

MIGROS

INTEGRATED ANNUAL REPORT





We stand proud to have been present and served our country for 70 of the 100 years of the Republic.



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CHAIRMAN'S MESSAGE



MİGROS IS BUILDING A BRAND-NEW ECOSYSTEM RANGING FROM FINANCIAL TECHNOLOGIES AND ONLINE FOOD RETAILING TO RETAIL MEDIA, LOGISTICS AND EV CHARGING SERVICES. IT FOCUSES ON CREATING EVEN MORE STAKEHOLDER VALUE THROUGH THE NEW INVESTMENTS THAT IT UNDERTAKES.

Honored partners,

In 2023 and with great excitement we all celebrated the first centenary of the Republic of Türkiye, the most precious of the gifts bestowed upon us by Mustafa Kemal Atatürk. Born into the Republic and grown along with it, both Anadolu Group and Migros have themselves been witness to nearly three-quarters of that history. We are proud to be driving forces of the Turkish economy and to number among its most prolific job-creators.

Not long after the beginning of this most meaningful year, in February our nation sadly suffered a catastrophic earthquake which deeply affected us all and whose memory will stay with us for a very long time. Our hearts are still heavy as we recall those who perished in the disaster; to their grieving families I once again extend my condolences. Since the very first day of the disaster we have been in the region, united as one in a joint immediate-response effort to alleviate victims' suffering. As Anadolu Group, our efforts and investments to get the region back on its feet are continuing even as I write this.

Economic & sectoral review

In 2023 the world's agenda was preoccupied with interest rate hikes, inflation, slowing growth, and geopolitical tensions. Here at home, gradual interest rate hikes and monetary tightening measures were taken by the Central Bank to reduce inflation starting from the second half of 2023. CDS levels, which are an indication of Türkiye's risk premium, dropped significantly. International financial circles' growing confidence in our country was subsequently confirmed when major global credit rating agencies changed Türkiye's credit rating outlook to positive. In addition, Fitch Ratings upgraded Türkiye's rating in March 2024.

The Turkish economy grew by 4.5% in 2023. For food retailers as a whole, it was a year in which they continued opening new stores and investing in online channels but in which they also faced increasingly stiffer competition. Migros for its part again adhered to its competitive pricing strategy and increased its efforts to offer customers affordable products with high-quality service. Migros gained an additional 120 basis points of market share in Türkiye's modern FMCG market, reaching 16.2%.



CHAIRMAN'S MESSAGE

Operational & financial performance

Migros had a successful year and achieved all of its 2023 consolidated sales growth, new store opening, and capital expenditure targets. Migros' total investments last year weighed in at TL 6.4 billion. The company opened 517 new stores, bringing the total number in its chain to 3,363. Migros has a physical presence in all 81 of our country's provinces. The company also registered growth in its online sales and created about 12 thousand new jobs overall.

Migros' TMS 29 inflation-adjusted consolidated sales were up by 29.3% in 2023 and reached TL 182 billion. The company continued price investments to support consumers' purchasing power. In 2023 Migros booked a consolidated EBITDA of TL 3.2 billion, generated strong free cash flow, and closed the year with a net profit of TL 8.9 billion. Migros' balance sheet grew even stronger. Total equity was over TL 36 billion as of year-end.

Investing in the future: Migros Better Future Plan

Migros aims to create even more customer value not only by expanding its service footprint through growth in its online and offline channels but also by investing in new business lines. Migros is building a brand-new ecosystem ranging from financial technologies and online food retailing to retail media, logistics and EV charging services. In 2024 it will again be focusing on creating even more economic and stakeholder value through the new investments that it undertakes.

As a company that sells more perishables than any other Turkish retailers and generates more than three-fourths of its turnover from the sale of those products, Migros recognizes the crucial importance of farming to the future of its business and therefore engages in a never-ending effort to promote agricultural sustainability and traceability.

Migros supports local producers and contributes to local economies by procuring goods locally and then putting them on sale in its stores around the country, thereby also helping local and regional brands to gain national recognition. Migros likewise undertakes projects aimed at supporting local producers and procuring goods from their cooperatives. Recognizing the important role that women farmers and entrepreneurs play in Turkish agriculture, the company empowers them by supporting their efforts.

Migros allocates a substantial portion of its investment budget to renewable energy resources as part of its goal to become carbon-neutral by 2050. The company has begun investing in solar power in line with its long-term sustainability and productivity targets. In addition to significantly reducing its carbon footprint, such investments are also reducing its exposure to risks that might affect the company's operational costs as it moves forward.

Migros' ongoing sustainability initiatives gained more recognition in 2023 when the company's superior ratings qualified it for inclusion in the "Global A" lists of both the "Climate Change" and the "Water Security" programs of the Carbon Disclosure Project, the world's most respected environmental performance reporting platform.

Looking forward...

With its strong financial performance in recent years, Migros has moved from periods of net loss due to FX losses to periods of net profit. Last year, the Company distributed dividends to our shareholders for the first time in a long time. This year the Migros Board of Directors will again submit to pay a dividend which, if approved by the general assembly, will amount to a total of TL 1.25 billion. The company intends to continue sharing the value it creates with its owners while always being mindful of the need to balance return with investment.

Looking forward, Migros will continue to pursue sustainable growth by investing in new business lines and subsidiaries. In 2024 it will again be giving attention to creating more new jobs, contributing to the national economy, and being a socially and environmentally responsible company in the conduct of its business operations.

In closing, I thank all our stakeholders for their unwavering support and continued confidence in Migros.

Tuncay Özilhan

Chairman of the Board of Directors
Migros Ticaret A.Ş.

LOOKING FORWARD, MİGROS WILL CONTINUE TO PURSUE SUSTAINABLE GROWTH BY INVESTING IN NEW BUSINESS LINES AND SUBSIDIARIES.



CEO'S MESSAGE



IN 2023 WE COMPLETED YET ANOTHER YEAR IN WHICH WE OUTPERFORMED OUR SECTOR THROUGH STRATEGIES THAT SET US APART WHILE ALSO STRENGTHENING OUR BALANCE SHEET.

Valued Migros stakeholders,

Before beginning my assessment of last year's results, let me again extend my heartfelt sympathies to the families and friends of those who perished in the February 2023 earthquakes.

Sectoral review

For our country as a whole, 2023 was a year shaped around earthquakes, elections, growth and inflation. Türkiye's food retailing industry for its part continued to be dynamic with consumer demand being supported by two increases in the national minimum wage as the year progressed. Ours is an industry which is in any case highly competitive but the proliferation of newly-opened stores and online channels made it even more so in 2023. While FMCG retailing grew overall last year, the growth was uneven, with organized retailers generally lagging behind. In such a business environment, Migros' willingness to offer customers more affordable prices strengthened its competitive position. More people shopped at Migros last year than ever and that is even without taking into account the new stores that we opened. According to figures published by Nielsen, Migros' share of the modern FMCG market was 16.2% last year. The company gained 120 basis points of market share in 2023, twice what it gained in 2022.

Financial & operational performance

In 2023 we completed yet another year in which we outperformed our sector through strategies that set us apart while also strengthening our balance sheet. Our company registered a strong operational performance and achieved its growth and investment targets. With the addition of the 517 new stores that we opened last year, the total number reached 3,363. Migros invested in the vicinity of TL 6.4 billion in offline store openings, online channels, logistics, and energy and technology infrastructure while simultaneously creating more new jobs.

According to its TMS 29-adjusted financials, the company's consolidated turnover reached TL 182 billion in 2023, which translates into a 29.3% growth in real terms. The share of online sales in the company's total consolidated sales continued to grow last year. Our gross profit margin was on the order of 18.7%, comparable to what it was the year before. We generated a consolidated EBITDA of TL 3.2 billion; our EBITDA margin was 1.8%. Migros' net profit margin was 4.9% and the company booked a net profit of TL 8.9 billion.

Without the effects of TMS 29, our 2023 consolidated sales was up by 95.7% and amounted to TL 146 billion while our EBITDA



CEO'S MESSAGE

margin was 6.7% (2022: 8.0%). On a non-adjusted basis, last year's net profit was up by 131% and amounted to TL 6.0 billion.

Operations & strategies

We are proud to have existed as Migros for 70 years of our 100-year-old Republic and to add value to our country with the support of our partners and employees. This is something of which we can be truly proud. At the same time, we diversify and grow our service channels so that as our customers' expectations evolve, so do we while also pushing the boundaries of traditional retailing.

We're diversifying and growing our merchandising operations. We're rethinking our store formats so as to open more stores outside big cities and better address the needs and expectations of customers living in smaller towns. Our logistical capabilities have reached the point where we can serve online customers through all our formats. Newly introduced formats like Mion and MacroKiosk allow us to target more customers by entering new product and service categories. In just the last two years, we've created a brand-new ecosystem capable of supporting our food-retailing principal business line. In the process, we've set up four new companies and acquired stakes in another two, bringing the total number of our subsidiary operations to six.

Migros is strategically investing in the vertical integration of its primary perishable and non-perishable product categories with the aim of offering shoppers more attractively-priced goods, increasing productivity, and improving

supply-chain sustainability. These investments have so far included a 17,000 m² fresh-produce packaging plant in Balıkesir-Gönen, a 15,000 m² delicatessen and fresh-produce packaging plant in Bursa, and a combined raw rice processing and pantry-staples packaging and warehousing facility in Edirne-Keşan. MİGET, our 90 thousand ton APC, fully-integrated meat processing plant has been keeping Migros' customers supplied with wholesome meat and meat products for years and remains our country's biggest. Last year we also improved our fresh seafood procurement processes. We are now sourcing directly from producers, which allows us to ensure freshness while also offering more attractive prices. Finally, we are also continuing to invest in new distribution centers to keep pace with the logistical demand fueled by the rapid growth in our online and offline sales.

All of our online sales channels—Migros Sanal Market, Migros Hemen, Tazedirekt, Migros Ekstra, Macroonline, and Mion together with Migros Yemek—have been combined under our Migros One brand. While continuing to serve as a steadily growing online platform that gives customers and restaurants access to one another, Migros One is also investing in cloud kitchens in which its own private-label offerings are prepared. Continuing to focus on supplying value-adding services to the B2C and B2B channels, our fintech subsidiary Moneypay has expanded its customer base to 1.7 million users in a remarkably short time. Our media company Mimedata focuses on developing and delivering data-driven advertising and marketing solutions for a steadily growing customer base to which new additions were

made last year. Paket Taxi expanded its quick-delivery capacity and added new EVs to its fleet of delivery vehicles. Migen Enerji added still more EV charging stations to its portfolio. Gurmepack, a company that produces prepackaged heat-and-eat meals, will be supporting further capacity growth in online food-ordering and delivery services.

We continue to invest in digital transformation and technology. We're having recourse to increasingly greater use of AI to make our business processes even more efficient. We're working with startups, investing in their business-intelligence projects, and rapidly incorporating their innovative, AI-based solutions into our ecosystem.

Migros Better Future

In 2024 we will be looking to open at least 250 new stores, increase the number of stores supplying goods for our online operations, create 10 thousand new jobs, and undertake investments whose TMS 29-unadjusted value will be about TL 8.5 billion.

Migros' superior "A" ratings have qualified it for inclusion in the "Global A" lists of both the "Climate Change" and the "Water Security" programs of the Carbon Disclosure Project, the world's most respected environmental-performance reporting platform. The company is on track to fulfill its 2030 climate change, water & energy-efficiency, sustainable-agriculture, and food-loss prevention targets while also moving steadily and confidently forward towards its goal of becoming a carbon-neutral company by 2050.

Supported by its employees, producers, suppliers, service providers, and subsidiaries, Migros' growth drives the growth of Türkiye's retailing industry and national economy. The company is at the heart of a vast ecosystem numbering over 23 thousand suppliers, agricultural coops, contract farmers and feed producers, and other business partners whose combined economic and social impact is huge. For our stakeholders, Migros means trust, it means the future. As Migros we bear responsibility to which that trust is entitled.

Migros' steadily growing retailing operations and beyond-retail services will ensure the company's place in the future and help it get on with the business of creating sustainable value for all of its stakeholders. With the support of our customers, our employees, and our business partners we can face tomorrow with confidence.

Ö. Özgür TORT
Board Member & CEO
Migros Ticaret A.Ş.



ABOUT THE REPORT

GRI 2-1, 2-2, 2-3



OPEN, TRANSPARENT, RELIABLE, CONSISTENT

OUR INTEGRATED ANNUAL REPORT HAS BEEN PREPARED IN ACCORDANCE WITH GRI STANDARDS AND THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK.



Migros Ticaret A.Ş. embraces transparency, accountability, responsibility, and fairness as the guiding principles of its corporate governance. In this spirit, the company reports to its stakeholders the value it generates in the economic, environmental, social, and governance spheres. This **Integrated Annual Report** covers the period beginning on 1 January 2023 and ending on 31 December 2023. This report provides all of the company's financial performance and 99.9%* of its sustainability performance during the reporting period.

The Migros 2023 Integrated Annual Report has been prepared in accordance with Global Reporting Initiative (GRI) Standards and the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC). The report has also been prepared in accordance with the expectations of the United Nations Global Compact (UNGC), World Economic Forum Stakeholder Capitalism Metrics, United Nations Women's Empowerment Principles (WEPs), Task Force on Climate-related Financial Disclosures (TCFD), and stock exchange indices in which the company's shares are included. This report complies with

* Although financial data associated with a shopping mall in Kazakhstan that is operated by a locally-based subsidiary is presented in financial statements, information about the subsidiary's sustainability performance is not reported.



ABOUT THE REPORT



SUSTAINABILITY-FOCUSED PERFORMANCE

the Turkish Sustainability Reporting Standards (TSRS) developed by the Public Oversight Board (KGG), specifically the General Requirements for Disclosure of Sustainability-Related Financial Information (S1) and Climate-Related Disclosures (S2). These standards are aligned with the international standards published by the International Sustainability Standards Board (ISSB). The report details contributions that Migros' medium/long-term goals and projects make to the realization of the United Nations Sustainable Development Goals (SDGs) in light of current trends and developments in the industry of which it is a member. All financials are presented in accordance with the requirements of Turkish Financial Reporting Standards (TFRS). Migros' 2023 independent financial audit was

conducted in accordance with Turkish Financial Reporting Standards, the Independent Auditing Standards set by the Turkish Capital Markets Board, and the Independent Auditing Standards (BDS) which are part of the Turkish Auditing Standards.

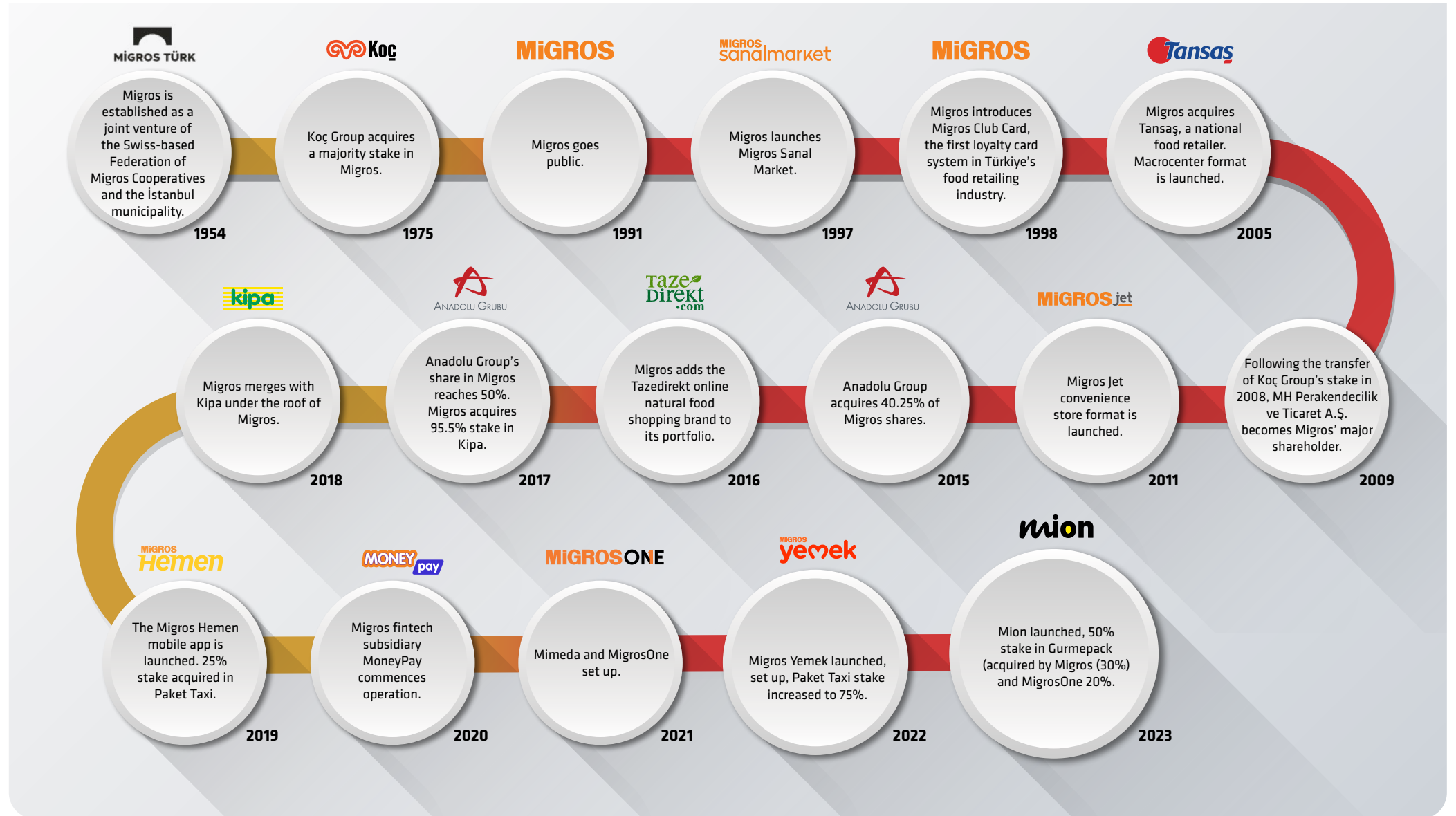
Migros' sustainability, financial, and operational performance is presented through an integrated perspective encompassing six capitals: **Human, Social & Relationship, Natural, Financial, Manufactured, and Intellectual**. For the benefit of all stakeholders, the report presents all created value in a transparent, reliable, and consistent manner, allowing for comparison with the previous reporting period. The effects of the company's value creation model on all

stakeholders, both in the short term and over the medium/long term, are reflected in this report. This report offers a comprehensive, process-wide overview of Migros' sustainability philosophy, corporate governance approach, and risks and opportunities arising from the impact of emerging technologies on its business activities and operations. Independently audited and verified selected 2023 data on greenhouse gas emissions, water consumption, supply chain, and human rights issues are presented in the **Appendices** to this report. Please send any questions, suggestions, or comments regarding the report to malimigros@migros.com.tr and / or to surdurulebilirlik@migros.com.tr.

MIGROS AIMS TO CONTINUOUSLY IMPROVE ITS STRATEGIC AND SUSTAINABILITY-FOCUSED PERFORMANCE IN LINE WITH EVOLVING NEEDS AND EXPECTATIONS ACROSS ITS ENTIRE VALUE CHAIN AND TO COMMUNICATE ITS PROGRESS TRANSPARENTLY TO ITS STAKEHOLDERS.



MIGROS' IMPACT JOURNEY





OUR CORPORATE PROFILE



OUR VISION, MISSION, STRATEGY AND VALUES

Purpose

We pave the way for a better future.



A Better Future for our Customers

We provide healthy and sustainable choices for a better future, creating a trustworthy customer experience by integrating new services and initiatives.

A Better Future for our Associates

We firmly believe that a better workplace and equal opportunities that support continuous improvement bring out the best in employees.

A Better Future for our Community

We support improvement and local development for a strong community and expand growth as we grow through strong collaborations with our stakeholders.

A Better Future for our Planet

We help to bring about a better future for the planet by providing sustainability of food and effective use of limited resources.



OUR VISION, MISSION, STRATEGY AND VALUES



Our Vision

To be the most beloved and valuable new-generation retailer in Türkiye.



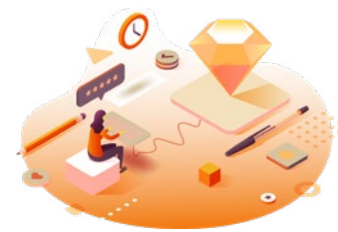
Our Mission

Providing a unique shopping experience through its ultimate service approach, pioneer applications, broad product portfolio and family budget-friendly pricing strategy. Creating value for all stakeholders through its eco-friendly and community-focused operational approach.



Our Strategies

- Omni-channel growth
- Integrated subsidiary management
- Creating a unique shopping experience
- Competitive and winning corporate culture
- Sustainable ecosystem



Our Values

The company values which have been formed by the participation of our employees and which bound everyone are as follows:

- Customer Orientation
- Reliability
- Sensitivity
- Leadership
- Efficiency
- Innovativeness



Our Principles

Our Company has adopted the main principles of Corporate Governance which are:

- Fairness
- Transparency
- Responsibility
- Accountability



MIGROS BETTER FUTURE PLAN

GRI 2-6, 2-22

ECOSYSTEM SUSTAINABILITY THROUGH TRANSPARENT, RESPONSIBLE, ETHICAL GOVERNANCE

To adopt the governance practices that are rightful for all stakeholders through our value-focused business model and integrated thinking system.
To create shared value for all by integrating our stakeholders into our goals through our economic value, recruitment, and investments.

A BETTER FUTURE FOR OUR PLANET

A BETTER FUTURE THROUGH TRANSFORMATIVE INNOVATION

A BETTER FUTURE FOR OUR CUSTOMERS AND STAKEHOLDERS

A BETTER FUTURE FOR OUR EMPLOYEES

EXTENSIVE COMBAT AGAINST CLIMATE CHANGE

To carry out studies to measure and reduce our carbon footprint ; To develop projects for effective use of water and energy resources

SUSTAINABLE AGRICULTURE AND SAVING FOOD

To support sustainable agriculture and agriculture-oriented biodiversity; To make improvements and collaborations throughout our value chain to reduce food waste

SUPPORTING THE CIRCULAR ECONOMY

To measure, reduce and recycle our wastes or return them into economy; To improve the life cycle of our private label products

INNOVATIVE PRACTICES

To implement innovative practices that increase our efficiency and add convenience and speed to the lives of our stakeholders

PRODUCT DATA ACCESSIBILITY AND TRANSPARENCY

To ensure the transparent, consistent and fast flow of product ingredients and information

INCREASING ACCESS TO HEALTHY / SUSTAINABLE PRODUCTS & SERVICES WITH BUSINESS PARTNERS

To continuously develop a product and service portfolio to support a behavioral change towards a healthy and sustainable lifestyle

GOOD AND TRUSTWORTHY CUSTOMER EXPERIENCE

To offer a unique shopping experience to customers through both physical and online channels; To connect customers with the highest quality products at affordable prices

RESPONSIBILITY AND AWARENESS STUDIES

To carry out social responsibility and awareness raising activities for a better world and a strong society

GENDER AND OPPORTUNITY EQUALITY

To work in compliance with human rights in all our activities to observe gender equality and equal opportunity

EMPLOYEE SATISFACTION AND TALENT MANAGEMENT

To support our employee's personal and professional development and manage their career plans fairly and transparently

HEALTH AND SAFETY OF OUR EMPLOYEES

To work to protect the physical and mental health of our employees






SUSTAINABILITY TARGETS

Every goal that embraces Migros' entire organizational structure and is associated with the company's sustainability priorities and strategic approaches has an impact on the value which the company creates. Such goals are treated as critical environmental, social, and corporate governance (ESG) issues, allowing for a more precise identification of associated risks and, if applicable, of possible sources of opportunities. The Migros Board of Directors and the company's senior management prioritize the company's medium and long-term goals in their decision-making processes; attention

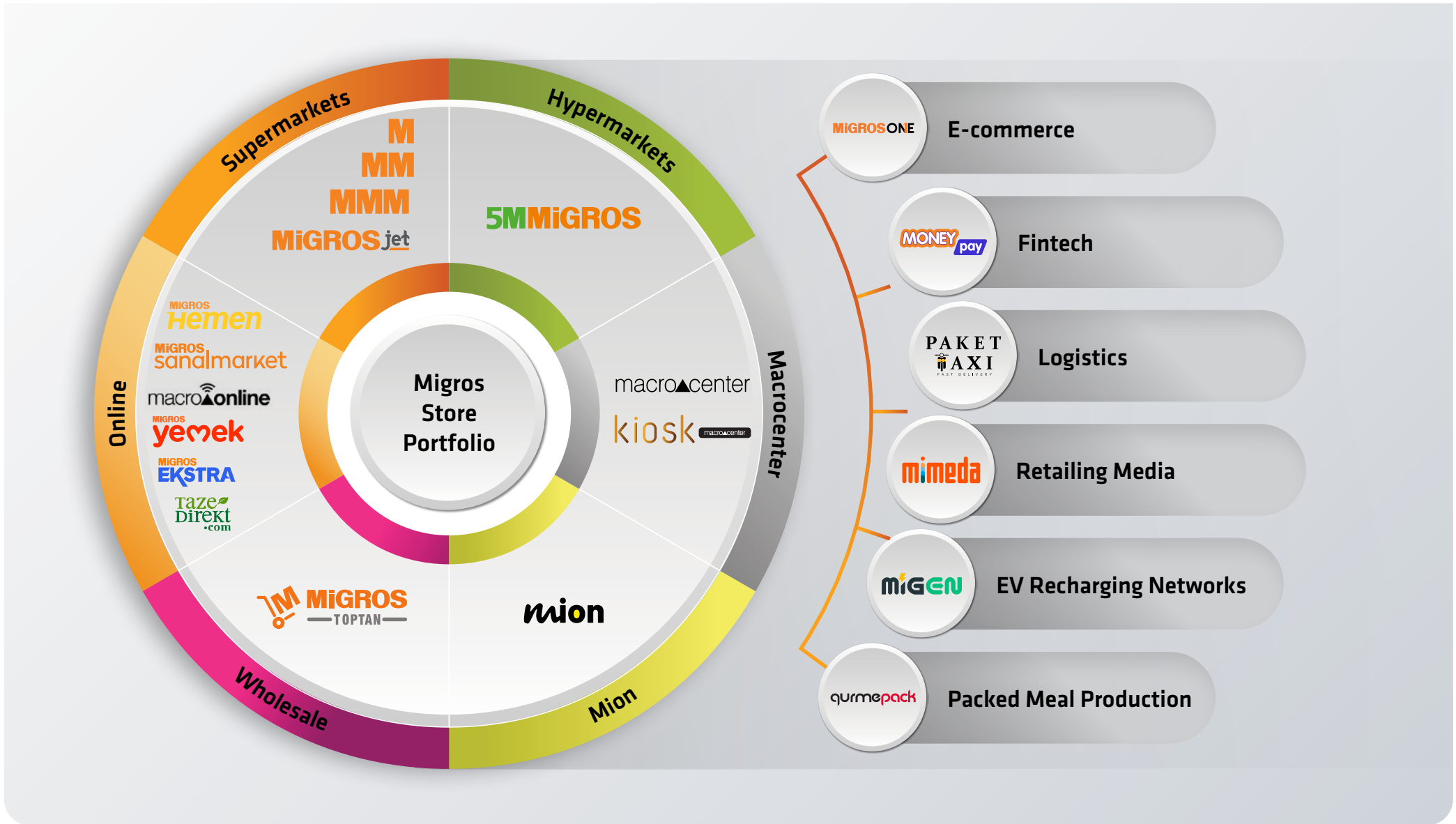
is also given however to short-term goals that facilitate achieving medium and long-term goals and/or accommodating regulatory and technological changes. Migros' executive and operational teams have full authority to act on short-term risks and opportunities that will help achieve the company's strategic goals. To strengthen its sustainability ecosystem, Migros also assesses risks comprehensively across its entire value chain and embracing all its stakeholders.

	Target	Base year	2023 performance	Status	Details 
A Better Future for Our Planet	Achieving net zero by 2050	2020	14.7%	In progress	Carbon Footprint
	42% ↓ reduction in absolute Scope 1 and Scope 2 carbon emissions by end-2030	2020	14.7%	In progress	Carbon Footprint
	Reduce per-day water withdrawal/m ² sales area by 10% ↓ by end-2030	2023	0.00141 m ³	Updated	Sustainable Water Management
	Reduce per-day electricity consumption/m ² sales area by 35% ↓ by end-2030	2019	15%	In progress	Energy-efficiency Practices
	Reduce our food waste tonnage/food supply tonnage by 50% ↓ by end-2030	2018	29.5%	In progress	Food-waste Prevention Practices
	Reduce CO ₂ emissions per shipped unit by 2.5% ↓ by end-2027	2022	2.72%	Completed	Sustainable Distribution Systems
	Reduce CO ₂ emissions per shipped unit by 2.5% ↓ by end-2030	2023	0.034 kg CO ₂ e	New	Sustainable Distribution Systems
	Reduce by plastic waste 493 tons ↓ by end-2030 as per Business Plastic Initiative (IPG) commitment	2021	512 tons	Completed	Plastic-waste Reduction Practices
Transformation of single-use plastics into environmentally friendly products in our Macrocenter stores by end-2025	2023	-	New	Plastic-waste Reduction Practices	
A Better Future through Transformative Innovation	Develop 15 Migros Up co-innovation projects with startups by end-2024	2021	12 projects	In progress	Entrepreneurial Ecosystem
	Standardize and digitalize all merchandisable goods product data by end-2030	2021	30.3% 17,595 products	In progress	Transparent & Fast Flow of Product Information
A Better Future for Our Customers and Stakeholders	Increase GAP-certified fruit and vegetable procurements tonnage by 15% ↑ by end-2023	2022	17%	Completed	Good Agricultural Practices (GAP) -Vegetative Production
	Increase GAP-certified fruit and vegetable procurements tonnage by 10% ↑ by end-2024	2023	-	New	Good Agricultural Practices (GAP) -Vegetative Production
	Increase sustainable certified fruit and vegetable procurements tonnage to 50% ↑ by end-2030	2023	38%	New	Good Agricultural Practices (GAP) -Vegetative Production
	Have all farmed fish put on sale GAP-certified by end-2030	2022	18%	In progress	Good Agricultural Practices (GAP) -Vegetative Production
	Reach certified classroom training to 850,000 people by the end - 2027 through Family Clubs	2018	492,671	In progress	Social Gender Equality-Supporting Projects
A Better Future for Our Employees	Increase percentage of women with senior-executive responsibilities (director & above) by 23% ↑ by end-2023	2019	23.7%	Completed	Gender & Opportunity Equality
	Increase percentage of women in all management positions to 35% by 2027	2018	33%	In progress	Gender & Opportunity Equality
	Increase percentage of women in all management positions to 50% ↑ by 2050	2023	33%	New	Gender & Opportunity Equality
	Increase percentage of women in senior management (CEO and direct reports) to 27-33% ↑ by 2026	2018	25%	In progress	Gender & Opportunity Equality
	Reduce accident severity rate (lost days) by 1% ↓ by end-2025	2020	0.64%	In progress	Employee Health & Safety



ABOUT MIGROS

GRI 2-6





ABOUT MİGROS



3,363 STORES,
1.9 MILLION M² NET SALES SPACE

Since 1954, Migros Ticaret A.Ş. has been committed to providing its customers with high-quality products at affordable prices. The company strives to provide a unique shopping experience through innovative services that enhance the daily lives of its customers by adding speed, convenience, and value. Migros serves customers in all 81 of Türkiye's provinces through both physical stores and online channels, reaching **100% of households** nationwide. **Omni-channel strategy** allows the company to offer a diverse range of products catering to a variety of customer needs. Migros deploys an **integrated subsidiary management strategy** to broaden the scope of its operations. Thanks to its robust operational and financial performance in 2023, Migros achieved all of the year's consolidated sales growth, new store opening, and investment expenditure targets.

In line with its customer-centric approach, Migros expands its presence across the country by opening new stores every year. In 2023, the company opened 517 new stores across its formats, increasing the **total number of stores to 3,363** and total net sales area to 1.9* million m² by year-end. The number of stores supplying goods to be delivered to online shoppers reached 1,093. Mion, a new personal-care store format, was also added to the portfolio in 2023.

Mion was added to the company's portfolio of Migros Sanal Market, Migros Hemen, Migros Ekstra, Macroonline, Tazedirekt, and Migros Yemek online channels in 2023. All online shopping services have been consolidated under the **Migros One** brand and are accessible through the www.migros.com.tr and Migros

mobile app. The company's other subsidiaries include **Mimeda**, which provides retailing media products and services; **MoneyPay**, which provides payment-system and fintech solutions; **Paket Taxi**, which provides fast-delivery logistical services; and **Migen Energy**, which provides EV charging services. To boost its online and offline store channels' ready-meal sales, Migros acquired stakes in **Gurmepack**, a firm specializing in the preparation of prepackaged meals.

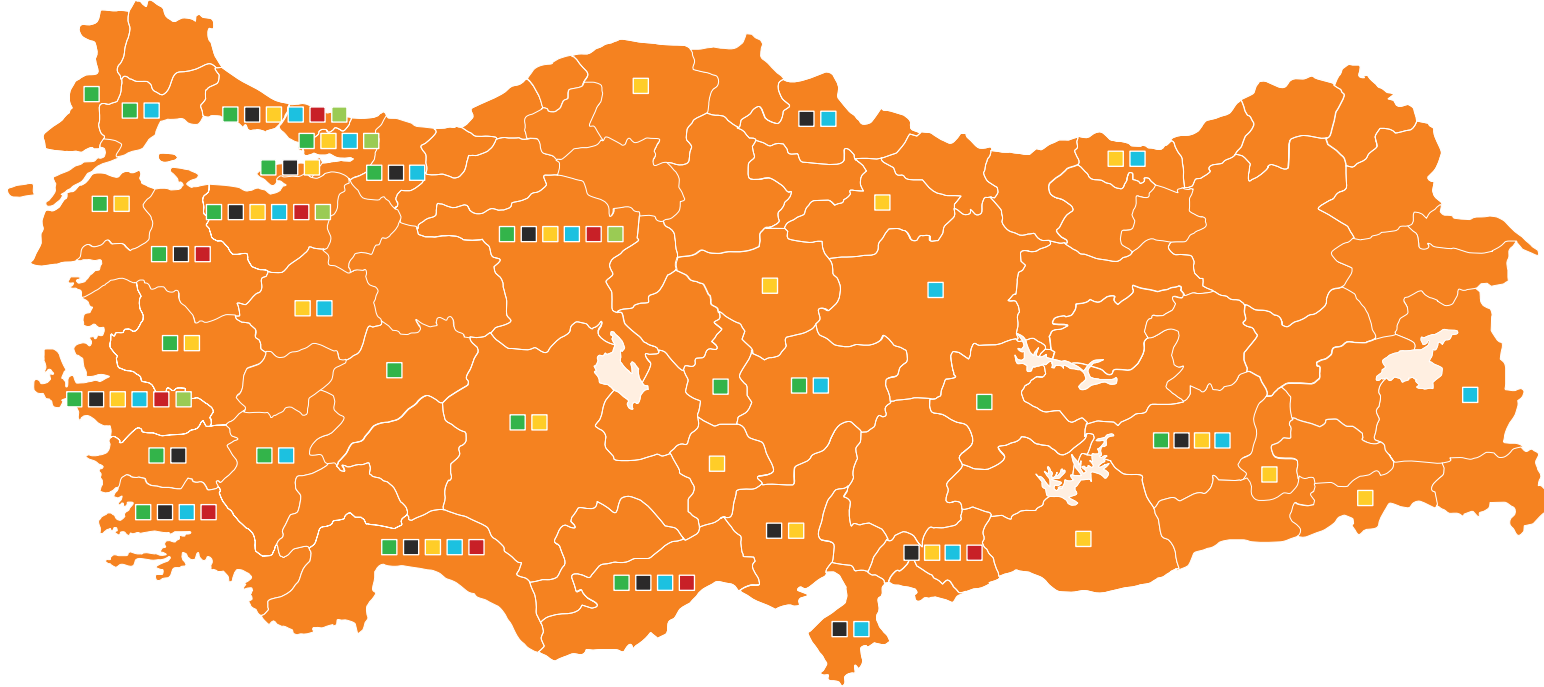
Migros generates 77% of its turnover from the sale of agricultural-based products. **Selling more perishables** (fresh produce, meat, and milk & dairy products) than any other retailer in Türkiye, Migros supports agricultural production and producers across the country, contributing to local employment and economic development. Migros has been investing in people, customer-centric agile transformation, digitalization & advanced technology, and business & global sustainability for decades.

Migros is the hub of a vast ecosystem consisting of more than 70 thousand direct and indirect employees, more than 23,500 business partners, and millions of customers whose overall impact on the country's social and economic wellbeing is huge. The company creates value for all stakeholders by engaging in initiatives and undertaking projects that are socially and environmentally beneficial. **The Migros Better Future Plan** lays out Migros' sustainability roadmap and charts the course of its sustainability journey as the company advances surefootedly towards the realization of its 2023-indexed climate-change mitigation, water & energy-efficiency, sustainable-agriculture targets and goal of achieving **carbon net zero by 2050**.

* Includes only premises open to shoppers and excludes dark stores.



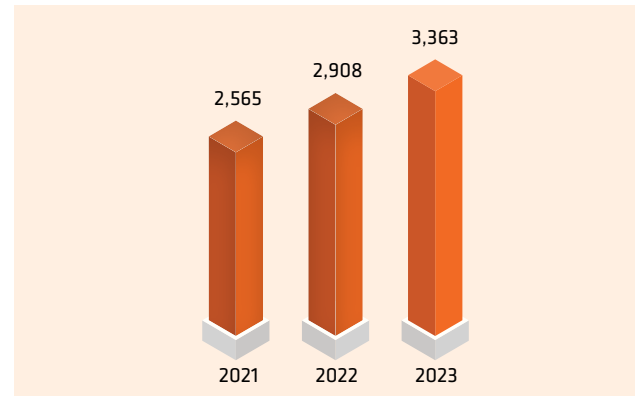
OUR STORES AND ONLINE ACTIVITIES



2023 Breakdown of Store Types

Store Type	Number of Stores in 2023
Migros	1,243
MM Migros	502
MMM Migros	154
Migros Jet	1,125
Minigros	30
5M Migros	55
Migros Toptan (Wholesale)	28
Macrocenter	97
Macrokiosk	59
Mion	70
Total	3,363

Year-based Store Numbers



Physical Stores

■ **Migros:** 81 Provinces

■ **5M:** Afyon, Ankara, Antalya, Aydın, Balıkesir, Bursa, Çanakkale, Denizli, Diyarbakır, Edirne, İstanbul, İzmir, Kayseri, Kocaeli, Konya, Malatya, Manisa, Mersin, Muğla, Nevşehir, Sakarya, Tekirdağ, Yalova

■ **Macrocenter & Macrokiosk:** Adana, Ankara, Antalya, Aydın, Balıkesir, Bursa, Diyarbakır, Gaziantep, Hatay, İstanbul, İzmir, Mersin, Muğla, Sakarya, Samsun, Yalova

■ **Mion:** Adana, Ankara, Antalya, Batman, Bursa, Çanakkale, Diyarbakır, Gaziantep, İstanbul, İzmir, Kastamonu, Kocaeli, Konya, Kütahya, Manisa, Niğde, Şanlıurfa, Şırnak, Tokat, Trabzon, Yalova, Yozgat

■ **Migros Toptan:** Ankara, Antalya, Bursa, Denizli, Diyarbakır, Gaziantep, Hatay, İstanbul, İzmir, Kayseri, Kocaeli, Kütahya, Mersin, Muğla, Sakarya, Samsun, Sivas, Tekirdağ, Trabzon, Van

Online Operations

■ **Migros Sanal Market:** 81 Provinces (958 Stores)

■ **Macroonline:** Ankara, Antalya, Balıkesir, Bursa, İstanbul, İzmir, Mersin, Muğla, Gaziantep (9 Provinces, 87 Stores)

■ **Tazedirekt:** Ankara, Bursa, İstanbul, İzmir, Kocaeli

■ **Migros Hemen:** 81 Provinces (528 Stores)

■ **Migros Yemek:** 81 Provinces

■ **Migros Ekstra & Mion:** 81 Provinces with shipping



PHYSICAL STORES



Migros

The friendly staff and innovative features of Migros' Jet, Migros, MM, MMM, and 5M stores offering high-quality products at affordable prices deliver an unique shopping experience for customers in all 81 of Türkiye's provinces.



Macrocenter

With its unique product selection, commitment to high-quality customer service, and innovative store design, Macrocenter stands out as the premier supermarket chain in Türkiye. At its main format stores in 9 provinces and kiosk-format stores in 16, Macrocenter offers customers a selection of fine foods from around the world and regional specialties from all over the country, all carefully selected to appeal to its customers' lifestyles and preferences.



Migros Toptan

With 28 stores in 20 provinces, Migros Toptan is Migros' wholesale format, providing a diverse selection of high-quality, affordable products to business concerns, caterers, and the hospitality industry. With a wide range of sector-specific products and services, Migros Toptan caters to the unique needs of business customers, offering tailored payment solutions that align with their sectoral needs and purchasing habits. Migros Wholesale focuses on making certain that its customers are kept supplied with the products and services they need at the most affordable prices.



Mion

The Mion format was rolled out in 2023 to support Migros' core grocery retailing operations and create opportunities for long-term growth by offering customers a wide range of health and personal-care products. At 70 locations in 22 provinces, the format's stores stock a broad selection of 546 brands, 27 of which are exclusive offerings found only at Mion. Migros intends to expand its service network by expanding Mion stores to other cities, mainly Istanbul, Izmir, and Ankara.

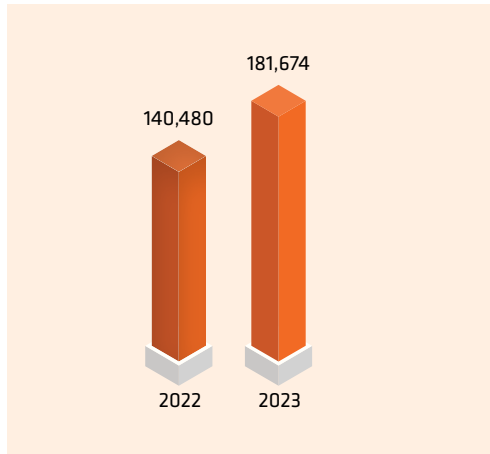
Detailed information about Migros' online channels and subsidiaries is provided in the "Digitalization & Innovative Practices" [📄](#) section of this report.



2023 FINANCIAL REVIEW

GRI 2-22, 201-1

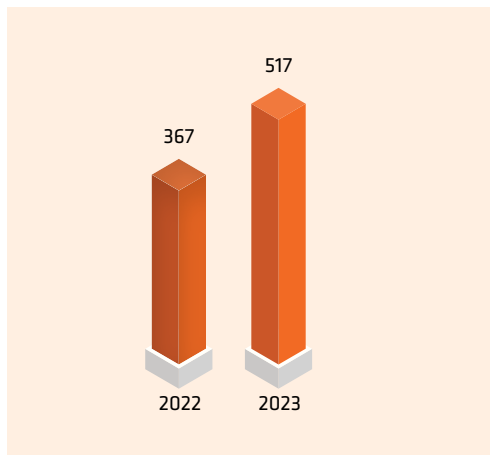
Consolidated Sales (TL million)



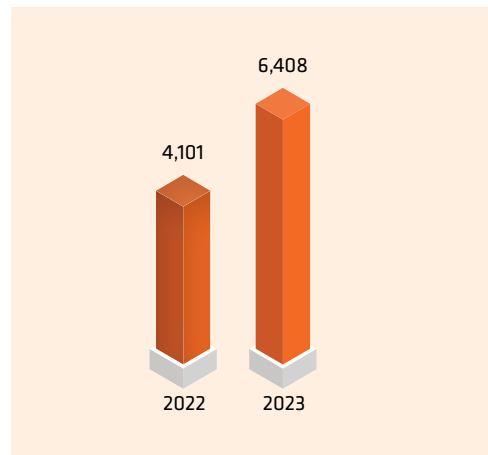
Net Profit (TL million)



Store Openings



Investment Outlays (TL million)



In accordance with the decision of the Capital Markets Board (CMB) dated 28.12.2023 and numbered 81/1820, it has been decided that issuers and capital market institutions, which apply Turkish Accounting/Financial Reporting Standards and are subject to the financial reporting regulations of CMB, shall apply inflation accounting by implementing the provisions of IAS 29 starting from their annual financial statements for the fiscal years ending on 31.12.2023. In this context, our company's audited consolidated financial statements for the years 2022 and 2023 have been adjusted for the effect of inflation and published comparatively.

2023 for Migros was a year in which the company registered strong operational and financial results, outperformed the retailing industry in terms of sales growth, and gained market share.

According to Migros' IAS 29-adjusted financial statements, the company booked consolidated sales worth about TL 182 billion, a performance that corresponded to an annualized real growth rate of 29.3%. The principal drivers of this strong growth were (1) increased customer footfall across all formats, (2) competitive pricing strategies, and (3) expansion in online channel accessibility and coverage. According to Nielsen-published figures, Migros' share of the FMCG market increased by 120 bps and reached 16.2% in 2023. The company's online sales grew faster than did its consolidated sales (excluding those of tobacco products and alcoholic beverages), to which they contributed a 17% share.

Effective management of operational costs and cashflow-generation were the issues to which the greatest attention were again given in 2023. The company's gross profit margin in 2023 was on the order of 18.7%, comparable to what it was the year before. In 2023 Migros booked a consolidated EBITDA of TL 3.2 billion and an EBITDA margin of 1.8%. Net profit was TL 8.9 billion on a 4.9% net profit margin.

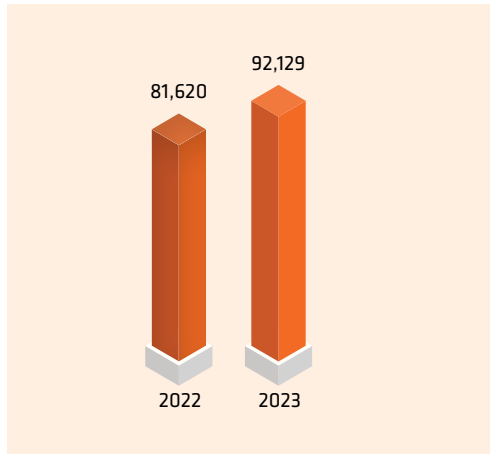
29.3% REAL GROWTH IN CONSOLIDATED SALES.



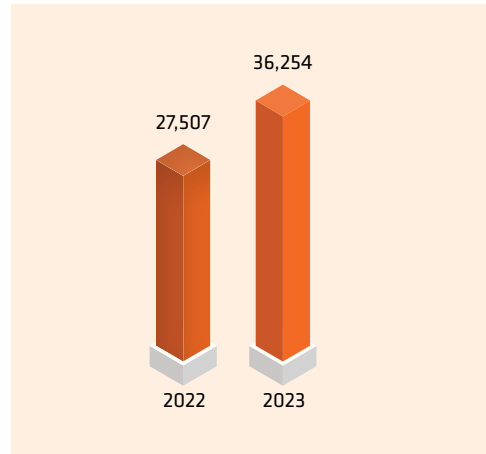


2023 FINANCIAL REVIEW

Total Assets (TL million)



Total Shareholders' Equity (TL million)



Migros' its net cash position, shareholders' equity, and balance sheet fundamentals all improved during the reporting period. As of end-2023, total equity amounted to TL 36.3 billion (2022: TL 27.5 billion)

In 2023 Migros continued to expand its online and offline accessibility and coverage through investments totaling an IAS 29-adjusted TL 6.4 billion. The company also opened 517 new stores bringing the total number to 3,363, of which 1,093 were supplying goods for its online operations as of year-end.

The following additional information in this paragraph is being presented solely to facilitate our stakeholders' comparisons with previous reporting periods. Without inflation accounting impact, the company's 2023 consolidated sales amounted to approximately TL 146 billion, which corresponds to a year-on-year increase of 95.7%. Migros' competitive stance, affordable-price commitment and increased price investments reduced the company's gross profitability. On the other hand, the number of customers increased and the company's net sales were positively impacted. Migros' IAS 29-unadjusted EBITDA was up by 64% year-on-year and reached TL 9.8 billion whereas on the same basis its EBITDA margin contracted to around 6.7% (2022: 8.0%). Without IAS 29 impact, the company's 2023 net profit amounted to TL 6.0 billion, which corresponds to an annualized growth rate of 131%, while its total investment outlays weighed in at TL 5.5 billion.

In 2023 Migros achieved its consolidated sales growth and new store opening targets that it had set for the year. Looking forward to 2024, without inflation accounting impact, Migros expects to register consolidated revenue growth of +70% year-on-year while the real (IAS 29-adjusted) growth rate should be towards the high end of the single-digit range. Excluding inflationary accounting, the consolidated EBITDA margin is likely to be 7.5-8.0% and the company expects there will be an annualized improvement in its inflation-adjusted EBITDA margin. Migros plans to open 250+ new stores in 2024 and to book (non-adjusted) investment outlays of about TL 8.5 billion. The company believes that its expectations of strong growth and improvements in operational profitability are justified by its commitment to delivering affordable prices, its omnichannel and multiformat growth strategies, and its prudent cost-management policies.



TL 6.4 BILLION INVESTMENTS IN 2023



2023 FINANCIAL REVIEW

Key Indicators (TL thousand)	2022	2023	Change (%)
Total Assets	81,620,198	92,129,481	12.9
Total Liabilities	54,112,847	55,875,344	3.3
Total Equity	27,507,351	36,254,137	31.8
Net Sales	140,480,068	181,674,337	29.3
Gross Profit	26,269,736	34,002,933	29.4
EBITDA (after ETB & unused vacation provisions)	3,760,764	3,221,094	-14.4
Net Profit	9,155,534	8,905,395	-2.7

LIQUIDITY RATIOS	December 2022	December 2023
Current Ratio	0.78	0.84
FINANCIAL STRUCTURE RATIOS	December 2022	December 2023
Financial Leverage (Total Liabilities/Total Liabilities & Equity)	0.66	0.61
Total Liabilities/Total Equity	1.97	1.54
Financial Liabilities (w/o Lease Liabilities) / Total Assets	0.05	0.02
Net Cash Position (w/o Lease Liabilities) (TL thousand)	8,940,224	10,798,185

PROFITABILITY RATIOS (%)	1 January - 31 December 2022	1 January - 31 December 2023
Gross Profit Margin	18.7%	18.7%
EBITDA Margin	2.7%	1.8%
Net Profit Margin	6.5%	4.9%

SHARE PERFORMANCE RATIOS	December 2022	December 2023
Market Capitalization (TL thousand)	26,524,411	60,653,090
Share Price (TL)	146.5	335
Earnings/Loss per Share from Continuing Operations	50.57	49.19
Number of shares with TL 1 nominal value	181,054	181,054

TL 181,674 million

Net Sales

2022-2023 change

29.3%

TL 3,221 million

EBITDA

Margin

1.8%

TL 8,905 million

Net Profit

Margin

4.9%

TL 36,254 million

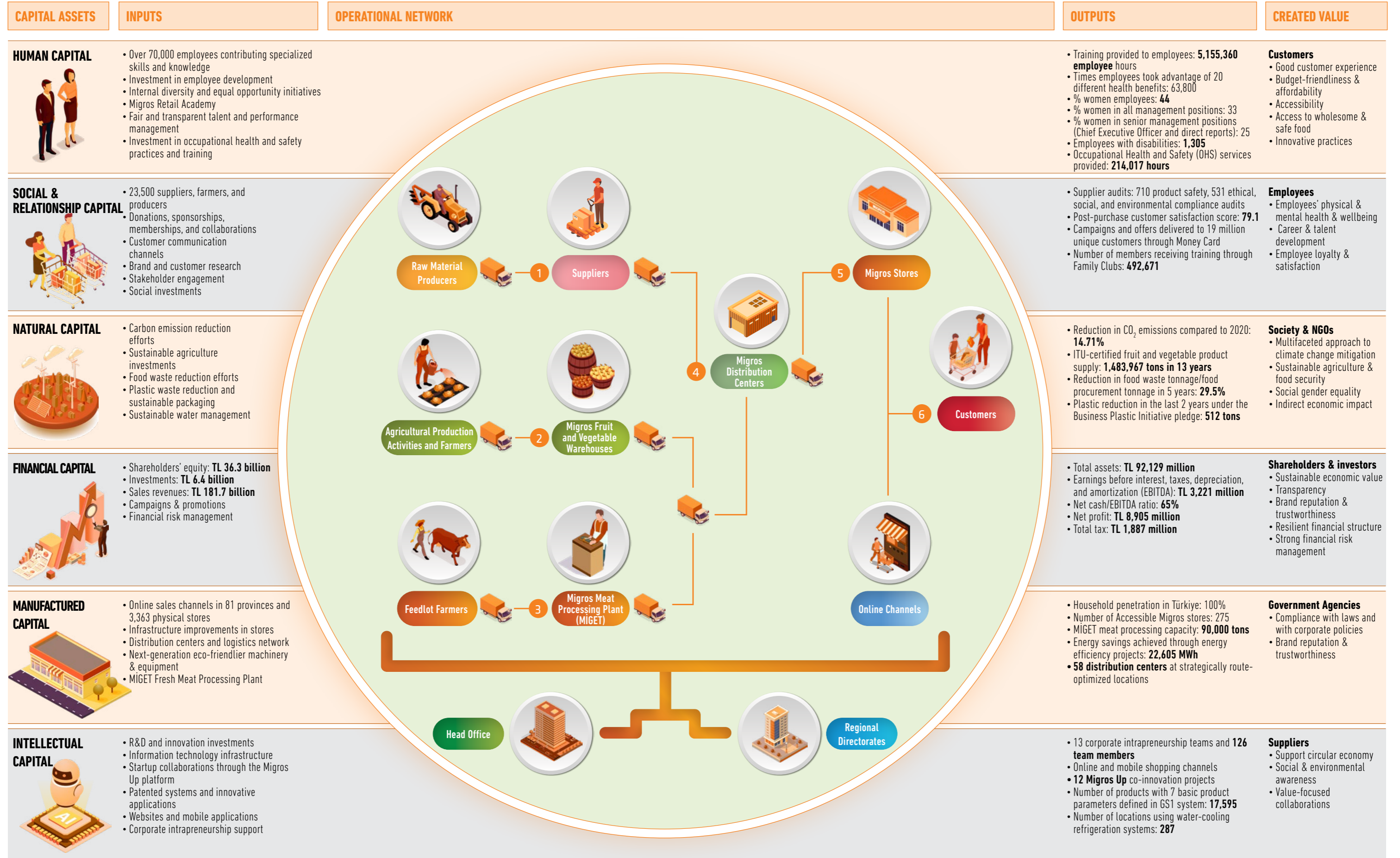
Equity

2022-2023 change

31.8%



VALUE CREATION MODEL





2023 HIGHLIGHTS

Migros has been in the **BIST Sustainability Index** and BIST Sustainability 25 Index since the launch of both indices.



In the **Fortune 500 List** of Türkiye's biggest companies Migros ranks 16th; in the Capital 500 List it ranks 15th.



Migros' 13.1 **Sustainalytics ESG Risk Assessment** score puts the company in the "Low ESG risk" category and also ranks it 5th among 195 food retailers worldwide on the same measure.



Migros and Akso Solar collaborated in the construction of a 16-MWp solar panel array capable of generating electricity sufficient to power 300 stores.

Migros received the highest grade of 'A' in both the **Climate Change and the Water Security programs of the Carbon Disclosure Project (CDP)** and was included in the 'Global A List'. It was the only food retailer among the 5 companies in Türkiye to receive 'A' in both programs.



Migros ranked 2nd in the global food retailers category with its ESG performance in the Refinitiv (LSEG - London Stock Exchange Group) system at the end of 2023.



MSCI's (Morgan Stanley Capital International) "AA" rating of Migros' ESG performance is above the retailing-industry average.



Migros received a "Success" award of **KalDer Türkiye Sustainable Future Awards**.



Migros achieved an "A" score in the **CDP Supplier Engagement Rating (SER)**, securing itself a place among the Global SER Leaders.



Migros was named the "**Most Admired Retail Company**" for the 20th consecutive year in a survey conducted by Capital Magazine. Migros also ranked 2nd on the magazine's "**100 Female Executive Friendly Companies**" list and 6th on its "**100 Female Employee-Friendly Companies**" list.



Migros is a **Women's Empowerment Principles (WEP)** signatory and is included in the **Bloomberg Gender-Equality Index**.

WOMEN'S EMPOWERMENT PRINCIPLES



In Brand Finance's "**Turkey 100 - 2023**" report of Türkiye's most valuable and strongest brands, Migros ranked as 1st **The Strongest Brand** overall and among the top 10 brands in terms of their **Sustainability-Perception Value**.

Migros has been included in the **BIST Corporate Governance Index** since 2015; its Corporate Governance Rating was updated to 9.67 (96.74) on 28 December 2023.



Migros Group CEO Ömer Özgür Tort ranked 4th among 50 leaders in Fast Company's "**Türkiye's Sustainability Leaders**" survey.



Migros and its subsidiary Dijital Platform Gıda Hizmetleri A.Ş. ("Migros One") together acquired a 50% stake in CRC Danışmanlık ve Organizasyon A.Ş. (**Gurmepack**) (Migros: 30%, Migros One: 20%).



Details about other awards & recognitions that Migros received in 2023 may be found on the **company's corporate website**. [↗](#)



2023 HIGHLIGHTS

Migros 100th Year Fair

In celebration of the 100th year of the Republic of Türkiye in 2023, Migros, a company that has itself witnessed seven decades of the republic's history, held a fair from October 19th to 22nd in 2023. The fair provided an opportunity for Migros to bring together its vast ecosystem of producers, business partners, suppliers, farmers, employees, and customers. Tuncay Özilhan, the Chairman of Anadolu Group and Migros, accompanied by a team of company executives, led the fair's opening ceremony. The three-day event hosted about 65,000 visitors; attracting 3,000 Migros business partners and 3,200 Migros employees, 70% of them from all across the country.

During a press conference held on the occasion of the fair, Migros Group CEO Özgür Tort highlighted the company's transformation in retail sector, its contributions to the Turkish economy with its ecosystem that has grown like an avalanche in 70 years, and the company's new vision for the new century of the Republic shared their vision and goals.





OPERATING ENVIRONMENT



Migros closely monitors local and global trends, technological advancements, economic conditions, regulatory frameworks, and retailing industry standards to ensure that it remains responsive to changes in its sector. Migros places great emphasis on collaborating with stakeholders to ensure full compliance when fulfilling its responsibilities. Migros aims to create long-term value for all stakeholders and across its entire value chain. Migros' effective risk and opportunity assessment process, coupled with its ability to rapidly adapt to change and implement agile transformation strategies, enables the company to maintain compliance with statutory, regulatory, and other requirements.

Technology

Digital transformation is having a profound global impact on the retail sector, revolutionizing how internal processes are managed and how products and services are delivered to consumers. Changes in consumer behavior shaped by the integration of technology into everyday life are among the main drivers of the retailing industry's digital transformation. The ongoing digital transformation is reshaping such essentials of the sector such as supply chain, consumer habits and experiences, production conditions, and service approaches. This transformation presents significant global risks and opportunities not just for retailers but for all companies. Misinformation and disinformation, the potentially adverse impact of artificial intelligence technologies, and technology risks associated with cybersecurity are highlighted as major long-term global risks in a recent **World Economic Forum (WEF)** Global



Risks Report. Migros is mindful of potential risks associated with technology and actively works to deal with them.

Artificial intelligence technologies facilitate innovative solutions and approaches that can be integrated into retail processes and be useful for addressing such issues as AI-assisted product availability, quality control, store density management, self-service shopping experiences, anomalous data detection, and content creation. McKinsey Digital's Technology Trends Outlook Report draws attention to a substantial year-on increase of nearly 50% in security-architecture and digital-identity issues in 2023, ranking both among the year's fastest-growing technology trends. Generative AI is projected to add USD 4.4 trillion in economic value. Cutting-edge technologies such as **Blockchain**, cloud computing, smart packaging, predictive analytics, and the Internet of Things (IoT) are



OPERATING ENVIRONMENT

providing practical solutions to challenges such as ensuring reliable food access, enhancing product traceability, prolonging shelf life, dynamically predicting shelf life, improving hygiene control, and preventing waste. Paralleling such ongoing global developments, Migros is also taking measures and carrying out projects to reduce carbon emissions and energy consumption in its stores, warehouses, and distribution centers. Repetitive tasks are being automated using software robots (RPA); mobile technology applications are being developed to enhance business-process efficiency. Initiatives are underway to explore emerging technologies like virtual reality, augmented reality, and wearable devices. Gartner's Top 10 Strategic Technology Trends Report predicts that by 2026, more than 80% of businesses will be using **generative AI** APIs and models or implementing generative AI-powered applications in the conduct of their production operations.


Projections indicate that artificial intelligence will be used to power personalized and adaptive user interfaces in 30% of new applications. Migros keeps a close watch on the latest developments in AI and leverages its technologies to deliver innovative applications and solutions to its stakeholders.

Scores of startups in Türkiye and across the world are bringing fresh perspectives to companies with innovative ideas and technologies for streamlining their business processes. Migros is strongly invested in supporting this entrepreneurial ecosystem and its dynamics. The company encourages innovation by supporting entrepreneurs, embracing imaginative ideas,

and providing the infrastructure needed to bring products to market. The support Migros provides to entrepreneurs not only strengthens the company's own competitive position but also has a positive impact on the broader economy.

E-commerce is experiencing dynamic growth due to the rapid expansion of internet access and the increasing number of people and companies making use of it. Expanding markets, rising smartphone use, the convenience of doing business online, population growth, the proliferation of e-commerce retailers, and the increasing influence of social media and its integration into everyday life have all contributed to the wider and more frequent use of e-commerce. According to a **Turkish Statistical Institute (TURKSTAT) Household Information Technologies Usage Survey**, 95.5% of the Türkiye's households had direct internet access in 2023, a 1.4 percentage point rise over the previous year. The rising trend of internet access at home aligns with the increased use of smartphones and tablets. According to figures published by the Information Technologies Authority's concerning Türkiye's electronic communications sector market, the number of mobile broadband subscribers accessing 3G, 4.5G, and mobile internet services reached 74.9 million in the third quarter of 2023. The impact of these developments has led to a significant uptick in the volume of e-commerce but has also nourished substantial growth in bricks & mortar retailing. Türkiye's e-commerce sector experienced a remarkable surge in the past year, with volumes ballooning by 109.7% and the number of orders rising by a healthy 20%.

Mobile and digital wallets, favored for their user-friendly payment systems, are becoming increasingly popular among consumers. A study by Capgemini Payments Top Trends predicts that by 2025, over half of global e-commerce payments will be made using digital wallets.

Complete details about all the innovative solutions that Migros offers to its customers through stores and online channels in line with its strategy of increasing efficiency in operational and business processes, adapting to innovative trends, developing mobile payment and self-service systems, supporting entrepreneurs, and pursuing multichannel growth are presented in the "**A Better Future through Transformative Innovation**"  section of this report.

Customer Trends

When today's consumers go shopping, their decisions are often swayed as much by the values that brands and companies espouse as they are by the goods themselves. It is therefore crucial to align the customer experience with sustainability, both through ongoing research and by staying abreast of the latest developments. According to the EY Future Consumer Index, budget-conscious consumers make up the largest segment globally, followed by those who prioritize healthy products. Health concerns have been outpacing planetary concerns for the first time since 2021.





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This is important; it suggests that consumers are focusing on their own health, re-prioritizing individual needs over collective efforts. It means that brands and retailers must now pivot to meet this evolving consumer landscape, capitalizing on emerging trends while addressing the renewed emphasis on individual wellbeing through targeted initiatives.

The McKinsey State of Customer Care Report reveals that roughly three-quarters of consumers now make use of more than one channel when seeking customer service. PWC's Experience is Everything study further emphasizes this trend, revealing that 63% of consumers not only anticipate a personalized experience but are also willing to share more data to facilitate it. Applications such as ChatGPT and WhatsApp Business that strengthen customer interaction, particularly those employing conversational

AI, are proving instrumental in both customer acquisition and retention strategies. According to Euromonitor's Consumer Trends Report, about 42% of consumers are satisfied with the personalized recommendations provided by AI-powered digital assistants and prefer AI-based chatbots and digital assistants for personalized recommendations and after-sales support. Migros Interaction Platform is constantly evolving its communication systems to even more effectively leverage artificial intelligence to enhance customer engagement.

Migros remains at the forefront of retail innovation, vigilantly tracking industry trends and developing cutting-edge solutions to cater to its discerning customer base while championing sustainability. These matters are presented in detail in the **"A Better Future for Our Customers & Stakeholders"** section of this report.

Economic Review

The global economic recovery remained sluggish and uneven in 2023, hampered both by the lingering effects of the Covid-19 pandemic and by the ongoing conflict in Ukraine. Despite initial resilience early in the year, the global economy continued to grapple with the aftermath of the pandemic. Economic activity, particularly in emerging markets, remained notably below pre-pandemic levels. The International Monetary Fund (IMF) projects global growth to slow from 3.5% in 2022 to 3% in 2023 and 2.9% in 2024. Global inflation is expected to decline from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024.

The Turkish economy grew by 4.5% in 2023. In particular, the food retail sector maintained its vitality and continued to grow in 2023 as the normalization process gained momentum after the pandemic. The food retail sector saw an 8.7%

increase in sales volume year-on-year, further intensifying competition within an already crowded market.

The retail landscape has seen a surge in both brick-and-mortar and online expansion, with retailers accelerating their investments in digital infrastructure to keep pace with rapidly evolving consumer preferences.

Migros capitalized on expansion opportunities in both brick-and-mortar and online retail in 2023, resulting in a robust financial performance. 2023 also marked a period of accelerated transformation for Migros, with intensified efforts to reshape its ecosystem through new subsidiaries and ventures into new business lines. Amidst heightened price sensitivity, Migros' competitive pricing strategies propelled it to a commanding share of both the organized and the overall fast-moving consumer goods (FMCG) markets.

International and National Developments

Migros remains unwavering in its commitment to regulatory compliance, diligently adhering to international and national standards while actively tracking and implementing industry innovations across all areas of operation. Migros places paramount importance on adherence to the full spectrum of legal and regulatory frameworks governing its operations, including those pertaining to retail trade, e-commerce, consumer protection, competition, advertising, labor, and data privacy. New regulations are rigorously assessed for their potential impact,





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ensuring full compliance with all contingent obligations.

Migros implements stringent quality control measures to ensure all the products it sells conform to regulatory standards and fulfill the requirements of the Turkish Food Codex as set forth by the **Ministry of Agriculture and Forestry**. Migros is a member of the **Turkish Food Safety Association (GGD)**, a forum for retailing industry stakeholders to convene and assess the implications of regulatory changes. Resulting recommendations and insights are communicated to authorities through the association. For example the GGD played a pivotal role in crafting guidelines for the labeling of expiration dates, which were then presented to regulatory authorities for official sanction. In 2023 the association supported the publication of guidelines for determining and presenting shelf-life information in food packaging labels. The association closely monitors the work of the **Global Food Safety Initiative**, ensuring that Türkiye's food safety practices align with international standards.

Among the initiatives supported by Türkiye at **COP28** in 2023 were the UAE Declaration on Sustainable Agriculture, Resilient Food Systems & Climate Action, and the Declaration on Climate and Health. The declaration encompasses critical concerns such as food security, production, nutrition, ecological and environmental rehabilitation, water management, and the imperative to support farmers and other food producers. In the conduct of its operations, Migros is mindful of the ongoing evolution



of sustainable agriculture and resilient food systems. Migros actively participates in TOB working groups focused on packaging waste collection and recycling; the company implements practical solutions based on these collaborations. Through the **Food Retailers Association (GPD)**, the company actively promotes continuous dialogue and feedback among stakeholders and across the value chain to ensure the effective development of the recycling system. Through GPD Migros provides input and contributes to the preparation of the Green Deal Action Plan and the National Circular Economy Action Plan being drawn up by TOB. The company strictly adheres to the TOB Zero Waste Regulation, ensuring that all of its waste management practices fully comply with regulatory requirements.

Türkiye's **GEKAP** (Recycling Contribution Fee) system was introduced to encourage sustainable environmental practices among firms that sell plastic shopping bags, use packaging, or import packaged goods into the country. Migros conducts awareness campaigns to encourage its customers to switch to eco-friendly reusable shopping bags and strives to reduce the use of plastic ones.

In a landmark decision at COP15, the 2022 **United Nations Convention on Biological Diversity**, a global consensus was reached to safeguard 30% of the Earth's land and sea areas by 2030. Migros is also closely following developments in **GRI 101: Biodiversity**, a reporting framework which outlines directives for halting biodiversity loss and is slated for implementation in January 2026.

Türkiye's parliament ratified **The Paris Agreement** in 2021, a globally recognized treaty on sustainability aimed at mitigating the negative effects of climate change. Along with this ratification, the country also set an ambitious goal of reaching net-zero carbon emissions by 2053. As a party to the Paris Agreement, Türkiye committed itself to reducing its emissions by 41% by 2030. It updated and submitted its first Nationally Determined Contribution (NDC) in 2023, setting emission reduction-targets mainly in agriculture, energy, waste, transportation, and construction; it also published a report road mapping the stages and progress that would be made to achieve net-zero carbon emissions by 2050. In line with the Paris Agreement and intending to contribute



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to the fulfillment of Türkiye's national targets, Migros has also committed to achieving Net Zero Carbon by 2050. Migros keeps a close watch on developments as they unfold and aims to invest in renewable alternatives that will contribute to its energy sustainability.

In Migros' assessment processes, preparations have been initiated to ensure compliance with the standards newly prepared by IFRS and adapted to Türkiye by the Public Oversight Authority (KGK) as TSRS (Turkish Sustainability Reporting Standards) S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures), which will be mandatory in 2025. The Task Force on Climate-Related Financial Disclosures (TCFD) framework guides reporting on climate-related issues, with a particular emphasis on governance structures, strategic implications, potential risks and opportunities, and measurable targets. September 2023 saw the release of recommendations from the Taskforce on Nature-Related Financial Disclosures (TNFD), aimed at encouraging businesses to identify and mitigate nature-related risks, ultimately redirecting global financial flows towards nature-positive outcomes. Migros is closely monitoring framework-related developments and working to integrate its requirements into its reporting processes while also taking into account climate risks highlighted in the **World Economic Forum Global Risks Report** and identified there as potentially causing the most harm to human beings and the planet.

In line with the focus areas of the **European Green Deal**, Migros is undertaking various initiatives to achieve sustainable and inclusive growth. These initiatives include directing capital flows towards technological investments and projects aimed at mitigating climate risks and capitalizing on climate opportunities, as well as supporting entrepreneurship and fostering employee engagement and motivation. In line with Europe's goal of becoming a carbon-neutral continent by 2050, as well as with global agreements and Türkiye's own national targets, Migros is closely monitoring developments and taking action to mitigate climate change and reduce greenhouse gas emissions as part of the transition to a low-carbon economy. The company is likewise keeping a close watch on developments in the runup to the introduction of a national emissions-trading system.

Details about Migros' food-safety, quality, hygiene, and supplier-auditing activities and targets and about its climate action, waste management, circular economy, and packaging waste collection and recycling activities and targets are presented in the "**A Better Future for Our Customers & Stakeholders**" [☑](#) and "**A Better Future for Our Planet**" [☑](#) sections of this report.



2023 MATERIALITY MATRIX



GRI 2-4, 3-1, 3-2, 3-3

Migros closely monitors industry trends, and national and international standards and frameworks when determining its sustainability priorities and goals. The company develops its sustainable business models by carefully considering the views of its employees and other stakeholders, ensuring that the needs and expectations of everyone involved are duly considered. Recognizing their impact on all aspects of value-creation, Migros not only creates economic value by aligning its work with stakeholder expectations but also strategically integrates sustainability and climate-related risks and opportunities into its business and operational processes.

Migros identifies sustainability priority issues by carefully considering the most pressing topics from previous years, insights from workshops and surveys, emerging global trends across the industry, and relevant global reports and activities. As the year progresses, the materiality matrix is reviewed, taking into consideration any risks identified by the Board of Directors and/or raised by shareholders and investors during general meetings. Comprehensive prioritization surveys are conducted every other year to keep pace with stakeholders' changing needs and expectations. The 2023 prioritization survey solicited the views of about 600 suppliers, employees, customers, and other stakeholder groups as well as members of the Migros Sustainability Committee. The results of this survey were used to create a **2023 Materiality Matrix** that was submitted for executive approval.

While most other priority issues retained their relative importance to one another in the 2023 materiality matrix, **"Sustainable Agriculture and Saving Food"** rose to the top position,

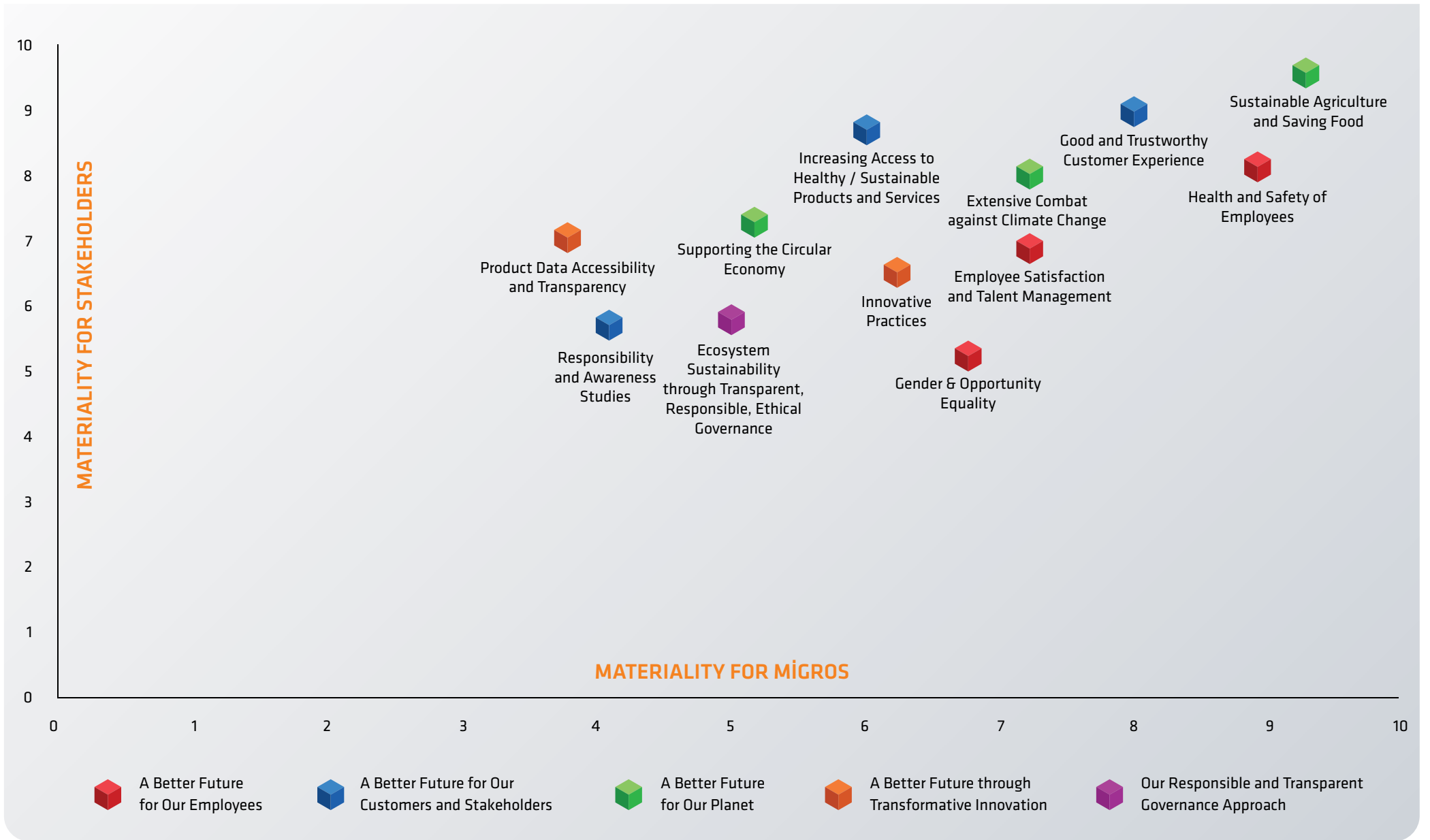
underscoring a heightened focus on sustainable farming practices, biodiversity conservation, and reducing food waste across the entire value chain. **"Extensive Combat Against Climate Change,"** an issue intrinsically linked to the escalating threat of extreme weather events, also rose in the 2023 materiality matrix. This shift aligns with the World Economic Forum's Global Risks Report, which ranks extreme weather among the top ten risks in terms of likelihood and potential impact. In previous years' materiality matrices, **"Supporting Healthy Living"** and **"Accessing Sustainable Products and Services"** were addressed separately; the 2023 matrix combined them under the heading **"Access to Healthy/Sustainable Products and Services."** The Migros Better Future Plan has been revised to reflect this change. **"Good and Trustworthy Customer Experience"** once again emerged as one of Migros' and its stakeholders' top priorities; for that reason, it too has been added to the Migros Better Future Plan.

All priority issues in the 2023 matrix are categorized as value areas under the individual Migros Better Future Plan headings of **"A Better Future for Our Employees," "A Better Future for Our Customers & Stakeholders," "A Better Future for Our Planet,"** and **"A Better Future through Transformative Innovation."** Migros' short, medium and long-term targets and commitments are regularly reviewed in line with ongoing developments, and targets and key performance indicators related to material issues are included in the target cards of relevant department employees and Senior Management. Detailed information about the issues included in the materiality matrix are presented in the **"Migros Better Future Plan"**  and **"Targets"**  sections of this report.





2023 MATERIALITY MATRIX





A BETTER FUTURE FOR OUR EMPLOYEES

Sustainable Development Goals (SDGs)





EMPLOYEE PROFILE

GRI 2-7, 2-8



An important aspect of Migros' approach to corporate culture, governance, and values is to prioritize the health, safety, and personal & occupational development of its employees. Migros nurtures employee development through diverse training and career opportunities and prioritizes employee well-being through its health and safety initiatives. Migros strives to create a fair and equitable workplace for its employees. The company is a fair and equitable employer whose workplaces embrace diversity and never discriminate on the basis of gender, language, religion, or ethnicity. Some highlights in 2023 are below.

- 44% of Migros employees are female and 56% are male.
- New jobs were provided to 12,000 people.
- 93% of management positions were filled through internal promotions.
- 995 vacancies were filled internally through Migros' in-house recruitment system.
- 72% of Migros employees are employed outside Istanbul.
- Among employees whose average age is 32, 71% are Gen Y and 18% are Gen Z.
- Average tenure among administrative personnel and store managers is 11 years.
- 55% of Migros' employees work in or near their hometowns.*
- 1,681 new personnel were recruited as a result of Migros' Employee Recommendation project.
- The number of employees with physical disabilities on the company's payroll reached 1,305, about 3% of them in positions with management responsibilities.**



MIGROS IS A FAIR AND EQUITABLE EMPLOYER WHOSE WORKPLACES EMBRACE DIVERSITY AND NEVER DISCRIMINATE ON THE BASIS OF GENDER, LANGUAGE, RELIGION, OR ETHNICITY.

* Defined as the same province as which they were born.
 ** Disabled employees make up 2.6% of Migros' workforce; 28% of them are female and 72% are male.



EMPLOYEE EMPOWERMENT

GRI 2-26

MIGROS' EFFORTS TO PROMOTE ITS EMPLOYEES' HAPPINESS AS WELL AS THEIR PROFESSIONAL AND PERSONAL DEVELOPMENT EARNED IT FIRST PLACE IN THE "CHAIN STORE" CATEGORY OF THE "TÜRKİYE'S HAPPIEST WORKPLACES" SURVEY CONDUCTED BY HAPPY



Talent & Career Management

Migros regards well-trained, customer-focused, difference-making employees as the most important resource on which it can depend in order to further advance its position as a retailing industry pioneer. For this reason, the company strives to be its employees' biggest supporter by contributing to their career progression and personal & occupational development from the moment they are hired and for as long as they remain with the company. Employee competencies, skills, and performance are systematically monitored and evaluated through human resource management processes that prioritize fairness and transparency. Evaluation results are used as input to inform employees' career-planning, potential-identification, compensation, and training processes.

Annually **Target-deployment Workshops** are conducted to make certain that the company's strategies and goals are transparently and consistently planned and embraced across all company functions. An ongoing objective performance management process plays a key role in employees' career and development plans while ensuring equal opportunity for all. A hybrid performance tracking methodology combining **Key Performance Indicators (KPI)** and **Objectives and Key Results (OKR)** is used to monitor financials, track projects, and drive informed evaluations. When necessary, an independent consultancy may also be contracted to conduct additional assessments of employees' potential. Reliability-proven assessment tools are used to give employees

objective feedback about their strengths, areas needing development, and untapped potential. In administrative units, managers also conduct annual 360° performance reviews to assess the performance and work styles of those under their responsibility. **360° Feedback and Personal Evaluation Processes** make it possible for employees to receive feedback from immediate supervisors, subordinates, superiors, and peers. This feedback helps identify strengths and areas in need of improvement and is used when planning individual development paths. Migros prioritizes strategic workforce planning and talent gap analysis to ensure effective workforce deployment and management. In administrative units, performance is reviewed annually; in stores, managers' and employees' performance is reviewed semiannually. Access to Migros' "**Training Calendar**" and "**Feedback**" platforms have been added to store managers' screens to improve communication and collaboration between employees and their supervisors. The **Migros Career Planning Platform** lets employees manage their career planning and promotion processes both online and offline. Existing employees' career progression is supported by giving them priority when seeking to fill vacancies or explore new opportunities.

Migros uses **competency and performance management** to inform its strategic human resources planning processes. Strategic human resource planning meetings are conducted to proactively identify critical positions at all levels and to formulate succession plans to be activated in the event of their vacancy.



Key aspects of Migros' employee career-progression processes in 2023 are highlighted below.

- 42,754 employees were given performance reviews.
- Annual performance reviews were conducted for 1,881 administrative personnel.
- 40,873 store managers' and employees' performance was reviewed semiannually.
- Competency-assessments were conducted for more than 2,600 administrative unit and store personnel.

Migros placed first in the "Chain Store" category of the "**Türkiye's Happiest Workplaces**" survey conducted by **Happy Place to Work**. Migros is also included in Realta Consulting's "**Türkiye's Most Admired Companies**" list of employers that people most want to work for as well as in LinkedIn's inaugural "Top Companies" list for Türkiye.



EMPLOYEE EMPOWERMENT

Empowering its employees while also focusing on youthful talent and energy, Migros attaches great importance to bringing young people into the company in line with its **Better Job, Better Future** philosophy. In addition to its **Instagram, LinkedIn, and Facebook** career accounts, Migros has updated its corporate career website to provide talented young people with the opportunity to learn about Migros' culture and easily apply for positions. Through both the **Smart Long-Term Internship Program** and the **Smarttech Long-Term Internship Program** specifically designed for engineering students, interns gain professional experience during eight months of orientation, mentoring, and training programs. In 2023, the Smart Internship and the Smarttech Internship programs were attended by 50 and 27 young adults respectively; scholarship support was provided to 16 university students through Anadolu Foundation.

THROUGH MIGROS RETAIL ACADEMY, 5,155,360 (EMPLOYEE* HOURS) TRAINING WAS DELIVERED ON 2,500 SEVERAL TOPICS.

Contributing to Employee Development

Aware that its employees are the greatest strength on which the company may draw in its efforts to keep pace with the business world's rapidly changing conditions, Migros designs technology-supported learning experiences for all employees. Through **Migros Retail Academy (MPA)**, the company contributes to employee career progression and personal development through in-house training and lifelong learning opportunities. In 2023, 98% of all employees benefited from Migros Retail Academy training resources; 89% of all training was provided by the company's own sources. Key aspects of Migros employee training processes in 2023 are highlighted below.

- A total of 5,155,360 (employee* hours) training were delivered both face-to-face and online. This training covered material on 2,500 different topics. Each employee received **107 hours of training on average**.
- More than TL 47.1 million was budgeted and invested in employees' personal & occupational development, career planning & management, and performance management & review processes.

Leadership Training

Migros Leadership Development Faculty training focuses on discovering, developing, and strengthening employees' leadership skills in a variety of ways. 1,019 employees received a total of 824 hours of Migros Leadership Development Faculty training during 2023. Average leadership training time among all administrative unit personnel was 19 hours. Seminars called "**Leaders**

Assembled", which are intended for Directors and higher-level executive positions, were attended by 96 people.

Leadership-skill development training and coaching sessions are conducted for those who have been promoted to manager positions under the "**Mission: Leadership**" program and for the ones who are promoted to executive positions under the "**Management Building Blocks**" program. The "**Effective People Management**" program is provided for experienced team managers; and the "**Leadership Path: Discovery**" program is provided for those who are candidates for executive position.





EMPLOYEE EMPOWERMENT

Besides Migros Leadership Development Faculty programs during 2023, "Happiness In Store Leadership" training was attended by 137 store managers and "Business Awareness & Management Simulation" training was attended by 133. A total of 320 hours of training on subjects other than these was also provided to these employees.

Under the In-House Coaching program that Migros initiated to train its own coaches and qualify them for professional certification, 14 employees attended a total of 80 hours of training; 690 people attending the company's "You're My Mentor" program took part in 1,722 hours of mentoring sessions.

"Orange Talks" is the name of a development and career-focused series of podcasts delivered through Migros' social media platform. In 2023 a total of 17 "Migros Orange Break", "Catch The

Change", and "Just Us" themed webinars dealing with a variety of issues related to the individual and leadership development of administrative personnel through the Migros Retail Academy Teams platform were attended by 1,521 people.

University Collaborations & Professional Development Training

Migros works closely with external project partners in order to support its employees' personal & professional development and to ensure that they derive maximum benefit from such collaborations. The company offers a variety of external training programs in collaboration with a large number of educational institutions including **Koç University, Boğaziçi University, Uludağ University, Anadolu University, Karadeniz Teknik University, Ege University, Trakya University, Marmara University, and Süleyman Demirel University.**



Through the **KÜMPEM Migros Executive Development Program at Koç University**, midlevel managers are provided with a 39-day course of 234 hours of instruction designed to equip them with all the knowledge they might need to advance their professional careers. 33 people graduated from the KÜMPEM program in 2023.

"Retailing Management Certification" is the name of a program being undertaken jointly with Boğaziçi University. Specially designed for potential store managers, this program provides instruction in a variety of retailing and business subjects. In 2023 this program was attended by 24 people who received a total of 96 hours of training.

Under a "Migros Retailing Associate & Undergraduate Degree Program" agreement with Anadolu University, employees who do not yet hold such degrees are given a chance to study and be awarded one. 147 Migros employees attended this program in 2023.

"MAYA Store Manager Training", "Fresh Produce Specialist Certification", and "Retail Industry Overview" are the names of Migros employee-development programs carried out at Anadolu, Karadeniz Teknik, Ege, Trakya, Marmara, and Süleyman Demirel universities. Under the MAYA program, senior-year students at those schools may enroll in retailing industry-specific classes. These courses cover a host of retailing-related issues ranging from sales to teamwork, from communication to the customer experience, from finance to logistics, and from retailing mathematics to leadership while at the same time also giving students the benefit of hands-on, real-world retailing experience as trainees. 67 people attended this program in 2023.

Migros conducts a variety of programs designed to address the vocational needs of personnel whose job roles require specialized knowledge and skills. In 2023 a total of 1,582 employees took part in 91 specialized programs such as "Butcher School", "Sales School", "E-Commerce School", "Fresh Foods School", and "Quality School".

A TOTAL OF 1,582 EMPLOYEES TOOK PART IN 91 SPECIALIZED PROGRAMS SUCH AS "BUTCHER SCHOOL", "SALES SCHOOL", "E-COMMERCE SCHOOL", "FRESH FOODS SCHOOL", AND "QUALITY SCHOOL" IN 2023.





EMPLOYEE EMPOWERMENT



DURING 2023, A TOTAL OF 77,648 (EMPLOYEE*HOUR) TRAININGS FOCUSED ON SUSTAINABILITY AND ENVIRONMENT WERE PROVIDED.



Innovative Transformation Training

Migros' Agile Transformation School provides training resources focusing on strengthening entrepreneurial spirit, enhancing digital skills, and streamlining agile work practices in line with changes in the company's strategies and its employees' needs. **GETready Tech** training is conducted to develop employees' technology and innovation skills in line with the company's digital strategies. 464 employees attended 42 **GETready Tech** training programs; 937 attended 88 **GETready** training programs aimed at developing their soft skills.

Through the **Migros Advanced Data Analytics School's** data science program, Migros' IT department and Migros Retail Academy work together to develop the digital competencies of other units' employees. This six-month program provides training under the headings of Data Science, SQL, Python, KNIME, Agile, Artificial Intelligence, and Data Warehousing. Employees in training to be specialists were also provided with training resources dealing with agile, scrum, and kanban issues under the **Agidemy Master Development** Program.

Through its **Intrapreneurship Program**, Migros promotes a Lean Startup model that provides the basis for coming up with innovative business ideas by means of interfunctional authorized teams making use of agile working methods. During 2023, 126 employees took part in 13 project teams focused on different areas such as alternative energy, packaging facilities, employee health and well-being, digital transformation projects, product availability, and inventory management. "**Good Idea Good Project**" is the name of a platform that Migros initiated to solicit and benefit from new

and creative ideas that its employees may come up with in such areas as efficiency, sustainability, technology, and the like. In 2023, 7 of the 1,661 ideas that were submitted through this platform were undertaken as projects.

Sustainability Training

To promote sustainability awareness among Migros employees, **Migros Retail Academy** partners with **Boğaziçi University Lifelong Learning Center (BULLC)** in the provision of award-based sustainability training. This program's "Sustainability Series" of online training resources continued in 2023, under the headings of **Climate Change, Water Management, Biodiversity, Food Waste, and Plastic Waste Management**. During 2023, a total of 77,648 (employee*hour) trainings focused on sustainability and environment were provided. In addition, special trainings were organized at the Senior Management level within the scope of combating climate change.

Remuneration & Fringe Benefits

Detailed information about Migros' remuneration system is provided in the company's **Human Resources Policy** [\[X\]](#) and its **Remuneration Policy**. [\[X\]](#) Migros' employee guidebook called **Orange Book** explains the remuneration system in a transparent and understandable way. All employees in the conduct of the company's operations are subject to an equally applicable compensation policy. No gender-based distinctions whatsoever concerning the salaries or benefits provided to employees with similar levels of performance. **Korn Ferry remuneration market data** are used to determine remuneration levels for key positions and administrative



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personnel. In the conduct of its remuneration processes, Migros works with an independent consultancy to ensure that its salary structure is fair and balanced. Entry-level employees' baseline pay is determined on the basis of the currently applicable national minimum wage and standard benefits. Store employees (blue-collar) are paid by the hour; and administrative unit employees (white-collar) are paid monthly.

All Migros employees are offered with the fringe benefits under the company's collective labor agreement. Pay scales and fringe benefits are informed solely by job responsibilities, marital status & dependents, seniority, and market rates; no consideration whatsoever is given to gender. All increases in employees' wages and salaries in 2023 were likewise based solely on admissible criteria.

Migros provides all of its store and administrative personnel with fringe benefits such as company-matched private health, life & personal accident insurance, automatic private pension enrollment, and medical checkup coverage. In addition to basic fringe benefits such as food allowance, salary and bonus; Migros provides travel, feast, leave, heating & clothing, tuition, maternity, family-death, marriage, fuel, and office support package allowances. The company likewise provides various fringe benefits as may be stipulated in collective bargaining agreements and individual work contracts. Migros has a flexible-benefits program called "DE-HA" that allows administrative personnel and white-collar employees in stores to customize their existing fringe benefit entitlements according to their personal wishes and needs. 7,460 employees availed themselves of this option in 2023. Migros employees may be provided up to a



week of paid compassionate leave to take care of personal problems such as the death of or need to care for a family member or other close relative. There is a bonus practice that applies to 40% of administrative employees, other than those in the senior management, in line with their seniority and positions, and to all store employees. Migros store employees are permitted to flexibly determine their own work schedules on condition that they work at least four but not more than eleven hours during any 24-hour period and also satisfy the 45 hours-a-week requirement. Administrative-unit employees are permitted to arrive at/leave the workplace up to an hour early or late on condition that they satisfy the weekly worktime requirement.

Employee Satisfaction & Wellbeing

Migros strives to ensure and sustain employee satisfaction and wellbeing in a variety of different ways. The company recognizes that employee motivation is an integral part of successful performance evaluation and career progression processes. **Migros Sharing Hotline** is an employee hotline that the company set up to receive and resolve all employee feedback. 43,907 calls were received through this hotline during 2023 and reported issues were resolved. Believing in the power of positive feedback in employee motivation, Migros set up a **Thank-you Platform** on its HR Portal through which every employee may send a thank-you note to another. More

MIGROS SHARING HOTLINE IS AN EMPLOYEE HOTLINE THAT THE COMPANY SET UP TO RECEIVE AND RESOLVE ALL EMPLOYEE FEEDBACK. 43,907 CALLS WERE RECEIVED THROUGH THIS HOTLINE DURING 2023 AND REPORTED ISSUES WERE RESOLVED.





EMPLOYEE EMPOWERMENT

MIGROS PRIORITIZES THE HOLISTIC HEALTH AND WELLBEING OF ITS EMPLOYEES AND ASSESSES ACROSS FIVE KEY DIMENSIONS: POSITIVE WORKPLACE ENVIRONMENT, HEALTH, MOTIVATION, PSYCHOLOGICAL WELLBEING, AND FINANCIAL AWARENESS.



than 90 thousand employees sent digital thank-you notes through this system in 2023. Aiming to promote and maintain a high-motivating workplace environment that acknowledges and encourages individual efforts, the company set up the **Migros Reward Galaxy Platform** to pair with the Thank-you Platform in order to acknowledge employees' efforts and celebrate their tangible and intangible achievements. During 2023, more than 10 thousand Migros employees whose performance was assessed according to such metrics as creativity, added-value creation, and teamwork were rewarded by this system.

A **"Worklife Assessment Survey"** is conducted every year by an independent research company in order to measure the degree to which Migros employees are satisfied with working at the company. Issues that are in need of improvement are identified and action plans are formulated accordingly. The 2023 survey achieved an employee-response rate of 75% and yielded a company-wide employee-satisfaction score of 62%. The performance scorecards of all executives at manager level and above including the members of senior management have an **"Employee satisfaction"** target which contributes between 2.5-5% of their annual performance bonuses and directly affects this target.

Migros prioritizes the holistic health and wellbeing of its employees and assesses across five key dimensions: **Positive Workplace Environment, Health, Motivation, Psychological Wellbeing, and Financial Awareness**. Dedicated working groups formed for each of these metrics are tasked with formulating plans and undertaking initiatives that will holistically address every aspect of employee wellbeing.

Positive Workplace Environment

Migros attaches great importance to improving physical working conditions and to increasing opportunities for enjoyable social interaction in the workplace in order to ensure the holistic wellbeing of its employees when on the job. The company continually explores, considers, and implements ways to make its workplaces more ergonomic and more sociable. In order to improve manager-team interaction, manager-employee communication is strengthened in a variety of ways such as coaching, developing feedback skills, and unleashing team potential.

- In 2023, an organizational workplace climate survey was conducted in which 274 managers and their subordinates were queried in order to improve the workplace environment and employee experience in the 6 dimensions of climate: flexibility, responsibility, standards, rewards, openness and team commitment. A workshop was conducted to prioritize the areas which the survey had shown to be in need of improvement. The workshop's findings served as input for future planning.
- During the 2023 **Store Manager Development Festival**, 13 speakers talked about **Corporate Wellbeing, Sustainability on Retail, Trends on Retail, and Inclusive Leadership**. 83 contents received 9 thousand interactions.
- A series of **"Better Future Shares"** dealing with seven issues was designed to support store-manager and regional sales-manager manager-employee relations and improve in-house communication.



- A series of individualized training videos is currently being prepared to improve **intergenerational communication** and communication styles.

Health

Migros gives great importance to the physical wellbeing of its employees and supports and protects it in many different ways by providing workplace access to such resources as **nutritional counseling, physiotherapeutic exams, clinical massages, yoga, pilates, and breathing exercises**. Cardiovascular risk, breast cancer risk, laryngeal cancer risk, hearing loss, and mole analysis checkups were provided at workplaces on the occasion of April 7th World Health Day observances. Online company-supplied nutritional counseling and breathing exercise resources are also available to all employees. Interactive webinars conducted by healthcare professionals are provided throughout the year



EMPLOYEE EMPOWERMENT

to help raise employee awareness about health-related issues and to clear up any questions there may be about them. Migros provides its employees with medical checkups and company-matched private health insurance.

Recognizing that being healthy depends on access to proper and adequate nutrition, Migros provides its employees with at least three portion free, filling, and high-quality meals every day at work. At workplace locations with employee cafeterias, the calorie counts of every meal are announced every day. Cafeteria menus include low-calorie and vegan options. To eventually standardize and regulate employee meal service

inputs and production processes across the company, Migros acquired a stake in Gurmepack, a firm specializing in heat-and-eat prepackaged meals. The meals of more than 9,000 employees working in the company's Marmara region stores are now being supplied as a result of this partnership. Moving forward, Migros plans to phase in similar employee-meal production and delivery services and to extend them into other parts of the country.

The practical effectiveness of Migros' commitment to employee health is continuously monitored and measured according to criteria specified by **Workforce Nutrition Alliance**.

The company's performance in the areas of wholesome and nutritious employee meal provision, health screenings and training, and sterile nursery-room have qualified it for **Workforce Nutrition Alliance "Gold" status**.

Psychological Wellbeing

In 2023, Migros continued to invest in psychological wellbeing. Recognizing that wellbeing is not only about physical well-being but also about strong and resilient mental and spiritual health, Migros launched a video series supporting the **5 Dimensions of Wellbeing**. This award-winning video series on the topics of "Individual Motivation Elixir of Success", "Adaptation", "Mindfulness", "Movement Literacy", "Psychological Resilience and Flexibility", "Strengthening My Memory" and "Financial Literacy" aims to raise employee awareness. Once the series is completed, employees will be able to access these videos online at any time.

In 2023, Migros responded to 900 calls through the **Psychological Consulting and Support Line**, which it runs in cooperation with Avita, and stood by its employees in need of support. In addition, Migros continues to raise employee awareness through webinars and trainings organized with experts in their fields to support psychological well-being.

Motivation

Migros stages a variety of events and conducts programs designed to improve employee motivation. Team-building events designed to encourage employees to socialize, play games, and enjoy cultural activities together are regularly organized. Hobby clubs devoted to music, camping & mountaineering, cycling, and athletics as well as the Migros Colors Workshop arts & crafts workshop and its events make it possible for employees to find and link up with people whose interests are similar to their own.



MİGROS HAVE QUALIFIED IT FOR WORKFORCE NUTRITION ALLIANCE "GOLD" STATUS.



EMPLOYEE EMPOWERMENT

In 2023 a “**Talent Scouts Music Competition**” was organized to give employees a chance to show off their musical talents. Performances were rated by a jury of professional musicians and the best received prizes. Migros’ **M’Chefs** project gave 105 employees a chance to demonstrate their skills through a series of cooking workshops and a final event requiring them to respond to a variety of culinary challenges. The top three participants were awarded prizes and their success was announced across the company. An abstract acrylic pouring event staged by the Migros Colors Workshop arts & crafts workshop attracted 80 employees. The resulting artworks were displayed

and put on sale at the Tarik Zafer Tunaya Cultural Center, with all proceeds being donated to the Cancer Hope for Children Foundation (KAÇUV).

Employees’ motivation is supported by offering gifts on special occasions, organizing special events on special days such as Women’s Day, Mother’s Day, Father’s Day, and the opportunity to attend Anadolu Efes Sports Club matches. Motivation-boosting webinars and online training resources delivered by experts are also readily available.

Besides creating opportunities for employees to get together and connect with fellow-workers

across departments outside working hours, hobby clubs also allow them to discover and pursue new interests and hobbies. During 2023, Migros aimed to support the physical and mental health of its employees by organizing 28 programs and events. Employees have been availed 63,800 times of these programs & events.

Financial Wellbeing

The company engages in ongoing efforts to support its employees’ financial wellbeing and increase their financial literacy. Under the **Migros Family & Me** program, employees qualify for special discounts when purchasing healthcare, travel, vehicle-rental, and education products and services from the program’s participating vendors. Under Migros’ “DEHA” flexible-benefits program, employees are allowed to customize their existing fringe benefit entitlements according to their personal wishes and needs.

Through the Migros Employee Pension Fund, Migros employees benefit from company-matched support in their retirement years. Financial literacy-boosting webinars and online training resources delivered by experts are also readily available. These materials broaden employees’ knowledge about specific issues while also increasing their financial literacy in general.




UNDER THE MIGROS FAMILY & ME PROGRAM, EMPLOYEES QUALIFY FOR SPECIAL DISCOUNTS WHEN PURCHASING HEALTHCARE, TRAVEL, VEHICLE-RENTAL, AND EDUCATION PRODUCTS AND SERVICES FROM THE PROGRAM’S PARTICIPATING VENDORS.





EMPLOYEE HEALTH & SAFETY

Performance Indicator	Target Year	Target	2023 Performance	Status by Target	Base Year / Status
Work Accident Severity Rate (Lost Days)	2025	1% ↓	0.64% ↓/18.967	In progress	2020 / 19.09

As part of its efforts to protect the health and wellbeing of its employees, Migros classifies* its workplaces and operations in accordance with the requirements of relevant Occupational Health and Safety (OHS) Laws and Regulations. In line with this, the company comprehensively and proactively deals with all workplace-associated OHS risks on the basis of a **Migros Occupational Health & Safety Policy**  that has been formulated in compliance with both statutory

requirements and international standards. The company holds **TS ISO 45001 Occupational Health & Safety Management System** certification. This certification covers not only Migros workplaces and employees but also the company's interactions with subcontractors and their employees. OHS issues have a direct impact on the annual performance bonuses of executives responsible for them. They make up 30% of the OHS group manager's targets.



Both to comply with statutory obligations and to ensure employee engagement in OHS processes, OHS committees are duly constituted and regularly convene at all company-owned or operated workplaces and operational premises such as headquarters, regional directorates, stores, MİGET meat processing facility, breeding farms, production & distribution centers and fruits & vegetables warehouses. Workplace safety is ensured by identifying and eliminating or mitigating health risks, potential threats, and nonconformities in such a way as to minimize work-related accidents. **OHS risk-assessment** processes covering all company premises and operations are meticulously carried out. Risks are mapped, threats are categorized, and unsafe situations and behaviors are identified. Corrective action both to deal with nonconformities and to improve OHS performance is planned and taken. A comprehensive risk management approach is employed, addressing areas including fire safety, electrical hazards, loading docks, cutting tools, work equipment, manual carrying & handling, storage, disaster & emergency response, hygiene protocols, break rooms & cafeterias, and ergonomics. A total of 105,918 corrective/preventive actions were taken to deal with OHS risks in 2023. The company employs a **"MSafe Occupational Health & Safety System"** to manage all OHS-related company processes. All nonconformities are entered, tracked, and reported by means of this system, which is regularly updated and expanded with the addition of new modules. **OHS PAS** is a MSafe subsystem that allows OHS performance to be analyzed and displayed on an individual workplace basis under the separate headings of training & documentation, accidents, inspections & audits, and nonconformity management. The company's OHS management investments amounted to TL 77.4 million in 2023.

ALL COMPANY UNITS, EMPLOYEES, AND SUBCONTRACTORS ARE MONITORED AND AUDITED FOR TS ISO 45001 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM COMPLIANCE.



* The company's headquarters, regional directorates, and stores are classified as "Low-Risk" workplaces; MİGET meat processing facility, breeding farm, distribution centers, and fruits & vegetables warehouses are classified as "High-Risk" workplaces.




EMPLOYEE HEALTH & SAFETY

Performance & Targets

Migros is committed to creating workplace environments whose work-related health and safety risks are minimized through continuously-taken measures such as providing OHS training & awareness resources, conducting onsite inspections & audits, and improving equipment and workplace safety. OHS teams are regularly expanded to keep pace with increases in employee and workplace numbers so as to ensure there is no deterioration in overall OHS-oversight effectiveness.

Migros is aiming to reduce its base-year 2020 Work Accident Severity Rate (lost days) by 1% by 2025 through proactive risk assessment and mitigation initiatives. In 2023 the company's accident severity rate (lost days) was down

by 0.2% and 0.64% respectively as compared with 2022 and base-year 2020. On a like-for-like basis, * the number of lost workdays due to work-related accidents in Migros stores was down by 43.1% in 2023. During 2023, 78 OHS specialists, 104 workplace doctors, and 26 healthcare employees provided 18,219 Migros and 7,493 subcontractor employees with a total of 214,017 hours of OHS services. Please refer to the **Appendices**  to this report for detailed information about numbers of work-related accidents per year, types of injuries, number of lost workdays/hours, distribution & percentage of employees receiving OHS services, and work accident severity & frequency rates.

* Like-for-like (LFL): A comparison method for analyzing changes in the number of workdays lost due to accidents in the same stores between 2023 and 2022.

OHS Training & Inspections

Believing that the quality and sustainability of its operational performance are crucially dependent on the OHS awareness and sense of responsibility among those involved, Migros provides its employees with OHS training both to improve OHS awareness in general and to instruct them in the specific requirements of their jobs.

The company strives to consistently and sustainably reduce the number of workdays lost due to work-related accidents through regularly-scheduled and onboarding OHS training. This training is provided face-to-face and online by workplace safety specialists and doctors. Workplace doctors perform onboarding, regular, and clinical examinations. In 2023, 14,487 onboarding, 2,805 regular, and 9,570 **clinical medical examinations** were conducted for employees.

OHS Classroom & Virtual Classroom Training

Migros Employees	29,265
Hours	68,827
Subcontractors & Subcontractor Employees	9,889
Hours	118,520

OHS Remote Training

Migros Employees	10,316
Hours	44,434

To ensure employees are prepared to deal with emergencies Emergency Preparedness & Response (EPR) training is provided at every company-owned or operated workplace in line with its EPR plan. This training is delivered by contractually outsourced EPR trainers and specialists and is followed by hands-on EPR drills. The results of these drills are analyzed to identify shortcomings; remedial action is taken to improve performance.

Under the heading of **EPR training** in 2023:

- **48,397** employees took part in **19,944 drills** testing their performance when responding to emergencies and natural disasters such as **fires, earthquakes, floods, landslides, avalanches, storm surges, cyclones, and tornados**.
- 1,626 headquarters and branch office personal took part in practical earthquake-response training aboard the **Kandilli Observatory's Traveling Earthquake-Simulator Truck**. 29,040 employees took part in "**Earthquake and Evacuation**" drills.
- 75 Migros employees volunteering to be members of Marmara and Anadolu search & rescue teams have completed Disaster and Emergency Management Presidency (AFAD) training in İstanbul and İzmir. These teams can be mobilized immediately to respond in the event of a major disaster occurring anywhere in Türkiye.



214,017 HOURS OF OHS SERVICES WERE PROVIDED IN 2023.



COMPLIANCE WITH CORPORATE POLICIES AND CODE OF ETHICS

Migros published **Human Resources**, **Human Rights & Equal Opportunity**, **Anti-Bribery & Anti-Corruption**, and **Responsible Procurement Policies** and **Migros Code of Ethics**. These policies and guidelines are reviewed annually by those responsible for overseeing compliance and they are updated as circumstances dictate. They are communicated by email and in the form of the Migros Orange Book, which is accessible to Migros employees through the company intranet, to suppliers and contractors through the MECOM B2B channel, and to all stakeholders through the Migros corporate website.

Online training resources are provided to employees to ensure that they understand and comply with company policies and guidelines.

COMPLAINTS ABOUT NON-COMPLIANCE WITH ETHICAL GUIDELINES MAY BE SUBMITTED THROUGH VARIOUS CHANNELS SUCH AS THE MIGROS CALL CENTER, EMAIL ADDRESSES, AND MOBILE APP. ALL COMPLAINTS ARE CENTRALLY TRACKED AND DEALT WITH THROUGH THE COMPANY'S ETHICS REPORTING AND TRACKING SYSTEM.

10,662 Migros employees completed this training in 2023. The same resources were made available to and were actively used by 1,658 suppliers through the company's MECOM B2B channel.

Migros' ethical stance and guidelines are spelled out in the **Migros Code of Ethics** and inform all company decisions and actions. The Migros Board of Directors unequivocally supports the company's **Anti-Bribery & Anti-Corruption Policy**. This policy outlines the company's stance with respect to bribery and corruption, delineates clear responsibilities for all employees and imposes strict sanctions for violations. The Migros Board of Directors is committed to the rigorous and consistent enforcement of this policy. The Migros Code of Ethics and the Migros Anti-bribery & Anti-corruption Policy were both formulated to be consistent with the policies and rules of the Turkish Ethics & Reputation Society (TEİD). As a member of TEİD, Migros benefits from the association's knowledge and experience as well as from its consultancy and training resources for dealing with the company's ethical, bribery, corruption, malfeasance, and third-party risks.

Whenever infractions of the Migros Code of Ethics and the Migros Anti-bribery & Anti-corruption Policy are determined to have occurred, the Migros Disciplinary Committee convenes, reviews the situation, and takes action as spelled out in both documents. Employees may report suspected violations of ethical guidelines, including bribery and corruption, to a dedicated email address (etikkurul@migros.com.tr) or through the **Migros Shareline**, which is an internal reporting system accessible to all employees. In line with Migros' open-door policy, all senior management' and function managers' contact information is available on the company's corporate website. This policy allows all stakeholders to report potential violations

of the company's ethical guidelines to Migros executives anonymously.

Migros customers, suppliers, and other stakeholders may also report complaints about bribery, corruption, or other unethical behavior through the **Customer Communication Center on 0850 200 4000** as well as through the etik@migros.com.tr email address. An **"Ethics Reporting and Tracking"** system has been set up to collect and evaluate complaints about non-compliance with policies and guidelines. Complaints may also be submitted through various channels such as the Migros call center, email addresses, or mobile app. This system allows Migros to centralize the information and systematically track all action that is taken. Unethical behavior is typically addressed within six business days of being reported. The Internal Audit





COMPLIANCE WITH CORPORATE POLICIES AND CODE OF ETHICS

GRI 2-5, 2-27

A TOTAL OF 26,042 MIGROS EMPLOYEES HAVE COMPLETED HUMAN-RIGHTS TRAINING SINCE THIS PROGRAM'S INCEPTION, 3,202 OF THEM IN 2023.




Department investigates all formal complaints and any matters deemed necessary within the overall framework of the Migros Code of Ethics.

Employees cannot be held responsible for any losses suffered by the company due to their own compliance with Migros' ethical guidelines or by their refusal to violate them. Employees cannot be subjected to any material, financial, or other penalties on account of such behavior. Migros also pledges not to retaliate against any employee who reports instances of misconduct, malfeasance, or embezzlement committed by another employee. In 2023, Migros received 902 reports on ethical issues through all its official communication channels. Of these, 262 were submitted by employees who identified themselves and 4 were submitted by anonymous whistleblowers. The Migros Disciplinary Committee reviewed all reports. Based on the committee's findings, the employment contracts of 619 employees were terminated. One complaint was received accusing a supplier's employee of violating the company's Anti-Bribery & Anti-Corruption and Responsible procurement policies. The complaint was reviewed, and the employer was notified of the situation.

Migros was not involved in any dispute involving allegations of bribery, corruption, or money-laundering in 2023. As a matter of policy, the company does not contribute financially to political campaigns and also abstains from lobbying.

Compliance with Human Rights Policies

Compliance with human rights is an intrinsic element of Migros' risk-assessment processes. All of the company's activities and operations are assessed in light of their social impact, with

special attention being given to human rights; they are also conducted in accordance with the **Migros Human Rights & Equal Opportunity Policy**  taking also into account **United Nations Business & Human Rights Principles and the ILO Declaration on Fundamental Principles & Rights at Work**. Migros aims to achieve 100% compliance with the Migros Human Rights & Opportunity Equality Policy in all aspects of its operations and across its entire value chain.

The Chief Human Resources Officer of Migros has overall responsibility for the management of human resources processes and industrial relations in accordance with Migros' Human Resources Policy. Human resources, human rights, and opportunity equality policy compliance within the company is monitored by the Migros Internal Audit Department, which reports its findings to senior management. All reported instances of non-compliance are additionally investigated. The Anadolu Group Department of Auditing and/or external auditors may also look into policy violations.

An assessment of %100 of the company operations carried out during the last three years proved that there is no instances of any human rights violation. There is no instances of violation on issues that are given particular attention regarding discrimination, employment of the underage or involuntary workers.

Migros employees have been provided with online training resources about fundamental human rights as defined in the Universal Declaration of Human Rights (UDHR) since 2019. A total of 25,842 Migros employees have completed UDHR training since the program's inception, 3,202 of them in 2023. A 25% increase in participants' UDHR knowledge was determined based on a survey of pre-test and post-test training



COMPLIANCE WITH CORPORATE POLICIES AND CODE OF ETHICS

GRI 2-30

effectiveness results. In 2023, 1,321 outsourced security company employees received online training on human rights policies and procedures. 87.2% of security employees completed this training. UDHR and Migros Human Rights Policy training covers a wide range of topics, including discrimination, underage labor, forced and compulsory labor, workplace & workforce diversity, product & service information and labeling requirements, equal pay for equal work principles, and parental leave. An independent auditing firm has verified that statements in the company's report regarding the training received by employees and security personnel trained on human rights and about workplace injuries and OHS systems, services, and practices were in compliance with the **ISAE 3000 (Revised)** standard.

The Human Rights & Supply Chain (Selected Criteria) Statement of Independent Assurance may be found in "Appendices". 



Freedom of Association

Migros respects the right of its employees to individually and collectively interact with the company and among themselves and has recognized their right to unionize since 1972. The company cooperates fully and in every way possible with its employees' union to ensure mutual compliance with ILO standards in dealing with such issues as compulsory labor and child labor as well as with applicable labor laws and regulations and with rules governing fair and impartial treatment and human rights.

The company's unionized employees are covered by a collective bargaining agreement signed by Migros and Tez-Koop valid between 1 January 2023 and 31 December 2025. By the end of 2023, 90.9% of the company's employees were union members. The agreement contains provisions governing a variety of workplace health & safety issues such as proper nourishment, cleaning equipment & supplies, medical leave & pay, workplace doctors, infirmaries & medicine cabinets, reasons for employment in light duties, and work clothing & equipment.

Migros also provides its union-member employees with a variety of fringe benefits such as performance bonuses and food, travel, religious feast, leave, fuel, clothing, military service, cash indemnity, and child allowances. They also receive monthly allotments of Migros Money loyalty card bonus points that can be exchanged for company-sold goods; they are entitled to marriage, maternity, and family-death allowances; those with dependent children enrolled in school receive a tuition allowance once a year.

MIGROS RESPECTS ITS EMPLOYEES' INDIVIDUAL RIGHTS AND FREEDOMS. THE COMPANY ACKNOWLEDGES THEIR RIGHT TO BE TREATED FAIRLY AT THE WORKPLACE AND HAS RECOGNIZED THEIR RIGHT TO UNIONIZE SINCE 1972.





GENDER & OPPORTUNITY EQUALITY

GRI 2-19, 2-20

Performance Indicator	Target Year	Target	2023 Performance	Status By Target	Base Year/ Status
Percentage of women among Directors and Higher-Level Executives	2023	23%	23.7%	Completed	2019 / 18%
Percentage of women in senior management (CEO and direct reports)	2026	27%-33%	25%	In progress	2018 / 15%
Percentage of women in all management positions	2027	35%	33%	In progress	2019 / 28%
Percentage of women in all management positions	2050	50%	33%	In progress	2023 / 33%



Migros regards gender & opportunity equality in the conduct of its operations as a key element of its corporate culture and has accordingly made it a high-priority issue in the implementation of its **Migros Better Future Plan**. The company is unequivocally opposed to any form of gender discrimination in any aspect of the conduct of business and it proactively takes steps to ensure that all employees benefit from the same opportunities. Migros maintains its pioneering position among all its stakeholders as an exemplary female-friendly company. Through both its policies and its practices, Migros encourages women to be economically productive and self-actuating, to play more active roles in business and society, and to strengthen their presence in social life.

As set forth in both its **Gender Equality & Inclusion Policy** [\[2\]](#) and its **Human Rights & Equal Opportunity Policies**, [\[3\]](#) Migros supports women's participation in the workforce and social gender equality. As a result of its efforts in this area, Migros has qualified for inclusion in the Bloomberg Gender-Equality Index. In the 2023 edition of Capital magazine's annual "**Female-Friendly Companies**" survey, Migros ranked second and sixth respectively in the business journal's lists of 100 companies that employ the most women with management responsibilities and the most women overall.

Increasing the percentage of women in all management positions has a direct impact on the annual performance bonuses of executives with human-resources business-partners responsibilities and make up 3-4% of their overall targets. The percentage of women in all management positions in Migros were 33%

IN THE 2023 EDITION OF CAPITAL MAGAZINE'S ANNUAL "FEMALE-FRIENDLY COMPANIES" SURVEY, MIGROS RANKED 2ND IN THE "100 FEMALE EXECUTIVE FRIENDLY COMPANIES" LIST AND 6TH IN THE "100 FEMALE EMPLOYEE-FRIENDLY COMPANIES" LIST.



in 2023, up by 1 percentage point year-on. The company has set targets of increasing this percentage to 35% by 2027 and to 50% by 2050. In 2023, the percentage of stores whose managers are women increased by another 2 points and reached 52%. There are currently 1,582 Migros stores whose managers are women; in 462 of them, all the employees are women.



GENDER & OPPORTUNITY EQUALITY

In addition, 33% of the employees promoted in 2023 were women.

Migros is a signatory to the LEAD Network EU CEO Pledge. The company had previously committed itself to increasing the percentage of women among directors and higher-level executives to at least 23% by end-2023 and did so (23.7%). The Migros Board of Directors signed a commitment of increasing the percentage of women in our senior management consisting of the Chief Executive Officer and direct reports to 27-33% by 2026. At end-2023, 3 of the 12 people representing the Chief Executive Offices, other C-Suites and the group directors who directly report to CEO, were women (25%).

Gender Equality Initiatives at Migros

Migros adheres to practices, provides training resources, and undertakes gender & opportunity equality projects to increase the number of women with management responsibilities. The gender equality initiatives that began with the launch of the company's "**We Are Different / We Are Equal**" program are continuing with the provision of a variety of training resources such as videos, webinars, and bulletins. In the conduct of its in-house social gender equality activities, Migros also benefits from the services of a consultant who is a specialist in dealing with such matters. "Valuing equality" training is conducted to further strengthen social gender equality as an element of the company's corporate culture and also to address any prejudices about such issues

that employees may unconsciously harbor. Store and administrative-unit management employees are given training on how to conduct inclusive, gender-neutral interviews by avoiding questions of a discriminatory or sexist nature. Social gender equality is a component of the orientation program that all newly-hired Migros employees attend before they begin working. As of end-2023, the total number of all Migros employees who had ever taken part in social gender equality training was 24,870. Information about social gender equality training in 2023 may be found in the **Appendices** to this report.

Migros publishes "**I Heard That**" equal-treatment bulletins to keep its employees properly informed about the company's efforts to deal with social gender equality issues. Employees' questions about gender equality are responded to by a consultant in bimonthly podcasts. The series of **We Are Different / We Are Equal Podcasts** included some whose guests were regional managers and senior executives and which focused on increasing store managers' gender equality awareness, fostering an inclusive workplace culture, and promoting greater sensitivity towards diversity issues in leadership roles. These podcasts were viewed by 600 people.

Under the **Migros HRF5 Project**, which brings together various company units including Human Resources, Corporate Communication, and Migros Retail Academy, gender-equality working groups have been formed. In addition, social gender equality consultants organize educational trainings for volunteer employees within the company.


AS OF END-2023, THE TOTAL NUMBER OF ALL MIGROS EMPLOYEES WHO HAD EVER TAKEN PART IN SOCIAL GENDER EQUALITY TRAINING WAS 24,870.





GENDER & OPPORTUNITY EQUALITY

In keeping with its commitment to gender & opportunity equality, Migros strives to counter gender-based work-related stereotypes. For example, nearly 10% of the butchers who are employed in the company's stores in all 81 provinces and in its meat processing plant and whom Migros has trained itself are women. Migros is a signatory to the **United Nations' Women's Empowerment Principles (WEP)** initiative.

Consisting of seven core principles, this initiative aims to empower women in the workplace across all sectors and levels. The principles also serve as guideposts for companies developing corporate policies that foster gender equality. Migros took part in the Words to Action WEP program in 2023. Concurrent with this, several initiatives were also undertaken to systematically promote and increase employees' awareness of the company's policy against domestic violence and workplace harassment. **The Migros Workplace Policy on Domestic Violence & Abuse**  aims to foster a workplace environment that has no tolerance whatsoever for violence in any form and to make those who are the victims of such abuse aware of what they can do about it and support them in their efforts to do so. Continuing to make certain that all employees are aware of this policy, in 2023 informational messages and QR-accessible policy announcements were conspicuously posted in places such as cafeterias, elevators, restrooms, etc.

Every year between the November 25th **International Day for the Elimination of Violence Against Women** and December 10th **Human Rights Day**, Migros encourages its employees to wear the company's hallmark color orange as a sign of their support and to share photographs of them doing so through the MSosyal, the company's internal social media channel, with the

MIGROS IS A SIGNATORY TO THE UNITED NATIONS' WOMEN'S EMPOWERMENT PRINCIPLES (WEP) INITIATIVE.

hashtag **#migrosuturuncuyaboya**. Concurrent with this in 2023, whiteboards were installed at the company's headquarters on which employees were invited to write examples of demoralizing and psychologically abusive gender-biased phrases about women that are often encountered at work.

Social Gender Equality Webinars are conducted to draw attention to the issue of gender-based violence. Migros employees are also provided with online training resources through the **L'Oréal Stand Up** program to combat street harassment.

Leader Women & Discover Your Potential Development Programs

Migros launched the **Leader Women Development Program** as part of its pledge to increase the representation of women in the company's management. This four-month program focuses on training female managers and enhancing their leadership skills to prepare them for higher-level positions. It includes training, development, and coaching to support participants and features online seminars designed to inspire, motivate, and empower women. The program reached a milestone in 2023 with its first group of graduates.



For its store employees, Migros introduced its **Discover Your Potential Development Journey** that 670 employees applied to attend. This two-month program conducted online through the MAYA platform focused on such skills as time management and persuasive communication using an array of training resources and webinars beneficial to participants' personal development. 242 employees who successfully completed the program's exam and follow-up two-week in-store internship were awarded certificates of achievement.





GENDER & OPPORTUNITY EQUALITY

Activities for Mothers and Expectant Parents

Happy Family is the name of a program through which the company provides pregnant Migros employees with video and other training resources informing them about such matters as healthy nutrition and prenatal care as well as about their maternity-leave, return-to-work, and other associated rights. This program's resources were accessed 18,099 times in 2023. **The Migros Happy Family** program consists of 59 training modules covering a variety of childcare and development topics created in collaboration with pedagogues. The modules address the particular needs of different age groups from 0-12 years. New parents receive congratulatory messages as well as gift packages appropriate for newborn infants. Company-supported health insurance provides coverage for prenatal and delivery-related services. There are nursing rooms at the company's headquarters; employee changing rooms in stores are designed and equipped to be suitable for mothers who nurse infants. Female employees' career path or progression processes are not affected by childbirth; those who give birth remain fully eligible for promotion. As required by laws and regulations, total parental leave begins 8 weeks before the anticipated date of birth and ends eight weeks after. Total maternity leave time is 16 weeks. Fathers are also given 1 week of paternity leave beginning on the date of birth. The law requires that mothers with newborn infants at work be given at least 1.5 hours a day of nursing breaktime; Migros allows up to 2 hours a day. Migros also allows them to

take up to 6 months of unpaid postnatal parental leave and, having returned to the job, to work on a parttime basis for up to another 6 months.

Membership in Organizations Empowering Women in Business

Migros supported the formation of the Turkish chapter of the LEAD Network, a nonprofit organization whose mission is to attract, retain, and advance women in the European consumer goods and retailing sector through education, leadership, and business development. As a member of LEAD Network Europe, 6 Migros employees (3 mentors and 3 mentees) take part in the network's mentoring program. Migros also takes part in an inter-company mentorship program conducted by Women on Board Association Turkey, whose aim is to promote social development by increasing female representation in the boardroom. To date, three of the company's female senior executives have benefited from this program as mentees and a fourth has been approved for participation. As a member of the **Quality Association (KalDer) Inclusiveness & Gender Equality Task Force**, Migros takes part in projects and initiatives that empower women to participate more fully in economic life, across all sectors and at all levels. In 2023, Migros also joined the Turkish chapter of the 30% Club, a London-based organization that promotes social development by increasing female representation on company boards and in senior management.

Social Gender Equality Projects at Migros

Family Clubs

Partnering with District Public Education Centers, Migros Family Clubs set up at **36 stores** in 12 provinces provide free resources for discovering and developing the talents, abilities, and skills of men, and women no matter what their age or background. The occupational and personal-development training courses provided through Migros-supported Family Clubs cover **223 subjects** ranging from beekeeping to mushroom

cultivation, from traditional manuscript illumination to paper marbling, from the culinary arts to sport, and from medicinal & aromatic plants to digital marketing. The total number of people attending such courses to date as of end-2023 is 492,671. Migros has set itself the goal of increasing this number to 850 thousand by 2027.

Those who attend Migros Family Club courses and successfully fulfill their requirements are awarded **Ministry of Education (MEB)** certificates attesting to the knowledge and skills they have gained. The number of women who have been awarded such diplomas are setting up businesses



A TOTAL OF 492,671 PEOPLE HAVE ATTENDED AT LEAST ONE MEB-CERTIFIED FAMILY CLUB COURSE.



GENDER & OPPORTUNITY EQUALITY



of their own continues to grow. **25 thousand people**—19 thousand of them women—who attended Migros Family Clubs have transformed their knowledge and skills into monetary earnings after graduation.

2023 Migros Family Club course highlights:

- Through the “**Zero Waste Kitchen**” module of the Family Club culinary arts course, Migros helps prevent food waste. These courses have been attended by 1,109 people.

- 540 people who successfully completed Migros Family Club beekeeping, royal-jelly production, and queen-bee rearing courses have been awarded MEB diplomas. They have also been provided with the support of Migros experts to go into business on their own.
- 32 MEB-approved Migros Family Club courses were also attended by 300 members of 22 farmers’ cooperatives.
- Courses that support sustainability by teaching **recycling practices** are given under the Migros Family Club program. 1,656 people took part in 23 workshops exploring ways to reused recycled materials instead of throwing them away.

540 PEOPLE WHO COMPLETED MIGROS FAMILY CLUB MEB-CERTIFIED BEEKEEPING COURSES RECEIVED WITH THE SUPPORT OF MIGROS EXPERTS TO GO INTO BUSINESS ON THEIR OWN.



- Migros collaborated with Koroplast in an “**A Livable World Is Easier Together**” sustainability project whose message is that much of what we treat as garbage and trash is not waste at all and can be recycled and reused. As part of this project, 3 Migros Family Club recycling workshops were attended by 51 children.
- During workshops held at five Family Clubs in partnership with Adel Kalemçilik on the occasion of **World Environment Day**, 124 children drew and painted pictures on the themes of our world, the environment, and recycling. 287 children also attended environmental-awareness workshops at 15 Migros Family Clubs.

- Eighteen workshops dealing with such issues as healthy nutrition, gluten-free and vegan diets, and breathing exercises were conducted by Provincial Health Department and County Public Education Center nutritionists. These workshops were attended by 396 people.
- In addition to classroom and workshop training resources, Migros Family Club YouTube and Instagram videos racked up 4 million views.



GENDER & OPPORTUNITY EQUALITY



Supporting Women Farmers and Entrepreneurs

Migros provides training resources and conducts workshops aimed at supporting female farmers and entrepreneurs and their cooperatives in their efforts to improve product quality and marketing strategies. In this way, Migros also contributes to local and regional brand-creation and development. As of end-2023 Migros was working with 18 women's cooperatives. In 2023 the company procured a total of 3,500 tons of 21 varieties of fresh fruits and vegetables from 8 of them. Women's cooperatives also supplied the company with a variety of processed/ packaged products such as honey, cheeses, baked goods etc. Certified training courses are

also conducted at Migros Family Clubs for the members of existing or planned new women's cooperatives. Eight products procured from women's cooperatives whose members had completed such courses have been sold by Migros, Macrocenter, Tazedirekt. Migros works with the Women Entrepreneurs Association of Türkiye (KAGİDER) in the conduct of KAGİDER's "Development & Acceleration of Women Entrepreneurs in Agriculture" program to provide program participants with what they need to know in order to grow and advance themselves as successful entrepreneurs. During 2023, 15 of the 65 women who took part in this program's intensive two-day camp were given Migros-provided mentoring support all year long. Women who take part in the camp and whose products

THE JOINTLY-CONDUCTED MIGROS-KAGİDER "DEVELOPMENT & ACCELERATION OF WOMEN ENTREPRENEURS IN AGRICULTURE" PROGRAM SUPPORTS WOMEN IN GROWING AND ADVANCING THEMSELVES AS ENTREPRENEURS.

satisfy Migros' quality standards are given the opportunity to supply their goods to the company's stores located all over the country. A total of 280 women have benefited from this program in the course of the last four years.

With the 'Solidarity Corner' implemented in Macrocenter stores, products of women's cooperatives all over the country, especially in the earthquake zone, from Hatay to Soma, from Gaziantep to Izmir, were put on sale. The project, which started with the products of 9 women's cooperatives in 3 stores in 2023, will become widespread in 2024.

Migros Women's Academy

The Migros Women's Academy program combines the resources and strengths of Migros Retail Academy and Migros Family Clubs. Set up to help women succeed in retail, Migros Women's Academy is a unique initiative in the retailing industry in that it supports women's personal development as well as their presence in business. Its aims are to inspire women, equip them with new skills, and boost their motivation to play active roles in the social sphere. The program offers an extensive lineup of resources consisting of more than 80 training packages and 300 training videos presented by 50 expert trainers across diverse areas ranging from personal and occupational development to family dynamics and brand building. The academy partners with women's cooperatives to offer in-person training that is accessible to women throughout the country.





A BETTER FUTURE FOR OUR CUSTOMERS AND STAKEHOLDERS

Sustainable Development Goals (SDGs)






GOOD AND TRUSTWORTHY CUSTOMER EXPERIENCE

Migros puts customer satisfaction first. With thousands of products for sale in stores and online, Migros provides top-notch shopping experience that inspires confidence and trust among its customers. Closely monitoring shifts in consumer behavior as well as newly-emerging consumer demand, communication methods, and feedback tools, Migros continuously enhances its products and services.

Migros meticulously manages its value chain processes with unwavering commitment to food safety while ensuring that customers have access to high-quality, fresh, and hygienic food at affordable prices.

Championing healthy living and dedicating ample shelf space to sustainable product and service options, Migros empowers its customers to make choices that benefit both themselves and the planet during their shopping experience while also nurturing well-balanced nutritional habits. Detailed information about Migros' initiatives in this area are presented in the “**Products & Services Supporting Healthy Living**”  section of this report.

Firmly believing that customer communication plays a pivotal role in the continuous renewal of its value chain processes, Migros actively engages with its customers through a variety of communication methods, research initiatives, and feedback mechanisms. **Customer Satisfaction** is a key performance indicator for Migros executives. It contributes between 2.5% and 3.0% of their performance scorecards and has a direct impact on their annual bonuses.

Effective Customer Communication

Because commitment to providing an exceptional shopping experience is a core Migros strategy, the company continuously enhances its communication channels to deliver a **Better and More Trustworthy Customer Experience** while ensuring its own accessibility wherever customers need it. Migros strives to respond to customer feedback in the most effective and timely way possible. In line with the requirements of its **TSE ISO 10002 Customer Satisfaction Management System Quality** certification, Migros anonymizes then meticulously records and categorizes all customer feedback. The company strives to provide meaningful solutions within 48 hours at the latest.

In 2023, Migros received 7.5 million instances of customer feedback across all communication channels. All customer requests and suggestions were carefully evaluated by the departments concerned and 95% were resolved within targeted timeframes.

The Migros Interaction Platform (MEP) Project aims to enhance the customer experience by integrating data analytics, artificial intelligence, and voice technologies into its after-sales processes. The use of an algorithm that predicts why customers are interacting with the **Customer Communication Center** allows the center to individualize its responses and ensure they get the right help more quickly. Similarly, response processes are personalized for each customer, taking into account their previously-chosen campaigns, accumulated loyalty points, shopping history, previous requests, and communication preferences. In 2023, about 40% of customer

interactions were resolved instantly through self-service modules that provided a seamless and efficient customer experience.

Customers get quick solutions to their needs through a **Corporate WhatsApp Line** and an e-commerce **Chatbot**. Both channels provide access to live support whenever it is needed. In 2023, 94% of feedback received through WhatsApp was accurately interpreted using artificial intelligence; 90% of all requests received through this channel were resolved immediately by the chatbot without the need for further intervention.



BY USING AN ALGORITHM THAT PREDICATES THE REASONS CUSTOMERS CALL MIGROS, EACH CUSTOMER IS WELCOME IN THE CUSTOMER COMMUNICATION CENTER WITH A PERSONALIZED FLOW.



GOOD AND TRUSTWORTHY CUSTOMER EXPERIENCE

Social Media Monitoring Screens are used to stay on top of the latest industry developments and trending posts. This allows for effective management of customer requests, questions, and needs. Social media analysis was conducted on a dataset of 10 million social media posts shared in 2023. Systems that provide real-time monitoring of all written and digital media allow for the swift detection of potential crises and creation of appropriate action plans.

The company employs crisis management procedures for proactive preparedness. It also continuously develops potential crisis content

maps in order to anticipate issues. **The Crisis Communication Committee** is responsible for dynamically managing all types and aspects of communication crises. The committee's work is coordinated by the Corporate Communication Department. The committee's composition is determined by the organizational chart to ensure that senior managers with appropriate authorities are included in the crisis-management process. Once the nature of the crisis has been identified, action plans and roadmaps are formulated, and subsequent processes are monitored and reported.

Customer Loyalty Program

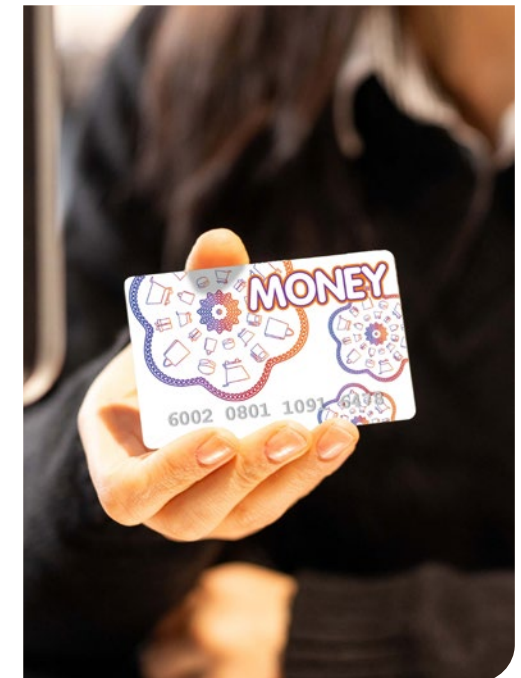
Migros prioritizes its customers as key stakeholders within its ecosystem. The company recognizes the strong connection between customer loyalty and the quality of its products and services. Promotional campaigns feature loyalty point rewards and discounts that can be personalized according to customers' preferences.

Boasting 19 million active members **Migros Money** maintained its position as the country's biggest, most popular, and most used loyalty program in 2023. Money Card holders enjoyed significant savings, with 10.1 million of them benefiting from discounts and 4.3 million of them earning Moneys. For customers who opt-in for personal data collection & processing, Migros analyzes shopping habits according to gender, age, and other demographic metrics in order to make personalized "**Meant For Me**", "**Wellbeing Offers**", and other individualized offers. In 2023, 2.5 million shoppers used the **Migros Money mobile** app 35 million times both to benefit from personalized discounts and rewards and to check out the latest **Migroskop** bargain offers.

Money Gold is a premium-level version of Migros Money that features even more attractive benefits and offers when shopping at Migros stores and online. These features include free delivery, 50% discounts on two personalized-item offers every month, two extra chances to participate in Migros' monthly "Create Your Own Campaign Yourself" program, access to specially-priced Migroskop campaign items, and the ability to earn loyalty points on automobile-fuel purchases. In return for a monthly subscription fee of TL 29.99, Money Gold users can earn up to TL 60 in additional rewards every month.

Communication Channel	Contact Address
Customer Communication Center (Migros, Macrocenter, Migros Sanal Market, Migros Hemen, Macroonline, Mion, Migros Toptan)	0850 200 40 00
Corporate WhatsApp Line	0530 300 13 00
Happy Customer Line (Tazedirekt)	444 75 15 mutlu.musteri@tazedirekt.com
Corporate Email Addresses	iletisim@migros.com.tr, etik@migros.com.tr, surdurulebilirlik@migros.com.tr, kisiselverikorumam@migros.com.tr
Mobile Apps	Migros mobile app Migros Money app MoneyPay app
Social Media Platforms	Twitter Facebook Instagram LinkedIn Tiktok

MONEY; WITH 19 MILLION ACTIVE MEMBERS, IT HAS BECOME TÜRKİYE'S LARGEST, MOST POPULAR AND MOST USED LOYALTY PROGRAM IN 2023





GOOD AND TRUSTWORTHY CUSTOMER EXPERIENCE

Customer Satisfaction & Brand Research

In Capital magazine's most recently-conducted annual survey, Migros once again headed the business journal's "Türkiye's Most Admired Retailers" list, this time for the 20th year in a row. The company also numbered among the "The Türkiye's Top 20 Most Admired Companies" across all sectors.

Migros integrates new, individualized technologies into its operations to come up with solutions and ideas that better meet the needs of its customers. Monthly consumer and trend research using various methods including eye-tracking technology provides insights that help the company identify changing consumer needs, gain a better understanding of how to improve the customer experience, and inform company units' strategic decisions. Customer interviews, surveys, and similar research methods are designed to ensure demographic, gender, and socioeconomic diversity. Results are then analyzed across all these segments and compiled into reports. Loyalty research, conducted both in stores and online, provides insights into how shoppers are adapting their behaviors in response to current challenges. It also reveals the direction of broader trends in retailing in general. Since late 2022, Migros has been collecting real-time feedback about customers' shopping experience by sending an SMS query to their phone after they've exited the checkout aisle. The number of customers whose opinions were solicited across all surveys in 2023 was 782,780.



Customer feedback gathered through surveys provides valuable input for improving customer service. Some of the surveys conducted to collect this feedback are highlighted below.

- The scope of the **Migros Brand Health Survey** that is used to measure the impact of brand communication strategies on Migros' brand value was expanded in 2023 to include the health of its Migros Yemek, Uzman Kasap, and Macrocenter brands as well.
- **A Nationwide Pricing Survey** was conducted among a representative sample of 1,000 shoppers to determine consumers' perceptions of retailers' prices.
- To gain insights into customers' grocery shopping behavior and lifestyles, a customer segmentation survey was conducted among 674 Macrocenter customers enrolled in the company's customer relationship management (CRM) system.
- A survey was conducted to gain insights into the shopping preferences and habits of existing and potential Tazedirekt customers. Existing customers were asked their reasons for **shopping at Tazedirekt** and if there were any aspects that needed improvement. The study also collected opinions and expectations from those who had not yet tried Tazedirekt.

IN CAPITAL MAGAZINE'S ANNUAL SURVEY, MIGROS ONCE AGAIN HEADED THE BUSINESS JOURNAL'S "TÜRKİYE'S MOST ADMIRABLE RETAILERS" LIST, THIS TIME FOR THE 20TH YEAR IN A ROW. THE COMPANY ALSO NUMBERED AMONG THE COUNTRY'S TOP MOST-ADMIRABLE COMPANIES ACROSS ALL SECTORS.





GOOD AND TRUSTWORTHY CUSTOMER EXPERIENCE

- Along with Mion's entry into cosmetics retailing, in cooperation with Nielsen a survey was conducted with more than 700 consumers to gain insights into their **Cosmetics Purchasing Habits** and to determine the best way to communicate with them.
- **A Migros Customer Loyalty Survey** is conducted to solicit Migros customers' feedback about the stores they frequent. According to the results of the 2023 survey of 1,290 Migros shoppers, the brand's customer loyalty score exceeded the industry average by 4 percentage points.
- To comprehensively assess the 360° customer experience and gauge customer satisfaction at the individual store level, Migros continuously conducts post-purchase surveys tailored to individual customers and their shopping experience. According to the 339,393 post-shopping queries made in 2023, the overall satisfaction score across 98% of Migros stores was 79.1 out of 100. Migros aims to increase this score to 100% over the next 5 years.

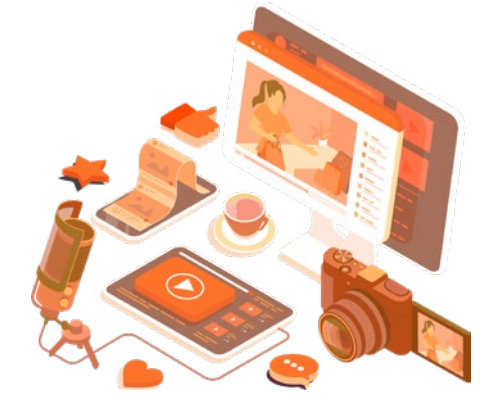


Responsible Advertising & Marketing

Migros employs a diverse mix of advertising and marketing channels embracing TV & radio, newspapers & magazines, outdoor & in-store, and digital platforms. It continuously adapts in brand communication strategies to keep pace with changing customer needs and expectations. The company commits itself to being in full regulatory compliance in the conduct of all aspects of its advertising and marketing operations from initial conception to production and distribution. Every care is taken to ensure all advertising and marketing messages are consistent with the company's commitment to social gender equality. Advertising messages targeting audiences aged twelve or less never include any products considered inappropriate for that age group. On TV and digital channels, products that affect children's nutrition such as sugar and chocolate are not broadcast on children's channels. Television advertisements for processed foods always include applicable crawl messages mandated by the Ministry of Health.

Migros TV hosts a library of thousands of helpful video tutorials and guides covering everything from recipes and beauty tips to parenting advice and Do It- Yourself (DIY) projects. Migros maintains an active presence on social media, interacting with over 5.4 million followers through its YouTube (@migrostv), Facebook (@MigrosTurkiye), Twitter (@Migros_Turkiye), Instagram (@migros_tr), LinkedIn (Migros Ticaret), and TikTok (@migros_turkiye) accounts. Migros brands that actively engage with

customers such as Macrocenter, Migros Sanal Market, Migros Hemen, Mion, Migros Yemek, and MoneyPay have their own social media accounts, each with content specifically designed for its particular target audience.



IN BROADCASTS FOR AUDIENCES AGED 12 AND UNDER, PRODUCT GROUPS THAT ARE NOT SUITABLE FOR THE USE OF THE TARGET AUDIENCE ARE NOT COMMUNICATED.



QUALITY, FRESHNESS & HYGIENE

Migros' pioneering quality, product safety, freshness and hygiene approaches and innovative practices set the standard for the Türkiye's food retailing industry. All processes related to every product that Migros sells from initial sourcing to end-user presentation are carried out within the framework of the company's **Integrated Quality Management Systems Policy** and in accordance with national laws and regulations and international standards.

The Turkish Standards Institute (TSE) has awarded Migros **more quality management system certifications than any other food retailer** in Türkiye. The company is the retailing industry quality pioneer, with 22 TSE certifications covering everything from food safety, quality, environmental management, customer satisfaction, and OHS to energy management, meat-processing & packing laboratory accreditation, greenhouse gas emission verification, and sustainability reporting statement of assurance. All aspects of quality



control (QC) are centrally managed through the **Migros Quality Management Systems Portal**. This ensures that all QC planning, reporting, nonconformity detection, and follow-up action processes are conducted consistently and seamlessly by making them more accessible to employees. 8.27 million records were created on this digital platform in 2023, resulting in a 54% boost in labor productivity. Integrated management system internal audits to determine compliance with **Quality, Food Safety, Environmental, OHS, Customer Satisfaction, and Social Responsibility standards** were conducted across 3,004 locations by 634 auditors who asked 510,733 questions. Overall compliance with these standards reached 98% in 2023.

Employees are provided with training resources to increase their integrated management system competencies and to make them more productive in the performance of their jobs. These resources include animations and interactive games that make processes simpler, more straightforward, and more understandable. Detailed information about employee integrated management system training in 2023 may be found in the **Appendices** to this report.

MİGROS HAS BEEN AWARDED MORE QUALITY MANAGEMENT SYSTEM CERTIFICATIONS THAN ANY OTHER FOOD RETAILER IN TÜRKİYE.

The names and scope of Migros' integrated management system certifications are presented in the accompanying chart.

Name	Scope
TS EN ISO 9001 Quality Management System	Entire company
TS EN ISO 9001 Quality Management System	Internal Audit Department
TS EN ISO 14001 Environmental Management System	Entire company
TS ISO 45001 Occupational Health & Safety Management System	Entire company
TS EN ISO 22000 Food Safety Management System	Entire company
FSSC 22000 Food Safety Management System	MİGET & Gebze Meat Processing Plants, Macrocenter Homemade Production Plant
TS ISO 10002 Customer Satisfaction Management System	Entire company
TS ISO 50001 Energy Management System	Headquarter, 11 distribution centers, 8 shopping malls, MİGET Meat Processing Plant
TS OIC SMIIC 1 Halal certificates	MİGET and Gebze Meat Processing Plants, Tazedirekt (specified products)
Good Agricultural Practices certificates	Antalya / Bursa
TS EN ISO 17025 General requirements for testing and calibration laboratory competence	MİGET Meat Processing Plant
TS ISO 14064-3 Greenhouse gas emissions verification statement	Entire company
Statement of Independent Assurance in Human Rights and Supply Chain (selected criteria)	Entire company
Perishable goods transportation certificate	Outsourced logistical services provider vehicles
Migros organic Fresh Fruits & Vegetables Enterprise certificates	Mersin / Bursa / Izmir / Gebze fruit and vegetable warehouses
Certificates based on Aquaculture in the system of Global Agricultural Practices (GAP)	Selected suppliers



QUALITY, FRESHNESS & HYGIENE

3,110 UNANNOUNCED AUDITS WERE CARRIED OUT BY MIGROS QUALITY TEAMS AND 2,818 BY INDEPENDENT EXTERNAL AUDITORS TO CHECK COMPLIANCE WITH THE COMPANY'S QUALITY STANDARDS.



Operational and Product Quality Control Processes

Migros takes great care to ensure that all of the more than 58,000* food and non-food items that it sells are safe for human health and that they fully comply with all applicable quality and safety standards. The company gives the utmost importance to complying with mandatory labeling requirements and to the meticulous conduct of all product quality and safety control processes.

During 2023, nearly 3,110 unannounced quality control audits were carried out by Migros quality teams and 2,818 by independent external auditors. Also, about 3.3 million food and non-food items were subjected to quality controls on the basis of 218 different parameters.

12 Migros distribution centers, 4 fresh fruit & vegetable production plants, 2 red meat production plants, 8 wholesale warehouses, and Tazedirekt's and Macrocenter Homemade's Production Plants were independently audited to determine their compliance with IFS Product Safety GM Logistics and IFS Product Safety GM Food standards.

Migros Toptan's (Wholesale) supply chain is certified "Reliable Supplier" by both The Association of Non-Household Consumption Suppliers (ETÜDER) and the Turkish Food Safety Association (GGD). Migros Toptan's logistical services provider is the first in Türkiye to hold "Perishable Foods Transporter" certification.

Detailed information about operational quality control audits in 2023 may be found in the

* With sales of TL 1000 and above

'Product Safety & Quality Control Audits' chart presented in the [Appendices](#) to this report.

In accordance with the **Turkish Food Codex Regulation on Nutrition and to the Regulation on the Use of Health Claims on Foods and Food Supplements**, if a food item's package label contains any statement such as low-calorie, no-fat, omega-3 rich, trans-fat free, high-fiber, high-protein, or immune supportive, Migros will not allow the product to be sold unless the statement is proven by an analysis conducted by an accredited laboratory.

According to the **Turkish Food Codex Regulation on Labeling and Provision of Food Information to Consumers**, the information that a food product label is legally required to contain is as follows and they are regularly controlled by the Company: The name of the food, its ingredients and potential allergens, the food business operator's name and address, its country of origin, its net quantity, its expiry date, its best-before date, its lot number, special storage conditions if any, the food business operator's registration or certification number, directions for use, actual alcoholic content if any and if above 1.2% by volume, and nutritional details.

Migros ensures that all non-food items it sells (**cosmetics, tableware & cookware, toys, detergents, paper products, stationery, electronics, and textiles**) also comply with applicable governing regulations. The company checks to confirm that labelling information is correct and sufficient. If any non-food item's label contains a manufacturer's promise to the consumer, Migros will not allow it to be sold unless the statement is verified by an accredited analysis report.


The product specifications of Migros' private-label offerings are spelled out in contractual agreements between Migros and the goods' suppliers. All Migros private-label products are analyzed by an accredited laboratory before they go on sale. All private-label food products are taste-tested against their equivalent branded products by a panel of independent consumers. Migros' Marketing department designs the visual appearance of private-label products' packaging and labels. The company's Quality department approves the design and verifies the accuracy of label information. Once barcodes have been entered into the system and the goods are sent to distribution centers, the goods are subject to quality control checks there as well. All these requirements must be fulfilled again if a private-label product's formulation changes in any way. Private-label product suppliers are regularly audited for compliance with Migros' product safety, ethical, environmental, and social standards. These standards are set forth in the **Migros Own Brand Products Quality Policy**.

Products sold by **Migros Sanal Market** are always presented along with the following information: registration number, recommended use, country of origin, ingredients, allergy warnings, storage requirements, and manufacturer/producer. Special symbols are used to indicate products that are organic, gluten-free, lactose-free, vegan, vegetarian, caffeine-free, collagen-containing, probiotic, or a superfood (rich in protein, fiber, minerals, vitamins, antioxidants etc. and free of artificial or other additives).



PRODUCTS AND SERVICES SUPPORTING HEALTHY LIVING

Migros promotes its customers' awareness of healthier and more sustainable lifestyles by offering a wide variety of products that support balanced nutrition and informed consumption. The company encourages its business partners to expand their range of products that support sustainable and healthy living while also motivating its customers to make informed shopping and consumption choices. Partnering with external stakeholders, Migros carries out broad-based, comprehensive projects such as WellBeing Journey and Growing Healthy with Migros that serve as benchmarks for the food-retailing industry.

Guidelines and approaches applicable to product ranges, product safety, product certifications, perishables quality standards, and nutritional values and calorie counts to be included in labels and on packages are spelled out in detail in the Migros [Health and Nutrition Policy](#). 

Products with Special Attributes

Migros offers a wide range of products with special attributes that are in demand by customers who are looking to live healthier lifestyles or who have special dietary needs. The company constantly expands its selection of lactose-free, gluten-free, diabetic, ecological, vegan, organic, and similar products to deliver a healthier and more informed customer shopping experience. Messages emphasize the importance of balanced eating habits and the daily consumption of fresh fruits & vegetables, dry legumes, nuts, grains, and milk & dairy products. Migros also supports healthy living with its line of low-fat, low-sodium, low-sugar, and nutritionally-enhanced food products. In 2023, Migros' portfolio of healthy-living offerings consisted of 15,392 items, including 505 Migros private-label products. Healthy-living products generated 53% of the company's turnover in 2023.

The Company's **Macrocenter** format stocks an extensive lineup of product and gourmet food offerings from all over the world compatible with its customers' lifestyles and preferences. Its **Tazedirekt** format supplies customers with natural and organic products sourced directly from farms. Its 'Anadolu Lezzetleri' (Tastes of Anatolia) brand embraces a portfolio of food products made from heritage seeds of Anatolia and conforming to traditional cooking and production methods. To strengthen local production and support local-producer brand-building, Migros allocate significant space in every store for the display and sale of local products that are distinguished by their unique regional and cultural attributes. This also makes it easier for consumers to access the locally-produced products that they are accustomed to. More than half of all of Türkiye's more than 370 designated geographical-indication products are sold by Migros.

Catering to the needs and wishes of its **vegan and vegetarian** customers with a variety of options, the company had a total of 1,083 different vegan products on its shelves in 2023, 67 of which were non-food items. The number of offerings in the company's vegan portfolio grew by 40.4% with the new additions made to it. Reflecting Migros' commitment to sustainability, the contents and packaging of 15.2% of all **detergent products** sold qualified them as sustainable.

Migros was the first food retailer in Türkiye to stock free-range eggs on its shelves. All of the company's M Life private-label eggs are certified organic. Only free-range eggs are sold in its Macrocenter-format stores. Eggs sourced from an organic egg production center in Ordu are widely available in Migros stores. The company aims to increase support for producers to enhance their



production capabilities in order for sustainable and organic production to be expanded.

Highlights of Migros' efforts to keep its customers supplied with products with special attributes in 2023 are presented below.

- Migros sold a total of 2,075 tons of organic fresh fruits and vegetables in 2023. 38% of all fresh produce procured bore Good Agricultural Practices (GAP), organic*/regenerative-agriculture, and similar certifications attesting to their sustainability.
- Migros supports biodiversity and sustainable fishing practices. All the fresh seafood the company offers its customers is procured in season and conforms to all applicable regulatory requirements. 3,650 tons of the fresh seafood that Migros sold in 2023 bore Global GAP, Aquaculture Stewardship Council, and similar certifications attesting to their sustainability. These products accounted for 50% of all goods sold in this category.
- All of the fresh poultry sold by Migros is organic or GAP-certified.

* Certified-organic fruits and vegetables generated 0.77% of Migros' 2023 fresh-produce turnover and accounted for a 0.5% share of its total tonnage.



MIGROS' PORTFOLIO OF HEALTHY-LIVING OFFERINGS CONSISTS OF 15,392 ITEMS. ITS ANADOLU LEZZETLERİ PORTFOLIO CONTAINS FOOD PRODUCTS MADE FROM HERITAGE SEEDS AND CONFORMING TO TRADITIONAL COOKING AND PRODUCTION METHODS.



PRODUCTS AND SERVICES SUPPORTING HEALTHY LIVING

- Nearly 1,450 of the food and non-food products that Migros sold were certified organic. Their sale generated 1.05% of the company's turnover in 2023.
- Sustainable products are those that bear GAP or organic/regenerative-agriculture certifications, energy-efficient lamps and electronic goods, ecofriendly-packaged detergents, reusable shopping bags, sustainably-sourced paper and paper products, and sustainability-certified palm oil, soya, cocoa, and bamboo products. Sustainable products make up 6.3% of the total product variety and generate 10.4% of the turnover of Migros. The company has also initiated a "Sustainable Product Tagging Project" to ensure the traceability of all the sustainable products that it sells.
- Low-fat, low-salt, low-sugar, low-calorie, and no saturated/trans-fat products accounted for 2.91%*, nutritionally-enhanced products 1.9%, and reformulated products 4.53% of the company's sales in 2023.



M Life

Under its **M Life** brand, Migros offers a range of goods for customers looking for foods that support healthy lifestyles or address special dietary needs such as low-calorie, gluten-free, lactose-free, and vegan products. In 2023 the number of store-brand items in the M Life portfolio reached 58. Besides these, the company also sells more than a hundred fresh fruit and vegetable items under the M Life brand, 48% of which are certified organic by ECAS (an accredited organic certification agency in Türkiye). M Life Raw Hazelnuts was the first private-label product in Türkiye to be awarded **Rainforest Alliance**. In 2023 the company expanded the M Life product line with the addition of new items such as its M Life Coconut, Walnut, Almond, and Soya plant-based drinks, M Life Organic Oatmeal, and M Life Slim Style Fruit Bars.

In 2023 Migros' M Life Mineral & Vitamin-Fortified Propolis Honey Mix product is the recipients of Private Label Manufacturers Association "**International Salute to Excellence**" awards.

MİGET: Türkiye's Biggest Meat Processing Plant

MİGET was established to tap Türkiye's animal husbandry potential and expand its meat production and processing capacity after a study of the most advanced meat processing technologies available in the world today. MİGET's annual production capacity of 90,000 tons of red meat is supplied to customers through the meticulous efforts of a workforce of butchers, veterinarians, and food engineers and after passing through 220 rigorous quality control checks. Migros employs 3,500 master butchers

in the conduct of its MİGET operations and in its stores across all 81 of Türkiye's provinces.

MİGET is certified compliant with all TS EN ISO 9001 Quality Management System, TS EN ISO 14001 Environmental Management System, TS EN ISO 45001 Occupational Health & Safety Management System, TS ISO 10002 Customer Satisfaction Management System, TS EN ISO EN 22000 Food Safety Management System, and FSSC 22000 Food Safety Management System standards. All its products' ingredients and production, processing, distribution, storage, and handling operations are certified compliant with OIC/SMIIC 1 General Requirements for Halal Food standards. The company carries out its all activities in accordance with **Migros Animal Welfare Policy**

All Migros' Uzman Kasap meat products are hygienically packaged by butchers trained at the Migros Retail Academy Food Technologies Training Center. Only product-appropriate, food-safe packaging techniques and materials are used to ensure that these high-quality meat products will remain fresh, appealing, and ready-to-eat for as long as possible after customers have taken them home.

TWO PRODUCTS IN MİGROS' M LIFE PORTFOLIO WERE THE RECIPIENTS OF PRIVATE LABEL MANUFACTURERS ASSOCIATION "INTERNATIONAL SALUTE TO EXCELLENCE" AWARDS IN 2023.

* Certified low-sugar, low-fat, and low-salt products make up 0.29%, 0.23%, and 0.16% of their respective product groups respectively.



RESPONSIBILITY & AWARENESS STUDIES

AS PART OF A COLLABORATIVE EARTHQUAKE RELIEF INITIATIVE TO WHICH MİGROS CUSTOMERS ALSO DONATED, 79 TRUCKS CARRYING AID AND SUPPLIES WERE DISPATCHED TO THE AFFECTED REGION. READY-TO-EAT MEALS WERE SUPPLIED TO MORE THAN 30,000 PEOPLE AND EMERGENCY HOUSING WAS ARRANGED FOR 600.

Earthquake Relief Campaign

When two devastating earthquakes struck 11 provinces of Türkiye in 2023, Migros immediately spang into action and dispatched trucks loaded with emergency supplies within hours. In a collaborative relief initiative to which Migros' customers also donated, 79 trucks carrying aid and supplies were dispatched to the affected region. Ready-to-eat meals were supplied to more than 30,000 people, and emergency housing was arranged for 600. Migros helped prevent any interruption of agricultural production in stricken areas by purchasing produce as soon as it was ready and then shipping it to its own warehouses for storage and distribution to its stores around the country. To speed up this process, Migros teams were dispatched to the region and set up a base from which they conducted all operations. About 70 thousand tons of fruits & vegetables, dried pulses, meat, and fish have been procured from local farmers so far. Migros contributed significantly to local job-creation by opening new stores and reactivating disused ones in some areas. In the year since the catastrophe, Migros has been giving priority to earthquake victims in the conduct of its recruitment and hiring operations. In partnership with Women Entrepreneurs Association of Turkey (KAGİDER), workshops were organized in affected areas to understand the needs and expectations of local women farmers and livestock raisers. During these workshops, participants identified what was needed in the short and medium terms to restore production and solutions were proposed.

Migros-TEGV Firefly Mobile Education Project

In a joint project undertaken with Educational Volunteers Foundation of Turkey (TEGV), a mobile education project was initiated in Kahramanmaraş under the foundation's "Firefly" brand to support the education of children in affected areas. The project is being financed with the proceeds from the sale of items in the Migros' "Goodness Catalogue" that was specially created for this purpose. The aims of the Migros-TEGV Firefly Mobile Education Project are to develop children's creative, analytical skills, their critical thinking, problem-solving, and experimenting skills, and their ability to think scientifically.



Accessibility Practices

While growing its business, Migros also strives to eliminate inequalities so as not to leave any social stakeholder group behind. With this in mind, the company launched its "Accessible Migros" project in 2017 to make its stores more convenient for people with disabilities. To date, 275 Migros and Macrocenter stores in 45 provinces have been remodeled under this project.

Accessible Migros stores feature:

- Wheelchair ramps and handrails at all entrances,
- Assisted-shopping services upon request,
- At least one employee who is fluent in sign language and is easily identifiable by a distinctive badge,
- Aisles and shelving designed to be accessible to shoppers in wheelchairs,
- Wheelchairs on hand and ready to be used by elderly or disabled customers when needed.

Migros partnered with **BlindLook** to incorporate their voice simulation technology into the Migros Mobile App and www.migros.com.tr web site so as to provide blind and visually impaired customers with the same level of convenience and accessibility as other customers.





RESPONSIBILITY & AWARENESS STUDIES

WellBeing Journey Program

Migros' WellBeing Journey program provides customers with a range of personalized suggestions and purchase discounts to help them live healthier lives by improving their eating habits, drinking enough water, and being physically more active. It also informs them about a wide range of issues such as proper oral & dental hygiene and denture care, infant nutrition, and avoiding exposure to UV radiation. In the WellBeing Journey sections of the Migros Money app, Migros Mobile App and the www.migros.com.tr website, the food purchases that Money Card members make are compared with recommended consumption rates, followed by discounted-product suggestions and links to informative videos that will help them make more balanced choices. The Migros WellBeing Journey Program also includes vegan and vegetarian options and suggestions.

To date, the Migros WellBeing Journey Program has reached 5.5 million people and effected positive behavioral changes in about 30% of them that resulted in an average 5.5-point

increase in their **Balanced Nutrition Index (BNI)** scores. In 2023, Migros continued to support healthier and more balanced eating habits among its customers by providing them with personalized product discounts whose combined value was about TL 2.1 million.

In 2023, Migros partnered with about 70 firms in the conduct of its WellBeing Journey program. This included Danone Türkiye in a project to promote Alpro plant-based beverages as replacements for milk and collaboration with Privegi additive-free, gluten-free and 100% vegan options as replacements for meat. Videos highlighting these products and ways to prepare them were released online and they were offered at discounted prices during their campaigns to make them more accessible. During the week around the observance of April 7th World Health Day, a **"Migros WellBeing Journey Week"** campaign was conducted in which discounts were offered on healthier-choice options in various product categories. Concurrent with this, physical and psychological wellbeing specialists conducted online sessions for Migros employees.

Growing Healthy with Migros Project

The aim of the Growing Healthy With Migros is to effectively promote healthier and better-informed living and lifestyle choices among children. Under this project, which is being conducted in 396 Migros stores in 70 provinces, parents are invited to bring their children to stores where volunteer store manager take them on guided tours of the premises talking about topics such as the benefits of fresh fruits and vegetables, the shipping and control processes that food undergoes before it reaches store shelves, Good Agricultural Practices, tips for reading food labels wisely, and the benefits of sorting and recycling waste. At the end of the tour, each child is presented with a free copy of "Migros' Guidebook for Growing Healthy", a publication stressing the importance of physical activity and healthy eating that was created with the help of the Food Safety Association.

The accessibility of Growing Healthy with Migros Project resources was increased in 2021 with the MigrosTV YouTube channel release of an animated "Growing Healthy with Migros" cartoon whose production was supported by the United Nations Food & Agriculture Association (FAO). The cartoon has so far racked up 2.1 million views.



MIGROS SAĞLIKLI YAŞAM YOLCULUĞU





RESPONSIBILITY & AWARENESS STUDIES

VIDEOS SUPPORTING HEALTHY, SUSTAINABLE LIFESTYLES BY HIGHLIGHTING VARIOUS BRANDS OF PLANT-BASED ALTERNATIVES TO MEAT AND DAIRY PRODUCTS TOGETHER WITH TIPS ON USING THEM WERE RELEASED AS PART OF UNDER THE MİGROS WELLBEING JOURNEY PROGRAM IN 2023.



Migros Children's Theater Festival

One of Migros' longest-running social responsibility projects is its annual Migros April 23rd Traditional Children's Theater Festival. Over a million children attended the festival's free-admission performances since the project's inception. In 2023, festival performances were staged at Turkish State Theaters in fourteen provinces.

Books for All Foundation Collaboration

Migros supports the Books for All Foundation in its efforts to promote reading habits among children. Books that Migros customers bring to the store or purchase from Migros at a discount are collected in bins and donated to the foundation. Since the project's inception, nearly 64 thousand books have been collected and donated in this way and distributed by the foundation to schools all over Türkiye.



Erikli Seed Project

The Erikli Seed project was launched in 2021 to raise sustainability and deforestation awareness among consumers and also to plant trees in areas that are difficult or impossible to afforest manually by using advanced technologies instead. Under this project, another 100,000 seed balls were aerially dispersed across unforested areas in 2023.



Fairy and Food Rescue Association "Don't Waste" Project

Under P&G Fairy Don't Waste Project, Fairy household detergent purchased from Migros and food donations were delivered to a million earthquake victims through the Food Rescue Association.



RESPONSIBILITY & AWARENESS STUDIES

Haydi sen de kullanmadığın her yaştan kıyafetlerini Migros'a getir, Ariel ile tertemiz yıkansın, TOG aracılığıyla ihtiyaç sahiplerine ulaştın.

#umutlapaylaş

P&G | MIGROS | TOG

*Kampanya 25 Temmuz - 25 Eylül tarihleri arasında geçerlidir. Başta kutularımız seçili Migros mağazalarına yerleştirmiştir. Toplanan kıyafetler Toplum Gönüllüleri Vakfı aracılığıyla ihtiyaç sahiplerine ulaştırılacaktır. Ayrıntılı bilgiyi db.kadinlarbilir.com/arielkiyafetbagisi websitesinde bulabilirsiniz.

GARMENTS COLLECTED IN DONATION BINS DURING THE ANNUAL ARIEL (P&G) AND THE COMMUNITY VOLUNTEERS FOUNDATION (TOG) SOCIAL RESPONSIBILITY PROJECT WERE DISTRIBUTED TO EARTHQUAKE VICTIMS IN 2023.

Ariel and TOG Clothing Donation Campaign

This Migros social responsibility project is conducted with P&G Ariel and the Community Volunteers Foundation (TOG). Used but still wearable garments that customers bring to stores are collected in bins, washed, and delivered to needy individuals. About 9 thousand garments donated by Migros customers over a three-month campaign were distributed among about 6 thousand earthquake victims.

P&G Little Athletes Project

Under the Little Athletes Project, a portion of the proceeds from P&G household detergent products purchased from Migros are given to the Special Olympics Committee of Türkiye, which uses them to improve the social and physical development of children with special needs in the 2-7 age group. Items of athletic gear are also donated under this project, which to date has benefited nearly 7 thousand children with special needs.

Paşabahçe and Breast Cancer Foundation Collaboration

In a collaboration with Paşabahçe and the Turkish Breast Cancer Foundation, Paşabahçe's Pink-Plugged Water Bottle was included in Migros' Migroskop and 5M catalogues during Breast Cancer Awareness Month. A portion of the proceeds from the sale of each bottle was donated to the foundation to support its breast health and early-diagnosis awareness efforts.

10 yılda on binlerce kadının meme sağlığı farkındalığına katkı sağladık. NESFİT, Migros ve MEMEDER iş birliğinde Pembe Kurdele hareketinin 11. senesinde de kadınların yanındayız.

MIGROS | Nesfit | MEMEDER

58,000 'den fazla kadının meme kontrolüne destek olduk.'

8,000 'den fazla kadının erken teşhisine destek olduk.'

11. 'yılında da binlerce kadına erken teşhis desteği sağladık.'

Nesfit and MEMEDER Pink Ribbon Project

Migros partnered with Nesfit, and Breast Health Society (MEMEDER) in their Pink Ribbon Project to promote breast cancer awareness. Customers contribute to this campaign by purchasing limited-edition tins of Nesfit sporting the Pink Ribbon from Migros stores or Migros Sanal Market. Medically-supervised breast health checkups were performed in the provinces of Muş and Van and breast ultrasound scans were performed on 2,000 women in Hatay province. Project messages also reminded tens of thousands of women of the importance of early diagnosis and routine checkups in controlling breast cancer.

Colgate and TEV a Future to Make You Smile Project

"A Future to Make You Smile" is the name of a project that Migros undertakes in partnership with Colgate. During the 2023 campaign, proceeds from the sale of Colgate products in Migros stores and Migros Sanal Market were donated to the Turkish Education Foundation (TEV) to support the education of children in earthquake-affected areas.



RESPONSIBILITY & AWARENESS STUDIES

Nesquik and SosyalBen Foundation Hope Playgrounds Project

Migros, Nestlé Nesquik, and SosyalBen Foundation partnered in the conduct of the Hope Playgrounds project for the benefit of children in earthquake-affected areas of Hatay and Kahramanmaraş. Under this project, playgrounds were created for children to play in and also used as venues for the conduct of structured play, creativity, and learning workshops to support their psychosocial wellbeing.



Nestlé Whole Grain Full Power Project

Migros collaborated with Nestlé Breakfast Cereals in the conduct of a "Whole Grain Full Power" project to support local farming and women farmers. Under this project, viable whole-grain seed sufficient for planting more than 500 decares was supplied to farmers in Antakya and its vicinity, soil and leaf analyses were performed, and farmers were provided with training resources.



Unilever and Koruncuk Foundation Koruncukköyler Project

Koruncuk Foundation is an NGO whose mission is to protect children whose basic needs and access to education are at risk. Under a project conducted with Unilever, proceeds from the sale of Unilever products in Migros stores and through Migros Sanal Market during the campaign were donated to the foundation to support the education of children in earthquake-affected areas and also of 110 disadvantaged girls staying in the foundation's Koruncukköy shelters.

Persil and Yanındayız Association Project

In order to support making laundry a shared responsibility among family members, Persil and the Yanındayız Association collaborated to contribute to the project with Persil products purchased from Migros stores and Migros Sanal Market.



Elidor and TOG Young Women's Support Center Project

Products with packaging specially designed for the joint Elidor and TOG Young Women Support Center Project were sold in Migros stores with the proceeds being donated to support the establishment of support centers for young women in earthquake-affected areas in the provinces of Adıyaman, Hatay, Kahramanmaraş, and Malatya.

TEGV School Supplies Campaign Donations

A portion of the proceeds from of TL 600 or more worth of school supplies purchased at Migros stores during the fall back-to-school season were donated to the Educational Volunteers Foundation of Türkiye (TEGV) to support children's education.

Reckitt and TEV Educational Support Project

Under this project, proceeds from the sale of Reckitt-brand products in Migros stores and through Migros Sanal Market during the campaign were donated to the Turkish Education Foundation to support the education of 45 highschool students living in earthquake-affected areas.

SMA Optipro and Aegean Forest Foundation "Breathe for the Future" Project

Under this project, proceeds from the sale of SMA Optipro 3 baby formula products in Migros stores and through Migros Sanal Market during the campaign season were donated to the Aegean Forest Foundation to support the planting of 4,300 trees in 100. Yıl Cumhuriyet forests.







GROWING SUSTAINABLE ALONG WITH SUPPLIERS

GRI 2-5

MIGROS SUPPORTS THE SUSTAINABILITY AND GROWTH OF ITS VALUE CHAIN BY REGULARLY MONITORING ITS SUPPLIERS' FOOD SAFETY, ENVIRONMENTAL AND SOCIAL IMPACT, AND ETHICAL BEHAVIOR PROCESSES.

A sustainable supply chain is important both for ensuring long term business success and for reducing supply chain environmental and social impact. Migros manages all of its procurement processes within the framework of the **Migros Responsible Sourcing**  Policy, nourishes and grows along with the economic ecosystem that its procurements create, and supports the sustainability and growth of its value chain by regularly monitoring its food safety, environmental and social impact, and ethical behavior processes. Migros is the hub of a vast ecosystem of 23,500 suppliers, farmers, and producers. 73.6% of the total value of all payments that Migros made in 2023 went to the company's suppliers. Migros introduced a "Producer Financing System" to support agricultural production continuity. This system allows farmers who supply Migros with goods to receive advances on what is owed to them from Ziraat Bank or İşbank.

Responsibilities Expected from Suppliers

Migros aims to ensure that its suppliers fulfill their sustainability responsibilities and takes action to reduce the environmental and social impact of its procurement processes. Within the framework of **Migros Code of Ethics**;  human rights, environmental protection, occupational health and safety, quality standards and working criteria that suppliers are expected to comply with are explained in detail through **Responsible Sourcing**,  **Anti-Bribery and Anti-Corruption**,  **Human Rights and Equal Opportunity Policies**.  All matters about the company's MeCom and MeMobil B2B processes are published on the Migros corporate website and are presented for existing and candidate suppliers.

Suppliers' fulfillment of their sustainability responsibilities in line with published Migros policies is regularly monitored and audited. Whenever policy nonconformities are detected, issues in need of improvement are identified and training resources focusing on the knowledge and skills required to make the improvements are provided. In addition to their regularly monitored sustainability performance, suppliers are also required to comply with the following:

- United Nations Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- Freedom of Association and Right to Collective Bargaining
- Compliance with Human Rights
- Working Hours & Wages Liability
- Anti-bribery & Anti-corruption
- Occupational Health & Safety
- Protection of Environment & Natural Resources
- Migros Code of Ethics

Migros suppliers' full compliance with all the principles outlined above is mandatory and a prerequisite for their doing business with the company. This compliance is stipulated in all contractual agreements that Migros enters into with suppliers in the conduct of its operations anywhere in Türkiye. Compliance cover abiding by Migros' rules forbidding discrimination based on religion, language, ethnicity, gender, verbal, physical, sexual harassment, assault, or any form of forced, involuntary, underage labor.



Supplier Selection and Auditing Processes

In the conduct of its supplier-selection processes, Migros identifies potential candidates by means of a detailed examination of the financial, legal, and other risks and opportunities that doing business with them may entail. When performing this examination, the company consults official agencies' websites to check and review previous business conduct, giving particular attention to any issues involving bribery, corruption, or unethical behavior. Having identified potential candidates, Migros conducts a preliminary review of their quality control criteria and of their ethical, social, and environmental performance using a checklist. The results of these examinations inform 30% of the company's supplier decision-making process.





GROWING SUSTAINABLE ALONG WITH SUPPLIERS

Migros audits suppliers' compliance with corporate governance, international food safety, ethical, social, and environmental standards through an independent auditing firm using a checklist of 473 criteria assessing their performance. Planning for each year's audits begins by identifying the company's critical suppliers, defined as those which, in aggregate, make up 80% of its total turnover. Audits are conducted over two consecutive days with the first being devoted to determining compliance with **IFS Food Global Market** and **IFS HPC Global Market** product-safety standards and the second to compliance with **GC - Ethical Compliance** international ethical, social, and environmental standards.

Product-safety compliance audits involve examining each supplier from the standpoints of such issues as traceability, product analyses, hygiene practices, machinery and equipment maintenance, product contamination control, pest control, allergen control and associated procedures.

Ethical and social compliance audits look into such issues as workplace health & safety; use of forced, involuntary, or underage labor; discrimination; wage & compensation policy, working hours, psychological or physical mistreatment, unionization rights, and workplace arrangements for pregnant or nursing employees, including nursing breaks and maternity leave.

Environmental audits look into such issues as climate change impact, carbon emissions, water use, soil and biodiversity conservation, pollution control, waste management, and natural resource use as well as the training resources about such issues that suppliers provide for their employees.



Product-safety audits are not conducted for suppliers who are already certified BRC, FSSC, or IFS standard-compliant. GC Ethical Compliance auditing is not performed for those who are already certified BSCI, Smeta Sedex, Workplace Condition Assessment (WCA), or SA8000 standard-compliant. Suppliers who employ fewer than 10 people are exempt from formal audits.

Audit results are reported to the Chief Marketing Officer and Chief Supply Chain & Logistics Officer who is the most senior executive responsible for supply chain standards compliance. Every supplier is notified about nonconformities turned up by an audit; issues that are in need of improvement are explained to them in detail. Existing suppliers who

fail to pass an audit are given three more chances to bring themselves into compliance; prospective suppliers are given a suspense date by which the nonconformities must be eliminated. Migros ceases to do business with suppliers who are unable to achieve full compliance by the end of the follow-up auditing process.

In 2023, no suppliers' contracts with Migros were terminated on account of any breaches of the company's **Anti-Bribery & Anti-Corruption**, **Human Rights and Equal Opportunity**, or **Responsible Sourcing** policies or for violations of mandatory laws and regulations in the conduct of their production operations.

SUPPLIERS' COMPLIANCE WITH MIGROS' CORPORATE GOVERNANCE, INTERNATIONAL FOOD SAFETY, ETHICAL, SOCIAL, AND ENVIRONMENTAL STANDARDS IS MANAGED THROUGH AN INDEPENDENT AUDITING FIRM USING A CHECKLIST OF 437 CRITERIA TO ASSESS THEIR PERFORMANCE.





GROWING SUSTAINABLE ALONG WITH SUPPLIERS

Suppliers Audit Results

Type of Audit	Type of Supplier	Number of Suppliers Audited	Number of Audits	Rate of Successful Suppliers*	Average Pass Score	Number of Suppliers Given Follow-up Audits	Number of Follow-up Audits	Success Rate of Follow-up
Product Safety - IFS Global Market	Total number of suppliers audited**	625	710	89.1% 557	86.7%	40	46	95.2%
	Candidate suppliers	154	181	81.8% 126	81.6%	19	19	84.2%
GC Ethical & Social Compliance, Environment, OHS***	Total number of suppliers audited**	463	531	82.7% 383	80.9%	29	40	80.0%
	Candidate suppliers	97	113	72.2% 70	72.8%	9	9	66.7%
Product Safety - Regional & Tazedirekt	Total number of suppliers audited**	66	69	93.9% 62	81.4%	-	-	-
	Candidate suppliers	53	56	92.5% 49	80.2%	-	-	-

* Suppliers whose IFS scores are at least 75% are deemed to be successful; those whose GC Ethical Compliance scores are at least 65% are deemed to be successful.

** "Total suppliers audited" means all existing suppliers. 418 suppliers were targeted to be audited in 2023.

*** Existing suppliers' overall environmental-performance and ethical-performance scores were 72.8% and 85.9% respectively in 2023.



- During the most recent three years, 462 (221 critical) suppliers' environmental, ethical, and social compliance was audited by accredited independent auditors. This corresponds to about 20% of all Migros suppliers and 80% of critical suppliers. Human-rights and ethical-behavior risks were identified in the case of 2.6%**** of audited suppliers. These risks were drawn to the attention of the suppliers concerned, corrective action was taken, and follow-up audits were planned.
- 57% of suppliers audited in 2023 successfully passed their two-day audits and were awarded "GC Migros Approved Supplier" certifications. Migros Approved Suppliers are rated "Gold", "Silver", or "Bronze" according to their audit-pass scores and they are allowed to publish their ratings through the GC portal if they wish. 292 suppliers were certified "Migros-Approved" in 2023. 38 of them were rated "Gold", 154 "Silver", and 100 "Bronze".
- Of the supplier nonconformities that were identified and required follow-up audits, 38.7% had to do with environmental-performance issues, 29.6% OHS, 11.4% working conditions, 4.9% resource management, 3.0% measurement analysis & performance; 2.9% management review; 1.4% forced or underage labor; 1.4% social responsibility policy; 1.0% legal & regulatory compliance; 0.6% adequate documentation; 0.3% responsibility, authorization and communication.
- During the reporting 2023 period, supplier audits turned up no violations of employees' rights to associate or bargain collectively or identified any suppliers who were at significant risk of such violations. Five instances of underage labor being employed by domestic suppliers were identified. These suppliers were all notified of the nonconformities and were required to take corrective action. Follow-up audits were conducted to ensure compliance. 77 nonconformities related to parental leave, nursing breaks, overtime, and annual leave

**** Ratio of suppliers with critical non-compliance in the forced labor and child labor detected within 3 years, to the number of existing suppliers



GROWING SUSTAINABLE ALONG WITH SUPPLIERS

with pay issues were identified in 2023. The suppliers concerned were required to take corrective action. No issues involving any firm in the Migros supply chain were reported to the company by any non-governmental organizations or other external agency or organization during 2023.

- In 2023, an independent external agency conducted audits of Migros suppliers to verify their compliance with all aspects of **Migros Responsible Sourcing Policy**  concerning non-discrimination, parental leave, freedom of association & collective bargaining, and prohibition on the use of forced, involuntary, and underage labor. These audits were carried out in accordance with the **ISAE 3000 (Revised)** standard. Migros' Statement of Independent Assurance in Human Rights and Supply Chain (Selected Criteria) may be found in the **Appendices**  to this report.

150 SUPPLIERS WERE GIVEN GOLDEN DESIGN RULES 4R (REDUCE, REUSE, RECYCLE & RECOVER) TRAINING.

Migros Supplier Academy

The Migros Supplier Academy provides regular trainings to small and medium-sized local producers and firms that supply Migros private-label products as well as inputs to MİGET and Tazedirekt. Within the scope of these trainings, suppliers are informed about legal and regulatory requirements for safe production, pest control practices, cross-contamination prevention and management, labelling, infrastructure, employee hygiene, and traceability.

In 2023, private-label product suppliers were also given additional training on legal and regulatory compliance when dealing with ethical and social issues and on ethical and social compliance when dealing with working conditions, involuntary or underage labor, and environmental management issues. Training resources related to carbon emissions, food waste, and waste disposal will be added to the Academy's training catalogue in 2024. 4R (Reduction, Reuse, Recycling, Recovery) training was provided to 150 suppliers within the scope of the Golden Design Rules, which are followed to minimize the impact of product packaging on the environment and to ensure the most effective management of the waste generated.

1,218 supplier employees attended Migros Supplier Academy training in 2023. Training details are presented in the accompanying chart.

Subject	Training time/person (hours)
Product Safety	1,168
Ethics	3,258
Anti-Bribery	3,258
Employee Rights	3,258
Environmental Responsibility	3,408





A BETTER FUTURE FOR OUR PLANET

Sustainable Development Goals (SDGs)



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ENVIRONMENTAL MANAGEMENT

Besides creating value through the **Migros Better Future Plan** and an integrated business model, Migros also measures the environmental impact of its operations, strengthens its efforts day by day to create a positive impact. As a signatory of the **United Nations Global Compact (UN Global Compact)**, it takes action on development goals by using its resources effectively and efficiently in order to cope with the challenges that may arise in reducing carbon and water footprint,

efficient use of natural resources, and protection of biodiversity. Embracing circular-economy principles, Migros ensures that all waste is managed effectively, works with stakeholders to reduce plastic use, and strives to create shared value. In 2023, the company invested TL 32.2 million in R&D projects aimed at developing and supporting products and services that are more ecofriendly.

Migros has published an **Environmental Policy**  that covers all aspects of the company's own operations and those across its entire value chain. This policy is reviewed and revised every year in line with current needs so as to ensure that it is aligned with the company's medium and long-term goals. Migros is strongly committed to compliance with this policy. The company demonstrates this commitment by regularly monitoring and auditing the environmental performance of its own operations and those of its suppliers. In 2023, Migros wasn't subjected to any significant violation of any environmental laws and/or regulations. Every Migros employee is considered to be responsible for sustainability framework. This responsibility is shared equally and across all levels and functions of the company. **The Migros Board of Directors** is responsible for making environmental-management decisions affecting the whole company. **The Migros Sustainability Committee** is responsible for environmental target-setting and fulfillment in line with the **Migros Better Future Plan**. The Migros Sustainability Committee's subcommittees and units report environmental sustainability-target performance monthly or quarterly depending on the issues involved. These reports are submitted to the committee itself and to the Chief Supply Chain & Logistics Officer who is also responsible for quality and environmental departmental operations. Environmental-related strategies, practices, and performance are assessed in light of these reports and the conclusions are submitted to senior management. Sustainability-target fulfillment is an intrinsic element of Migros' corporate performance evaluation system.





EXTENSIVE COMBAT AGAINST CLIMATE CHANGE

Performance Indicator	Target Year	Target	2023 Performance	Status by Target	Base Year / Status
Scope 1 & Scope 2 Absolute GHG Emissions	2050	Net zero	14.7% ↓ 429,884 mt CO ₂ e	In progress	2020/504,015 mt CO ₂ e
Scope 1 & Scope 2 Absolute GHG Emissions	2030	42% ↓	14.7% ↓ 429,884 mt CO ₂ e	In progress	2020/504,015 mt CO ₂ e
Store Electricity Consumption (kWh/m ² .day)	2030	35% ↓	15% ↓ 0.851665 kWh	In progress	2019/1.003757 kWh
Greenhouse Gas Emissions per Transported Units (kg CO ₂ e)	2027	2.5% ↓	2.72% ↓ 0.034 kg CO ₂ e	Completed	2022/0.035 kg CO ₂ e
Greenhouse Gas Emissions per Transported Units (kg CO ₂ e)	2030	2.5% ↓	0.034 kg CO ₂ e	New	2023/0.034 kg CO ₂ e

MİGROS RECEIVED AN “A” RATING IN THE CDP CLIMATE CHANGE PROGRAM, EARNING A SPOT ON THE “GLOBAL A LIST” AND SECURING A PLACE AMONG CDP CLIMATE LEADERS FOR THE FIFTH TIME.

Migros sets targets to make itself and its operations more resilient to the effects of climate change such as extreme weather events, water stress and drought, and land loss and strives to fulfill these targets in a variety of ways. Migros is actively engaged in various initiatives aligned with **UN Sustainable Development Goals, Consumer Goods Forum (CGF) principles, national and international standards,** and statutory and regulatory requirements for the sake of a more sustainable future. These initiatives focus on such areas as responsible resource use, carbon footprint reduction, energy efficiency, and sustainable distribution systems. Migros identifies its sustainability strategies' carbon emission-reduction goals in line with national targets, global initiatives, especially the Paris Agreement. Aware that the impact of climate change on agricultural production is going

to be profound, Migros increases its efforts to protect the agricultural sector and to ensure that land is used productively. The company supports climate change mitigation initiatives that will contribute to this.

Migros has been reporting its climate change mitigation plans and annual performance under each plan to the **Carbon Disclosure Project (CDP)** since 2015. The “A” rating earned by its 2023 report qualified the company for inclusion in the **CDP Global A List**. Migros is the only food retailer in Türkiye to be included in this list. This was also the fifth time that Migros qualified as a CDP Climate Leader. The built-in climate change mitigation and clean-energy features of Migros' Bodrum Maya Migros and Alaçatı Macrocenter stores have qualified both for LEED Gold certification.





EXTENSIVE COMBAT AGAINST CLIMATE CHANGE



Climate Change Risk Assessment

A team of departmental representatives working within the Migros Sustainability Committee conducts an annual assessment of the company's climate change risks and opportunities as well as how and to what extent they will have an impact. Based on these assessments, risks and opportunities are identified that arise from changes in transition and physical risk parameters as well as from their impact on consumer behavior and market dynamics. These risks are reported to senior management, which is responsible for assessing their existing and potential financial consequences and for developing appropriate solutions to deal with them. Identified climate change risks and opportunities as well as their financial impact

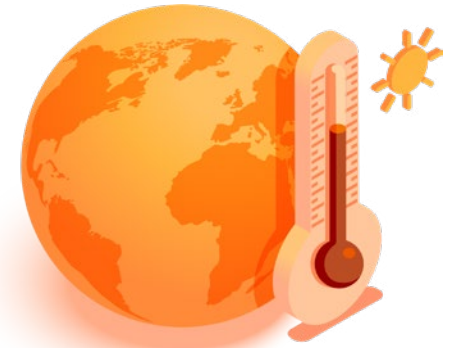
serve as valuable input for future strategic planning and risk management processes. The risk & opportunity assessment process also takes into account **Task Force on Climate Related Financial Disclosures (TCFD)** issues on which the **IFRS S1** General Requirements for Disclosure of Sustainability-related Financial Information and the **IFRS S2** Climate-related Disclosures standards are based.

Issues that can make significant contributions to combating climate change such as reducing electricity consumption, preventing greenhouse gas emissions, and adopting next-generation refrigeration technologies are the joint responsibility of the Chief Expansion, Property & Construction Officer and of the Maintenance & Energy Management Director. Fulfillment of

targets associated with these issues directly contributes 10-20% of the points on which these executives' annual performance bonuses are based.

Changes in precipitation patterns are foremost among the climate risks that could have the most serious impact on the company's business. According to Global Risks Report published by the World Economic Forum, extreme weather events figure among the top ten risks confronting the world from the standpoint of their likelihood and impact. In light of the significant uptick in the frequency and severity of weather events such as floods, storms, and blizzards, Migros is carefully reviewing all of the change-in-precipitation risks in its 5 and 10-year risk projections. Projections made in 2023 of extreme weather events such as floods and storms caused by climate change indicate that in stores alone, changes in precipitation patterns could lead to losses amounting to TL 33.1 million over the next five years and to about TL 101.7 million over the next ten.

Migros ensures that its stores are adequately insured against natural disaster risks. In 2023, the company also invested a total of TL 1,240.8 million in new and maintenance & repair projects to reduce its stores' climate risk vulnerabilities. These included installing solar energy, water cooling system, and automatic climate control systems; replacing outdated systems with newer ones; outsourcing environmental management consultancy services; and improving environmental-management processes by means of more accurate measurement and verification and more efficient waste disposal and water management.



ANNUAL ASSESSMENTS ARE CONDUCTED TO DETERMINE THE COMPANY'S CLIMATE CHANGE RISKS AND OPPORTUNITIES AS WELL AS HOW AND TO WHAT EXTENT THESE MAY IMPACT THE COMPANY'S PERFORMANCE.



EXTENSIVE COMBAT AGAINST CLIMATE CHANGE

Carbon Footprint

Migros proactively strives to reduce its carbon footprint across its value chain. Among the sustainability issues that the company approaches within the framework of the **Migros Better Future Plan**, particular precedence is given to climate change mitigation and carbon management. Migros identifies short, medium, and long-term targets in line with the company's sustainable-ecosystem strategy and acts to achieve them in various ways. Refrigerant gases used in cold cabinets are a major source of Scope 1 emissions, electricity consumption of Scope 2 emissions. The majority of Scope 3 emissions arise from the products sold. Migros do not have a production facility that causes the formation of particles that cause air pollution such as heavy metals, combustion gases, dust, volatile organic compounds, fluorine, chlorine.

Migros has conducted life-cycle assessments (LCA) to measure the carbon emissions generated by the production of Migros private-label products that make up 22% of its private-label sales. These analyses show that the carbon emissions arising from the production of non-food and food (including 131 Uzman Kasap (Master Butcher) products) house-brand items was 170,168 tCO₂e in 2023.



Carbon Footprint Works Towards Suppliers

The carbon footprints of the products sold by Migros constitutes the largest proportion of the company's Scope 3 emissions. For this reason, Migros created its **Sustainable Business Partners Network (SBPN)** to serve as a platform for working together with its suppliers to quantify their current emissions and to set and achieve reduction targets. Through SBPN, Migros keeps track of the carbon-emission, water-withdrawal, waste-generation, and similar environmental parameters of Migros private-label products and

of supplier-provided products whose combined sales generate 80% of turnover, helps them set targets, and monitors their target-fulfillment performance. All data exchanged through SBPN is independently audited. In conjunction with these efforts, suppliers were provided with needs-based training resources and tools through the platform to help them monitor and accurately measure their environmental impact. 51% of suppliers invited to join SBPN and submit their data in 2023 did so, thus allowing their performance to be independently audited. The data of 36% of audited suppliers was subsequently verified.

THROUGH THE SUSTAINABLE BUSINESS PARTNERS NETWORK, TARGETS ARE SET AND TRACK IS KEPT OF THE CARBON-EMISSION, WATER-CONSUMPTION, WASTE-GENERATION, AND SIMILAR ENVIRONMENTAL PARAMETERS OF PRIVATE-LABEL AND SUPPLIERS' PRODUCTS WHOSE COMBINED SALES GENERATE 80% OF MIGROS' TURNOVER.





EXTENSIVE COMBAT AGAINST CLIMATE CHANGE

Performance & Targets

The Migros Board of Directors has committed to reducing the absolute value of the company's base-year 2020 Scope 1 and Scope 2 emissions by 42% by 2030. The company is making meaningful progress towards fulfilling that target and achieving its 2050 carbon net-zero goal. Migros is also working to have this goal verified as a Science-Based Targets Initiative (SBTi) method that is compatible with the 1.5 °C scenario. The company is aiming to reduce SBTi Scope 1 and Scope 2 emissions by at least 4.2% a year. In 2023 Migros achieved an absolute year-on reduction of 6.6% in our Scope 1 and Scope 2 (market-based)

emissions. This also translates into an absolute 14.7% reduction as compared with base-year 2020. Migros' 2023 Scope 1, 2 & 3 emissions were independently verified compliant with the ISO 14064-3 standard. Additionally, Migros participated in the Race to Zero (RtZ) campaign launched by COP26 Climate Action Leaders with the goal of net zero. Migros is a member of the Consumer Goods Forum's (CGF) Net Zero Coalition, an initiative whose aim is to accelerate the companies' transition to net-zero emissions. The Greenhouse Gas Emissions Verification Statement is presented in the **"Appendices"** to this report.

Greenhouse Gas Emissions by Scope and Year

Source	2020	2021	2022	2023
Scope 1 (mtCO ₂ e)	268,001	234,659	243,587	257,792
Scope 2* (mtCO ₂ e) Market-based	236,014	246,291	216,972	172,092
Scope 2 (mtCO ₂ e) Location-based	254,658	274,256	275,976	278,792
Scope 3** (mtCO ₂ e)	98,561	9,567,159	13,541,363	8,463,653

* The market-based accounting methodology uses emission factors from electricity suppliers to calculate emissions. The results include the impact of using renewables.

** Scope 3 emissions for 2020 include emissions from air travel, waste management, shipping, Migros Sanal Market delivery vehicles, employee transport, customer services, and other indirect energy consumption. In 2021 and 2022 Scope 3 calculations were broadened to include emissions generated by products sold, by their use by those who consumed them, and by the disposal or handling of their waste. In 2023 they were broadened to include capital goods (fixtures and real estate). The Ecoinvent database and IPCC National Greenhouse Gas Inventory were used to calculate sold-product emissions in 2023 with the DEFRA database.

Corporate Greenhouse Gas Emissions by Category

In 2023, In addition to classifying and calculating its greenhouse gas emissions as Scopes 1, 2 & 3 as per the GHG Protocol, sustainability-index expectations, and GRI standards, Migros also classified and calculated them as Categories 1 through 6 as per the ISO 14064-1:2018 standard in 2023.

Source	2023 Total Emissions (mtCO ₂ e)	Source	2023 Total Emissions (mtCO ₂ e)	
Scope 1	257,792	Category 1	Direct Greenhouse Gas Emissions and Removals	257,792
Scope 2 (Market-based)	172,092	Category 2	Indirect GHG Emissions from Imported Energy (Market-Based)	172,092
Scope 2 (Location-based)	278,792	Category 2	Indirect GHG Emissions from Imported Energy (Location-Based)	278,792
Scope 3	8,463,653	Category 3	Indirect GHG Emissions from Transportation	201,231
		Category 4	Indirect GHG Emissions from Products Used by an Organization	5,693,204
		Category 5	Indirect GHG Emissions Associated with the use of Products from the Organization	2,440,324
		Category 6	Indirect GHG Emissions from Other Sources	128,894
Total (Market-based)	8,893,537			
Total (Location-based)	9,000,237			

A detailed report about the Greenhouse Gas Emissions Verification Statement and details of upstream and downstream indirect greenhouse gas emissions is presented in the **"Appendices"** to this report.



EXTENSIVE COMBAT AGAINST CLIMATE CHANGE

Ecofriendly Cooling Systems

Most of Migros' greenhouse gas (GHG) emissions are generated by its refrigeration systems. To reduce these emissions, the company gives precedence to efficient natural refrigerants and to more effective next-generation systems. It also strives to reduce the impact of high points in life cycle analyses by utilizing natural refrigerants and environmentally friendly systems that are compatible with the country's climate. A water-based refrigeration system that Migros developed has been awarded **Utility Model Certification**. By circulating chilled water rather than gas through refrigerated cabinets and displays, this system reduces GHG leaks by 90% because the refrigerant itself is used only to chill the water.

Water-based cooling systems were installed at another 232 locations in 2023. These systems are currently being used at 287 locations: 278 stores, 8 distribution centers, and the MİGET meat processing plant. Migros plans to expand the rollout of this system across all company locations. MM, MMM, and 5M format Migros stores opened in 2024 are scheduled to be equipped with them. Ammonia, a natural refrigerant, is also being used at the company's distribution center in Torbali.

Energy Efficiency Works

Energy-conservation initiatives simultaneously reduce operational processes' carbon emissions and enhance their energy efficiency. Consumption data from cooling, air conditioning, and lighting systems is continuously monitored through a central automation system. This ensures maximum energy efficiency and minimizes environmental impact. An energy monitoring system is used to measure and record energy consumption at daily, weekly, and monthly intervals. The energy-management systems of 21 company locations were assessed, audited, and certified compliant with the ISO 50001:2018 Energy Management System standard in 2023. Daylighting systems are installed in stores to conserve energy by making the most of natural sunlight. Precedence is given to roofing materials and coatings that more efficiently reflect sunlight so as to reduce heat-island effects.

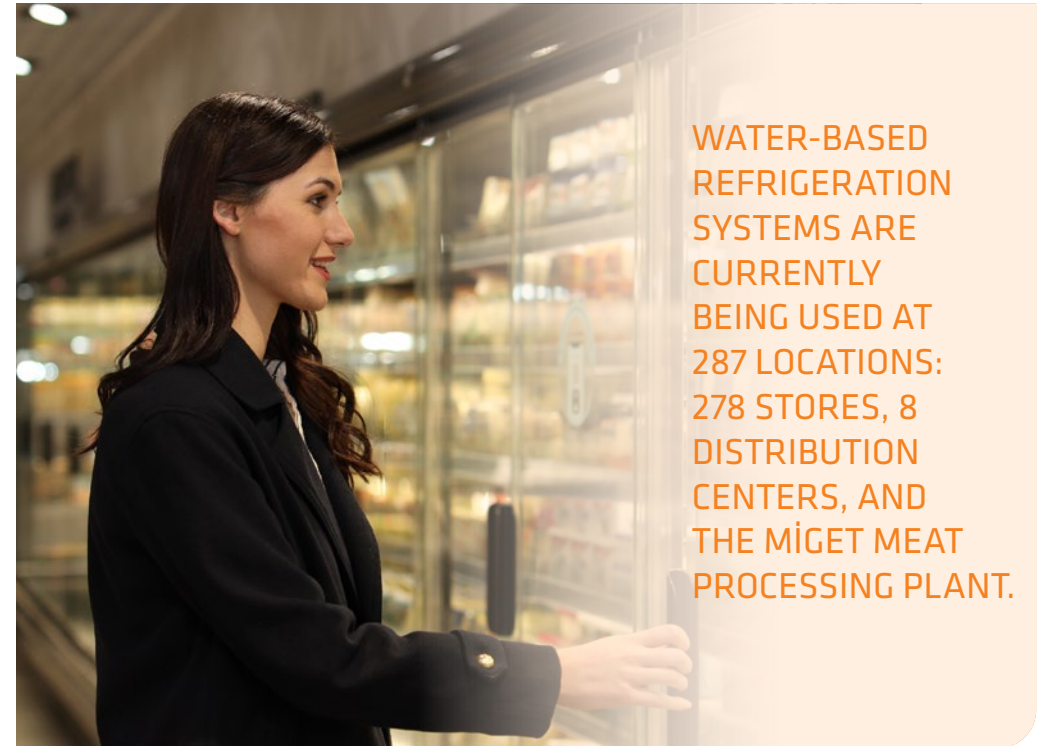
In 2023 a total of 670,969 megawatt-hours (MWh) of energy was consumed, 94% of which was electricity. The company does not have any heating, cooling or steam consumption or sales as a secondary power source. Information about stores where climate control, cooling, and lighting automation systems have been installed is presented in the **"Appendices"** to this report.

Energy Consumption by Resource (MWh)*

Resource	2020	2021	2022	2023
Electricity (Non-renewable)	506,359	528,407	493,119	387,418
Electricity (Renewable)	40,000	60,000	134,413	242,501**
Natural gas	14,890	12,681	12,199	14,938
Diesel	11,050	11,398	13,070	15,886
Gasoline	3,129	4,116	5,940	10,226
Total	575,428	616,602	658,741	670,969

* Shows the distribution of indirect energy consumption in 2023. Indirect energy consumption (excluding solar) amounted to 668,468 megawatt-hours (MWh).

** Shows 833 MWh electricity produced from Adana Distribution Center solar panels, 1,548 MWh electricity produced from Diyarbakır Distribution Center, 119 MWh produced from Kocaeli Derince solar panels and 240,000 MWh of YEK-G certified renewable energy.



WATER-BASED REFRIGERATION SYSTEMS ARE CURRENTLY BEING USED AT 287 LOCATIONS: 278 STORES, 8 DISTRIBUTION CENTERS, AND THE MİGET MEAT PROCESSING PLANT.



EXTENSIVE COMBAT AGAINST CLIMATE CHANGE



Renewable Energy

In line with its efforts to achieve its sustainability goals by improving operational efficiency, Migros has ramped up its renewable-energy investments and collaborations.

In 2022 a 1.2 MW solar power plant was installed on the roof of the Adana Distribution Center. In 2023 this system generated 833 MWh of electricity. Solar panels installed on the roofs of the Diyarbakır Distribution Center and of the Kocaeli Derince 5M Migros generated a combined total of 1,668 MWh of electricity. 240,000 MWh of the electricity that Migros used in 2023 was verifiably sourced from producers holding Turkish YEK-G (Renewable Energy Guarantees of Origin) certification. This corresponds to 38.5% of the

242,501 MWh of electricity that the company consumed in 2023.

Projects to install solar panels on the roofs of the Torbalı and Muğla Distribution Centers and of the MİGET Meat Processing Plant were completed in 2023 but pending ongoing planning-permission processes. In 2023, work began on the construction of a ground-mounted solar panel array in Malatya under a contract with Aksa Solar. When completed, these panels will generate clean energy sufficient to power 300 stores. The plant will have an installed capacity of 16 MWp (megawatts peak) and can be expected to generate 27 million kWh a year on average. Migros has set itself the goal of sourcing a third of the energy it uses from solar by end-2026.

Green IT Practices

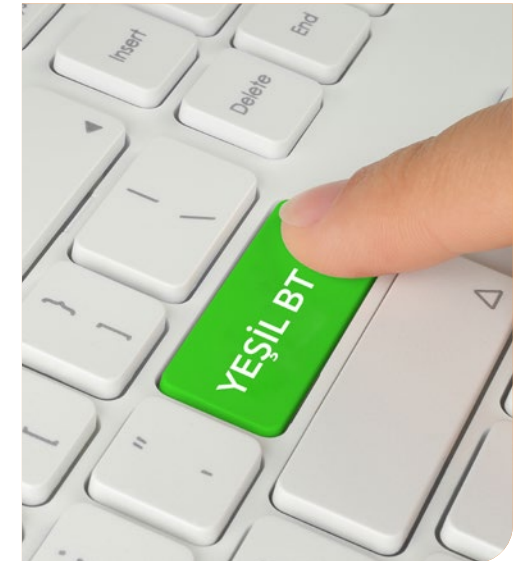
Green Information Technology practices are another way that Migros improves energy efficiency and conserves natural resources. Next-generation monitors are installed in stores, new green IT systems are deployed across the company, and special attention is given to making energy-conservation an integral element of Migros' corporate culture.

- The shutdown of 222 virtual servers eliminated the need for 1,400 CPUs (Central Process Unit) and 4 TB of memory and conserved 4,000 kWh of energy.
- As part of our Green Information Technology approach, we sorted and recycled 94.7 tons of devices that were replaced.
- Virtualization of 265 servers conserved 40,000 kWh of energy.
- Approximately 160,000 meetings have been moved to an online system, thereby reducing travel related to meetings.

- Energy and air conditioning system components are selected on the basis of their energy-efficiency and consumption ratings. By creating physical platforms on which 1,100 virtual machines run, the need for 13 rack cabinets was avoided.



38.5% OF THE 242,501 MWH OF ELECTRICITY CONSUMED IN 2023 WAS PROCURED FROM RENEWABLE SOURCES.





EXTENSIVE COMBAT AGAINST CLIMATE CHANGE

Performance & Targets

The metric that Migros uses to measure and track fulfilment of its energy-conservation and energy-efficiency targets is the amount of electricity consumed each day by per square meter of sales area. The Migros Board of Directors has formally committed the company to reducing this metric by 35% by 2030 compared to the base year 2019. As of end-2023, daily electricity consumption per square meter of sales area was reduced by 15% in 2023 compared to 2019.

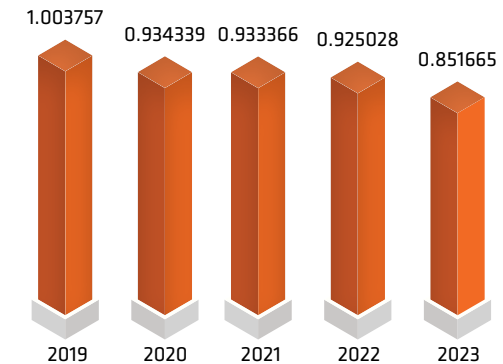
Energy-efficiency projects conserved 22,605 MWh of energy in 2023. Efforts to reduce electricity and refrigerant consumption prevented the release of 44,172 tCO₂e of emissions and generated savings of TL 97.5 million.



2023 Projects and Practices	Energy Savings (MWh)	Refrigerant Gas Savings (kg)	Carbon Emissions Savings (mtCO ₂ e)
Replacement of old and end-of-life air conditioners in 350 stores	3,747	-	1,649
427 lighting, climate control, and cooling automation projects	732	-	322
Next-generation lighting system replacements in 1,898 stores	15,595	-	6,862
Installation of water-based cooling Systems in 232 stores	-	8,680	34,225
Solar panel installations	2,501	-	1,100
Turning off indoor lighting during midday breaks	30	-	13



Daily Electricity Consumption per m² of Sales Area (kWh)





EXTENSIVE COMBAT AGAINST CLIMATE CHANGE

Sustainable Distribution Systems

As of end-2023, Migros had a total of 58 distribution centers nationwide, consisting of main distribution centers, wholesale, e-commerce, fruit & vegetable warehouses, and meat distribution centers. In 2023 the company added three more (Diyarbakır, Muğla Kafaca, and Antalya Cumali Distribution Centers) to the network both to keep pace with steadily increasing capacity requirements and to optimize delivery routes.

Fresh-produce deliveries to stores were reviewed and changes were made to improve their operational efficiency. These changes are highlighted below.

- All new vehicles added to the delivery fleet were equipped with refrigeration units. All vehicles in the fleet are also equipped with temperature-monitoring data loggers. Bidirectional remote monitoring is used to monitor on-board cargo-area temperatures. Sufficient pre-cooling of vehicles is now a standard practice at fresh produce warehouses before any cargo is loaded aboard them.

- A Vehicle Load Optimization project has resulted in a 97.8% fill rate for shipments from fresh produce warehouses. This has reduced transportation costs by 3%.

- Using larger-capacity vehicles for deliveries reduced both the number of logistical vehicles needed and overall transportation costs by 5%.

Migros also reduces its greenhouse gas emissions by improving the efficiency of its distribution and logistical operations as highlighted below.

- The total distance traveled between distribution centers and stores is recalculated and routes are optimized accordingly every year. New distribution centers are strategically sited so as to maximize pickup and delivery efficiency.
- 85% of goods delivered to stores are dispatched aboard fully-loaded vehicles.
- More efficient, collapsible and reusable crates are used to ship perishables (fruits, vegetables and raw meat) from distribution centers.
- Distribution center pallet pooling operations are outsourced to Palex. This reduced Migros' overall CO₂ emissions by 91 tons.
- Partnering with pallet-poolers Chep and IFCO generated CO₂e savings of 958 tons and 8,947 tons respectively.
- 11 electric vehicles and 60 electric bicycles are used in the conduct of some online store delivery operations.



MIGROS HAD A TOTAL OF 58 DISTRIBUTION CENTERS NATIONWIDE, CONSISTING OF MAIN DISTRIBUTION CENTERS, WHOLESALE, E-COMMERCE, FRUIT & VEGETABLE WAREHOUSES, AND MEAT DISTRIBUTION CENTERS.



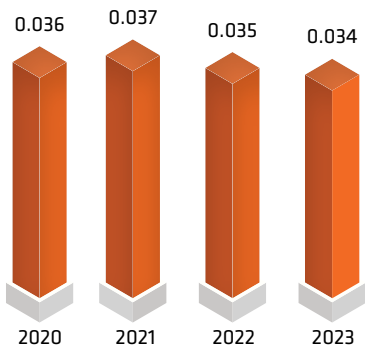


EXTENSIVE COMBAT AGAINST CLIMATE CHANGE

Performance & Targets

Having previously set itself the target of reducing the CO₂ emissions per unit transported by 2.5% by 2027 (base-year 2022) to reduce the environmental impact of Migros distribution center shipment operations, subsequent improvements in vehicles' carbon emissions performance brought that figure to 2.72% by 2023. The company has accordingly set its new target as a 2.5% reduction by 2030. Route optimization and efficiency at supply chain are among the goals of our Chief Supply Chain & Logistics Officer (CSCO) and Supply Chain Solutions Director. These two areas directly account for 10-20% of their annual performance bonuses.

CO₂ Emission per Unit Transported in Distribution Center Shipments (kgCO₂e)



Bicycle-Friendly Stores

The "Bicycle-Friendly Store" initiative that Migros launched to contribute both to the wellbeing of its customers by encouraging them to ride bikes when they go shopping and to combating climate change is being continuously rolled out to more stores. The number of Migros stores with designated areas for parking bikes has reached 579.



TO REDUCE THE ENVIRONMENTAL IMPACT OF DISTRIBUTION CENTER SHIPMENT OPERATIONS, MİGROS TARGETED REDUCING BASE-YEAR 2022 AVERAGE CO₂ EMISSIONS PER TRANSPORT VEHICLE BY 2.5% BY 2027. EMISSIONS PERFORMANCE IMPROVEMENTS BROUGHT THAT FIGURE TO 2.72% BY 2023.





SUSTAINABLE WATER MANAGEMENT

MIGROS ACHIEVED AN "A" RATING IN THE CDP WATER SECURITY PROGRAM, EARNING A SPOT ON THE "GLOBAL A LIST" AND SECURING A PLACE AMONG CDP WATER LEADERS FOR THE THIRD TIME.



Performance Indicator	Target Year	Target	2023 Performance	Status by Target	Base Year / Status
Store water withdrawal (m ³ /m ² /day)	2030	10% ↓	0.00141 m ³	Updated	2023 /0.00141 m ³

Migros treats water as one of our planet's most precious natural resources. The company therefore engages in efforts to use water efficiently in the conduct of its operations and to prevent wastewater from having a detrimental impact on the environment. Quantities of water withdrawn at the Migros' stores, head and branch offices, production facilities, and distribution centers are monitored and reported to senior management at regular intervals. Efforts are made to reduce water withdrawal by using high-efficiency equipment designed to require less of it. In addition, efforts are made to prevent groundwater depletion by controlling the amount of water drawn from wells. 89.97% of the water used in operations is drawn from by local municipal water supplies; only 10.03% comes from wells. Efforts are made to ensure that company operations cause no degradation in the biodiversity of water resources.

In 2023, 1,228,949 m³ of water was withdrawn from all sources during the company's operations. Water loss through evaporation in stores' seafood and service sections account for 10 % of total water use. Total discharged water amounted to 1,106,054 m³, 99.72% of which was discharged into municipal sewer systems. Migros' water footprint was independently audited and verified compliant with **ISO 14046** in 2023. The Water Footprint Verification Statement is presented in

the "Appendices" to this report. Wastewater from MİGET plant and from the Gebze, Torbalı, and Kemalpaşa Distribution Centers is processed by their own treatment facilities and discharged with a pollution load well below legal limits. Treated wastewater from the MİGET, Torbalı, and Gebze Distribution Centers is discharged into local sewer systems; treated wastewater from the Kemalpaşa Distribution Center is discharged into Nif Creek.

Migros has been reporting its water management performance to the **Carbon Disclosure Project Water Program** since 2017. Migros' 2023 report received an "A" rating, the highest possible, earning the company a spot on the program's "Global A List" and a place among CDP Water Leaders for the third time.

Waster Risk Assessment

To protect critical water resources and identify water stress in areas where it has operations, Migros monitors and assesses water risk exposure. The company uses the **WRI Aqueduct Water Risk Atlas** to identify areas prone to flooding, drought, and water stress and to share transparently determining the risks and opportunities with shareholders. In calculations, the company includes business units other than stores such as headquarters units and distribution centers to cover all operations.

Migros has determined that 91% of its total water withdrawal is the result of water withdrawn in 2,754 business units located in water-stressed areas. The company has analyzed the economic dimensions of its overall water-risk exposure caused by the 30 stores that make the biggest contribution to its total annual turnover, headquarters unit, 11 distribution centers, 1 wholesale unit, 4 fruit/vegetable warehouses, Macro Homemade Production Plant, and MİGET, breeding farm and Gebze meat processing plants. Plans have been made to improve both their economic and environmental impact. A **WRI Aqueduct Water Risk Atlas** assessment reveals that 79% of Migros' suppliers are located in water-stressed areas. Water-risk issues are included in suppliers' GC- Ethical Compliance audits. In 2023 suppliers were provided with training resources to help them manage their exposure to water risk. Efforts to mitigate water risk are among the issues checked and followed up in suppliers' audits. The red meat, corn, rice and sugar products that Migros supply from its critical suppliers are all sourced from water-stressed regions. The company procures nothing containing cotton, soy beans, or palm oil from any supplier that is based in a water-stressed area.



SUSTAINABLE WATER MANAGEMENT

Water Efficiency Works

Migros is committed to sustainable water management. The company gives great importance to protecting water resources, monitors water-use across its operations, and strives to improve water-use efficiency as highlighted below.

- Migros has made it mandatory for grease traps to be installed in all newly-opened stores if they have seafood sections and on the water-discharge outlets of all food preparation &

service areas in stores located within shopping malls. Grease traps and strainers were installed in 30 newly-opened/renovated stores in 2023.

- Water tanks are installed in stores that frequently suffer water outages. Tanks were installed in 80 stores in 2023.
- Timed faucets and aerators are used to improve water efficiency in all stores. 750 time adjustable armatures and aerators were installed in 2023.

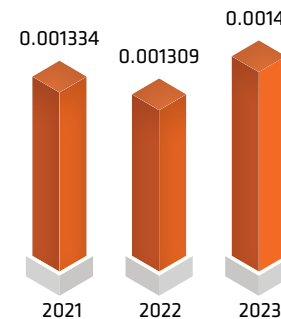
- A 10 m³ capacity rainwater collection system was installed in a new distribution center that opened in 2023. The same system is currently being installed in one of Migros' fruit & vegetable warehouses.
- The water footprints of three Migros private-label products (1 kg kaşar cheese, 1 kg Master Butcher (Uzman Kasap) skinpacked beef tenderloin, 32-roll pack toilet paper) was calculated to be 168,296 m³ in 2023.

Performance & Targets

The metric that Migros uses to measure and track fulfilment of its water-management targets is the amount of water withdrawal each day per square meter of sales area. The company had set itself the goal of reducing this metric by 10% by 2030; however 2023 performance measurements showed that this metric had actually increased by 5.7%. The chief reason for this is that Migros' was independently audited and verified for compliance with ISO 14046 for the first time in 2023. To ensure consistency and accuracy in performance assessment and reporting as the company moves forward, the water management baseline year has been revised to 2023 but the 10% reduction and 2030 targets remain the same.



Daily Water Withdrawal Amount per m² of Sales Area (m³)






SUSTAINABLE AGRICULTURE & BIODIVERSITY



As a food retailer that generates 77% of its turnover from the sale of agricultural-based products, Migros focuses on ensuring uninterrupted food production and on the sustainable preservation of biodiversity in farming. In the conduct of its operations, the company refrains from doing anything that might contribute to deforestation. Drawing on both global knowledge and local expertise, Migros explores ways and takes action to protect natural habitats, combat deforestation, and reduce biodiversity risks. The company gives the utmost attention to these issues when siting new stores and complies fully with all applicable laws and regulations when applying for permits

and licenses. It continuously strives to comply fully with all the environmental principles set out in the **United Nations Environment Program's Convention on Biological Diversity (UNEP)**. Migros has adopted and published a **Biodiversity Policy**.  Under this policy, the company commits itself to working with producers in support of regenerative farming, organic farming, and good agricultural practices (GAP) and to reducing direct and indirect threats to biodiversity. 38% of fruits and vegetables that Migros procured in 2023 bore organic-farming, regenerative-farming, and/or GAP certifications attesting to its sustainability. The company aims to increase this percentage to 50% by 2030.

Good Agricultural Practices (GAP) - Vegetative Production

The Turkish Ministry of Agriculture and Forestry (TOB) has published a set of regulations concerning Good Agricultural Practices (GAP) principles and procedures. Migros was the first food retailer in Türkiye to offer consumers food products conforming to those regulations. For agricultural products to qualify for GAP certification, their producers must have them audited and verified compliant with mandatory production, analysis, and traceability requirements. GAP certification requires a fully-controlled and end-to-end traceable production program that records and verifies all stages of agricultural production, handling, processing, storage, and distribution and their impact on human and environmental health. This includes, for example, fertilization program developed based on soil analysis to determine the appropriate timing and quantity of fertilizers for specific soil conditions. This approach helps

to prevent the overuse of fertilizers, which can impair soil structure and quality.

Migros has been promoting GAP awareness and adoption among farmers and producers since 2010. The company offers shoppers a range of fruits and vegetables conforming to 327 GAP criteria. Over the last 13 years it has procured a total of 1,483,967 tons of GAP-certified produce. In 2023 Migros continued its efforts to expand GAP-certified production, working with 191 suppliers and stocking its shelves with 107 GAP-certified fruit and vegetable products. On a tonnage basis, the company's GAP-certified fruit and vegetable procurements were up by 17% in 2023, 2 percentage points higher than the target (15%). Migros is aiming to increase its GAP-certified fruit and vegetable procurements by another 10% in 2024.

In 2023, 1,708 employees with fruit and vegetable products responsibilities in the company's stores and warehouses received training on **GAP-related issues**.

MIGROS OFFERS SHOPPERS FRESH PRODUCE CONFORMING TO 327 GAP CRITERIA. IN 13 YEARS, IT HAS PROCURED A TOTAL OF 1,483,967 TONS OF GAP-CERTIFIED FRESH FRUITS AND VEGETABLES.





SUSTAINABLE AGRICULTURE & BIODIVERSITY

Good Agricultural Practices (GAP) - Animal Production

Migros has been offering its customers GAP-certified chicken and turkey products since 2013. These products' are produced and analyzed and verified compliant with 316 GAP criteria by organizations licensed by the Ministry of Agriculture and Forestry to do so. 100% of the chicken and turkey meat that Migros sell is either GAP-certified or certified organic. Migros also sells GAP-certified raw milk. The company sold 210 tons of it in 2023.

Good Agricultural Practices (GAP) - Aquaculture

To ensure the sustainability and traceability of the fresh seafood that it procures, Migros promotes good agricultural practices among its farmed fish suppliers. In 2022, the company launched the **Migros Good Fish Project** to encourage producers to apply and qualify for the Ministry of Agriculture and Forestry GAP certification of all their operations and products. Migros stocks 193 fresh-seafood items certified by the ministry as GAP-compliant. Migros aims to have all farmed fish sold with GAP certification by the end of 2030, and the target has been reached as 18% by the end of 2023.

Practices to Protect Bees

Recognizing the crucial role that bees play as pollinators in the viability of agricultural ecosystems and the preservation of biodiversity, Migros works with Public Education Centers and Agricultural and Forestry District Directorates to offer Ministry of National Education-certified **beekeeping training** courses at Migros Family Clubs. 540 people have attended these courses to date. Upon completion of the course, graduates received a beekeeper's starting kit consisting of a hive, mask, frame, and smoker. To promote public awareness of bees to ecological balances, Migros planned and staged 175 events as seminars, training and cooking workshops, and storytelling sessions for children during a week of 20 May World Bee Day observances in 2023. These events were attended by over 3,500 people. Partnering with Balparmak and TEMA Foundation, Migros also organized an afforestation campaign that resulted in the planning of ten thousand trees.



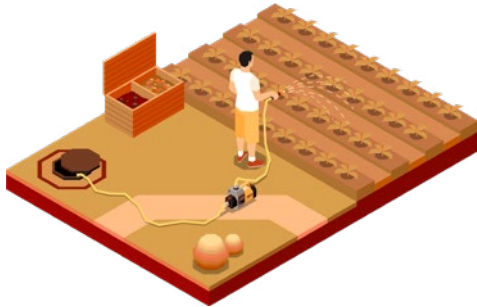
MİGROS WORKS WITH PUBLIC EDUCATION CENTERS AND AGRICULTURAL AND FORESTRY DISTRICT DIRECTORATES TO CONDUCT MINISTRY OF EDUCATION-CERTIFIED 'BEEKEEPING TRAINING' COURSES AT MİGROS FAMILY CLUBS. 540 PEOPLE HAVE ATTENDED THESE COURSES TO DATE. COURSE GRADUATES RECEIVE A BEEKEEPER'S STARTING KIT AS A GIFT.



SUSTAINABLE AGRICULTURE & BIODIVERSITY

Regenerative Agriculture Project

Regenerative agriculture is a set of farming practices that can help reverse climate change by increasing soil carbon sequestration, reducing greenhouse gas emissions, improving water quality, and increasing biodiversity. Recognizing the potentially beneficial impact of regenerative agriculture on biodiversity and ecosystems, Migros promotes awareness of and adherence to regenerative agricultural practices. Migros' **M Life raw hazelnuts are its private-label portfolio's first offering to be awarded Rainforest Alliance**



MIGROS CONSULTED AGRICULTURAL ENGINEERS AND EXPERTS TO DEVELOP ITS APPROACHES TO REGENERATIVE FARMING. IN 2023 THE COMPANY INITIATED A NEW THREE-YEAR REGENERATIVE FARMING PROJECT WITH A PRODUCER THAT GROWS LEEKS IN İZMİR'S TORBALI TOWNSHIP.

certification. To qualify for this certification, all product-related processes must be independently audited for compliance with the alliance's economic-viability, environmental-performance, and social-welfare standards. Certification also means that products are sustainably cultivated and harvested in ways that are mindful of labor and human rights and are compatible with land-management practices that combat deforestation and support carbon-capture and storage. Training resources are also provided to ensure agricultural sustainability.

Migros developed the **Migros Regenerative Agriculture** approach by receiving academic consultancy. In 2023, the company initiated a new three-year regenerative farming project with a producer that grows leeks in İzmir's Torbali township. The goals of this project are to:

- Increase the amount of organic matter in the soil of fields in which leeks are grown every year
- Adhere to tillage practices that minimize soil disturbance and prevent water and nutrient loss
- Use controlled, pressurized systems that maximize water-management effectiveness and efficiency to irrigate crops rather than uncontrolled field flooding
- Support crop growth and productivity through properly balanced plant nutrition
- Curb unnecessary pesticide use by having recourse to alternative methods of pest control
- Use smart farming technologies and techniques to keep track of crop production and resource use
- Use digital farming apps to monitor and document agricultural production.

Tastes of Anatolia (Anadolu Lezzetleri) Project

"**Tastes of Anatolia (Anadolu Lezzetleri)**" is the name of a project that Migros is working on to protect both biodiversity and cultural heritage by identifying endangered heirloom cultivars all over Türkiye and ensuring that they get passed on to future generations. 56 Tastes of Anatolia (Anadolu Lezzetleri) branded products showcasing the unique heritage and culinary characteristics of 25 localities scattered all over the country are sold in 198 Migros-owned stores. Within the scope of the project, in the

unhybridized and genetically unaltered seed category; products such as Amik Ovası Black Emmer Wheat, Amik Ovası Black Emmer Fine-Grain Bulgur, Amik Ovası Black Emmer Medium-Grain Bulgur, Kastamonu Einkorn Bulgur, Ağın Roasted Chickpeas, and Kastamonu Einkorn Flour are offered to consumers. In 2023, Tosya Sarıklık Rice was included in the project. In 2023, the portfolio's Kastamonu Einkorn Bulgur and Mardin Date Bun products received awards from '**European Supermarket Magazine**', a distinguished and respected pan-European publication focusing on the grocery retail and fast-moving consumer goods sectors.





SUSTAINABLE AGRICULTURE & BIODIVERSITY

Combating Deforestation

Deforestation is one of the most serious threats posed by climate change. One of the ways that Migros helps prevent deforestation is to digitalize operational processes so that their documentation doesn't require paper trails; another is to take part in reforestation and afforestation campaigns and projects that promote biodiversity. Migros supports the Aegean Forest Foundation's afforestation and forest management efforts by returning the proceeds from the sale of the foundation's products in its stores back to the foundation and by donating saplings itself. Migros' efforts to combat deforestation have led to the planting of 586,385 trees over the last sixteen years. The 10 thousand trees planted through the foundation in just 2023 alone offset 4,110 tCO₂e of carbon emissions. Migros is mindful of the certified environmental sustainability of products containing cocoa, palm oil, and soybean oil that it sells. In 2023, 31% of the company's cocoa-containing products, 23% of its palm oil-containing products, and 8% of its soybean oil-containing products were certified sustainable.

Practices to Reduce Paper Use

Another way Migros helps combat deforestation is by reducing paper waste and increasing its use of certified-recyclable/recycled materials. The company does this in a variety of ways.

- Migros reduced paper consumption in stores by 1,061 tons in 2023. It achieved this by digitizing operational processes, retaining store copies of cash register receipts only in electronic format, digitalizing the issuance and display of online shopping delivery forms, information slips, and invoices, and processing Migros Money loyalty card applications electronically through its www.money.com.tr website.
- Of the paper that had to be used for operational reasons such as labels, instruction cards, business cards, cardboard boxes, and cash register rolls, 641 tons were certified by the Forest Stewardship Council (FSC) as having been sourced from sustainably-managed forests for industrial purposes.
- Printed discount-campaign materials are avoided wherever possible and 353 tons of recycled paper were used in 2023.
- FSC-certified sustainable and recyclable paper shopping bags are now being used in 90 Macrocenter stores.
- Migros prevented the harvesting of 353,644 trees by collecting and recycling paper, cardboard, and wood waste generated in the conduct of its operations.



MIGROS' EFFORTS TO COMBAT DEFORESTATION CONTRIBUTED TO THE PLANTING OF 586,385 TREES OVER THE LAST SIXTEEN YEARS.



FOOD WASTE PREVENTION PRACTICES



Performance Indicator	Target Year	Target	2022 Performance	Status by Target	Base Year / Status
Food Waste Tonnage/ Food Supply Tonnage	2030	50% ↓	29.5% ↓ (3.56)	In progress	2018/5.04

As Türkiye's pioneer food retailer, Migros regards both supporting sustainable agriculture and reducing food loss and waste as being among its foremost responsibilities. Migros measures, analyzes, categorizes, and improves its efforts to prevent food waste and to ensure that food that is still edible is put to use in line with a defined recovery hierarchy. The company gives the utmost priority to preventing food loss from occurring in the first place by improving its

operational processes. It deeply discounts the prices of near-overripe fruits and vegetables as well as products approaching their sell-by dates. Food that goes unsold is donated to charitable causes. Organic waste is sent to be converted into biogas and compost. Migros raises food waste awareness among consumers and provides practical tips to help people avoid wasting food by sharing informational messages through its social media accounts.

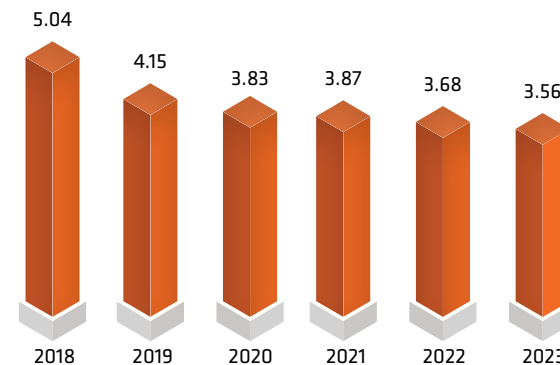
Performance & Targets

As a member of the **Food Waste Coalition**, an agency of the **Consumer Goods Forum** and the umbrella organization for the world's leading retail and fast-moving consumer goods companies, Migros commits itself to reducing food waste in line with United Nations Sustainable Development Goals. The company has set itself the target of reducing its base-year 2018 wasted/procured food tonnage ratio by 50% by 2030. As of end-2023, this ratio was down to 3.56, which corresponds to a 29.5% reduction since the baseline year. Migros' efforts to combat food waste have prevented the loss of amounts of food equivalent to more than **62 million meals** and has prevented 100,740 tons of carbon emissions.

MIGROS' EFFORTS TO COMBAT FOOD WASTE HAVE PREVENTED THE LOSS OF AMOUNTS OF FOOD EQUIVALENT TO MORE THAN 62 MILLION MEALS AND HAVE PREVENTED 100,740 TONS OF CARBON EMISSIONS.



Food Waste Tonnage/Food Supply Tonnage (kWh)





FOOD WASTE PREVENTION PRACTICES

MİGROS DISCOUNTS THE PRICES OF NEAR-OVERRIDE FRUITS AND VEGETABLES AS WELL AS OF PRODUCTS APPROACHING THEIR SELL-BY DATES BY 25-50%. DISCOUNT SALES OF THESE ITEMS KEPT 8,565 TONS OF FOOD FROM GOING TO WASTE IN 2023.



Practices on Consumer Awareness

Besides working with producers to support agriculture and prevent food loss, Migros also engages in awareness initiatives that help consumers make better choices. Migros supported a **Food Safety Association** and Nielsen study to identify **consumer perceptions and behavioral patterns** that contribute to food waste. Migros actively took part in the “**Save Your Food**” campaign, an initiative of the Food and Agriculture Organization of the United Nations (FAO) and the Ministry of Agriculture and Forestry, to raise public awareness about food waste. The company played a role in a FAO-supported Ministry of Agriculture and Forestry-led project to prepare and publish a **Guidebook for Combating Food Waste in Food Retailing Outlets**. Through its stores and social media accounts, it provides information on topics such as the difference between “Expiration” and “Best Before” dates. In 2023 Migros was one of nine companies worldwide to take part in a **Consumer Goods Forum Food Waste Coalition** initiative on the International Day of Awareness of Food Loss and Waste. The company continued to share content about the difference between “Expiration” and “Best Before” dates, how to put leftover food to good use and store unprepared and prepared foods properly, and similar issues on social media channels. As a member of the Sustainable Food Platform’s Food Waste & Management working group, Migros spearheaded the preparation of food-loss prevention and reduction guidebooks for those involved in the production, transport, and sale of non-alcoholic beverages, honey & bee products, red & white meat products, dried fruits & nuts, grains, and tea.

Operational Improvements & Discount Sales

Aware that reducing food loss and waste at source is one of the most effective ways to deal with the problem, Migros constantly engages in new projects and initiatives to do this. The company improves operational processes by integrating existing and new technologies into them. It uses automatic ordering systems to prevent overstocking. By using smart algorithm to calculate optimal order quantities of fruits and vegetables based on previous orders, stock levels, and sales, these systems avoid overstocking by ensuring that correct quantities are ordered. Migros discounts the prices of near-overripe fruits and vegetables as well as products approaching their sell-by dates by 25-50%. Discount sales of these items kept 8,565 tons of food from going to waste in 2023, the value of which corresponded to the annual turnovers of 38 Migros Jet stores.

Respecting Food Project

Migros partners with **Fazla** to ensure that all of Migros’ still-nutritious and wholesome food items that remain unsold reach those who are in need of them by matching recipients through digital platform participating social markets and food banks. Since the beginning of this collaboration, 18,472 tons of food—6,303 tons in 2023—that would otherwise have gone to waste have reached people who need it instead.

The Fazla mobile app has a “**Surprise Box**” feature that notifies users of participating stores near them where they can purchase food items approaching their sell-by date at a 50%

discount if they pick them up in person. In 2023, 2.3 tons of food were saved from being wasted by 32 Migros and 21 Macrocenter stores that participated in this project.

“Fresh Leftovers to Our Four-Legged Friends” Project

Migros has been running its “Fresh Leftovers to Our Four-Legged Friends” project since 2014. This project donates food items that are no longer fit for human consumption but are still safe for animals to eat to the **Animal Rights Federation (HAYTAP)**. Since the project began, Migros has donated 8,776 tons of food to help feed stray animals; 2,822 tons of it was donated to HAYTAP by 902 stores in 76 provinces in 2023.





FOOD WASTE PREVENTION PRACTICES

Black Soldier Fly Project

Migros partners with Fazla and Germina in the conduct of a biotechnology project to farm black soldier flies (*Hermetia illucens*), whose larvae are capable of converting organic food waste into useful sources of protein that can be used as a protein-rich food source and returned to the food chain by feeding it to animals in shelters instead of allowing it to go to waste. This project has so far prevented the needless destruction of 106 tons of organic waste, 43 tons of which was collected from 40 stores in 2023.



Energy Generation Practices from Organic Waste

When waste cannot be recycled or reused, Migros has it converted to biogas or compost to reduce its environmental impact. Only organic waste that is completely unfit for consumption is disposed of in this way. Food waste generated at Migros' Gebze, Avrupa, Bayrampaşa, and Torbalı Distribution Centers and at its İzmir Fruit & Vegetable Warehouse is sorted at source and is sent to undergo composting and biomethanation. In addition, within the scope of the **Energy Production Project through Compost and Biomethanization Processes** carried out with İSTAÇ A.Ş., 912 tons of organic waste was collected in 23 stores in 2023, contributing to energy production. Thus, 4,684 tons of organic waste was converted into biogas or compost in 2023.

Organic Waste Recycling Results	2020	2021	2022	2023
Biogas (dm ³)	425	580	498	468
Electricity (MWh)	899	1,223	1,051	988
Compost (tons)	2,458	2,610	2,242	2,108
Waste sent for biogas conversion (tons)	4,225	5,800	4,983	4,684
Days biogas-generated electricity would power a 100-watt lightbulb	372,308	507,036	436,035	468,108

MİGROS IS ONE OF SEVEN COMPANIES WORLDWIDE THAT HAVE JOINED FORCES WITH WWF AND ANTHESIS TO PARTICIPATE IN A GLOBAL PROJECT INITIATED BY THE CONSUMER GOODS FORUM TO MEASURE POST-HARVEST LOSSES IN AGRICULTURAL PRODUCTION.

Reducing Food Waste of Suppliers

In addition to its efforts to reduce food waste in the conduct of its own operations, Migros also raises food waste awareness among its suppliers and supports their efforts to reduce their food waste as well. Accompanied by 26 suppliers who volunteered to take part, Migros was the first food retailer in Türkiye to join the "10x20x30" global initiative of the **World Resources Institute (WRI)**, which 10 retailers invited 20 supplier companies globally aims to halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains 50% by 2030 in line with Sustainable Development Goal 12.3. As per the **Global Food Loss & Waste Prevention Protocol** and under the WRI ATLAS program, Migros also supports its suppliers in recording food waste for more effective tracking and management.


Migros is one of seven companies worldwide that have joined forces with WWF and Anthesis to participate in a global project initiated by the Consumer Goods Forum (CGF) to measure post-harvest losses in agricultural production. Migros and its supplier Anadolu Etap are contributing to the project's efforts to quantify post-harvest losses in the cultivation of apples and peaches. A tool that was developed to measure losses is currently undergoing initial trials to determine its effectiveness and accuracy. The results of these trials will be used as input to improve the tool's performance so that farmers can use it to measure crop loss and then seek out ways to reduce it. Another way that Migros prevents food loss and waste is to purchase an entire crop once it has been harvested. Produce that satisfies retail sales criteria is sold in stores; the rest is instead put to good use in the production area. Of the 4,450 tons of apples procured from Isparta, Antalya, Karaman, Niğde, and Ankara in 2023, 90% was shipped to stores and 10% was resold to fruit-juice makers.





EFFECTIVE WASTE MANAGEMENT & SUPPORTING THE CIRCULAR ECONOMY

Migros embraces a business model that prioritizes sustainability and takes a circular-economy approach which focuses on reducing waste at source, on using resources efficiently, and on encouraging recycling in line with accepted waste-hierarchy management principles and practices. In the conduct of its waste-management processes, the company works with stakeholders to create value and support economic circularity. Prioritizing at-source waste reduction, it encourages suppliers to reduce product packaging and supports their sustainable packaging solutions.

Migros proactively adheres to waste management practices that comply with the Ministry of Environment, Urbanization, and Climate Change **Regulation on Zero Waste**. The company's headquarter, fruit and vegetable warehouses, distribution centers, MiGET meat processing plant, and Macrocenter Homemade production plant as well as all its stores hold **zero-waste certification**. A detailed chart showing quantities of waste broken down by year and classified by disposal method and potential hazardous/non-hazardous risks is presented in the "**Appendices**"  to this report.

Plastic Waste Reduction Initiatives

Mindful of the serious impact that plastic waste has on natural ecosystems, Migros conducts its operations guided by principles of responsible production and consumption while taking measures to address such issues as climate change and environmental pollution. As a signatory to the **Business World Plastics**

Initiative established by Global Compact Türkiye, TÜSIAD, and SKD Türkiye, the company committed itself to reducing its plastic use by 493 tons by end-2023. Through collaborative efforts and process improvements, Migros surpassed this target and prevented 512 tons of plastic waste by that date. Migros has committed itself to replacing all the single-use plastics in its Macrocenter stores with nature-friendly alternatives by end-2025.

As of 1 January 2019, the Ministry of Environment, Urbanization, and Climate Change required retailers like Migros to charge customers for the plastic shopping bags that they use. Ever since, Migros has been using campaigns and awareness initiatives to inform customers about reusable shopping bags and to promote environmentally-friendlier alternatives. As of end-2023, plastic shopping bag use was down by 44% compared to end-2018 when they were free; customers had paid for 2,248,023 environmentally friendly reusable bags instead. In 2021, the company launched its **Plastic-Free Shopping Movement** at its Migros and Macrocenter stores, inviting customers to avoid using plastic bags when shopping. This campaign was accompanied by a variety of events such as afforestation/ reforestation projects and lotteries. In late 2022, Migros launched a pilot project offering customers in selected areas to opt for plastic-free shopping through Migros Sanal Market by having their orders delivered to them in ecofriendly reusables. Migros also aims to reduce plastic consumption caused by card use by encouraging its customers to use Mobile Money, and as a result, 71% of card purchases were made using

Performance Indicator	Target Year	Target	2023 Performance	2021 & 2022 Performance
Reduce plastic shopping-bag weights	2023	330 tons plastic waste prevented	11 tons	330 tons
Reduce plastic waste in suppliers' shipments	2023	Promote use of reusable container crates and prevent 30 tons of plastic waste	19.1 tons	23.7 tons
Improve Migros private-label product packaging	2021	Determine packaging content and recyclability of all private-label product	668 private-label product packages analyzed; 83% recyclable	585 private-label product packages analyzed; 83% recyclable
	2025	Packaging reduced and recyclability improved in 10 Migros private-label products 25 tons plastic waste prevented by use of 25 tons r-PET in non-food products' packaging	18.94 tons	109.43 tons
Use cardboard for Macrocenter packaged fruits and vegetables	2023	Prevent 40 tons of plastic waste	Transitioned to 100% recyclable PET trays	Transitioned to 100% recyclable PET trays

AS A SIGNATORY TO THE GLOBAL COMPACT TÜRKIYE, TÜSIAD, AND SKD TÜRKIYE BUSINESS WORLD PLASTICS INITIATIVE MİGROS PREVENTED THE GENERATION OF 512 TONS OF PLASTIC WASTE IN 2023.



EFFECTIVE WASTE MANAGEMENT & SUPPORTING THE CIRCULAR ECONOMY



Mobile Money in 2023.

Refilling Unit Project Collaborations

To promote circular-economy awareness among customers and help them reduce their plastic footprints, Migros works with consumer-goods brands to install refilling units in stores so that customers can bring their empty detergent plastic bottles with them, have them refilled, and be charged less than what buying a new item would cost. Partnering with laundry detergent maker **OMO**, a liquid-detergent refilling unit was installed at the Ataşehir MMM store in 2022. Since then, this unit has been used to refill existing empty detergent plastic bottles more than 10 thousand times, thereby making it unnecessary for new plastic bottles to be made. In 2023, Migros partnered with **Uni Baby** to install a similar **refilling unit** for its products at the

Caddebostan MMM store. This unit has so far been used nearly a thousand times.

Dried Fruits and Nuts Filling Stations

Self-service dried fruits and nuts filling stations let customers purchase the exact quantities of these products that they want by bringing their own containers to the store or using Migros-supplied recyclable paper ones. These units were in operation in 23 stores in 2023. The company will be installing new ones in more stores in 2024.

MİGROS COLLABORATES WITH DETERGENT-MAKERS TO INSTALL CONTAINER-REFILLING UNITS IN STORES TO PREVENT THE GENERATION OF PLASTIC WASTE.

Eco-Friendly Packaging for Private-Label Products

A **Private-Label Package Indexing** project that Migros carried out revealed that 83% of the packaging of its own-brand products was recyclable. For 553 goods with recyclable packaging that are sold on Migros Sanal Market, information indicating the degree of packaging recyclability is included in the product description. For products with non-recyclable or insufficiently recyclable packaging, Migros works with their suppliers to improve packaging recyclability. The company continued its efforts to make its own-brand product packaging more sustainable. Recycled PET (r-PET) makes up 25% of the packaging of six Migros-brand detergents. Reduction in the packaging weight and size of Migros' **Uzman Kasap** (Master Butcher) meat products reduced their plastic use by 33 tons. Changes in the way products are vacuum-sealed at service counters reduced plastic use by 6 tons. Detailed information about Migros private-label product packaging is presented in the **"Appendices"** to this report.





EFFECTIVE WASTE MANAGEMENT & SUPPORTING THE CIRCULAR ECONOMY



Waste-Collection and Recycling Projects

Migros collects and sorts all packaging (paper, plastic, metal) waste, organic waste, discarded batteries, and used cooking oils that are generated in store operations and sends them for recycling along with any of these materials that customers bring with them to the store. 24,420 tons of waste was recycled in this way in 2023. Migros Sanal Market customers can ensure the proper disposal of their own used cooking oil and discarded batteries by turning them over to the delivery employee bringing them their orders. In

2023, 99 kilograms of discarded batteries and 180 kilograms of used cooking oil were picked up from Migros Sanal Market customers. All of this, along with 23 tons of **used cooking oil** and 2.7 tons of **batteries** from Migros' own operations, was sent to ministry-licensed waste-disposal firms. The proper disposal of used cooking oil prevented the pollution of 35 million m³ of water; the proper disposal of discarded batteries prevented the contamination of 673 thousand m³ of soil. In 2023, Migros collected 145 tons of electronic waste and turned it over to ministry-licensed recyclers.

24,420 TONS OF PACKAGING WASTE WAS SENT FOR RECYCLING IN 2023.



Migros Eco-Hangers

Manufactured from materials that was collected at Migros stores and distribution centers and recycled, **Migros Eco-Hangers** are sold at 5M stores. This is a truly circular-economy product because it is 100% recyclable when it is no longer usable.

Cleaning up the sea with TURMEPA

Migros contributes to the **Turkish Marine Environment Protection Association's (TURMEPA)** efforts to prevent sea pollution using its marine sanitation vessel to collect used cooking oil so it can be turned over to licensed firms for recycling. In 2023, through Migros' support, TURMEPA D-MARIN marine sanitation vessel collected 46,000 liters of wastewater and preserved the cleanliness of 368,000 liters of seawater.

Migros & Duracell Used Battery-Collection Project

In cooperation with Duracell cooperation with Duracell, Migros launched a campaign for children in 2023 with the slogan "**Power Up for More**". Migros installs bins in all its stores for customers to discard their used batteries in. Within the scope of the campaign that started on International Battery Day, Duracell is giving science kits to children living in disadvantaged areas for the batteries left by Migros customers in waste battery boxes in stores. With the project, science kits were delivered to 1,000 children in 2023.

Bookcases Made from Recycled Pistachio Shells

Partnering with Nestlé, ten bookcases made from recycled pistachio shells were donated to village schools in Gaziantep in 2023. The bookcases were funded by a portion of the proceeds from the sale of Nestlé Damak products at our Migros stores and online market.



A BETTER FUTURE THROUGH TRANSFORMATIVE INNOVATION

Sustainable Development Goals (SDGs)





DIGITALIZATION & INNOVATIVE PRACTICES



Migros supports its own sustainable growth by spearheading technological change in its sector. Giving customers easier access to its products and services through the digital transformation of their processes is a key element of the company's business model. Migros invests in the future by embracing innovative approaches that sustainably expand and improve the services it delivers through its online channels.

Migros works with a variety of R&D firms to incorporate technology into its business processes. The company's own IT infrastructure and R&D center were established a decade ago and have been in continuous operation ever since. With AI-based solutions coming increasingly to

the fore, Migros is devoting correspondingly more resources to tapping their power. Migros' R&D and Innovation department was staffed by 287 full-time employees in 2023. Total investment outlays in R&D and innovation amounted to TL 418.9 million in 2023.

Migros uses digital tools to monitor its services in real time so as to better serve its customers and other stakeholders. The company proactively solicits customer feedback and uses it to deliver personalized customer experiences. It dynamically improves the transparency and speed with which product information is shared with customers while simultaneously undertaking awareness campaigns and developing technological solutions to ensure both data security and data privacy.

Migros' focus on digitalization and innovation enables it to:

- Improve its online shopping channels so that customers can shop more easily and quickly,
- Expand the retailing ecosystem it gives its customers access to through new initiatives and subsidiaries informed by its existing operations,
- Support entrepreneurial ecosystem through the Migros Up program,
- Enhance and simplify the customer shopping experience through customer-centric innovation,
- Increase operational efficiency by using resources more effectively.

Opened in 1997, Migros Sanal Market was Türkiye's first online grocery shopping website. Consistent with its strategy of pursuing multichannel growth, ever since then the company has been increasing the number and capabilities of its online channels in line with customers' needs and expectations. **Migros Sanal Market, Migros Hemen, Migros Ekstra, Macroonline, and Tazedirekt** brands were merged under Dijital Platform Gıda Hizmetleri A.Ş. ("**Migros One**"), a subsidiary of Migros, in 2021. Migros One's operations were further expanded with the addition of **Migros Yemek** in 2022 and online channel of Mion in 2023. Migros One Kitchen, which provides production and supply services for various Migros kitchen brands, was also launched under the Migros One umbrella. These consolidations have also transformed Migros Mobil into a single super app that provides seamless access to all of the company's online shopping channels. All these channels can also be accessed directly through the www.migros.com.tr website. Migros is aiming to triple its online operations over the next 3 years.

Through Migros Yemek, customers can order food from a variety of local and chain restaurants as well as a range of Migros kitchen offerings produced in Migros One Kitchen facilities. The latter are also available through other food ordering and delivery platforms.

Migros partnered with BlindLook to integrate its voice simulation technology into its websites and mobile app to make them more accessible and user-friendly for the visually impaired.





DIGITALIZATION & INNOVATIVE PRACTICES



Migros Sanal Market

Migros' online grocery shopping platform Migros Sanal Market has been in operation since its launch in 1997. Today it offers over 20,000 items, is served by 958 Migros stores in all 81 of Türkiye's provinces. Migros' 45-minute delivery option has been expanded to 197 stores in 43 provinces. To meet customers' evolving needs, Migros Sanal Market also a "Click & Collect" service that allows customers to conveniently pick up their online orders from any store where this service is available. To enhance service quality, dedicated mini-warehouses have been created to serve online shopping operations at some strategically-located stores. Harnessing the power of digitalization and innovation to reduce the carbon footprint of its logistical operations, Migros increases the number of electric vehicles and bikes used to make deliveries. The company's delivery fleet in 2023 included 11 electric vehicles and 60 electric bikes.

Migros Hemen

Migros Hemen was launched in 2019 to meet customers' growing expectations of fast delivery in online shopping and to enhance the company's competitiveness. Robotic automation technologies are used to pick and fill orders placed through Migros Hemen. In 2023 the number of Migros stores serving Migros Hemen reached 528. The Migros Hemen app gives users access to over 2,500 items at the same prices and quality as they would find at Migros stores together with a low minimum-order requirement, affordable delivery charges, and rapid delivery times often measured in minutes.

Migros Ekstra

Migros Ekstra began serving all 81 provinces of Türkiye in 2021, providing guaranteed same-day delivery in designated areas. The number of provinces to which more than 7,000 items can be delivered the same day reached 12 in 2023. Migros Ekstra gives online shoppers quick and convenient access to what they are looking for across a broad selection of **non-food offerings** ranging from electronics and toys to accessories and kitchenware.

Macroonline

Macroonline was launched in 2018 with a focus on providing a choice selection of Macrocenter specialties at the same superior level of Macrocenter quality. Macroonline today offers over 10 thousand items and serves 9 provinces through 87 Macrocenter stores. Macroonline serves customers through the Migros Mobil app as well as through the www.macrocenter.com.tr and www.migros.com.tr websites.



OPERATING SINCE 1997,
MIGROS SANAL MARKET
OFFERS OVER 20,000 ITEMS
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STORES IN ALL 81 PROVINCES.



DIGITALIZATION & INNOVATIVE PRACTICES

Tazedirekt

Giving shoppers the assurance of complete transparency about the origins of what they are buying, Tazedirekt supplies its customers with fresh fruits and vegetables sourced from 70 carefully selected and regularly inspected organic farms all across Türkiye. Tazedirekt serves 5 provinces with a range of 3,500 fresh produce items that are accessible through the Migros Mobil app as well as through the www.tazedirekt.com and www.migros.com.tr websites.

Migros Suppliers Academy manages a catalog of free online training resources for Migros suppliers on issues such as food safety and ethical and social compliance. 37 Tazedirekt suppliers benefited from these resources in 2023. 7 of the 11 women's cooperatives from which Tazedirekt sourced its produce in 2023 were new additions to its network of suppliers.

Tazedirekt conducts podcasts featuring conversations with its producers and leading names in the world of gastronomy. Since 2022, Tazedirekt has hosted 44 podcast episodes dealing with topics such as food, organic farming, local production, ecological production, and gastronomy trends.

Mion

Migros' personal care store format Mion launched in early 2023 and by the end of the year it was serving customers through 70 stores in 22 provinces. Mion's accessibility was given an additional boost in August when its inclusion in the Migros Mobil app gave it the ability to sell a range of more than 8,000 personal care offerings online.

Migros Yemek

Launched in 2022 and serving only İstanbul, Ankara, and İzmir at the outset, Migros Yemek expanded its service footprint to 81 provinces in 2023. In 2024, Migros Yemek will continue to grow by further enhancing its speed and delivery quality and its lineup of menu options with the addition of more chain and independent restaurants. Migros Yemek's online orders are expected to reach Migros' current level of grocery shopping orders within three years.

Migros One Kitchen

Launched in 2021, Migros One Kitchen sets up kitchens in central locations to create diverse menus catering to various target audiences. These kitchens prepare and supply food for private label brands. With a network of over 40 cloud kitchens, Migros One Kitchen serves as a production hub for nearly 20 different brands, offering a wide array of culinary creations across categories like burgers, salads, appetizers, pizza, desserts, and coffee. In these cloud kitchens, a variety of food and beverage options are prepared to the highest standards of hygiene and Migros quality, all offered at affordable prices. A new hybrid concept introduced for the first time at the Ataşehir MMM Migros allows customers to interact directly with Migros One Kitchen.

Migros Toptan

Migros' wholesale service channel, Migros Toptan reliably delivers nearly 1,600 items in fresh condition and safely to customers in 13 cities through Migros Toptan mobile app, which offers a same-day delivery option. In 2023 customers were given the ability to place their orders through the toptan.migros.com.tr website as well.

LAUNCHED IN 2022 AND WAS SERVING ONLY IN İSTANBUL, ANKARA, AND İZMİR AT THE OUTSET, MİGROS YEMEK EXPANDED ITS SERVICE FOOTPRINT TO 81 PROVINCES IN 2023.





DIGITALIZATION & INNOVATIVE PRACTICES

MoneyPay

Migros' subsidiary MoneyPay Ödeme ve Elektronik Para Hizmetleri A.Ş. offers a comprehensive range of financial products and services designed to meet the needs of both retail and business customers. Customers can make card or QR payments at any location using the balances they transfer to their Mastercard-based prepaid digital or physical MoneyPay card. They can also make payments via Wallet/QR using credit/debit cards that they have defined using the MoneyPay mobile app. MoneyPay users can take advantage of MoneyPay's 'Buy Now, Pay Later' option, offered in partnership with various financial institutions and banks, to defer payments for up to 30 days. Besides having a "Put it on my Turkcell bill" option, customers can also finance electronics they purchase at Migros stores through instalment plans offered by participating banks. The MoneyPay app's many features include wire-transfer and EFT options, the ability to send money 24/7 to anyone with a mobile phone free of charge simply by entering the phone number and the amount, and the convenience of withdrawing cash from ATMs and at all Migros checkout counters.

In addition to being accepted in Migros stores, MoneyPay also offers a range of payment options and promotions available through the **MoneyPay Wallet** to pay for online purchases made through Migros Sanal Market, Migros Hemen, Migros Yemek, Migros Extra, Macroonline, Tazedirekt, and Mion. In the B2B sector, MoneyPay serves as a single-source provider capable of addressing companies' diverse needs. Through

MoneyPay Pro, it offers corporate gift cards for employees, while **MoneyPay Business** provides solutions for various fringe benefit payments such as meals, transportation, clothing, fuel, and invoiced expenditures. MoneyPay is expanding its offerings with MoneyPay Sanal POS, a new virtual-POS product designed to provide businesses with secure and convenient e-commerce payment processing solutions.

Mimeda

Mimeda Medya Platform A.Ş., Türkiye's first retail media company, aims to supply retailers with shopping experience-enhancing precisely-targeted advertising for their customers. This is achieved by integrating retailers' sales data across their physical and online channels. In operation since 2021, Mimeda is also working with 12 retail partners outside the Migros Group at present.

Chairing the Interactive Advertising Bureau (IAB) Türkiye Retail Media Committee in 2023, Mimeda contribute to the development and publication of the industry's first guidebook as a member of IAB USA retail media working groups. In 2023, the company also conducted **3,718 projects and campaigns for 350 brands**. Mlink, a self-service retail media advertising technology, has been used by over 150 brands in 1,000 campaigns. Mimeda aims to increase the number of brands it serves to 750 in 2024. In 2023, Mimeda received a **Brandverse** award for its 360-degree programmatic outdoor project for Pepsi and a Smarties award for its digital campaign for Magnum. The Smarties award was in the **Innovative & New Tech Sales Channels** category.

Migen Enerji

Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş. was set up in 2022 to provide electric vehicle (EV) charging services and contribute to the country's transitioning to electrical-powered vehicles. Migen Enerji's charging stations installed at Migros store locations provide customers with quick and reliable recharging capabilities. In 2023 Migen Enerji began branding itself as "**MİGGO**". The company currently has 55 charging stations at 50 store locations in 19 provinces; it plans to increase the number in 2024.

Paket Taxi

Migros' subsidiary Paket Taxi (Paket Lojistik ve Teknoloji A.Ş.) provides parcel delivery services for online orders. In 2023 the company expanded its service footprint to all 81 provinces. The company added to its fleet in 2023 and is currently exploring and investing in new, more productive delivery models with the aim of increasing the number of electric vehicles in it.



MİGROS' SUBSIDIARY PAKET TAXİ PROVIDES DELIVERY SERVICES FOR ONLINE VENDORS. THE COMPANY EXPANDED ITS SERVICE FOOTPRINT TO 81 PROVINCES IN 2023.



DIGITALIZATION & INNOVATIVE PRACTICES

GurmePack (CRC Danışmanlık ve Organizasyon A.Ş.)

The Migros Group controls a 50% stake (30% Migros, 20% Migros' subsidiary Dijital Platform Gıda Hiz. A.Ş.) in Gurmepack, a company with experience in the hygienic preparation and delivery of nutritious, appetizing prepackaged meals made from wholesome, natural ingredients. Gurmepack's menu includes a range of vegan, vegetarian, and gluten-free offerings suitable for people with diverse nutritional and dietary needs and expectations.

Entrepreneurial Ecosystem

Migros Up

The Migros Up program brings Migros specialists and startups together providing them with opportunities to trial and develop new business models in the real world with the goal of driving next-generation innovation and creating value for Türkiye's entrepreneurial ecosystem with the slogan '**New Way to Innovate**'. Two calls for submissions that were announced in 2023 solicited 218 applications; new innovation projects were initiated with two startups, bringing the total number undertaken through Migros Up to 12.



Project highlights:

- **KolajeM** is a collagen-production project being developed with Bugamed Biyoteknoloji A.Ş. At Migros' integrated meat processing plant, MiGET, pre-separated and commercially useless tendons are processed at advanced level in Bugamed laboratories and are transformed into raw materials to be used in the cosmetics industry. Collagen skin cream and collagen skin serum were produced from these collagens under the brand Voop, which are sold only in Migros stores. The KolajeM project took **first place** in the "New Products & Services" category in the **9th Anadolu Holding Bi-Fikir Competition**.
- **Dryers** is a project being carried out with startup Amanos to develop fruit and vegetable dehydrators suitable for use in stores. These machines will be used to dehydrate fresh-produce stock that is past its prime for use in other applications instead of being discarded. The machines' energy-efficiency is given an additional boost by harvesting dehydration process heat. The first machines were manufactured in 2023; one has been installed at the Ataşehir MMM Migros.
- **Wamo** is an electric scooter developed in partnership with **Hergele Mobility** for use in order-picking operations at Migros' distribution centers. These scooters increase overall operational process efficiency by up to 70% by

reducing the distances that order-pickers need to walk by 96%.

- **ETTA** is an energy-consumption prediction algorithm developed in partnership with startup ServisSoft. This algorithm powers AI-based systems that take real-time data harvested from stores' energy-management systems to predict how much energy will be needed and when. In 2023 such systems were in use in 190 Migros stores, where they are expected to reduce energy consumption by 3.5% in 2024. This project **received the "Best Use of Technology" award at the Turkish Retailers Association's 10th Retailing Technology Conference**.
- **Clean Up** is the name of a system developed in partnership with startup **ERG Controls**. The system uses IoT and computer vision technology to track compliance with hygiene rules by charcuterie and meat counter employees. The system was in operation in 6 stores in 2023.

In 2023 Migros and its global partners the **UN Food & Agriculture Organization (FAO)** and the **European Bank for Reconstruction and Development (EBRD)** organized a **Global Agrifood Hackathon** to which participants were invited to propose project ideas and initiatives capable of answering the question "How can farmers make more effective use of technology in their everyday lives?" Project submissions were received from teams from Egypt, Lebanon, Kenya, Türkiye, and the USA, of which eight were accepted to continue on to the workshop stage. The results of the Global Agrifood Hackathon held for the 2022 FAO Global Summit were assessed during the 2023 summit and the winning initiatives were three Turkish companies **Algdeha**, **Görsentam**, **FreshSens**.



**MİGROS GROUP
ACQUIRED 50% STAKE IN
GURMEPACK, A COMPANY
WITH EXPERIENCE IN THE
HYGIENIC PREPARATION
AND DELIVERY OF
NUTRITIOUS, APPETIZING
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INGREDIENTS.**



DIGITALIZATION & INNOVATIVE PRACTICES

Customer-Focused Innovation

24/7 Self-Service Markets

Migros pioneered the self-service all-vending machine market format in Türkiye. The company currently has three of them in different locations in İstanbul offering customers quick, convenient, uninterrupted 24/7 access to nearly 200 products that include hot beverages and food. Self-service vending machines installed at 21 Migros stores in 6 provinces provide customers with round-the-clock service even when the stores themselves are closed.

MkolayKantin

Mkolay Kantin delivers a self-service/mobile-shopping experience in workplaces, offices, and plazas. Customers pick items they want and put them in their basket or cart after scanning them. Upon scanning, item payments are automatically charged to their predefined bank or credit card or deducted from their MoneyPay account, after which customers can leave without having to do anything else.

MGo

MGo is another Migros format that delivers a self-service shopping experience in workplaces, offices, and plazas. In the MGo format, payments for items that customers take off a shelf are automatically charged to their predefined bank or credit card. AI-assisted cameras and sensors incorporated into intelligent shelves ensure that customers are properly charged for the items they choose. MGo vending machines installed in office buildings deliver a 24/7 uninterrupted cash-free shopping experience by automatically charging users' predefined cards.

Migros Deniz Market

Migros Deniz Market (Sea Store) is a seagoing vessel that tours islands in the Aegean Sea and covers inaccessible by road, selling more than 3,500 items ranging from fresh produce, meat, and charcuterie to fresh bread and ice. Its "Floating Cloud Kitchen" also delivers freshly-cooked hot meals.



MGO DELIVERS A SELF-SERVICE SHOPPING EXPERIENCE IN WORKPLACES, OFFICES, AND PLAZAS. PAYMENTS FOR ITEMS TAKEN OFF MGO SHELVES ARE AUTOMATICALLY CHARGED TO CUSTOMERS' PREDEFINED BANK OR CREDIT CARDS.



DIGITALIZATION & INNOVATIVE PRACTICES

Business Process Efficiency Enhancement

AI-Powered Systems and Projects

Shelf & Aisle Product Recognition project is an AI-powered image processing system. It has been developed improves operational efficiency by detecting misplaced items on shelves and counters or in aisles as well as goods that are in stock but not on display. These systems are currently in operation in five of Migros' stores.

The Fresh-Produce Image Processing project uses AI-powered image processing to track and forecast items that are out of stock or nearly out of stock, thereby ensuring that customers can always find whatever they are looking for and never encounter an out-of-stock situation. These systems are currently installed in 50 of Migros' stores. The project is selected as one of the top 3 success stories in Microsoft MEA.

The AI-powered Fraud Detection project uses AI-powered image processing to detect deliberate fraud and unintentional errors in payment and

receipt processes in stores. This system improves operational efficiency by eliminating the need for manual checks of customers' receipts and invoices.

Robotic Process Automation (RPA)

The Robotic Process Automation project was initiated to automate routine, repetitive, high-priority, and high-volume tasks using RPA to improve operational efficiency, save time, and reduce errors by making it unnecessary for employees to do them. As of end-2023, over a hundred business processes had been converted to RPA and were saving 912 hours of employee time a month.

R10 Payment Systems Platform

The R10 Payment Systems Platform is a project to transform payment-system infrastructure by deploying a multi-channel software architecture. As this project entails examination and analysis of all payment systems, it is being carried out jointly by Migros' IT, Finance, and Sales & Marketing departments. Currently all e-commerce, vending-machine, and Mkolay (MGo) sales have been transferred to a central R10 payment system that eliminates the need for checkout counters. Cash registers in 4 Makrokiost stores and at 2 Migros store express checkouts have also been converted.

TARO Robot-Supported Product Assistant

TARO is a robotic-assisted product picker developed to improve the speed and efficiency of product picking in online sales operations by integrating innovation and technology into how the company conducts its business. TARO

is a user-friendly robot that can handle up to three orders simultaneously and accurately put together online customers' orders five times more quickly. In 2023 TARO was being used at 58 stores in 18 provinces to fill Migros Sanal Market orders and at 51 stores in 10 provinces to fill Migros Hemen orders. The system is also use to fill Tazedirekt and Mion online orders.



TARO IS A ROBOTIC ASSISTANT THAT IMPROVES SPEED AND EFFICIENCY OF ORDER-FILLING IN ONLINE SALES OPERATIONS BY ALLOWING EMPLOYEES TO HANDLE UP TO THREE ORDERS SIMULTANEOUSLY AND ACCURATELY PUT TOGETHER ONLINE CUSTOMERS' ORDERS FIVE TIMES MORE QUICKLY THAN WITHOUT IT.





TRANSPARENT AND FAST FLOW OF PRODUCT INFORMATION

Migros is strongly committed to the principles of responsibility and transparency when providing information about the goods it sells. The company uses both package labels and other methods to ensure that shoppers have complete, detailed, and accurate information about what they are buying. As required by the **Turkish Food Codex Regulation on Labeling and Provision of Food Information to Consumers**, the labels of all foods offered for sale by Migros show calorie count and nutrient information. Under an ongoing project that continued in 2023, the calorie, carbohydrate, sugar, protein, fiber, fat, and salt content of 512 Migros private-label products was updated. The company also provides informative instructions on how to use its 115 private-label non-food products. Migros complies with all statutory and regulatory requirements concerning the provision of accurate labelling information about goods that the company sells online.

Effective collaboration across the global retailing ecosystem is essential to ensuring that consumers can access reliable and accurate information quickly through both online and offline channels about what they are buying. This requires the existence of a shared platform bringing consumers and retailers together. Migros Group's CEO Ömer Özgür Tort is a member of the boards of directors of GS1 Global and GS1 Turkey, which are working along with other national GS1 members on a **"Product Data Digitalization & Standardization"** project initiated by the Consumer Goods Forum to develop barcode technologies for a barcoding system that will ensure that all product information is



transmitted transparently and consistently among all companies that are CGF members.

Migros has taken the initiative to define 7 key evaluation parameters for all of its private label products within the GS1 system, aiming to lead and serve as a model for the Turkish retail industry. As of end-2023, Migros had collaborated with 1,006 suppliers in the definition of 7 key product information parameters for 17,595 items for inclusion in the GS1 system. Of these, 12,910 have been verified so far. Migros is actively working with its suppliers to ensure that all its

private label products are fully integrated into the GS1 system by 2030. Ongoing developments such as the QR system being planned by GS1 for rollout in 2027 are being closely followed to integrate innovations into Migros' business model as quickly as possible.

Details about Migros' efforts to ensure that suppliers' product labels convey information transparently to its customers are provided elsewhere in the **"Product Quality Control Processes"** [☞](#) section of this report.

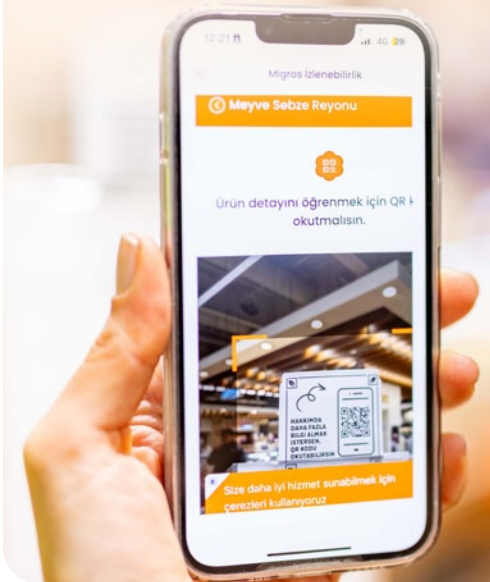
SERVING AS A MODEL FOR THE TURKISH RETAIL INDUSTRY, MİGROS HAS DEFINED 7 KEY EVALUATION PARAMETERS FOR ALL OF ITS PRIVATE LABEL PRODUCTS FOR THEIR INCLUSION IN THE GS1 SYSTEM.





TRANSPARENT AND FAST FLOW OF PRODUCT INFORMATION

THE MİGROS TRACEABILITY PLATFORM USES BLOCKCHAIN TECHNOLOGY TO TRACK THE MOVEMENTS OF FRESH PRODUCE AS IT MOVES FROM FIELD TO STORE AND ON TO SHELVES SO THAT CUSTOMERS CAN KNOW WHERE IT HAS BEEN BEFORE THEY BUY IT.



Fruit and Vegetable Traceability

Migros constantly enhances its digital capabilities to ensure that its customers always have access to fresh, healthy products. **The Migros Traceability platform** uses blockchain technology to track the movements of fresh produce as it moves from field to store and on to shelves so that customers can know where it has been before they buy it. Built into the MoneyPay and Migros Money mobile apps is the ability to scan traceability QR codes on fresh produce items. This lets customers conveniently view a complete record of these movements as well as product information details and certification status. During 2023, this feature was used 3,691 times to track the movements of 1,308 traceable items. Through the **Agricultural Production Traceability Portal** that Migros launched, suppliers enter certification details about the products the company sources from them, thereby creating a database which ensures that all sustainability-certified farm produce can be tracked quickly and effectively.



Meat Traceability

Through the meat traceability project that it developed, Migros provides information such as production date & place, expiration date, batch number, nutritional values, allergens, storage, and origins of 20 Uzman Kasap (Master Butcher) red meat products. Customers can access this information by scanning a QR code included in every item's labeling. The aims of this project are to support sustainability and to rationalize

MİGET meat processing plant processes by using GS1 barcodes to track product movements while allowing customers to view traceability details themselves. Migros customers have availed themselves of this feature to **read the barcodes of 3,276 items in 905 stores** since the system was rolled out. The company plans to bring all MİGET products into compliance with GS1 traceability standards in the near future.



PRIVACY AND DATA SECURITY

AS OF END-2023, 19,975 MIGROS EMPLOYEES HAD COMPLETED “PERSONAL DATA PROTECTION LAW” AND “INFORMATION SECURITY” TRAINING.



Information security is becoming an increasingly more critical issue as digitalization is integrated into more and more companies' business processes. This integration also makes data privacy and security an issue of the utmost importance. Migros has formulated and published **Information Security**, [\[2\]](#) and **Personal Data Protection & Processing Policies** [\[2\]](#) that are applicable to all aspects of its operations and processes such as the collection of data, the reasons for its collection, its use, its safekeeping, its retention, and its destruction. In addition, it is explained to customers in detail through Clarification Texts. Cybersecurity and information security strategies are reviewed every year by Senior Management and the Migros Board of Directors. As required by the Personal Data Protection Law (KVKK), Migros has established a KVKK Committee to monitor, review, and assess the company's data security, data confidentiality, and personal data-protection management processes. This committee's membership consists of representatives from the Chief Information Officer (CIO), Legal Affairs, Data Analytics and Customer Channel Management, Customer Engagement, Sales, Human Resources, Industrial Relations, and Accounting departments. The Migros Internal Audit Department conducts audits as directed by the decisions of this committee.

Preventing information security breaches is a key performance indicator for Network & Security department employees and executives. Target fulfillment contributes between 5% and 15% of their performance scorecards and has a direct impact on their annual bonuses. Information security compliance process continuity and associated issues are also key



performance indicators of the KVKK committee representatives, which include representatives from different departments within the company. Migros constantly strives to strengthen its cyber-resilience, technological-competency, and information security compliance processes in a variety of ways. Recent efforts include a network traffic-based anomaly detection system, faster and more flexible scalable IT infrastructure & 7/24 secure threat monitoring, a security orchestration, automation & response system, and a cybersecurity process & reporting project.

In addition, cyber risk analyses are conducted, and risk maps are created. In line with continuity procedures, cyber incident drills are regularly conducted and customized solution and crisis management procedures are applied in case of incidents such as cyber-attacks. Employees are encouraged to report any suspicious cybersecurity incidents to the Information Security Team



PRIVACY AND DATA SECURITY



through various channels, including email, phone, and instant messaging.

Phishing tests and regular information security updates are used to raise employees' cybersecurity awareness and strengthen the company's cybersecurity defenses. The effectiveness, adequacy, and suitability of information security controls as well as of efforts to lessen the potential impact of cybersecurity and data-leak risks are continuously monitored; they are reviewed at least once a year. Company cybersecurity policies and procedures are updated as circumstances require. Employees regularly undergo cybersecurity refresher "**Information Security Awareness**", "**Information Security Tips**", and "**Personal Data Protection**" training to

ensure that they are well-versed and up to date on data confidentiality and information security issues. As of end-2023, 19,975 employees had attended Information Security and Personal Data Protection Law compliance training.

All crisis, data, and business management processes as well as digital transformation strategies are managed in coordination across the company. Information security and cybersecurity processes, and systems are regularly subjected to internal tests and third-party audits. Two-factor authentication is required of all suppliers to increase security whenever they enter a company-owned and operated system. Cybersecurity audits evaluating system robustness across about 20 different scenarios are conducted at regular

intervals during the year depending on how critical the system being audited is. Externally-accessible systems are automatically tested; manual tests are performed immediately after any critical updating. Also, Migros' IT systems undergo Payment Card Industry Data Security Standard (PCI-DSS) compliance audits every year. Migros has established an Information Security Committee consisting of IT Department and Risk Management Group Directorate representatives. This committee reviews and assesses any cybersecurity or other IT system risks identified by audits as well as the actions taken to address them. The committee reports its findings to senior management. No data breaches were reported and no penalties were incurred due to information security lapses or cyberattacks in 2023.

The scope of reducing data collection and retention includes practices such as deleting server systems that have completed their mission, retaining data/backups in accordance with regulations, and deleting unnecessary data/backups. The effectiveness of Migros' efforts to ensure the security and confidentiality of customer data is attested to by the fact that the company received no official notifications of personal data security breaches in 2023. Migros complies with data privacy laws and regulations by promptly and effectively deleting all personal data that customers direct it to delete. In 2023, the company deleted the personal information of 360 customers from its systems. Retained personal data is regularly purged as required by law. Migros received no complaints about personal data leaks, theft, privacy violations, or similar issues in 2023.



MIGROS' INFORMATION SECURITY AND CYBER SECURITY PROCESSES, HARDWARE, SOFTWARE, AND SYSTEMS ARE REGULARLY SUBJECTED TO INTERNAL TESTS AND THIRD-PARTY AUDITS.



CORPORATE GOVERNANCE

Sustainable Development Goals (SDGs)

<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>10 REDUCED INEQUALITIES</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p>
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INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Migros Ticaret A.Ş.

1. Opinion

We have audited the annual report of Migros Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2023 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 18 March 2024 on the full set consolidated financial statements for the 1 January - 31 December 2023 period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
 - events of particular importance that occurred in the Company after the operating year,
 - the Group's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.



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

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

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

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 25 March 2024



BOARD OF DIRECTORS



Tuncay Özilhan
Chairman



Kamilhan Süleyman Yazıcı
Vice Chairman



Talip Altuğ Aksoy
Board Member



Mehmet Hurşit Zorlu
Board Member



Esel Yıldız Çekin
Board Member



Rasih Engin Akçakoca
Board Member



BOARD OF DIRECTORS



Recep Yılmaz Argüden
Board Member



Ömer Özgür Tort
Board Member and CEO



Hüseyin Faik Açıkalın
Independent Board Member



Bekir Ağırđır
Independent Board Member



Emre Ekmekçi
Independent Board Member



Barış Tan
Independent Board Member



BOARD OF DIRECTORS

Tuncay Özilhan

Chairman

Tuncay Özilhan was born in Kayseri. He studied in Saint-Joseph High School, then graduated from the Faculty of Economics of İstanbul University. He received his MBA degree from Long Island University in the United States. He started his career in 1977 as General Director of Erciyas Brewery and has undertaken responsibilities such as Coordinator of the Beer Group and General Coordinator of Anadolu Group. Tuncay Özilhan acted as the CEO of Anadolu Group from 1984 to February 2017.

Outside Positions Held

He is the Chairman of Anadolu Group since May 2007. He has also been serving as Chairman of Anadolu Foundation as well as various Group companies. Özilhan served as the Chairman of TÜSİAD (Turkish Industrialist's and Businessmen's Association) from 2001 to 2003 and he is currently Chairman of its High Advisory Council. His other responsibilities include; Member of The Board at the Foreign Economic Relations Board (DEİK), Honorary Consul for the Republic of Estonia and President of Anadolu Efes Sports Club. He also served as Chairman of the Turkish – Russian Business Council at DEİK. Tuncay Özilhan holds Ministerial Medal by the Ministry Foreign Affairs of the Republic of Estonia and “The Order of the Rising Sun, Gold and Silver Star”, constituting one of the most important orders awarded by Japanese government.

Kamilhan Süleyman Yazıcı

Vice Chairman

Kamil Yazıcı graduated from New York Military Academy as lieutenant captain (96'), holds a BA degree from Emory University's Goizueta Business School (00'), an MBA degree from American Institute of Business and Economics (05') and has completed the GMP program at the Harvard Business School (17'). Starting his career in Anadolu Group in year 2000, Mr. Yazıcı completed the orientation program at the holding later continuing his career in Anadolu Efes' Russian beer operations where he assumed the roles of Supply Chain Director and Business Development Director during 2008-2011. In 2011 Mr. Yazıcı was appointed as General Manager of Efes Vitanta in Moldova and resumed this role until 2014. In 2014 he was appointed as Market Development Director, a position held until 2017.

Outside Positions Held

Since 2017 Mr. Yazıcı has been serving as Board Member and Vice-Chairman on Anadolu Group Holding and subsidiary boards. In addition, Mr. Yazıcı serves as Board Member for TAİK (Türkiye-U.S. Business Council), TOGG (Turkish National Auto Initiative), HBS Alumnus (Harvard Business School's Alumni Board) and KYVDAS (the Kamil Yazıcı Family Trust).

Talip Altuğ Aksoy

Board Member

Talip Altuğ Aksoy received his bachelor's degree in economics from Oglethorpe University in USA. He began his career as Finance Assistant Specialist at Anadolu Group in 1995 and was appointed as a Finance Specialist in 1996. Aksoy worked as Human Resources and Treasury Specialist from 1998 to 2000. He served as Director of Sales and Marketing at Efes Invest from 2000 to 2003 and was appointed as the Director of Trade and Export at Efes Beer Group in January 2003. Continuing his career at Anadolu Group as the Director of Purchasing and Logistics between 2006- 2008, Aksoy was appointed as Director of Supply Chain of Efes Beer Group in June 2008. In November 2011, he was appointed as Efes Türkiye Managing Director and served in this position until January 2017.

Outside Positions Held

Aksoy still continues to serve as a Board Member in various Anadolu Group companies.

Mehmet Hurşit Zorlu

Board Member

Hurşit Zorlu holds a BCs degree in Economics from İstanbul University. Prior to joining Anadolu Group as a Marketing Specialist at the Efes Beverage Group in 1984, he held various positions in Toz Metal and Turkish Airlines. During his career at Efes Beverage Group, he held various positions including Assistant Marketing Manager, Assistant Project Development Manager, Project Development Manager and Business Development & Investor Relations Director respectively. Zorlu held the position of Chief Financial Officer (CFO) at Efes Beverage Group between 2000-2008 and the position of CFO at Anadolu Group between 2008-2013. In January 2013, Zorlu was appointed as Deputy CEO and as of February 2017 he was appointed as CEO of Anadolu Group.

Outside Positions Held

Hurşit Zorlu, a Board Member of various Anadolu Group companies, is also the Chairman of the Sustainability Committee of the Group and leads the works as part of sustainability strategy, From Anadolu to the Future. Zorlu is a board member of DEİK Outbound Investment Business Council, Board Member of the Turkish Investor Relations Society (TÜYİD) and served as the 8th term Chairman of the Corporate Governance Association of Turkey (TKYD) between 2015-2017.



BOARD OF DIRECTORS

Esel Yıldız Çekin

Board Member

Esel Çekin has been Executive Director of the Harvard Business School MENA Research Center since it opened in 2013. She manages the School's research activities in Turkey, the Middle East, North Africa and Central Asia. With a degree in economics from Boğaziçi University, she went on to earn her PhD in the same field from the City University of New York Graduate School. She also completed the Advanced Management Program at Harvard Business School. Ms. Çekin started her career as a consultant at Bain & Co. Management Consultancy in their Istanbul office. In 1999, she joined Boyner Holding, Turkey's largest non-food retail group, as Vice President of Strategy and Business Development. From 2004 to 2009, she served as Chief Executive Officer of Beymen, Boyner Holding's luxury department store chain. Prior to taking on the director position at the MENA Research Center, she served as Executive Director of the Graduate School of Business at Koç University.

Outside Positions Held

Esel Çekin has been Executive Director of the Harvard Business School MENA Research Center. She currently teaches an undergraduate course in retail management at the College of Administrative Sciences at Koç University.

Rasih Engin Akçakoca

Board Member

R. Engin Akçakoca received his undergraduate degree from Middle East Technical University in Management and started his career in banking in 1974. He assumed Deputy General Manager position in Koç-Amerikan Bank during 1986 and 1991 and General Manager position in Koçbank A.Ş. during 1991 and 2000. He was appointed as the Chairman of the Banking Regulation and Supervision Agency and the Savings Deposit Insurance Fund in 2001 responsible for a large-scale banking sector restructuring program held in Türkiye. Akçakoca has been working as a consultant since 2004.

Outside Positions Held

R. Engin Akçakoca holds board member positions in various Anadolu Group companies.

Dr. Yılmaz Argüden

Board Member

Dr. Yılmaz Argüden is a leading strategist, advisor, and board member of major public and private institutions, and NGOs. He is the Founder and Chairman of ARGE Consulting, a globally recognized management consulting firm based in Istanbul.

ARGE Consulting has served as the B20 Knowledge Partner (Governance & Sustainability), as EFQM Certified Advisory Organization, and International Integrated Reporting Council's Licensed Training Partner. ARGE Consulting is the first Turkish signatory of the UN Global Compact and has been recognized at the European Parliament as one of the best three companies "Shaping the Future" with its commitment to corporate social responsibility.

He is also the Chairman of Rothschild & Co. investment bank in Türkiye and served on the boards of more than 70 companies in different jurisdictions. He is an author of numerous books and a columnist focusing on business, strategy, and governance issues. He has served as an adjunct Professor of Business Strategy at the Boğaziçi University, Koç University, and the Military Academy. He is a renowned governance expert who served as the Chairman of the Governance Committee of the Business at OECD and as a member of the IFC's Corporate Governance Advisory Board. He is also the Chairman of the Trustees of the Argüden Governance Academy.

As a social entrepreneur he has founded and led numerous NGOs and initiated the National Quality Movement. As the elected Global Chair, he represented the National Networks on the Board of the UN Global Compact, the world's largest sustainability platform. He has a B.S. degree in Industrial Engineering from the Boğaziçi University, where he received both the Top Academic Achievement Award and the President's Prize for Student Leadership. He received his PhD in policy analysis from the RAND Graduate School with General Distinction. He was a playmaker for the high school and university basketball teams that won the National Championships and later served as the Vice-Chair of Turkish Basketball Federation.

He is an Eisenhower, Fulbright, NATO, and TÜBİTAK fellow; and a recipient of numerous leadership, distinguished citizenship, and career awards. He was selected as a Global Leader for Tomorrow, by the World Economic Forum for his commitment to improve the state of the world.

Ömer Özgür Tort, PhD

Board Member and CEO

Dr. Ö. Özgür Tort, PhD joined the Business Development Department of Migros in 1996 and went on to lead, in chronological order, Project Management, International Investments Coordination and Customer Relationship Management (CRM). In 2002 he was posted as Chief Operations Officer of Ramstore retail operations in Russia where he stayed for the next four years before returning to Migros, Turkey as Chief Human Resources Officer in 2006. In 2008 Dr. Ö. Özgür Tort was appointed Chief Executive Officer of Migros and has served in this role ever since. In addition, since 2013 Dr. Ö. Özgür Tort has been a board member of the Consumer Goods Forum (CGF), a global organization formed by the world's leading retailers and manufacturers. Between 2019 - 2021, he took over as the Co-Chair (retail) of the CGF.



BOARD OF DIRECTORS

Tort graduated from Istanbul Technical University with a BSc in Industrial Engineering and in addition holds an MS degree in Engineering Management from Missouri University of Science and Technology. He received his doctorate degree in Engineering Management from Marmara University.

Outside Positions Held

On the national level, Dr. Ö. Özgür Tort is the Vice Co-Chair of Food Retailers Association (GPD) and board member of the Turkish Federation of Shopping Centers and Retailers (TAMPF). In 2020, Tort became a board member of both GS1 Global and GS1 Turkey. Özgür Tort is also the Chairman of Migros' subsidiaries Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş., Mimedya Medya Platform A.Ş., Dijital Platform Gıda Hizmetleri A.Ş., Paket Lojistik ve Teknoloji A.Ş. and Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş.

Hüseyin Faik Açıklalın Independent Board Member

After receiving his degree in business administration from the Faculty of Economic and Administrative Sciences at the Middle East Technical University in 1987, Hüseyin Faik Açıklalın began his professional life and banking career as an assistant specialist at Interbank. He worked in various positions including internal auditor, customer relationship manager, branch manager and marketing manager at Interbank, Marmarabank, Kentbank, Finansbank and Demirbank between 1992 and 1998. In May 1998, he joined Dışbank (subsequently named Fortis upon the acquisition of Dışbank by the international finance group Fortis) as Executive Vice President, and later that year, he was appointed as an executive director responsible for the coordination and communication between the Board of Directors and business units. Having started to function as a member of the Credit Committee at the same time, Açıklalın assumed the roles of Deputy Chief Executive Officer and Board member of Dışbank in June 1999. Appointed as CEO and Executive Director in December 2000, he continued to serve as CEO of Dışbank when it was renamed Fortisbank following the acquisition of Dışbank by Fortis Group. In the same period, he also began assuming roles in the international management of Fortis.

In October 2007, he resigned from his duties at Fortisbank and became Chief Executive Officer at Doğan Gazetecilik, a media holding company, before being appointed as an Executive Director of Yapı Kredi Board of Directors and Chief Executive Officer in April 2009. After serving as the CEO of Yapı Kredi from May 2009 until December 2017, Açıklalın was assigned as Managing Director and CEO at Koç Finansal Hizmetler in 2010, in tandem with his ongoing roles. In addition to his existing functions, he was brought to the position of Koç Holding Banking and Insurance Group President in August 2011. Furthermore, he served as the Chairman of Yapı Kredi Invest, Yapı Kredi Leasing, Yapı Kredi Factoring, Yapı Kredi Bank Nederland NV, Yapı Kredi Bank Azerbaijan, Yapı Kredi Bank Malta, Yapı Kredi Bank Moscow, Yapı Kredi Koray REIT, and Koçfinans, as Deputy Chairman of Banque de Commerce et de Placements S.A. and Allianz Life and Pension, and as Board member of the Banks Association of Türkiye.

Outside Positions Held

In addition to his duties as an independent board member of Migros Ticaret A.Ş., Hüseyin Faik Açıklalın also serves as an independent board member of Doğan Şirketler Grubu Holding A.Ş., Galata Wind Enerji A.Ş., Karsu Tekstil San. Tic. A.Ş. and Global Yatırım Holding A.Ş.

Hüseyin Faik Açıklalın qualifies as an independent member according to the CMB's Corporate Governance Principles. He is not related in whatsoever manner to Migros Ticaret A.Ş. and/or its related parties.

Emre Ekmekçi Independent Board Member

Emre Ekmekçi received his bachelor's degree in Industrial Engineering & Systems Engineering from University of Southern California in 1999. He began his career at Pitch Interactive Marketing Agency in Los Angeles and served as Business Development Manager until May 2007. He was appointed as Country Manager of Monster.com in Turkey between May 2007- January 2008 prior to join Internet Holding as Business Development Director between January 2008 – December 2009. Emre Ekmekçi acted as CEO of Groupon.com from December 2009 to October 2011. He served as the Executive Board Member and the President of Business Development of Dogan Online between October 2011 – April 2016. Acted as Board member and Chief Commercial Officer of Hepsiburada from April 2016 to April 2018, Emre Ekmekçi was appointed as Board member and the President of Hepsiburada between April 2018 and June 2019.

Holding an MBA degree from Columbia Business School, Emre Ekmekçi is married and has one daughter. He speaks English and Turkish.

Outside Positions Held

Emre Ekmekçi is the founding partner and chairman of Rubibrands Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. and Fundomundo Inc. He is also the President of ETID - Turkish E-Commerce Association and the Vice Chairman of TOBB - E-Commerce Council and has been taking roles in numerous NGOs.

Emre Ekmekçi qualifies as an independent member according to the CMB's Corporate Governance Principles. He is not related in whatsoever manner to Migros Ticaret A.Ş. and/or its related parties.



BOARD OF DIRECTORS

Bariş Tan

Independent Board Member

Prof. Barış Tan is a Professor of Operations Management and Industrial Engineering at Koç University, Istanbul, Turkey.

He is the author of many publications in the areas of design and control of production systems, supply chain management, analytical modelling, and business model innovation, and the recipient of Turkish Academy of Sciences Distinguished Young Scholar Award, TUBITAK fellowship, NATO Science Fellowship, the Rockefeller Foundation Residency Award at Bellagio Center, and best paper awards for his publications.

Barış Tan received a BS degree in Electrical and Electronics Engineering from Boğaziçi University, and ME in Industrial and Systems Engineering, MSE in Manufacturing Systems, and PhD in Operations Research from the University of Florida. He has been working at Koç University since 1994 and previously served as the Vice President for Academic Affairs, Dean of College of Administrative Sciences and Economics and the Director of the Graduate School of Business.

He held visiting positions at Harvard University - Division of Engineering and Applied Sciences, MIT - Operations Research Center, MIT - Laboratory for Manufacturing and Productivity, University of Cambridge - Judge Business School, University College London - School of Management and Politecnico di Milano - Production and Manufacturing Systems.

Professor Tan is a member of the advisory boards of Kyoto University Graduate School of Management, EM Lyon and Nottingham Business School, and the chairman of the ISM University of Management and Economics Senate. He served on the boards of the European Foundation for Management Development (EFMD), EFMD EQUIS Awarding Body, CEMS Global Alliance in Management Education, Turkish Quality Association, and Turkish Operations Research Society.

Outside Positions Held

Professor Tan also serves as independent Board member in Anadolu Efes Biracılık ve Malt San. A.Ş.

Professor Tan qualifies as an independent member according to the CMB's Corporate Governance Principles. He is not related in whatsoever manner to Migros Ticaret A.Ş. and/or its related parties.

Bekir Ağırdır

Independent Board Member

Bekir Ağırdır was born in Denizli in 1956. After graduating from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1979, he worked as Sales Manager and Deputy General Manager at Bilsan Bilgisayar Malzemeleri A.Ş. between years 1980-1984, as Sales Coordinator at Meteksan Ltd. Şti. between years 1984-1986 and as General Manager at Pirintaş Bilgisayar Malzemeleri ve Basım Sanayi A.Ş. between years 1986-1996. He served as Deputy General Manager at Atılım Kağıt ve Defter Sanayi A.Ş. between years 1996-1999 and as General Manager and Board Member at PMB Akıllı Kart ve Bilgi Teknolojileri A.Ş. between years 1999-2003.

Between years 2003 and 2005, he worked at the History Foundation, first as the Coordinator and then as the General Manager. He was the General Manager and Member of the Board of Directors at KONDA Araştırma ve Danışmanlık Limited Şirketi between years 2005-2022, and has been a member of the Board of Directors since June 2022.

Outside Positions Held

He is the independent Board member and Vice Chairman of the Board of Directors at Zorlu Enerji Elektrik Üretim A.Ş., an independent Board member at Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş., Vestel Elektronik Sanayi ve Ticaret A.Ş. and Anadolu Efes Biracılık ve Malt Sanayii A.Ş. He is the Vice Chairman of the Board of the Turkish Economic and Social Studies Foundation (TESEV), the Founding Member of the Yanındayız Association, the Democratic Republic Program and the EYMİR Culture Foundation, a member of the METU Alumni Association, a writer for Oksijen Newspaper, and a commentator for T24 Internet Newspaper.

Mr. Ağırdır qualifies as an independent member according to the CMB's Corporate Governance Principles. He is not related in whatsoever manner to Migros Ticaret A.Ş. and/or its related parties.



BOARD OF DIRECTORS REPORT

GRI 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 2-20

Members of the Board of Directors

Members of the Board of Directors

Tuncay Özilhan	Chairman
Kamilhan Süleyman Yazıcı	Vice-Chairman
Talip Altuğ Aksoy	Member
Mehmet Hurşit Zorlu	Member
Esel Yıldız Çekin	Member
Rasih Engin Akçakoca	Member
Recep Yılmaz Argüden	Member
Ömer Özgür Tort	Member and CEO
Hüseyin Faik Açıkalın	Independent Member
Emre Ekmekçi	Independent Member
Barış Tan	Independent Member
Bekir Ağırdir*	Independent Member

* In the Company's public disclosure released on 24 July 2023, it was announced that the company's independent Board member Şevki Acuner had resigned his seat on the Board of Directors for personal reasons. With the approval letter of Capital Markets Board received on 4 September 2023, Bekir Ağırdir was appointed to fill the vacancy created by Mr. Acuner's departure until the next meeting of the Migros general assembly of shareholders.

Board of Directors

At the Company's annual general assembly meeting on 11 April 2023, Tuncay Özilhan, Kamilhan Süleyman Yazıcı, Talip Altuğ Aksoy, Mehmet Hurşit Zorlu, Esel Yıldız Çekin, Rasih Engin Akçakoca, Recep Yılmaz Argüden and Ömer Özgür Tort were elected to seats on the Board of Directors as board members while Hüseyin Faik Açıkalın, Emre Ekmekçi, Barış Tan and Şevki Acuner* were elected to serve as independent board members for one year until the general assembly meeting during which the Company's 2023 accounts will be discussed.

According to the Board of Directors decision passed on 14 April 2023, Tuncay Özilhan was elected as the Chairman of the Board and Kamilhan Süleyman Yazıcı as the Vice-Chairman.

The Board of Directors is authorized to take decisions about all matters except those which are reserved to the general assembly under the Turkish Commercial Code or by the Company's articles of association.

Under article 17 of the articles of association, board members may serve for a maximum term of three-year unless a shorter term of office is specified at the general assembly meeting at which they are elected. A board member whose term of office expires may be reelected. Shareholders assembled

in a general assembly meeting may, for just cause and at any time that they deem such action to be necessary, dismiss any board member whether or not such an item is on the meeting agenda.

In compliance with CMB regulations and the provisions of the Turkish Commercial Code, an audit committee, a corporate governance committee, and an early detection of risk committee have been set up at the Company. The duties of a nomination committee and of a remuneration committee are performed by the Migros Corporate Governance Committee.

Senior Management

Under Migros' articles of association, senior executives are chosen and appointed by the Board of Directors.

Considering the diversified business areas of our company with new subsidiaries and initiatives, the following organizational changes was made in the senior management roles in order to provide a more effective governance structure in our core business line. Accordingly, as of 1 July 2023, it was resolved;

- to form an Operations Committee to manage the sales, procurement, logistics, marketing, investment and construction roles of our Company's retail operations,
- to appoint Mustafa Murat Bartın as the President of the Operations Committee, thus expanding his role of COO (Chief Operations Officer) to Migros Retail General Manager. Mr. Bartın will continue to directly report to Migros Group CEO Ömer Özgür Tort,
- to appoint the Assistant General Manager of Expansion, Property and Construction Hakan Şevki Tuncer as Chief Expansion, Property & Construction Officer,
- to appoint the Supermarket Business Unit Director Cüneyt Taşpek as Chief Sales Officer.

As a result of these changes, our Company's senior management as of July 1, 2023 is as follows:

Migros Group Executive Committee members Ömer Özgür Tort (CEO), Mustafa Murat Bartın (COO, Migros Retail General Manager), Ferit Cem Doğan (CFO), Ekmel Nuri Baydur (CMO) and Hakan Şevki Tuncer (CPO), and Migros Group Assistant General Managers Kerim Tatlıcı (CIO) and Olcay Yılmaz Nomak (CHRO), and Assistant General Managers Bülent Kuntay (Chief Supply Chain & Logistics Officer) and Cüneyt Taşpek (Chief Sales Officer).

Senior management is made of up the heads of all functions that report directly to the CEO. Senior management has 8 members, one of whom is female. Two of the heads of the Corporate Communications, Legal Affairs, and Internal Audit groups, all of whom are direct reporters, are female. The average age among members of Migros' senior management is 54.



BOARD OF DIRECTORS REPORT

Independent Auditing

At a meeting of the Board of Directors on 29 March 2023, the board, acting upon the recommendation of the Audit Committee and in compliance with the requirements of CMB Communiqué on capital market independent auditing standards (Serial: X, No: 22) and of the Turkish Commercial Code, decided to select PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to be the Company's independent auditor for 2023 fiscal year subject to the provisions of capital market laws and regulations and of the Turkish Commercial Code. This decision was approved at the general assembly of shareholders on 11 April 2023.

Articles of Association Amendment

There were no changes in our Company's articles of association during the reporting period.

The Company's current articles of association is available under the Investor Relations tab on the corporate website at the address www.migroskurumsal.com and on the Public Disclosure Platform (KAP).

Changes in Paid-in Capital during the Reporting Period

There were no changes in our Company's paid-in capital of TL 181,054,233 during the reporting period.

Shareholder Structure

As of 31 December 2023, the capital structure of the Company is as follows:

Migros Ticaret A.Ş. Shareholder Structure		
Shareholder	Share Amount (TL)	Share (%)
MH Perakendecilik ve Ticaret A.Ş.	89,046,058	49.18
Other	89,046,059	49.18
Migros Ticaret A.Ş.	2,962,116	1.64
Total	181,054,233	100.00

Migros' Position in the Sector and Investments in 2023

Migros operates in the food retailing sector. The Company is both a retailer that sells such products directly to consumers and a wholesaler that sells them to other retailers. Through its subsidiaries and affiliates, Migros is active in the online food retailing, prepared and prepackaged food production & sale, financial technology, logistics (distribution by riders), retail media asset development, marketing, electric vehicle charging services, and domestic and international shopping mall management business lines as well.

For Migros 2023 has been a year in which both investments in online operations and investments in physical stores continued. In 2023, new openings by Migros consisted of 262 Migros (214 M and 48 MM), 156 Migros Jet, 13 Macrocenter, 14 Macrokioks, 69 Mion and three Wholesale stores in Türkiye. Thus, a total of 517 new store investments amounting to TL 6.4 billion in value went into service in 2023.

As of end-2023, the Company reached 3,363 stores consisting of 1,243 M, 502 MM, 154 MMM, 1,155 Migros Jet, 97 Macrocenter, 59 Macrokioks, 55 hypermarkets and 28 Wholesale stores located in all 81 cities of Türkiye.

Investments in e-Commerce

Migros continues its investments in online sales channels. While 956 stores served online in 81 cities at year-end 2022, this number rose to 1,093 at year-end 2023.

The service network of Migros Sanal Market surpassed 958 stores in 81 cities during the reporting period, while the service coverage of Migros Hemen reached 528 stores in 81 cities. Macroonline offers online shopping service out of 87 stores in nine cities, whereas Tazedirekt offers service in five cities.

New Stores & Acquisitions

In addition to continuing to pursue organic growth, Migros acquired the leasehold rights and leases of 8 stores in Ankara, 6 stores in Konya, and a total of 7 stores in Amasya, Tokat, and Yozgat together with all of their fixed assets with the approval of the Competition Authority. All transfer formalities have been finalized. The leasehold rights and fixed assets of 22 stores in İzmir were acquired for conversion to the company's Mion format.

Developments in Subsidiaries & Affiliates

The Energy Market Regulatory Authority has awarded Migros subsidiary Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş. an EV charging network operator's license. As of 31 December 2023, Migen Enerji was overseeing a network of 55 EV charging stations in 19 provinces.

At an extraordinary general meeting of Migros subsidiary MoneyPay held on 14 December 2023, shareholders voted to increase the company's capitalization from TL 50,000,000 to TL 124,000,000. Exercising all of its rights to acquire newly-issued shares, Migros contributed a total of TL 59,849,280 (TL 59,200,000 capital + TL 649,280 issuance premium) to MoneyPay's share capital increase. Migros currently controls an 80% stake in MoneyPay.



BOARD OF DIRECTORS REPORT

CRC Danışmanlık ve Organizasyon A.Ş. (Gurmepack)

Migros explores and assesses new investment opportunities to expand the sale of its prepared-food offerings in both online and offline channels.

On 26 December 2023, 50% stake was acquired in Gurmepack, a company that produces and sells prepared and prepackaged foods: 30% by Migros Ticaret A.Ş. (120,000 shares) and 20% (80,000 shares) by Migros' subsidiary Dijital Platform Gıda Hizmetleri A.Ş. (Dijital Platform) at a total acquisition cost of TL 88,763,860, of which a TL 53,258,316 was paid by Migros Ticaret A.Ş. and TL 35,505,544 was paid by Dijital Platform.

Migros' direct shareholding interests in its subsidiaries and affiliates as of 31 December 2023 are shown in the accompanying chart.

Company	Country	Geographical region	Principal business activity	Shareholding 2023 (%)	Shareholding 2022 (%)
Ramstore Kazakhstan LLC	Kazakhstan	Kazakhstan	Shopping mall operator	100.0	100.0
Dijital Platform Gıda Hizmetleri A.Ş.	Türkiye	Türkiye	Online food retailing	93.0	93.0
MoneyPay Ödeme ve Elektronik Para Hizmetleri A.Ş.	Türkiye	Türkiye	Payment and electronic money services	80.0	80.0
Paket Lojistik ve Teknoloji A.Ş.	Türkiye	Türkiye	Logistical services	75.0	75.0
Mimeda Medya Platform A.Ş.	Türkiye	Türkiye	Retail media	100.0	100.0
Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş.	Türkiye	Türkiye	Electric vehicle charging services	100.0	100.0
CRC Danışmanlık ve Organizasyon A.Ş.	Türkiye	Türkiye	Prepackaged food production	30.0	-

Mion personal-care product stores

To support its core food retailing operations, create opportunities for long-term growth, and enhance the value it offers customers, Migros looks for ways to diversify its operational ecosystem by entering new business lines and channels through subsidiaries and ventures. Mion, the company's new personal-care product retailing format opened its first store in January 2023; by year-end it was serving customers at 70 locations in 22 provinces. Migros intends to expand the Mion format chain to 150 stores in 2024. Mion is also accessible online through the Migros One app.

Investments in renewables

In line with Migros' long-term sustainability and productivity objectives, the company undertakes strategic investments in solar power plants and arrays with the potential to address risks that might have a medium-term impact on its operational costs.

Migros partnered with an energy performance contractor (EPC) in the construction of a 16-MWp ground-mounted solar panel array in Malatya. When commissioned (slated in 2024), the installation will be capable of generating clean, renewable energy sufficient to power about 300 stores. Migros intends to further expand company-owned solar power installed capacity. It has already identified and acquired the land for five strategically located sites.

Issuance of Corporate Bonds

The Company has floating-rate debt instruments (corporate bonds) that it has issued through sales to qualified investors in Türkiye.

Corporate bond issue: April 2023

In April 2023 Migros issued TL 450,000,000 worth of short-term corporate bonds (ISIN TRFMGT1E2317), carrying a single-coupon payment and a 16.0438% interest rate. The sale was successfully concluded and both interest and principal payments were settled on 13 October 2023.



BOARD OF DIRECTORS REPORT

Corporate bond issue: June 2023

In June 2023, Migros completed the sale of TL 300,000,000 worth of fixed-rate long-term bonds (ISIN TRSMGTI62517). The bonds have 8 coupon payments and a coupon interest rate of 10.5740%.

The details of the bond issuances carried out on different dates since July 2018 are presented below.

ISIN Code	Amount Issued (TL)	Date of Issue	Maturity	Term (Number of Days)	Number of Coupons	Number of Paid Coupons*
TRSMGTI72011	75,000,000	19.07.2018	16.07.2020	728	8	8/8
TRSMGTI72110	75,000,000	19.07.2018	14.07.2021	1,091	12	12/12
TRSMGTIE2015	46,000,000	24.10.2018	21.10.2020	728	8	8/8
TRSMGTI22115	200,000,000	27.02.2019	24.02.2021	728	8	8/8
TRSMGTIA2118	200,000,000	23.12.2019	20.12.2021	728	8	8/8
TRSMGTI62228	150,000,000	10.06.2020	08.06.2022	728	8	8/8
TRSMGTI62210	100,000,000	10.06.2020	08.06.2022	728	8	8/8
TRSMGTI62319	300,000,000	25.06.2021	23.06.2023	728	8	8/8
TRFMGTIE2317	450,000,000	13.04.2023	13.10.2023	183	1	1/1
TRSMGTI62517	300,000,000	13.06.2023	26.06.2025	744	8	3/8

*As of the reporting date

To date, Migros has issued a total of TL 1.9 billion worth of private-sector bonds of varying maturities. All bonds issued in 2018, 2019, 2020, and 2021 as well as the 23 April short-term issue have been fully redeemed.

Migros credit rating

International credit rating agency Fitch Ratings reviewed and reaffirmed Migros' National Long-Term Rating at "AAA(tur)", the highest possible rating, on 18 April 2023, with a stable outlook.

On 19 June 2023, credit rating agency JCR Eurasia Rating (JCR-ER) reaffirmed Migros' long-term national credit rating at "AAA (tr)", the highest possible rating, and its short-term national rating at "J1+ (tr)". Both ratings maintained a stable outlook. JCR-ER also assigned the company a long-term international rating of "BB" with a negative outlook.

Other issues

On 11 April 2023, Migros Ticaret A.Ş. and the Tez-Koop labor union agreed to the terms of a new three-year collective bargaining agreement covering the period 1 January 2023 to 31 December 2025. A Public Disclosure Platform (KAP) announcement concerning this matter was released on 12 April 2023.

Migros-owned land occupied by the Bayrampaşa Distribution Center in İstanbul was sold last year to Bilgiçler Yapı İnşaat A.Ş. for TL 706,505,000 + VAT. The sale was finalized with the transfer of title on 12 April 2023.

2021 Competition Authority investigation

The Competition Authority launched an investigation into the pricing practices of supermarket chains that retail food and household cleaning products as well as those of the producers, wholesalers, and suppliers of such products during the Covid-19 pandemic. The authority determined that Migros and a number of other retailers had violated article 4 of the Competition Protection Act (Statute 4054). The ruling (21-53/747-360, 28 October 2021) was published on the authority's official website and communicated to Migros. In the ruling, the Competition Authority stated that an administrative fine of TL 517,672,762.75 was to be levied on the company for the alleged violations.

In a KAP announcement released on 17 January 2022, Migros stated that it would pay the fine within 30 days of that date solely in order to benefit from a 25% early-payment discount option and without any prejudice whatsoever to its right to contest the whole fine in court. With the 25% discount, the fine came to TL 388,254,572.06. The company paid this amount and accounted for it as a provision in its 2021 financials.

Repeatedly making its position clear that Migros categorically rejected all the allegations made against it in the Competition Authority's ruling, on 25 February 2022 the company filed suit demanding that the decision and penalty be reversed and that a stay of execution be granted. The Ankara 7th Administrative Court reviewed the case file and denied the request for a stay of execution. Migros' objection to this denial of a stay of execution was also dismissed.

"Statute 7440 concerning the restructuring of various debts and the amendment of various laws", which went into effect with its publication in issue 32130 of the official gazette on 12 March 2023, contained provisions (Art 3-4, Art 9/3-a-2, Art 9/15) that allowed for the restructuring of some penalties such as the one imposed by the Competition Authority. Deciding to avail itself of this option, Migros therefore withdrew its suit to have the Competition Authority ruling reversed inasmuch as doing so would not impose any additional financial burdens on the company. Ultimately TL 194,127,286.03 of the previously paid TL 388,254,572.06 was refunded to the company.



BOARD OF DIRECTORS REPORT

2022 Competition Authority investigation

In a Competition Authority ruling (22-55/863-357 dated 15 December 2022), the agency alleged that some suppliers along with five retailers (of which Migros was one) had violated article 4 of the Competition Protection Act (Statute 4054) and that this necessitated the imposition of an administrative fine on the parties under investigation; that inasmuch as such fines had already been imposed on the same five retailers by the previous 28 October 2021 ruling, it had been decided that there were no grounds for the imposition of a new administrative fine on account of the present investigation, adding that this decision was subject to judicial review however.

Although the Competition Authority refrained from imposing another fine, on 1 December 2023 Migros nevertheless filed suit against the agency, seeking to overturn its 2022 ruling that the company had violated Statute 4054, Article 4. This case is ongoing.

Migros Ticaret A.Ş. has been committed to honesty, reliability, and compliance with laws and regulations for 68 years. We are dedicated to providing our customers with the highest quality products and services at the most competitive prices and we will continue to do so without interruption.

Financial Performance

Migros started to apply inflation-accounting procedures in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies standards beginning with its financial statements for the annual reporting period ending 31 December 2023. Accordingly, the company's audited consolidated financial statements for 2022 and 2023 were adjusted for the effects of inflation and presented comparatively.

In 2023, the Company achieved strong financial results, outperformed the food retail sector in terms of sales growth, gained market share and strengthened its balance sheet.

According to IAS 29 inflation accounting, Migros' consolidated sales exceeded TL 181.6 billion in 2023, up by 29% year on year. The share of the company's online sales in consolidated turnover reached 17.0% (excluding tobacco & alcohol products). Increased customer footfall across all formats, competitive pricing and expansion in online channels helped boost Migros' market share in the modern FMCG market by 120 basis points last year.

Migros' 2023 gross profit margin was 18.7%, about what it was in 2022, while its EBITDA margin last year was 1.8% (2022: 2.7%). The company booked a TL 8.9 billion net profit in 2023 with a margin of 4.9%. The Company's total shareholders' equity, which was TL 27,507 million at end-2022, stood at TL 36,254 million at end-2023.

TL 6.4 billion worth of investments undertaken in 2023 expanded the company's presence in both online and offline retailing channels. In line with its long-term sustainability and productivity targets, strategic steps are being taken to mitigate risks that may affect the Company's operational expenses in the medium term by investing in logistics operations and solar energy.

The Company's total assets amounted to TL 92,129 at end-2023 (2022: TL 81,620), of which 41% were current assets (2022: 41%) and 59% were non-current assets (2022: 59%).

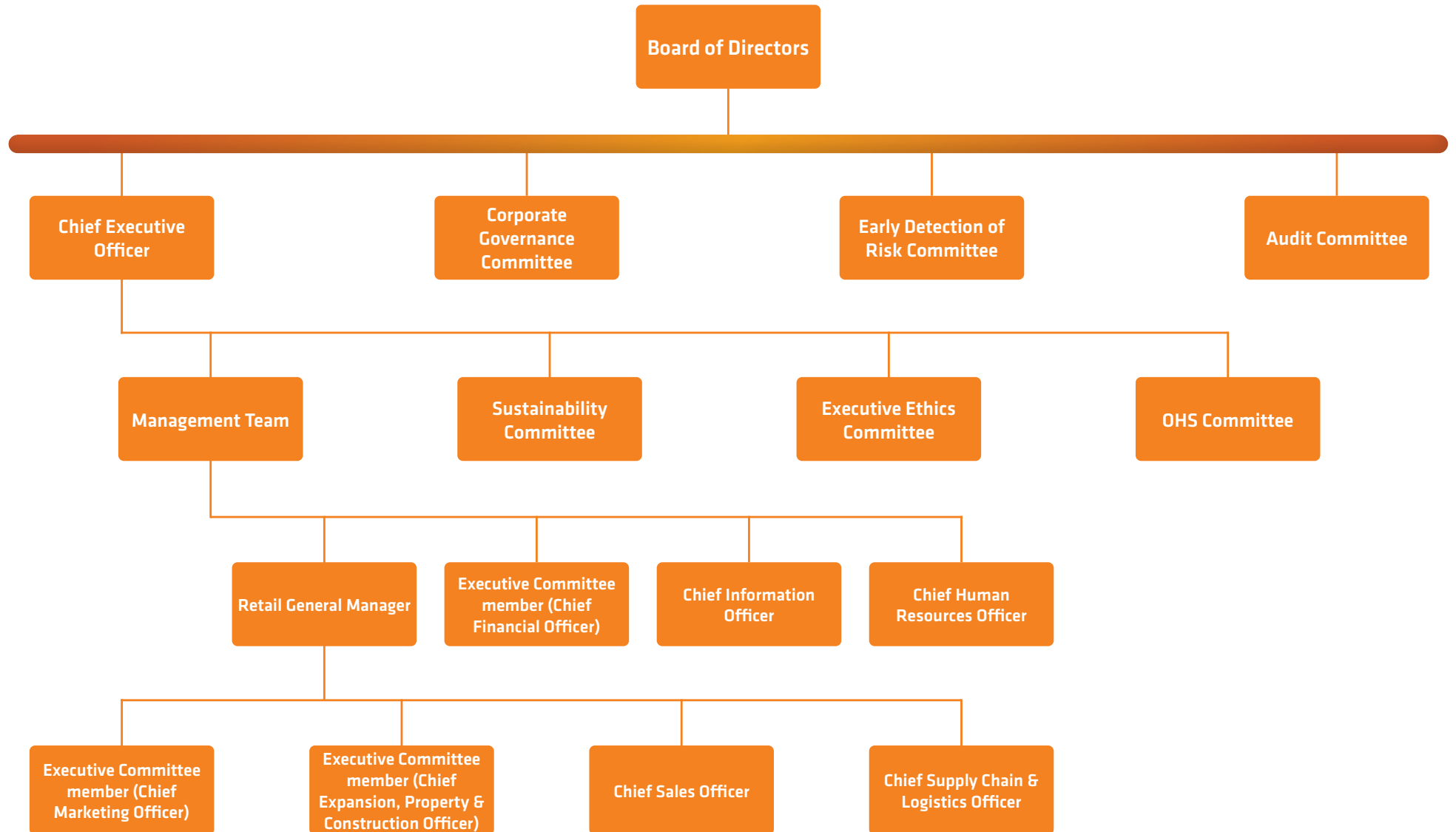
Excluding the impact of IAS 29 inflation accounting, Migros' consolidated sales exceeded TL 145.8 billion in 2023, up by 95.7% year-on-year.

Migros' operations continued to generate strong free cash flow in 2023. On the other hand, excluding the effects of IAS 29 inflation-accounting restatement, EBITDA margin was realized as 6.7% in 2023 (2022: 8.0%). The Company booked a TL 6.0 billion net profit in 2023 corresponding to an annualized increase of 131%. The capital expenditures excluding inflation accounting in 2023 amounted to TL 5.5 billion.

Migros Ticaret A.Ş.



INTEGRATED GOVERNANCE MODEL





SENIOR MANAGEMENT



Cüneyt Taşpek
CSO
(Chief Sales Officer)

Kerim Tatlıcı
CIO
(Chief Information Officer)

Murat Mustafa Bartın
COO
(Chief Operations Officer)

Ekmel Nuri Baydur
CMO
(Chief Marketing Officer)

Ö. Özgür Tort
Board Member and CEO

Olca Yılmaz Nomak
CHRO
(Chief Human Resources
Officer)

Hakan Şevki Tuncer
CPO
(Chief Expansion, Property
& Construction Officer)

Bülent Kuntay
CSCO
(Chief Supply Chain &
Logistics Officer)

Ferit Cem Doğan
CFO
(Chief Financial Officer)



SENIOR MANAGEMENT

Dr. Ö. Özgür Tort

Board Member and CEO

Ö. Özgür Tort, PhD joined the Business Development Department of Migros in 1996 and went on to lead, in chronological order, International Investments Coordination and Customer Relationship Management. In 2002, he was posted as Chief Operations Officer of Ramstore retail operations in Russia, where he stayed for the next four years before returning to Migros Türkiye as Chief Human Resources Officer in 2006. In 2008, Dr. Ö. Özgür Tort was appointed as Chief Executive Officer of Migros and has served in this role ever since. In parallel, Özgür Tort has taken a lead in founding new generation retail services and is chair of all Migros subsidiaries: Dijital Platform Gıda Hizmetleri A.Ş. (MigrosOne – E-Commerce), Mimedya Medya Platform A.Ş. (Retail Media), MoneyPay Ödeme ve Elektronik Para Hizmetleri A.Ş. (Fintech), Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş. (EV Charging Services), Paket Lojistik ve Teknoloji A.Ş. (Paket Taxi – Last Mile Logistics) and CRC Danışmanlık ve Organizasyon A.Ş. (Gurmepack – Ready Meal Production). Tort is a member of Anadolu Group Sustainability Committee. In addition, since 2013 Dr. Ö. Özgür Tort has been a board member of the Consumer Goods Forum (CGF), a global organization formed by the world's leading retailers and manufacturers. Between 2019 – 2021, he took over as the Co-Chair (retail) of the CGF. On the national level, Dr. Ö. Özgür Tort is the Vice Co-Chair of Food Retailers Association (GPD) and board member of the Turkish Federation of Shopping Centers and Retailers (TAMPF). In 2020, Tort became a board member of both GS1 Global and GS1 Türkiye. Tort graduated from Istanbul Technical University with a BSc in Industrial Engineering and in addition holds an MS degree in Engineering Management from Missouri University of Science and Technology. He gained a PhD degree at Marmara University in Engineering Management researching Value Chain Based Farmer Funding Models in Agriculture.

Mustafa Murat Bartın

COO (Chief Operations Officer)

Mustafa Murat Bartın, born in 1974, graduated from Middle East Technical University, department of Industrial Engineering. He started his professional career at Migros as an Industrial Engineer at R&D in 1995, and worked as Business Development Expert, R&D and Planning Project Leader, Marketing Manager of Migros Online. Between 2000 and 2009 he worked for Hewlett-Packard Turkey and held positions as E-Business Sales Manager, Pre-Sales Service Manager, Business Development Manager, Sales Manager, Consultant and Integration Country Manager respectively. He joined Migros as

Information Technology and Business Development Director in 2009, and he was appointed as Chief Alternative Sales Channels Officer responsible from International operations, Wholesales and Online Retail Operations between 2015-2018; Chief Large Format&Online Retail Officer between 2018-2020. Bartın has been Chief Operations Officer since July 2020. Mustafa Murat Bartın continues to working as Migros Retail General Manager (COO) as of July 2023.

Ekmel Nuri Baydur

CMO (Chief Marketing Officer)

Ekmel Nuri Baydur, born in 1968, graduated from Marmara University, faculty of Business Administration. He started his professional career at Yapı Kredi Bank as a Product Manager in 1992. He joined Migros Ticaret A.Ş in 1995. He held positions as Marketing Specialist and Marketing Manager in various categories in Dry Grocery Marketing. He was appointed as Marketing Group Manager for Fruit and Vegetables in 2002. Between 2011 and 2021 he served as Fruits, Vegetables and Meat Marketing Group Manager and Fruits, Vegetables and Meat Marketing Director respectively; and also became responsible for management of Meat Production Facility. Baydur has worked as Chief Marketing Officer between February 2021 and June 2023. Ekmel Nuri Baydur has been working as Migros Group Executive Committee Member (CMO) at Migros as of 1.07.2023.

Ferit Cem Doğan

CFO (Chief Financial Officer)

Ferit Cem Doğan, born in 1969, graduated from Middle East Technical University, Faculty of Economics in 1991. Following his graduate studies in Department of Economics at University of Oslo, Norway, he started his career at Philip Morris Corporate Services, Zurich, Switzerland as a Senior International Auditor in 1995. From 2001 to 2006, he held the positions at Kraft Foods as Internal Controls & Projects Manager, London, UK; Financial Controller, Dubai, U.A.E; Finance Manager, Bremen, Germany. He worked at Emaar Properties as Chief Financial Officer between 2006 - 2008. He has been with Migros Ticaret A.Ş. since 2009 as Finance Director. In February 2019, he took on his position as Chief Financial Officer. Ferit Cem Doğan continues to working as Migros Group Executive committee Member (CFO) at Migros as of 1.07.2023.



SENIOR MANAGEMENT

Hakan Şevki Tuncer

CPO (Chief Expansion, Property & Construction Officer)

Hakan Şevki Tuncer, born in 1963, completed his undergraduate education at the 9 Eylül University, Faculty of Economics and Administrative Sciences, Department of Labor Economics and Industrial Relations. He began his career in Migros working as Assistant Store Manager between 1988 and 1989 and was then promoted to Store Manager in 1989, a position he held until 1991. From 1991 to 1996 he worked as Regional Sales Manager and then from 1997 to 2005 as District Manager. Between 2005 and 2007 he held the post of Assistant General Manager of Ramenka, Moscow before moving on to Enka TC Moscow where he also worked the Assistant General Manager until 2008. He worked as Assistant General Manager of Migros responsible for Store Operations in Migros between 2008 and 2010. Between 2011 - 2015, Tuncer worked as Chief Operating Officer responsible for store operations, including expansion and store management for Tansaş operations. Between 2015-2022, Tuncer worked as Chief Expansion and Property Officer. Since February 2023 he has working as Chief Expansion, Property & Construction Officer. Hakan Şevki Tuncer continues to working as Migros Group Executive Committee Member (Chief Expansion, Property & Construction Officer) as of 1.07.2023.

Kerim Tatlıcı

CIO (Chief Information Officer)

Kerim Tatlıcı, born in 1969, graduated from Istanbul Technical University, faculty of Mathematics Engineering. He completed an MBA program at Koç University. He started his professional career as Assistant Manager of Store Automation in 1993. He worked as the Central Automation Manager between 1999-2002, the Software Development and Implementation Manager between 2002 and 2005, the Information Technology Manager between 2005 and 2011; and the Information Technology Group Manager between 2011 and 2014. In 2014, he was appointed as Information Technology and Business Development Director. Between January 2019 and June 2023 ,Tatlıcı worked as the company's Chief Information Officer. As of July 2023, Kerim Tatlıcı is appointed as Migros Group Information Technologies and Business Development (Migros CIO).

Olca Yılmaz Nomak

CHRO (Chief Human Resources Officer)

Olca Yılmaz , born in 1975, completed her undergraduate studies at Yıldız Technical University, Faculty of Industrial Engineering in 1996. She started her professional career at Eczacıbaşı Karo Seramik as Production Planning Specialist, in 1996. Yılmaz joined Migros Group in 1998, as an Industrial Engineer at R&D and Planning department. Between 2001 and 2005 she worked as Project Group Associate and Group Leader at Project Management Department. She was appointed as HR Planning and System Development Manager in 2005. Between 2010 and 2018 she worked as HR Planning and Recruitment Manager, Human Resources Group Manager and Human Resources Director respectively. Between February 2019 and June 2023, she worked as Chief Human Resource Officer, responsible for Human Resources, Training and Industrial Relations. She led several HR functions as recruitment, employer branding, training and development, talent management, compensation, planning and system development during her Migros career. As of July 2023, Olca Yılmaz Nomak is appointed as Migros Group Chief Human Resources Officer(CHRO).

Bülent Kuntay

CSCO (Chief Supply Chain & Logistics Officer)

Bülent Kuntay, born in 1966, graduated from Ege University, Department of Food Engineering. He started his career in Migros as Store Management Trainee in 1990. He worked as Assistant Store Manager, Store Manager, İzmir Operating Assistant Manager, İzmir Operating Manager, Supply Chain and Logistics Director (Russia), Distribution Centers Manager, Supply Chain Group Manager, Supply Chain and Logistics Group Manager respectively. He was appointed as Supply Chain and Logistics Director in 2013. Since January 2019, Kuntay has been working as the company's Chief Supply Chain & Logistics Officer.

Cüneyt Taşpek

CSO (Chief Sales Officer)

Cüneyt Taşpek, born in 1965, received his Bachelor's Degree at Anadolu University, Department of Business Administration in 1986. He started his career in 1987 at the Purchasing Department of Alarko Alsım. From 1989 to 1992, he worked at the Sales Department of Mapo. Taşpek joined Migros Group in 1992, as Assistant Store Manager and was then promoted to Store Manager in 1994, a position he held until 1997. Between 1997 and 2000, he worked as Regional Sales Manager and then from 2000 to 2011 as Adana Region Manager. He was appointed as Istanbul European Region Manager in 2011. He worked as West Marmara Region Director between 2014 and 2018. From April 2018 to May 2021, Taşpek worked as Hypermarket Business Unit Director. He was appointed as Supermarket Business Unit Director in June 2021. As of July 2023, he took on his current position as Chief Sales Officer.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GRI 2-10, 2-16

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Migros Ticaret A.Ş. (“Migros”, “the Company”, “our Company”)

Address	Atatürk Mah. Turgut Özal Bulvarı No: 7 34758 Ataşehir / İstanbul
Trade Registry No.	659896
Mersis (Central Registration System) No.	0622052951300016
Phone	+90 216 579 30 00
Customer Care Line	0850 200 4000

For renewal of its corporate governance rating, our Company signed a new agreement covering its second rating period on 13 October 2023 with SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (“SAHA”), which is authorized to carry out rating in Türkiye in accordance with the CMB’s Corporate Governance Principles.

Our Company’s Corporate Governance Rating, which was determined as 9.67 (96.70) on 28 December 2022, was affirmed as 9.67 (96.74) by SAHA on 28 December 2023.

The individual scores assigned for each heading to our Company are presented below:

Headings	Weight	Assigned Score (%)
Shareholders	25%	95.83
Public Disclosure and Transparency	25%	98.45
Stakeholders	15%	99.51
Board of Directors	35%	94.97
Average	100%	96.74

Migros’ publicly-traded shares were included in the BIST Sustainability Index when that index was launched ten years ago and have remained in it ever since. Migros’ shares were also included in the BIST Sustainability 25 Index when it was launched on the İstanbul stock exchange in 2022.

PART I - STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Migros attaches great importance to the implementation of corporate governance principles as prescribed by capital market laws and regulations, the Turkish Commercial Code, and other regulatory requirements. Migros is aware of the benefits that the implementation of these principles will have for the Company, for its shareholders, and ultimately for the country as a whole. Our corporate governance practices are constantly being reviewed and improvements are made in them where necessary both so that we may be in compliance with Corporate Governance Principles Communiqué II-17.1 and so that we may be an exemplary company on such issues.

Our Company has adopted the main principles of Corporate Governance which are:

- Fairness
- Transparency
- Responsibility
- Accountability.

A corporate governance committee was formed within the Board of Directors in 2007 and charged with overseeing corporate governance matters throughout the Company and with supervising the Investor Relations Department. Capital market laws and regulations mandate that a corporate governance committee be set up and that its head be chosen from among the Company’s independent board members.

In a Board resolution passed on 3 May 2023, Hüseyin Faik Açıklın, Esel Yıldız Çekin, Recep Yılmaz Argüden, Mehmet Hurşit Zorlu and Affan Nomak were elected to seats on the Corporate Governance Committee. Independent Board member Hüseyin Faik Açıklın functions as the Committee Chairman.

Our corporate website (www.migroskurumsal.com) is regularly updated in order to provide information on the Company to our shareholders. In addition, dedicated websites are available on each of our Company’s formats for the information of the general public and our stakeholders. In addition to forming a part of its integrated annual report, Migros’ corporate governance principles compliance report may also be found in the “Investor Relations” section of its corporate website and on the Migros page of the Public Disclosure Platform (KAP).

The most recent version of the Company’s articles of association that are in conformity with the Turkish Commercial Code and the Capital Market Law are posted on the corporate website (www.migroskurumsal.com) and on KAP.

Our Company is a member of the Investor Relations Association (TÜYİD) and the Corporate Governance Association of Türkiye (TKYD).



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

PART II - SHAREHOLDERS

2. 1 Investor Relations

The Investor Relations Department was set up under the responsibility of the assistant general manager for finance. The Investor Relations Department acts in compliance with the requirements of Turkish Commercial Code, capital market laws and regulations and with CMB regulations, communiques, and principles in the conduct of its activities. The Investor Relations Department is actively involved in making it easy for shareholders to protect and exercise their rights, including but not limited to, their rights to obtain information and to examine the Company's records.

The main duties and responsibilities of the Investor Relations Department are as follows;

- Manage general assembly meeting-related matters in compliance with the requirements of laws and regulations and of the Company's articles of association;
- Conduct matters related to share capital increases;
- Conduct matters related to dividend payments;
- Represent the Company before such agencies as the Capital Markets Board (CMB), Borsa İstanbul, the Central Registry Agency (MKK), and Takasbank and liaise with them;
- Maintain records pertaining to the Board of Directors, to committees set up within the board, and to general assembly meetings;
- Provide the Public Disclosure Platform with information about material events as required by the Public Disclosure Communique (VII-128.6), the Material Events Communique (II-15.1), and other pertinent regulatory requirements;
- Keep track of all matters related to public disclosures covered by the Company's public disclosure policy;
- Prepare documents that may be useful to shareholders at general assembly meetings and ensure that shareholders have easy access to these documents;

- Keep track of the requirements of laws and regulations and of CMB legislation;
- Inform senior management of matters and issues with which the Company must be in compliance;
- Prepare the Company's quarterly and annual reports;
- Coordinate efforts and activities related to Corporate Governance in harmony with the Corporate Governance Committee;
- Prepare quarterly and annual informational presentations and bulletins;
- Provide investment banks/brokerage analysts, fund managers, shareholders, and other stakeholders with information about the Company to the extent allowed by the Company's disclosure policy;
- Propose changes to keep the articles of association in compliance with current laws and regulations;
- Keep abreast of and analyze information about the sector;
- Respond to shareholders' queries and requests for information to the extent allowed by the Company's disclosure policy;
- Have shareholders' paper-form securities dematerialized;
- Contribute to the initiatives and efforts regarding sustainability.
- Coordinate the changes and developments in relation to Borsa İstanbul Corporate Governance and Sustainability Indices, in which the Company is included,
- Handle the processes related to the Company's corporate bond issuances,

The Investor Relations Department frequently prepares and submits to the Board of Directors a report of its most recent activities. Additionally, the Corporate Governance Committee makes quarterly presentations on the Company's corporate governance practices and investor relations activities.

All shareholders who wish to obtain information about the Company may submit their requests by email to yatirimci@migros.com.tr and/or by calling +90 850 200 4000 Customer Service Line and +90 579 3405 Investor Relations Line. All other channels of communication are also available to shareholders.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Member of the Executive Committee (CFO): Ferit Cem Doğan

Email: cemdo@migros.com.tr

Investor Relations and Risk Management Director: Dr. Affan Nomak

Email: affann@migros.com.tr

Capital Market Activities Level 3 License No: 204627

Corporate Governance Rating Specialist License No: 700482

Investor Relations and Corporate Compliance Group Manager: Ahmet Hüsametdin Özkök

Email: ahmeto@migros.com.tr

Capital Market Activities Level 3 License No: 209815

Corporate Governance Rating Specialist License No: 702068

The activities of the Company in 2023 are itemized below.

Teleconferences conducted during the year: 4

Investor presentations concerning the Company's financial results: 4

Financial press releases concerning the Company's financial results: 4

Material event disclosures sent to the Public Disclosure Platform: 86

Board of Directors resolutions passed: 41

Domestic and international conferences and roadshows taken part in: 9

Analysts and fund managers met with during the year: 250+

2.2 Shareholders' Rights to Information Disclosure

Informing

The Investor Relations Department endeavors to respond to requests for information about the Company that it receives as quickly as possible and without making any distinctions among shareholders. Mindful of shareholders' right to be informed and of their right to have simultaneous, convenient access to information, announcements about the Company are also published on the Company's corporate website.

Immediately after each announcement of the Company's quarterly results, teleconferences concerning the investor presentation published on our website were conducted. During these teleconferences, detailed information was provided about the presentation.

The shareholders' right to receive and review information as stipulated by the law is not eliminated or restricted neither by any provision contained in the Company's articles of association, nor by any practice based on the Company management's decision.

Auditing

At the meeting of the Board of Directors of Migros, held on 29 March 2023, it was decided according to the proposal by our Audit Committee that PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. be elected as the independent audit company for the 2023 fiscal year. This decision was submitted to the General Assembly for approval, according to the Board's resolution.

The Migros general assembly of shareholders voted to approve, as the Company's independent auditor for 2023, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., which had been selected by the Board of Directors.

A two-member Audit Committee has been formed by the Board of Directors of Migros. Under article 4.5.3 of the CMB's "Communiqué concerning corporate governance principles (II-17.1)", all of the members of the Audit Committee must be selected from among the Company's independent board members.

At a meeting of the Board of Directors on 3 May 2023, a resolution was passed to reconstitute the Audit Committee as a two-person body whose members are both independent board members and Şevki Acuner and Barış Tan were elected to fill these seats. As also required by Capital Markets Board regulations, Şevki Acuner was designated as the committee's chairman. Independent Board Member Hüseyin Faik Açıkalin was appointed to replace Şevki Acuner, who resigned from his positions as a member and Chairman of the Audit Committee.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

The Company's articles of association contain no provisions that complicate the conduct of a special audit. The Company management avoids undertaking any transaction that would complicate the execution of a special audit. No requests for performance of a special audit at the Company have been received during the reporting period.

The internal audit activities of the Company are discussed in the relevant sections of the Corporate Governance Principles Compliance Report.

2.3 General Assembly Meetings

Attention is given to covering all issues whose discussion is statutorily mandated when determining items for the agendas of general assembly meetings. Care is taken to express general assembly agenda items clearly and to include each item under a separate and specific heading. General assembly meeting announcements are published in the Turkish Trade Registry Gazette, on the Public Disclosure Platform (KAP), on the Central Registry Agency's (MKK) electronic general assembly portal (e-GAM) and e-Company portal, and on the Company's corporate website so as to give all shareholders convenient access to these announcements. A general meeting information document containing detailed information about agenda items, the CVs of company directors, the Board of Directors' proposal on dividends and their payment schedule (including reasons for not paying a dividend), and other relevant information is published on the Migros corporate website (www.migroskurumsal.com), as well as on the KAP, e-GKS, and e-Şirket portals.

General assembly meetings are held physically at the Company's headquarters (Atatürk Mahallesi, Turgut Özal Bulvarı No: 7, 34758 Ataşehir, İstanbul) and are simultaneously conducted electronically through the electronic general assembly system. General assembly meetings are open to all stakeholders and are attended by media representatives.

Company officers responsible for the preparation of financial statements and a representative of the independent auditor attended the general assembly meeting so as to provide such information as might be needed and to respond to any questions.

A separate item concerning charitable donations provided during the year is included in general assembly meeting agendas and shareholders are provided with information about them.

Annual General Assembly Meeting

The annual general assembly meeting at which Migros' 2022 activities and accounts were examined took place on 11 April 2023 at 14:00 at the Company's head office building located at the address of Atatürk Mahallesi, Turgut Özal Bulvarı No: 7, 34758 Ataşehir, İstanbul and it was also simultaneously conducted electronically through the MKK's e-GAM. The meeting was observed by ministry

representative Nuran Devrim, who had been charged with this duty by İstanbul Trade Directorate letter numbered 84412763 and dated 7 April 2023.

2022 balance sheet and income statement, the Board of Directors' annual report, independent auditors' report, and proposal for the distribution of the year's dividends were made available for the examination of shareholders at the Company's headquarters, on its corporate website at www.migroskurumsal.com, and on the electronic general assembly portal during the three weeks preceding the meeting.

An examination of the attendants list showed that 11,645,544,576.7 shares out of a possible 18,105,423,300 corresponding to TL 116,455,445.767 of the Company's TL 181,054,233 in capital were represented at the meeting.

Immediately after the meeting, its minutes and attendants list were reported to the Public Disclosure Platform and were also published under the "Information about general assembly meetings" heading of its corporate website at www.migroskurumsal.com. General meeting decisions involving matters that are subject to mandatory registration were registered with the İstanbul trade registry and announced in issue 10817 of Türkiye Ticaret Sicili Gazetesi on 24 April 2023. Prior to the meeting, no shareholders submitted any proposals for items to be included in the meeting's agenda.

The total amount of charitable donations and aids made during the reporting period have been presented for the information of shareholders at the Company's Annual Ordinary General Assembly Meeting. In 2022, the Company's charitable donations to organizations and campaigns including Educational Volunteers Foundation of Türkiye, Aegean Forest Foundation, Koç University, Anadolu Education and Social Assistance Foundation, Turkish Education Foundation, Turkish Red Crescent Association etc. amounted to TL 1,410,405.62.

Under the CMB Corporate Governance Communiqué App. 1, principle no. 1.3.6., shareholders were informed that there were no material transactions carried out in 2022, which were of the nature mentioned in the said principle.

The decisions passed at the 2022 Ordinary General Assembly Meeting have been carried out.

2.4 Voting Rights and Minority Rights

As is stipulated in Migros' articles of association, there are no special voting rights at the Company. All votes are of equal weight. Every shareholder at a general assembly meeting is entitled to cast as many votes as the number of shares that they hold. There are no shareholders with cross-shareholding interests. The articles of association provide for no special privileges and/or similar rights with respect to representation on the Board of Directors. Four of the twelve members of the Board of Directors are independent members.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

The Company avoids engaging in any and all manner of practices that might obstruct the exercise of shareholders' voting rights and takes maximum care to make sure that the Company's minority rights are exercised in view of the applicable legislation and the provisions of the articles of association.

Those who are entitled to cast votes at general assembly meetings may exercise those rights personally and they may also designate a proxy, who may or may not be a shareholder themselves, to do so on their behalf. A specimen of the proxy statement for shareholders not personally attending a meeting is posted at the Company's headquarters, on its corporate website (www.migroskurumsal.com), and at the Public Disclosure Platform (KAP) and the MKK's e-GAM portal and is also published in the Turkish Trade Registry Gazette along with the general assembly meeting summons.

Voting on agenda items at general assembly meetings is by an open show of hands by shareholders who are physically present; electronic voting is provided for shareholders who are attending meetings in an electronic environment. Once voting has been completed, the results of physically cast and electronically cast votes are consolidated in the e-GAM.

2.5 Dividend Rights

There are no privileges regarding participation in the Company's profit. Profits are distributed within statutorily prescribed periods of time and as soon as possible after a general assembly meeting has taken place. The actual payment dates are determined by the general assembly.

Payment of dividends has always been an important matter for Migros, which always aimed to protect the interests of its shareholders. The utmost attention is given to the fine balance between the growth strategy and dividend payment policy.

Dividend Policy

Migros shareholders at the company's ordinary general meeting approved the company's new dividend policy on 11 April 2023. The policy reads as follows:

"Our Company conducts a dividend distribution policy within the framework of the provisions of the Turkish Commercial Code, Capital Markets Legislation, Tax Regulations and other relevant legislation as well as the provisions of our Articles of Association regarding the dividend distribution.

In line with the Corporate Governance Principles, a balanced and accurate policy is followed between the benefits of the shareholders and the Company. By taking our Company's long-term strategies, investment and financing plans as well as its profitability into consideration, our Company targets to distribute 50% of its annual net distributable profit every year, in cash or in the form of bonus shares of stock, or some combination of the two. This policy is subject to the Company's cash flow projections,

forward looking expectations on its operations, investment plans and economic conditions. The General Assembly may decide to distribute dividend which differs from the targeted percentage by taking all these factors into consideration.

Dividend distribution shall start latest by the end of the fiscal year in which the General Assembly approves the dividend distribution.

The Company may decide to distribute dividend in advance or distribute dividend with either equal or different installments, in compliance with regulations in effect."

The Board of Directors' dividend distribution proposal for 2022 was discussed at the General Assembly meeting convened on 11 April 2023. Accordingly it was decided;

- to distribute gross dividends of TL 472,000,000.00 to be fully paid in cash, after allocating TL 47,200,000.00 of secondary legal reserves, from "other distributable resources" in the consolidated financial statements prepared in accordance with the capital markets legislation and in the legal records prepared in accordance with the Tax Procedure Law.
- to pay dividend TL 2.6069536 gross=net for shares at the nominal value of TL 1 for our shareholders which are full taxpayer institutions or limited taxpayer institutions obtaining dividend through a workplace or permanent representatives in Turkey,
- to pay gross dividend of TL 2.6069536 and net dividend of TL 2.3462582 (by deducting 10% withholding tax) cash for shares at the nominal value of TL 1 for our other shareholders,
- to start dividend distribution on 30 May 2023 upon completion of the legal process following the General Assembly Meeting and to authorize the Board of Directors to engage in necessary transactions.

These dividends have since been paid in full.

Since the legal limit in the Article 519 of the Turkish Commercial Code has been reached, the allocation of primary reserve is not required.

2.6 Transfer of Shares

The Company's articles of association contain no provisions restricting the transfer of its shares. Transfers of the Company's shares are subject to the provisions of the Turkish Commercial Code and of capital market laws and regulations. Subject to the satisfaction of specific conditions, the Company may acquire its own shares and accept them as collateral.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

The Company's capital structure as of 31 December 2023 is as follows:

Migros Ticaret A.Ş. Shareholder Structure		
Shareholder	Share Amount (TL)	Share (%)
MH Perakendecilik ve Ticaret A.Ş.	89,046,058	49.18
Others	89,046,059	49.18
Migros Ticaret A.Ş.	2,962,116	1.64
Total	181,054,233	100.00

PART III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1 The corporate Website and Its Content

Any and all manner of information and announcements that might have an impact on the exercise of shareholders' rights is made available to shareholders on an up-to-date basis via the corporate website. The website addresses all of the matters set forth in Corporate Governance Principles.

The Company has a dedicated website for each one of its formats. Our corporate website contains the following sections and their associated sub-sections:

- About Us
- Investor Relations
- Sustainability
- Media
- Career
- Contact Us

Besides addressing the matters set forth in section 2.1 ("Corporate Website") of CMB Corporate Governance Communique II-17.1, the Migros corporate website also contains information about many other subjects.

The Investor Relations section of our corporate website covers the main headings of "Corporate", "Financial Information", "General Assembly", "Contact Us" and "Frequently Asked Questions". Our investors can find more detailed information about Migros in the subsections under these main headings. Our "Investor Relations" page is updated as circumstances warrant and as required by law. Every effort is made to make such information easily accessible to stakeholders.

The corporate website also contains trade registry information and the shareholding structure in Turkish and English as required by law.

In addition, the Company's "Privacy and Data Security Policy" is also available at our corporate website. The Policy is intended to clarify the types of data we collect, the reasons and methods of data collection, the purposes such data are used for, and the steps taken to ensure their security.

3.2 Annual Report

The annual report is prepared in such a way as to contain all of the matters specified in the Turkish Commercial Code, in "Regulations concerning the determination of minimum content in companies' annual reports" (published in issue 28395 of Official Gazette on 28 August 2012), and in the corporate governance principles set forth in the appendix to CMB Corporate Governance Communique II-17.1. As so required, the Board of Directors has an annual report prepared that provides the public with complete and truthful information about the Company's activities.

The following information is provided under the "Board of Directors" heading of the corporate governance principles compliance report section of the annual report: statements pertaining to information about members of the Board of Directors, to duties that executives undertake outside the Company, and to the independence of independent members; information pertaining to committees set up within the Board of Directors that includes their working principles, members, frequency of meetings, and performance along with the board's assessments of the committees' effectiveness; information pertaining to the number of Board of Directors meetings held during the year and members' attendance at them.

The corporate governance principles compliance report also contains, in appropriate sections, information about: changes in the legal framework that may significantly affect the Company's activities; significant lawsuits filed against the Company and their potential consequences; conflicts of interest between the Company and those from which it obtains investment advisory, rating, and similar services along with measures taken by the Company to preclude such conflicts; cross-shareholding interests that involve more than a 5% capital stake; information about corporate social responsibility issues including employee rights, professional/occupational training, and other company activities that have social and/or environmental consequences.

PART IV - STAKEHOLDERS

4.1 Informing Stakeholders

Migros corporate governance practices observe stakeholders' rights as embodied in laws and regulations and in its contractual agreements. The Company keeps stakeholders informed about issues that may be of concern to them through a variety of communication channels including, but not limited to, its corporate website at www.migroskurumsal.com. Policies and procedures concerning stakeholders' rights (Anti-Bribery and Anti-Corruption Policy, Compensation Policy, Responsible



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Supplier Policy, etc.) are posted on the corporate website. Company employees, shareholders, and other individuals and entities with which the Company has a shareholding and/or business relationship may submit suggestions and complaints about such issues directly to company executives. All such submissions are considered and responded to as circumstances require.

Migros publishes the names and contact information of the department heads of the Company on its corporate website (www.migroskurumsal.com) thus making it possible for stakeholders to directly contact the manager overseeing a particular issue and direct their questions and opinions to the relevant person firsthand. The objective of this model is to allow for the establishment of a more transparent and effective communications model between the Company and its stakeholders.

Necessary mechanisms have been set up to let stakeholders report any violations of laws and regulations by the Company and any involvement by the Company in dealings that may be unethical, if applicable. Stakeholders are provided with clear and explicit information about the Corporate Governance Committee, the Audit Committee, and the members of both so that they may contact these committees directly in order to report any such issues.

The Company keeps shareholders and other interested parties informed through such means as press releases and investor presentations.

The section of the Migros Code of Conduct concerning employees is presented under the title of "Rules of Ethics" and other principles are presented below:

The Responsibilities of Migros Towards Other Companies

1. Migros abides by the law in all of its activities.
2. Migros does not derive any unlawful benefit from any person or entity under any circumstances. Procurement decisions regarding goods and services are made based on well-established and publicly disclosed criteria.
3. It is important for Migros that its business partners do not damage its image and reputation and that they respect the accepted business values of the Company.
4. Migros checks and monitors the services it obtains on an ongoing basis from other organizations to ensure that they are provided in full legal compliance.
5. Migros does not share the confidential information of its suppliers with any third party without permission.

Social Responsibilities of Migros

1. Migros strives to upgrade its service standards in order to satisfy the expectations of its customers.
2. Migros seeks to set an example for the community by fulfilling all of its tax and other obligations in a complete and timely manner.
3. Migros does not make any derogatory, derisive or offensive statements about other companies, organizations, products or individuals.
4. Migros takes the utmost care in all its activities to preserve nature and historic integrity while acting in accordance with customs and traditions of the community and observing legal rules and regulations.
5. Migros stands for business ethics in its industry and strives for the establishment, dissemination and adoption of these principles.

The responsibilities of Migros Employees Towards The Company

1. Migros employees categorically reject any pecuniary or non-pecuniary incentives which may come from any third parties within their areas of responsibility.
2. Migros employees inform their immediate superiors whenever they enter into a direct business relationship with a company in which a close relative is employed or he/she is a minority or majority partner.
3. Migros employees take utmost attention and care in their duties and they make every effort to ensure that the work they perform is higher in quality, faster and more efficient.
4. Migros employees are obliged to refrain from endangering the health and safety of themselves and of other employees who are affected by their actions and their jobs in line with the occupational health and safety training they received and with the employer's relevant instructions.
5. Migros employees are obliged to operate the machinery, equipment, devices, tools, dangerous materials, transportation equipment and other production machinery in the workplace in accordance with their respective guidelines, to properly use protective equipment, not to remove and change such protective equipment arbitrarily, and to cooperate with the employer and employee representatives to assure occupational health and safety in his/her respective job area, in accordance with the employer-provided training and instructions.
6. Migros employees refrain engaging in any action or behavior which would damage the image and reputation of the Company and during work hours they comply with the generally accepted code of conduct and the dress policy of the Company.
7. Migros employees do not remain indifferent or silent in any situation which runs counter to the interests of the Company and shall notify the concerned business units.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

8. Migros employees avoid waste by putting all the fixtures, tools and equipment owned by the Company to use for their intended purposes. The employees do not use the resources and facilities of the Company for their own private benefit.

9. Migros employees do not divulge any confidential or private information which they might be privy to due to their position or the work they perform outside the Company and they do not give interviews or make statements of any kind to any media organization without the prior consent of the Company management.

The responsibilities of Migros Employees Towards Other Employees

Migros employees do not share the private information regarding their co-workers they might be privy to with other third parties outside the Company. Our Company is against any and all sorts of behavior that will tarnish its employees' reputation and honor, or that constitutes infringement of its employees' personal and employment rights; and any and all sorts of harassment (psychological harassment, mobbing, sexual harassment) that disturbs physical, psychological and social health and negatively affects the working life of our employees and our Company, and aims to develop and maintain a fair and respectful working environment for all employees.

Migros employees are obliged not to endanger the health and safety of themselves and of other employees who are affected by their actions and their jobs in line with the occupational health and safety training they received and with the employer's relevant instructions.

General Responsibilities

"The Migros Business Ethics Committee" is responsible for dealing with issues that are not addressed by the principles set forth above.

4.2 Stakeholders' Participation in the Company Management

The employees' participation in management is regulated by internal guidelines. Article 7 of "The Company's Responsibilities toward its Employees" section of the Migros Code of Conduct reads as follows: "In matters that are related to employees, Migros seeks to include the opinions of its employees as much as possible in any decision concerning the future of the Company."

Accordingly, management of Migros gives a great deal of attention towards the achievement of this goal. Stakeholders' opinions are sought in material decisions bearing impact with respect to them. As part of our business conduct, Migros employees participate in the decision-making processes concerning their respective areas of work. Migros employees have the opportunity to communicate their new ideas, proposals and demands to the senior management of the Company and Members of the Board of Directors directly or electronically via intranet, the Company's internal communication platform.

The management body, through which our employees are represented at our stores, is the Workplace Union Representative committees. In addition to overseeing the enforcement of the provisions of the collective bargaining agreement, Workplace Union Representatives discuss the complaints and requests communicated by our employees or by our Company with the employer representatives. In addition, they are also represented in various committees such as the Occupational Health and Safety Committee on which they are members, and on committees set up for various projects.

A "Working Life Assessment Survey" is conducted every year by an independent research company in order to measure and further improve the levels of Migros employees' job satisfaction and company loyalty. The findings from the survey form the basis of new administrative decisions to be made each year.

An annual Goal-Awareness Workshop is conducted in order to ensure that the Company's targets and strategies are fairly, equally, and clearly understood by all Migros employees. Representatives attending the workshop have a direct impact on the determination of the Company's annual goals. The goals setting the main strategy of the Company are objectively deployed across all departments.

4.3 Human Resources Policy

Migros Human Resources aims to act as a strong business partner that recruits and develops the qualified, customer-oriented and differentiating human capital which will further improve the Company's leading position in the sector, and that helps achieve the goals for the entire organization.

The Company has espoused an employment policy providing equal opportunities and succession planning for all key managerial positions. The said planning is reviewed every year by the senior management.

Information about company employees' job descriptions and accountabilities and about performance and reward criteria is provided for employees' information through the Migros Human Resources Portal.

Our Principles Strategic Use of Human Resources:

The Human Resources Department of Migros places the human element on a high pedestal by giving it great strategic importance and creates awareness of its strategic value in all of domestic and overseas units of Migros. Human resources strategies are designed to create and develop a reliable, fast and proactive organizational structure to sustain the industrial leadership of Migros in a competitive business environment. Employees are considered a strategic resource for it is believed that their experience and creativity would be the driving forces in the adaptation of the Company to fast-changing competitive environment and new markets.

Superior Business Ethics and Integrity:

In all dealings with employees, the Company accepts as a fundamental principle to act fairly, in good faith and in an understanding manner abiding by the rules of law and ethics.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Occupational Safety:

Migros assures its employees that it will fulfill all of its obligations towards them, including those at all of its subsidiaries, in compliance with the relevant laws and regulations. The Company, in order to ensure the safety of its employees in the workplace, complies not only with all legal requirements and regulations stipulated by the Labor and Occupational Safety Law but also with the industry standards on ergonomics and improvement of the working environment. Civil defense activities, which are of great importance for our country, and theoretical and practical training are also provided in cooperation with the concerned public institutions.

Equal Opportunities:

Migros provides services to its customers both in Türkiye and abroad through an employee workforce comprising of individuals coming from many different linguistic, religious and ethnic backgrounds. All human resources-related decisions from recruitment and placement to compensation are governed by job position profiles defined in detail. Through the human resources staff evaluation systems, Migros objectively monitors and assesses the competencies, skills and performances of its employees by common principles applied to all. Migros provides equal training, promotion, and career development and compensation opportunities to each of its employees based on the evaluation results through the Integrated Human Resources systems deployed by the Company.

Human Resources Management:

The management of human resources processes and relations with employees at our Company, in line with established human resources policies and principles, is the responsibility of the Chief Human Resources Officer ; this function is clearly defined and undertaken within the regulations and business ethics principles of the Company.

Participation and Transparency:

Managers and employees at Migros' domestic and overseas subsidiaries are the integral parts of human resources practices at Migros. Employees are updated on their roles and responsibilities regarding human resources policies and provided with guidance in fulfilling those responsibilities.

Human resources policies and processes are shared with employees on a regular basis by means of the communications resources (intranet, e-mail, distance learning and meetings) of the Company. Employees have access to employee evaluations and are able to receive training and information on the practices and can monitor their individual results.

Assemblies are also conducted as necessary to inform and discuss with employees issues of concern to them such as the Company's financial standing, compensation, career paths, training, and health.

Competitiveness:

Migros plans and manages the professional development of its employees to help them sustain their competitiveness not only within the Company itself but also on a professional level so as to allow the contribution of positive values to the economy, environment and community.

Commitment to Shared Values:

Our Corporate Culture is based on our shared values. These values are:

1. Reliability
2. Leadership
3. Empathy
4. Customer-orientation
5. Productivity
6. Innovativeness.

Actions of employees contradicting the Company's shared values are dealt with appropriately and impartially through the warning system and disciplinary committee procedures. Conducting relations with employees at Migros is the primary function of the Industrial Relations Department. The objectives of this Department are to ensure that all laws and regulations are fully complied with by the Company, oversee the legal and contractual rights of the employees and manage employee rights so as to maintain labor peace and fulfill all legal obligations.

Our employees who have completed one working year with our Company receive indemnity payment in cases set out by the law, and necessary financial provisions are set aside for this purpose, which are publicly disclosed in our financial statements.

4.4 Code of Ethics and Social Responsibility

The Principles of Business Ethics of Migros are grouped under the following headings:

- The responsibilities of the Company towards its employees
- The responsibilities of employees towards the Company
- The responsibilities of Migros towards other companies
- Responsibilities of the Company towards the society
- General responsibilities.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

The responsibilities of the Company towards its employees and the information about the other categories of business ethics principles have been described in the various sections of this Corporate Governance Compliance Report. The Migros Code of Ethics may be accessed from the Company's corporate website at www.migroskurumsal.com.

The Company considers its employees as one of its most valuable assets in today's tough market conditions. One of our Company's greatest competitive advantages is its experience in the industry and qualities possessed and continuously improved by its employees.

The responsibilities of Migros towards its employees:

1. Migros is in full compliance of its legal obligations to its employees; in situations where the requirements of law are ambiguous, Migros consults professionals who are experts in the relevant fields.
2. Migros protects the rights of its employees within the framework of its business ethics rules in situations where laws do not sufficiently address to.
3. Candidates for employment, promotion and appointment are evaluated based on their qualifications; all employees are provided equal opportunity.
4. Migros does not get involved in the personal affairs or private lives of its employees and holds all of the private information about its employees in strict confidence.
5. Migros helps its employees to develop professionally and personally by providing them training.
6. Migros does not discriminate on the basis of sex, age, ethnic origin or religion.
7. In matters that are related to employees, Migros seeks to include their opinions as much as possible in any decisions that are related to the future of the Company.
8. Migros provides hygienic and safe working conditions as dictated by the requirements of law and circumstances, and seeks to improve them to the best of its ability.
9. Migros holds private information about its employees that it may receive through various means in strict confidentiality and does not divulge any of it (e.g. medical records, shopping habits, economic data, and the like).

Within the framework of its ethical guidelines, Migros defines its responsibilities to society as follows.

1. Migros strives to satisfy the service quality standards that its customers expect of it.
2. Migros seeks to fulfill its tax and other legally prescribed obligations in a complete and timely manner and to conduct itself in an exemplary manner in the public eye.
3. Migros makes no statements that could be deemed to be condescending, sarcastic or offensive concerning other companies or organizations, goods, or individuals.
4. Migros takes pains in the conduct of its activities to protect the natural environment, to avoid harm to the historical heritage, and to act in keeping with customs, habits, and traditions. Migros complies with the requirements of law on all such issues.
5. Migros stands for business ethics in its industry and strives for the establishment, dissemination and adoption of these principles.

Migros' corporate culture includes its concern for public health and hygiene, sensitivity toward identifying and satisfying societal needs, organization of and participation in exemplary educational, cultural, athletic and social activities essential for social development as well as its corporate identity as an "Honest Retailer" sensitive to the environment.

As required by its sense of corporate social responsibility, Migros operates in compliance with laws, the rules of ethics, and respect for human rights in the conduct of all consumer-related services; fulfills the responsibilities incumbent upon it in the furtherance of registered-economy activities that give back to society by enriching national resources; contributes to formal employment through its upholding of statutorily-mandated employee rights. The Company also shares its sense of social responsibility with its social stakeholders - employees, suppliers, subsidiaries, investors and consumers and with the public at large. Great importance is given to supporting and spreading of such pioneering and value-adding practices for the improvement of the society.

Migros is aware a good reputation can be ruined in a single blunder. Migros acts ethically and with integrity in every practice it engages in. The Company is well aware that trust cannot be won easily, and that it is a bond that grows and develops slowly over a long period of time between a company and its customers and that once broken, cannot be saved by quick fixes. Migros has been protecting the good health and rights of its customers since its inception. Many innovative practices introduced by Migros encourage good shopping habits and foster consumer awareness. These practices subsequently became industry standards and some have even been made into law.

Detailed information about the Company's social responsibility activities is provided in appropriate sections of the annual report.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

PART V - BOARD OF DIRECTORS

5.1 Structure and Composition of the Board of Directors

All of the members of the Migros Board of Directors possess the qualifications required of them in article 4.3 of CMB Corporate Governance Communiqué II-171. All of them are professionals distinguished by virtue of their exemplary business knowledge, experience, and background.

The Board of Directors identifies strategic objectives taking into account both the requirements of laws and regulations and the Company's articles of association and internal directives. The board formulates the most appropriate balance among between growth and the issues of risk vs return in line with these objectives and, mindful of the Company's long-term interests, administers the Company transparently, accountably, justly, and responsibly.

The Migros Board of Directors consists of twelve members, all of whom are elected by shareholders at a general assembly meeting. The board's membership consists of non-executive board members, except CEO Ömer Özgür Tort. In the company, the duties of Chairman of the Board of Directors and CEO are fulfilled by different people. Among the board members are independent members who have the ability to act with absolute impartiality in the conduct of their duties.

According to article 4.3.4 of CMB Corporate Governance Communiqué II-171, the number of independent board members must not be fewer than one-third of a board's total membership. When determining how many independent board members a board must have, fractions are rounded up to the nearest whole number but in no case may the number of independent board members be fewer than two. In compliance with this rule, four of the twelve members of the Migros Board of Directors are independent members.

Under the articles of association, board members serve for three-year terms at most unless a shorter term of office is specified at the general assembly meeting at which they are elected. A board member whose term of office expires may be reelected. Shareholders assembled in a general assembly meeting may, for just cause and at any time that they deem such action to be necessary, dismiss any board member whether or not such an item is on the meeting agenda.

The Corporate Governance Committee, which performs the duties of a nomination committee at Migros, has created a pool of prospective independent board members during 2023 and the nominees have been presented in a report to the Board of Directors.

There are no binding rules governing board members, other than independent board members, undertaking duties outside the Company. However, the conditions stipulated in the Corporate Governance Communiqué are abided by with respect to outside duties undertaken by independent board members. According to the limitation imposed, they may not serve as independent board members at more than three companies where shareholders having management control over the Company have management control and in the aggregate, at more than five companies traded on

the stock exchange. The duties board members undertake outside the company are presented for the information of shareholders through the General Assembly Information Document at the General Assembly Meeting.

Migros Corporate Governance Committee has set a target (25%) for assignment of women members on the Board of Directors, and has made a recommendation in writing to the Board of Directors. The Board of Directors set the minimum ratio of women members as 25% and formulated a policy to achieve this goal. As a matter of principle, there are no barriers to women serving as members of the Board of Directors, at a number which will not be less than 25% of the number of all members. It has been reckoned that women members possessing academic and industrial experience who will contribute value to the Company can serve on the Board of Directors.

The composition of the Board of Directors is reviewed annually, upon which the Board of Directors devises plans accordingly. Esel Yıldız Çekin, a member of the Board of Directors, has been serving on the Migros Board of Directors since 29 April 2020. Consequently, one woman member has been serving on the Company's Board of Directors composed of 12 members.

Board of Directors

Name	Title	Appointed on	Term
Tuncay Özilhan	Chairman (Non-executive)	11 April 2023	1 Year
Kamilhan Süleyman Yazıcı	Vice Chairman (Non-executive)	11 April 2023	1 Year
Talip Altuğ Aksoy	Member (Non-executive)	11 April 2023	1 Year
Mehmet Hurşit Zorlu	Member (Non-executive)	11 April 2023	1 Year
Esel Yıldız Çekin	Member (Non-executive)	11 April 2023	1 Year
Rasih Engin Akçakoca	Member (Non-executive)	11 April 2023	1 Year
Recep Yılmaz Argüden	Member (Non-executive)	11 April 2023	1 Year
Ömer Özgür Tort	Member and CEO (Executive)	11 April 2023	1 Year
Hüseyin Faik Açıkalın	Independent Member (Non-executive)	11 April 2023	1 Year
Emre Ekmekçi	Independent Member (Non-executive)	11 April 2023	1 Year
Bariş Tan	Independent Member (Non-executive)	11 April 2023	1 Year
Bekir Ağırdır*	Independent Member (Non-executive)	04 September 2023	1 Year

*Migros independent director Şevki Acuner, who was elected as board member on 11 April 2023, resigned his seat on the Board of Directors. With the approval letter of Capital Markets Board dated 4 September 2023, Bekir Ağırdır was appointed to fill the board vacancy until the next meeting of the Migros general assembly of shareholders.

Age Distribution of the Board of Directors

30-50	58%
Over 50	42%



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Independent Board Members' Affidavits

To the Board of Directors of Migros Ticaret Anonim Şirketi ("the Company"):

Owing to my having been proposed as a candidate for a seat as an independent board member on your Company's Board of Directors at your Company's general assembly meeting for the year 2022, I hereby declare and wish it to be known by all Company organs, shareholders, and other interested parties that I am a candidate to serve as an independent board member at the Company within the framework of the Company's articles of association and the criteria of the Capital Markets Board's Corporate Governance Principles and that I possess the qualifications to do so and furthermore:

a) That neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an administrative capacity involving significant duties and responsibilities, owned more than 5% of the capital or voting rights or privileged shares either jointly or individually, or have established a significant commercial relation with the Company, or with corporations over which the Company holds management control or significant influence or with shareholders who hold management control over the Company or have significant influence over the Company, or with legal entities controlled by these shareholders,

b) That within the most recent five years, I have not been a shareholder (5% and more), not worked in an administrative capacity undertaking significant duties and responsibilities or not served as a member of the board of directors in any company, particularly companies involved in the Company's auditing (including tax audit, statutory audit, internal audit), rating, or consulting functions that the Company purchases or sells a substantial amount of goods or services within the framework of the contracts executed, during the period of such sale or purchase,

c) That, as may be seen from my resume, I am possessed of the professional training, knowledge, and experience necessary to duly fulfill the duties I shall undertake as an independent member of the Board of Directors;

d) That, as of the date on which my candidacy for board membership was proposed and this affidavit is submitted, I am not a full-time employee of any public agency or organization and that, if elected, I shall not be for the duration of my term of office;

e) That I am a resident of Türkiye as defined in the Income Tax Law;

f) That I am possessed of ethical standards and of professional repute and experience sufficient to enable me to make a positive contribution to the Company's affairs, to maintain my impartiality in any disputes that may arise among the Company's shareholders, and to come to decisions freely on the basis of all stakeholders' interests;

g) That I will be able to devote to the Company's affairs an amount of my time sufficient to keep track of the conduct of the Company's activities and to fully satisfy the requirements of the duties I will be undertaking

h) I have not served as a member on the Company's board of directors for more than six years within the last ten years,

i) I have not served as an independent board member in more than three companies over which the Company or the controlling shareholders of the Company hold management control and in more than five listed companies in total.

j) That I am neither registered nor designated as a representative of any legal entity that controls a seat on the Board of Directors.

Hüseyin Faik Açıkalın

Emre Ekmekçi

Barış Tan

Bekir Ağırır

Independent Member of
Board of Directors

Independent Member of
Board of Directors

Independent Member of
Board of Directors

Independent Member of
Board of Directors



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

5.2 Operating Principles of the Board of Directors

In line with corporate governance principles, the Migros Board of Directors maintains transparency, accountability, fairness, and responsibility in the conduct of its operations. Through a value-driven business model and integrated approach, the board embraces governance principles that are compatible with the interests of all stakeholders. Recognizing the value of planning for the future today, Migros places sustainability at the core of its operations. This approach, combined with a focus on meeting the needs and expectations of all stakeholders, drives the company's commitment to long-term value creation. Taking the opinions of its internal committees into account, the Board of Directors devises internal control systems that incorporate risk management and information mechanisms and processes capable of minimizing the adverse impact of risks that might affect company stakeholders. The effectiveness of risk management and internal control systems is reviewed at least once a year. Information about the functionality and effectiveness of the internal control system is provided in the annual report.

As required by CMB Corporate Governance Communiqué II-171, the Board of Directors plays a proactive role in ensuring effective communication between the Company and its stakeholders and in addressing and resolving any disputes that may arise. To accomplish this, it cooperates closely with the Corporate Governance Committee and with the Investor Relations Department. During 2023 the Migros Board of Directors passed 41 resolutions on a variety of subjects. Majority of the full membership were present at every meeting in which these decisions were taken and the decisions were passed by a majority of those in attendance. Under the articles of association, invitations to board meetings may be sent out by the chairman (or his deputy) at least three days in advance of the meeting date by means of fax, letter, or email. These invitations indicate the meeting date, time, place, and agenda. Whenever the board is convened, it may agree upon a schedule for the regular conduct of meetings during the year.

A secretariat is charged with organizing and conducting meeting-related matters both before and after meetings are held. This secretariat is also responsible for the regular maintenance of meeting-related records, for making entries in the Board of Directors Book of Resolutions, and for making this register accessible to board members for their inspection. Any and all manner of views may be expressed during board meetings. If any dissenting votes are cast against a particular resolution, information about this is included in the minutes along with the justifications for such dissent. No dissenting opinions were entered into the minutes of any board meetings that took place during 2023. Any questions that may be raised by board members and the answers given to them are also entered into the minutes. Issues pertaining to board meetings and decision quorums are governed by the Turkish Commercial Code and the and the Articles of Association.

The agendas for board meetings are determined in line with the suggestions and guidance of board members and senior executives. Even if no other item has been placed on a meeting's agenda, the Company's monthly financial statements and investment program are discussed.

Each member of the Migros Board of Directors is entitled to one vote. No members have been granted weighted voting or veto rights.

Members of the Migros Board of Directors are covered by insurance against the risk that the Company may suffer a loss on account of misjudgment and errors in the performance of their duties. Liability insurance policies in the amount of USD 25 million have been taken out on board members and senior executives in 2023. This matter has been announced on KAP (Public Disclosure Platform).

Members of the Board of Directors are not allowed to vote in the issue of acquitting board members of their fiduciary responsibilities at general assembly meetings.

Duties and powers of the Board of Directors members can be found in the Company's Articles of Association available on the Company's corporate website (www.migroskurumsal.com) and on KAP (Public Disclosure Platform).

5.3 Number, Structure, and Independence of Committees Established within the Board of Directors

An audit committee, a corporate governance committee and an early detection of risk committee was set up both in compliance with the requirements of CMB Corporate Governance Communiqué II-171 and in order to help the Board of Directors better fulfill its duties and responsibilities. Owing to the structure of the board, neither a nominating committee nor a remuneration committee has been set up: the functions of such committees are performed by the Corporate Governance Committee. These committees' areas of responsibility, their working principles, and their memberships are determined and publicly disclosed by the Board of Directors.

Under CMB Corporate Governance Communiqué II-171, all audit committee members and the heads of other committees must be selected from among independent board members. Care is taken to avoid having any single board member serving on more than one committee. No executive board member or general manager may serve on these committees.

The activities of the board's Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee for 2023 have been reviewed and assessed by the board. It was ascertained that in the conduct of their operations these committees had been mindful of the requirements of laws and regulations and that their activities had a beneficial impact on the Company's practices.

The Audit, Corporate Governance, and Early Detection of Risk committees all report directly to the Board of Directors as required by the Turkish Commercial Code and by Capital Markets Board regulations. The Sustainability, Occupational Health & Safety, and Ethics committees report directly to the CEO.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GRI 2-9

a. Audit Committee

At a meeting of the Board of Directors held on 3 May 2023, it was decided that the Audit Committee should consist of two independent board members and that Şevki Acuner and Barış Tan were elected to fill these seats. In compliance with CMB regulations, Şevki Acuner was chosen to serve as committee chairman. Independent Board Member Hüseyin Faik Açıkalın was appointed to replace Şevki Acuner, who resigned from his positions as a member and Chairman of the Audit Committee.

Audit Committee

Hüseyin Faik Açıkalın	Committee Chairman	Independent Member	Non-executive
Barış Tan	Member	Independent Member	Non-executive

As required by CMB Corporate Governance Communiqué II-17.1, Migros Audit Committee members are elected from among the company's independent directors and have at least five years of professional experience in auditing, accounting, and/or finance.

Besides auditing the Company's accounting system and its publicly disclosed financial statements, the Audit Committee also oversees the operation and effectiveness of independent auditing and of the Company's internal control and internal audit systems. As required by Corporate Governance Principles, the selection of independent auditors, the preparation of independent auditing contracts and the initiation of independent auditing processes, and every stage of the activities of the independent auditors are subject to the oversight of the Audit Committee.

The Audit Committee determines methods and criteria that are to be applicable when examining and finalizing any complaints the Company receives about its accounting and internal control system or its independent auditing and when company personnel are given access to confidential reports about in-house accounting and independent auditing matters.

Every year, the Audit Committee submits its proposal for the designation of the Company's independent audit firm for the fiscal year from 1 January until 31 December.

Prior to the public disclosure of annual and interim financial statements and having consulted and obtained the opinions of the Company officers concerned and of the independent auditors, the Audit Committee provides the Board of Directors with a written declaration concerning its own assessment of the statements' compatibility with respect to the Company's approved accounting principles and of their truthfulness and accuracy.

The Audit Committee convenes at least four times a year. The results of these meetings are set down in minutes that are submitted to the Board of Directors along with any decisions that are taken. Information about the Audit Committee's operations and meeting results is included in the Company's annual report.

The Audit Committee works in coordination with the Early Detection of Risk Committee by way of holding joint meetings.

The Audit Committee immediately notifies the Board of Directors in writing of any findings it makes concerning its duties and areas of responsibility and of its assessments and recommendations concerning such matters.

Operating Principles of the Audit Committee

Purpose and Scope

Set up under the Capital Market legislation, the Audit Committee reports to the Board of Directors.

The purpose of the Audit Committee is to verify that the Company's accounting and reporting system runs in accordance with applicable laws and regulations, to supervise the audit and public disclosure of financial information, and the operation and efficiency of independent audit and internal control system.

Authority

The Audit Committee is formed and authorized by the Board of Directors, which also sets out its duties and operating principles. As and when it deems necessary, the Audit Committee seeks opinion from independent experts regarding its activities, and the cost of necessary advisory services are borne by the Company.

The Audit Committee acts within the frame of its authorization and responsibilities, and makes recommendations to the Board of Directors, which is ultimately responsible for the final decision at all times.

Detailed information about the Committee structure and meetings, duties and responsibilities, basis and enforcement is provided under the Investor Relations tab on our corporate website. (www.migroskurumsal.com).



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GRI 2-9

b. Corporate Governance Committee

The Migros Board of Directors has set up a corporate governance committee to oversee corporate governance practices at the Company and to coordinate the activities of the Investor Relations Department. The Committee targets continuous improvement of the Company's corporate governance practices. At its meeting on 3 May 2023, the board decided to elect Hüseyin Faik Açıklın, Esel Yıldız Çekin, Recep Yılmaz Argüden, Mehmet Hurşit Zorlu and Affan Nomak as the members of the Corporate Governance Committee. In compliance with CMB regulations, the board also decided to appoint Hüseyin Faik Açıklın to head the committee. The Committee meets at least four times a year and is formed of 5 members.

Corporate Governance Committee

Hüseyin Faik Açıklın	Committee Chairman	Independent Member	Non-executive
Esel Yıldız Çekin	Member	Not an Independent Member	Non-executive
Recep Yılmaz Argüden	Member	Not an Independent Member	Non-executive
Mehmet Hurşit Zorlu	Member	Not an Independent Member	Non-executive
Affan Nomak	Member	Not an Independent Member	Investor Relations and Risk Management Director

It was decided that the Corporate Governance Committee should also fulfill the duties of both a nominating committee and a remuneration committee as is allowed by CMB Corporate Governance Communiqué II-17.1. Accordingly and in the fulfillment of its duties as a nominating committee, the Corporate Governance Committee is responsible for creating a transparent system capable of identifying, vetting, and training suitable candidates to fill seats on the Board of Directors and to undertake management positions that have administrative responsibilities and to develop policies and strategies for dealing with such issues. The Corporate Governance Committee also makes regular assessments of the structure and efficiency of the Board of Directors and submits to the board its recommendations for possible changes in such matters.

In the fulfillment of its duties as a remuneration committee, the Corporate Governance Committee determines and oversees principles, criteria, and practices which are to be used in the remuneration of members of the Board of Directors and of managers with administrative responsibilities and which take the Company's long-term goals into account. The committee submits to the Board of Directors its recommendations concerning the remuneration that is to be paid to members of the Board of Directors and to managers with administrative responsibilities subject to the degree to which the recipients have satisfied remuneration-related criteria.

Operating Principles of the Corporate Governance Committee

Purpose and Scope

Set up under the Capital Market legislation, the Corporate Governance Committee reports to the Board of Directors.

In line with the CMB Corporate Governance Communiqué (II-17.1), the purpose of the Corporate Governance Committee is to establish whether corporate governance principles are implemented at our Company, the reasons for non-implementation, if applicable, and conflicts of interest resulting from failure to achieve complete alignment with these principles. The Committee is responsible for suggesting improvements regarding corporate governance practices to the Board of Directors and for overseeing the activities of the Investor Relations Department.

Pursuant to the Corporate Governance Communiqué, the Corporate Governance Committee fulfills the functions of the Nomination Committee and the Remuneration Committee, as well.

Authority

The Corporate Governance Committee is formed and authorized by the Board of Directors, which also sets out its duties and operating principles. As and when it deems necessary, the Corporate Governance Committee seeks opinion from independent experts regarding its activities, and the cost of necessary advisory services are borne by the Company.

The Committee acts within the frame of its authorization and responsibilities, and makes recommendations to the Board of Directors, which is ultimately responsible for the final decision at all times.

Detailed information about the Committee structure and meetings, duties and responsibilities, basis and enforcement is provided under the Investor Relations tab on our corporate website. (www.migroskurumsal.com).

c. Early Detection of Risk Committee

At a meeting of the Board of Directors held on 3 May 2023, it was decided to elect Şevki Acuner, Hüseyin Faik Açıklın and Talip Altuğ Aksoy to seats on an early detection of risk committee which had been set up in compliance with the requirements of Turkish commercial law, capital market laws and regulations, and corporate governance principles. As also required by Capital Markets Board regulations, Şevki Acuner was designated as the committee's head. Independent Board Member Barış Tan was appointed to replace Şevki Acuner, who resigned from his positions as a member and Chairman of the Early Detection of Risk Committee.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GRI 2-9, 2-14, 2-15

Early Detection of Risk Committee

Bariş Tan	Committee Chairman	Independent Member	Non-executive
Hüseyin Faik Açıkalın	Member	Independent Member	Non-executive
Talip Altuğ Aksoy	Member	Not an Independent Member	Non-executive

The Early Risk Detection Committee has the highest responsibility for managing, monitoring, and auditing risks, subject only to the oversight of the CEO. As defined by the Board of Directors in accordance with the Turkish Commercial Code and capital market laws and regulations, the activities of the Early Detection of Risk Committee consist of identifying, at an early stage, risks that might endanger the Company's existence, well-being, and continuity; of taking measures needed to deal with such risks; and of managing risk. The Early Detection of Risk Committee performs a review of risk management systems at least once a year. The committee convenes six times a year.

The Risk Management Group Department works closely with the Chief Financial Officer and Early Risk Detection Committee in the conduct of its operations. Whenever this department identifies risks, it quickly devises and implements measures to deal with them. The department tracks a variety of risk indicators, aiming both to anticipate and assess the likelihood and impact of potential risks and to identify the factors contributing to their existence. Risk-monitoring, management, and control functions are key performance indicators (KPI) for those responsible for such issues and have a direct impact on their annual performance bonuses: 40% in the case of the head of the Risk Management Group and 5% in the cases of the director of investor relations & risk management (to whom they report) and of the CFO.

Operating Principles of the Early Detection of Risk Committee

Purpose and Scope

Set up under the Capital Market legislation and in accordance with Article 378 of the Turkish Commercial Code, the Early Detection of Risk Committee reports to the Board of Directors. The purpose of the Early Detection of Risk Committee is to early detect the risks that may threaten the existence, development and survival of the Company, to implement the necessary measures in relation to identified risks, and to manage the risk.

Authority

The Early Detection of Risk Committee is formed and authorized by the Board of Directors, which also sets out its duties and operating principles. As and when it deems necessary, the Early Detection of Risk Committee seeks opinion from independent experts regarding its activities, and the cost of necessary advisory services are borne by the Company.

The Early Detection of Risk Committee acts within the frame of its authorization and responsibilities, and makes recommendations to the Board of Directors, which is ultimately responsible for the final decision at all times.

Detailed information about the Committee structure and meetings, duties and responsibilities, basis and enforcement is provided under the Investor Relations tab on our corporate website. (www.migroskurumsal.com)

Committees and boards that report directly to the CEO

Migros Sustainability Committee

The Migros Sustainability Committee oversees all aspects of any issues that may impact the company's sustainability performance. Its members are appointed by the CEO acting on behalf of the Migros Board of Directors, of which he is also a member. The CEO has ultimate responsibility for all sustainability-related issues at Migros.

Migros Sustainability Committee operating principles

All Migros employees, regardless of their position, are involved in the management and control of sustainability issues. This is a responsibility that is shared across the company from top to bottom and from bottom to top. The Migros Sustainability Committee is responsible for the management and oversight of sustainability issues at Migros. Its membership consists of a chair, who is appointed by the CEO, and all department and group heads. Employees actively involved in sustainability issues across all key company functions are appointed to the committee with the guidance of senior management. The committee identifies the company's key short, medium, and long-term sustainability targets and submits them to senior management for consideration. All targets are finalized and committed to with the approval of the Migros Board of Directors. All departments are expected to integrate sustainability into their annual target-setting processes, ensuring that at least one aligns with the company's broader sustainability goals. All sustainability-related decisions are made in line with national and international key performance indicators. All performance results are transparently reported every year.

The entire Migros Sustainability Committee must convene at least twice a year to review and assess recent sustainability-target performance issues and decide what needs yet to be done. Issue-specific subcommittees are designated to make sustainability targets more achievable; they report their activities and results to the Sustainability Committee as a whole. These subcommittees convene as frequently as circumstances may require. To ensure the more effective measurement of Migros' social and environmental impact, the Migros Sustainability Committee and its subcommittees submit quarterly reports of their activities, process assessments, and result analyses to the CEO and senior management. The Migros Board of Directors reviews target-performance and progress.



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Duties of the Migros Sustainability Committee

- Tracking and assessing national and international developments and emerging trends in sustainability
- Setting targets in key areas, designing projects to achieve those target, and reporting on progress and outcomes
- Conducting an annual review and assessment of the adequacy and effectiveness of Migros' sustainability policy and updating the policy as circumstances may require.

Migros Occupational Health & Safety Committee

Migros takes a proactive approach to maximizing occupational health and safety. The company's OHS management system consists of two key components: the Migros OHS Group Directorate and the Migros Headquarters OHS Committee. The head of the OHS Group represents the company on OHS-related issues. The Migros Headquarters OHS Committee's membership consists of senior human-resources management, related departmental executives, and full-time workplace safety specialists and physicians who have been appointed to sit on the committee in accordance with applicable laws and regulations. The committee reports directly to the CEO. It is responsible for regularly reviewing and assessing OHS processes at all Migros-owned workplaces everywhere in Türkiye so as to maintain the highest possible level of company employee health and safety.

Migros Executive Ethics Committee

The Migros Ethics Committee reviews and assesses the results of internal audits of the company's antibribery & anticorruption processes and practices, aspects of the company's operations that are exposed to elevated ethical risks, and all matters involving Migros' ethical guidelines. The committee is chaired by the Migros director responsible for industrial relations; its other members are the Migros directors responsible for corporate communication, internal audit, legal affairs, and sales. The Migros Ethics Committee convenes at least once every three months and four times a year as well as whenever circumstances warrant.

The Migros Ethics Committee is responsible for reviewing and assessing company-wide compliance with Migros' antibribery & anticorruption, human rights, and opportunity equality policies and with Migros' ethical guidelines. It reports its activities and findings to the Migros Executive Ethics Committee.

The Migros Executive Ethics Committee is charged with reviewing and ruling on internal ethics disputes communicated to it by the Migros Ethics Committee. It makes decisions on matters that are of concern to the whole company and its decisions are binding on the whole company. It is chaired by the CEO; its other members are the assistant general manager responsible for human rights and industrial relations, executive committee members responsible for retailing operations and for financial affairs, the Migros director responsible for industrial relations. The Migros Executive Ethics Committee convenes as

needed but at least twice a year. The committee plays a vital role in the company's ethical governance by identifying and addressing ethical issues and by advising senior management on appropriate solutions.

5.4 Risk Management and Assessment by the Management Loans

As at 31 December 2023, TL equivalent of the Company's loan payables is TL 2,019,170 thousand (including TFRS: TL 10,269,978 thousand). The repayment schedule for the nominal principal amount of the Company's financial payables as at 31 December 2023 is presented in detail in the note titled "Borrowings" in the Company's Consolidated Financial Statements and Independent Auditor's Report for the period 1 January – 31 December 2023.

Risk Management

Pursuant to the applicable provisions of the Turkish Commercial Code, the Early Detection of Risk Committee, which is charged with early diagnosis of risks that may threaten the existence, development and survival of the Company, and with ensuring that necessary actions are taken in relation to those risks, carried on with its activities in 2023.

Within the scope of the activities conducted with the Company employees, the Early Detection of Risk Committee follows up various risk indicators, which have been created to ensure identification of the risks that could preclude the achievement of the Company's strategic business goals, to monitor the factors that make up these risks, to determine and measure the probability and impact of the risks, and follows up the risk criteria deemed important. The Migros Early Detection of Risk Committee was set up to manage any and all manner of strategic, operational, and financial risks capable of endangering the company's existence, wellbeing, or continuity.

Company departments record all operational risks deemed to be material. This information is collected, compiled, and reported to senior management annually for use as input in the formulation and updating of Migros' risk map. For physical risks, incident and near-miss forms filled out by employees are tracked by the OHS unit. Employee feedback also serves as important input in the conduct of annually-conducted departmental reviews and assessments of material risk criteria. All company units analyze and monitor risk indicators, any changes in which are reported to and evaluated by the Migros Early Risk Detection Committee. The committee convenes at regular intervals to determine whether or not appropriate risk mitigation action is being taken. The Migros Early Risk Detection Committee must convene at least six times a year for this purpose.

Risk assessments are conducted using a data-driven approach, with key risk areas being evaluated, financial risks being monitored through performance indicators, and operational risks being assessed based on such metrics as stock levels, stock loss rates, and stock disposal rates.

As part of its overall risk management approach, Migros contracts insurance coverage for transferable external risks such as natural disasters (earthquakes, fires, floods etc) and cyberattacks while also



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taking action to manage non-transferable risks more effectively. It may also outsource some services from several service providers in order to reduce its exposure to risk concentration.

Through its Integrated Quality Management System, Migros tracks compliance with the requirements of its quality, occupational health, food safety, customer satisfaction, and environmental management systems. Taking the needs and expectations of all parties concerned into account, the company identifies risks and opportunities in its processes so as to improve them by enhancing their beneficial impact and preventing unintended effects. In the conduct of supplier audits, attention is given to product-safety, ethical, environmental, and social risks capable of impacting company operations. Whenever risks are identified, plans are formulated to manage them.

The boards of directors of Migros subsidiaries have also published risk management policies governing their own companies' risk management practices.

The Migros Early Risk Detection Committee convened six times in 2023. Reports of the committee's activities and findings are regularly submitted to the Migros Board of Directors according to established guidelines.

Internal working groups have been set up both to raise company-wide awareness about the possibility of an earthquake in the Marmara Region and to review Migros' existing risk management, crisis management, and disaster response & recovery plans. With the help of earthquake preparedness consultants, cross-functional working groups have begun developing alternative working plans for all headquarters units to ensure business continuity in the event of a serious earthquake affecting Istanbul. Migros has also contracted licensed structural engineering firms on a project to conduct comprehensive seismic risk assessments of all stores, administrative buildings, warehouses, and distribution centers currently in use. The aim of this project is to identify structural weaknesses in buildings and, where feasible, take measures to deal with them so that the buildings may continue to be used. For buildings that cannot be strengthened, work is in progress to identify alternative premises so that the existing ones can be vacated.

Migros provides its employees with a range of training resources to enhance their understanding and awareness of risk management principles. Administrative unit personnel and store managers are provided with a comprehensive three-part online training and assessment package covering corporate governance, risk management, and general knowledge. An external consultancy is contracted to provide Migros senior managers with specialized training on such issues as crisis management and earthquake preparedness & recovery. This training includes practice scenarios and simulations.

Internal auditing mechanisms

The Migros Internal Audit Department is responsible for investigating potential bribery and corruption risks by analyzing operational data. Particular attention is given to scrutinizing data from employees who are exposed to elevated bribery and corruption risks on account of the nature of their duties.

The department keeps a close watch on all company activities and operations by conducting internal audits throughout the year. In cases where a potential irregularity is identified, the department initiates a comprehensive investigation to assess the situation and determine what action needs to be taken. In cases where the irregularity necessitates legal action, the department notifies those concerned and recommends corrective measures to rectify the situation.

The Migros Internal Audit Department regularly and functionally submits all findings, results, and analyses deemed important in the areas of antibribery & anticorruption, ethical behavior, and human rights to the Migros Audit Committee. The department provides its own personnel with training and other resources to ensure that they comply with internationally accepted auditing standards and practices in the performance of their duties. Detailed information is provided in the Migros Internal Audit Quality Policy.

The Migros Internal Audit Department conducted quarterly audits in 2023, as approved by the Migros Audit Committee, and reported all findings to the committee. In addition to regular audits, the department also audited issues that had been reported to senior management and for which a decision had been made that action needed to be taken.

As in previous years, the Migros Internal Audit Department continued to carry out its activities in 2023 in accordance with International Institute of Internal Auditors (IIA) standards and code of ethics. Last year's Turkish Standards Institute inspections again found that Migros' internal auditing, consultancy, and assurance practices and processes were sufficiently standardized, robust, flexible, and routinely conducted to qualify for continuation of the company's TS EN ISO 9001 Quality Management System certification. The Migros Audit Committee approves an annually revised Audit Universe document that serves as the basis for the conduct of three-year auditing cycles.

The Board of Directors' opinion regarding the Company's internal control system and internal audit activities is that the internal control system in place and internal audit activities executed are being carried out effectively.

5.5 Strategic Goals of the Company

In line with its mission, Migros structures its strategies to achieve sustainable quality and earn respect as the industry leader through an approach to customer satisfaction which raises the standards of retailing in the countries in which it is active.

Migros aims for long-term sustainable growth by positioning itself as a multi-format retailer across online and offline channels. It also focuses on new business channels that support its core operations.

Migros' main strategy is to provide our customers with high quality, modern, reliable services at



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affordable prices. Through adherence to its strategies and the conduct of its activities and operations, Migros also helps contribute to the realization of UN Sustainable Development Goals.

Migros makes the most efficient and effective use of all resources subject to its management and control in ways that are consistent with its commitment to responsible and transparent governance and its approach to sustainability. Stakeholder opinions are solicited and baseline assessments are conducted to determine priorities in economic, social, and environmental matters impacted by the company's activities. Aiming to achieve "growth through collaboration mindful of the needs and expectations of all stakeholders", the results of baseline assessments are used as input to identify improvement and development targets. Migros transparently and plainly communicates all progress it makes on its sustainability journey under the Migros Better Future Plan. Targets set to achieve these strategies are shared with all the organizational units and supported by business plans. The Corporate Performance Management System in place facilitates monitoring and evaluation of these targets and business results as well as their assessment and revision whenever necessary.

The Migros Board of Directors leads the company's strategic approach within an overall framework on sustainable growth and responsible resource management. The Board of Directors has set key sustainability targets, such as for carbon footprint, water footprint, and food waste reduction and improving energy efficiency and female representation in senior management. Detailed information about target-fulfillment and roadmaps and performance is provided in the appropriate sections of this report.

Annual, quarterly and monthly reporting structures have been created to enable the Board of Directors to carry out its basic administrative functions such as planning, organizing and supervising.

Members are kept informed by means of annual meetings at which the most recent five-year plan is presented to the Board of Directors, by annual budget and review meetings, and by monthly meetings at which the Company's business results are presented and the board's feedback is solicited. Detailed monthly reports are also submitted to the board for its information. In this way, all the members of the Board of Directors are able to track the Company's ongoing efforts to fulfill its targets and to immediately intervene and provide guidance when necessary.

5.6 Financial Rights Provided to Board Members and to Managers with Administrative Responsibilities

The financial rights to be provided to the members of the Board of Directors are discussed as a separate agenda item at general assembly meetings. At the 2022 general meeting held on 11 April 2023, shareholders voted (1) to pay each independent Board member a total annual salary of TL 504,000 in monthly installments over the duration of their tenure; (2) to pay neither monthly salaries nor attendance fees to other Board members on account of their position as company director; (3) during

the month of April 2023, to pay each independent Board member who served in that capacity on the board in 2022 a lump-sum amount of TL 84,000 (net) as a retroactive adjustment to their remuneration for that year.

The remuneration of independent board members involves neither company stock options nor company performance-based compensation plans. All the benefits provided to senior executives are declared in the footnotes to the financial statements.

The Remuneration Policy applicable to members of the Board of Directors and senior executives was published on the corporate website at www.migroskurumsal.com.

Benefits Provided to Senior Executives During the Reporting Period

"Senior Executives" are the chairman and members of the Board of Directors, the CEO, members of the Executive Committee, and assistant general managers.

The benefits provided to senior executives consist of salaries, bonuses, pension contributions, company-leased automobiles, and employer's share of social security premiums.

(TL thousand)	01 January - 31 December 2023	01 January - 31 December 2022
Short-term benefits provided to senior executives	353,801	250,063
Total	353,801	250,063

Migros makes no loans and extends no credit to any senior executive. Neither does it extend any form of personal credit to senior executives through third parties or otherwise provide senior executives with any form of surety.

OTHER ISSUES

In 2023, there were no regulatory changes that would significantly affect the Company's operations.

Utmost care is taken to avoid any situations that may give rise to a conflict of interest between the Company and the entities providing services such as investment consultancy and rating, and the provisions of applicable legislation are complied with in these matters. No situations creating a conflict of interest were observed in 2023.

A number of lawsuits that have been filed against or in favor of the Company are currently being litigated. These suits are concerned primarily with receivable-, rent-, or business-related issues.

At the end of each reporting period, the Company's management reviews and assesses the potential consequences and financial impact of such litigation, and based on its best judgment, provisions are



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set aside to cover likely losses or gains. Detailed information about such matters is provided in the consolidated financial statements.

No lawsuits have been filed against the Company or board members on account of any practices contradicting with the legislation.

Fringe Benefits of Migros Employees

Migros grants its employees fringe benefits in addition to the rights they have under the law. Fringe benefits provided to blue collar workers are determined in the collective bargaining agreement. The Company provides noncontributory health insurance and private pension system enrolment to all of its employees, in addition to social leaves, fuel allowance, food allowance, clothing allowance, leave travel allowance, holiday allowance, education allowance to employees with children in school, marriage, military service, childbirth and death allowances. Through the portal "Ailem ve Ben", the Company offers advantageous services to all of its employees in education, healthcare, shopping and similar matters. Classroom and online training in various subjects are provided to all employees via Akademig. In addition, social benefits that vary according to the duties of employees are also made available.

Tax Approach & Management

Migros aims to fulfill all tax and other legal obligations fully and on time and to set an example for others in this regard. Migros and its subsidiaries adhere to the principles of full compliance with tax laws and regulations and of complete transparency in all dealings with tax authorities. Our stakeholders' interests are taken into account when determining our tax management approach and when fulfilling external disclosure obligations. Tax-related incentives and other benefits are claimed only if doing so is legal and only for tax planning and management purposes.

The Migros CFO is also responsible for the company's tax governance. The company's heads of tax and general accounting, who both report directly to that executive, are responsible for compliance with tax laws and regulations. All of the company's tax declarations and filings are prudently controlled by Anadolu Holding's tax coordinator and are verified by an independent chartered accountant.

Other

The Company is not a party to any mutual cross-shareholding.

The company's collective bargaining agreement with the Tez-Koop labor union covers the period 1 January 2023 to 31 December 2025. A Public Disclosure Platform (KAP) announcement concerning this was released on 12 April 2023.

Information on Tax Assets and Liabilities is presented in the related footnote of the independent audit

report for the year 2023.

Other matters related to Corporate Governance Principles are as follows:

During 2023, there were no material transactions with related parties as defined in the Corporate Governance Principles.

Necessary explanations about the transactions of Migros Ticaret A.Ş. with related parties are given in the related footnote of the financial report.

a. Company Disclosure Policy

Material events are publicly disclosed in a truthful and timely manner as prescribed by CMB Communiqué II-15.1 concerning such matters. In addition, any and all manner of significant information that might influence shareholders' and other stakeholders' decisions is also publicly disclosed. In the public disclosure of such information, the following channels are used depending on the nature and particulars of the announcement:

- Material event disclosures sent to the Public Disclosure Platform,
- Financial reports sent to the Public Disclosure Platform,
- Annual and interim reports,
- The corporate website at www.migroskurumsal.com,
- Informational and presentation documents published for stakeholders,
- Prospectuses, circulars, notices and other documentation issued pursuant to capital market laws and regulations,
- Printed and visual media press releases,
- Notices and announcements published in Turkish Trade Registry Gazette and in daily newspapers.

In order to ensure that shareholders and other stakeholders have convenient access to public disclosures such as presentations, press releases, and press conferences, such materials are also published on the Company's corporate website at www.migroskurumsal.com. Information publicly disclosed through the Public Disclosure Platform is also sent to financial data providers and to printed and visual media.

The identities of individuals who may have access to confidential company information before the public disclosure of material events are publicly disclosed. The names of the Company's board members and senior executives are published in the annual report along with that of the independent auditors. Information about any changes taking place in the Company's senior management during the reporting period was provided in the annual report.



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In situations where CMB regulations require a public announcement concerning news, statements, and/or rumors about the Company which appear in the press, in other media, or on websites and of which the Company becomes aware, Public Disclosure Platform announcements are used to make such disclosures, depending on their nature; in order to ensure that shareholders and other stakeholders have convenient access to such disclosures, they are also published on our corporate website at www.migroskurumsal.com.

The Migros Disclosure Policy is formulated by the Board of Directors and updated as circumstances and regulations dictate. This policy is presented to shareholders convened in a general assembly and then published on the Company's corporate website at www.migroskurumsal.com. The Investor Relations Department strives to respond to questions that shareholders ask the Company truthfully, completely, equitably, and within the framework of this disclosure policy.

The Migros Disclosure Policy requires that any and all manner of information must be provided upon request unless such information is in the nature of a trade secret or, if divulged, would give other individuals or organizations a competitive advantage over Migros or would have an adverse impact on the Company's activities.

Like its public disclosure policy, the Migros Dividend Policy is also formulated by the Board of Directors and publicly disclosed by being included in the Company's annual report, published on the Company's corporate website at www.migroskurumsal.com, and presented to shareholders convened in a general assembly.

When identifying individuals who will have administrative responsibility at the Company, the requirements and criteria stipulated in the Turkish Commercial Code (Statute 6102), the Capital Markets Law (Statute 6362), CMB communiques, and other applicable laws, regulations, and administrative provisions are taken into account.

b. Material Event Disclosures

During 2023 the Company submitted 86 disclosures to the Public Disclosure Platform. Whenever the Public Disclosure Platform demanded further information about such announcements or the Company's response to news appearing in the media, the Company responded to such requests urgently.

Periodic financial statements, notes, annual reports and interim annual reports are shared with the public to provide an accurate and complete view of the Company's financial position. Financial statements are prepared in compliance with national/international accounting standards in consolidated format in compliance with communiques issued by the CMB. The accounting policies of the Company are referred to in the notes to financial statements. The Company's annual reports are prepared in sufficient detail to allow all concerned parties to obtain the necessary information and are updated every fiscal year in line with the applicable legislation/needs.

After every public disclosure of the Company's quarterly financial statements in 2023, presentations and bulletins concerning them were published on the Company's corporate website at www.migroskurumsal.com to inform shareholders. The Public Disclosure Platform has been notified that the said information was posted on the corporate website.

The Company designates an independent audit firm each year and requires this independent audit firm to rotate after a given period. Consultancy services are not obtained from the firm designated as an independent auditor.

c. Disclosure of Ultimate Controlling Individual(s) Shareholder(s)

The shareholding structure of Migros is presented below.

Shareholder	Share (%)	Share Amount (TL)
MH Perakendecilik ve Ticaret A.Ş.	89,046,058	49.18
Others	89,046,059	49.18
Migros Ticaret A.Ş.	2,962,116	1.64
Total	181,054,233	100.00

Legal and Real Persons Indirectly Holding an Interest in the Capital as per the Latest Situation

Shareholder	Share Amount (TL)	Share (%)
Tülay Aksoy	11,917,547.4	6.58
Tuncay Özilhan	11,596,405.3	6.41
AG Anadolu Grubu Holding A.Ş. Other	65,532,105.3	36.19
Migros Ticaret A.Ş.	2,962,115.6	1.64
Others	89,046,059.4	49.18
Total	181,054,233.0	100.00

There are no preferred shares.

Information about changes in the Company's capital structure taking place during the year was publicly disclosed immediately through the Public Disclosure Platform system. Such changes are also announced in the pertinent sections of the Company's 2023 annual report. Under the Material Events Communiqué II- 15.1, material event disclosures must be made by the Company's Chairman, board members, general manager, or assistant general managers, by any shareholder who directly or indirectly controls 5% or more of the Company's capital or voting rights, or by anyone acting in concert with any of these whenever they purchase or sell Migros shares.



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d. Public Disclosure of Individuals Who Are In a Position to Access Inside Information

Board of Directors members, CEO, members of the Executive Committee and Assistant General Managers having access to inside information at the Company are named hereinbelow:

Board of Directors

Tuncay Özilhan	Chairman
Kamilhan Süleyman Yazıcı	Vice-Chairman
Talip Altuğ Aksoy	Member
Mehmet Hurşit Zorlu	Member
Esel Yıldız Çekin	Member
Rasih Engin Akçakoca	Member
Recep Yılmaz Argüden	Member
Ömer Özgür Tort	Member and Migros Group - CEO
Hüseyin Faik Açıkalın	Independent Member
Barış Tan	Independent Member
Emre Ekmekçi	Independent Member
Bekir Ağırdır	Independent Member

Senior Management

Ömer Özgür Tort	Migros Group - CEO
Mustafa Murat Bartın	Migros Group Member of the Executive Committee and Migros Retail - CEO
Ekmel Nuri Baydur	Migros Group - Member of the Executive Committee (Marketing)
Ferit Cem Doğan	Migros Group - Member of the Executive Committee (Finance) - CFO
Hakan Şevki Tuncer	Migros Group - Member of the Executive Committee (Investment, Construction)
Bülent Kuntay	Assistant General Manager (Distribution Centers and Logistics)
Kerim Tatlıcı	Migros Group - Assistant General Manager (Information Technologies and Business Development)
Olca Yılmaz Nomak	Migros Group - Assistant General Manager (Human Resources and Industrial Relations)
Cüneyt Taşpek	Assistant General Manager (Sales)

In addition to the Company's Board of Directors and Senior Management, individuals serving in director position, Finance department managers, and reporting managers at the Company have access to inside information due to their functions.

Under Article 7 (5) of the Material Events Communiqué (II-15.1), our Company makes sure that individuals with access to inside information are aware of their obligations in relation to such information stemming from the Law and applicable legislation, as well as the sanctions related to their misuse.

As a consequence of its auditing functions, the Company's independent auditors PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. also has access to insider information.

e. Silent Period

The Chairman and members of the Board of Directors, Chief Executive Officer, Chief Financial Officer, Corporate Communications Director, Investor Relations and Risk Management Director and other Company executives designated by the Corporate Governance Committee are assigned to act as spokespeople to represent our Company in all contacts with shareholders, investors, brokerage analysts and other stakeholders through any communication channel, including the printed press, within the frame of the Company's disclosure policy.

Individuals designated as Company spokespeople are obliged to abide by the Silent Period practice, which starts one week before the disclosure of quarterly financial results and lasts until the date of such disclosure.

The beginning and ending dates of the Silent Period practice are published on the corporate website, under the heading Financial Calendar once the disclosure dates of financial statements are fixed. The disclosure dates of financial results and the corresponding Silent Periods are fixed before financial statements are disclosed, and announced by way of the Financial Calendar. During the course of the Silent Period, Company spokespeople may not make comments regarding the Company's financial position for the relevant period, except for the information publicly disclosed in the name of the Company. In this period, analysts', investors' and similar individuals' questions about the financial position for the relevant period are left unanswered. Yet, people authorized to make public disclosures about the Company may participate in conferences, panels and similar events and deliver speeches during the Silent Period, strictly provided that they observe the confidentiality of inside information.

f. BIST Sustainability and BIST Sustainability 25 Indexes of Borsa İstanbul

Migros' publicly-traded shares were included in the BIST Sustainability Index when that index was launched nine years ago and have remained in it ever since. Migros' shares were included in the BIST Sustainability 25 Index when it was launched on the İstanbul stock exchange in 2022. The Company's sustainability activities can be reached under the Sustainability tab on the corporate website.



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g) Authorities and Responsibilities of Board Members and Managers

The duties and authorities of board members and managers are explicitly defined in the Company's articles of association, which may be found on the Company's corporate website at www.migroskurumsal.com. The Migros Board of Directors is empowered to take decisions on all matters pertaining to whatever kinds of business and/or transactions are necessary for the Company to achieve its object and scope save for those that are exclusively reserved to the general assembly of shareholders by laws and regulations or by the Company's charter.

Managers' authorities and responsibilities are defined in their power of signature statements.

h) Prohibition on Doing Business with or Competing against the Company

No member took part in any activity that could be deemed to be in competition with the Company.

i) Research & Development Activities

R&D costs incurred by the Company during 2023 amounted to TL 418,900 thousand (2022: TL 271,346 thousand). Having received R&D Center certificate from the Ministry of Science, Industry and Technology, Migros Ticaret A.Ş. has continued with technical research and development activities in business development and software during 2023.

Under the Migros R&D center, Migros administrative units develop new initiatives for the improvement of processes in relation to retailing activities carried out at Store and Distribution Centers or for creation of new processes. Mostly entailing innovative solutions and smart systems integrated with technology, the applications also serve to touch our customers and suppliers.

j) Subsequent Events

Information on the subsequent events is presented in the Consolidated Financial Statements and Independent Auditor's Report for the period 1 January - 31 December 2023.

Affiliated Company Report – Conclusion Section

In the related Affiliated Company Report for the Group of Companies approved by the Board of Directors of Migros Ticaret A.Ş., it has been concluded that Migros Ticaret A.Ş. did not engage in any transaction with its controlling shareholders or subsidiaries thereof at the instruction of the controlling company or with the intent to obtain results that would be to the benefit of exclusively to the controlling company or a company affiliated thereto, nor is there any action taken or avoided to the benefit of the controlling company or a company affiliated thereto; also according to the conditions and circumstances known to us, a counter-performance on arm's length was provided in all transactions the Company carried out in 2023 with its controlling shareholder or subsidiaries thereof so as to ensure continuation of the operation in a competitive manner at the market conditions prevailing at the time the transaction was performed. Furthermore, there were no actions taken or avoided to the benefit of the controlling shareholder in Migros Ticaret A.Ş. or subsidiaries thereof that might cause loss to the Company and hence, there are no transactions or actions that would require offsetting.



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	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
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					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
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					Information regarding the amounts and beneficiaries of all donations made during the year were provided in a separate item in the agenda. The shareholders were informed about the total amount of donation and main donations separately. The Company made donations totaling TL 24,897,253.91 in 2023 for the purpose of donation to people in need. The Company made donations to Türkiye Eğitim Gönüllüleri Vakfı, Ege Orman Vakfı, Koç University, Anadolu Eğitim ve Sosyal Yardım Vakfı, Türkiye Kızılay Derneği, Lösemili Çocuklar Vakfı etc.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
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	No cross ownership.



CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.5. MINORITY RIGHTS						
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			While utmost care is given to the use of minority rights, our Articles of Association regulates the usage of all minority rights in accordance with regulations. The Articles of Association of our company does not include any article broadening the extent of minority rights compared to the Law.
1.6. DIVIDEND RIGHT						
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					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
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					
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					
2.2. ANNUAL REPORT						
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					



CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
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					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
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					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
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					
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					



CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
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					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
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					
4.1. ROLE OF THE BOARD OF DIRECTORS						
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					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
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					



CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
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 Corporate Governance Committee determined a ratio (25%) for membership of women in the Migros Board of Directors and made a written recommendation to the Board of Directors. Migros Board of Directors made a policy to have female Board members at the minimal rate of 25%. As a matter of principle, there are no barriers to or limitations on women serving as members of the Board of Directors. All members of the board—male and female—are considered and evaluated entirely on the basis of their professional and sectoral experience and their academic qualifications. The Board structure is evaluated on yearly basis and the Board of Directors makes planning on this matter. Ms. Esel Yıldız Çekin has been serving as Board member in the Migros Board of Directors since 29.04.2020. Thus, one female member takes part in Migros Board of Directors.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
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					
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					



CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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				External duties of Migros Board members - excluding the independent members - are not conditional on certain rules. However, our Company complies with the provisions of the Corporate Governance Communique regarding the external commitments of independent board members. The independent Board members shall not be the independent member of the board in more than three of the corporations as such; the corporation or the controlling shareholders of the corporation who hold the control of management corporations and in more than five listed corporations. The external duties of the board members were presented in the General Assembly Meeting via the General Assembly Information Document.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.		X				Due to the resignation of an independent Board member, one independent Board member have duties on three Committees and one independent Board member have duties on two Committees.
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	The Committees did not have consultancy service last year. The information on the consultancy services taken in the previous years is mentioned in the annual report of the related year.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
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				The total compensation provided to the Chairman, Board members, CEO and Assistant General Managers is reported in the annual report.



CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year	9 conferences & roadshows, 200+ institutional investors
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1.2. Right to Obtain and Examine Information

The number of special audit request(s)	0
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The number of special audit requests that were accepted at the General Shareholders' Meeting	0
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1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1129510
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Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
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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	-
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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)	-
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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)	-
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The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations / Corporate / Policies / Donation Policy
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The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/516861
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The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	11, 11/A
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Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Any stakeholders including press-media can participate in Migros General Assembly meetings. Shareholders who attended the General Assembly Meeting are shown in the Participants List (Hazir Bulunanlar Listesi) at the link: https://www.kap.org.tr/en/Bildirim/1136607
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1.4. Voting Rights

Whether the shares of the company have differential voting rights	No
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In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
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The percentage of ownership of the largest shareholder	49.18%
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CORPORATE GOVERNANCE INFORMATION FORM

1.5. Minority Rights

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.

-

1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy

Investor Relations / Corporate / Policies / Profit Distribution Policy

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 received by the board of directors	The link to the related PDP general shareholder meeting notification
11/4/2023	0	64.3%	0.1%	64.3%	Investor Relations / General Assembly	Investor Relations / General Assembly	Item 15	0	https://www.kap.org.tr/en/Bildirim/1136607



CORPORATE GOVERNANCE INFORMATION FORM

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.

“Corporate Profile, Partnership Structure and Affiliates, Migros Ticaret A.Ş. Article of Association, Material Disclosures, Profit Distribution Policy, Company Disclosure Policy, Frequently Asked Questions” under the Corporate tab, “Financial Results, Annual Reports” under Financial Information tab, Genel Assembly information under “Genel Assembly” tab in Investor Relations section and “Migros Code of Ethics” under the Policies tab in About Us section

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.

<https://www.migroskurumsal.com/en/investor-relations/corporate#ortaklik-yapisi-ve-istirakler>

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 sections and Corporate Governance Principles Compliance Report / Part V - Board of Directors / 5.1 Structure and Composition of the Board of Directors / “Independent Board Members’ Affidavit”

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

Corporate Governance Principles Compliance Report / Part V - Board of Directors / “5.3 Number, Structure, and Independence of Committees Established within 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

Corporate Governance Principles Compliance Report / Part V - Board of Directors / “5.2 Operating Principles of the Board of Directors”

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

There was not any amendments in the legislation in 2023 which may significantly affect the activities of the corporation.

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

Corporate Governance Principles Compliance Report “Other Issues” and Independent Auditors’ Report “Provisions, Contingent Assets and Liabilities” note

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

Corporate Governance Principles Compliance Report / Other Issues

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%

No cross ownership

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

Sustainability



CORPORATE GOVERNANCE INFORMATION FORM

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	About Us / Our Policies / Severance Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	174 reemployment and other related lawsuits
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Corporate Governance Committee members, Audit Committee members and relevant Assistant General Manager
The contact detail of the company alert mechanism	Any violation or concerns can be communicated by employees via the e-mail address of the Ethics Committee - etikkurul@migros.com.tr; and by other stakeholders via etik@migros.com.tr and iletisim@migros.com.tr e-mail addresses. In addition, customers can contact Migros directly through Call Center (0850 200 40 00) and WhatsApp line (530 915 45 45).

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	About Us / Our Policies / Human Resources Policy
Corporate bodies where employees are actually represented	Our employees working at stores are represented in the Workplace Syndicate Representatives Committee. Workplace Syndicate representatives negotiate the implementation of union agreement terms with employer representatives, as well as complaints and suggestions. They are also represented in various committees such as "Occupational Health and Safety Council" and in the Committees formed for different projects. Every year, Migros conducts a survey via an independent research company to assess and improve employee satisfaction and commitment. The result of the survey forms a basis for new managerial decisions to be taken in the upcoming year. An annual meeting is held by the Company management to announce internally the Company's yearly strategy and objectives to the employees. The participants of this particular meeting have a directly impact on the determination of the Company's yearly objectives. The targets that designate the Company's main strategy are objectively announced to all departments.

3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Review and approval. In the Annual Strategic Human Resources Meetings, Potential, High Performing and Star employees are identified, and Critical Positions, Succession Plans and Retirement Plans are discussed and approved in line with the needs and short-medium-long term plans of Migros.
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.	About Us / Our Policies / Human Resources Policy ("Search and Selection" part)
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.	About Us / Our Policies / Human Rights and Equal Opportunity Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	3



CORPORATE GOVERNANCE INFORMATION FORM

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	"Migros Code of Ethics" under Our Policies in About Us tab
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.	Sustainability (contains information on environmental, social and corporate governance issues)
Any measures combating any kind of corruption including embezzlement and bribery	Detailed information is provided in the "Anti-Bribery and Anti-Corruption Policy" under Our Policies in About Us tab (https://www.migroskurumsal.com/en/about-us/our-policies#rusvet-ve-yolsuzluklamucadele-politikasi)

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	Jan-20
Whether the board evaluation was externally facilitated	Yes
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	The Board of Directors made a selection for Chairman, Vice-Chairman and Committee members. Accordingly, Tuncay Özilhan was selected as the Chairman and Kamilhan Süleyman Yazıcı was selected as Vice-Chairman. CEO Özgür Tort serves as executive Board member. Furthermore, he is authorized by the Board of Directors to provide guidance to the public on the expectations of the Company for the upcoming periods.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	6 reports to the Audit Committee, 76 reports to the senior management
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	Corporate Governance Principles Compliance Report / Part V - Board of Directors / 5.4 Risk Management and Internal Control Mechanisms / Internal Audit Mechanism
Name of the Chairman	Tuncay Özilhan
Name of the CEO	Ömer Özgür Tort
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The functions of the CEO and Chairman are not combined
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	https://www.kap.org.tr/en/Bildirim/1260425
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Information on diversity policy is given at the "Human Resources Policy" under Our Policies in About Us tab on our corporate website.
The number and ratio of female directors within the Board of Directors	The Corporate Governance Committee determined a ratio (25%) for membership of women in the Migros Board of Directors and made a written recommendation to the Board of Directors. Migros Board of Directors made a policy to have female Board members at the minimal rate of 25%. The Board structure is evaluated on yearly basis and the Board of Directors makes planning on this matter. Ms. Esel Yıldız Çekin has been serving as member of Migros Board of Directors since 29.04.2020. Thus, one female member takes part in Migros Board of Directors.



CORPORATE GOVERNANCE INFORMATION FORM

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 Independence 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
Tuncay Özilhan	Non-executive	Not independent director	15/07/2015	-	Not applicable	Not applicable	Yes
Kamilhan Süleyman Yazıcı	Non-executive	Not independent director	11/4/2017	-	Not applicable	Not applicable	Yes
Talip Altuğ Aksoy	Non-executive	Not independent director	11/4/2017	-	Not applicable	Not applicable	Yes
Mehmet Hurşit Zorlu	Non-executive	Not independent director	15/07/2015	-	Not applicable	Not applicable	Yes
Esel Yıldız Çekin	Non-executive	Not independent director	29/04/2020	-	Not applicable	Not applicable	Yes
Rasih Engin Akçakoca	Non-executive	Not independent director	16/05/2019	-	Not applicable	Not applicable	Yes
Recep Yılmaz Argüden	Non-executive	Not independent director	16/05/2019	-	Not applicable	Not applicable	Yes
Ömer Özgür Tort	Executive	Not independent director	28/04/2009	-	Not applicable	Not applicable	Yes
Hüseyin Faik Açıkalın	Non-executive	Independent director	15/05/2018	https://www.kap.org.tr/en/Bildirim/1126527	Considered	No	Yes
Emre Ekmekçi	Non-executive	Independent director	26/05/2021	https://www.kap.org.tr/en/Bildirim/1126527	Considered	No	No
Bariş Tan	Non-executive	Independent director	21/04/2022	https://www.kap.org.tr/en/Bildirim/1126527	Considered	No	Yes
Bekir Ağırır	Non-executive	Independent director	4/9/2023	https://www.kap.org.tr/en/Bildirim/1191472	Considered	No	No



CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

Number of physical or electronic board meetings in the reporting period	5
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	3 days
The name of the section on the corporate website that demonstrates information about the board charter	Investor Relations / Corporate / "Migros Ticaret A.S. Articles of Association" and "Corporate Governance Principles Compliance Report"
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	External duties of Migros Board members - excluding the independent members - are not conditional on certain rules. However, our Company complies with the provisions of the Corporate Governance Communique regarding the external commitments of independent board members. The independent Board members shall not be the independent member of the board in more than three of the corporations as such; the corporation or the controlling shareholders of the corporation who hold the control of management corporations and in more than five listed corporations. The external duties of the board members were presented in the General Assembly Meeting via General Assembly Information Document.

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Corporate Governance Principles Compliance Report / Part V - Board of Directors / "5.3 Number, Structure, and Independence of Committees Established within the Board of Directors"
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/1123726

Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	-	Hüseyin Faik Açıklalın	Yes	Board member
Audit Committee	-	Bariş Tan	No	Board member
Corporate Governance Committee	-	Hüseyin Faik Açıklalın	Yes	Board member
Corporate Governance Committee	-	Esel Yıldız Çekin	No	Board member
Corporate Governance Committee	-	Recep Yılmaz Argüden	No	Board member
Corporate Governance Committee	-	Mehmet Hurşit Zorlu	No	Board member
Corporate Governance Committee	-	Affan Nomak	No	Not board member
Committee of Early Detection of Risk	-	Bariş Tan	Yes	Board member
Committee of Early Detection of Risk	-	Hüseyin Faik Açıklalın	No	Board member
Committee of Early Detection of Risk	-	Talip Altuğ Aksoy	No	Board member



CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

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)	Corporate Governance Principles Compliance Report / Part V - Board of Directors / 5.3 Number, Structure, and Independence of Committees Established within the Board of Directors / "a. Audit Committee"
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)	Corporate Governance Principles Compliance Report / Part V - Board of Directors / 5.3 Number, Structure, and Independence of Committees Established within the Board of Directors / "b. Corporate Governance Committee"
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)	Corporate Governance Principles Compliance Report / Part V - Board of Directors / 5.3 Number, Structure, and Independence of Committees Established within the Board of Directors / "b. Corporate Governance 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)	Corporate Governance Principles Compliance Report / Part V - Board of Directors / 5.3 Number, Structure, and Independence of Committees Established within the Board of Directors / "c. Early Detection of Risk Committee"
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)	Corporate Governance Principles Compliance Report / Part V - Board of Directors / 5.3 Number, Structure, and Independence of Committees Established within the Board of Directors / "b. Corporate Governance Committee"

4.6. Financial Rights

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)	"Board of Directors Report" and "Financial Review"
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations / Corporate / 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)	Provided in the "Key management compensation" section of the Independent Auditors Report

Composition of Board Committees-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee	-	100%	100%	4	5
Corporate Governance Committee	-	80%	20%	4	5
Committee of Early Detection of Risk	-	100%	67%	6	6



RISKS & OPPORTUNITIES

Risk area	Risk Definitions	Risk Duration	Likelihood of Occurrence	Impact Magnitude	Risk Priority	Methods Taken to Manage Risks	Factors that Create Opportunities
Employees	<ul style="list-style-type: none"> Finding and retaining talents Finding employees with competencies suitable for new business lines and developments Due to competitive market conditions, shortening employees' working hours, failing to create suitable work environments 	Medium-term	Possible / Likely	Significant	Medium	<ul style="list-style-type: none"> Provide employees with safe and secure workplace environments Conduct employee loyalty surveys, take action based on their results Make use of an effective performance management system Provide workplace that encourages self-development, introduce next-generation leadership practices Provide continuous information flow and support through Migros Career and Migros social media accounts Conduct events that are attended by Migros executives or play active roles in others' career days Effective career management system 	<ul style="list-style-type: none"> Construct roadmaps in line with views that employees express in annual working life evaluation surveys; strengthen employee loyalty by supporting constant development Provide career and personal development training resources through Migros Retail Academy Introduce and adhere to policies and practices that strengthen employees' problem-solving, decision-making, and job-ownership competencies Programs focused on employee health and well-being Reduce the work accident severity rate (lost days) by 1% in 2025 Foster new in-house ideas through the Intrapreneurship Development Program Provide a fair and transparent environment for employees in which employees make their ideas and projects a reality through the Migros "Good Idea Good Project" platform Gender-equality, equal-opportunity, and inclusivity initiatives and targets across all operations Increase percentage of women in all management positions to 35% by 2027 and 50% by 2050
Environmental	<ul style="list-style-type: none"> Potential infrastructure risks and production-related supply chain problems associated with climate change Possible changes in supply maps owing to extreme weather events and climate shifts Operational interruptions due to forest fires, floods, and other natural disasters Impact of drought and water shortages on production Epidemics and outbreaks of disease Low-emissions economy 	Medium-term	Possible / Likely	Moderate	Medium	<ul style="list-style-type: none"> Prioritize combating climate change; take measures to improve productivity and conservation Increase refrigeration, climate-control, and lighting system automation to reduce electricity consumption Install next-generation refrigeration systems to prevent GHG leakages Prioritize operational water efficiency in water-stressed areas Develop procurement resources compatible with changes in supply maps; shift to these when necessary Set up fresh produce warehouses in different localities Ensure that all risks are adequately covered in insurance contracts Develop store hygiene practices to be adhered to when outbreaks of disease occur; provide no-contact service options and increase online commerce capacity; make click & pick-up, no-contact, and similar services more accessible 	<ul style="list-style-type: none"> Achieve net-zero carbon emissions by 2050, in line with the target of reducing absolute 42% in Scope 1 and Scope 2 carbon emissions compared to 2020 by end-2030 Identify operations taking place in localities where water resources are threatened and set water-reduction targets Reduce per-day water consumption/m² sales area by 10% by end-2030 Increase use of Migros-patented water-based cooling systems that reduce GHG leakages by up to 90% Reduce our food waste tonnage / food supply tonnage by 50% compared to 2018 by end-2030 Facilitate access to greater varieties of products through an extensive network of producers and suppliers while also strengthening supply chains Increase sustainable certified (Organic,GAP,regenerative etc.) fruit and vegetable procurements tonnage by 50% by end-2030 Renewable energy investments: <ul style="list-style-type: none"> Solar panels installed on Adana distribution center roof Solar panel systems installed on Torbalı and Muğla distribution center and MİGET meat processing plant roofs; commissioning currently in progress Aksa Solar project to install ground-mounted solar panel arrays in Malatya to generate clean energy sufficient to power 300 stores



RISKS & OPPORTUNITIES

Risk area	Risk Definitions	Risk Duration	Likelihood of Occurrence	Impact Magnitude	Risk Priority	Methods Taken to Manage Risks	Factors that Create Opportunities
Financial	<ul style="list-style-type: none"> •Funding-cost and associated balance-sheet risks •Higher costs resulting from economic volatilities •Impact of changes in payment terms owing to changes in the regulatory framework on cash flow •Potential financial losses arising from market interest rate movements •Banking-industry risks impacting company cash flows 	Medium-term	Frequent / Probable	Moderate	Medium	<ul style="list-style-type: none"> •Optimize borrowing through effective liquidity management •Establish contractual credit limits with banks; constantly monitor these limits and their interest rates •Regularly review the company's expense structure, taking into account economic changes; revise budgets annually or every 6 months or 3 months if economic conditions require; develop and implement measures to effectively manage operational expenditures. •Conduct exchange rate sensitivity and interest rate analyses to identify and mitigate financial risks •Set limits for long or short positions and conduct monthly checks to ensure compliance 	<ul style="list-style-type: none"> •Maintain the net cash position by monitoring cash flow and taking appropriate action to ensure that the company has sufficient cash on hand to meet its obligations •Secure cost-effective financing from organizations that support sustainability initiatives that align with the company's sustainability goals •Provide additional financial support to suppliers to ensure supply chain sustainability • Ability to create new revenue-stream models through subsidiaries
Operational	<ul style="list-style-type: none"> • Disruption of store operations due to natural disasters* • Interruption of distribution center operations • Failure to achieve supply chain sustainability •Disruption of store operations • Disruption and interruption of distribution center shipments owing to natural disasters, technical issues, supplier-related issues, food-safety issues, and human factors 	Long-term	Frequent / Probable	Devastating	Critical	<ul style="list-style-type: none"> • Reduce the impact of natural disasters on operations and reduce associated financial losses by taking appropriate measures and contracting sufficient insurance coverage • Contract structural risk assessments of all stores; reinforce buildings that can be; vacate those that can't and relocate operations to new premises •Strong logistics and supply network, which includes 58 distribution centers nationwide and serves facilities such as fruit and vegetable warehouses and meat processing plants that allows us to operate with multiple distribution centers in all regions, safeguards backup operations, and enables shipments to be made from different distribution centers when necessary. •Business plans developed for use if regional operations must be relocated •Backing up all distribution center procurement services by sourcing the services from different suppliers •Using backup systems in distribution centers; maintaining generators on hand to prevent operational disruptions in the event of power outages 	<ul style="list-style-type: none"> • Opportunity to contract structural risk assessments of all buildings; ability to relocate to new premises • Ability to cope with delays in supply chain processes by having backup stock at all times •Ability to achieve better product control and efficiency thanks to bulk of distribution operations being conducted through self-owned distribution centers •Ability to include local producers in a national distribution network



RISKS & OPPORTUNITIES

Risk area	Risk Definitions	Risk Duration	Likelihood of Occurrence	Impact Magnitude	Risk Priority	Methods Taken to Manage Risks	Factors that Create Opportunities
Sectoral	<ul style="list-style-type: none"> Adapting to changing customer expectations in the increasingly competitive environment of offline and online retailing Emergence of new types of service as new players enter the market Obligation to satisfy changing consumer expectations 	Medium-term	Possible / Likely	Devastating	High	<ul style="list-style-type: none"> Closely track and quickly respond to customers' demands, complaints, and suggestions Closely track changes in consumer preferences through consumer research Conduct best-price offer campaigns for Migros-quality products Gain consumer's trust in terms of product quality & safety by regularly auditing and analyzing quality processes Deliver service in different store formats and with a variety of product offerings (Product/service mix) Deliver prompt service in all 81 provinces through online sales channels Provide product and service operations that are able to address different needs Maintain a product portfolio that responds to the demands of all socioeconomic groups Widest range of product groups in the industry <ul style="list-style-type: none"> Range of sustainable/special-attribute M Life private-label organic product offerings "Tastes of Anatolia" regional specialties and heritage recipes All red meat products pass through 220 checkpoints at MIGET before going on sale Provide personalized balanced-nutrition suggestions through WellBeing Journey program 	<ul style="list-style-type: none"> Facilitate formation of strategic partnerships by creating a single team of Migros specialists and external entrepreneurs through the Migros Up shared innovation platform Deliver self-service & needs-compatible solutions by using AI-based applications to anticipate customers' questions through the Migros Interaction Platform Ability to respond within 48 hours to queries received through call centers, social media channels, and mobile apps Best-quality & best-price guarantee on many Migros "yellow-tag" products during the year Multiformat management capable of satisfying regional needs, regulatory requirements, and a wide range of store sizes and product offerings Online channels capable of delivering a wide range of branded and private-label products to an address anywhere in the country "Only At Migros" range of product offerings resulting from Migros' collaborating with other brands
Technological	<ul style="list-style-type: none"> Interruption in the continuity of IT systems used in headquarters, store, and e-commerce operations* Increasingly greater risks and threats posed by technological advances Existing hardware obsolescence Disruption of operations due to unexpected issues occurring in applications and systems. Critical information and personal data security endangerment Cyber-attacks Transfer of company-owned intellectual properties Failure to backup critical personnel, staff shortages 	Medium-term	Frequent / Probable	Significant	High	<ul style="list-style-type: none"> Management process optimization to ensure security standards Make company network access policy more stringent Ringfence harmful system access with network segmentation etc. Provide training to measure and increase awareness of employees working on information security, privacy, and KVKK issues and keep their knowledge and skills up-to-date Regular checks and tests for effective monitoring of information security risk assessments and prevention of system security vulnerabilities Robustify store network data line, payment system, and critical system continuity Regular monitoring of version and security updates for critical hardware and regular tracking of certificates that provide secure access; lifecycle-based renewal of infrastructure systems Impact analysis and resource (including external) tracking for all employee positions 	<ul style="list-style-type: none"> Backup server systems and data in the data recovery center (DRC), Deploy active-active configured systems for more effective data backup Maintain a control system that regularly measures network and system infrastructure capacity Include and enforce privacy and penalty clauses in all IT service provider contracts Be audited for compliance with Payment Card Industry Data Security Standard rules; comply with PCI rules in all payment processes and operations Definition and implementation of Data Loss Prevention (DLP) processes Possess an R&D center; integrate R&D center knowledge & experience into development of IT systems and practices



RISKS & OPPORTUNITIES

Risk area	Risk Definitions	Risk Duration	Likelihood of Occurrence	Impact Magnitude	Risk Priority	Methods Taken to Manage Risks	Factors that Create Opportunities
Compliance, Policies & Regulatory Framework	<ul style="list-style-type: none"> •Financial and commercial impact of legal and regulatory framework changes •Prohibition/restriction of specific brand, category, or product sales •Rules governing/restrictions on shelf/aisle arrangements; brands, categories, displays; marketing communications •Rules governing/restrictions on store locations and sales times •Rules governing/restrictions on new store openings •Sanctions, penalties, company reputation & customer confidence impairment due to Personal Data Protection Act and Protection of Competition Act contraventions 	Short-term	Possible / Likely	Significant	Medium	<ul style="list-style-type: none"> •Closely follow changes in legal and regulatory frameworks and comply with them immediately •As a member of industry umbrella organizations and professional associations, collaborate with and express views to government authorities concerning changes in the legal and regulatory frameworks •Have product-safety, ESG, Personal Data Protection Act, and Protection of Competition Act processes and operations audited for legal and regulatory compliance at regular intervals •Deliver service in different store formats and with a variety of product offerings •Deliver service in all 81 provinces through online sales channels •Regularly audit suppliers during the course of business relationships for compliance with Migros Responsible Supplier Policy and with laws, regulations, and administrative provisions •Ensure validity of all existing TS EN ISO certifications 	<ul style="list-style-type: none"> •As a member of the Consumer Goods Forum, closely follow regulatory changes in the international arena and develop internal processes so as be ready to accommodate them if and when they are introduced in Türkiye •Promote "Migros Approved Supplier" certification as a way for suppliers to demonstrate to others that they comply with Migros' food-safety and ESG policies •Multiformat management capable of satisfying regional needs, regulatory requirements, and a wide range of store sizes and product offerings •Online channels that are capable of delivering a wide range of branded and private-label products to an address anywhere in the country

*Identified as the top 2 highest-priority risk in risk assessments

Explanatory Notes to the Risks & Opportunities Table

Risk duration	Likelihood of occurrence	Impact magnitude	Risk Priority ** (Likelihood * Impact)
0-1 year Short term	Very Often / Almost Certain	More than 20% loss in turnover / 1-year profit loss	Devastating Critical
1-5 years Medium Term	Frequent / Probable	10%-20% loss in turnover / 10% or more loss in profitability	Significant High
5+ years Long Term	Possible / Likely	1%-10% loss in turnover / 1%-10% loss in profitability	Moderate Medium
	Rare / Unlikely	Less than 1% loss in turnover / Less than 1% loss in profitability	Negligible Low

**The risks that Migros has exposure to are reviewed at least yearly.



SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	Partial	No	Not Applicable		
	A. GENERAL PRINCIPLES						
	A1. Strategy, Policy and Goals						
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				As a member of the Board of Directors and the chief executive officer, the Migros CEO holds the highest level of responsibility with respect to sustainability. Appointed by the CEO on behalf of the Board of Directors, the Sustainability Committee manages, implements, monitors and measures the Company's efforts in sustainability. The Company monitors, takes action and reports on its sustainable growth targets, the improvements in line with the sustainable ecosystem strategy into which such targets were integrated, the key performance indicators for such targets and the roadmap under the framework of the Migros Better Future Plan. Various risk indicators, which have been created in order to foresee the risks that could prevent the realization of the Company's strategic business goals, monitor the factors acting as the components of such risks, identify and measure the probability and impact of the actualization of such risks, are being monitored.	Migros 2023 Integrated Annual Report, sections on: Migros Better Future Plan, Sustainability Committee, Risk Management, Risks and Opportunities Table.
	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				The policies Migros has implemented within the scope of its sustainability strategy are accessible through the Company's corporate website. N6	https://www.migroskurumsal.com/en/about-us/our-policies
A1.2.	The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				Company's short and medium / long term sustainability targets, which have been established in line with the Company's ESG policies and Migros Better Future Plan, have been shared in the "Targets" section of the Integrated Annual Report.	Migros 2023 Integrated Annual Report, sections on: Migros Better Future Plan, Targets.
	A2. Implementation/Monitoring						
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				Appointed by the CEO on behalf of the Board of Directors, the Sustainability Committee manages, implements, monitors and measures the Company's efforts in sustainability. The directors and group managers in all departments of the Company are a part of the Sustainability Committee as natural members. In addition, persons directed by the senior management of departments and who actively work in the field of sustainability also participate in the Sustainability Committee.	Migros 2023 Integrated Annual Report: Sustainability Committee section.
	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				Short and medium/long term targets are determined by the Sustainability Committee, focusing on the Company's main strategies, and are presented to the Senior Management and then committed with the opinion of the Board of Directors. The Sustainability Committee and any subcommittees serving under it report on any work, process evaluations and result analyses the Company has conducted with respect to sustainability 4 times a year on a quarterly basis to the CEO and Senior Management. In addition, the Board of Directors reviews any progress made with respect to the targets.	Migros 2023 Integrated Annual Report: Our Sustainability Committee section.



SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	Partial	No	Not Applicable		
A2.2.	In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				The annual activity and performance within the framework of the priorities and points of focus indicated in the Migros Better Future Plan, which is the Company's sustainability strategy and roadmap, the risk and opportunities as evaluated in terms of all processes, corporate governance approach, business environment strengthened by adapting to the necessities of the age and new technologies have been shared in the Migros Integrated Annual Report.	Migros 2023 Integrated Annual Report, sections on: Migros Better Future Plan, Better for Our Employees, Better for Our Customers and Stakeholders, Better through Innovative Transformation, Better for Our World, Risks and Opportunities Table.
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				The Company is sharing the goals set within the framework of the Migros Better Future Plan and the details of its annual performance in the whole of the Integrated Annual Report. The section titled "Targets" also includes goals on issues such as carbon emissions, water consumption, plastic consumption, food waste ratios, work accident ratios, ratio of women in management, sustainable agriculture, monitorability/traceability on a base year, target year and rate of progress basis.	Migros 2023 Integrated Annual Report, sections on: Migros Better Future Plan, Targets.
A2.4.	The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				The Company monitors and discloses its efforts to improve business processes, products and services in line with the "Migros Better Future Plan" under the "Better for Our Customers and Stakeholders" and "Better through Innovative Transformation" headings. Its main efforts and road map are available on its corporate website with more detailed information being shared in the Integrated Annual Report.	Migros 2023 Integrated Annual Report, sections on: Migros Better Future Plan, Better for Our Customers and Stakeholders, Better through Innovative Transformation.
A3. Reporting							
A3.1.	The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				The Company's Integrated Annual Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC). The Company's financial and non-financial performance was evaluated with an integrated viewpoint in terms of the 6 capitals; the value created and targets for the future have been shared with all our stakeholders in a clear, transparent, reliable, consistent manner than can be compared to the previous reporting period.	Migros 2023 Integrated Annual Report, sections on: Migros Better Future Plan, Targets, Sustainability Performance Indicator, Performance and Targets sections under Better for Our World and Better for Our Employees.
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				The Our Contributions to Sustainable Development Goals section of the Company's Integrated Annual Report discusses which issues have been prioritized by the Company as well as which Sustainable Development Goals (SDGs) are being served through the activities and sustainability work elucidated in the report. The strategically material areas of focus for the company have been matched with the SDGs that benefit under the framework of the Migros Better Future Plan and published on the corporate website.	Migros 2023 Integrated Annual Report, sections on: Migros Better Future Plan, Contribution to Sustainable Development Goals. https://www.migroskurumsal.com/en/sustainability/migros-iyi-gelecek-plan
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				Lawsuits filed and/or concluded against the Company are disclosed on the Public Disclosure Platform ("KAP") and published in the Integrated Annual Report as deemed necessary/material.	Migros 2023 Integrated Annual Report, sections on: Environmental Management, Compliance with Corporate Policies and Code of Ethics, Compliance with Human Rights Principles, Report on Compliance with Corporate Governance Rules.



SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	Partial	No	Not Applicable		
	A4. Verification						
A4.1.	The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.	X				The Company's carbon emissions, water withdrawal / discharge, compliance with human rights, and statements with respect to supplier audits are being verified by independent institutions. The relevant data is shared in the Integrated Annual Report under "Verification and Assurance Statements".	Migros 2023 Integrated Annual Report, sections on: Statement of Independent Assurance in Human Rights and Supply Chain, Greenhouse Gas Emissions Verification Statement, Water Footprint Verification Statement.
	B. ENVIRONMENTAL PRINCIPLES						
B1.	The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				Migros Environmental Policy envisions working together with the Company's stakeholders, raising environmental awareness, protecting the environment and projects, which put the needs of future generations to the forefront with the aim to leave behind a clean environment for them. The Company holds an ISO 14001 certificate covering all of its service areas. The Migros Better Future Plan describes issues with higher priority and action plans. The Company identifies and controls the environmental dimensions and risks of its activities from a cycle of life viewpoint, thereby focusing its efforts on reducing the factors that have a negative impact on the environment. The Integrated Annual Report describes the related projects.	Migros 2023 Integrated Annual Report, sections on: Migros Better Future Plan, Better for Our World. https://www.migroskurumsal.com/en/about-us/our-policies#cevre-politikasi https://migroskurumsaltr.blob.core.windows.net/migroskurumsalstr/iso-14001-cevreyonetim-sistemi-638049692197408430.pdf
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				The Company's Integrated Annual Report covers the 12-month period between 1 January 2023 and 31 December 2023. The financial data in the Report covers (99.9% of) all our activities, sustainability data and domestic activities.	Migros 2023 Integrated Annual Report: About the Report section.
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				Short and medium/long term targets are determined by the Sustainability Committee, focusing on the Company's main strategies, and are presented to the Senior Management and then committed with the opinion of the Board of Directors. Departments are expected to set at least one annual goal with respect to sustainability as well as supporting the referred main targets. Sustainability-target fulfillment results are also included to elements of Migros' corporate performance evaluation system.	Migros 2023 Integrated Annual Report, sections on: Environmental Management, Sustainability Committee, Targets.
B5.	How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X				The Company follows its environmental, social and governance priorities and roadmap on sustainability within the framework of its "Migros Better Future Plan". The Company continues its work with the goal of monitoring, controlling and minimizing the environmental impacts that could arise from its operations. The Company has mainly prioritized "Supporting the Circular Economy", "Extensive Combat Against the Climate Change" and "Sustainable Agriculture and Saving Food". The goals for and progress made in each prioritized issue has been explained in the Integrated Annual Report.	Migros 2023 Integrated Annual Report, sections on: Migros Better Future Plan, Targets, Better for Our World.



SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	Partial	No	Not Applicable		
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				As shown from its values of "Better for Our World" and "Better for our Customers and Stakeholders", the Company includes its stakeholders in its business strategy in order to minimize its environmental impact. Through its Sustainable Business Partners Network it implements projects together with its suppliers to measure and reduce the carbon footprint of the goods it sells, reduce the use of plastic packaging, support sustainable agriculture and small manufacturers, and prevent food waste together with its suppliers under the scope of WRI 10x20x30. Furthermore, annual audits of suppliers also include environmental matters in their scope. We also have projects such as The Bag-Free Shopping Movement and Save Your Food project to integrate customers as well.	Migros 2023 Integrated Annual Report, sections on: Better for Our World, Better for Our Customers and Stakeholders.
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				In the international arena, Migros is an active member of the Consumer Goods Forum (CGF). At a national level, Migros shares its opinion through the GPD, TAMPF, TŪSIAD and TOBB Retail Council, of which it is a member, as may be requested by municipalities or ministries. The Company also supports the Save Your Food campaign implemented by the Ministry of Agriculture and Forestry and the Business Plastics Initiative started under the leadership of Global Compact, SKD and TŪSIAD.	Migros 2023 Integrated Annual Report: Communication with Stakeholders section.
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				Information under the stated topics is shared in the Integrated Annual Report in the form of trends for a minimum of 3 years to ensure that any progress made can be monitored. The Company doesn't have a production facility that causes the formation of particles that cause air pollution such as heavy metals, combustion gases, dust, volatile organic compounds, fluorine, chlorine.	Migros 2023 Integrated Annual Report, sections on: Better for Our World, Sustainability Performance Indicators.
B10.	Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				The GHG Protocol and ISO 14064-3 standard are used in calculating and verifying carbon emissions. The company's water footprint is verified in accordance with ISO 14046 standard. The WRI Aqueduct Water Risk Atlas device is used to measure the water risk and water stress on the facilities used in operations. The Food Recovery Hierarchy and Global Food Loss and Waste Protocol are used as the basis for food loss ratios. The performance indicator, base year, target year, annual performance from the base year to the reporting year are reported with respect to all environmental targets.	Migros 2023 Integrated Annual Report, sections on: Better for Our World, Greenhouse Gas Emissions Verification Statement, Water Footprint Verification Statement.
B11.	The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				The Company reports its performance progress on environmental sustainability as a minimum 3-year trend in the Integrated Annual Report. There are also explanations as to status with respect to annual medium / long term goals.	Migros 2023 Integrated Annual Report, sections on: Better for Our World, Sustainability Performance Indicators



SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	Partial	No	Not Applicable		
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				The Company has set its goals for reducing Scope 1 and 2 emissions, water use, energy consumption, food loss ratio, and plastic waste use in its Migros Better Future Plan. The Company shares the current status of its goals on an annual basis in its Integrated Annual Report.	Migros 2023 Integrated Annual Report, sections on: Better for Our World, Sustainability Performance Indicators.
B13.	A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				In its Migros Better Future Plan, the Company indicates that one of its areas of focus will be an extensive combat against climate change. It has announced its goal to reduce its carbon footprint by 42% by 2030 and as 2050 Carbon Net Zero in line with the 1.5 °C scenario and continues its efforts to have this target verified as a science-based by the SBTi (Science-Based Target initiative). To this end it shares its efforts to save power and prevent cooling gas leaks as well as investments in renewable energy.	Migros 2023 Integrated Annual Report, sections on: Better for Our World, Extensive Combat Against Climate Change.
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				The life cycle assessment and carbon footprint of the Company's own brand products have been calculated. In depth efforts continue to make the packaging used for the Company's own brand products more sustainable. 25% of the packaging for 6 non-food own brand goods is made of r-Pet. Efficiency projects to reduce greenhouse emissions in distribution and logistics are also ongoing.	Migros 2023 Integrated Annual Report, sections on: Carbon Footprint, Sustainable Distribution Systems, Supporting a Circular Economy and Effective Waste Management.
	The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X				The Company implemented the "Sustainable Business Partners Network" platform in order to measure the impact of the products it sells on Scope 3 emissions as accurately as possible. It monitors the environmental parameters such as carbon emissions, water consumption and waste quantity of its suppliers and expects them to set goals for improvement in light of climate change. It also provides workshops for its suppliers under the framework of the platform.	Migros 2023 Integrated Annual Report, sections on: Carbon Footprint, Carbon Footprint Works Towards Suppliers.
B15.	The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X				As part of its extensive combat against climate change, the Company is working on projects to reduce its power consumption and use of cooling gases and shares its annual savings from these projects. The Company also reports to the CDP (Carbon Disclosure Project) Climate Change and Water Security programs every year.	Migros 2023 Integrated Annual Report: Energy Efficiency Works section.
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				The Company shares its energy consumption data, together with detailed breakdowns in the form of 3-year trends in its Integrated Annual Report.	Migros 2023 Integrated Annual Report: Energy Efficiency Works section.
B17.	The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X				The Company does not have any heating, cooling or steam consumption or sales as a secondary power source. It shares its electricity and other power consumption in the form of 3-year trends in its Integrated Annual Report.	Migros 2023 Integrated Annual Report: Energy Efficiency Works section.



SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	Partial	No	Not Applicable		
B18.	The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X				In 2023, The Company produced 2,501 MWh of electricity through solar power plants on the roof of its Adana Distribution Center, Diyarbakır Distribution and Kocaeli Derince 5M Migros. The Company has also certified that 240,000 MWh of electricity was supplied from Renewable Energy Resource Guarantee System (YEK-G) certified renewable energy producers. The Company aims to supply 1/3 of its energy consumption from solar panels by the end of 2026.	Migros 2023 Integrated Annual Report, Renewable Energy section.
B19.	The renewable energy production and usage data has been publicly disclosed.	X				In 2023, The Company produced 2,501 MWh of electricity through solar power plants on the roof of its Adana Distribution Center, Diyarbakır Distribution and Kocaeli Derince 5M Migros. The Company has also certified that 240,000 MWh of electricity was supplied from Renewable Energy Resource Guarantee System (YEK-G) certified renewable energy producers.	Migros 2023 Integrated Annual Report, Renewable Energy section.
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				In addition to its target of reducing Scope 1 and Scope 2 emissions by 42% by 2030, the Company also aims to reduce its power consumption by 35% per sales square meter. To this end, optimization is achieved through a switch to new generation systems and central control over cooling, air conditioning and lighting. The Company shares its efforts to reduce power consumption, the savings achieved, and the emissions prevented within the context of its extensive combat against climate change.	Migros 2023 Integrated Annual Report: Energy Efficiency Works section.
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				The Company reports the water drawn, consumed, and discharged during its operations based on source type. The data is verified in accordance with 14046 standards.	Migros 2023 Integrated Annual Report, sections on: Sustainable Water Management, Sustainability Performance Indicators.
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				The Company is not a part of the carbon pricing system. On the other hand, the pricing established through the efforts of the Ministry of Environment, Urbanization and Climate Change within the scope of the Partnership for Market Readiness (PMR) program are used as the basis for internal valuations.	Migros 2023 Integrated Annual Report CDP Climate Change Program Report
B23.	The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.	X				The Company did not receive any carbon credit during the reporting period.	Migros 2023 Integrated Annual Report
B24.	If carbon pricing is applied within the Company, the details have been disclosed.	X				The Company is not a part of the carbon pricing system. The Company uses the pricing established through the efforts of the Ministry of Environment, Urbanization and Climate Change within the scope of the Partnership for Market Readiness (PMR) program as the basis for internal valuations.	Migros 2023 Integrated Annual Report CDP Climate Change Program Report



SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	Partial	No	Not Applicable		
B25.	The platforms where the Company discloses its environmental information have been disclosed.	X				The Company publishes its efforts regarding sustainability during the year in the Integrated Annual Report, the CDP Climate Change program, the CDP Water Security program and its corporate website.	Migros 2023 Integrated Annual Report: Better for Our World section. CDP Climate Change Programme Report CDP Water Security Program Report https://www.migroskurumsal.com/en/sustainability
C. SOCIAL PRINCIPLES							
C1. Human Rights and Employee Rights							
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 Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	X				The Company has a Human Resources Policy and a Human Rights and Equal Opportunity Policy in place. The implementation of these policies is supervised by Chief Human Resources Officer. The Internal Audit Department also monitors compliance with the policies and regularly reports to the Senior Management.	Migros 2023 Integrated Annual Report: Human Rights Compliance section. https://www.migroskurumsal.com/en/about-us/our-policies#insan-haklari-ve-firsat-esitligi-politikasi https://www.migroskurumsal.com/en/about-us/our-policies#insan-kaynaklari-politikasi
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				The Company discloses the main principles it expects its suppliers to comply with in its Responsible Sourcing Policy and every contract executed with suppliers contains a clause requiring an undertaking to comply with such principles. Every year the Company conducts ethics, social and environmental audits of its suppliers under the scope of the GC-Ethical Compliance. These processes are disclosed in detail in the Integrated Annual Report.	Migros 2023 Integrated Annual Report: Sustainable Growth with Suppliers section. https://www.migroskurumsal.com/en/about-us/our-policies#sorumlu-tedarik-politikasi



SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	Partial	No	Not Applicable		
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				One of the areas the Company has identified in the Migros Better Future Plan as a point of focus is Gender Equality and Equal Opportunity. It shares the projects it has implemented both internally and at a societal level within this context. Furthermore, every year it conducts ethics, social and environmental audits of its suppliers under the scope of the GC-Ethical Compliance. The Company also has a Human Rights and Equal Opportunities Policy and a Gender Equality and Inclusion Policy in place.	Migros 2023 Integrated Annual Report, sections on: Gender and Opportunity Equality, Sustainable Growth with Suppliers. https://www.migroskurumsal.com/en/about-us/our-policies#insan-haklari-ve-firsat-esitligi-politikasi https://www.migroskurumsal.com/en/about-us/our-policies#gender-equality-and-inclusion-policy
C1.4.	The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				In every activity of the Company forced labor / child labor and discrimination are prohibited with very clear language. Its statements regarding this matter are also verified independently. Every year, the Company conducts both internal audits and audits of its suppliers with respect to this issue and transparently publishes the results in its Integrated Annual Report. Moreover, the supplier audits are also included in the third-party assurance.	Migros 2023 Integrated Annual Report, sections on: Gender and Opportunity Equality, Sustainable Growth with Suppliers, Human Rights Compliance. https://www.migroskurumsal.com/en/about-us/our-policies#insan-haklari-ve-firsat-esitligi-politikasi
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				The training provided to Company employees for career and personal development, unionization rights, and side benefits are disclosed in the Integrated Annual Report. In addition, the Company also has a Human Rights Policy, Severance Policy and Human Rights and Equal Opportunity Policy in place.	Migros 2023 Integrated Annual Report: Better for Our Employees section. https://www.migroskurumsal.com/en/about-us/our-policies#insan-haklari-ve-firsat-esitligi-politikasi https://www.migroskurumsal.com/en/about-us/our-policies#insan-kaynaklari-politikasi https://www.migroskurumsal.com/en/about-us/our-policies#tazminat-politikasi
	The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				The etikkurul@migros.com.tr email address and Migros Hotline are available for employees. Employees may share their requests anonymously. The Company has established an “Ethical Denunciation Monitoring and Recording” system in order to gather, evaluate and systematically monitor tips collected from various channels such as the call center, email or mobile application.	Migros 2023 Integrated Annual Report: Compliance with Corporate Policies and Code of Ethics section.
	The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				The performance cards for all directors at a managerial or higher level include a “Employee Satisfaction” goal. Moreover, an independent research firm measures the levels of employee satisfaction and loyalty to the Company with the “Working Life Assessment Survey” it conducts every year. The Company’s efforts toward projects for contributing to employee development, employee satisfaction, employee health & wellness are disclosed.	Migros 2023 Integrated Annual Report: Better for Our Employees section.



SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	Partial	No	Not Applicable		
C1.6.	The occupational health and safety policies have been established and disclosed.	X				The Company has an Occupational Health and Safety Policy in place.	https://www.migroskurumsal.com/en/about-us/our-policies#is-sagligi-ve-guvenligi
	The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				The Company discloses the work it conducts within the scope of ensuring occupational health and safety for its employees. Furthermore, it has set the target of lowering its Work accident severity rate (lost days) and shares its work health and safety statistics in the form of 3-year trends.	Migros 2023 Integrated Annual Report, sections on: Occupational Health and Safety, Sustainability Performance Indicators.
C1.7.	The personal data protection and data security policies have been established and disclosed.	X				The Company has an Information Security Policy and a Personal Data Protection and Processing Policy in place. It has also established the requisite auditing and reporting mechanisms within this context. Detailed information is disclosed in the Integrated Annual Report.	https://www.migroskurumsal.com/en/about-us/our-policies#bilgi-guvenlik-politikasi https://www.migroskurumsal.com/hakimizda/politikalarimiz#kisisel-verilerin-korunmasi-ve-islenmesi-politikasi
C1.8.	The ethics policy have been established and disclosed.	X				The Company has a Code of Ethics and an Anti-Bribery and Anti-Corruption Policy in place. In addition, the audit and monitoring work done with respect to these policies as well as the results thereof are also published every year.	Migros 2023 Integrated Annual Report, sections on: Compliance with Corporate Policies and Code of Ethics. https://www.migroskurumsal.com/en/about-us/our-policies#migros-etik-kurallari https://www.migroskurumsal.com/en/about-us/our-policies#rusvet-ve-yolsuzlukla-mucadele-politikasi
C1.9.	The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				The Company's social responsibility projects are published on its corporate website and the Integrated Annual Report.	Migros 2023 Integrated Annual Report: Responsibility and Awareness Studies section. https://www.migroskurumsal.com/en/sustainability/our-works
C1.10.	The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				The Company offers corporate policy training to all employees with regards to its Environmental Policy, Human Rights and Equal Opportunity Policy, Anti-Bribery and Anti-Corruption Policy, Responsible Sourcing Policy and Code of Ethics. The Company also organizes a series of sustainability training to cover environmental matters as well as training on societal gender equality.	Migros 2023 Integrated Annual Report, sections on: Contributions to Employee Development, Sustainability Trainings, Internal Practices for Gender Equality, Compliance with Corporate Policies and Code of Ethics.
	C2. Stakeholders, International Standards and Initiatives						



SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
		Yes	Partial	No	Not Applicable		
C2.1.	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				The communication work, research, loyalty programs conducted by the Company to provide its customers with a good and safe experience are disclosed annually. Customer requests received from all channels are integrated and quickly resolved through the Migros Engagement Platform. The Company holds a TSE ISO 10002 Customer Satisfaction Management System quality certificate.	Migros 2023 Integrated Annual Report: Good and Trustworthy Customer Experience section.
C2.2.	The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				All channels, methods, and frequency of communication with all main stakeholders in accordance with GRI standards have been disclosed in the Integrated Annual Report in the form of a detailed table.	Migros 2023 Integrated Annual Report: Communication with Stakeholders section.
C2.3.	The international reporting standards that adopted in reporting have been explained.	X				The Company's Integrated Annual Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC). At the same time, sections contributing to the World Economic Forum Stakeholder Capitalism Metrics, the Principles of the United Nations Global Compact, the UN Women Empowerment Principles (WEPs) have been identified. At the same time, compliance with the requirements of the Turkish Sustainability Reporting Standards (TSRS) prepared by the Public Oversight Authority (KGGK) was observed.	Migros 2023 Integrated Annual Report: About the Report section
C2.4.	The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				The Company is a member of the Food Waste, Collaboration for Healthier Lives, Product Data, Net Zero coalitions in the Consumer Goods Forum. The Company is also a pledgor under LEAD Network EU, UN Global Compact, WEPs and Business Plastic Initiative. Its pledges and projects regarding such pledges are disclosed in its Integrated Annual Report.	Migros 2023 Integrated Annual Report: Memberships, Collaborations and Initiatives section.
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				The Company is listed on the Istanbul Stock Exchange's BIST Sustainability Index and BIST Sustainability 25 Index.	Migros 2023 Integrated Annual Report: Highlights of 2023 section.
	D. CORPORATE GOVERNANCE PRINCIPLES						
D1.	The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				Appointed by the CEO on behalf of the Board of Directors, the Sustainability Committee manages, implements, monitors and measures the Company's efforts in sustainability. The Committee determines the Company's strategy and road map for sustainability and organizes surveys to obtain the opinions of customers, suppliers and employees when updating such strategy and roadmap, while also taking into consideration the opinions received from other stakeholders throughout the year.	Migros 2023 Integrated Annual Report, sections on: Materiality Matrix, Sustainability Committee.
D2.	The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				The Company is working on a number of responsibility and awareness projects through various collaborations and discloses the progress made in such projects both on its website and in the Integrated Annual Report.	Migros 2023 Integrated Annual Report: Responsibility & Awareness Studies section.



FINANCIAL STATEMENTS



Independent Auditor's Report

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Migros Ticaret A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Migros Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements (presented on page 9 through page 64, Note 1 through Note 30) comprising a summary of significant accounting policies.

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

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



Independent Auditor's Report

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. Key audit matters were addressed in the context of our independent 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.

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Application of TAS 29 - Financial Reporting in Hyperinflationary Economies</p> <p>As described in Note 2, TAS 29 "Financial reporting in hyperinflationary economies" is effective for the Group.</p> <p>TAS 29 requires financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period were restated to reflect a price index that is current at the balance sheet date as of 31 December 2023. The implementation of TAS 29 leads to a change in several of the Company's(Group's) control activities pervasively related to financial reporting and the impact of TAS 29 is reliant upon a number of key judgements such as the relevant line items in the cost of sales and cash flow were restated on a quarterly average basis depending on the level of fluctuation of the underlying transactions and rate of inflation . The preparation of financial statements using a current purchasing power approach requires a complex series of procedures and reconciliations to ensure accurate results.</p> <p>We considered the application of TAS 29 to be a key audit matter due to judgement applied in the restatement, high degree of complexity in calculation and the risk of the data used in the restatement being incomplete or inaccurate.</p>	<ul style="list-style-type: none"> - We obtained an updated understanding of the Company's (Group's) processes and accounting policies (and accounting for consolidated entities with different functional currencies), - We gained an understanding and evaluated the relevant controls designed and implemented by management resulting from implementation of TAS 29, - The index coefficients used in the calculations were checked by comparing them with the coefficients obtained from the consumer price index in turkey published by Turkish Statistical Institute (TSI) - We determined whether the segregation of monetary and non-monetary items made by the management is in accordance with TFRS, - We obtained detailed listings of non-monetary items, and tested the original cost and dates of acquisition with supporting documentation, - We evaluated the reasonableness of judgements used by management by comparing them with recognised practices and applying our industry knowledge and experience. We also checked if the judgements were used consistently in all periods, - We tested the restatement of non-monetary items, the income statement and preparation of the cash flow with recognition of inflationary effects by checking the methodology and general price index rates used.



Independent Auditor's Report

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Revenue Recognition</p> <p>The Group operates in the retail market, had 3,363 stores as of 31 December 2023 and obtained revenue of 181.6 billion TRY in 2023.</p> <p>In addition to being the most important financial statement item for the retail industry, revenue is one of the most important criteria for performance measurement and evaluation of the results of strategies applied by management.</p> <p>“Recognition of revenue obtained from retail sales” was identified as a key audit matter since the transaction volume is high due to the number of stores and revenue is obtained from so many sales points. There is risk in the retail industry due to the amount of data processed by information technology systems.</p> <p>The relevant explanations, including accounting policies related to revenue recognition, are provided in Notes 2 and 16.</p>	<p>We performed the following auditing procedures in relation to the recognition of revenue in the financial statements:</p> <ul style="list-style-type: none"> - We developed an understanding of sales processes and tested the design, implementation and operating effectiveness of key controls within the revenue recognition process. In this framework, cash obtained from retail sales passing through the cashier system throughout the year was verified using the relevant bank documents on a sample basis and reconciled with the turnover accounted for. - We evaluated the appropriateness of the Group's accounting policy for revenue recognition. - We performed analytical tests to analyse the change in sales. The annual inflation rate used in these reviews was obtained from independent sources and square meters were evaluated by checking maps of selected stores on a sample basis. Product-based and category-based sales and gross margins were compared to prior periods and their consistency was evaluated. - Since revenue is realized at a large number of sales points, the accuracy of amounts transferred to the cashier system at the end of each day was tested by comparing the end of day reports with the accounting records.

4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group 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.



Independent Auditor's Report

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.
- Assess the 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.
- 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 independent 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

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.



Independent Auditor's Report

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 18 March 2024.

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

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 18 March 2024



Migros Ticaret A.Ş.

Convenience Translation into English of Consolidated Financial Statements For the Year Ended 31 December 2023 Together with Independent Auditor's Report

(Originally Issued in Turkish)



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Migros Ticaret A.Ş.

Consolidated Balance Sheets at 31 December 2023 and 2022

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

	Notes	Audited 31 December 2023	Audited 31 December 2022
ASSETS			
Current assets:			
Cash and cash equivalents	3	12,354,850	12,652,044
Financial investments	4	462,505	639,461
Trade receivables	5	369,985	802,876
- Trade receivables from related parties	24	1,700	8,776
- Trade receivables from third parties	5	368,285	794,100
Other receivables		2,127,289	102,227
- Other receivables from third parties	6	2,127,289	102,227
Derivative instruments		-	4,044
Inventories	7	21,928,796	18,540,676
Prepaid expenses	8	563,507	624,640
Current income tax assets	22	-	233,918
Other current assets		68,841	24,765
Total current assets		37,875,773	33,624,651
Non-current assets:			
Financial investments	4	1,155,953	993,327
Other receivables		19,125	960,673
- Other receivables from third parties	6	19,125	960,673
Derivative instruments		-	4,994
Property, plant and equipment	9	20,294,541	16,740,828
Right of use assets	12	16,226,038	14,347,385
Intangible assets		14,772,254	14,459,414
- Goodwill	11	13,693,582	13,693,582
- Other intangible assets	10	1,078,672	765,832
Prepaid expenses	8	1,785,797	488,926
Total non-current assets		54,253,708	47,995,547
Total assets		92,129,481	81,620,198

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



Migros Ticaret A.Ş.

Consolidated Balance Sheets at 31 December 2023 and 2022

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

	Notes	Audited 31 December 2023	Audited 31 December 2022
LIABILITIES			
Current liabilities:			
Short term borrowings		400,491	673,320
- Bank loans	13	400,491	673,320
Short term portion of long term borrowings		2,578,344	3,352,152
- Bank loans	13	752,264	1,360,020
- Lease liabilities	12	1,826,080	1,992,132
Trade payables		37,390,443	34,667,981
- Trade payables to related parties	24	1,256,444	1,177,351
- Trade payables to third parties	5	36,133,999	33,490,630
Payables related to employee benefits	15	1,640,198	1,239,434
Other payables		696,015	589,821
- Other payables to third parties	6	696,015	589,821
Deferred income	8	920,507	563,947
Current tax liabilities	22	117,792	-
Short term provisions		1,151,749	1,708,879
- Short term provisions for employee benefits	15	937,748	942,833
- Other short term provisions	14	214,001	766,046
Other current liabilities		-	62,380
Total non-current liabilities		44,895,539	42,857,914
Non-current liabilities:			
Long term borrowings		7,291,143	8,258,833
- Bank loans	13	866,415	2,317,941
- Lease liabilities	12	6,424,728	5,940,892
Other payables		44,417	53,113
- Other payables to third parties	6	44,417	53,113
Deferred income		375,220	110
Long term provisions		1,195,346	2,107,925
- Long term provisions for employee benefits	15	1,195,346	2,107,925
Defferex tax liabilities	22	2,073,679	834,952
Total non-current liabilities		10,979,805	11,254,933
Total liabilities		55,875,344	54,112,847

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



Migros Ticaret A.Ş.

Consolidated Balance Sheets at 31 December 2023 and 2022

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

EQUITY	Notes	Audited 31 December 2023	Audited 31 December 2022
Attributable to equity holders of parent		36,024,318	27,434,747
Share capital	23	181,054	181,054
Share capital adjustment differences	23	2,271,207	2,271,207
Treasury shares	23	(596,745)	(596,745)
Other comprehensive income/(expense) not to be classified to profit or loss		198,246	(194,604)
- <i>Defined benefit plans re-measurement losses</i>		(1,642,524)	(1,207,122)
- <i>Revaluation fund of property, plant and equipment</i>		1,840,770	1,012,518
Other accumulated comprehensive income to be classified to profit or loss		953,548	1,033,192
- <i>Currency translation differences</i>		306,438	385,372
- <i>Gains on financial assets measured at fair value through other comprehensive income</i>		647,110	647,820
Other reserves		991,873	1,655,625
Retained earnings		23,196,439	13,945,213
Net income for the year		8,828,696	9,139,805
Non-controlling interest		229,819	72,604
Total equity		36,254,137	27,507,351
Total liabilities and equity		92,129,481	81,620,198

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



Migros Ticaret A.Ş.

Consolidated Statements of Profit or Loss for the Years Ended 31 December 2023 and 2022

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Revenue	16	181,674,337	140,480,068
Cost of sales (-)	16	(147,671,404)	(114,210,332)
Gross Profit		34,002,933	26,269,736
General administrative expenses (-)	17	(2,952,469)	(1,990,936)
Marketing expenses (-)	17	(34,030,292)	(25,263,412)
Other operating income	18	1,371,880	995,770
Other operating expenses (-)	18	(5,002,113)	(4,833,803)
Operating loss		(6,610,061)	(4,822,645)
Income from investment activities	19	376,576	58,943
Expenses from investment activities (-)	19	(24,474)	(359,531)
Operating loss before financial income/(expense)		(6,257,959)	(5,123,233)
Financial income	20	3,952,994	1,526,583
Financial expense (-)	21	(3,728,280)	(3,215,716)
Monetary gains		16,825,164	15,944,918
Net profit before tax from continuing operation		10,791,919	9,132,552
Tax expense/(income) from continuing operations		(1,886,524)	22,982
Income tax expense (-)	22	(694,672)	(663,000)
Deferred tax expense/(income)	22	(1,191,852)	685,982
Net profit for the year		8,905,395	9,155,534
Net profit attributable to:			
- Non-controlling interest		76,699	15,729
- Equity holders of parent	25	8,828,969	9,139,805
Profit per share ("TRY") from continuing operations	25	48,76	50,48

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



Migros Ticaret A.Ş.

Consolidated Statements of Comprehensive Income for the Years Ended 31 December 2023 and 2022

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Net profit for the year	8,905,395	9,155,534
Items that not to be reclassified to profit or loss	541,764	(429,965)
Revaluation of fund of property, plant and equipment	1,122,300	1,078,938
Defined benefit plans remeasurement losses	(580,536)	(1,508,903)
Tax effect of items not to be reclassified to profit or loss	(37,493)	172,579
Tax effect of revaluation fund of property, plant and equipment	(182,627)	(129,202)
Tax effect of defined benefits plan remeasurement losses	145,134	301,781
Items to be reclassified to profit or loss	(79,948)	1,116,530
- Other comprehensive income on financial assets at fair value through other comprehensive income	(1,014)	863,760
Currency translation differences	(78,934)	252,770
Tax effect of items to be reclassified to profit or loss	304	(215,940)
Tax effect other comprehensive income on financial assets at fair value through other comprehensive income	304	(215,940)
Other comprehensive income, after tax	424,627	643,204
Total comprehensive income	9,330,022	9,798,738
Allocation of total comprehensive income		
- Non-controlling interests	76,699	15,729
- Equity holders of parents	9,253,323	9,783,009

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



Migros Ticaret A.Ş.

Consolidated Statements of Changes in Equity for the Years Ended 31 December 2023 and 2022

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

					Other comprehensive income and expenses not to be reclassified to profit or loss		Other comprehensive income and expenses to be reclassified to profit or loss		Retained earnings			Non controlling interests	Total equity
	Share capital	Share capital adjustment differences	Other reserves	Treasury shares	Defined benefit plans revaluation and measurement losses	Increase of revaluation fund of property plant and equipment	Gains on financial assets at fair value through other comprehensive income	Currency translation differences	Retained earnings	Net for the profit year	Attributable to equity holders of the parents		
Balances as of 1 January 2022	181,054	2,271,207	928,550	(596,745)	-	62,782	-	132,602	14,558,331	-	17,591,781	-	17,591,781
Transfers	-	-	673,075	-	-	-	-	-	(673,075)	-	-	-	-
Transaction with non-controlling shareholders	-	-	-	-	-	-	-	-	59,957	-	59,957	56,875	116,832
Total comprehensive income	-	-	-	-	(1,207,122)	949,736	647,820	252,770	-	9,139,805	9,783,009	15,729	9,798,738
Net income for the year	-	-	-	-	-	-	-	-	-	9,139,805	9,139,805	15,729	9,155,534
Foreign currency translation differences	-	-	-	-	-	-	-	252,770	-	-	252,770	-	252,770
Gain on revaluation and measurement property, plant and equipment	-	-	-	-	(1,207,122)	-	647,820	-	-	-	(559,302)	-	(559,302)
	-	-	-	-	-	949,736	-	-	-	-	949,736	-	949,736
Balances as of 31 December 2022	181,054	2,271,207	1,655,625	(596,745)	(1,207,122)	1,012,518	647,820	385,372	13,945,213	9,139,805	27,434,747	72,604	27,507,351
Balances as of 1 January 2023	181,054	2,271,207	1,655,625	(596,745)	(1,207,122)	1,012,518	647,820	385,372	13,945,213	9,139,805	27,434,747	72,604	27,507,351
Transfers	-	-	-	-	-	(111,421)	-	-	9,251,226	(9,139,805)	-	-	-
Transaction with non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	80,156	80,156
Dividend paid	-	-	(663,752)	-	-	-	-	-	-	-	(663,752)	-	(663,752)
Total comprehensive income	-	-	-	-	(435,402)	939,673	(710)	(78,934)	-	8,828,696	9,253,323	76,699	9,330,022
Net income for the year	-	-	-	-	-	-	-	-	-	8,828,696	8,828,696	76,699	8,905,395
Foreign currency translation differences	-	-	-	-	-	-	-	(78,934)	-	-	(78,934)	-	(78,934)
Gain on revaluation and measurement	-	-	-	-	(435,402)	-	(710)	-	-	-	(436,112)	-	(436,112)
Revaluation fund of property, plant and equipment	-	-	-	-	-	939,673	-	-	-	-	939,673	-	939,673
Balances as of 31 December 2023	181,054	2,271,207	991,873	(596,745)	(1,642,524)	1,840,770	647,110	306,438	23,196,439	8,828,696	36,024,318	229,819	36,254,137

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



Migros Ticaret A.Ş.

Consolidated Statements of Cash Flows for the Years Ended 31 December 2023 and 2022

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Cash flows from operating activities:			
Net profit for the year		8,905,395	9,155,534
Adjustments related to reconciliation of net profit for the year		12,212,184	7,724,314
Adjustments for depreciation and amortisation expenses	17	6,200,922	4,745,376
Adjustments for impairment on receivables	5	8,472	19,394
Adjustments for inventory provisions	7	53,505	(10,125)
Adjustments for impairment on property, plant and equipment	19	24,474	337,071
Adjustments for provision for employee benefits	15	1,253,013	920,398
Adjustments for provision for litigation	14	87,555	103,992
Adjustments for other provisions	14	(446,722)	512,876
Adjustments for interest income	20	(2,470,801)	(1,172,911)
Adjustments for interest expense	21	2,010,449	2,530,533
Adjustments for deferred financing due to forward purchases expenses	18	4,726,936	4,095,532
Adjustments for unearned finance income from sales	18	(885,468)	(763,411)
Adjustments for unrealized foreign exchange losses	13	50,934	34,399
Adjustments for fair value losses arising from derivatives	20,21	15,983	32,888
Adjustments for income tax expense/(income)	22	1,886,524	(22,982)
Gain on sale of property plant and equipment	19	(365,940)	22,460)
Adjustments for monetary loss/(gain)		62,348	(3,661,176)
Changes in net working capital		271,026	1,827,221
Adjustments for increase in trade receivables		452,077	(249,908)
Adjustments for increase in inventories		(3,441,625)	(4,118,687)
Adjustments for increase in other receivables related with operations		(4,118,403)	(5,172,856)
Adjustments for increase in trade payables		3,752,135	8,472,605
Adjustments for increase in other payables related with operations		3,626,842	2,896,067
Cash flows from operating activities		21,388,605	18,707,069
Employee benefits paid	15	(1,883,443)	(214,241)
Interest received		910,313	760,212
Interest paid		(5,756,609)	(3,835,619)
Taxes paid		(297,545)	(775,697)
Other provisions paid		(382,892)	(901,780)
Net cash provided by operating activities		13,978,429	13,696,182

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



Migros Ticaret A.Ş.

Consolidated Statements of Cash Flows for the Years Ended 31 December 2023 and 2022

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Investing activities			
Cash outflows from the purchase of tangible and intangible assets	9,10	(6,408,186)	(4,101,034)
Cash inflows from the sale of tangible and intangible assets		1,313,810	134,505
Obtaining control of subsidiaries cash outflows for purchases		(204,450)	(214,752)
Cash flows from investing activities		(5,298,826)	(4,181,281)
Financing activities			
Proceeds from borrowings	13	1,298,330	1,656,259
Cash outflows from repayments of borrowings	13	(1,943,312)	(1,868,826)
Cash outflows from repayment of derivative instruments		(11,909)	(16,060)
Interest received	20	2,470,801	1,172,911
Interest paid		(665,593)	(1,043,414)
Dividends paid		(663,752)	-
Cash outflows from payments of rent agreements		(2,465,164)	(2,242,838)
Cash flows from financing activities		(1,980,599)	(2,341,968)
Monetary loss on cash and cash equivalents		(7,021,296)	(4,610,942)
Effect of foreign currency translation differences on cash and cash equivalents		25,098	258,325
Net increase in cash and cash equivalents		(297,194)	2,820,316
Cash and cash equivalents at the beginning of the year	3	12,652,044	9,831,728
Cash and cash equivalents at the end of the year	3	12,354,850	12,652,044

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



Migros Ticaret A.Ş.

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

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)
(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Migros Ticaret A.Ş., (collectively referred to as "Migros" or the "Company"), was established on 19 March 2008 and is registered in Istanbul, Turkey under the Turkish Commercial Code. (Migros Türk Ticaret Anonim Şirketi, which was established in 1954, merged with its parent company Moonlight Perakendecilik ve Ticaret Anonim Şirketi ("Moonlight Perakendecilik") on 30 April 2009 and the trade name of Moonlight Retailing was changed as Migros Ticaret A.Ş.)

The Company and its subsidiaries together will be referred as "the Group".

The Company is controlled by AG Anadolu Grubu Holding A.Ş., its parent company. AG Anadolu Grubu Holding A.Ş. is controlled by AG Sınai Yatırım ve Yönetim A.Ş., and AG Sınai Yatırım ve Yönetim A.Ş. is a management company that ultimately manages, with equal representation of and by way of equal management by the Süleyman Kamil Yazıcı family and the Özilhan family, the affiliates of AG Anadolu Grubu Holding A.Ş. AG Anadolu Grubu Holding A.Ş. holds a 50% indirect share.

The Group is mainly engaged in retail sales in food & beverages, consumer goods and wholesale. Other than that the Group is also engaged in online food retailing, takeout food, payment and e-money services, logistic (motorcycle courier) services, and shopping mall management.

As of 31 December 2023, the Group has a total sales area of 1,930,340 m² (31 December 2022: 1,796,075 m²) with a retail store area of 1,914,329 m² and a wholesale store area of 16,011 m², 3,335 retail stores and 28 wholesale stores, operates in a total of 3,363 (31 December 2022: 2,908) stores. As of the end of the year as of 31 December 2023, the total number of employees of the Group is 50,915. (31 December 2022: 45,303). Retailing is the Group's core business, accounting for approximately 97% (31 December 2022: 96%) of gross sales.

The address of the registered office is as follows:

Migros Ticaret A.Ş.
Atatürk Mah., Turgut Özal Blv.,
No: 7 Ataşehir İstanbul

These consolidated financial statements have been approved for issue by the Board of Directors ("BOD") on 18 March 2024 and signed by General Manager, and Assistant General Manager, on behalf of the BoD. The owners of the Company and regulators have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.



Migros Ticaret A.Ş.

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

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries:

The Company has the following subsidiaries (the "Subsidiaries"). The nature of the business of the Subsidiaries and for the purpose of the consolidated financial statements, their respective geographical segments are as follows:

Subsidiaries	Country of incorporation	Geographical segment	Nature of business	31 December 2023 (%)	31 December 2022 (%)
Ramstore Kazakhstan LLC	Kazakhstan	Kazakhstan	Shopping centre management	100.0	100.0
Mimeda Medya Platform A.Ş.	Turkey	Turkey	Media	100.0	100.0
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş.	Turkey	Turkey	Services limited by e-money legislation	80.0	80.0
Paket Lojistik ve Teknoloji A.Ş.	Turkey	Turkey	Logistics	75.0	75.0
Dijital Platform Gıda Hizmetleri A.Ş.	Turkey	Turkey	Online food retailing	93.0	93.0
Migen Enerji ve Elektrikli Şarj Hizmetleri A.Ş. (*)	Turkey	Turkey	Charging service	100.0	100.0
CRC Danışmanlık ve Organizasyon A.Ş. (**)	Turkey	Turkey	Packaged food production	50.0	-

(*) It is not included in the scope of consolidation on the grounds of materiality.

(**) The share corresponding to 30% of the paid capital of CRC Danışmanlık ve Organizasyon A.Ş. was taken over by Migros Ticaret A.Ş. and the share corresponding to 20% was taken over by Digital Platform Gıda Hizmetleri A.Ş. on 26 December 2023.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial reporting standards applied

Statement of Compliance with TFRS

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No: 28676 on June 13, 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations ("TAS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

In addition, the consolidated financial statements are presented in accordance with the specified format in "TFRS Taxonomy Announcement", issued on 15 April 2019 by the POA, and "the Financial Statements Examples and Guidelines for Use", which is published by the Capital Markets Board of Turkey.



Migros Ticaret A.Ş.

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

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.1 Financial reporting standards applied (Continued)

In addition, the consolidated financial statements are presented in accordance with the specified format in "TFRS Taxonomy Announcement", issued on 15 April 2019 by the POA, and "the Financial Statements Examples and Guidelines for Use", which is published by the Capital Markets Board of Turkey.

Migros and its subsidiaries, which operate in Turkey, keep their accounting books and their statutory financial statements in Turkish Lira ("TRY") in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by the CMB, Turkish Commercial Code ("TCC") and Tax Legislation and the Uniform Chart of Accounts which is issued by the Ministry of Finance. The foreign subsidiaries keep their accounting books and statutory financial statements in their local currencies and in accordance with the rules and regulations of the countries in which they operate.

2.1.2 Changes in the accounting policies, estimates and errors

Significant changes in accounting policies and accounting errors are applied retrospectively and prior year financial statements are restated. The effect of changes in accounting estimates affecting the current year is recognised in the current year; the effect of changes in accounting estimates affecting current and future periods is recognised in the current and future periods.

2.1.3 Functional and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TRY, which is the functional currency of Migros Ticaret A.Ş. and the reporting currency of the Group. (Note 27)

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions),
- All resulting exchange differences are recognised in other comprehensive income.

Going Concern

The consolidated financial statements have been prepared assuming that the Company and consolidated subsidiaries will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.



Migros Ticaret A.Ş.

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

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

(Convenience Translation Into English Of Consolidated Financial Statements Originally Issued In Turkish)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, 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 December 31, 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. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2022, on the purchasing power basis as of December 31, 2023.

Pursuant to the decision of the Capital Markets Board (SPK) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of December 31, 2023, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Coefficient	Three year Compound Interest rate
31.12.2023	1.859,38	1.000	268%
31.12.2022	1.128,45	1.647	156%
31.12.2021	686,95	2.706	74%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 "Impairment of Assets" and IAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Financial reporting in hyperinflationary economy (Continued)

- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.

The outline of the TAS 29 indexing operations is as follows:

- All items other than those shown with current purchasing power as of the balance sheet date are indexed using the relevant price index coefficients. Amounts from previous years are also indexed in the same way.
- Monetary asset and liability items are not subject to indexation because they are expressed in purchasing power at the current balance sheet date. Monetary items are cash and items to be received or paid in cash.

Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when it is necessary and significant differences are disclosed.

2.3 Summary of significant accounting policies

Accounting policies applied by subsidiaries can be changed in order to convenience with the accounting policies applied by the Group, when necessary. The accounting policies applied to the preparation of consolidated financial statements are summarized as follows:

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements of the Group include Migros, Mimedra, Moneypay, Dijital Platform, Paket Lojistik and Ramstore Kazakhstan LLC. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Intra-group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a basis within other operating income or other operating expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Revenue

The Group records revenue when fullfills performance obligation while transferring committed service or good to their customer. An asset is transferred when (or as) the control of an asset is transferred to the customer.

The Group records revenue accordance with the following 5 main principles:

- Determination of customer contracts
- Determination of performance obligation on contracts
- Determination of transaction fee on contracts
- Allocation of transaction price to performance obligation in contracts
- Revenue recognition when each performance obligation is fulfilled

The specific accounting policies for the Group's main types of revenue are explained below:

Sales of goods - Retail

The Group operates in the retail sales of food and beverages, consumer and durable goods through its stores, shopping centers, Ramstores Banner abroad and internet sales. Sales of goods are recognised when the performance obligation is fulfilled. Retail sales are usually made against a cash or credit card payment.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Within the scope of the Group customer loyalty program, customers who use loyalty cards earn points from their purchases. For these earned points, the probability of using them in the following periods is estimated and the relevant amount is recorded as sales discount.

Sales of Goods - Wholesale

Revenue from the sales of goods is recognised when a group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Control transfer does not occur until the products were shipped to the specified location, the risks of obsolescence and loss were transferred to the wholesaler, the wholesaler accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has an objective evidence that all criteria for acceptance are satisfied.

Rent revenue

The Group recognises rent income on accrual basis based on the agreement.

Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost is determined primarily on the basis of the weighted average cost method. For processed inventories, cost includes direct materials, direct labor and the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Borrowing costs are not included in inventory cost. Revenues and discounts from suppliers, sales premiums and advertising participation fees are accounted on an accrual basis and booked against cost of inventories. An inventory difference provision for the period covering the latest inventory count date and the balance sheet date has been included into the inventory impairment item.

Property, plant and equipment

Revaluation Method

Property, plant and equipment except lands and buildings are carried at cost less accumulated depreciation and impairment if exists. With respect to TAS 16 "Property, Plant and Equipment", the Group has decided to choose revaluation model for lands and buildings by using the fair values determined in the valuation reports of Nova Taşınmaz Değerleme ve Danışmanlık A.Ş. ("Nova Taşınmaz Değerleme") as of 31 December 2023. The first fair value application was adopted as of 31 December 2017.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfers from the revaluation fund to retained earnings are made unless the asset is derecognised.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Freehold land is not depreciated.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When a property, plant and equipment is disposed of or no future economic benefits are expected from its use or sale, it is derecognised. The gain or loss resulting from the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value of the asset and is included in the profit or loss statement.

Cost method

Property, plant and equipment except lands and buildings are carried at cost less accumulated depreciation and impairment if exists.

Properties in the course of construction for production, administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Legal fees are also included in the cost.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The depreciation period for property, plant and equipment which approximate the economic useful lives of such assets, are as follows:

	Useful lives (Year)
Buildings	25-50
Leasehold improvements	Over period of lease ^(*)
Machinery and equipment	4-10
Furniture and fixtures	5-12
Motor vehicles	5-8

^(*) Leasehold improvements include the expenses made for the leased properties and are depreciated over the useful life of the leased property where the useful life is longer than the lease term, and over the useful life if it is shorter.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Expenses for repair and maintenance of property, plant and equipment are normally charged to the consolidated profit and loss statement. They are, however, capitalized and depreciated through the estimated useful life of the property, plant and equipment in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

Derecognition of property, plant and equipment

A property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Intangible assets

Goodwill

Goodwill arises when purchasing subsidiaries and the amount of the transferred consideration, the amount of non-controlling interests in the acquiree and the fair value of the identifiable net assets in the acquiree, the excess of the fair value difference at the acquisition date of the equity interests in the acquiree previously held by the acquirer. 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.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

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

Brands

Brands that are acquired separately are accounted for at their acquisition cost, and brands that are acquired as a part of business combination are accounted for at their fair value in the consolidated financial statements. The Group assessed the useful life of brand as indefinite since there is no foreseeable limit to the period over which a brand is expected to generate net cash inflows for the Group. A brand is not subject to amortisation as it is considered to have an indefinite useful life. A brand is tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount when the carrying amount of the brand exceeds its recoverable amount.

Rent agreements

Lease agreements are determined by the Group as identifiable intangible assets and consist of the lease agreements taken over from the stores it has purchased and the parts of the purchase price of the purchased stores exceeding the fair value of the purchased assets. Lease contracts are recorded at their fair values at the date of purchase, and amortised during the contract period.

The evacuation cost paid by the Group to the real estate owners or previous renters relating to rented stores except for the rental price at the beginning of the contract are presented under other intangible assets. These amounts are amortized throughout the lease and accounted for in marketing and sales expenses.

Computer softwares (Rights)

Rights arising on computer software are recognised at its acquisition cost. Computer software is amortised on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization. The estimated useful life of computer software is 5 years.

Internally-generated intangible assets and development expenditures

Maintenance and research costs of computer software are expensed as they occur. Development costs for designing and testing identifiable and unique computer software controlled by the Group are recognized as intangible assets if the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

The cost of the software includes all of the costs directly attributable to the software (such as software development labor costs and the share of software overhead) required by management to create, produce, and prepare the software in order for it to function as intended. Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Development-related expenses that were initially recognized as an expense cannot be recognized as an asset at a later date.

Computer software development expenses are capitalized and to be subject to depreciation over their estimated useful lives.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset. This difference is recognised in profit or loss when the asset is derecognised.

Non-current assets held for sale

Non-current assets or asset groups that meet the criteria of asset held for sale are measured at the lower of its carrying amount and fair value less cost to sell. When the fair value is less than the carrying cost, an impairment loss is recognized as an expense in the consolidated income statement for the period.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Financial assets

Classification and measurement

The Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the consolidated statement of financial position.

Impairment

The Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, the Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. The Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "derivative instruments" in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. The Group's financial instruments at fair value through profit or loss consist of forward contracts and interest rate swaps.

ii) Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of "financial assets" in the statement of financial position. The Group measures such assets at their fair values. Gains or losses arising from the related financial assets are recognized in other comprehensive income except foreign exchange gain or loss and impairment loss. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 2.3 for further information about the group's accounting for trade receivables and impairment policies.

Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Earnings per share

Earnings per share presented in the consolidated statement of income are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned. As disclosed in Note 25, the Group's earnings per share are calculated in accordance with "Earning Per Share" ("TAS 33").

Income as per share stated in the consolidated statement of profit or loss is calculated by dividing the net profit by the weighted average of the share certification available in the market during the whole year.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. These "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been calculated by taking into account the retrospective effects of the aforementioned share distributions.

Events after the reporting period

Subsequent events are composed of any event between the balance sheet date and the publication date of the balance sheet, even if they arise after any announcements of profits or other financial data.

The Group restates its consolidated financial statements if such subsequent events arise (Note 30)

Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation 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. Contingent liabilities are assessed continuously to determine whether the possibility of an outflow of resources embodying economic benefits is probable. When the possibility of an outflow of resources embodying economic benefits is probable for the accounts classified as contingent liabilities, provision is provided in the financial statements for related contingent liabilities except for the situations there is not a reliable estimation.

The Group discloses the contingent liabilities that are probable but there is not a reliable estimation for the amount of resources embodying economic benefits in the notes.

Assets that result from previous events that cannot be controlled fully by the Group and depend on the realization of one or more uncertain events, is considered as a contingent asset. Contingent assets are disclosed in the notes of the consolidated financial statements, if there is a high probability that resources with economic benefits will flow to the entity.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees,
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under TAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

The Group applies the derecognition and impairment requirements in TFRS 9 to the net lease investment. The Group regularly reviews the estimated uncommitted residual values used in the calculation of the gross lease investment and in case of a decrease in the estimated uncommitted residual value, the Group revises the distribution of income over the lease term and reflects the reductions in the accrued amounts directly to the financial statements.

When a contract includes lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

Related parties

Parties are considered related to the Group if;

a) directly, or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company,

b) the party is an associate of the Company,

c) the party is a joint venture in which the Company is a venture,

d) the party is member of the key management personnel of the Company or its parent,

e) the party is a close member of the family of any individual referred to in (a) or (d),

f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e),

g) the party has a defined benefit plan for the employees of the Company or a related party of the Company.

Related party transactions are transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Income taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The current income tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax liability is calculated using the legalized or substantially legalized tax rate as of the date of the consolidated financial statements.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Deferred tax

Deferred tax liability or asset is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax rates which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax asset or liability of the assets and liabilities except for goodwill or business combinations are not calculated for temporary timing differences arising from the initial recognition and affecting both trading and financial profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Employee benefits/Employee termination benefits

The provision for employment termination benefits represents the present value of the estimated total provision for the future probable liabilities of the Group arising from the retirement of the personnel in accordance with the Turkish Labor Law and the laws applicable in the countries in which the subsidiaries operate. Pursuant to the laws governing working life in Turkey and the Turkish Labor Law, the Group is required to collectively pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, who voluntarily leaves the job, is dismissed, dies or retires and reaches the retirement age. Provision allocated by using defined benefit plans' current value is calculated by using prescribed liability method. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders' equity in the period in which they arise.

Cash flow statement

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Summary of significant accounting policies (Continued)

Cash flows from operating activities represent the cash flows of the Group generated from retail and wholesale activities and lease income.

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.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months and which are subject to an insignificant risk of changes in value (Note 3).

Offsetting

A financial asset or liability can be offset and the net amount shown on the balance sheet only if the entity has a legal right to offset the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Dividend

The dividend distributed to the shareholders of the Company is reflected as a liability in the financial statements of the Group on the date it is approved by the shareholders of the Company. When entitled to receive dividends, it is recognized as income in the financial statements.

Paid in capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share premium

Share premium represents differences resulting from the sales of the Group's subsidiaries' and investments valued by using equity method shares at a price exceeding the nominal value of those shares or differences between the nominal value and the fair value of shares issued for acquired companies by the Group (Note 23).

Deferred finance income/expenses

Deferred finance income/expenses represent imputed finance income and expenses on credit sales and purchases. Such income and expenses calculated by using the effective interest method are recognised as financial income or expenses over the period of credit sale and purchases, and included under other operating income and expenses.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Comparative information and restatement of prior period financial statements

The Group's consolidated financial statements have been prepared in comparison with the previous period in order to give accurate trend analysis regarding the financial position and performance. Where necessary, comparative figures have been reclassified to conform to the presentation of the current period consolidated financial statements and significant changes are explained. In case of changes and errors in accounting policies and accounting estimates, significant changes and significant accounting errors are applied retrospectively and the prior period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made for only one period, and if it is related to future periods, both in the period when the change is made and prospectively.

In the Group's comparative financial statements as of December 31, 2023, there are no changes or errors in accounting policies and accounting estimates, and no material changes in significant accounting estimates.

2.5 Critical accounting estimates and assumptions

The preparation of the consolidated financial statements necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

(a) Goodwill impairment test

Impairment tests; It is done by comparing the present values of cash flows calculated within the framework of long-term plans for each cash-generating unit for goodwill, and the values found using the income method for brands, with the relevant carrying values.

As explained in related accounting policy, the Group performs impairment tests on goodwill annually as of 31 December. The recoverable amount of the cash generating unit has been determined based on the fair value less costs to sell calculations. These value-in-use calculations include discounted after-tax cash flow projections, and these projections determined in TRY are based on five-year long-term plans approved by Migros Ticaret management. Estimated cash flows beyond the five-year period are calculated without considering any growth rate. In value-in-use calculations, the annual discount rate is 16.0% (2022: 11.3%). The discount rate used is the post-tax discount rate and includes risks specific to the Group (Note 11).

No impairment was identified as a result of the impairment tests performed as of 31 December 2023.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Critical accounting estimates and assumptions (Continued)

(b) Impairment on leasehold improvements

As explained in related accounting policy, property, plant and equipment are carried at the cost less accumulated depreciation and, if any, impairment. The Group evaluates its operational performance on a store-by-store basis and each store's continuity depends on the discounted net cash flow projections. Those cash flow projections are calculated, on a consistent basis to the Group's five year business plans and on a store-by-store basis by taking into consideration the remaining useful life of each store. In this context, the Group executes an impairment estimate on the leasehold improvements on stores where it is a lessee by considering the continuity of each store.

(c) Extension option in lease contracts

The lease obligation is determined by taking into account the extension options in the contracts. Most of the extension options included in the long-term lease contracts consist of applicable extension options by the Group. The Group reassesses the extension options in the lease term based on the medium-term business plans in the last year of the lease term and, if necessary, adds the extension right prospectively to the contract period. If the conditions change significantly, the assessment is reviewed by the Group.

(d) Explanations on fair value determination

As of the presentation of the consolidated financial statements as of 31 December 2023, the Group has excluded the cost model from the application methods in TAS 16 and chose the revaluation model for the presentation of land and buildings at their fair values. Revaluation studies of lands, building and investment properties have been performed by Nova Taşınmaz Değerleme, which is CMB accredited professional valuation Companies.

Lands and buildings in assets of the Group, which are located in Turkey, have been revaluated in 31 December 2023 by Nova Taşınmaz Değerleme, using "Sample comparison approach analysis", and "Income approach".

"Income approach" method has been used in the valuation reports dated 31 December 2023 prepared by TSKB Gayrimenkul Değerleme to determine the fair market value of the land and buildings in the Group's assets and located in Kazakhstan.

As a result of revaluation study made by the experts, positive difference for lands and building amounting to TRY 1,122,300 is accounted as TRY 939,673 after net-off tax and minority effect "Revaluation Funds" of Property, plant and equipment under equity.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 New and Revised Turkish Financial Reporting Standards

Explanations regarding the effects of the new TAS/TFRS on financial statements:

a) Standards, amendments, and interpretations applicable as of 31 December 2023:

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IAS 12 - International tax reform ;** The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023:

- **Amendment to IFRS 16 - Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendment to IAS 1 - Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 New and Revised Turkish Financial Reporting Standards (Continued)

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash	375,114	341,370
Banks	8,715,588	7,656,243
- demand deposit (*)	1,576,923	1,292,412
- time deposit	7,138,665	6,363,831
Cheques in collection	393	916
Credit card receivables	3,263,755	4,653,515
	12,354,850	12,652,044

(*) The Group transfers the cash in its stores registers to the bank on a daily basis. In accordance with the bank agreements, transferred cash amounts have temporary blockages for a certain year of time and available for use at the end of this year. As of 31 December 2023, a cash amount of TRY 296,183 in bank accounts is temporarily blocked due to the mentioned cash transfer. (2022: TRY 802,418).

Weighted average effective interest rate on TRY denominated time deposits as of 31 December 2023 is 43.9% (2022: 24.1%).

Credit card receivables with a maturity of less than one month are discounted at 31 December 2023 with annual rate of 42.9% (2022: 10.8%).



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NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

The maturity analysis of time deposits at 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
1 - 30 days	7,138,665	6,363,831
Over 90 days ^(*)	36,087	7,736
	7,174,752	6,371,567

^(*) Time deposits with a maturity of more than 90 days are recognized in the financial investments account (Note 4).

NOTE 4 - FINANCIAL INVESTMENTS

Financial assets

	31 December 2023	31 December 2022
Currency protected deposits ^(*)	417,052	578,559
Time deposit ^(**)	36,087	7,736
Investment fund	9,366	53,166
	462,505	639,461

^(*) The interest rates for currency protected deposit accounts are 40.0% (2022: 13.5% and 21.0%)^(**) Related amount indicating the bank deposits with over 90 days maturity recognised as cash fund by the Group.

Financial assets carried at fair value through other comprehensive income

	31 December 2023	31 December 2022
Long term financial assets carried at fair value through other comprehensive income/loss	1,059,775	985,913
Subsidiaries	96,178	7,414
	1,155,953	993,327



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NOTE 4 - FINANCIAL INVESTMENTS (Continued)

	31 December 2023		31 December 2022	
	TL	Share (%)	TL	Share (%)
Colendi Holdings Limited	1,059,775	4.88	985,913	4.88
CRC Danışmanlık ve Organizasyon A.Ş.	88,764	50.00	-	-
Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş.	7,414	100.00	7,414	100.00
Total	1,155,953		993,327	

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

Trade receivables:

	31 December 2023	31 December 2022
Receivables from tenants and wholesale activities	379,613	773,505
Doubtful trade receivables	163,496	207,527
Notes receivable	19,772	26,850
Due from related parties (Note 24)	1,700	8,776
Less: Provisions for doubtful receivables	(163,496)	(207,527)
Less: Finance income not accrued on term sales	(31,100)	(6,255)
	369,985	802,876

The maturity of trade receivables is generally less than one month, and they were discounted with the annual rate of 42.9% as of 31 December 2023 (2022: 10.8%).

Movement of provision for doubtful receivables is as follows:

	2023	2022
Beginning of the year, 1 January	207,527	275,758
Current year charge (Note 18)	8,472	19,394
Collections and provisions released	(8,015)	(8,506)
Currency translation differences	41,355	29,655
Monetary gain	(85,843)	(108,774)
End of the year, 31 December	163,496	207,527



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NOTE 5 - TRADE RECEIVABLES AND PAYABLES (Continued)

Trade payables:	31 December 2023	31 December 2022
Sellers	36,651,293	33,280,022
Trade payables to related parties (Note 24)	1,256,444	1,177,351
Expense accruals	878,251	576,480
Finance cost not accrued on term purchases	(1,395,545)	(365,872)
	37,390,443	34,667,981

The maturity of trade payables is generally less than three months and they are discounted with annual rate of 42.9% as of 31 December 2023 (2022: 10.6%).

Explanations on the nature and level of risks in trade receivables and payables are included in Note 26.

NOTE 6 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables	31 December 2023	31 December 2022
Value added tax receivables ("VAT")	1,991,300	-
Receivables from personnel	101,043	91,742
Receivables from insurance companies	34,946	10,485
	2,127,289	102,227
Other long-term receivables	31 December 2023	31 December 2022
Deposits and guarantees given	19,125	21,042
Value added tax receivables ("VAT")	-	939,631
	19,125	960,673



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NOTE 6 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other short-term payables	31 December 2023	31 December 2022
Other taxes and funds payable	506,478	474,461
Value added tax payables ("VAT")	138,144	98,257
Other	51,393	17,103
	696,015	589,821

Other long-term payables	31 December 2023	31 December 2022
Deposits and guarantees received	44,417	53,113
	44,417	53,113

NOTE 7 - INVENTORIES

	31 December 2023	31 December 2022
Finished goods and commodities	21,821,285	18,482,232
Work in progress	324,134	250,132
Raw materials	170,219	131,233
Other	69,047	79,463
Less: Provision for impairment on inventory	(455,889)	(402,384)
	21,928,796	18,540,676



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NOTE 7 - INVENTORIES (Continued)

Movement of impairment on inventory is as follows:

	2023	2022
Beginning of the year, 1 January	402,384	412,509
Charge for the year	585,213	721,201
Provisions released (-)	(531,708)	(731,326)
End of the year, 31 December	455,889	402,384

NOTE 8 - PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses

	31 December 2023	31 December 2022
Prepaid insurance expenses	125,025	186,118
Prepaid rent expenses	79,157	119,350
Advances given	81,153	147,814
Other prepaid expenses	278,172	171,358
	563,507	624,640

Long-term prepaid expenses

	31 December 2023	31 December 2022
Advances given for property, plant and equipment	1,031,967	110,739
Prepaid rent expenses	513,475	300,767
Other	240,355	77,420
	1,785,797	488,926



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NOTE 8 - PREPAID EXPENSES AND DEFERRED INCOME (Continued)

Short-term liabilities from customer contracts

	31 December 2023	31 December 2022
Customer cheques	556,235	491,371
Deferred income	299,103	72,576
Advances received	65,169	-
	920,507	563,947

Long-term deferred income

	31 December 2023	31 December 2022
Deferred income	375,220	110
	375,220	110



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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipments years ended at 31 December 2023 is as follows;

	1 January 2023	Additions	Disposals	Revaluation (*)	Transfers	Currency translation differences	31 December 2023
Cost							
Lands	2,174,607	68,111	(761,383)	416,232	16,573	(6,345)	1,907,795
Buildings	2,942,892	37,081	-	697,103	122,199	(54,584)	3,744,691
Leasehold improvements	9,903,436	942,541	(4,742)	(29,920)	368,007	(17,979)	11,161,343
Machinery and equipments	12,393,021	1,600,865	(442,405)	-	1,047,104	(8,821)	14,589,764
Motor vehicles	375,319	289,946	(70,427)	-	-	-	594,838
Furniture and fixtures	6,026,772	647,380	(199,437)	-	288,101	(167)	6,762,649
Construction in progress	674,575	2,146,206	-	-	(1,841,984)	(23,823)	954,974
	34,490,622	5,732,130	(1,478,394)	1,083,415	-	(111,719)	39,716,054
Accumulated depreciation							
Buildings	(229,194)	(85,549)	-	-	-	27,774	(286,969)
Leasehold improvements	(6,815,238)	(714,401)	-	14,410	-	8,677	(7,506,552)
Machinery and equipments	(7,022,032)	(953,508)	351,070	-	-	1,312	(7,623,158)
Motor vehicles	(99,821)	(88,949)	24,173	-	-	-	(164,597)
Furniture and fixture	(3,583,509)	(415,091)	158,159	-	-	204	(3,840,237)
	(17,749,794)	(2,257,498)	533,402	14,410	-	37,967	(19,421,513)
Net book value	16,740,828						20,294,541

(*) Impairment loss amounting to TRY 15,510 consists of leasehold improvements of the stores closed in 2023 (Note:19).



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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement of property, plant and equipments year ended at 31 December 2022 is as follows;

	1 January 2022	Additions	Disposals	Revaluation (*)	Transfers	Currency translation differences	31 December 2022
Cost							
Lands	2,069,975	-	(40,059)	104,309	-	40,382	2,174,607
Buildings	2,281,610	67,079	(60,306)	655,319	30,830	(31,640)	2,942,892
Leasehold improvements	9,197,963	555,382	-	(6,092)	170,786	(14,603)	9,903,436
Machinery and equipments	10,684,109	1,159,034	(134,729)	-	693,444	(8,837)	12,393,021
Motor vehicles	52,238	313,769	(915)	-	10,227	-	375,319
Furniture and fixtures	5,536,445	449,336	(129,985)	-	172,752	(1,776)	6,026,772
Construction in progress	501,507	1,262,817	-	-	(1,078,039)	(11,710)	674,575
	30,323,847	3,807,417	(365,994)	753,536	-	(28,184)	34,490,622
Accumulated depreciation							
Buildings	(206,065)	(61,128)	1,226	-	-	36,773	(229,194)
Leasehold improvements	(6,444,628)	(377,328)	-	1,142	-	5,576	(6,815,238)
Machinery and equipments	(6,353,045)	(789,479)	115,395	-	-	5,097	(7,022,032)
Motor vehicles	(21,864)	(78,502)	545	-	-	-	(99,821)
Furniture and fixture	(3,383,892)	(292,925)	91,863	-	-	1,445	(3,583,509)
	(16,409,494)	(1,599,362)	209,029	1,142	-	48,891	(17,749,794)
Net book value	13,914,353						16,740,828

(*) Impairment amounting to TRY 4,950 consists of leasehold improvements of the stores closed in 2022 and fair value changes in lands and buildings (Note 19).



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NOTE 10 - INTANGIBLE ASSETS

Movement of intangible assets for the periods ending 31 December 2023 and 2022 are as follows:

	1 January 2023	Additions	Disposals (-)	Currency translation differences	31 December 2023
Cost					
Trademark	7,544	-	-	-	7,544
Rent agreements	105,916	-	-	-	105,916
Rights	2,152,079	651,355	-	-	2,803,434
Other intangible assets	1,445,706	24,701	(14,709)	6,636	1,462,334
	3,711,245	676,056	(14,709)	6,636	4,379,228
Accumulated amortisation					
Rent agreements	(102,701)	(3,215)	-	-	(105,916)
Rights	(1,632,824)	(355,918)	-	-	(1,988,742)
Other intangible assets	(1,209,888)	(4,265)	11,831	(3,576)	(1,205,898)
	(2,945,413)	(363,398)	11,831	(3,576)	(3,300,556)
Net book value	765,832				1,078,672



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NOTE 10 - INTANGIBLE ASSETS (Continued)

	1 January 2022	Additions	Currency translation differences	31 December 2022
Cost				
Trademark	7,544	-	-	7,544
Rent agreements	105,916	-	-	105,916
Rights	1,861,373	286,656	4,050	2,152,079
Other intangible assets	1,438,745	6,961	-	1,445,706
	3,413,578	293,617	4,050	3,711,245
Birikmiş itfa payları				
Rent agreements	(100,506)	(1,575)	(620)	(102,701)
Rights	(1,283,390)	(345,246)	(4,188)	(1,632,824)
Other intangible assets	(1,207,855)	(2,033)	-	(1,209,888)
	(2,591,751)	(348,854)	(4,808)	(2,945,413)
Net book value	821,827			765,832

Amortisation expenses related to intangible assets have been accounted under marketing expenses.

NOTE 11 - GOODWILL

	2023	2022
Beginning of the year, 1 January	13,693,582	13,499,219
Additions	-	194,363
End of the year, 31 December	13,693,582	13,693,582

Impairment tests for goodwill:

The whole amount of goodwill is related to the acquisition of Migros, the Group management considers the synergy to be created by the important domestic market position as the main reason for the goodwill. Accordingly, the Group management allocated the above mentioned goodwill amount to Turkish domestic operations which is the main cash generating unit, considering its market share and importance of the total turnover of the domestic operations in the Group consolidation.



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NOT 11 - GOODWILL (Continued)

The recoverable amount of cash-generating unit was determined based on value-in-use calculations. These value-in-use calculations include the discounted after tax cash flow projections, which are based on TRY budgets approved by the Group management covering an five year period.

Subsequent projected cash flows over a five year period were calculated without regard to any growth rate, and the analysis predicted that the existing profitability structure would be preserved.

In the calculations made as of 31 December 2023, the future cash flows calculated with balance sheet date prices are discounted with an average of 16.0%. The discount rate used is the after-tax discount rate and includes risks specific to the Group. The fact that the after-tax discount rate used in the calculation of discounted cash flows is higher/lower by 1% (such as 15.0% or 17.0% instead of 16.0%) causes a decrease/increase of TRY 2,302,872 (2022: TRY 1,304,841) in the fair value calculations for which sales costs are deducted, as of 31 December 2023. Within the context of analysis performed by the Group Management, above mentioned changes in the key assumptions on which recoverable amount is based would not cause carrying amount to exceed its recoverable amount.

NOTE 12 - RIGHT OF USE ASSETS

For 31 December 2023 and 2022, movement on right of use assets is as follows:

Cost	1 January 2023	Additions	Disposals	31 December 2023
Buildings	23,194,313	6,074,840	(839,002)	28,430,151
	23,194,313	6,074,840	(839,002)	28,430,151
Accumulated Amortisation				
Buildings	(8,846,928)	(3,580,026)	222,841	(12,204,113)
	(8,846,928)	(3,580,026)	222,841	(12,204,113)
Net book value	14,347,385			16,226,038



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NOTE 12 - RIGHT OF USE ASSETS (Continued)

Cost	1 January 2022	Additions	Disposals	31 December 2022
Buildings	18,781,169	4,585,949	(172,805)	23,194,313
	18,781,169	4,585,949	(172,805)	23,194,313
Accumulated Amortisation				
Buildings	(6,093,993)	(2,790,492)	37,557	(8,846,928)
	(6,093,993)	(2,790,492)	37,557	(8,846,928)
Net book value	12,687,176			14,347,385

Amortisation expenses related to right of use asset have been accounted under marketing expenses.

Short-term lease liabilities

	31 December 2023	31 December 2022
Lease liabilities	1,826,080	1,992,132
	1,826,080	1,992,132

Long-term lease liabilities

	31 December 2023	31 December 2022
Lease liabilities	6,424,728	5,940,892
	6,424,728	5,940,892



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NOTE 12 - RIGHT OF USE ASSETS (Continued)

Liabilities from long-term lease transactions as of 31 December 2023:

	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
TRY	946,209	880,035	779,713	672,852	3,145,919	6,424,728
	946,209	880,035	779,713	672,852	3,145,919	6,424,728

Liabilities from long-term lease transactions as of 31 December 2022:

	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
TRY	902,921	880,690	841,247	616,256	2,699,778	5,940,892
	902,921	880,690	841,247	616,256	2,699,778	5,940,892



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NOTE 13 - BORROWINGS (Continued)

	31 December 2023		
	Effective interest rate (%)	In original currency	Total TRY equivalent
Short term borrowings			
Fixed interest rate - TRY	23.45%	400,491	400,491
Total short term borrowings		400,491	400,491
Current portion of long term borrowings			
Fixed interest rate - TRY	21.47%	508,776	508,776
Floating interest rate - TRY	29.22%	168,284	168,284
Kazakhstan loan - Tenge	13.97%	1,156,638	75,204
Total current portion of long term borrowings			752,264
Total short term borrowings			1,152,755
Long term borrowings			
Fixed interest rate - TRY	28.70%	498,644	498,644
Floating interest rate - TRY	29.22%	354,465	354,465
Kazakhstan loan - Tenge	13.97%	204,646	13,306
Total long term borrowings			866,415
Total financial liabilities			2,019,170



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NOTE 13 - BORROWINGS

The redemption schedule of borrowings with effective interest rate at 31 December 2023 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2024 - 31 December 2024	75,204	1,077,551	1,152,755
1 January 2025 - 31 December 2025	13,306	689,581	702,887
1 January 2026 - 14 December 2026	-	163,528	163,528
	88,510	1,930,660	2,019,170

The fair value of borrowings at 31 December 2023 is TRY 1,902,908.

The redemption schedule of principal amounts of borrowings at 31 December 2023 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2024 - 31 December 2024	65,389	823,968	889,357
1 January 2025 - 31 December 2025	16,700	822,919	839,619
1 January 2026 - 14 December 2026	-	235,408	235,408
	82,089	1,882,295	1,964,384

The redemption schedule of contractual cash outflows of borrowings at 31 December 2023 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2024 - 31 December 2024	73,618	1,186,910	1,260,528
1 January 2025 - 31 December 2025	17,887	1,008,467	1,026,354
1 January 2026 - 14 December 2026	-	281,309	281,309
	91,505	2,476,686	2,568,191

The Group has the obligation to comply with the various credit commitments in the loan agreement in the interest of the said bank credits. The financial ratios calculated on the financial statements as of 31 December 2023 are in line with the provisions of the bank loan agreement.



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NOTE 13 - BORROWINGS (Continued)

The movement schedule of borrowings as of 31 December 2023 and 2022 is as follows;

	2023	2022
Beginning of the year, 1 January	4,351,281	8,042,547
Proceeds of borrowings	1,298,330	1,656,259
Payments (-)	(1,943,312)	(1,868,826)
Foreign exchange losses	50,934	34,399
Interest accrual	13,763	(4,418)
Effect of subsidiaries included in the consolidation for the first time	-	22,060
Monetary gain	(1,751,826)	(3,530,740)
End of the year, 31 December	2,019,170	4,351,281



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NOTE 13 - BORROWINGS (Continued)

	31 December 2022		
	Effective interest rate (%)	In original currency	Total TRY equivalent
Short term borrowings			
Fixed interest rate - TRY	14.86%	180,201	180,201
Floating interest rate - TRY	18.14%	493,119	493,119
Total short term borrowings			673,320
Current portion of long term borrowings			
Fixed interest rate - TRY	18.75%	1,279,925	1,279,925
Kazakhstan loan - Tenge	13.97%	1,201,621	80,095
Total current portion of long term borrowings			1,360,020
Total short term borrowings			2,033,340
Long term borrowings			
Fixed interest rate - TRY	18.18%	2,233,786	2,233,786
Kazakhstan loan - Tenge	13.97%	1,262,528	84,155
Total long term borrowings			2,317,941
Total financial liabilities			4,351,281



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NOTE 13 - BORROWINGS (Continued)

The redemption schedule of borrowings with effective interest rate at 31 December 2022 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2023 - 31 December 2023	80,095	1,953,245	2,033,340
1 January 2024 - 31 December 2024	67,035	1,331,364	1,398,399
1 January 2025 - 31 December 2025	17,120	678,744	695,864
1 January 2026 - 14 December 2026	-	223,678	223,678
	164,250	4,187,031	4,351,281

The fair value of borrowings at 31 December 2022 is TRY 3,924,921.

The redemption schedule of principal amounts of bank borrowings at 31 December 2022 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2023 - 31 December 2023	78,294	1,471,510	1,549,804
1 January 2024 - 31 December 2024	67,035	1,238,318	1,350,353
1 January 2025 - 31 December 2025	17,120	933,668	950,788
1 January 2026 - 14 December 2026	-	387,890	387,890
	162,449	4,076,386	4,238,835

The redemption schedule of contractual cash outflows of borrowings at 31 December 2022 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2023 - 31 December 2023	97,224	2,113,350	2,210,574
1 January 2024 - 31 December 2024	75,471	1,744,310	1,819,781
1 January 2025 - 31 December 2025	18,338	1,062,825	1,081,163
1 January 2026 - 14 December 2026	-	463,521	463,521
	191,033	5,384,006	5,575,039



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NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions

	31 December 2023	31 December 2022
Provision for litigation	144,766	250,122
Provision for personnel expenses	65,070	510,793
Provision for customer loyalty programs	4,132	5,131
	214,001	766,046

There are various lawsuits filed against or in favour of the Group. Receivables, rent or labour disputes constitute the majority of these lawsuits. The Group management estimates the outcomes of these lawsuits and estimates their financial impact according to which the necessary provisions are accounted.

Movements in the provision for litigation during the year are as follows:

	2023	2022
Beginning of the year, 1 January	250,122	200,260
Increase during year	87,555	103,992
Payments (-)	(92,278)	(41,679)
Monetary gain	(100,600)	(12,451)
End of the year, 31 December	144,799	250,122



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NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals, Pledges, Mortgages

31 December 2023:

	TRY equivalent	TRY	USD	EUR
A. CPM given on behalf of the Company's legal personality	1,620,976	1,612,660	282	20
B. CPM given on behalf of fully consolidated subsidiaries	88,510	-	3,227	-
Total collaterals, pledges and mortgages	1,709,486	1,612,660	3,509	20

Proportion of the other CPM's to equity (%)

-

31 December 2022:

	TRY equivalent	TRY	USD	EUR
A. CPM given on behalf of the Company's legal personality	781,686	760,973	651	20
B. CPM given on behalf of fully consolidated subsidiaries	164,248	-	5,331	-
Total collaterals, pledges and mortgages	945,934	760,973	5,982	20



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NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Contingent assets and liabilities

Guarantees given at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Letter of guarantees given	1,709,486	945,934
	1,709,486	945,934

Guarantees received at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Guarantees obtained from customers	1,688,301	739,626
Mortgages obtained from customers	35,261	42,053
	1,723,562	781,679

NOTE 15 - EMPLOYEE BENEFITS

	31 December 2023	31 December 2022
Payables to personnel	889,350	700,460
Social security payables	750,848	538,974
	1,640,198	1,239,434

	31 December 2023	31 December 2022
Provision for employment termination benefits	1,195,346	2,107,925
Provision for unused vacation	937,748	942,833
	2,133,094	3,050,758



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NOTE 15 - EMPLOYEE BENEFITS (Continued)

Movement of provision for unused vacation for the years ended in 31 December 2023 and 2022 is as follows:

	2023	2022
Beginning of the year, 1 January	942,833	508,024
Provision for the year	810,171	779,206
Used in year (-)	(430,994)	(40,336)
Monetary gain	(384,262)	(304,061)
End of the year, 31 December	937,748	942,833

Provision for employment termination benefits

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and who reaches the retirement age, whose employment is terminated without due cause, is enlisted for military service or passed away. The termination benefit to be paid is one-month wage per a service year up to the maximum employment termination benefit.

In the consolidated financial statements as of 31 December 2023 and 2022, the Group reflected a liability calculated using the projected unit credit method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds.

The following actuarial assumptions were used in the calculation of the total liability:

	2023	2022
Discount rate (%)	3,00	0,00
Turnover rate to estimate the probability of retirement (%)	69,6-91,7	69,7-91,7

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. As the maximum liability is revised once every six months, the maximum amount of TRY 35,058.58 effective from 1 January 2023 has been taken into consideration in calculating the reserve for employment termination benefit of the Group.



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NOTE 15 - EMPLOYEE BENEFITS (Continued)

The movement of the severance pay provision account for the years ended as of 31 December 2023 and 2022 is presented below:

	2023	2022
Beginning of the year, 1 January	2,107,925	1,038,173
Provision during year	290,068	51,189
Interest cost	152,774	90,003
Actuarial loss	580,536	1,508,902
Payments (-)	(1,452,449)	(173,905)
Monetary gain	(483,508)	(406,438)
End of the year, 31 December	1,195,346	2,107,925

NOTE 16 - REVENUE

	1 January - 31 December 2023	1 January - 31 December 2022
Domestic sales	184,055,410	142,596,619
Other sales	659,116	225,086
Gross sales	184,714,526	142,821,705
Discounts and returns (-)	(3,040,189)	(2,341,637)
Sales revenue, net	181,674,337	140,480,068
Cost of sales (-)	(147,671,404)	(114,210,332)
Gross profit	34,002,933	26,269,736



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NOTE 16 - REVENUE (Continued)

Details of domestic and foreign sales before other sales, discounts and returns are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Retail sales revenue	177,807,199	136,960,882
Wholesale revenue	5,332,055	4,835,396
Rent income	916,156	800,341
	184,055,410	142,596,619

NOTE 17 - EXPENSES BY NATURE

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	17,410,822	12,055,050
Depreciation and amortisation expenses	6,200,922	4,745,376
Rent and common area expenses	4,697,418	3,502,566
Energy expenses	2,672,251	2,642,435
Advertising expenses	1,357,318	724,382
Porterage and cleaning expenses	1,122,974	811,060
Information technology maintenance expenses	1,045,414	865,744
Repair and maintenance expenses	618,306	411,115
Security expenses	318,109	215,059
Communication expenses	205,426	113,265
Taxes and other fee expenses	159,770	92,804
Other	1,174,031	1,075,492
	36,982,761	27,254,348



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NOTE 17 - EXPENSES BY NATURE (Continued)

Marketing expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	15,165,452	10,551,096
Depreciation and amortisation expenses	6,200,922	4,745,376
Rent and common area expenses	4,639,161	3,454,459
Energy expenses	2,653,279	2,631,605
Advertising expenses	1,356,396	724,382
Porterage and cleaning expenses	1,092,886	790,480
Information technology maintenance expenses	966,215	790,651
Repair and maintenance expenses	606,400	404,452
Security expenses	304,746	207,074
Communication expenses	188,361	105,889
Taxes and other fee expenses	134,379	80,727
Other	722,095	777,221
	34,030,292	25,263,412

General administrative expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	2,245,370	1,503,954
Other	707,099	486,982
	2,952,469	1,990,936

Expenses by nature in cost of sales for the years 1 January - 31 December 2023 and 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Cost of goods sold	146,557,768	113,990,931
Cost of service rendered	1,113,636	219,401
	147,671,404	114,210,332

Cost of trade goods include discounts, incentives and volume rebates obtained from suppliers. Service costs comprise energy, advertising, cleaning, security and administrative expenses incurred in the Group's shopping malls.



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NOTE 18 - OTHER OPERATING INCOME AND EXPENSES

Other operating income	1 January - 31 December 2023	1 January - 31 December 2022
Interest income on term sales	885,468	763,411
Competition board restructuring	243,915	-
Other	242,497	232,359
	1,371,880	995,770
Other operating expenses	1 January - 31 December 2023	1 January - 31 December 2022
Interest expense on term purchases ^(*)	4,726,936	4,095,532
Litigation provision	87,555	613,562
Bad debt provision expense	8,472	19,394
Other	179,150	105,315
	5,002,113	4,833,803

(*) Forward purchases are discounted to the assumed cash value with the relevant GDS interest rates separately for each month, and as a result, forward purchase interest expenses are calculated. Average interest rates 2023: 19.3% (2022: 16.3%)

NOTE 19 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investing activities	1 January - 31 December 2023	1 January - 31 December 2022
Gain on sale of property, plant, and equipment	365,940	-
Currency protected deposit income	10,636	58,943
	376,576	58,943
Expense from investing activities	1 January - 31 December 2023	1 January - 31 December 2022
Losses from leasehold improvements of closed stores	15,510	4,950
Impairment of property, plant, and equipment	8,964	332,121
Losses on sale of property, plant, and equipment	-	22,460
	24,474	359,531



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NOTE 20 - FINANCIAL INCOME

	1 January - 31 December 2023	1 January - 31 December 2022
Interest income on bank deposits	2,470,801	1,172,911
Foreign exchange gains	1,482,193	349,506
Financial income on derivatives	-	4,166
	3,952,994	1,526,583

NOTE 21 - FINANCIAL EXPENSES

	1 January - 31 December 2023	1 January - 31 December 2022
Interest expense on lease liabilities	1,353,884	1,252,242
Credit card commission expenses	1,396,529	433,496
Interest expense on bank borrowings	656,565	1,278,291
Interest expense on provision for employment termination benefits	152,774	90,003
Foreign exchange losses	68,225	80,318
Financial expense on derivatives	15,983	37,054
Other	84,320	44,312
	3,728,280	3,215,716



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NOTE 22 - TAX ASSETS AND LIABILITIES

	31 December 2023	31 December 2022
Corporate and income taxes payable	520,839	460,570
Less: Prepaid current income taxes	(403,047)	(694,488)
Current tax liabilities/(assets)	117,792	(233,918)
	31 December 2023	31 December 2022
Deferred tax assets	1,092,953	781,496
Deferred tax liabilities	(3,166,632)	(1,616,448)
Deferred tax liabilities, net	(2,073,679)	(834,952)

General Information

The Group is subject to taxation in accordance with the tax regulations and the legislation effective in the countries in which the Group companies operate. In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

In Turkey, corporate tax rate is 25% (2022: 23%).

"Law No. 7456 on Amending the Application of Additional Motor Vehicle Tax, on Certain Laws and on Provision No. 375 to Compensate for the Economic Losses Arising From Earthquakes on 6 February 2023" was published in Official Gazette No. 32249 dated 15 July 2023. The corporate income tax rate is defined in article 21 of this law, as well as in this provision of the first paragraph of the 32nd article of Corporate Income Tax Law No. 5520: "Corporate tax is 20% of the corporate earnings. The corporate tax rate was increased to 25% for banks, companies in the scope of Law No. 6361, electronic payment and currency institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies."

The Group calculates its assets and liabilities related to deferred income by considering the temporary timing differences between taxable legal financial statements and financial statements prepared according to TFRS. As of 31 December 2023, the rate applied for the deferred tax assets and liabilities calculated according to the liability method for temporary differences occurring in future periods for Turkey and Kazakhstan are 25% and 20%, respectively (2022: 23% and 20%, respectively).

Tax Advantages Obtained Under the Investment Incentive System

Earnings from the Group's investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or completely until the investment contribution amount is reached. In this context, as of December 31, 2023, the Group has recognized deferred tax assets amounting to TRY 8,001 (31 December 2022: nil) which will be utilized in the foreseeable future. As a result of the recognition of the tax advantage as of 31 December 2023, deferred tax income amounting to TRY 8,001 has been recognized in the statement of profit or loss for the period 1 January- 31 December 2023.



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NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)

Within the scope of the incentive certificates summarized above, a reduced corporate tax advantage of TRY 8,185 (31 December 2022: TRY 1,627) has been used in the current period statutory tax provision.

R&D Incentives

The Group capitalizes R&D expenditures in its statutory books within the scope of Law No. 5746. In accordance with the provisions of the same law, the Group uses R&D discount exemption for the portion of the expenditures allowed by the law by calculating the R&D expenditures made by the Group within the framework of the relevant legislation.

As of December 31, 2023, the Group has used R&D discount exemption amounting to TRY 102,651 (December 31, 2022: TRY 32,841) against statutory tax.

The details of taxation on income for the years ended 31 December 2023 and 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Current year tax expense (-)	(694,672)	(663,000)
Deferred tax expense/(income)	(1,191,852)	685,982
Current year tax expense	(1,886,524)	22,982
	1 January - 31 December 2023	1 January - 31 December 2022
Profit before tax	10,791,919	9,132,552
Calculated tax income according to parent company tax rate (25%) (2022:23%)	(2,697,980)	(2,100,487)
Expected tax expense of the Group	(2,697,980)	(2,100,487)
Effect of non-deductable expenses	(79,723)	(305,443)
Exemption for R&D and other discounts	117,281	60,010
Tax effect of other income exempt from tax	151,702	132,414
Effect of temporary differences which no deferred tax assets are recognised	(1,315,374)	(236,740)
Effective tax rate difference	-	116,449
Revaluation effect of property, plant and equipment and intangible asset	1,829,957	1,985,813
Other differences	107,613	370,966
The Group's expense/(income)	(1,886,524)	22,982



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NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)

Deferred taxes

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred income tax has been provided as of 31 December 2023 and 2022 using the currently enacted tax rates, is as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Deferred tax assets:				
Provision for employee termination benefits	1,183,387	2,701,711	297,205	421,585
Short term provisions	1,180,558	1,647,155	295,470	329,248
Finance income not accrued from future sales	31,100	6,255	7,775	1,251
Inventories	1,401,544	297,906	350,386	59,582
Other	575,820	(150,255)	142,117	(30,170)
			1,092,953	781,496
Deferred tax liabilities:				
Property, plant and equipment	(3,106,028)	(444,994)	(559,085)	(71,199)
TFRS 16	(8,169,669)	(6,269,829)	(2,042,417)	(1,253,965)
Financial investment fair value change	(720,814)	(1,079,700)	(216,244)	(215,940)
Finance expense not accrued from future sales	(1,395,545)	(367,699)	(348,886)	(73,540)
Fair value change of derivative financial instruments	-	(9,021)	-	(1,804)
			(3,166,632)	(1,616,448)
Total deferred tax assets, net			(2,073,679)	(834,952)



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NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)

Movements of deferred tax assets and liabilities are as follows:

	2023	2022
Beginning of the year, 1 January	(834,952)	(1,461,967)
Deferred tax income from continuing operations	(1,191,852)	685,982
Recognized on other comprehensive income	(37,493)	(43,361)
- Remeasurement losses from defined benefit plans	144,830	301,781
- Property plant and equipment revaluation increases	(182,627)	(129,202)
- Financial investment fair value difference	304	(215,940)
Currency translation differences	(9,382)	(15,606)
End of the year, 31 December	(2,073,679)	(834,952)

NOTE 23 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The shareholders of the Company and their shareholdings stated at historical amounts at 31 December 2023 and 2022 are stated below:

	31 December 2023		31 December 2022	
	TRY	Share (%)	TRY	Share (%)
MH Perakendecilik ve Ticaret A.Ş.	89,046	49.18%	89,046	49.18%
Migros Ticaret A.Ş.	2,962	1.64%	2,962	1.64%
Other	89,046	49.18%	89,046	49.18%
Nominal paid capital	181,054	100.00%	181,054	100.00%
Share capital adjustment differences (*)	2,271,207		2,271,207	
Adjusted share capital	2,452,261		2,452,261	
Treasury shares	(596,745)		(596,745)	

(*) Share capital adjustment differences refer to the difference between the total amounts of cash and cash equivalent additions to capital adjusted in accordance with TFRS published by the KGK and their pre-adjustment amounts. Capital adjustment differences have no use other than being added to capital.



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NOTE 23 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

Dividend Distribution

Publicly traded companies make dividend distributions in accordance with the Capital Markets Board Communiqué on Dividends No. II-19.1 enacted on 01 February 2014.

Partnerships distribute profits with a decision from the general board, within the framework of profit distribution policies determined by the general assemblies and in accordance with related legislation provisions. As per the related Communiqué, a minimum distribution rate was not set. Companies pay dividends as specified in their articles of association or profit distribution policies. Also, dividends may be paid in equal or unequal instalments and dividend advances may be distributed in cash based on the profit in the interim financial statements.

If legal reserves and dividends determined for shareholders in articles of association or dividend distribution policies are not allocated as per the TCC, no other legal reserve can be allocated or transferred until the following year, and no dividend is distributed to beneficial interest certificate holders, members of the board of directors, employees of the partnership or those other than shareholders. Also, no dividend is distributed to such parties unless the dividends determined for the shareholders are not paid in cash.

In the general board meeting of 11 April 2023, the general board decision was made to pay non-resident shareholders who earn dividends via a workplace in Turkey or a permanent establishment a TRY 3.726979 gross=net cash dividend of 372.6979% for shares with a nominal worth of TRY 1.00, to pay other shareholders a TRY 3.726979 gross cash dividend of 372.6979% for shares with a nominal worth of TRY 1.00, a TRY 3.726979 net cash dividend of 335.42811% out of other resources planned to be allocated. It was decided that this total payment of TRY 674.8 million (TRY 663.8 million excluding repurchased shares) shall be made in.

As of December 31, 2023, and 2022, breakdown of the equity in the financial statements prepared in accordance with the Tax Procedure Law are as follows.

		31 December 2023	
	PPI Indexed Legal Records	CPI Indexed Records	Amounts followed in Accumulated Profit/Loss
Share capital adjustment differences	3,294,881	2,271,206	1,203,675
Other reserves	2,094,156	991,954	1,102,202

As of January 1, 2022, the amount of accumulated losses without inflation accounting is TRY 914.843, while the amount of accumulated profit inflation accounting applied is TRY 14.558.331.

As of December 31, 2022, the amount of accumulated loss without inflation accounting is TRY 767.287, while the amount of accumulated profit with inflation accounting applied is TRY 13.945.213.



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NOTE 24 - RELATED PARTY DISCLOSURES

a) Balances with related parties

As of 31 December 2023 and 2022, due from and due to related parties are as follows:

Trade receivables from related parties

	31 December 2023	31 December 2022
Anadolu Sağlık Merkezi İktisadi İşletmesi (ASM)	652	-
Anadolu Etap Penkon Gıda ve İçecek Ürünleri San. ve Tic. A.Ş.	145	-
Anadolu Isuzu Otomotiv Sanayi ve Tic. A.Ş. ⁽¹⁾	-	4,828
Anadolu Motor Üretim ve Pazarlama A.Ş. ⁽¹⁾	-	255
Other	903	3,693
	1,700	8,776

Trade payables to related parties

	31 December 2023	31 December 2022
Efes Pazarlama ve Dağıtım Ticaret A.Ş. ⁽¹⁾	643,843	588,858
Coca Cola Satış ve Dağıtım A.Ş. ⁽¹⁾	492,227	453,767
Adel Kalemcilik Ticaret ve San. A.Ş. ⁽¹⁾	45,609	10,648
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San, ve Tic, A.Ş. ⁽¹⁾	36,300	15,446
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	24,272	-
AEH Sigorta Acenteliği A.Ş. ⁽¹⁾	1,610	104,633
Diğer	12,583	3,999
	1,256,444	1,177,351



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NOTE 24 - RELATED PARTY DISCLOSURES (Continued)

b) Transactions with related parties

Significant transactions regarding purchases and sales with related parties for the years ending on 31 December 2023 and 2022 are as follows:

Inventory purchases	1 January - 31 December 2023	1 January - 31 December 2022
Coca Cola Satış ve Dağıtım A.Ş. ⁽¹⁾	3,193,017	2,344,290
Efes Pazarlama ve Dağıtım Ticaret A.Ş. ⁽¹⁾	2,737,012	2,274,061
Adel Kalemcilik Ticaret ve San. A.Ş. ⁽¹⁾	121,524	51,069
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. ⁽¹⁾	128,061	63,381
	6,179,614	4,732,801

⁽¹⁾ AG Anadolu Grubu Holding group companies

Other transactions	1 January - 31 December 2023	1 January - 31 December 2022
Rent expenses	(23,778)	(20,229)
Other income	99	639
Other transactions, net	(23,679)	(19,590)

c) Key management compensation

The Group has determined key management personnel as chairman, members of Board of Directors, general manager, and vice general managers.

Total compensation provided to key management personnel by Group for the years ended 31 December 2023 and 2022 is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Short term benefits	353,801	250,063
	353,801	250,063

Key management compensation paid or payable consists of benefits, salaries, premiums, individual pension premiums, vehicle rents and SSI and employer shares.



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NOTE 25 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the year by the weighted average number of ordinary shares outstanding during the related period.

	1 January - 31 December 2023	1 January - 31 December 2022
Net profit attributable to shareholders	8,828,696	9,139,805
Weighted average number of shares with Kr1 face value each('000)	18,105,233	18,105,233
Earnings per share	48,76	50,48

There is no difference between basic and diluted earnings per share for any of the periods.

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize their potential adverse effects on the financial performance of the Group.

Individual subsidiaries manage their risk under policies approved by their Boards of Directors.

Interest rate risk

The Group management invests its interest bearing assets on short-term investments with the principle of balancing the maturity of the assets and liabilities that are sensitive to the interest rate changes.

The interest position table of the Group as of 31 December 2023 and 2022 is as follows:

Financial instruments with fixed interest rate	31 December 2023	31 December 2022
Time deposits	7,591,804	6,950,126
Financial liabilities	1,496,421	3,858,162
Lease liabilities	8,250,808	7,933,024
Financial instruments with floating interest rate	31 December 2023	31 December 2022
Financial liabilities	522,749	493,119

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)



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Non derivative financial liabilities:

2023	Net book value	Contractual cash outflows	Less than 3 months	3 months-12 months	1 years-5 years
Financial payables	2,019,170	2,566,783	583,661	675,458	1,307,664
Trade payables	37,390,443	38,563,942	30,468,899	8,095,043	-
Other payables	2,380,630	2,380,630	1,640,198	696,015	44,417
	41,790,243	43,511,355	32,692,758	9,466,516	1,352,081

Non derivative financial liabilities:

2022	Net book value	Contractual cash outflows	Less than 3 months	3 months-12 months	1 years-5 years
Financial payables	4,351,281	5,575,040	678,446	1,532,129	3,364,465
Trade payables	34,667,981	35,033,854	28,532,867	6,500,987	-
Other payables	1,882,368	1,882,368	1,829,255	-	53,113
	40,901,630	42,491,262	31,040,568	8,033,116	3,417,578

Credit risk

The Group is exposed to credit risk due to its sales other than retail sales. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by limiting the aggregate risk from any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer base.

As of 31 December 2023 and 2022, the details of credit and receivables risk are as follows. In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.



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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

2023	Trade Receivables			
	Third party	Related party	Other receivables	Deposits in bank
Maximum risk exposed credit risk as of reporting date (A+B+C+D)	368,285	1,700	2,146,414	9,168,727
- Secured portion of maximum credit risk bu guarantees etc.	79,225	-	-	-
A. Net book value of financial assets either are not due or not impaired	330,974	1,700	2,146,414	9,168,727
- Secured portion bu guarantees etc.	78,793	-	-	-
B. Net book value of the expired or not impaired financial assets	-	-	-	-
- Secured portion bu guarantees etc.	-	-	-	-
C. Net bok value of assets that are overdue but not impaired	37,311	-	-	-
- Secured portion bu guarantees etc.	432	-	-	-
D. Net book value of assets that are impaired	-	-	-	-
- overdue (gross book value)	163,496	-	-	-
- impairment (-)	(163,496)	-	-	-
- Secured portion bu guarantees etc.	-	-	-	-



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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

2022	Trade Receivables			
	Third party	Related party	Other receivables	Deposits in bank
Maximum risk exposed credit risk as of reporting date (A+B+C+D)	794,100	8,776	1,062,900	8,242,538
- Secured portion of maximum credit risk bu guarantees etc.	174,429	-	-	-
A. Net book value of financial assets either are not due or not impaired	756,762	8,776	1,062,900	8,242,538
- Secured portion bu guarantees etc.	173,389	-	-	-
B. Net book value of the expired	-	-	-	-
- Secured portion bu guarantees etc.	-	-	-	-
C. Net bok value of assets that are overdue but not impaired	37,338	-	-	-
- Secured portion bu guarantees etc.	1,040	-	-	-
D. Net book value of assets that are impaired	-	-	-	-
- overdue (gross book value)	207,527	-	-	-
- impairment (-)	(207,527)	-	-	-
- Secured portion bu guarantees etc.	-	-	-	-

As of the reporting date, there are no uncollected, overdue, and renegotiated bank deposits nor credit card receivables present at the Group portfolio, thus the Group is in the opinion that there are no credit risks regarding these assets.

Aging of the receivables which are overdue but not impaired

	31 December 2023	31 December 2022
Between 0-1 month	2,609	3,806
Between 1-3 month	446	334
Between 3-12 month	29,285	26,642
Between 1-5 years	4,971	6,556
	37,311	37,338



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NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Capital risk

Net debt ratio as of 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Total liabilities	55,875,344	54,112,847
Less: Cash and cash equivalents	(12,807,989)	(13,238,339)
Net debt	43,067,355	40,874,508
Equity attributable to holders of parent	36,024,318	27,434,747
Equity + net debt	79,091,673	68,309,255
	54.45%	59.84%

NOTE 27 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

Exchange Rate Risk

The Group is exposed to foreign exchange risk primarily arising from financial assets denominated in foreign currencies. Aforementioned foreign exchange risk is monitored and limited with derivative instruments. As of 31 December 2023, if both Euro and US dollar currencies would have appreciated against TRY by 20% and all other variables had remained constant, the profit for the period before tax as a result of foreign exchange rate difference arising out of assets and liabilities denominated in Euro and US dollar would have been TRY 511,535 higher. (31 December 2022: TRY 204,780)

The profit before tax effect can be broken down in terms of currencies in such a way that that the change amounting to TRY 152,407 is due to the change in Euro and the change amounting to TRY 359,128 is due to US dollar. (31 December 2022: The effect of the change in the Euro is 12,515 TRY, the effect of the change in the US Dollar is TRY 192,265.)



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NOTE 27 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	FOREIGN CURRENCY POSITION							
	31 December 2023				31 December 2022			
	Total TRY equivalent	USD	EUR	Other TRY equivalent	Total TRY equivalent	USD	EUR	Other TRY equivalent
Monetary financial assets	2,575,544	61,006	23,394	17,603	1,049,647	31,214	2,254	13,913
Other	-	-	-	-	277	9	-	-
Current assets	2,575,544	61,006	23,394	17,603	1,049,924	31,223	2,254	13,913
Total assets	2,575,544	61,006	23,394	17,603	1,049,924	31,223	2,254	13,913
Trade payables	265	9	-	-	11,832	12	349	-
Current liabilities	265	9	-	-	11,832	12	349	-
Financial liabilities	-	-	-	-	-	-	-	-
Non-monetary other liabilities	-	-	-	-	17,837	-	543	-
Non-current liabilities	-	-	-	-	17,837	-	543	-
Total liabilities	265	9	-	-	29,669	12	892	-



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NOTE 27 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	FOREIGN CURRENCY POSITION							
	31 December 2023				31 December 2022			
	Total TRY equivalent	USD	EUR	Other TRY equivalent	Total TRY equivalent	USD	EUR	Other TRY equivalent
Net asset/(liability) position of off-balance sheet derivatives (A-B)	-	-	-	-	-	-	-	-
A. Total amount of off-balance sheet derivative financial assets	-	-	-	-	-	-	-	-
B. Total amount of off-balance sheet derivative financial liabilities	-	-	-	-	-	-	-	-
Net foreign currency asset/(liability) position	2,575,279	60,997	23,394	17,603	1,020,255	31,211	1,362	13,913
Net foreign currency asset/(liability) position of monetary items	2,575,279	60,997	23,394	17,603	1,037,815	31,202	1,905	13,913
Fair value hedge funds of foreign currency	417,052	14,167	-	-	578,559	-	17,614	-
Hedge amount of foreign currency assets	-	-	-	-	-	-	-	-
Hedge amount of foreign currency liabilities	-	-	-	-	-	-	-	-
Export	-	-	-	-	-	-	-	-
Import	563,589	15,330	-	-	766,946	21,347	-	-



Migros Ticaret A.Ş.

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NOTE 27 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

Foreign currency sensitivity analysis as of 31 December 2023 and 2022 is as follows:

31 December 2023

	Gain/Loss	
	Foreign exchange appreciation	Foreign exchange depreciation
20% change in Euro exchange rate Euro net asset/liability	152,407	(152,407)
20% change in US dollar exchange rate US dollar net asset/liability	359,128	(359,128)
Net effect	510,875	(510,875)

31 December 2022

	Gain/Loss	
	Foreign exchange appreciation	Foreign exchange depreciation
20% change in Euro exchange rate Euro net asset/liability	12,515	(12,515)
20% change in US dollar exchange rate US dollar net asset/liability	192,265	(192,265)
Net effect	204,780	(204,780)

NOTE 28 - FINANCIAL INSTRUMENTS

Fair value estimation

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

- 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).



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NOTE 28 - FINANCIAL INSTRUMENTS (Continued)

The fair value hierarchy for the assets and liabilities measured at fair value as of 31 December 2023 and 2022 is as follows:

2023	Level 1	Level 2	Level 3	Total
Lands	-	-	1,907,795	1,907,795
Buildings	-	-	3,457,722	3,457,722
Derivative instruments	-	-	-	-
Long term financial investments	-	1,155,953	-	1,155,953
	-	1,155,953	5,365,517	6,521,470
2022	Level 1	Level 2	Level 3	Total
Lands	-	-	2,174,607	2,174,607
Buildings	-	-	2,713,698	2,713,698
Derivative instruments	-	9,038	-	9,038
Long term financial investments	-	993,327	-	993,327
	-	1,002,365	4,888,305	5,890,670



Migros Ticaret A.Ş.

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

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NOTE 29 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees related to the services received by the Group from the Independent Audit Firm for the years 1 January - 31 December 2023 and 2022 are as follows:

	2023	2022
Audit and assurance fee	3,745	2,310
Tax consulting fee	2,222	1,412
Other non-audit services fee	712	1,181
	6,679	4,903

NOTE 30 - EVENTS AFTER THE REPORT

Shares corresponding to 18.3% of the paid-in capital of Paket Lojistik ve Teknoloji A.Ş. ("Paket Taxi"), which provides logistics services to the Group's online operations in which it has a 75.0% share, belong to its subsidiary Digital Platform Gıda Hizmetleri A.Ş., which provides services in the field of online retailing was acquired from the other shareholders of Paket Taxi.

As a result of the said share transfer, the Group's direct and indirect shareholding rate in Paket Taxi increased to 92.1%



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

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APPENDIX 1 - CONSOLIDATED STATEMENTS OF PROFIT OR LOSS BEFORE THE EFFECT OF TFRS 16

The effect of TFRS 16 standart on Group's financial statements are presented below:

	31 December 2023	TFRS 16 Effect	Before TFRS 16
ASSETS			
Current assets			
Prepaid expenses	563,507	(49,137)	612,644
Total current assets	37,875,773	(49,137)	37,924,910
Non-current assets			
Prepaid expenses	1,785,797	(16,421)	1,802,218
Right of use assets	16,226,038	16,226,038	-
Total non-current assets	54,253,708	16,209,617	38,044,091
Total assets	92,129,481	16,160,480	75,969,001
LIABILITIES			
Current liabilities			
Lease liabilities	1,826,080	1,826,080	-
Total current liabilities	44,895,539	1,826,080	43,069,459
Non-current liabilities			
Lease liabilities	6,424,728	6,424,728	-
Deferred tax liabilities	2,073,679	1,773,522	300,157
Total non-current liabilities	10,979,805	8,198,250	2,781,555
Total liabilities	55,875,344	10,024,330	45,851,014
EQUITY			
Attributable to equity holders of parent			
Retained earnings	36,024,318	6,136,150	29,888,168
Net profit for the year	23,196,439	3,104,120	20,092,319
	8,828,696	3,032,030	5,796,666
Total equity	36,254,137	6,136,150	30,117,987
TOTAL LIABILITIES AND EQUITY	92,129,481	16,160,480	75,969,001



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

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APPENDIX 1 - CONSOLIDATED STATEMENTS OF PROFIT OR LOSS BEFORE THE EFFECT OF TFRS 16 (Continued)

	31 December 2023	TFRS 16 Effect	Before TFRS 16
PROFIT OR LOSS			
Revenue	181,674,337	-	181,674,337
Cost of sales (-)	(147,671,404)	355,860	(148,027,264)
Gross profit	34,002,933	355,860	33,647,073
General administrative expenses (-)	(2,952,469)	-	(2,952,469)
Marketing expenses (-)	(34,030,292)	(1,474,777)	(32,555,515)
Other operating income	1,371,880	-	1,371,880
Other operating expense (-)	(5,002,113)	19,805	(5,021,918)
Operating loss	(6,610,061)	(1,099,112)	(5,510,949)
Income from investing activities	376,576	-	376,576
Loss from investing activities (-)	(24,474)	-	(24,474)
Operating loss before finance income/(expense)	(6,257,959)	(1,099,112)	(5,158,847)
Financial income	3,952,994	-	3,952,994
Financial expense (-)	(3,728,280)	(1,353,884)	(2,374,396)
Monetary gain	16,825,164	6,497,307	10,327,857
Net profit before tax from continuing operations	10,791,919	4,044,311	6,747,608
Tax expense from continuing operations	(1,886,524)	(1,012,281)	(874,243)
Income tax expense (-)	(694,672)	-	(694,672)
Deferred tax expense	(1,191,852)	(1,012,281)	179,571
Net profit for the year	8,905,395	3,032,030	5,873,365



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

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APPENDIX 2 - EBITDA

The Group calculates the EBITDA by deducting general administrative expenses and selling, marketing and distribution expenses and adding depreciation expenses, unused vacation liability paid in current year, employee termination benefit provision expense, unused vacation liability expense on gross profit amount in consolidated statements of income.

	2023	2022	TFRS 16 Effect 2023	TFRS 16 Effect 2022	Before TFRS 16 2023	Before TFRS 16 2022
Revenue	181,674,337	140,480,068	-	-	181,674,337	140,480,068
Cost of goods sold (-)	(147,671,404)	(114,210,332)	355,860	336,426	(148,027,264)	(114,546,758)
Gross profit	34,002,933	26,269,736	355,860	336,426	33,647,073	25,933,310
General administrative expenses (-)	(2,952,469)	(1,990,936)	-	-	(2,952,469)	(1,990,936)
Marketing expenses (-)	(34,030,292)	(25,263,412)	(1,470,722)	(884,080)	(32,559,570)	(24,379,332)
Addition: Depreciation and Amortisation expenses	6,200,922	4,745,376	3,580,026	2,790,492	2,620,896	1,954,884
EBITDA	3,221,094	3,760,764	2,465,164	2,242,838	755,930	1,517,926
Addition: Provision for employment termination benefit and unused vacation	652,055	616,154	-	-	652,055	616,154
EBITDA	3,873,149	4,376,918	2,465,164	2,242,838	1,407,985	2,134,080



APPENDICES



SUSTAINABILITY PERFORMANCE INDICATORS

GRI 2-7, 2-8

Human Resources Tables

Employee Profile by Gender and Work Type*

Employee Category	In Istanbul		Outside Istanbul	
	Women	Men	Women	Men
Full-time	5,882	7,980	15,806	20,231
Part-time	256	246	238	141
Total	6,138	8,226	16,044	20,372

Distribution of Subcontractors by Gender

	Women	Men	Total
	1,896	17,451	19,347

Employee Distribution by Term of Service*

	2023	
	Women	Men
0-5 years	15,421	18,616
5-10 years	4,090	5,839
10 years and above	2,671	4,143

Employee Distribution by Age and Gender*

Description	2023				
	Store Employee		Administrative Units, Store Managers		Ratio
	Women	Men	Women	Men	
Under 30	10,141	10,425	959	1,079	45%
30-50	8,702	11,521	2,057	4,373	52%
Over 50	261	962	62	238	3%
Average Age	30.78	32.61	34.24	36.35	

Distribution of Employees Hired by Age*

	Women (%)	Men (%)
Under 30	39.7	40.5
30-50	10.1	8.7
Over 50	0.3	0.7
Total	50.1	49.9

Distribution of Employees Left by Age*

	Women (%)	Men (%)
Under 30	36.6	42.7
30-50	9.3	10.5
Over 50	0.3	0.6
Total	46.2	53.8

Distribution of Employees Hired by Seniority*

	Women (%)	Men (%)
Junior level	49.6	49.3
Mid-level	0.4	0.7
Senior level	0	0

Distribution of Employees Left by Seniority*

	Women (%)	Men (%)
Junior level	45.3	52.4
Mid-level	0.9	1.4
Senior level	0	0

Employee Distribution by Business Area*

	Women	Men	Total	Ratio
Administrative Units and Store Managers	3,078	5,690	8,768	17%
Store Employees	19,104	22,908	42,012	83%

Female-Male Salary Average Indices

	Job Key	Index
Ratio of average salary of female managers to average salary of male managers**	Senior Manager	0.98
	Manager	0.979
	Deputy Manager	0.997
	Store Manager	0.986
Ratio of average salary of non- executive female employees to average salary of non-executive male employees	Store Employees (blue collar)	0.982
	Specialist	1.007

*Distribution of Migros Ticaret A.Ş. employees.

** Both base salaries and other premiums payments are included.



SUSTAINABILITY PERFORMANCE INDICATORS

Women Ratio by Salary Ranges (%)

Percentage of women in the company's top 10% compensated employees	31
Percentage of women in the top pay quartile (25%) globally	35
Percentage of women in the upper-middle pay quartile (25%) globally	34
Percentage of women in the lower-middle pay quartile (25%) globally	53
Percentage of women in the lower pay quartile (25%) globally	52

Average Salary of Female Employees / Average Salary of Male Employees (%)

Store employees	98
Administrative Units and Store Managers	100
All employees	99

Ratios of Female Employees by Their Workforce within the Company (%)

Middle/Other Level Management	34
Entry Level	45
Income Generating Roles*	33
IT/Engineering Positions	35/42

* Excluding support teams.

Distribution of Employees in Managerial Positions by Age and Gender

Description	2023	
	Women	Men
Under 30	611	815
30-50	1,805	4,038
Over 50	54	209

Breakdown of Employee Satisfaction Survey Results (%)

	Overall	Store Employees	Administrative and Support Units	Women	Men	Under 35	35-44	Survey Participation Rate
2020	84	84	84	86	83	84	86	90
2021	79	80	70	82	78	77	79	84
2022	75	75	79	78	74	73	77	84
2023	62	61	77	66	60	59	62	75

Percentage of Employees Subjected to Regular Performance Development Evaluations (%)

Position	Women	Men	Total
Head Office	1.7	2.7	4.4
Store Management	4.1	9.2	13.3
Store Employee	32.8	49.5	82.3
Total	38.6	61.4	100

Maternity/Parental Leave Metrics by Gender

	2023		
	Women	Men	Total
Number of employees on parental leave in 2023	1,042	1,196	2,238
Total number of employees returning from parental leave in 2023	533	1,185	1,718
Total number of employees expected to return from parental leave in 2023	723	1,185	1,908
Return to work rate	74%	100%	90%
Number of employees who remained employed 12 months after their return from parental leave	523	968	1,491
Total number of employees who returned from parental leave in 2022	615	1,110	1,725
Retention rate	85%	87%	86%



SUSTAINABILITY PERFORMANCE INDICATORS

Training Tables

Trainings in 2023	Number of Participants
Sustainability Series: Climate Change	5,179
Sustainability Series: Biodiversity	4,401
Sustainability Series: Food Waste	4,570
Sustainability Series: Water Management	6,124
Sustainability Series: Plastic Waste Management	5,148
Migros Store Zero Waste Applications	6,002
Save Your Food	4,607
Hygiene and Quality at Migros	5,431
Mandatory Hygiene Training	10,182
Proper Hand Washing	4,847
Stress Management Trainings	20,372
Emotional Intelligence, Intrinsic Motivation, Proactivity, Mental Agility	21,305
Employee Health Trainings	33,439
Gender Equality Webinar Trainings	1,471
Gender Equality Online Training	6,558
"Valuing Equality" Distance Training	5,284
Corporate Governance and Risk Management Principles Training	336
Ethical Rules Training (including Bribery, Human Rights, Child Labor, Organizing, etc.)	12,974
Corporate Policies Compliance Training	2,833
Human Rights	3,202
Personal Data Protection Law	6,829
Information Security Awareness Training	1,969
ISO 22000 Food Safety Management System	10,453
ISO 9001 Quality Management System	10,201
ISO 45001 OHS Management System	11,408
ISO 10002 Customer Satisfaction Management System	7,786
ISO 14001 Environmental Management System	10,039
Food Allergens	732
Pest Control	562

Trainings	Number of Employees Completed Training
Gender Equality Trainings	24,870
Information Security Awareness Training & Personal Data Protection Law	19,975
Human Rights	25,842
Ethical Rules Training (including Bribery, Human Rights, Child Labor, Organizing, etc.)	14,977
Corporate Policies Compliance Training	10,662

Employee Training Hours

Employee profile	Annual Total Training (Employee*Hours)	Training per employee (in-class + digital)
Store Management	1,551,778	176
Store Employee	3,449,329	93
Administrative Units	154,253	81
Total / Average	5,155,360	107

Supplier Table

Number of Suppliers by Years*	2019	2020	2021	2022	2023
Total number of new suppliers	229	376	385	334	660
Total number of suppliers	1,863	1,878	2,492	2,031	2,723

*Number of active suppliers from whom we purchase goods worth TL 1,000 or more. Farmers are not included.



SUSTAINABILITY PERFORMANCE INDICATORS

OHS Tables

Work Accidents Table *									
	2021			2022			2023		
	Employee	Subcontractor	Total	Employee	Subcontractor	Total	Employee	Subcontractor	Total
Number of hours worked	113,472,280	28,797,440	142,269,720	124,598,448	28,797,272	153,395,720	143,157,408	32,282,760	175,440,168
Number of accidents	1,507	1,376	2,883	1,637	1,808	3,445	2,434	2,402	4,836
Number of lost days	2,164	2,916	5,080	2,387	3,621	6,008	2,732	6,081	8,813
Number of fatal injuries (fatality)	0	0	0	0	0	0	0	0	0
Number of occupational diseases	5	0	5	5	0	5	6	0	6
Number of lost days due to occupational diseases	0	0	0	0	0	0	0	0	0
Work accident severity rate (lost days)	19.0479	105.087	124.1349	19.0067	125.91	144.9167	18.967	187.4681	206.4
Work accident severity rate (lost hours)	0.015	0.084	0.099	0.015	0.1	0.115	0.015	0.15	0.17
Lost time injury (frequency) rate	3.33	21.74	25.07	3.31	22.72	26.03	4.36	37.26	41.6
Total injury rate (including non-lost days)	13.26	49.64	62.9	13.03	62.77	75.8	16.88	74.09	91

* Accident Severity rates are calculated over the arithmetic average of each month.

Number of Occupational Diseases: Number of reported occupational diseases per million hours worked

Work Accident Severity Rate (Lost days): Number of lost days due to work accident per 1,000,000 hours worked

Work Accident Severity Rate (lost hours): Number of lost hours due to work accident per 100 hours worked

Lost Time Injury (Frequency) Rate: (Total number of work accidents/total hours worked) *1,000,000

Total Injury Rate: (Total number of injuries/Total working hours) *1,000,000

Work Accidents Number by Type of Injury (%)*	2023 (%)
Cuts and lacerations	24
Slips, trips and falls	18
Being hit by falling objects	12
Crushes	6
Collisions and crashes	11
Other	29
Accidental deaths	0

* The employee groups with the highest risk of work accidents are charcutiers and butchers working in service aisles due to their use of sharp objects.

Distribution of the Number of Work Accidents by Gender	2021		2022		2023	
	Employee	Subcontractor	Employee	Subcontractor	Employee	Subcontractor
Men	914	984	1,554	1,335	1,952	
Women	573	653	254	1,099	450	
Total	1,487	1,637	1,808	2,434	2,402	

% Receiving OHS Services	2023 (%)
% store employees receiving OHS services/total store employee	32
% employees receiving OHS services/total employee	36
% contractors & subcontractors receiving OHS services/total contractors & subcontractors	65



SUSTAINABILITY PERFORMANCE INDICATORS

Carbon Emission and Energy Tables

Category Based Scope 3 Emissions

		Emissions for 2023	
		(mt CO ₂ e)	%
Significant Indirect Greenhouse Gas Emissions			
Upstream Emission Sources			
Category 1	Purchased goods and services	5,693,204	67.27
Category 2	Capital goods (fixtures, real estate)	19,342	0.23
Category 3	Unreported fuel and energy-related activities	79,379	0.94
Category 4	Transport and storage of products	105,577	1.25
Category 5	Waste generated in operations	30,173	0.36
Category 6	Business travel	630	0.01
Category 7	Employee commuting	1,641	0.02
Category 8	Upstream leased assets	-	-
Downstream Emission Sources			
Category 9	Emissions from downstream transportation and distribution	93,383	1.1
Category 10	Emissions from the processing of sold products	-	-
Category 11	Emissions from the use of sold products	2,021,123	23.88
Category 12	Emissions from end of life treatment of sold products	411,739	4.86
Category 13	Emissions from downstream leased assets	7,462	0.09
Category 14	Emissions from dealer, agent and franchise activities	-	-
Category 15	Emissions from the operation of the company's investments	-	-
Total		8,463,653	100

Breakdown of Scope 1 Emissions

Source of Greenhouse Gas Emissions	Emission Factor of Fuels (kg CO ₂ e GHG emissions/unit) (Scope 1)				
	Amount	Total* (CO ₂ +CH ₄ +N ₂ O)	CO ₂ Emission Breakdown	CH ₄ Emission Breakdown	N ₂ O Emission Breakdown
Natural gas	454,755.22 m ³	822.9	820.5	2.1	0.4
Diesel	1,521,392.2 liters	4,067.1	4,023.5	10.4	33.1
Petroleum	1,103,271.5 liters	2,590.3	2,489.5	25.1	75.8

* Since operations are carried out in the retail sector; SO_x, NO_x and PM₁₀ originating from production facilities are not measured.

Stores with Automation Systems

	2021	2022	2023
Cooling Automation	2,313	2,651	3,078
Air Conditioning Automation	1,621	1,957	2,017
Lighting Automation	1,399	1,823	2,280



SUSTAINABILITY PERFORMANCE INDICATORS

Water Consumption Tables

Water Discharge Ratios (%)	2019	2020	2021	2022	2023
Discharged to Sewerage System	99.2	98.34	98.11	99.41	99.7
Discharged to Receiving Environment (Other)	0.8	1.66	1.89	0.59	0.3

Water Withdrawal Amounts by Resource (m ³)	2019	2020	2021	2022	2023
Municipal water	1,235,162	931,639	949,697	949,783	1,105,668
Well water	47,375	45,511	47,666	68,347	123,281
Total	1,282,537	977,150	997,363	1,018,130	1,228,949

Wastewater Loads Table

Parameters	Analysis Results* (mg/L)		
	February 2023	June 2023	October 2023
Biological Oxygen Demand (BOD ₅)	29	15.5	23
Chemical Oxygen Demand (COD)	94.8	47.4	61.2
Total Suspended Solids (TSS)	23.2	14.8	8.5
pH	8.21	7.75	7.72

* The wastewater treatment plant operates in our Kemalpaşa Distribution Center, and the results of periodic analyzes made at the discharge points

Packaging and Waste Tables

Packaging Materials of Private Label Products						
Material	2021		2022		2023	
	Weight (tons)	Coverage (%)	Weight (tons)	Coverage (%)	Weight (tons)	Coverage (%)
Paper	578	8	980.4	11	1,115.2	11
Glass	2,993.4	42	2,493.8	30	2,597	26
Plastic*	2,527.1	35	3,209	38	3,816.4	38
Metal	893	12	734.4	9	1,233.8	12
Composite	193.2	3	1,020.7	12	1,278.5	13
Total	7,184.7	100	8,438.8	100	10,040.9	100

* 8.5 tons (0.34%) in 2021, 18.5 tons (0.58%) in 2022 and 18.94 tons (0.49%) are recycled (R-pet) material.

Waste Amounts by Disposal Types

Waste Type	Disposal Method	2020	2021	2022	2023
Non-hazardous	Recycling / Recovery*	16,979.67	14,014.95	20,063.7	24,755.9
	Reuse / Animal feed	831.51	847.7	586	423
	Biogas / Compost	4,255	5,800.4	13,763.76**	17,081.2**
	Delivered to municipalities***	50,841	53,304	53,357.43	59,279.7
	Donation to stray animals	1,120.1	1,407.4	1,530.48	2,821.9
	Donate to food banks	1,216	2,781.67	6,161.03	6,303.9
	Incineration	246	811.7	894.32	1,378.5
Hazardous	Recycling / Recovery	7.15	7.07	6.4	4.3
	Biodiesel	30.96	41.8	36.94	23
	Incineration	9.126	5.63	3.18	4.5

* Including non-food products and electronic waste.

** Including those sent to breeding farm.

*** The majority of them are organic wastes.



SUSTAINABILITY PERFORMANCE INDICATORS

Amount of Packaging Waste Recycled by Years (tons)

2020	16,902
2021	13,774
2022	19,833
2023	24,420

Type and Amount of Packaging Waste Recycled in 2023 (tons)

Wood	7,897
Glass	41
Paper	12,906
Metal	2,765
Plastic	812

Amounts of Used Cooking Oil, Battery and Electronic Waste Collected

	2019	2020	2021	2022	2023
Amount of Used Cooking Oil Collected* (tons)	30	31	41.8	36.9	23
Amount of Waste Batteries Collected** (tons)	4.5	5.68	5.45	3.8	2.7
Amount of Electronic Waste Collected (tons)	92	77	138	133	145

* Includes the amount of used cooking oil collected from homes via Migros Sanal Market

** Includes the amount of waste batteries collected from homes via Migros Sanal Market

Product Safety & Quality Control Audits

Quality Controls

Unit	Number
New food products internally checked for quality	11,715
New non-food products internally checked for quality	14,905
Products audited by an accredited laboratory	12,475
Unannounced store external audits	2,761
Number of stores analyzed for hygiene	2,752
Number of hygiene analyzes (SWAB Analysis)	7,384
Number of Risk Based Process Audits	1,931
Number of Migros Sanal Market and Migros Hemen process audits	730
New store and seasonal store compliance audits	449
Number of inspections of bakery and hot production areas	57
Number of products checked for quality in Distribution Centers	3.3 million
Number of Distribution Center Cold Room Temperature Verifications	333
Number of delivery vehicles with temperature control	2,036



COMMUNICATION WITH STAKEHOLDERS

GRI 2-29

Migros interacts with all its stakeholders through a variety of communication channels and methods and at various frequencies. Based on the findings of a prioritization workshop conducted by the Migros Sustainability Committee and the insights and observations, the following groups have been identified as priority stakeholders: **Communities & Customers, Employees, Shareholders & Investors, Supply Chain, Government Agencies & Organizations, and Industry Organizations**. Attention is given to all stakeholder feedback; stakeholders' views are incorporated into business and decision-making processes.

Stakeholders	Communication Channel	Communication Method & Frequency
Society & Customers	Migros Interaction Platform (Customer Communication Center, WhatsApp line, E-mail, Customer Communication Forms)	Communication with 7.5 million people annually
	Social media	Real-time monitoring and response / 10 million social media messages/year analyzed
	Consumer surveys	Monthly-conducted consumer & trend research and surveys / 782,780 people/year
Employees	Internal communication	Realtime intranet messaging
		Quarterly-published Turuncu in-house magazine: Latest company news & developments, vision & goals
		Annual Panoramik in-house magazine: Migros human resources strategies & practices
		National and regional senior management & employee internal communication meetings
	Work-related and personal experience sharing through the Migros Social platform	
Working Life Assessment Survey	Once a year	
Migros Shareline	43,907 employee queries were responded to through the Migros Shareline and company intranet; all responses were delivered within 48 hours.	
Shareholders and Investors	Annual General Meetings	Once the company's financial results for the year have been made public, a general assembly of shareholders is held. The meetings minutes, agenda, and other relevant documents are published on the company's website.
	Public Disclosure Platform announcements	Financial statements are published quarterly; material event disclosures are published as needed.
	Corporate governance principles compliance report	Once a year
	www.migroskurumsal.com website	The corporate website provides detailed information that is updated daily.
	Integrated Annual Report	Quarterly and annual announcements of the company's operational & financial results on its corporate website and at KAP



COMMUNICATION WITH STAKEHOLDERS

Stakeholders	Communication Channel	Communication Method & Frequency
Supply Chain	Migros Business Partners Summit	Once a year or every two years as needed
	MeCom/MeMobil B2B applications	Updated daily
	Supplier meetings (GAP practices etc.)	As needed
	Sustainable Business Partners Network	Once a year
	Supplier audits	Once a year
Government Agencies & Organizations	Meeting attendances, requests for opinions	Leveraging membership in GPD, TAMPF, TÜSIAD, TOBB Retail Council, and TOBB E-commerce Council to promote sector growth, sustainable production, and the formulation of impactful sector opinion letters for submission to all national and local governmental, ministerial, provincial, municipal, and other public authorities; presenting sectoral views and opinions to officials across all tiers of government.
	Audits	Daily/Monthly/Annually
	Communications with municipalities and ministries	Monitoring and reporting changes in the regulatory & legal framework; holding discussions with government agencies (Presidency, Ministry of Trade, Ministry of Agriculture & Forestry, Ministry of Environment, Urbanization & Climate Change, Ministry of Family & Social Services, Ministry of Industry & Technology, Ministry of Treasury & Finance, and Department of Revenue Administration, Ministry of Education, Ministry of Labor and Social Security, Ministry of Transport) & taking action as needed
	Permission & license applications	As required by new business lines, stores, distribution centers etc.
Sectoral Organizations	Meetings & opinion requests	CGF, LEAD Network EU, GPD, TAMPF, TÜSIAD, TOBB retailing & e-commerce assemblies Quarterly meetings with Migros Board of Directors Meetings with management committees & working groups every month and as necessary Periodic target-fulfillment progress reports Operational changes and projects in line with jointly-taken decisions Lead sectoral-wide transformations



MEMBERSHIPS, COLLABORATIONS & INITIATIVES

Stakeholders	Project Name	Project Role
Consumer Goods Forum (CGF)	Board Member Food Waste Coalition <ul style="list-style-type: none"> Food Waste Reduction WRI 10x20x30 Initiative Post-Harvest Food Loss Prevention Working Group Product Data Coalition <ul style="list-style-type: none"> Global Dataset Creation Sector-Wide Transformation of Data Digitalization & Standardization Collaboration For Healthier Lives Coalition <ul style="list-style-type: none"> Healthier & More Sustainable Diets Working Group Migros Wellbeing Journey Project Employee Health & Wellbeing Working Group 	Member / Active participant Member / Active participant Member / Active participant Member / Active participant
Food Retailers Association (GPD)	Vice President	Member / Active participant
Turkish Federation of Shopping Centers & Retailers (TAMPF)	Board Member	Member / Active participant
World Resources Institute (WRI)	10x20x30 Initiative	Project implementer
Fazla	Respecting Food Project Surprise Box Project Black Soldier Fly Project	Project leader
HAYTAP Animal Rights Federation	Fresh Leftovers For Our Four-Legged Friends Project	Project leader
Chamber of Agricultural Engineers	Stakeholder Relations	Member
Sustainability Academy	SDG Map Content Provider	Member
Sustainable Food Platform	Sustainable Agriculture & Supply/ Procurement Information Provider	Member / Active participant
The Association of Turkish Milk, Meat, Food Industrialists and Manufacturers (SETBİR)	Stakeholder Relations	Member

Stakeholders	Project Name	Project Role
The Association of Non-Household Consumption Suppliers (ETÜDER)	Stakeholder Relations Migros Toptan (Wholesale): Trusted Supplier Certificate	Member
Turkish Food Safety Association (GGD)	“Growing Healthy with Migros” Guide Food Loss & Label-Reading Survey Regulatory Framework Consultant Preparation of “Covid-19 Pandemic Control & Hygiene” Guides Migros Toptan (Wholesale): Trusted Supplier Certificate	Member / Active participant
GS1 Global	Board member	Member / Active participant Project implementer
GS1 Türkiye Foundation Economic Enterprise	Board Member Global Dataset Creation Sector-Wide Transformation of Data Digitalization & Standardization	Member / Active participant Project implementer
Turkish Marine Environment Protection Association (TURMEPA)	Cleaning Up the Sea Project	Member / Active participant Project implementer
Deha Biyodizel A.Ş.	Used Cooking Oil Collection Project	Project implementer
Turkish Industry & Business Association (TÜSİAD)	Business World Plastic Initiative Working Groups Participant	Member / Active participant
Ethics & Reputation Society (TEİD)	Working Groups Participant Training Support Migros Code of Ethics and Migros Anti-Bribery & Anti-Corruption Policy Consultancy	Member
Corporate Governance Association of Türkiye (TKYD)	Stakeholder Relations	Member / Active participant
Institute of Internal Auditing - Türkiye (TİDE)	Ethical, Corporate Policy, and Legal Compliance	Member



MEMBERSHIPS, COLLABORATIONS & INITIATIVES

Stakeholders	Project Name	Project Role
Turkish Informatics Foundation Economic Enterprise (TBV)	Digital Innovation & Access	Member
The Blockchain Türkiye Platform (BCTR)	Digital Innovation & Access	Member
LEAD Network EU	Participant in Gender Equality Projects CEO-level Signatory Advisory Board Member	Member / Active participant
LEAD Network Türkiye	Founding Member, Association President	Member / Active participant
Women on Board Association Türkiye (YKKD)	Contributing Mentor	Member / Active participant
Women in Technology Association (WTECH)	Stakeholder Relations	Member
Women Entrepreneurs Association of Türkiye (KAGİDER)	Development & Acceleration of Women Entrepreneurs in Agriculture Program	Member / Active participant
People Management Association of Türkiye (PERYÖN)	HR Process Information Sharing & Congress Participant	Member / Active participant
30% Club	Stakeholder Relations	Member
Turkish Family Health and Planning Foundation (TAPV)	Board member	Member / Active participant
Employee Training & Development Platform Association (TEGEP)	Employee Training & Development Process Information Sharing	Member
Corporate Communicators Association (KİD)	Stakeholder Relations	Member
Turkish Quality Association (KalDer)	Quality Management Process Information Sharing Inclusivity & Gender Equality Task Force Committee	Member / Active participant

Stakeholders	Project Name	Project Role
The Union of Chambers and Commodity Exchanges of Türkiye (TOBB)	Stakeholder Relations TOBB Retailing Assembly member	Member
Turkish Investor Relations Society (TÜYİD)	Investor Relations Process Information Sharing	Member
Central Registry Agency (MKK)	Stakeholder Relations	Member
İstanbul Chamber of Commerce	Stakeholder Relations	Member
UN Food & Agriculture Organization (FAO)	“Save Your Food” Project “Growing Healthy with Migros” Cartoon	Project implementer
Community Volunteers Foundation (TOG)	Ariel “Clothing Donation” Campaign	Project implementer
Mother Child Education Foundation (AÇEV)	“With a Box Full of Future with Play-Doh” Campaign	Project implementer
Spinal Cord Paralytics Association of Türkiye (TOFD)	Plastic Caps Collection Project	Project implementer
District Public Education Centers	Migros Family Club	Project implementer
Aegean Forest Foundation	Reforestation Projects Financed with 10% Foundation Product Sales Proceeds Aegean Region Sapling Donations	Project implementer
Books for All Foundation	Book Donation Project	Project implementer
UN Global Compact	Signatory	Member
United Nations Women’s Empowerment Principles (WEPEs)	Signatory of Commitments	Member
Science Based Targets initiative (SBTi)	Carbon Net Zero Commitment	Signatory
Race to Zero	Carbon Net Zero Commitment	Campaign Supporter



CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

Materiality for Migros	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Product Data Accessibility and Transparency												●				●	●
Responsibility and Awareness Studies	●	●	●	●	●			●		●		●				●	●
Ecosystem Sustainability through Transparent, Responsible, Ethical Governance					●			●				●				●	
Supporting the Circular Economy								●	●			●	●	●	●		
Access to Healthy / Sustainable Products and Services		●	●									●					●
Innovative Practices							●		●			●				●	
Gender & Opportunity Equality				●	●			●		●							●
Good and Trustworthy Customer Experience			●					●				●				●	●
Extensive Combat Against Climate Change						●	●				●	●	●	●	●		●
Health and Safety of Employees			●	●				●				●					●
Employee Satisfaction and Talent Management				●	●			●		●		●					●
Sustainable Agriculture and Saving Food	●	●										●	●	●	●		●



STATEMENT OF INDEPENDENT ASSURANCE IN HUMAN RIGHTS AND SUPPLY CHAIN



INDEPENDENT ASSURANCE STATEMENT

To: MİGROS TİCARET A.Ş.

Introduction and objectives of the work:

Bureau Veritas Certification has been engaged by MİGROS TİCARET A.Ş. to provide independent assurance over the "Selected Information" listed below included Integrated Annual Report 2023

This limited assurance report applies to "Selected Information" within the scope of the work described below.

Scope of Work:

The scope of the work was limited to assurance over information included in the Integrated Annual Report 2023 for the reporting period January 1, 2023 to December 31, 2023. "Selected information" specified in the (Global Reporting Initiative-GRI) Sustainability Reporting Standards, the explanations of which are included in the Annexes section.

The scope of the indicators marked on the following pages of the Integrated Annual Report 2023, which is the subject of our limited assurance work, is as follows as of the year ended December 31, 2023;

Selected Information	
Topic	Disclosure
GRI 401-3: Parental leave	Maternity/paternity leave data for female and male employees
GRI 403-3: Occupational health services	Occupational health and safety services
GRI 403-8: Workers covered by an occupational health and safety management system	Activities carried out within the scope of ISO 45001 Occupational Health and Safety Management System, audit and certification processes, employees trained in Occupational Health and Safety
GRI 403-9: Work related injuries	Occupational health and safety-Work Related Injuries
GRI 404-3 : Percentage of employees receiving regular performance and career development reviews	Number of employees trained on human rights policies or procedures and success rates
GRI 405-1: Diversity of governance bodies and employees	Data on diversity and equality of female and male employees

Gri 405-2: Ratio basic salary and remuneration of women to men	Base salary rate and male to female employee salary ratio
Gri 406-1: Incidents of discrimination and corrective actions taken	Total number of discrimination cases and number of corrective actions taken
GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Operations and suppliers where association and collective bargaining rights are under risk
GRI 408-1: Operations and suppliers at significant risk for incidents of child labor	Operations and suppliers at significant risk of child labor incidents
GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	Operations and suppliers identified as having a significant risk of forced or compulsory labor and the actions taken
GRI 410-1: Security personnel trained in human rights policies or procedures	Number of security personnel trained in human rights and policies or procedures
GRI 414-1: New suppliers that were screened using social criteria	Audit results of the suppliers that were screened using social criteria
GRI 414-2: Negative social impacts in the supply chain and actions taken	Audit results of the suppliers and the actions taken for the negative social impacts in the supply chain
GRI 417-1: Requirements for product and service information and labeling	The type of product and service information required by the organization's product and service information and labeling procedures and the percentage of specific product and service categories subject to these information requirements

Criterion

The Company has used the principles defined in the relevant documents regarding the activities carried out within the scope of Integrated Management Systems while preparing the "Selected Information" specified in the Global Reporting Initiative (GRI) Sustainability Reporting Standards, which are described in the Appendices of the 2023 Integrated Annual Report.

Assessment standard

The assurance process was conducted in line with the requirements of the International Standard On Assurance Engagements-ISA 3000 Revised, Assurance Engagements Other Than Audits Or Reviews Of Historical Financial Information and International Standard On Assurance Engagements.





STATEMENT OF INDEPENDENT ASSURANCE IN HUMAN RIGHTS AND SUPPLY CHAIN

Reporting principles

The following principles have been taken as basis in the preparation of this report:

- Appropriateness and robustness of key reporting systems and processes used to collect, analyse and review reported information;
- Evaluation of the report according to the main principles of ISAE 3000 International Standard for Assurance Engagements (Revised)
 - Professional Scepticism
 - Professional Judgment
 - Assurance Skills and Techniques
- Evaluation of the report according to the principles of conformity, completeness, reliability, objectivity and intelligibility defined in ISAE 3000 International Standard for Assurance Engagements

Limitations and Exclusions:

"Selected Information" in this study covers all fields of activity of Migros Ticaret A.Ş.

The reliability of the reported data depends on the accuracy of the location-level data collection and monitoring arrangements that are considered as part of this assurance.

Excluded from the scope of our work is the following:

- Information related to activities outside the defined reporting period or scope;
- Company position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intent);
- Historic text which was unchanged from previous years and did not relate to ongoing activities;
- Financial data;
- Appropriateness of commitments and objectives chosen by to MİGROS TİCARET A.Ş.;

This moderate level assurance engagement relies on a risk based selected sample of the Selected Information and the associated limitations that this entails.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities:

The preparation and presentation of the Selected Information in the Integrated Annual Report 2023 are the sole responsibility of the management of to MİGROS TİCARET A.Ş.

Bureau Veritas Certification was not involved in the drafting of the related the Report Responsibilities were to:

- To provide assurance on the accuracy, reliability and objectivity of the "Selected Information" in the Integrated Annual Report 2023 in accordance with ISAE 3000 and Global Reporting Initiative (GRI) Sustainability Reporting Standards,
- Form an independent conclusion based on the assurance procedures performed and evidence obtained;
- Report our detailed conclusions and recommendations in an internal report to MİGROS TİCARET A.Ş. management.

Methodology:

As part of our independent assurance, our work included:

1. Conducting employee interviews regarding the scope of work involved;
2. Process analysis of collecting and reporting the information included;
3. Review of documentary evidence produced by MİGROS TİCARET A.Ş.
4. Recalculation of examples in accordance with the evidence documents used to prepare the information included
5. Remote Audit
6. Implementation of analytical procedures on the final reported data

The work is based on current best practices in independent assurance; It was conducted in accordance with Bureau Veritas Certification standard procedures and ISAE 3000 International Assurance Audits Standard requirements.

The work was planned and conducted to provide independent limited assurance.

Limited Assurance Conclusion

As a result of the evidence obtained, no contradiction has been detected that the Selected Information in the Annex Section of the Migros Integrated Annual Report 2023 for the year ended 31 December 2023 has not been prepared in all material respects in accordance with the Reporting Principles and Tables section.

This report has been prepared for the Company's Board of Directors to assist in the reporting of the Company's activities, including its outcome. We allow this report to be included in the Integrated Annual Report 2023 for the year ended December 31, 2023, in order to enable the Board of Directors to demonstrate that it has fulfilled its responsibilities on the subject by having a limited independent assurance report on Selected Information prepared.

Statement of Independence, Impartiality and Competence

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety and social accountability with over 190 years history.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with MİGROS TİCARET A.Ş. its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over health and safety and social rights, systems and processes, has many experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Limited Assurance.

BUREAU VERITAS CERTIFICATION

13.03.2024

Gökhan Akın

Responsible Verifier

İbrahim Tagay

Certification Manager





GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT



Greenhouse Gas Verification Statement

MİGROS TİCARET A. Ş.

Organizational Boundaries

Head office: Atatürk Mahallesi Turgut Özal Bulvanı No:7, 34758, Ataşehir, İSTANBUL
All emissions arising from all activities of Migros Ticaret A.Ş. in the Head Office, Regional Directorates, branches, distribution centers, sales regions, warehouse and breeding farm are within organizational limits.

The Greenhouse Gas emissions inventory has been verified to meet the standard requirements specified below according to ISO 14064-3:2019

ISO 14064-1:2018

Category 1- Direct Emissions	257,792	t CO ₂ eq
Category 2- Emissions from imported energy	172,092	t CO ₂ eq
Category 3- Emissions from transportation	201,231	t CO ₂ eq
Category 4- Emissions from products, service used	5,693,204	t CO ₂ eq
Category 5- Emissions from associated with the use of the product	2,440,324	t CO ₂ eq
Category 6- Other Emissions	128,894	t CO ₂ eq
Total Emissions (Market Based)	8,893,537	t CO₂ eq
Total Emissions (Location Based)	9,000,237	t CO₂ eq
Category 2- Emissions (Location Based)	278,792	t CO ₂ eq
Category 2- Emissions (Market Based)	172,092	t CO ₂ eq
YEKG Reference Number: 6196287155		
Non-Biogenic Anthropogenic GHG Emissions (Location Based)	8,994,658	t CO ₂ eq
Anthropogenic biogenic GHG emission (Location Based)	5,579	t CO ₂ eq
Non-Biogenic Anthropogenic GHG Emissions (Market Based)	8,887,958	t CO ₂ eq
Anthropogenic biogenic GHG emission (Market Based)	5,579	t CO ₂ eq

Level of Assurance : Reasonable Verification Report Date : 12.03.2024
Reporting Period : 01.01.2023 - 31.12.2023 Statement No : SG-GNL-155/2023/01

Approved by
Okay Kayhanlı – General Manager



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WATER FOOTPRINT VERIFICATION STATEMENT



Water Footprint Verification Statement

MİGROS TİCARET A. Ş.

Organizational Boundaries

Head Office: Atatürk Mahallesi Turgut Özal Bulvarı No:7, 34758, Ataşehir, İSTANBUL
Organizational boundaries are determined as Head Office, Regional Directorates, branches, distribution centers, sales regions, warehouse and breeding farm.
The Water Footprint report has been verified to meet the standard requirements specified below according to ISO 17029:2019

ISO 14046:2014

Blue Water Footprint (Including drinking water)	1,259,054	m ³
Blue Water Footprint (Except drinking water)	1,228,949	m ³
Gray Water Footprint	883,805	m ³
Green Water Footprint	–	m ³

*Tables containing details of the verified values are given in the appendix.

Level of Assurance	: Reasonable	Verification Report Date	: 12.03.2024
Reporting Period	: 01.01.2023 - 31.12.2023	Statement No	: WP-GNL-155/2023/01

Approved by
Okay Kayhanlı – General Manager

QSI Belgelendirme, Muayene ve Test Hizmetleri Ltd. Şti.
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APPENDIX

Water Withdrawal (m ³)	Total
Surface Water (Municipal Water)	1,105,668
Ground Water (Well Water)	123,281
Drinking Water	30,105
*Total (*Except drinking water)	1,228,949
*Total (*Including drinking water)	1,259,054

Water Discharge	Amount (m ³)	Ratio (%)
Discharged to sewerage system	1,102,984	99.7%
Discharged to the receiving environment (other)	3,070	0.3%
*Total (*Except drinking water)	1,106,054	100%

Stressful Area Consumption

Water withdrawal and water discharge data of 51 locations consisting of 30 branches and 21 operational units, which are prioritized in terms of water risk and water stress determined by the WRI Aqueduct Water Risk Atlas, have been verified.

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GRI CONTENT INDEX

Declaration of Use	Migros has reported for the period 1 January-December 2023 in accordance with the GRI Standards.
GRI 1 Usage	GRI 1 Basics 2021
Applicable GRI Sector Standards	

GRI Standard	Disclosures	Page Number, Reference and/or Direct Answers
GRI 1: FOUNDATION 2021		
GRI 2: GENERAL DISCLOSURES 2021		
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report p.8
	2-2 Entities included in the organization's sustainability reporting	About the Report p.8
	2-3 Reporting period, frequency and contact point	About the Report p.8
	2-4 Restatements of information	2023 Materiality Matrix p.31
	2-5 External assurance	Supplier Selection and Auditing Processes p.68 Privacy and Data Security p.105 Compliance with Human Rights Policies p.46
	2-6 Activities, value chain and other business relationships	Migros Better Future Plan p.14 About Migros p.16
	2-7 Employees	Employee Profile p.34 Human Resources Tables p.264
	2-8 Workers who are not employees	Employee Profile p.34
	2-9 Governance structure and composition	Integrated Governance Model p.121 Board of Directors p.116 Corporate Governance Committee p.139 Early Detection of Risk Committee p.139 Audit Committee p.138 Sustainability Committee p.140
	2-10 Nomination and selection of the highest governance body	Board of Directors p.116 Corporate Governance Principles Compliance Report p.125
	2-11 Chair of the highest governance body	Board of Directors p.116
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Principles Compliance Report p.125
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Principles Compliance Report p.125
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Committee p.140
	2-15 Conflicts of interest	Corporate Governance Principles Compliance Report p.125
	2-16 Communication of critical concerns	Corporate Governance Principles Compliance Report p.125
	2-17 Collective knowledge of the highest governance body	Board of Directors p.116 Corporate Governance Principles Compliance Report p.125
	2-18 Evaluation of the performance of the highest governance body	Board of Directors p.116 Corporate Governance Principles Compliance Report p.125



GRI CONTENT INDEX

GRI Standard	Disclosures	Page Number, Reference and/or Direct Answers
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Board of Directors p.116 Gender Equality Initiatives at Migros p.49
	2-20 Process to determine remuneration	Board of Directors p.116 Gender Equality Initiatives at Migros p.49
	2-21 Annual total compensation ratio	Confidentiality constraints: Information which is not open to public.
	2-22 Statement on sustainable development strategy	Migros Better Future Plan p.14 2023 Financial Review p.20
	2-23 Policy commitments	Corporate Governance Principles Compliance Report p.125
	2-24 Embedding policy commitments	Corporate Governance Principles Compliance Report p.125
	2-25 Processes to remediate negative impacts	Corporate Governance p.107
	2-26 Mechanisms for seeking advice and raising concerns	Executive Ethics Committee p.141 Employee Satisfaction & Wellbeing p.39
	2-27 Compliance with laws and regulations	Corporate Governance Principles Compliance Report p.125
	2-28 Membership associations	Memberships, Collaborations & Initiatives p.273
2-29 Approach to stakeholder engagement	Communication with Stakeholders p.271	
2-30 Collective bargaining agreements	Freedom of Association p.47	
GRI 3: MATERIAL TOPICS 2021		
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2023 Materiality Matrix p.31
	3-2 List of material topics	2023 Materiality Matrix p.31
	3-3 Management of material topics	2023 Materiality Matrix p.31
Ecosystem Sustainability Through Transparent, Responsible, Ethical Governance		
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Materiality Matrix p.31 2023 Financial Review p.20
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2023 Financial Review p.20
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Risk Assessment p.75
	201-3 Defined benefit plan obligations and other retirement plans	Employee Satisfaction & Wellbeing p.39
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Compliance with Human Rights Policies p.46
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Sustainability Performance Indicators p.264
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance Principles Compliance Report p.125
	205-2 Communication and training about anti-corruption policies and procedures	Responsibilities Expected from Suppliers p.68 Corporate Governance Principles Compliance Report p.125
	205-3 Confirmed incidents of corruption and actions taken	Compliance with Corporate Policies and Code of Ethics p.45
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Board of Directors Report p.116



GRI CONTENT INDEX

GRI Standard	Disclosures	Page Number, Reference and/or Direct Answers
GRI 207: Tax 2019	207-1 Approach to tax	Tax Approach & Management p.144
	207-2 Tax governance, control, and risk management	Tax Approach & Management p.144
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Approach & Management p.144
	207-4 Country-by-country reporting	Tax Approach & Management p.144
Accessing Sustainable Products and Services		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2023 Materiality Matrix p.31 Products and Services that Supporting Healthy Living p. 61
Extensive Combat Against Climate Change		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Environmental Management p. 73 2023 Materiality Matrix p. 31
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Performance & Targets p.77
	302-2 Energy consumption outside of the organization	Performance & Targets p.77
	302-3 Energy intensity	Performance & Targets p.77
	302-4 Reduction of energy consumption	Performance & Targets p.77
	302-5 Reductions in energy requirements of products and services	Performance & Targets p.77
GRI 305: Emissions 2016	Disclosure 305-1 Direct (Scope 1) GHG emissions	Sustainability Performance Indicators p. 264 Performance & Targets p.77
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Performance Indicators p. 264 Performance & Targets p.77
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	Sustainability Performance Indicators p. 264 Performance & Targets p.77
	Disclosure 305-4 GHG emissions intensity	Sustainability Performance Indicators p. 264 Performance & Targets p.77
	Disclosure 305-5 Reduction of GHG emissions	Performance & Targets p.77
	Disclosure 305-6 Emissions of ozone depleting substances (ODS)	Ecofriendly Cooling Systems p.78
Sustainable Agriculture and Saving Food		
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Materiality Matrix p.31
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainable Water Management p.83
	303-2 Management of water discharge-related impacts	Sustainable Water Management p.83
	303-3 Water withdrawal	Sustainability Performance Indicators p.264
	303-4 Water discharge	Sustainability Performance Indicators p.264
	303-5 Water consumption	Sustainable Water Management p.83
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainable Agriculture & Biodiversity p.85
	304-2 Significant impacts of activities, products and services on biodiversity	Sustainable Agriculture & Biodiversity p.85



GRI CONTENT INDEX

GRI Standard	Disclosures	Page Number, Reference and/or Direct Answers
Supporting the Circular Economy		
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Materiality Matrix p.31 Effective Waste Management & Supporting the Circular Economy p.91
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Effective Waste Management & Supporting the Circular Economy p.92
	306-2 Management of significant waste-related impacts	Effective Waste Management & Supporting the Circular Economy p.92 Sustainability Performance Indicators p.264
	306-3 Waste generated	Effective Waste Management & Supporting the Circular Economy p.92 Sustainability Performance Indicators p.264
	306-4 Waste diverted from disposal	Sustainability Performance Indicators p.264
	306-5 Waste directed to disposal	Sustainability Performance Indicators p.264
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Suppliers Audit Results p.70
	308-2 Negative environmental impacts in the supply chain and actions taken	Supplier Selection and Auditing Processes p.68 Suppliers Audit Results p.70
Employee Satisfaction and Talent Management		
GRI 3: Material Topics 2021	3-3 Management of material topic	2023 Materiality Matrix p.31 Corporate Governance Principles Compliance Report p.125
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Profile p.34
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Satisfaction & Wellbeing p.39
	401-3 Parental leave	Activities for Mothers and Expectant Mothers p.51 Sustainability Performance Indicators p.264
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Sustainability Performance Indicators p.264
GRI 404: Training And Education 2016	404-1 Average hours of training per year per employee	Contributing to Employee Development p.36 Sustainability Performance Indicators p.264
	404-2 Programs for upgrading employee skills and transition assistance programs	Empowering Our Employees p.35
	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Performance Indicators p.264
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of Association p.47
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Suppliers Audit Results p.70 Compliance with Human Rights Policies p.46
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Suppliers Audit Results p.70 Compliance with Human Rights Policies p.46
GRI 410: Security Practices 2016	410-1 Percentage of security personnel trained in human rights policies or procedure	Compliance with Human Rights Policies p.46



GRI CONTENT INDEX

GRI Standard	Disclosures	Page Number, Reference and/or Direct Answers
Health and Safety of Employees		
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Materiality Matrix p.31 Employees' Health and Safety p.43
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Employees' Health and Safety p.43
	403-2 Hazard identification, risk assessment, and incident investigation	Sustainability Performance Indicators p.264
	403-3 Occupational health services	Employees' Health and Safety p.43
	403-4 Worker participation, consultation, and communication on occupational health and safety	Freedom of Association p.47 Employees' Health and Safety p.43
	403-5 Worker training on occupational health and safety	OHS Training & Inspections p. 44
	403-6 Promotion of worker health	Employee Satisfaction & Wellbeing p.39 Employees' Health and Safety p.43
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employees' Health and Safety p.43
	403-8 Workers covered by an occupational health and safety management system	Employees' Health and Safety p.43
	403-9 Work-related injuries	Sustainability Performance Indicators p.264
	403-10 Work-related ill health	OHS Tables p.267
Gender & Opportunity Equality		
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Materiality Matrix p.31 Compliance with Human Rights Policies p.46
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Gender & Opportunity Equality p. 48
	405-2 Ratio of basic salary and remuneration of women to men	Gender & Opportunity Equality p.48 Sustainability Performance Indicators p.264
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Gender Equality Initiatives at Migros p. 49 Compliance with Human Rights Policies p.46
Responsibility and Awareness Studies		
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsibility and Awareness Studies p.63 2023 Materiality Matrix p.31
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Growing Sustainable Along with Suppliers p. 68
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Corporate Governance Principles Compliance Report p.125
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Responsibility & Awareness p.63
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supplier Selection and Auditing Processes p.68
	414-2 Negative social impacts in the supply chain and actions taken	Suppliers Audit Results p.70



GRI CONTENT INDEX

GRI Standard	Disclosures	Page Number, Reference and/or Direct Answers
Product Data Accessibility and Transparency		
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Materiality Matrix p.31 Good and Trustworthy Customer Experience p.55 Responsible Advertising & Marketing p. 58 Quality, Freshness & Hygiene p. 59 Transparent and Fast Flow of Product Information p.103
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Operational & Product Quality Control Processes p.60 Sustainability Performance Indicators p.264
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Operational & Product Quality Control Processes p.60 Transparent and Fast Flow of Product Information p.103
Good and Trustworthy Customer Experience		
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Materiality Matrix p.31 Good and Trustworthy Customer Experience p.55
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Effective Communication with Our Customer p.55 Privacy and Data Security p.105
Innovated Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 Materiality Matrix p.31 Digitalization & Innovative Practices p.96



STAKEHOLDER CAPITALISM METRICS INDEX*

Pillars	Theme	Description	References	
PRINCIPLES OF GOVERNANCE	Governing Purpose	<p>Setting purpose: The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.</p> <p>Purpose-led management: How the company's stated purpose is embedded in company strategies, policies and goals.</p>	<p>About the Report, Vision-Mission-Strategies-Values-Principles</p> <p>Migros Better Future Plan, Corporate Governance Principles Compliance Report</p>	
	Quality of governing body	<p>Governance body composition: Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.</p>	<p>Gender & Opportunity Equality, Value Creation-Oriented Governance Approach, Communication with Stakeholders, Board of Directors Report</p>	
	Stakeholder engagement	<p>Material issues impacting stakeholders: A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.</p>	<p>Communication with Stakeholders, 2023 Materiality Matrix, Value Creation Model</p>	
	Ethical behavior	Anti-corruption	<p>1. Total percentage of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region.</p> <p>a. Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and</p> <p>b. Total number and nature of incidents of corruption confirmed during the current year, related to this year.</p> <p>2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</p>	<p>Compliance with Corporate Policies and Code of Ethics</p>
			<p>Protected ethics advice and reporting mechanisms: A description of internal and external mechanisms for:</p> <p>1. Seeking advice about ethical and lawful behaviour and organisational integrity; and reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.</p> <p>2. Reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.</p>	<p>Compliance with Corporate Policies and Code of Ethics</p>
Risk and opportunity oversight	<p>Integrating risk and opportunity into business process: Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.</p>	<p>Risk Management</p>		
PLANET	Climate Change	<p>Greenhouse gas (GHG) emissions: For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (mt CO₂e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.</p>	<p>Performance & Targets, Sustainability Performance Indicators</p>	
		<p>TCFD implementation: Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.</p>	<p>Climate Change Risk Assessment</p>	
	Nature loss	<p>Land use and ecological sensitivity: Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	<p>Sustainable Agriculture & Biodiversity</p>	
Freshwater availability	<p>Water consumption and withdrawal in water-stressed areas: Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p>	<p>Sustainable Water Management, Sustainability Performance Indicators</p>		



STAKEHOLDER CAPITALISM METRICS INDEX

Pillars	Theme	Description	References
PEOPLE	Dignity and equality	Diversity and inclusion : Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Employee Profile, Gender & Opportunity Equality
		Pay equality : Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Gender & Opportunity Equality, Sustainability Performance Indicators
		Risk for incidents of child, forced or compulsory labour : An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour.	Growing Sustainable Along With Suppliers , Compliance with Human Rights Policies
	Health and wellbeing	Health and safety 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Employees' Health and Safety, Sustainability Performance Indicators
Skills for the future	Training provided : Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).	Empowering Employees, Growing Sustainable Along With Suppliers , Sustainability Performance Indicators	
PROSPERITY	Employment and wealth generation	Absolute number and rate of employment : Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Employee Profile, Sustainability Performance Indicators
		Economic contribution : The direct economic value generated and distributed, and the financial assistance received from the State should be specified.	Creating Sustainable Economic Value, Sustainability Performance Indicators
	Innovation of better products and services	Total R&D expenses : Total costs related to research and development.	Digitalization & Innovative Practices , Environmental Management, Effective Waste Management
	Community and social vitality	Total tax paid : The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Tax Approach & Management

* Prepared within the scope of the "Core" option under the Stakeholder Capitalism Metrics published by the International Business Council of the World Economic Forum (WEF).



INTEGRATED REPORTING FRAMEWORK CONTENT INDEX

Requirements	Subject	#	Mandatory statement	Report section
Using the <IR> Framework	Form of report and relationship with other information	1.12	An integrated report should be a designated, identifiable communication.	· Entire report
	Application of the <IR> Framework	1.17	Any communication claiming to be an integrated report and referencing the <IR> Framework should apply all the requirements identified in bold italic type unless: <ul style="list-style-type: none"> · The unavailability of reliable information or specific legal prohibitions results in an inability to disclose material information · Disclosure of material information would cause significant competitive harm. 	· Entire report
		1.18	In the case of the unavailability of reliable information or specific legal prohibitions, an integrated report should: <ul style="list-style-type: none"> · Indicate the nature of the information that has been omitted · Explain the reason why it has been omitted · In the case of the unavailability of data, identify the steps being taken to obtain the information and the expected time frame for doing so. 	· Entire report
	Responsibility for an integrated report	1.20	An integrated report should include a statement from those charged with governance that includes: <ul style="list-style-type: none"> · An acknowledgement of their responsibility to ensure the integrity of the integrated report · An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report · Their opinion or conclusion about whether the integrated report is presented in accordance with the <IR> Framework. · or, if it does not include such a statement, it should explain: <ul style="list-style-type: none"> · What role those charged with governance played in its preparation and presentation · What steps are being taken to include such a statement in future reports · The time frame for doing so, which should be no later than the organization's third integrated report that references the <IR> Framework. 	<ul style="list-style-type: none"> · CEO's Message · About the Report · Board of Directors Report
Guiding Principles	Strategic focus and future orientation	3.3	An integrated report should provide insight into the organization's strategy, and how it relates to the organization's ability to create value in the short, medium and long term and to its use of and effects on the capitals.	· About Migros
	Connectivity of information	3.6	An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.	<ul style="list-style-type: none"> · Migros Better Future Plan · Value Creation Model · Risk Management
	Stakeholder relationships	3.10	An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests.	<ul style="list-style-type: none"> · Communication with Stakeholders · 2023 Materiality Matrix · Value Creation Model
	Materiality	3.17	An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term.	<ul style="list-style-type: none"> · 2023 Materiality Matrix · Migros Better Future Plan · Value Creation Model



INTEGRATED REPORTING FRAMEWORK CONTENT INDEX

Requirements	Subject	#	Mandatory statement	Report section
Guiding Principles	Conciseness	3.36	An integrated report should be concise.	· Entire Report
	Reliability and completeness	3.39	An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.	· Entire Report · Statement of Independent Assurance in Human Rights and Supply Chain · Greenhouse Gas Emissions Verification Statement
	Consistency and comparability	3.54	The information in an integrated report should be presented: <ul style="list-style-type: none"> · On a basis that is consistent over time · In a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time. 	· Value Creation Model · Sustainability Performance Indicators
Content Elements	Organizational overview and external environment	4.4	An integrated report should answer the question: What does the organization do and what are the circumstances under which it operates?	· About Migros · Operating Environment
	Governance	4.8	An integrated report should answer the question: How does the organization's governance structure support its ability to create value in the short, medium and long term?	· Corporate Governance
Content Elements	Business model	4.10	An integrated report should answer the question: What is the organization's business model?	· Migros Better Future Plan · Value Creation Model
	Risks and opportunities	4.24	An integrated report should answer the question: What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?	· Risk Management
	Strategy and resource allocation	4.28	An integrated report ordinarily identifies: <ul style="list-style-type: none"> · The organization's short-, medium- and long-term strategic objectives · The strategies it has in place, or intends to implement, to achieve those strategic objectives · The resource allocation plans it has to implement its strategy · How it will measure achievements and target outcomes for the short, medium and long term. 	· Migros Better Future Plan · Value Creation Model · Gender & Opportunity Equality · Good and Trustworthy Customer Experience · Environmental Management · Extensive Combat Against Climate Change · Sustainable Water Management · Sustainable Agriculture & Biodiversity · Food Waste Prevention Practices · Effective Waste Management & Supporting the Circular Economy · Digitalization & Innovative Practices



INTEGRATED REPORTING FRAMEWORK CONTENT INDEX

Requirements	Subject	#	Mandatory statement	Report section
Content Elements	Performance	4.31	<p>An integrated report contains qualitative and quantitative information about performance that may include matters such as:</p> <ul style="list-style-type: none"> Quantitative indicators with respect to targets, risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them The organization's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests The linkages between past and current performance, and between current performance and the organization's outlook. 	<ul style="list-style-type: none"> Creating Sustainable Economic Value Migros Better Future Plan Value Creation Model Risk Management Gender & Opportunity Equality Good and Trustworthy Customer Experience Environmental Management Extensive Combat Against Climate Change Sustainable Water Management Sustainable Agriculture & Biodiversity Food Waste Prevention Practices Our Effective Waste Management & Supporting the Circular Economy Digitalization & Innovative Practices Communication with Stakeholders
Content Elements	Outlook	4.35	<p>An integrated report ordinarily highlights anticipated changes over time and provides information, built on sound and transparent analysis, about:</p> <ul style="list-style-type: none"> The organization's expectations about the external environment the organization is likely to face in the short, medium and long term How that will affect the organization How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise. 	<ul style="list-style-type: none"> Risk Management Operating Environment Migros Better Future Plan Value Creation Model Gender & Opportunity Equality Good and Trustworthy Customer Experience Environmental Management Extensive Combat Against Climate Change Sustainable Water Management Sustainable Agriculture & Biodiversity Food Waste Prevention Practices Effective Waste Management & Supporting the Circular Economy Digitalization & Innovative Practices
	Basis of preparation and presentation	4.41	<p>An integrated report describes its basis of preparation and presentation, including:</p> <ul style="list-style-type: none"> A summary of the organization's materiality determination process A description of the reporting boundary and how it has been determined A summary of the significant frameworks and methods used to quantify or evaluate material matters 	<ul style="list-style-type: none"> About the Report 2023 Materiality Matrix



UNITED NATIONS GLOBAL COMPACT (UNGC) CONTENT INDEX

Topics	Global Principles	Explanation Section in the Report
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Compliance with Human Rights Policies Suppliers Audit Results
	Principle 2: make sure that they are not complicit in human rights abuses.	Compliance with Human Rights Policies Suppliers Audit Results
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Freedom of Association
	Principle 4: the elimination of all forms of forced and compulsory labour;	Compliance with Human Rights Policies Suppliers Audit Results
	Principle 5: the effective abolition of child labour; and	Compliance with Human Rights Policies Suppliers Audit Results
	Principle 6: the elimination of discrimination in respect of employment and occupation.	Gender & Opportunity Equality Compliance with Human Rights Policies
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Extensive Combat Against Climate Change Effective Waste Management & Supporting the Circular Economy
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	Extensive Combat Against Climate Change Effective Waste Management & Supporting the Circular Economy
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Extensive Combat Against Climate Change Effective Waste Management & Supporting the Circular Economy
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Business Ethics, Anti-Bribery and Anti-Corrupt Suppliers Audit Results



UNITED NATIONS WOMEN'S EMPOWERMENT PRINCIPLES (UN WEPs)

Principles

Principle 1: Establish high-level corporate leadership for gender equality

Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination

Principle 3: Ensure the health, safety and well-being of all women and men workers

Principle 4: Promote education, training and professional development for women

Principle 5: Implement enterprise development, supply chain and marketing practices that empower women

Principle 6: Promote equality through community initiatives and advocacy

Principle 7: Measure and publicly report on progress to achieve gender equality

References

Corporate Governance Principles Compliance Report
Gender & Opportunity Equality

Gender & Opportunity Equality

Employee Satisfaction & Wellbeing
Gender & Opportunity Equality

Empowering Employees

Gender & Opportunity Equality

Gender & Opportunity Equality

2023 Highlights
Gender & Opportunity Equality

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