses

	January 1- December 31, 2023	January 1- December 31, 2022
Marketing and selling expenses	9.386.481	7.668.828
General and administrative expenses	930.976	419.050
Cost of sales	74.882	33.951
	<b>10.392.339</b>	<b>8.121.829</b>

##### b) Personnel expenses

	January 1- December 31, 2023	January 1- December 31, 2022
Wages and salaries	24.245.134	16.937.770
Social security premiums employer contribution	3.172.893	1.940.362
Provision for employee termination (Note 15)	430.934	178.400
	<b>27.848.961</b>	<b>19.056.532</b>

#### 21. Other operating income and expense

##### a) Other operating income

	January 1- December 31, 2023	January 1- December 31, 2022
Personnel incentive income	462.801	-
Income from fines and compensation <sup>(*)</sup>	375.602	43.754
Gain on sale of scraps	168.389	273.497
Contract termination income (IFRS-16)(Note 6)	13.840	5.627
Commission and promotion income	-	67.270
Other income from operations	486.431	262.068
	<b>1.507.063</b>	<b>652.216</b>

(\*) Most of the balance is due to the refund amount of the Competition Board Penalty in 2023 within the scope of tax peace (TL 370.354 ) and the related amount is exempt from corporate tax.

##### b) Other operating expense

	January 1- December 31, 2023	January 1- December 31, 2022
Contract termination expense (Note 6)	364.569	133.184
Other provision expenses	239.209	82.701
Donation and aid expenses	208.705	102.388
Other operating expenses	93.297	42.899
	<b>905.780</b>	<b>361.172</b>

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#### 22. Financial income

	January 1- December 31, 2023	January 1- December 31, 2022
Foreign exchange gains	247.833	222.391
Participation account income	147.134	211.651
	<b>394.967</b>	<b>434.042</b>

#### 23. Financial expenses

	January 1- December 31, 2023	January 1- December 31, 2022
Financial expenses arises from lease liabilities	2.381.851	2.084.282
Interest cost related to provision for employee termination (Note 15)	165.659	151.425
Foreign exchange losses	159.027	237.626
Other financial expenses	70.642	51.742
	<b>2.777.179</b>	<b>2.525.075</b>

#### 24. Income and expense from investing activities

##### a) Income from investing activities

	January 1- December 31, 2023	January 1- December 31, 2022
Incomes from financial investments <sup>(*)</sup>	1.155.689	319.368
Gain on sale of property, plant and equipment	2.132	23.932
Currency protected deposit income	-	384.982
Other	-	2.033
	<b>1.157.821</b>	<b>730.315</b>

(\*) The balance consists of income from investment funds of the Group.

##### b) Expenses from investment activities

As of December 31, 2023, the loss on fixed asset sales is 309,458 TL. (December 31, 2022: None.)

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#### 25. Tax assets and liabilities

As of December 31, 2023, and December 31, 2022, provision for taxes of the Group is as follows:

	December 31, 2023	December 31, 2022
Current income tax liabilities	4.186.492	2.949.772
Current tax assets (Prepaid taxes)	(2.786.345)	(2.407.453)
Tax expense related to revaluation value expenditure fund recognized in the statutory financial statements <sup>(*)</sup>	-	42.976
<b>Corporate tax payable</b>	<b>1.400.147</b>	<b>585.295</b>
Current period corporate and income tax provision	4.186.492	2.949.772
Adjustments to prior period tax expense (-)	(64.720)	(119.547)
<b>Current income tax liabilities</b>	<b>4.121.772</b>	<b>2.830.225</b>

(\*) The tax expense arising from the revaluation surplus applied in the company's statutory financial statements.

The Company and its subsidiaries, affiliates and joint ventures established in Turkey and other countries within the scope of consolidation are subject to the applicable tax legislation and practices of the countries in which they operate.

With the Law published in the Official Gazette dated July 15, 2023, amendments have been made to the Corporate Tax Law numbered 5520. Accordingly; as of October 1, 2023, the corporate tax rate has been increased from 20% to 25% for declarations to be submitted. Additionally, with the amendment made, as of July 15, 2023; the tax exemption at the rate of 50% foreseen for real estate capital gains in Law No. 5520 has been abolished. However, this exemption will be applied at a rate of 25% in the sales of real estate assets included in the assets of businesses before July 15, 2023. (However, according to the additional articles added to the Corporate Tax Law, the 20% corporate tax rate is applied as 23% for corporate profits for the 2022 tax period.) (December 31, 2022: 23%).

Companies calculate and pay temporary tax at a rate of 25% based on their quarterly financial profits and declare and pay it by the 17th day of the second month following the end of that period. Temporary tax paid during the year is credited against the corporate tax calculated for that year's corporate tax return to be submitted the following year. If there is any remaining amount of temporary tax paid after crediting, this amount can be refunded in cash or offset against any other financial debt owed to the state.

In Morocco, as of December 31, 2023 the corporate tax rate is 31% (December 31, 2022: 31%) where the consolidated subsidiary of the Company, BIM Maroc S.A. operates. Although retained earnings of BIM Maroc S.A. are the subject of a deduction that they are not carried forward for more than 5 years, a tax of %0,5 is paid on sales. In Egypt, as of December 31, 2023 the corporate tax rate is 22.5% (December 31, 2022: 22.5%) where the consolidated subsidiary of the Company, BIM Stores LLC operates.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years

10% withholding tax rate applies to dividends distributed by resident corporations and resident real persons except for, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable. In addition, if the profit is not distributed or added to the capital, the income tax is not calculated.



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#### 25. Tax assets and liabilities (Cont'd)

As of December 31, 2023, and December 31, 2022, temporary differences based for deferred tax and deferred tax asset and liability calculated by using applicable tax rates are as follows:

	Balance sheet		Comprehensive income	
	December 31, 2023	December 31, 2022	January 1- December 31, 2023	January 1- December 31, 2022
<i>Deferred tax liability</i>				
Right-of-use asset	11.807.713	6.973.378	4.834.335	3.356.051
The effect of the revaluation of land and buildings	3.336.375	5.483.092	(2.146.717)	3.593.170
The effect of the revaluation of financial asset	213.434	160.459	52.975	92.897
Other adjustments	63.670	284.345	(220.675)	44.516
<i>Deferred tax asset</i>				
Lease liabilities	(4.989.978)	(3.467.267)	(1.522.711)	(1.144.796)
Tangible and intangible assets	(4.119.799)	(5.733.300)	1.613.501	(6.105.688)
Provision for employee termination benefit	(331.796)	(328.012)	(3.784)	(199.861)
Other adjustments	(610.486)	(373.095)	(237.391)	(223.208)
Currency exchange difference	-	-	(4.630)	1.825
<b>Deferred tax</b>	<b>5.369.133</b>	<b>2.999.600</b>	<b>2.364.903</b>	<b>(585.094)</b>

Deferred tax is presented in financial statements as follows:

	December 31, 2023	December 31, 2022
Deferred tax assets	69.652	94.590
Deferred tax liabilities	(5.438.785)	(3.094.190)
<b>Net deferred tax asset</b>	<b>(5.369.133)</b>	<b>(2.999.600)</b>

Movement of net deferred tax liability for the periods ended December 31, 2023, and 2022 are as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Balance at the beginning of the period - January 1	(2.999.600)	(3.537.602)
Deferred tax expense recognized in statement of profit or loss,	(2.477.551)	136.625
Deferred tax expense recognized in other comprehensive income	112.648	448.469
- Property, plant and equipment revaluation fund (Note 10)	-	245.642
- Fair value increases in available-for-sale financial assets	(48.283)	(4.388)
- Defined benefit plans revaluation fund loss	160.931	207.215
Foreign currency exchange differences	(4.630)	(47.092)
<b>Balance at the end of the period - December 31</b>	<b>(5.369.133)</b>	<b>(2.999.600)</b>

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#### 25. Tax assets and liabilities (Cont'd)

<b>Tax reconciliation</b>	<b>January 1- December 31, 2023</b>	<b>January 1- December 31, 2022</b>
Profit before tax	22.044.612	19.293.032
Corporate tax provision calculated at effective tax rate of 25% (December 31, 2022: 23%)	(5.511.153)	(4.437.397)
Deductions and exemptions	192.902	58.707
Fiscal year losses which is no deferred tax not created <sup>(*)</sup>	(34.789)	(73.777)
Effect of tax rate differences of the consolidated subsidiary	(28.563)	(28.153)
Effect of tax rate changes	801.452	75.293
Adjustments to prior period tax expense (-)	(64.720)	163.720
Revaluation recognized in statutory financial statements tax expense on fund	-	(44.171)
Effect of Revaluation of Financial Assets for Sale	116.052	-
Tangible and Intangible Assets Revaluation and Land - Building rate difference	143.151	-
Other	(8.880)	(11.744)
Monetary Gain / Loss	(2.204.775)	1.603.922
	<b>(6.599.323)</b>	<b>(2.693.600)</b>

(\*) Dost Global Danışmanlık A. Ş. fiscal year loss to BIM Stores LLC (BIM Egypt), a subsidiary.

<b>Tax expense</b>	<b>January 1- December 31, 2023</b>	<b>January 1- December 31, 2022</b>
Current period tax expense	(4.121.772)	(2.830.225)
Deferred tax income	(2.477.551)	136.625
<b>Total tax expense</b>	<b>(6.599.323)</b>	<b>(2.693.600)</b>

#### 26. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period. Earnings per share for the period ended as of December 31, 2023 and 2022 is as follows. All shares of the Company are in same status.

<b>Earnings per share</b>	<b>January 1- December 31, 2023</b>	<b>January 1- December 31, 2022</b>
Average number of shares at the beginning of the period (Thousand) <sup>(*)</sup>	597.107	597.961
Net profit of the year	15.440.733	16.596.239
	<b>25,86</b>	<b>27,75</b>

(\*) When calculating earnings per share, bonus shares are counted as issued shares. Therefore, the weighted average number of shares used in the calculation of earnings per share has been obtained by retrospectively considering the bonus shares issued.

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#### 27. Non – controlling interests

Details of non-controlling interests as of December 31 2023 are as follows:

	December 31, 2023	December 31, 2022
Share of non – controlling interests	%35	58%
Total assets	6.998.906	5.811.860
Total liabilities	(6.200.940)	(4.830.624)
<b>Net assets</b>	<b>797.966</b>	<b>981.236</b>
Foreign currency conversion difference	350.464	(6.992)
<b>Non – controlling interests</b>	<b>629.752</b>	<b>558.892</b>

As of December 31, 2023 and 2022, the breakdown of total comprehensive income/expense for non-controlling interests is as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Revenue	11.541.887	11.224.404
Gross profit	1.949.185	2.007.006
Operating profit	171.860	177.972
Net income for the period	13.016	9.123
<b>Net profit for the period of non-controlling interests</b>	<b>4.556</b>	<b>3.193</b>
<b>Other comprehensive income from non-controlling interests</b>	<b>123.494</b>	<b>69.053</b>
<b>Total comprehensive income of non-controlling interests</b>	<b>128.050</b>	<b>72.246</b>

#### 28. Related party disclosures

##### a) Prepaid expenses to related parties

As of December 31, 2023 and 2022, the balances of expenses paid in advance to related parties are as follows:

	December 31, 2023	December 31, 2022
Apak Pazarlama ve Gıda Sanayi Tic. Ltd. Şti. (Apak)(1)	-	(25.034)
	<b>-</b>	<b>(25.034)</b>

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#### 28. Related party disclosures (Cont'd)

##### b) Payables related to goods and services received

Due to related parties balances as of December 31, 2023 and December 31, 2022 are as follows:

##### Payables related to goods and services received:

##### Related parties

	December 31, 2023	December 31, 2022
Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) <sup>(1)(*)</sup>	1.100.206	924.554
Aktül Kağıt Üretim Pazarlama Anonim Şirketi <sup>(1)(*)</sup>	458.572	776.273
Sena Muhtelif Ürün Paketleme Gıda San. ve Tic.Ltd. Şti. (Sena) <sup>(2)(*)</sup>	368.155	409.439
Hedef Tüketim Ürünleri San. ve Dış Tic. A.Ş. (Hedef) <sup>(1)(*)</sup>	314.905	735.873
Turkuvaz Plastik ve Tem. Ürün. Tic. A.Ş. (Turkuvaz) <sup>(1)(*)</sup>	289.524	696.905
Apak Pazarlama ve Gıda Sanayi Tic. Ltd. Şti. (Apak) <sup>(1)</sup>	149.010	-
Reka Bitkisel Yağlar Sanayi ve Ticaret A.Ş. (Reka) <sup>(1)</sup>	124.059	448.092
Ahenk Helva Şekerleme İm. İth. İhr. San. ve Tic. A.Ş. (Ahenk) <sup>(1)</sup>	120.088	58.794
MTB Kağıt ve Temizlik Ürünleri San. Ve Tic. A.Ş. (MTB) <sup>(1)</sup>	16.042	24.380
Avansas Ofis Malzemeleri Ticaret A.Ş. (Avansas) <sup>(1)</sup>	4.746	9.596
Bahariye Tekstil San. ve Tic. A.Ş. (Bahariye) <sup>(1)</sup>	-	8.615
	<b>2.945.307</b>	<b>4.092.521</b>

(\*) Trade payables to Başak Gıda are mainly from purchases of bread and other bakery products, trade payables to Aktül Kağıt are mainly from purchases of paper towels and other paper cleaning materials, trade payables to Sena are mainly from other food materials, trade payables to Hedef Tüketim mainly arise from purchases of non-food products and trade payables to Turkuvaz Plastik mainly arise from purchases of plastic products and plastic cleaning materials.

<sup>(1)</sup> Companies over which the controlling partners of the company have control.

<sup>(2)</sup> Other related company

##### c) Related party transactions

i) Purchases from related parties during the periods ended December 31, 2023 and 2022 are as follows:

##### Related parties

	January 1- December 31, 2023	January 1- December 31, 2022
Başak <sup>(1)</sup>	8.106.048	7.078.401
Reka <sup>(1)</sup>	5.920.948	8.900.346
Hedef <sup>(1)</sup>	3.669.158	3.591.360
Turkuvaz <sup>(1)</sup>	2.952.821	3.446.367
Aktül <sup>(1)</sup>	2.537.566	3.194.039
Apak <sup>(1)</sup>	2.018.048	1.753.319
Sena <sup>(2)</sup>	1.976.666	1.841.245
Ahenk <sup>(1)</sup>	435.097	193.772
MTB Kağıt <sup>(1)</sup>	73.184	122.963
Avansas <sup>(1)</sup>	44.393	58.076
Bahariye Mensucat <sup>(1)</sup>	96	8.579
	<b>27.734.025</b>	<b>30.188.467</b>

<sup>(1)</sup> Companies owned by shareholders of the Company.

<sup>(2)</sup> Other related party.

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#### 28. Related party disclosures (Cont'd)

##### c) Related party transactions (Cont'd)

ii) For the periods ended December 31, 2023 and 2022 salaries, bonuses and compensations provided to board of directors and key management comprising of 210 and 193 personnel, respectively, are as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Short-term benefits to employees	709.827	503.768
<b>Total benefits</b>	<b>709.827</b>	<b>503.768</b>

#### 29. Financial instruments and financial risk management

The Group is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and profit share rates. These risks are market risk (including foreign currency risk and profit share rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Group's principal financial instruments comprise cash and short-term interest free bank loans. The main purpose of using these financial instruments is to raise finance for the Group's operations. The Group has other financial instruments such as trade receivables and payables which arise directly from its operations. The Group manages its capital through cash provided by its operations and review of the maturities of the trade payables.

##### Price risk

Price risk is a combination of foreign currency, profit share and market risk. The Group naturally manages its price risk by matching the same foreign currency denominated receivable and payables and assets and liabilities bearing profit share. The Group closely monitors its market risk by analyzing the market conditions and using appropriate valuation methods.

##### Profit share rate risk

The Group does not have any significant assets sensitive to dividend rate. The Group's income and cash flows from operations are independent from profit share rate risk.

The Group's profit share rate risk mainly comprises of outstanding short-term borrowings in the prior period. The Group's forthcoming loans in order to continue its operating activities are effected from forthcoming profit share ratios.



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## 29. Financial instruments and financial risk management (Cont'd)

### Profit share rate position table

According to IFRS 7 “Financial Assets”, the profit share rate position of the Group is as follows:

Profit share position table		December 31, 2023	December 31, 2022
Financial assets	Fixed profit share bearing financial instruments	3.381.545	3.810.138
	Participation account	-	494.319
	Lease certificate & Investment fund	3.381.545	3.315.819
Financial liabilities		-	-
Financial assets	Variable profit share bearing financial instruments	-	-
Financial liabilities		-	-

## Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Since the Group is engaged in the retail sector and transactions are mainly on a cash basis or has 1-month maturity credit card collections, the exposure to credit and price risk is minimal.

Credit risk table (Current period – December 31, 2023)

[illegible]

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#### 29. Financial instruments and financial risk management (Cont'd)

Credit risk table (Previous period - December 31, 2022)

	Credit card receivables		Other receivables		Deposit in bank		Financial assets	
	Related party	Other party	Related party	Other party	Related party	Other party	Related party	Other party
Maximum credit risk exposures as of report date (A+B+C+D+E)	-	11.656.606	1.628	270.306	-	1.805.516	3.447.939	3.315.819
- Maximum risk secured by guarantees etc.	-	-	-	-	-	-	-	-
<b>A. Net book value of financial assets neither overdue nor impaired</b>	<b>-</b>	<b>11.656.606</b>	<b>1.628</b>	<b>270.306</b>	<b>-</b>	<b>1.805.516</b>	<b>3.447.939</b>	<b>3.315.819</b>
<b>B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Carrying value of financial assets that are past due but not impaired</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- The part under guarantee with collateral etc.	-	-	-	-	-	-	-	-
<b>D. Net book value of impaired assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Past due (gross carrying amount)	-	-	-	18.761	-	-	-	-
- Impairment	-	-	-	(18.761)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
<b>E. Off-balance sheet items with credit risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Maximum credit risk exposures as of report date (A+B+C+D+E)	-	-	-	-	-	-	-	-

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#### 29. Financial instruments and financial risk management (Cont'd)

There is an insignificant amount of foreign currency denominated assets and liabilities so the Company does not use derivative financial instruments or future contracts to reduce the risk of foreign currency.

#### Foreign currency position

As of December 31, 2023 and 2022, the Group's foreign currency position is as follows:

	December 31, 2023			December 31, 2022		
	TRY Equivalent	Full US Dollars	Full EUR	Full GBP	TRY Equivalent	Full US Dollars
1. Trade receivables	86.890	2.317.321	573.241	-	70.720	2.261.535
2a. Monetary financial assets (including cash, banks accounts)	640.420	20.880.529	781.465	7.466	52.100	1.121.063
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	727.310	23.197.850	1.354.706	7.466	122.820	3.382.598
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	2	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	280	9.100
8. Current assets (5+6+7)	-	-	-	2	280	9.100
9. Total assets (4+8)	727.310	23.197.850	1.354.706	7.468	123.100	3.391.698
10. Trade payables	16	-	497	-	49	1.481
11. Financial liabilities	98.176	-	3.013.942	-	128.677	-
12a. Monetary other liabilities	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12)	98.192	-	3.014.439	-	128.726	-
14. Trade payables	-	-	-	-	-	3.918.871
15. Financial liabilities	70.338	-	2.159.336	-	272.755	-
16a. Monetary other liabilities	-	-	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	70.338	-	2.159.336	-	272.755	-
18. Total liabilities (13+17)	168.530	-	5.173.775	-	401.481	-
19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-
19a. Hedged total assets amount	-	-	-	-	-	-
19b. Hedged total liabilities amount	-	-	-	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	558.780	23.197.850	(3.819.069)	7.468	(278.381)	3.391.698
21. Net foreign currency asset/(liability) position of monetary items (IFRS 7.b23) (=1+2a+5+6a-10-11-12a-14-15-16a)	558.780	23.197.850	(3.819.069)	7.468	(278.661)	3.382.598
22. Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-	-
23. Export	-	-	-	-	-	-
24. Import	-	-	-	-	-	-

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#### 29. Financial instruments and financial risk management (Cont'd)

##### Exchange rate risk

The following table demonstrates the sensitivity to a possible change in the US Dollar, Euro and GBP exchange rates, with all other variables held constant, of the Group's profit before tax as of December 31, 2023 and December 31, 2022.

##### December 31, 2023

Exchange rate sensitivity analysis table				
Current Period				
	Profit/(Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency Depreciation
Change of US Dollars against TRY by 10%:				
1- US Dollars net asset/(liability)	68.290	(68.290)	-	-
2- Protected part from US Dollars risk(-)	-	-	-	-
3- US Dollars net effect (1+2)	68.290	(68.290)	-	-
Change of EUR against TRY by 10%:				
4- EUR net asset/(liability)	(12.440)	12.440	-	-
5- Protected part from EUR risk(-)	-	-	-	-
6- EUR net effect (4+5)	(12.440)	12.440	-	-
Change of GBP against TRY by 10%:				
7- GBP net asset/(liability)	28	(28)	-	-
8- Protected part from GBP risk(-)	-	-	-	-
9- GBP net effect (7+8)	28	(28)	-	-
<b>Total (3+6+9)</b>	<b>55.878</b>	<b>(55.878)</b>	<b>-</b>	<b>-</b>

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#### 29. Financial instruments and financial risk management (Cont'd)

##### December 31, 2022

Exchange rate sensitivity analysis table				
Prior Period				
Profit/(Loss)			Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency Depreciation
Change of US Dollars against TRY by 10%:				
1- US Dollars net asset/(liability)	10.450	(10.450)	-	-
2- Protected part from US Dollars risk(-)	-	-	-	-
3- US Dollars net effect (1+2)	10.450	(10.450)	-	-
Change of EUR against TRY by 10%:				
4- EUR net asset/(liability)	(38.344)	38.344	-	-
5- Protected part from EUR risk(-)	-	-	-	-
6- EUR net effect (4+5)	(38.344)	38.344	-	-
Change of GBP against TRY by 10%:				
7- GBP net asset/(liability)	28	(28)	-	-
8- Protected part from GBP risk(-)	-	-	-	-
9- GBP net effect (7+8)	28	(28)	-	-
<b>Total (3+6+9)</b>	<b>(27.866)</b>	<b>27.866</b>	<b>-</b>	<b>-</b>

#### Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.



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#### 29. Financial instruments and financial risk management (Cont'd)

As of December 31, 2023 and December 31, 2022, maturities of undiscounted trade payables and financial liabilities of the Group are as follows:

##### December 31, 2023

Contractual terms	Carrying value	Total cash outflow	Less than 3 months	3 -12 months	More than 1 year
Non derivative financial liabilities					
Trade payables	42.199.214	43.365.416	43.365.416	-	-
Due to related parties	2.945.307	3.047.058	3.047.058	-	-
Contractual lease liabilities	22.337.958	42.049.947	3.544.415	3.667.521	34.838.011

##### December 31, 2022

Contractual terms	Carrying value	Total cash outflow	Less than 3 months	3 -12 months	More than 1 year
Non derivative financial liabilities					
Trade payables	36.680.946	37.589.990	37.589.990	-	-
Due to related parties	4.092.521	4.202.827	4.202.827	-	-
Contractual lease liabilities	19.625.852	34.080.730	1.173.233	3.167.969	29.739.528

#### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. Net debt is calculated as total liabilities less cash and cash equivalents.

The gearing ratios at December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Total liabilities	78.390.996	67.793.605
Less: Cash and cash equivalents	(3.606.782)	(3.594.938)
Net debt	74.784.214	64.198.667
Total equity	69.111.983	57.748.457
<b>Total equity + net debt</b>	<b>143.896.197</b>	<b>121.947.124</b>
<b>Net debt/ (Total equity + net debt) (%)</b>	<b>52</b>	<b>53</b>

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#### 30. Financial instruments (Fair value disclosures and disclosures in the frame of hedge accounting)

##### Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels of fair value calculations have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the group's financial assets and liabilities that are measured at fair value at December 31, 2023 and December 31, 2022. See Note 10 for disclosures of the land and buildings that are measured at fair value (Note 10).

December 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through other comprehensive income</b>				
Financial Assets	-	4.413.585	-	4.413.585
<b>Financial assets measured at fair value through other comprehensive income</b>				
Lease certificates, investment fund	-	3.381.545	-	3.381.545
<b>Total assets</b>	<b>-</b>	<b>7.795.130</b>	<b>-</b>	<b>7.795.130</b>
<b>December 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets measured at fair value through other comprehensive income				
Financial Assets	-	3.447.939	-	3.447.939
Financial assets measured at fair value through other comprehensive income				
Lease certificates, investment funds	-	3.315.819	-	3.315.819
<b>Total assets</b>	<b>-</b>	<b>6.763.758</b>	<b>-</b>	<b>6.763.758</b>

There were no transfers between levels during in year.

##### (a) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

## BİM BİRLEŞİK MAĞAZALAR A.Ş.

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2023 and 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

#### 30. Financial instruments (Fair value disclosures and disclosures in the frame of hedge accounting) (Cont'd)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments,
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

As of December 31, 2023 and December 31, 2022, except for the available for sale financial assets disclosed in Note 5, the fair values of certain financial assets carried at cost including cash and cash equivalents profit share accruals and other short-term financial assets are considered to approximate their respective carrying values due to their short-term nature. The carrying value of trade receivables along with the related allowance for unearned income and uncollectibility are estimated to be their fair values.

- Financial liabilities

Financial liabilities of which fair values approximate their carrying values:

Fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and borrowings. The fair value of bank borrowings with variable rates are considered to approximate their respective carrying values since the profit share rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

#### 31. Fees for Services Received from Independent Audit Firm

The Company's explanation regarding the fees for the services rendered by the independent audit firms, which was prepared by the POA pursuant to the Board Decision published in the Official Gazette on March 30, 2021, and the preparation principles were based on the letter of the POA dated August 19, 2021, is as follows:

	December 31, 2023	December 31, 2022
Legal and voluntary independent audit services (annual)	1.703	847
	<b>1.703</b>	<b>847</b>

#### 32. Subsequent events

There are no subsequent events.

## SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
<b>Sustainability Compliance Report</b>						
<b>A. GENERAL PRINCIPLES</b>						
<b>A1. Strategy, Policy and Goals</b>						
A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				BİM published its first Sustainability Report in 2021 operating period. Within the scope of these studies, sustainability priorities were determined by also consulting with various stakeholders.	BİM Integrated Annual Report Sustainability Governance Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				These policies are published on the Company website.	<a href="https://english.bim.com.tr/Categories/674/policies.aspx">https://english.bim.com.tr/Categories/674/policies.aspx</a>
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				The medium-term ESG targets set within the scope of ESG Policies were shared with the public in the Integrated Annual Report.	BİM Integrated Annual Report Sustainability Commitments and Goals Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
<b>A2. Implementation/Monitoring</b>						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				BİM decided to establish a Sustainability Unit on December 1, 2020. The department ensures the coordination of sustainability activities throughout the organizational structure. On March 18, 2021, a Sustainability Committee affiliated to the Board of Directors was established to execute, implement and monitor the Company's ESG activities.	BİM Integrated Annual Report Sustainability Governance Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				The Sustainability Committee, which is a part of the board, provides information to the Board of Directors.	Sustainability Committee Operating Principles <a href="https://english.bim.com.tr/Uploads/dosyalar/Sustainability%20Committee%20Operating%20Principles.pdf">https://english.bim.com.tr/Uploads/dosyalar/Sustainability%20Committee%20Operating%20Principles.pdf</a>
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				Detailed information on the projects implemented or planned to be implemented within the scope of medium-term ESG targets is disclosed to the public in the Integrated Annual Report.	BİM Integrated Annual Report Sustainability Commitments and Goals Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X				KPIs are disclosed to the public collectively in the Integrated Annual Report.	BİM Integrated Annual Report Performance Indicators Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Details of all activities aimed at improving sustainability performance are disclosed to the public in the Integrated Annual Report.	BİM Integrated Annual Report <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
<b>A3. Reporting</b>						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company in understandable, accurate and sufficient manner.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BİM Integrated Annual Report <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				BİM's Sustainability Approach gives information on which SDGs BİM's ESG priorities are associated with.	BİM Integrated Annual Report Sustainability Governance Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	X				There are no significant lawsuits or penalties regarding the environment. The number of judicial decisions finalized against the Company with respect to employee rights: There are 104 lawsuits finalized against the Company in 2023. The number of judicial decisions finalized against the Company due to responsibility for occupational accidents: There are 1 lawsuit finalized against the Company in 2023.	BİM Integrated Annual Report <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>

## SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
<b>A4. Verification</b>						
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.			X		The verification of BiM's data other than financial information will be evaluated in the coming years.	
<b>B. ENVIRONMENTAL PRINCIPLES</b>						
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				The Company's Environmental Policy was published on the corporate website. Within the scope of this policy, implementations and action plans are disclosed to the public in the Integrated Annual Report. The Company also has ISO14001 certification in a regional warehouse.	<a href="https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf">https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf</a>
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				BiM continues its activities in more than one country with more than one brand. The Company strives to reveal as much comprehensive data as possible in terms of environmental data. However, in cases where it is impossible to access data, only those within Türkiye or only the data of BiM brands may be given. Clarification is always provided when limited data are shared.	BiM Integrated Annual Report About the Report Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).			X		There is none.	
B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X				BiM formed four sustainability working groups in order to integrate the sustainability goals to business processes. Environmental issues are handled by the Environment Working Group. The Environment Working Group has been commissioned with developing projects to measure, monitor and minimize the environmental impact in our operation.	BiM Integrated Annual Report Sustainability Governance Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X				Our Responsible Procurement Policy has been adopted by the Board of Directors and published on our web site, so that our goals in environmental matters can be adopted by our suppliers as well. This policy is also attached to the contracts concluded with our suppliers.	<a href="https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf">https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf</a>
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BiM Integrated Annual Report Packaging and Waste Management Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				BiM explains the environmental indicators collectively in its Integrated Annual Report.	BiM Integrated Annual Report Performance Indicators Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				The Integrated Annual Report, in which BiM presents its sustainability strategy and performance to its stakeholders, is prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards.	BiM Integrated Annual Report About the Report Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>



	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BiM Integrated Annual Report Performance Indicators Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.	X				BiM explains the status of environmental indicators and its short and long-term targets in its Integrated Annual Report.	BiM Integrated Annual Report Sustainability Commitments and Goals Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				BiM publishes its strategy and actions to fight the climate crisis in its Integrated Annual Report.	BiM Integrated Annual Report Combating Climate Change and Environment Management Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BiM Integrated Annual Report Combating Climate Change and Environment Management Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X				Within the scope of BiM's Responsible Procurement Policy, the outputs of projects made especially with private label product suppliers are included in the Integrated Annual Report.	BiM Integrated Annual Report Sustainable Products and Services Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BiM Integrated Annual Report Combating Climate Change and Environment Management Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BiM Integrated Annual Report Combating Climate Change and Environment Management Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BiM Integrated Annual Report Combating Climate Change and Environment Management Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BiM Integrated Annual Report Combating Climate Change and Environment Management Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B19. The renewable energy production and usage data has been publicly disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BiM Integrated Annual Report Performance Indicators Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BiM Integrated Annual Report Combating Climate Change and Environment Management <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BiM Integrated Annual Report Performance Indicators Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	X				BiM does not have an application for carbon trading.	BiM Integrated Annual Report <a href="https://english.bim.com.tr/AnnualReports/2022/2022%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2022/2022%20Annual%20Report.pdf</a>

## SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.				X	BİM does not have an application for carbon trading.	
B24. If carbon pricing is applied within the Company, the details have been disclosed.				X	BİM does not have a carbon pricing application.	
B25. The platforms where the Company discloses its environmental information have been disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	<a href="https://english.bim.com.tr/Categories/654/annual-reports.aspx">https://english.bim.com.tr/Categories/654/annual-reports.aspx</a>
<b>C. SOCIAL PRINCIPLES</b>						
<b>C1. Human Rights and Employee Rights</b>						
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	X				They are published on the Company website.	<a href="https://english.bim.com.tr/Policies/General/Human%20Rights%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Rights%20Policy.pdf</a> <a href="https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf</a>
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X				It is published on the Company website.	<a href="https://english.bim.com.tr/Policies/General/Diversity%20and%20Inclusion%20Policy.pdf">https://english.bim.com.tr/Policies/General/Diversity%20and%20Inclusion%20Policy.pdf</a>
C1.3. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BİM Integrated Annual Report Supply Chain Management and Human Resources Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				In this regard, an Ethics Hotline was established where complaints can be conveyed, and the process for resolving incoming notifications has been explained in the Whistle Blowing Policy.	<a href="https://english.bim.com.tr/Policies/General/Whistle%20Blowing%20Policy.pdf">https://english.bim.com.tr/Policies/General/Whistle%20Blowing%20Policy.pdf</a>
C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				It is published on the Company website.	<a href="https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf</a>
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				In this regard, an Ethics Hotline was established where complaints can be conveyed, and the process for resolving incoming notifications has been explained in the Whistle Blowing Policy.	<a href="https://english.bim.com.tr/Policies/General/Whistle%20Blowing%20Policy.pdf">https://english.bim.com.tr/Policies/General/Whistle%20Blowing%20Policy.pdf</a>
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BİM Integrated Annual Report Employees Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
C1.6. The occupational health and safety policies have been established and disclosed.	X				OHS issues are included in the Human Resources Policy.	<a href="https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf</a>

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BİM Integrated Annual Report Performance Indicators Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
C1.7. The personal data protection and data security policies have been established and disclosed.	X				The relevant clarification text is published on the Company website.	<a href="https://english.bim.com.tr/pages/personal-data-processing-lighting.aspx">https://english.bim.com.tr/pages/personal-data-processing-lighting.aspx</a>
C1.8. The ethics policy have been established and disclosed.	X				BİM Ethical Principles are published on the Company website.	<a href="https://english.bim.com.tr/Categories/674/policies.aspx">https://english.bim.com.tr/Categories/674/policies.aspx</a>
C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BİM Integrated Annual Report Message from the Board of Directors and CEO Message Sections <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BİM Integrated Annual Report Employees Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
<b>C2. Stakeholders, International Standards and Initiatives</b>						
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				It is published on the company website.	<a href="https://english.bim.com.tr/Policies/General/Customer%20Satisfaction%20Policy.pdf">https://english.bim.com.tr/Policies/General/Customer%20Satisfaction%20Policy.pdf</a>
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				Explanations on the subject are disclosed to the public in the Integrated Annual Report.	BİM Integrated Annual Report Stakeholder Map and Communicating with Stakeholders Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
C2.3. The international reporting standards that adopted in reporting have been explained.	X				BİM publishes its Integrated Annual Report in accordance with GRI standards.	BİM Integrated Annual Report About the Report Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.			X		There is none.	
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	X				Following its inclusion in the BIST Sustainability Index in 2022, BİM has been included in the BIST Sustainability 25 index by the first quarter of 2023. BİM is also included in FTSE4Good Emerging and FTSE Emerging ESG Indices.	BİM Integrated Annual Report CEO Message Public Disclosure Platform Notification: <a href="https://www.kap.org.tr/en/Bildirim/1088484">https://www.kap.org.tr/en/Bildirim/1088484</a>
<b>D. CORPORATE GOVERNANCE PRINCIPLES</b>						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				BİM's sustainability priorities were determined by taking the opinions of various stakeholders.	BİM Integrated Annual Report Sustainability Governance Section <a href="https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2023/2023%20Integrated%20Annual%20Report.pdf</a>
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.			X		There is none.	

# MANAGEMENT DISCUSSION & ANALYSIS – 2023 PERFORMANCE REVIEW

//////  
**STEADY INCREASE  
IN REAL GROWTH**  
//////

//////  
**HIGH ACCESSIBILITY &  
CUSTOMER LOYALTY  
WITH A WIDE STORE  
NETWORK AND  
STRONG SUPPLY  
CHAIN**  
//////

//////  
**RELIABLE FOOD  
CHAIN WITH  
CERTIFIED SUPPLIERS  
& SUSTAINABLE  
PRODUCT PORTFOLIO**  
//////

<b>328</b> TL Billion net sales	<b>13.7</b> TL Billion EBITDA
<b>18%</b> real growth rate	<b>4.2%</b> EBITDA margin
<b>15.4</b> TL Billion net profit	<b>11.2</b> TL Billion investment

Outperformed BIST100 by **66%**

Average dividend pay out ratio of **68%** in the last 5 years

**12,482** number of stores

**78** number of logistics centers

**6.3** million average number of daily customer visits

**4** million total number of visits to BİM Mobile & FİLE Mobile applications

**2.7** million BİMcell subscribers

**15.7%** market share across Türkiye (in FMCG)

**39** net promoter score (NPS)

**9.2%** turnover share of sustainable products

**62%** ratio of BİM's private-label products to net sales

**33%** ratio of FİLE's private-label products to net sales

**4%** proportion of private label products with QR codes

<b>1,465</b> number of suppliers	<b>809</b> number of supplier audits
<b>280</b> total number of suppliers with certificates	
<b>863</b> total number of certificates of suppliers	
<b>238</b> total number of certificates compatible with sustainability of suppliers	
<b>13,585</b> number of analyzed product samples	

COMPLIANCE WITH  
INTERNATIONAL  
STANDARDS &  
COMMITMENT TO  
IMPROVING CLIMATE  
PERFORMANCE

Member of FTSE Emerging ESG Index  
Member of FTSE4Good Emerging Index  
Member of BIST Sustainability 25 Index  
C Score in CDP Climate Change Reporting

LOW ENVIRONMENTAL  
IMPACT THROUGH  
RESOURCE  
EFFICIENCY & ENERGY  
INVESTMENTS

**1 TL Billion** sustainability investments  
**5,066** number of BİM stores with new design  
**450 tons** of plastic and **759 tons** of paper saved → **21 million TL** saved  
**9%** energy saving through refrigerators with glass doors → **20,000 tons** of CO<sub>2</sub> reduction  
**0.16** water consumption intensity  
**100,000 m<sup>2</sup>** of soil-free farming area  
**879 TL Million** SPPs investment  
**23.7 MWh** of energy production → **10,4** thousand tons of CO<sub>2</sub> savings  
**%4** renewable energy usage  
**18%** reduction in unit greenhouse gas emissions compared to 2019  
**117,349 tons** amount of non-hazardous waste fully recycled  
**0.52%** the ratio of food waste to sales

EMPLOYEE ENGAGEMENT  
THROUGH AN INCLUSIVE  
WORKFORCE AND  
CONTINUOUS TRAINING  
PROGRAMS

**86,646** number of employees  
**50%** female employee rate across Turkey  
**37%** of female employees in management and office staff  
**6,837** net new hires  
**83%** hiring rate for under 30 years old  
**58%** hiring rate for women  
**360,000 hours** total experience time in trainings  
**76 thousand person \* 4.6 hours** of online training  
**90%** completion rate of ethics and compliance training  
**550,652** total OHS training hours  
**3.5** accident frequency rate  
**21%** reduction in accident severity rate



## CORPORATE MEMBERSHIPS AND STRATEGIC COLLABORATIONS

### Corporate Memberships



**Turkish Union of  
Chambers and  
Stock Exchanges  
(TOBB) - Turkish  
Retail Trade  
Council**



**Turkish Council of  
Shopping Centers &  
Retailers (TAMPF)**



**Turkish Council of  
Shopping Centers &  
Retailers (GPD)**



**International  
Organization for  
Standardization  
(ISO)**



**Istanbul Chamber  
of Commerce (ITO)**

## AWARDS AND ACHIEVEMENTS

### Institutional Investor Research (II Research)

In the independent evaluation conducted by Institutional Investor Research (II Research), which is considered one of the most respected institutions in the Investor Relations world, with the votes of international investment professionals, BİM was received the "Best Corporate in Investor Relations" award in the Large Cap Consumer Companies category across the entire emerging Europe, Middle East and Africa (EMEA) region in 2023.

### Brand Finance

Within the scope of the "Türkiye's 100 Most Valuable Brands Report" announced for the 17<sup>th</sup> time in 2023 by Brand Finance, an international brand valuation organization, BİM rose two places to 6<sup>th</sup> place among the 10 most valuable brands compared to the previous year and ranked 2<sup>nd</sup> with its sustainability perception value.

### Marketing Türkiye & Kuantum Research

At the B2B Excellence Awards, which was held in cooperation with Marketing Türkiye and Kuantum Research and awarded "Türkiye's Most Reputable Business Partners," BİM ranked first in the Food/Kitchen and Cleaning categories and became the "Reputable Business Partner of the Year."

## PERFORMANCE INDICATORS

### SOCIAL PERFORMANCE INDICATORS

Employees By Gender and Category	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
<b>Total number of employees</b>	<b>22,524</b>	<b>33,445</b>	<b>28,401</b>	<b>36,654</b>	<b>34,480</b>	<b>39,496</b>	<b>40,217</b>	<b>39,545</b>
Office and managerial staff	1,016	1,872	1,267	2,140	1,294	2,400	1,492	2,395
Store and warehouse staff	21,508	31,573	27,134	34,514	33,186	37,096	38,725	37,150

By Category and Type of Work	2020		2021		2022		2023	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
<b>Number of employees by full time/part time working</b>	<b>53,576</b>	<b>2,393</b>	<b>62,407</b>	<b>2,648</b>	<b>70,098</b>	<b>3,878</b>	<b>74,333</b>	<b>5,429</b>
Office and managerial staff	2,885	3	3,403	4	3,684	10	3,887	0
Store and warehouse staff	50,691	2,390	59,004	2,644	66,414	3,868	70,446	5,429

Employees by Work Duration	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
0-5 years	17,628	21,269	23,417	24,420	30,130	28,452	39,272	37,115
5-10 years	3,610	6,716	3,654	6,809	2,810	5,212	752	1,857
10 years and more	1,286	5,460	1,329	5,426	1,540	5,832	193	573

New Recruits	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
<b>Number of new recruits</b>	<b>10,344</b>	<b>13,995</b>	<b>15,502</b>	<b>15,088</b>	<b>23,623</b>	<b>19,466</b>	<b>26,780</b>	<b>19,689</b>
Below age of 30	9,045	10,561	13,848	12,032	20,682	15,613	23,631	15,028
Between ages of 30-50	1,296	3,391	1,651	3,004	2,930	3,716	3,129	4,232
Above age of 50	3	43	3	52	11	137	20	429

Employee Turnover	2020		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male
<b>Total number of employees leaving work</b>	<b>6,546</b>	<b>8,898</b>	<b>9,625</b>	<b>11,879</b>	<b>17,544</b>	<b>16,624</b>	<b>21,043</b>	<b>19,640</b>
Below age of 30	5,260	5,691	8,308	8,509	14,931	11,829	18,077	14,747
Between ages of 30-50	1,275	3,067	1,313	3,267	2,599	4,685	2,947	4,698
Above age of 50	11	140	4	103	14	110	19	195
Employee turnover rate*	29%	27%	34%	32%	51%	42%	52%	50%

\*Including the employees who resign.

## PERFORMANCE INDICATORS

<b>Employees in Executive Positions</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>2023</b>	
	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
Below age of 30	1	0	0	2	1	0	1	1
Between ages of 30-50	86	501	95	557	102	557	99	537
Above age of 50	3	36	3	32	3	59	6	96
Board of Directors	0	6	0	6	0	6	0	6

<b>Performance System</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>2023</b>	
	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
Number of employees subject to regular performance assessment	74	414	79	453	85	475	86	490

<b>Trainings</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total training hours	3,164	19,775	41,221	360,115
Average training hours per employee	3.6	16.66	5.80	4.66

<b>OHS Data</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Accident frequency rate*	1.8	2.6	2.8	3.5
Occupational disease rate**	0.0	0.0	0.0	0.0
Absenteeism rate***	73.5	81.4	49.4	39.2
Number of cases resulting in death	4	5	3	2

\*Accident frequency rate = Total accidents with injury x 200,000 / Total hours worked

\*\*Occupational disease rate = Total occupational disease cases x 200,000 / Total hours worked

\*\*\*Absenteeism = Number of days lost due to accident x 200,000 / Total hours worked. 2020 and 2021 data were recalculated due to methodology change.

<b>OHS Trainings</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total OHS training hours	441,242	538,728	575,016	550,652
OHS training hours	298,250	364,144	447,000	425,852
First aid training hours	86,675	105,824	67,328	58,160
Emergency training hours	56,317	68,760	60,688	66,640
OHS training hours per employee	7.88	8.28	7.77	6.85

## ENVIRONMENTAL PERFORMANCE INDICATORS

Greenhouse Gas Emissions * (tons CO <sub>2</sub> -equivalent)	2020	2021	2022	2023
<b>Scope 1</b>	<b>274,592</b>	<b>297,453</b>	<b>308,683</b>	<b>295,666</b>
Vehicles	73,073	74,430	76,123	84,450
F-gases	183,740	196,544	205,306	190,700
Fuels used in the facility	17,779	26,479	27,254	20,516
<b>Scope 2</b>	<b>212,395</b>	<b>220,005</b>	<b>245,909</b>	<b>260,852</b>
Electricity consumption	212,395	220,005	245,909	260,852
<b>TOTAL (Scope 1+2)</b>	<b>486,987</b>	<b>517,458</b>	<b>554,592</b>	<b>556,518</b>
Greenhouse Gas Density (kgCO <sub>2</sub> e/m <sup>2</sup> )	125.0	117.8	115.8	109.0
Scope 3	-	-	1,993,837	1,563,385
<b>TOTAL (Scope 3 Included)</b>	<b>-</b>	<b>-</b>	<b>2,548,429</b>	<b>2,119,903</b>

\*Greenhouse gas emissions have been calculated according to World Resources Institute, WRI / World Business Council on Sustainable Development, WBCSD Greenhouse Gas Protocol. KIP (GWP) values have been updated in line with IPCC AR5 report. The lower calorific values and conversion coefficients of energy resources are taken from the Tables of Lower Thermal Value of Energy Resources and Conversion Coefficients to Petroleum Equivalents in ANNEX-2 of the "Regulation on Increasing Efficiency in the Use of Energy Resources and Energy" published in the Official Gazette No. 28097 dated October 27, 2011.

Energy Consumption (MWh)	2020	2021	2022	2023
<b>Buildings (Fuel-Electricity)</b>	<b>533,082</b>	<b>591,988</b>	<b>697,006</b>	<b>695,073</b>
Purchased electricity	445,310	461,265	562,352	594,197
Natural gas - fuel oil - LPG	87,773	130,723	134,654	100,876
<b>Vehicle Fuels</b>	<b>249,360</b>	<b>254,075</b>	<b>281,431</b>	<b>308,121</b>
Diesel	249,360	254,075	277,150	295,193
Gasoline	0	0	4,281	12,928
<b>TOTAL Energy Consumption (Renewable Energy Excluded)</b>	<b>782,442</b>	<b>846,063</b>	<b>978,437</b>	<b>1,003,194</b>
<b>Renewable Energy</b>	<b>210</b>	<b>1,643</b>	<b>12,220</b>	<b>23,690</b>
Renewable Energy (Electricity)	210	1,643	12,220	23,690
Energy Sold	0	0	0	0
<b>TOTAL Energy Consumption</b>	<b>782,652</b>	<b>847,706</b>	<b>990,657</b>	<b>1,026,884</b>

Amount of Non-hazardous Waste (tons)	2020	2021	2022	2023
<b>Total Non-hazardous Waste</b>	<b>-</b>	<b>125,721</b>	<b>136,358</b>	<b>159,784</b>
Recycled	-	89,321	100,195	117,349
Food Waste	28,411	36,400	36,163	42,435

Water Consumption (m <sup>3</sup> )	2020	2021	2022	2023
Mains Water	434,000	648,908	782,923	827,945

## GLOSSARY

**AIB (American Institute of Baking):** An organization that provides training, consulting and certification services for businesses operating in the food production and processing industries. AIB International guides businesses on issues such as food safety, quality management, hygiene standards and facility safety. Certificates issued by AIB International usually certify compliance with certain standards in processes such as food production, storage and distribution.

**ATP (Accord Transport Perishable):** The ATP certification certifies the compliance with certain standards for food cold chain transportation. This standard has been designed to ensure that transported products maintain certain temperature conditions. Transportation vehicles used to ensure the safety of the food cold chain and preserve the quality of perishable products must comply with this certification.

**Azo dye:** Azo dye is a type of chemical compound commonly used as a colorant in textiles, food, pharmaceuticals, cosmetics and other industrial applications. Azo dyes may have a wide range of colors and various chemical structures that can be used to adjust the color shades. These dyes are used to color fabrics, plastics, foods and other materials.

**BRC (British Retail Consortium):** The BRC (British Retail Consortium) is a UK-based retail trade association and an organization that sets international safety and quality standards for businesses in the food/consumer goods industry. BRC standards promote food safety and quality management, are aimed at supply chain businesses and are globally recognized.

**BRC Food (British Retail Consortium Food Standards):** BRC Food is a certification system that sets certain standards in food safety and quality management. BRC Food standards apply to businesses operating in food production, processing, storage and distribution. BRC Food certification aims to ensure that businesses comply with food safety standards and effectively implement quality management systems. These standards were established to promote the production of reliable and quality food products throughout the supply chain.

**BRC Non Food (British Retail Consortium Non Food Standards):** BRC Non Food is a certification system set for businesses that produce or trade non-food products such as clothing, home textiles, toys, cosmetics, etc. These standards set the quality and safety standards within the supply chain of businesses that want to provide consumers with reliable and high quality non-food products.

**CDP (Carbon Disclosure Project):** The Carbon Disclosure Project is an initiative launched in 2000 to collect and share information that will enable companies, investors and governments to take action against the threat of climate change.

**CEO:** Chairman of the Executive Committee

**Circular Economy:** An economic model that aims to minimize waste and recycle materials as much as possible by using resources sustainably, in contrast to the linear economic model based on conventional consumption and waste generation.

**CMB:** Capital Markets Board

**EBITDA:** Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is the amount of profit obtained by adding depreciation and amortization expenses to the net operating profit of a company, which enables a more objective evaluation by excluding tax and investment costs when measuring the profitability of companies.

**European Union Green Deal:** A comprehensive climate and sustainability strategy announced by the European Union in 2019.

**Food Cold Chain:** The food cold chain is a logistics and supply chain in which specific temperature conditions are maintained throughout the process from food production to the consumer. This chain usually involves the transportation of various food products, especially perishable and sensitive ones, maintained within a certain temperature range. The main target is to ensure the quality and safety of food products.

**FRC (Frigorific Road Vehicles):** The FRC certification certifies that transportation vehicles comply with the standards set for food cold chain transportation. This certification confirms that the transportation vehicles have freezing or refrigeration features, can operate under certain temperature conditions and that the transported products can be safely preserved.

**GMO (Genetically Modified Organism):** It refers to the process and result of altering the genetic material of an organism in a laboratory environment.

**GRI:** Global Reporting Initiative



**GWP (Global Warming Potential Values):** GWP (Global Warming Potential) is a unit of measurement used in the IPCC's Fifth Assessment Report to quantify the global warming impacts of greenhouse gas emissions. GWP is a value determined by considering the lifetime and thermal capacity of a greenhouse gas in the atmosphere. Global Warming Potential is usually expressed in comparison to carbon dioxide (CO<sub>2</sub>). Carbon dioxide is considered as a reference and is assigned a GWP value of 1. Other greenhouse gases have different GWP values than carbon dioxide because they remain in the atmosphere longer and absorb heat more effectively.

**IFS (International Featured Standards):** International standard used in the food and consumer products industries.

**IFS Food (International Featured Standards Food):** IFS Food is a certification system that specifies a quality and safety standard for businesses in the food production and processing industry. The IFS Food standard evaluates the production processes, product safety measures and quality management systems of food businesses. This standard aims to secure the quality and safety standards at every stage of the supply chain.

**IFS Non Food (International Featured Standards Non-Food):** IFS Non Food refers to a quality and safety standard for businesses that produce or trade non-food products such as clothing, home textiles, toys, cosmetics and similar non-food products. The purpose of this standard is to encourage businesses in the non-food sector to comply with high standards in production processes, product safety and quality management systems.

**IPCC AR5 report:** IPCC AR5 refers to the Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC). The IPCC is an international organization that provides scientific assessments on climate change worldwide. AR5 includes a series of reports published in 2013-2014 and presents up-to-date information, analysis and recommendations on climate change.

**ISO:** International Standardization Organization

**Molderator:** A product used as a natural mold inhibitor in dehydrated wheat, sourdough and baked goods. Molderators can be used in a variety of products, such as soft breads and baguettes, and they also increase the shelf life of the product.

**NGO:** Non-governmental organization

**NPS (Net Promoter Score-Net):** The Net Promoter Score is a metric used to measure and evaluate customer satisfaction.

**OHS:** Occupational Health and Safety

**Pesticides:** Pesticides are chemical or biological agents used for the control or killing of harmful organisms (e.g. insects, fungi, weeds). They are widely used in agriculture, gardening and health sectors. Pesticides aim to reduce plant diseases, pests and other unwanted organisms by controlling harmful organisms. However, they can pose environmental impacts and health risks in cases of misuse or overuse.

**Phytate:** A group of salty compounds found in plants, especially abundantly in seeds. However, it cannot be completely digested by the human body and may interfere with mineral absorption.

**R&D:** Research & Development

**Scope 1 Emissions:** Scope 1 emissions refer to emissions under the direct control of an organization. This typically includes emissions resulting from sources owned and operated by a company.

**Scope 2 Emissions:** Scope 2 emissions refer to an organization's indirect greenhouse gas emissions. These emissions are indirect emissions resulting from a company's energy consumption. Scope 2 emissions originate from energy producers or service providers that are outside a company's direct control but support the company's operations.

**Scope 3 Emissions:** Scope 3 emissions refer to an organization's indirect greenhouse gas emissions that are derived from processes outside the organization's operations. These emissions are linked to an organization's supply chain, customer use, waste management and other external factors.

**SPP:** Solar power plant

**TCFD (Task Force on Climate Related Financial Disclosures):** The Task Force on Climate-related Financial Disclosures aims to encourage companies to disclose and report climate-related financial risks and opportunities in a more transparent and apparent way.

## GLOSSARY

**TFRS (Turkish Financial Reporting Standards):** TFRS include a set of standards and rules set and regulated by the Turkish Accounting Standards Board (TMSK). These standards set generally accepted accounting principles that companies should follow when preparing and reporting their financial statements. These standards have been designed to ensure that companies' financial statements are transparent, consistent and comparable. Turkish Financial Reporting Standards are generally similar to International Financial Reporting Standards (IFRS) but have been adapted to specific circumstances and regulations.

**Titanium dioxide:** It is a white pigment and coating material with the chemical formula  $\text{TiO}_2$ . It is commonly used as a colorant and opacity enhancer in industries such as paint, plastics, food, cosmetics, pharmaceuticals and sunscreens. It is also used as a food additive known as "E171." It is generally considered safe, but there are some concerns about the use of its nanoparticle form. Its use and regulations are subject to standards set in various industries and countries.

**Value Chain:** A business model that encompasses all stages, starting from the production of a product or service and including the supply of raw materials from suppliers, manufacturing, distribution, marketing, sales, and finally offering to the consumer.

**VRF:** Value Reporting Foundation

**Water Consumption Intensity:** Water consumption intensity is a measure of water use of a region, industry or activity over a given period of time. The term indicates how intensively water is used or how much water is consumed per unit of production or activity. Water consumption intensity is considered an important indicator for sustainable water management and conservation of water sources.

**WEPs:** Developed in 2010 by the United Nations Global Compact and UN Women, the WEPs (Women's Empowerment Principles) aim to commit to and take action on women's empowerment and gender equality in business world.

# GRI CONTENT INDEX

<b>For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.</b>		
<b>Statement of Use</b>	BIM has reported in accordance with the GRI Standards for the period 1 January-31 December 2023.	
<b>GRI 1</b>	GRI 1: Foundation 2021	
<b>Applicable GRI Sector Standard(s)</b>	Since the sector standard for the retail sector has not been prepared yet, no sector standard has been used.	
<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>LOCATION AND/OR DIRECT ANSWERS</b>
<b>GENERAL DISCLOSURES</b>		
<b>GRI 2: General Disclosures 2021</b>	<b>The Organization and Its Reporting Practices</b>	
	2-1 Organizational details	About the Report, page 10-11 About BIM, page 18-23 Region of Operation, page 26-27 Shareholding Structure, page 93
	2-2 Entities included in the organization's sustainability reporting	About the Report, page 10-11
	2-3 Reporting period, frequency and contact point	Annually. About the Report, page 10-11
	2-4 Restatements of information	None.
	2-5 External assurance	No external assurance services were received regarding sustainability data in the report.
	<b>Activities and Employees</b>	
	2-6 Activities, value chain and other business relations	About BIM, page 18-23 Value Generation Model of BIM, page 36-37 Supply Chain Management, page 62-63
	2-7 Employees	Human Resources, page 65-69
	2-8 Workers who are not employees	Human Resources, page 65-69
	<b>Governance</b>	
	2-9 Governance structure and composition	Board of Directors and Senior Management, page 88-91 Board Committees, page 92
	2-10 Nomination and selection of the highest governance body	The selection of members of the Board of Directors is carried out in accordance with the minimum qualifications required and within the framework of the relevant regulations. Board of Directors and Senior Management, page 88-91 Board Committees, page 92
	2-11 Chair of the highest governance body	Board of Directors and Senior Management, page 88-91 Board Committees, page 92
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors and Senior Management, page 88-91 Board Committees, page 92
	2-13 Delegation of responsibility for managing impacts	Board of Directors and Senior Management, page 88-91 Board Committees, page 92
	2-14 Role of the highest governance body in sustainability reporting	About the Report, page 10-11 Sustainability Governance, page 40-41
	2-15 Conflicts of interest	Business Ethics and Legal Compliance, page 86-87 Corporate Governance Principles Compliance Report, page 104-115
	2-16 Communication of critical issues	2023 Sustainability Outlook, page 16-17
	2-17 Collective knowledge of the highest governance body	Board of Directors and Senior Management, page 88-91 Board Committees, page 92

## GRI CONTENT INDEX

<b>GRI 2: General Disclosures 2021</b>	2-18 Evaluation of the performance of the highest governance body	Board of Directors and Senior Management, page 88-91 Board Committees, page 92
	2-19 Remuneration policies	Human Resources, page 65-69  Remuneration Policy: <a href="https://english.bim.com.tr/Policies/General/Remuneration%20Policy.pdf">https://english.bim.com.tr/Policies/General/Remuneration%20Policy.pdf</a>
	2-20 Process to determine remuneration	Human Resources, page 65-69  Remuneration Policy: <a href="https://english.bim.com.tr/Policies/General/Remuneration%20Policy.pdf">https://english.bim.com.tr/Policies/General/Remuneration%20Policy.pdf</a>
	2-21 Annual total compensation ratio	Human Resources, page 65-69
	<b>Strategy, Policies and Practices</b>	
	2-22 Statement on sustainable development strategy	Message from the Board of Directors, page 12-13 Message from the CEO, page 14-15 Value Generation Model of BİM, page 36-37 Sustainability Strategy, page 38-39 Sustainability Governance, page 40-41 Material Topics and Materiality Matrix, page 43-45 Contributed Sustainable Development Goals, page 46-47 Sustainability Commitments and Goals, page 48-49
	2-23 Policy commitments	Sustainability Governance, page 40-41  All policies can be accessed through the Policies section of the BİM website. <a href="https://english.bim.com.tr/Categories/674/policies.aspx">https://english.bim.com.tr/Categories/674/policies.aspx</a>
	2-24 Embedding policy commitments	Sustainability Governance, page 40-41  All policies can be accessed through the Policies section of the BİM website. <a href="https://english.bim.com.tr/Categories/674/policies.aspx">https://english.bim.com.tr/Categories/674/policies.aspx</a>
	2-25 Processes to remediate negative impacts	Customer Experience and Satisfaction, page 60-61  Customer Satisfaction Policy: <a href="https://english.bim.com.tr/Policies/General/Customer%20Satisfaction%20Policy.pdf">https://english.bim.com.tr/Policies/General/Customer%20Satisfaction%20Policy.pdf</a>
	2-26 Mechanisms for seeking advice and raising concerns	Customer Experience and Satisfaction, page 60-61  Customer Satisfaction Policy: <a href="https://english.bim.com.tr/Policies/General/Customer%20Satisfaction%20Policy.pdf">https://english.bim.com.tr/Policies/General/Customer%20Satisfaction%20Policy.pdf</a>
	2-27 Compliance with laws and regulations	There were no developments that were not in compliance with the law during the reporting period, and no penalties were imposed for non-compliance with laws and regulations.
	2-28 Membership associations	Corporate Memberships and Strategic Collaborations, page 196
	<b>Stakeholder Engagement</b>	
	2-29 Approach to stakeholder engagement	Stakeholder Map and Communication with Stakeholders, page 42
	2-30 Collective bargaining agreements	There is no collective bargaining agreement in BİM.
<b>MATERIAL TOPICS</b>		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Material Topics and Materiality Matrix, page 43-45
	3-2 List of material topics	Material Topics and Materiality Matrix, page 43-45

	<b>Economic performance</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Key Financial and Operational Indicators, page 30-31 Risk Management and Internal Control Mechanism, page 95-101
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Key Financial and Operational Indicators, page 30-31
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management and Internal Control Mechanism, page 95-101
	<b>Anti-corruption</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Business Ethics and Legal Compliance, page 86-87  Anti-Bribery and Anti-Corruption Policy: <a href="https://english.bim.com.tr/Policies/General/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf">https://english.bim.com.tr/Policies/General/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf</a>
<b>GRI 205: Anti-corruption 2016</b>	205-3 Confirmed incidents of corruption and actions taken	In 2023, no reports were received via the Ethics Line regarding corruption, bribery, discrimination, harassment, customer personal data, conflicts of interest and money laundering.
	<b>Climate Change and Energy</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Energy and Emission Management, page 76-77  Environmental Policy: <a href="https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf">https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf</a>
<b>GRI 302: Energy 2016</b>	302-1 Materials used by weight or volume	Environmental Performance Indicators, page 199
	302-4 Reduction of energy consumption	Environmental Performance Indicators, page 199
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Environmental Performance Indicators, page 199
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance Indicators, page 199
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance Indicators, page 199
	305-4 GHG emissions intensity	Environmental Performance Indicators, page 199
	305-5 Reduction of GHG emissions	Environmental Performance Indicators, page 199
	<b>Water and Wastewater</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Water Management, page 78  Environmental Policy: <a href="https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf">https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf</a>
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Water Management, page 78
	303-5 Water consumption	Water Management, page 78 Environmental Performance Indicators, page 199
	<b>Biodiversity</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Biodiversity, page 82-83  Environmental Policy: <a href="https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf">https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf</a>



## GRI CONTENT INDEX

<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity, page 82-83
	<b>Packaging and Waste</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Packaging and Waste Management, page 79-81  Environmental Policy: <a href="https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf">https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf</a>
<b>GRI 306: Waste 2020</b>	306-2 Management of significant waste-related impacts	Packaging and Waste Management, page 79-81
	306-3 Waste generated	Packaging and Waste Management, page 79-81 Environmental Performance Indicators, page 199
	306-4 Waste diverted from disposal	Packaging and Waste Management, page 79-81 Environmental Performance Indicators, page 199
<b>GRI 417: Marketing and Labeling 2016</b>	417-2 Incidents of non-compliance concerning product and service information and labeling	There have been no incidents of non-compliance with industry or regulatory labeling and/or marketing rules.
	<b>Responsible Procurement and Supply Management</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Supply Chain Management, page 62-63  Responsible Procurement Policy: <a href="https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf">https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf</a>
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-2 Negative environmental impacts in the supply chain and actions taken	Suppliers' GHG emissions are calculated.  Combating Climate Change and Environment Management, page 75
<b>GRI 414: Supplier Social Assessment 2016</b>	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management, page 62-63
	<b>Talent Management</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Human Resources, page 65-69  Human Resources Policy: <a href="https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf</a>
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Human Resources, page 65-69 Social Performance Indicators, page 197-198
	<b>Occupational Health and Safety</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Occupational Health and Safety, page 72-73
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Occupational Health and Safety, page 72-73
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page 72-73
	403-3 Occupational health services	Occupational Health and Safety, page 72-73
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 72-73
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, page 72-73 Social Performance Indicators, page 197-198

<b>GRI 403: Occupational Health and Safety 2018</b>	403-6 Promotion of worker health	Occupational Health and Safety, page 72-73
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, page 72-73
	403-10 Work-related ill health	Occupational Health and Safety, page 72-73 Social Performance Indicators, page 197-198
<b>Employee Loyalty and Satisfaction</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Human Resources, page 65-69
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Human Resources, page 65-69 Social Performance Indicators, page 197-198
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Resources, page 65-69
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance Indicators, page 197-198
<b>Diversity and equal opportunity</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Human Resources, page 65-69  Diversity and Inclusion Policy: <a href="https://english.bim.com.tr/Policies/General/Diversity%20and%20Inclusion%20Policy.pdf">https://english.bim.com.tr/Policies/General/Diversity%20and%20Inclusion%20Policy.pdf</a>
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Social Performance Indicators, page 197-198
	405-2 Ratio of basic salary and remuneration of women to men	Equal pay is applied for male and female employees.  Human Resources Policy: <a href="https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf</a>
<b>Business Ethics</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Business Ethics and Legal Compliance, page 86-87  Ethical Principles: <a href="https://english.bim.com.tr/Policies/General/Ethical%20Principles.pdf">https://english.bim.com.tr/Policies/General/Ethical%20Principles.pdf</a>
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	There was no discrimination case at BİM during the reporting period.
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	BİM respects the freedom of expression of its employees, and complies with the legal regulations regarding the membership of employees to associations or unions under the applicable laws and regulations. Human Resources Policy: <a href="https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf</a>  BİM expects its suppliers to respect the freedom of expression of their employees and comply with legal regulations regarding their membership in associations or unions. Responsible Procurement Policy: <a href="https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf">https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf</a>

## GRI CONTENT INDEX

<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	<p>BİM does not employ child labor in line with the principle of not employing child labor as set out in the International Labor Organization's Declaration of Fundamental Principles and Rights at Work. Human Rights Policy: <a href="https://english.bim.com.tr/Policies/General/Human%20Rights%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Rights%20Policy.pdf</a></p> <p>BİM expects its suppliers to prevent child labor. Responsible Procurement Policy: <a href="https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf">https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf</a></p>
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>BİM does not tolerate forced labor and human trafficking. Human Rights Policy: <a href="https://english.bim.com.tr/Policies/General/Human%20Rights%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Rights%20Policy.pdf</a></p> <p>BİM expects its suppliers to prevent all forms of forced and compulsory labor. Responsible Procurement Policy: <a href="https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf">https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf</a></p>
<b>Contribution to Local Development</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Corporate Social Responsibility, page 70-71
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility, page 70-71
<b>Product Quality and Safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Product Quality and Safety, page 52-53
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Product Quality and Safety, page 52-53
<b>Data Privacy and Cyber Security</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<p>Material Topics and Materiality Matrix, page 43-45 Digitalization and Information Security, page 58-59</p> <p>Information Security Policy: <a href="https://english.bim.com.tr/Policies/General/Information%20Security%20Policy.pdf">https://english.bim.com.tr/Policies/General/Information%20Security%20Policy.pdf</a></p>
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no verified complaints regarding violation of customer privacy and loss of customer data during the reporting period.
<b>Customer Experience and Satisfaction</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<p>Material Topics and Materiality Matrix, page 43-45 Customer Experience and Satisfaction, page 60-61</p> <p>Customer Satisfaction Policy: <a href="https://english.bim.com.tr/Policies/General/Customer%20Satisfaction%20Policy.pdf">https://english.bim.com.tr/Policies/General/Customer%20Satisfaction%20Policy.pdf</a></p>
<b>Risk Management</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Risk Management and Internal Control Mechanism, page 95-101
<b>R&amp;D and Innovation</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 R&D and Innovation, page 54-55
<b>Human Rights and Fair Working Conditions</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<p>Material Topics and Materiality Matrix, page 43-45 Human Resources, page 65-69</p> <p>Human Rights Policy: <a href="https://english.bim.com.tr/Policies/General/Human%20Rights%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Rights%20Policy.pdf</a></p>

	<b>Accessible Food</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Service Philosophy, page 24-25
	<b>Food Waste</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Packaging and Waste Management, page 79-81
	<b>Transparency</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Business Ethics and Legal Compliance, page 86-87
	<b>Corporate Governance</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 The Most Precious Understanding: Corporate Governance, page 86-122
	<b>Technology and Digital Transformation</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 R&D and Innovation, page 54-55 Digitalization and Information Security, page 58-59
	<b>Product Information</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Product Quality and Safety, page 52-53
	<b>Circular Economy</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Water Management, page 78 Packaging and Waste Management, page 79-81
	<b>Sustainable Agriculture</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Combating Climate Change and Environment Management, page 75 Biodiversity, page 82-83
	<b>Stakeholder Engagement</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Stakeholder Map and Communication with Stakeholders, page 42 Material Topics and Materiality Matrix, page 43-45
	<b>Multi-Stakeholder Initiatives and Collaborations</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Corporate Memberships and Strategic Collaborations, page 196
	<b>Animal Welfare</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Biodiversity, page 82-83
	<b>Social Responsibility Programs</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Topics and Materiality Matrix, page 43-45 Corporate Social Responsibility, page 70-71  Donation and Aid Policy: <a href="https://english.bim.com.tr/Policies/General/Donation%20and%20Aid%20Policy.pdf">https://english.bim.com.tr/Policies/General/Donation%20and%20Aid%20Policy.pdf</a>

## SASB INDEX

Topic	Metric	SASB Code	Category	GRI Reference	Title with Relevant Explanations
Energy Management	(1) Operational energy consumed,	FB-FR-130a.1	Quantitative	GRI 302-1	Energy and Emission Management, pages 76-77  Environmental Performance Indicators, page 199
	(2) percentage grid electricity and				
	(3) percentage renewable				
Food Waste Management	(1) Amount of food waste generated	FB-FR-150a.1	Quantitative	GRI 306-3, 306-4	Packaging and Waste Management, pages 79-81  Environmental Performance Indicators, page 199
	(2) percentage diverted from the waste stream				
Data Security	Description of approach to identifying and addressing data security risks	FB-FR-230a.2	Discussion and Analysis	GRI 418-1	Digitalization and Information Security, pages 58-59
Food Safety	1) Number of recalls,	FB-FR-250a.2	Quantitative	GRI 416-2	None.  Product Quality and Safety, pages 52-53
	(2) number of units recalled,				
	(3) percentage of units recalled that are private-label products				
Product Health & Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	Discussion and Analysis	N/A	Product Quality and Safety, pages 52-53  Risk Management and Internal Control Mechanism, page 101
Product Labelling & Marketing	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	FB-FR-270a.1	Quantitative	GRI 416-2, 417-2	No incidents of non-compliance with industry or regulatory labeling and/or marketing codes.
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices	FB-FR-270a.2			No monetary losses as a result of legal proceedings associated with marketing and/or labelling practices
	Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and	FB-FR-270a.3			Products containing GMOs are not sold in our stores, in accordance with the legal regulations in Türkiye.
	(2) non-GMO				Product Quality and Safety, pages 52-53
Labour Practices	(1) Average hourly wage	FB-FR-310a.1	Quantitative	N/A	Human Resources, pages 65-69  Social Performance Indicators, pages 197-198
	(2) percentage of in-store and distribution centre employees earning minimum wage, by region				
Management of Environmental & Social Impacts in the Supply Chain	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	Discussion and Analysis	N/A	Supply Chain Management, pages 62-63  Risk Management and Internal Control Mechanism, page 100



## TCFD INDEX

Focus Areas	Recommendations	References
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	Message from the Board of Directors, page 12-13
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Message from the CEO, page 14-15 Sustainability Governance, page 40-41 Risk Management and Internal Control Mechanism, page 95-101
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.	Risk Management and Internal Control Mechanism, page 95-101
	b. Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	2023 Sustainability Outlook, page 16-17 Sustainability Governance, page 40-41 Material Topics and Materiality Matrix, page 43-45 Combating Climate Change and Environment Management, page 75 Energy and Emission Management, page 76-77 Risk Management and Internal Control Mechanism, page 95-101
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP Climate Change Report 2023
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	Sustainability Governance, page 40-41
	b. Describe the organization's processes for managing climate-related risks.	Combating Climate Change and Environment Management, page 75
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Energy and Emission Management, page 76-77 Risk Management and Internal Control Mechanism, page 95-101
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	Combating Climate Change and Environment Management, page 75
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Energy and Emission Management, page 76-77
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Performance Indicators, page 197-199







bimturkiye/YouTube



bimturkiye/Facebook



bimturkiye/Instagram