

**Corporate Governance
Principles Compliance
Report
2020**

MiGROS

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
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In the report issued by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. on 21 December 2020, our Company's corporate governance rating, which was assigned as 9.60 (95.98) on 21 December 2019, was upgraded as 9.67 (96.69), in view of the improvements carried out by the Company during the reporting period.

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%	98.38
Stakeholders	15%	99.51
Board of Directors	35%	94.88
Average	100%	96.69

Included in Borsa Istanbul Corporate Governance Index, Migros was included in the BIST Sustainability Index from the first day the index was introduced. Migros has been in this index for seven consecutive years.

Migros, reports its climate change action plan to CDP (Carbon Disclosure Project). Having ranked among the Climate Leaders for the third time with its CDP reporting, Migros also joined among the Water Leaders in 2020.

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 20 May 2020, 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

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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 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).

Within the scope of the efforts to achieve alignment with corporate governance principles in 2020;

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.

As required by the Capital Markets Law's communique's stipulation that announcements about general assembly meetings must be made at least three weeks before the meeting date, our Company's general assembly meeting was duly announced three weeks in advance of the date on which it was to be convened. A general assembly meeting information document containing information about such issues as Board members' résumés, the Board of Directors' profit distribution proposal and profit distribution table, reasons for proposal against profit distribution if applicable, etc. is also made available to shareholders on the corporate website at www.migroskurumsal.com, the Electronic General Assembly System of the Central Registry Agency, KAP and other required media.

In compliance with the Turkish Commercial Code, with capital market laws and regulations, and with corporate governance principles communique, the Board of Directors has set up an Early Detection of Risk Committee. Tom Heidman, Talip Altuğ Aksoy and Hüseyin Faik Açıklalın were elected to be the members of the Early Detection of Risk Committee. As required by CMB regulations, independent board member Tom Heidman was elected to its head.

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

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, communique, 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;
- 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;
- Maintain regular and up-to-date records of all communication with investors;
- Keep abreast of and analyze information about competitors and 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 444 10 44 Customer Service Line. All other channels of communication are also available to shareholders.

Assistant General Manager for Finance: 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 Manager: Ahmet Hüsamettin Özkök

Email: ahmeto@migros.com.tr

Capital Market Activities Level 3 License No: 209815

Corporate Governance Rating Specialist License No: 702068

Investor Relations Executive: Cansel Yağmurlu Dağcı

Email: canseld@migros.com.tr

The activities of the Company in 2020 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: 87
- Board of Directors resolutions passed: 41
- Domestic and international conferences and roadshows taken part in: 22
- Analysts and fund managers met with during the year: 250+

2.2 Shareholders' Rights to Information Disclosure

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.

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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 25 March 2020, it was decided according to the proposal by our Audit Committee that DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. be elected as the independent audit company for the 2020 fiscal year. This decision will be 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 2020, the firm of DRT 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 "Communique 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 20 May 2020, a resolution was passed to reconstitute the Audit Committee as a two-person body whose members are both independent board members

and İzzet Karaca and Şevki Acuner were elected to fill these seats. As also required by Capital Markets Board regulations, İzzet Karaca was designated as the committee's chairman.

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 use a lucid language in the General Assembly agenda and to state each proposal under a dedicated 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. Additionally, a general assembly meeting information document containing detailed information about agenda

items that are to be discussed at the meeting is also published on the Company's corporate website at www.migroskurumsal.com, on the KAP, the electronic General Assembly System (e-GAM) and e-Company portal.

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' 2019 activities and accounts were examined took place on 29 April 2020 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 Mustafa Kendi, who had been charged with this duty by the Ministry of Customs and İstanbul Trade Directorate letter E-54078028 dated 28 April 2020.

2019 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 12,849,212,500 shares out of a possible 18,105,423,300 corresponding to TL 128,492,125 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. Additionally, the general assembly meeting's minutes were also promulgated in issue 10083 of the Turkish Trade Registry Gazette on 22 May 2020. Prior to the meeting, no shareholders submitted any proposals for items to be included in the meeting's agenda.

Shareholders at the Company's annual general assembly meeting were informed about the donations and assistance provided by the

Company during the year. In 2019, the Company's charitable donations to organizations including Anadolu Education and Social Assistance Foundation, Koç University, Turkish Marine Environment Protection Association (DenizTemiz - TURMEPA) etc. amounted to TL 291,714.

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 2019, which were of the nature mentioned in the said principle.

The decisions passed at the 2019 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.

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.

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Dividend Policy

“Taking the Company’s long-term strategies, investments, financing plans, and profitability as well as compliance with CMB communiqués and regulations into account, the Board of Directors may submit, for the approval of the general assembly, a proposal that a portion—such as may be determined by the board—of current-year profit be paid out as cash, or as bonus shares, or as a specific mix of these two or else that it be retained within the Company.

When a general assembly decides to distribute profits it may itself determine when the dividends are to be paid and similarly it may also authorize the Board of Directors

to make such a determination. In all cases, the payment of dividends must begin no later than the end of the fiscal year in which was held the general assembly meeting at which the decision to pay them was taken. Matters related to dividend payments specified in the Capital Markets Law and in CMB communiqués must also be complied with.

There are no shares in the Company that are entitled to special dividend rights; neither is there anyone who is entitled to a share of company profits who is not a shareholder.”

At the Annual General Assembly Meeting of Migros held on 29 April 2020, it was submitted not to distribute dividend for

2019 fiscal year as the company recorded net loss in the 2019 consolidated financial statements prepared in accordance with the Turkish Commercial Code and CMB legislation.

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.

The Company’s capital structure as of 31 December 2020 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
Kenan Investments S.A.	21,308,336	11.77
Migros Ticaret A.Ş.	2,962,116	1.64
Others	67,737,723	37.41
Total	181,054,233	100.00

After the sale of all Migros Ticaret A.Ş. shares owned by Kenan Investments S.A. on 26 January 2021, the capital structure of the Company as of 26 January 2021 is as follows:

Migros Ticaret A.Ş. Shareholder Structure		
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

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
- Our Brands & Stores
- Sustainability
- Migros Quality
- Investor Relations
- Migros Career

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 "Migros Corporate", "Migros – Kipa Merger Documents", "Financial Reports", "The Increase of Company Capital and Distribution of Dividends", "Information about the General Assembly Meetings of Shareholders", "Material Disclosures", "Announcements to Shareholders", "Frequently Asked Questions", and "Contact Us". 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

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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 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 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.

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

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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

The Human Resources Department of Migros, in executing the Company's strategies, aims to develop systems which will ensure the continuous improvement, motivation and management of the human resources staff and implement these systems in line with the corporate principles of the Company. Our human resources are our most important asset. The quality of our products and services reflects the quality of our employees. In our endeavor to create a Company spanning generations, we choose attracting and employing the best and most competent people; taking maximum advantage of our people's abilities, strengths and creativity; increasing their individual

productivity; providing them opportunities to develop themselves; and creating a workplace in which teamwork and solidarity flourish.

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.

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 Turkey and abroad through an employee workforce comprising of individuals coming from many different linguistic, religious and ethnic backgrounds. All human resource-related decisions from recruitment and placement to compensation are governed by job position profiles defined in detail. Through the human resource 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 Resource 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 Assistant General Manager for Human Resources and Industrial Relations; 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.

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.

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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.

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-17.1. 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 Ömer Özgür Tort. 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-17.1, 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 2020 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. At the Ordinary General Assembly Meeting convened on 29 April 2020, Esel Yıldız Çekin was elected as a Board member. Consequently, one woman member serves on the Company's Board of Directors composed of 12 members.

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Board of Directors

Name	Title	Appointed on	Term
Tuncay Özilhan	Chairman (Non-executive)	29 April 2020	1 Year
Kamilhan Süleyman Yazıcı	Vice Chairman (Non-executive)	29 April 2020	1 Year
Talip Altuğ Aksoy	Member (Non-executive)	29 April 2020	1 Year
Mehmet Hurşit Zorlu	Member (Non-executive)	29 April 2020	1 Year
Esel Yıldız Çekin	Member (Non-executive)	29 April 2020	1 Year
Rasih Engin Akçakoca	Member (Non-executive)	29 April 2020	1 Year
Recep Yılmaz Argüden	Member (Non-executive)	29 April 2020	1 Year
Ömer Özgür Tort	Member and CEO (Executive)	29 April 2020	1 Year
İzzet Karaca	Independent Member (Non-executive)	29 April 2020	1 Year
Hüseyin Faik Açıklalın	Independent Member (Non-executive)	29 April 2020	1 Year
Şevki Acuner	Independent Member (Non-executive)	29 April 2020	1 Year
Tom Heidman	Independent Member (Non-executive)	29 April 2020	1 Year

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 2019, 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 Turkey 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.



İzzet Karaca



Hüseyin Faik Açıkalın



Şevki Acuner



Tom Heidman

* Applies to resident members.

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5.2 Operating Principles of the Board of Directors

As specified in corporate governance principles, the Board of Directors conducts its activities in line with the corporate governance principles of transparency, accountability, fairness, and responsibility. 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-17.1, 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 2020 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 2020. 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 2020. 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-17.1 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-17.1, 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 2020 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.

a. Audit Committee

At a meeting of the Board of Directors held on 20 May 2020, it was decided that the Audit Committee should consist of two independent board members and that İzzet Karaca and Şevki Acuner were elected to fill these seats. In compliance with CMB regulations, İzzet Karaca was chosen to serve as committee chairman.

Audit Committee			
İzzet Karaca	Committee Chairman	Independent Member	Non-executive
Şevki Acuner	Member	Independent Member	Non-executive

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.

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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)

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 20 May 2020, the board decided to elect Hüseyin Faik Açıkalin, 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 Açıkalin to head the committee. The Committee meets at least four times a year and is formed of 5 members.

Corporate Governance Committee			
Hüseyin Faik Açıkalin	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 20 May 2020, it was decided to elect Tom Heidman, Talip Altuğ Aksoy and Hüseyin Faik Açıklalın 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, Tom Heidman was designated as the committee's head.

Early Detection of Risk Committee

Tom Heidman	Committee Chairman	Independent Member	Non-executive
Talip Altuğ Aksoy	Member	Not an Independent Member	Non-executive
Hüseyin Faik Açıklalın	Member	Independent Member	Non-executive

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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.

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)

5.4 Risk Management and Assessment by the Management

Loans

As at 31 December 2020, TL equivalent of the Company's loan payables is TL 3,837,750 thousand. The repayment schedule for the nominal principal amount of the Company's financial payables as at 31 December 2020 is as follows:

(TL thousand)	Tenge loan (TL equivalent)	Euro loan (TL equivalent)	TL Loan	Total (TL equivalent)	Share (%)
1 January 2021 - 31 December 2021	3,695	-	1,241,414	1,245,109	33.2%
1 January 2022 - 31 December 2022	18,055	-	448,978	467,033	12.5%
1 January 2023 - 31 December 2023	20,494	852,554	308,575	1,181,623	31.6%
1 January 2024 - 31 December 2024	17,547	-	450,729	468,276	12.5%
1 January 2025 - 5 June 2025	4,481	-	378,312	382,793	10.2%
	64,272	852,554	2,828,008	3,744,834	100.0%

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 2020.

Within the scope of the activities conducted with the Company employees, the 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.

Within the scope of the activities conducted with the Company employees, the Committee has identified the major types of risks that the Company may be exposed to. Various risk indicators have been created to monitor and measure the factors that make up these types of risks. These risk indicators are analyzed and followed up by the related Company units, and changes are monitored by the Risk Committee. In periodic meetings, the Early Detection of Risk Committee evaluates whether appropriate actions have been taken.

The Committee met six times in 2020. Reportings and committee assessments are periodically

presented for the information of the Board of Directors in accordance with the principles set.

Internal Audit Mechanism

In the conduct and performance of its audits, the Internal Audit Department adheres to the following principles.

- Effective utilization of the resources of the Company,
- Effectiveness of the internal control mechanisms on operations,
- Confirmation of Company assets
- Efficiency and effectiveness of business operations,
- Compliance of employees with the quality management documentation and administrative instructions approved by the management,

The basic activities of the Internal Audit Department consist of, among others, investigating/examining activities and transactions which involve previously identified and reported risk elements in order to ascertain the degree at which such risks have been eliminated or taken under control in line with management-approved recommendations, and repeating the audit in cases where detailed examinations are necessary.

Any problems that may be discovered during the course of audit activities are investigated in detail to allow adoption of necessary measures while recommendations are also made for compensating

the Company's ascertained loss. Necessary changes to the system and processes so as to prevent recurrence of similar incidents make up the focal point of these efforts.

The annual internal audit plan created according to the risk-based audit universe was revised due to the pandemic conditions with the approval of the Audit Committee, and the Internal Audit Department conducted financial and operational audits of various departments and processes in line with the revised plan. Assessments and recommendations resulting from the audits were submitted to Company's senior management in the audit reports prepared, and were also addressed in the Audit Committee meetings for pointing out the improvement areas in line with the continuous development philosophy. The Internal Audit Department also conducted follow-up audits on issues about which senior management was previously informed and for which measures were agreed upon.

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

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retailing in the countries in which it is active.

Migros' main strategy is to provide our customers with high quality, modern, reliable services at affordable prices. 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.

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 a general assembly meeting held on 29 April 2020, shareholders voted to pay independent board members a total annual remuneration of TL 146,000 (net) in monthly installments, to Tom Heidman residing abroad an additional attendance fee of TL 10,000 (net) for each board meeting he attends, and not to pay any monthly salary and/or attendance fees to other board

members. 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 management" is defined as 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 2020	01 January - 31 December 2019
Short-term benefits provided to employees	65,746	46,194
Total	65,746	46,194

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 2020, there were no regulatory changes that would significantly affect the Company's operations.

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.

Other

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 2020.

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 set aside to cover likely losses or gains. Detailed information about such matters is provided in the consolidated financial statements. The Company is not a party to any mutual cross-shareholding.

No lawsuits have been filed against the Company or board members on account of any practices contradicting with the legislation.

The collective labor agreement signed by and between the Company and Tez-Koop. İş Union on 30 March 2020 covers the period from 01 January 2020 until 31 December 2022. The Company provided the information about the subject by its KAP disclosure on 30 March 2020.

Other matters related to Corporate Governance Principles are as follows:

Our Board of Directors steered the Company management for speeding up the sales of real estates at the targeted worth as much as possible with the objective of mitigating the Company's balance sheet risk, and accordingly, its Euro indebtedness.

Along this line, real estate sales that gained momentum in 2019 continued in 2020 as well. The sales of the Company's certain real estates located in Ankara, Kırklareli, Lüleburgaz, İzmir, Manisa, İstanbul, Kocaeli and Balıkesir was completed in 2020. Total value of real estates sold as such during the reporting period reached TL 961 million.

Migros stores operating in real estates sold (excluding the store in Polatlı-Ankara) were leased back from their new property owners starting from the date the deed transfers took place.

The funds generated on the sales of real estate were utilized towards reducing the Company's Euro indebtedness.

During 2020, 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,

Corporate Governance Principles Compliance Report

- 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.

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 2020 the Company submitted 87 material event 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 2020, 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.

Shareholding Structure

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 (%)	Share Amount (TL)
Süleyman Kamil Yazıcı	17,624,898.6	9.73
Tülay Aksoy	11,917,547.4	6.58
Tuncay Özilhan	11,596,405.3	6.41
Azimet Portföy SKY Serbest Özel Fon	6,863,639.6	3.79
AG Anadolu Grubu Holding A.Ş. Others	41,043,567.2	22.67
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 2020 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.

Corporate Governance Principles Compliance Report

d) Public Disclosure of Individuals Who Are In a Position to Access Inside Information

Board of Directors members and Senior Management members 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 CEO
İzzet Karaca	Independent Member
Hüseyin Faik Açıkalin	Independent Member
Şevki Acuner	Independent Member
Tom Heidman	Independent Member

Senior Management	
Ömer Özgür Tort	CEO
Mustafa Murat Bartın	Member of the Executive Committee (Retail Operations)
Ekmel Nuri Baydur	Member of the Executive Committee (Marketing)
Ferit Cem Doğan	Assistant General Manager (Finance)
Hakan Şevki Tuncer	Assistant General Manager (Investment Development)
Tarık Karlıdağ	Assistant General Manager (Construction)
Bülent Kuntay	Assistant General Manager (Distribution Centers and Logistics)
Kerim Tatlıcı	Assistant General Manager (Information Technologies and Business Development)
Olcay Yılmaz Nomak	Assistant General Manager (Human Resources and Industrial Relations)

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 DRT 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, 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 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 Index of Borsa İstanbul

Taking place in the BIST Sustainability Index since November 2014 – October 2015 period when the index was started to be calculated, Migros continues to take place in the index in the December 2020 – October 2021 period. The Company's sustainability activities can be reached under the Sustainability tab on the corporate website and under the Sustainability Report tab on the Investor Relations page.

g) Relations with Customers and Suppliers

Getting to know its customers and markets by monitoring and acting proactively on them and pioneering change are among the crucial factors behind the innovative business style of Migros. For this reason, a number of "firsts" such as consumer rights took hold in the retail industry only after they were introduced by Migros as early as in the 1960s and 1970s. By introducing the Migros Club system for the first time in Turkey, in 1998, Migros had an opportunity to become better acquainted with its customers and provide them with differentiated service. And through this system, the Company gained the opportunity to approach its customers not only collectively but also individually by conducting customer data analyses. Migros aims to fulfill the expectations of its customers as satisfactorily as possible through the stores it operates in different formats.

In the retail industry where any product seen in any store can be imitated quickly, Migros' experience and deep-rooted innovation embedded in its corporate culture, as well as investments in supporting technology, together create a competitive advantage that cannot be easily replicated.

In the 1990s, Migros became the first retail company to introduce the barcode system and electronic cash registers which reduced waiting times at the checkout counters and decreased the Company's operating costs dramatically. Thanks to the B2B system which has been set up jointly with suppliers, all the parties involved benefit from savings in both logistics and costs. This system benefits all the stakeholders, and especially the Company's customers.

Migros has conducted a Customer Satisfaction Survey regularly since 1994. Many customers who shop at our stores are asked about their opinion. The analyses undertaken on the survey results help us to have an idea about the current and future expectations of our customers. Occasional surveys conducted at kiosks inside the stores on specific matters provide the Company with the chance to hear the customers and their expectations.

Customer Relationship Management (CRM) analysis of Migros Club data and the mystery shopper surveys which are aimed at improving the service levels are quality-based performance tools specific to Migros.

Corporate Governance Principles Compliance Report

Some of the other activities undertaken to achieve customer satisfaction include:

- Migros was awarded ISO 9001 Quality Management System certification in August 2005 upon an inspection conducted by the Turkish Standards Institution (TSI), its first quality management system certificate.
- Migros was awarded TS EN ISO 22000 Food Safety Management System certification in December 2006 upon an inspection conducted by the TSI, its second quality management system certificate.
- Migros selects each of its suppliers after conducting appropriate due diligence. Suppliers are audited by accredited independent organizations and products are subjected to periodic analyses both at the time of the acceptance of goods and also at accredited laboratories thus ensuring their quality control and regulatory compliance.
- Migros continued to work on processes, was inspected by the TSI, and further expanded its perspective of integrated quality management systems by obtaining the ISO 10002 Customer Satisfaction Management System certification in November 2013.
- Migros has also certified its commitment to the principle of "Customer Satisfaction". TS ISO 10002 Customer Satisfaction Management System certification enables improvement of product and service quality based on customer feedback.
- Migros established its "Occupational Health and Safety Management Processes" and obtained OHSAS 18001 Occupational Health and Safety Management System certification in July 2015 upon an inspection conducted by the TSI.
- In 2016, Migros established its Environmental Management System processes, and qualified to receive TS EN ISO 14001 Environmental Management System certificate upon an inspection conducted by the TSI. With this certification, Migros became the first food retailer holding five certificates granted by the TSI (Turkish Standards Institution) within the scope of Quality Management Systems.
- In 2017, Migros switched to ISO 9001:2015 Quality Management System version.
- The Company continued with its Quality Management System activities in 2019; accordingly, the activities of the Internal Audit Division unit were audited and ISO 9001 Quality Management System Certificate was obtained exclusively for the Internal Audit Division. The certification provided standardization of the domestic and overseas internal audit, assurance and consultancy activities performed by our Internal Audit Division at our units, and establishment of a continuously improving structure.
- For the purpose of offering high quality products to its customers, Migros obtained FSSC 22000 Food Safety Management System certificate for its MİGET and Gebze Meat Production Plants in addition to the management systems in place at the meat processing facilities carrying out production.
- Being the first food retailer holding five certifications awarded by the TSI since 2016, Migros enjoys the deserved pride of being the first food retailer holding seven certifications granted by the TSI as of 2018.
- Migros had the data covered under the headings "Human Rights (Discrimination, Right to Organize and Collective Bargaining, Child Labor, Forced or Compulsory Labor) in its Sustainability Report released in 2017 verified by Ernst&Young in line with the GRI Guidelines in 2018, and thus received "External Assurance Statement".
- Migros has espoused "Good Agricultural Practices" expressed by the motto "Good Agriculture = Good Future", which is one of the Company's social responsibility initiatives in the area of "health", and an agricultural model that is designed to be socially viable, economically productive, while protecting human, animal and environmental health.
- On 17 November 2009, Migros became the first retailer in Turkey to be awarded GAP group certification. The Company has continued to abide by GAP principles and its certification has been renewed every year since then.
- Having made internationally recognized food safety standards the touchstone of its practices

and operations, Migros has adopted the mission of supplying wholesome products under safe conditions in order to guarantee the unreserved confidence of its customers. In line with this goal, food products are carefully and constantly monitored and controlled from initial procurement until they reach the consumer.

- Under Migros' "Supplier Performance System", the production premises of all food and non-food suppliers are systematically inspected and monitored using globally recognized BRC and SEDEX-based checklists within the scope of quality and product safety management systems. Products are randomly sampled and subjected to quality control analyses at regular intervals.
- Every new product to be put on sale at the Company's stores undergoes preliminary quality control performed by quality experts and only those products approved by the quality control are put on sale.
- Before they enter the Company's warehouses, goods received from suppliers are subjected to detailed organoleptic, chemical, and physical analysis based on many quality control parameters defined for each product by quality control experts. Goods that do not meet these stringent quality standards are rejected.
- Cold chain assurance, one of the most essential criteria in achieving food safety, is constantly monitored online at every stage from distribution center and storage, during shipment, and until it reaches the final consumer.
- Every food product that is put on Migros' shelves is randomly sampled and subjected to quality control analyses at regular intervals by accredited independent laboratories to ensure compliance with the Turkish Food Codex and with applicable laws, regulations, and administrative provisions.
- Non-food imported products such as toys, stationery, textiles etc. are subjected to strict controls. Prior to their importation, the Company has these goods analyzed at accredited independent laboratories to ensure that they are safe and contain no harmful substances such as phthalate plasticizers or azo compounds.
- Migros-labeled food and non-food items are subjected to even stricter controls. Such goods are not put on sale until and unless their places of production, labeling, and other applicable parameters have been checked and their compliance with laws and regulations has been established. Even after they appear on the shelves, Migros reviews product safety by means of analyses performed at regular intervals.
- Products on shelves are regularly checked by a team of store quality specialists. During such checks, attention is given not just to cold chain continuity, labeling, and expiration dates but also to compliance with food safety system requirements.
- Personnel employed at all the stores attend training programs on hygiene in order to ensure quality safety.
- The Company's stores are subjected to unannounced inspections performed by second-party accredited independent agencies within the scope of integrated quality management systems, so as to ensure the safety of products sold to customers.
- In the promotional program of the Company called "Aksiyon", products are offered for sale at discount prices for a period of 15 days in all the stores.
- All customer requests, suggestions and complaints received at the stores or via the Call Center are evaluated and the results are communicated to customers as soon as possible. In order to offer an easier and more practical channel for customer communications, a system is in place for easily reaching company store managers, the toll-free customer line and by e-mail, which can be sent to managers at all levels.

Corporate Governance Principles Compliance Report

- Efforts to ensure full customer satisfaction are presented in the relevant section of the Annual Report.

h) 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.

i) 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.

j) Research & Development Activities

R&D costs incurred by the Company during 2020 amounted to TL 42,324 thousand (2019: TL 31,773 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 2020.

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.

k) 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 2020.

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 2020 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.

Corporate Governance Compliance Report

Company Compliance Status	
	Yes Partial No Exempted Not Applicable Explanation
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

Corporate Governance Compliance Report

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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 1,805,848.32 in 2020 for the purpose of donation to people in need. The Company made donations to Biz Bize Yeteriz Türkiyem Aid Campaign, Anadolu Eğitim ve Sosyal Yardım Vakfı, Koç University, 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.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
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					

Corporate Governance Compliance Report

Company Compliance Status	
	Yes Partial No Exempted Not Applicable Explanation
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
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

Company Compliance Status	
	Yes Partial No Exempted Not Applicable Explanation
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

Corporate Governance Compliance Report

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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					
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					

Company Compliance Status	
	Yes Partial No Exempted Not Applicable Explanation
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

Corporate Governance Compliance Report

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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					
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.

Company Compliance Status						Explanation
Yes	Partial	No	Exempted	Not Applicable		
						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 was selected as member of Migros Board of Directors at the General Assembly meeting dated 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 attended the majority of the board meetings in person.	X					Most of the Board members attended the majority of the Board meetings. However, some Board members attended these Board meetings via teleconference / videoconference due to the pandemic. Majority of the Board members were present at every meeting in which the Board decisions were taken and the decisions were passed by a majority of those in attendance.

Corporate Governance Compliance Report

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
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					
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.

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
						The external duties of the board members were presented in the General Assembly Meeting via General Assembly Information Document.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.		X				Only one independent Board member has a duty 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					

Corporate Governance Compliance Report

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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	16 conferences & roadshows, 250+ institutional investors
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
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/834860
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	-
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)	-
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)	-
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations / Migros Corporate / Donation Policy
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
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	11, 11/A
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/841171 . The representative of Corporate Governance Rating Agency attended the General Assembly meeting.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	49.18%
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

Corporate Governance Information Form

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 / Migros Corporate / 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.

In the General Assembly Meeting on 29 April 2020, within the Communiqué of Capital Markets Board (CMB) No. II-19.1 and in accordance with our articles of association and dividend distribution policies that were disclosed to public by our company, it was resolved not to distribute dividend for 2019 fiscal year as the company recorded net loss at the 2019 consolidated financial statements prepared in accordance with the Turkish Commercial Code and CMB legislation.

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends

<https://www.kap.org.tr/en/Bildirim/841171>

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 the voting levels for or against resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
29.04.2020	0	71.0%	0.00%	71.0%	Investor Relations / Information about the General Assembly Meeting of Shareholders	Investor Relations / Information about the General Assembly Meeting of Shareholders	Item 13	0	https://www.kap.org.tr/en/Bildirim/841171

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, Financial Results, Annual Reports, Information about the General Assembly Meeting of Shareholders, Profit Distribution Policy, Company Disclosure Policy, Migros Code of Ethics, Frequently Asked Questions" in Investor Relations tab

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.

"Partnership Structure and Affiliates" page at the link: <https://migroskurumsal.com/en/Icerik.aspx?IcerikID=199>

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" section 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". Duties conducted out of the company by senior managers are given in KAP (https://www.kap.org.tr/en/sirket-bilgileri/genel/4028e4a141462df2014150162e1c3424) General Information / Company Management / Top Management.
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 2020 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, Commitments, 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	Our Sustainability Approach
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 / Policy / Severance Policy

Corporate Governance Information Form

The number of definitive convictions the company was subject to in relation to breach of employee rights	235 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 (444 10 44) 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 / Policy / 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.
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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 / Policy / Human Resources Policy (“Search and Selection” part)
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Whether the company provides an employee stock ownership programme	There isn’t an employee stock ownership program.
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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 / Policy / Human Rights and Equal Opportunity Policy
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The number of definitive convictions the company is subject to in relation to health and safety measures	1
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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 Policy in About Us tab
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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)
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Any measures combating any kind of corruption including embezzlement and bribery	Detailed information is provided in the “Anti-Bribery and Anti-Corruption Policy” under Policy in About Us tab (https://migroskurumsal.com/en/lcerik.aspx?lcerikID=494)
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4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	January 2020
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Whether the board evaluation was externally facilitated	Yes
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Whether all board members released from their duties at the GSM	Yes
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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.
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Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	4 reports to the Audit Committee, 28 reports to the senior management
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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
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Name of the Chairman	Tuncay Özilhan
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Name of the CEO	Ömer Özgür Tort
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Corporate Governance Information Form

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/901661>

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 Policy 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 was selected as member of Migros Board of Directors at the General Assembly meeting dated 29.04.2020. Thus, one female member takes part in Migros Board of Directors.

Name-Surname	Whether Executive Director or Not	Independent Board Member or not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether the Director has at Least 5 Years' Experience on Audit, Accounting and/or Finance or not
Tuncay Özilhan	Non-Executive	Dependent Member	15.07.2015	-	Not Applicable	Not Applicable	Yes
Kamilhan Süleyman Yazıcı	Non-Executive	Dependent Member	11.04.2017	-	Not Applicable	Not Applicable	Yes
Talip Altuğ Aksoy	Non-Executive	Dependent Member	11.04.2017	-	Not Applicable	Not Applicable	Yes
Mehmet Hurşit Zorlu	Non-Executive	Dependent Member	15.07.2015	-	Not Applicable	Not Applicable	Yes
Esel Yıldız Çekin	Non-Executive	Dependent Member	29.04.2020	-	Not Applicable	Not Applicable	Yes
Rasih Engin Akçakoca	Non-Executive	Dependent Member	16.05.2019	-	Not Applicable	Not Applicable	Yes
Recep Yılmaz Argüden	Non-Executive	Dependent Member	16.05.2019	-	Not Applicable	Not Applicable	Yes
Ömer Özgür Tort	Executive	Dependent Member	28.04.2009	-	Not Applicable	Not Applicable	Yes
İzzet Karaca	Non-Executive	Independent Member	23.03.2016	https://www.kap.org.tr/tr/Bildirim/834860	Considered	No	Yes
Hüseyin Faik Açıkalın	Non-Executive	Independent Member	15.05.2018	https://www.kap.org.tr/tr/Bildirim/834860	Considered	No	Yes
Şevki Acuner	Non-Executive	Independent Member	15.05.2018	https://www.kap.org.tr/tr/Bildirim/834860	Considered	No	Yes
Tom Heidman	Non-Executive	Independent Member	15.05.2018	https://www.kap.org.tr/tr/Bildirim/834860	Considered	No	Yes

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)	8
Director average attendance rate at board meetings	80%
Whether the board uses an electronic portal to support its work or not	No
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 / Migros Corporate / "Migros Articles of Association" and "Corporate Governance Principles Compliance Report"

Corporate Governance Information Form

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/826362>

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	-	İzzet Karaca	Yes	Board member
Audit Committee	-	Şevki Acuner	No	Board member
Corporate Governance Committee	-	Hüseyin Faik Açıkalin	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	-	Tom Heidman	Yes	Board member
Committee of Early Detection of Risk	-	Talip Altuğ Aksoy	No	Board member
Committee of Early Detection of Risk	-	Hüseyin Faik Açıkalin	No	Board member

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 / Migros Corporate / 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

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

Sustainability Compliance Statement

Sustainability Principles Compliance Framework, which went into effect with its publication by the Capital Markets Board of Turkey (CMB) in 2020, sets out basic principles that are expected of statements which publicly-traded companies make concerning the conduct of their environmental, social, and corporate governance (ESG) operations. Although compliance with these principles is voluntary, companies are still required, in keeping with the CMB's "Comply or Explain" rule, either to report their compliance or else to explain why complying is not possible or in the best interests of the company.

Migros' approach to sustainability is the engine powering the realization of its goal to create value for all of its stakeholders and is therefore central to its business model as a company. Migros keeps a close watch on sustainability-related best practices, seeks to conform to such practices, and in this way strives to further improve its sustainability performance.

Migros already conforms to most of the principles and practices set out in the SPK Sustainability Principles Compliance Framework. Hence, many of the principles, which the

framework treats as non-mandatory but for which non-compliance must be explained, are complied by the Company.

In the case of some of these non-mandatory principles, compliance cannot be reported as having been achieved because some of the 2020 environmental-performance data applicable to them is still undergoing verification; in the case of some others, full compliance has not yet been achieved because the principles are not completely compatible with the realities of a developing country.

Migros' explanations concerning the Sustainability Principles Compliance Framework guidelines with which it is unable to fully comply are as follows:

- Comparative information about the company's environmental impact based on its performance indicators is reported at regular intervals. However full compliance cannot be reported at this time and only the company's prior-year verified data is presented because some 2020 environmental-performance data is still undergoing verification. When this data has been verified it will be publicly disclosed in the company's sustainability report.

- Migros sets and publicly discloses its short term and long term goals for reducing its environmental impact. It is not possible however to realistically set total emission/consumption targets in emerging markets or for growing companies. For this reason, this report presents the company's targets on a "daily per sales square meter" basis instead.

Company practices related to the Sustainability Principles Compliance Framework are presented in the "Sustainability" section of the Migros Annual Report. Detailed information about these practices is also provided in the sustainability report that may be found in the "Sustainability" section of the company's corporate website located at <https://www.migroskurumsal.com/en>.

Sustainability Principles Compliance Framework

	Compliance Status			Explanations
	Yes	No	Partially	
A. General Principles				
A1. Strategy, Policy and Targets				
The Board of Directors will determine the ESG priority issues, risks, and opportunities, and establish the relevant ESG policies accordingly. Internal guidelines, work procedures, etc. may also be developed to ensure effective implementation of these policies. The decision regarding these policies are taken and disclosed publicly by the Board of Directors.	X			<p>The Migros Sustainability Committee, whose members are appointed by the CEO, manages, carries out, follows up, and quantifies sustainability-related matters with the guidance of the Migros Board of Directors. The committee considers any and all manner of legal, physical, environmental, operational, and socioeconomic risks and opportunities that may affect the company's existence and the conduct of its business. The committee monitors and analyzes pertinent sustainability-related issues and puts new practices into effect within the company.</p> <p>The Migros Environmental Policy is reviewed annually and its most recent version is published on the company's corporate website.</p> <p>Migros' Environmental Policy: https://www.migroskurumsal.com/en/about-us/our-policies#cevre-politikasi</p>
The Company will set its strategy aligned with the ESG policies, risks and opportunities. It will set and publicly disclose short- and long-term targets conforming to the Company strategy and ESG policies.	X			<p>A wide range of stakeholder opinions, especially those of the company's core stakeholder groups, are consulted and used when determining and prioritizing the impact of the company's activities. Research is regularly carried out and surveys are conducted among suppliers, employees, customers, and students in order to determine what the core stakeholders identified in line with Migros Sustainability Committee feedback expect of Migros with respect to sustainability. A final determination is made of the company's stakeholder strategies and sustainability priorities taking into account worldwide retailing-industry trends, global reports, national regulations, and the guidance of national and international non-governmental organizations of which the company is a member. Having set short, medium, and long-term goals related to sustainability focus issues, the company takes action in a variety of ways, develops projects, and working with its stakeholders comes up with solutions.</p>

Sustainability Principles Compliance Framework

	Compliance Status			Explanations
	Yes	No	Partially	
A2. Execution/Monitoring				
The Company will determine and publicly disclose the committees/units in charge of executing the ESG policies. The responsible committee/unit will report the activities carried out as per the policies annually, and in any case, within the deadline set for the public disclosure of annual reports within the Board of Director's related guidelines.	X			All of the core functions of the company are equally represented on the Sustainability Committee, which reports its activities and developments, fulfillment of goals, and project results four times a year (once every quarter) to the CEO and to senior executives.
The Company will create and publicly disclose implementation and action plans in line with the short-and long-term targets set.	X			The Migros Better Future Plan is published on the corporate website. https://www.migroskurumsal.com/en/sustainability/migros-iyi-gelecek-plan
The Company will define and announce ESG Key Performance Indicators (KPIs) comparatively by years. In the presence of verifiable data, KPIs will be presented together with local and international sectoral comparisons.	X			The company has set reduction targets for carbon emissions, electricity consumption, water consumption, and food-loss rates. Because 2020-year measurements and verifications had not yet been completed as of the date on which this report was published, 2019 targets and results are presented instead. A sustainability report presenting 2020-year figures will be published as of July 2021. (See tables 1, 2, 3, 4, 5.)
The Company will disclose the innovation activities for improving the Company's sustainability performance in relation to business processes or products and services.	X			These matters are dealt with in annual and sustainability reports.
A3. Reporting				
The Company will report, and publicly disclose, its sustainability performance, targets and actions at least annually. It will disclose information on its sustainability activities within the annual report.	X			This information is summarized in annual reports and presented in detail in Migros' GRI standards-compliant sustainability reports. The 2019 sustainability report appears on the corporate website at this time. The 2020 report will be published in July 2021. Sustainability-related information is also included in the investor presentations which the company releases four times a year. https://www.migroskurumsal.com/en/sustainability

	Compliance Status			Explanations
	Yes	No	Partially	
Essentially, the Company will use a direct and concise language in conveying material information so that stakeholders can easily understand the Company's position, performance and development. Detailed information and data can be disclosed separately on its website, and separate reports directly fulfilling the needs of diverse stakeholders can be drawn up.	X			https://www.migroskurumsal.com/en/sustainability
The Company will exercise utmost care with respect to transparency and reliability. It will objectively explain all developments related to material issues in disclosures and reportings within the scope of balanced approach.	X			As required by BIST Sustainability Index and GRI rules, all data are disclosed showing three-year trends and all changes are explained. The company's CDP Climate Change and CDP Water program reports are publicly disclosed and all of the company's risk, opportunity, and scenario analyses are presented transparently.
The Company will specify which United Nations (UN) 2020 Sustainable Development Goals its activities are linked to.	X			The company's priority issues, the operational and sustainability-related activities in which it engages under those headings, and the Sustainable Development Goals (SDG) to which they are linked are presented in Migros' sustainability reports. (See table 7.) https://www.migroskurumsal.com/sustainabilityfiles/pdf/migros-sustainability-report-2019.pdf A detailed discussion of Migros' SDG compliance is also given in the Anadolu Group's SDG compliance report published by its parent company Anadolu Endüstri Holding AŞ. https://www.anadolugrubu.com.tr/Upload/Docs/Insert_SDG%20Alignment%20Report_2015_2019.pdf https://www.anadolugrubu.com.tr/Upload/Docs/SKA_Uyumluluk_Raporu_2015_2019.pdf (in Turkish)
The Company will make disclosures regarding the lawsuits filed and/or concluded against the Company for environmental, social and governance matters.	X			The company was not the target of any significant penalties or sanctions on account of such issues in 2020. All lawsuits of this nature which are filed against the company and/or which are concluded are announced on the Public Disclosure Platform as required by law or as may otherwise be deemed to be necessary.

Sustainability Principles Compliance Framework

	Compliance Status			Explanations
	Yes	No	Partially	
A4. Validation				
The Company will make public its sustainability performance measurements, if verified by independent third parties (independent sustainability assurance providers), and will endeavor to increase such verifications.	X			The company's statements concerning its carbon emissions, compliance with human rights, and supplier audits are verified independently of the company.
B. Environmental Principles				
The Company will disclose its policies and implementations, action plans in relation to environmental management, and environmental management systems (known as ISO 14001 standard) and programs.	X			The company has been awarded ISO 14001 certification. Priority issues and action plans are disclosed in the Migros Better Future Plan. (See table 1 for MBFP primary goals.)
The Company will achieve compliance with laws and other applicable regulations on the environment, and will disclose the same.	X			The company complies with all environmental laws and regulations and states this clearly in its Environmental Policy. https://www.migroskurumsal.com/en/about-us/our-policies#cevre-politikasi
The Company will specify the scope of the environmental report, reporting period, date of report, data collection process and restrictions regarding reporting conditions to be covered in the report that will be prepared in accordance with the Sustainability Principles.	X			The scope of Migros' environmental report is the company's operations in its home market (Turkey). The report covers the period beginning on 1 January 2019 and ending on 31 December 2019. 2020 data will be presented in a sustainability report that is to be published as of July 2021.
The Company will disclose the highest-ranked individual in charge of environment and climate change at the Company, along with related committees and their respective roles.	X			The Migros Sustainability Committee, whose members are appointed by the CEO, manages, carries out, follows up, and quantifies sustainability-related matters with the guidance of the Migros Board of Directors.
The Company will disclose the incentives made available for the management of environmental matters, including achievement of targets.	X			Sustainability-related developments and results are reported four times a year (once every quarter) to the CEO and to senior executives. Of the annual targets that are set for each of the company's core functions, at least one must be concerned with at least one sustainability issue, the degree of whose target-fulfillment has a direct impact on yearly performance bonuses.

	Compliance Status			Explanations
	Yes	No	Partially	
The Company will explain integration of environmental matters in business targets and strategies.	X			Migros addresses sustainability-related environmental, social, and economic-priority issues, focus issues, and roadmap issues under twelve separate headings in its “Migros Better Future Plan”. The company monitors and controls any environmental impact resulting from its operations and it engages in an ongoing effort aimed at minimizing such impact. The company’s environmental management strategies, primary focus issues, and management processes are presented in detail in the Migros Environmental Policy.
The Company will disclose sustainability performances associated with work processes or products and services, along with improvement steps therefor.	X			In addition to its primary environmental goals, the company engages in other environmental-sustainability efforts such as making the packaging of its private-label goods more eco-friendly. The company’s efforts to support sustainable production, to increase its range of healthy food products, and to present product information transparently are also highlighted visually in the infocharts in the annual report.
The Company will explain how environmental issues are managed not just with respect to its direct operations but throughout the Company’s value chain, and how it integrates its suppliers and customers in its strategies.	X			All contracts which Migros enters into with suppliers in the conduct of its home market operations stipulate rules pertaining to the prevention of bribery and corruption, to human rights and labor standards, to occupational health and safety, and to environmental protection. The company conducts annual ethical, social and environmental audits of its suppliers according to SEDEX criteria.
The Company will disclose whether it is involved in policy-making processes in universal issues (sectoral, regional, national and international), environmental associations that it is a member of, its collaborations with related organizations and NGOs, and the tasks it undertakes, if any, and the activities it supports, if any.	X			At the international level, the company is an active member of the Consumer Goods Forum (CGF) and of One Planet Business for Biodiversity (OP2B). At the national (home market) level and as required by governmental and municipal authorities, it is a member of Food Retailers Association (GPD), the Turkish Federation of Shopping Centers And Retailers (TAMPF), the International Investors Association (YASED), the Turkish Industry and Business Association (TÜSIAD), and the Union of Chambers & Commodity Exchanges of Turkey Retailing Council (TOBB), through which organizations it makes its views and opinions known.

Sustainability Principles Compliance Framework

	Compliance Status			Explanations
	Yes	No	Partially	
The Company will periodically report information about its environmental impacts comparatively in the light of environmental indicators (GHG emissions (Scope-1 (Direct), Scope-2 (Indirect from purchased energy), Scope-3 (Other indirect)), air quality, energy management, water and wastewater management, waste management and biodiversity implications).			X	Information about all these matters is regularly reported. (See tables 2, 4, 5.) As the company is not a manufacturer/producer, it makes no statements concerning its impact on air quality.
The Company will disclose the standards, protocols, methodology employed for collecting and calculating data, along with the details of the base year.	X			Carbon emissions are calculated and verified in accordance with the ISO 14064-3 standard and the GHG protocol. Food-loss rates are calculated as per the Food Recovery Hierarchy and the Food Loss & Waste Protocol. WRI Aqueduct tools are used to quantify water risks in the company's operational facilities.
The Company will disclose the status of environmental indicators for the reporting year in comparison to previous years (increase or decrease).	X			Year-on developments in environmental sustainability performance are presented for at least the most recent three years. The current status of environmental indicators is reported and compared with annual, medium, and long-term targets. (See tables 2, 4, 5.)
The Company will set, and disclose, its short- and long-term targets for mitigating its environmental impacts. These targets are recommended to be Science Based as suggested by the UN Climate Change Conference of the Parties. The Company will also provide information about the progress achieved, if applicable, in the reporting period with respect to the targets it has set previously.			X	It is not possible to realistically set total emission/consumption targets in emerging markets or for growing companies. For this reason, we present the company's targets on a "sales area m ² /day" basis instead.
The Company will disclose its strategy and actions to combat the climate crisis.	X			The company's goals and efforts in this area are presented in detail in its GRI standards-compliant sustainability reports and in its publicly-disclosed CDP Climate Change reports. The company has qualified as a CDP Turkey Climate Leader three times. https://www.migroskurumsal.com/sustainabilityfiles/pdf/migros-sustainability-report-2019.pdf

	Compliance Status			Explanations
	Yes	No	Partially	
The Company will explain its programs or procedures for preventing or minimizing the potential negative impacts of the products and/or services it offers; it will also explain its actions for driving reduction of GHG emission quantities of third parties.	X			Life-cycle assessments and carbon-footprint measurements are carried out on a range of private label products that make up 50% of its turnover from private-label goods. Efforts to make the packaging materials used for private-label products and by the company-owned MİGET meat-processing plant more sustainable are presented in detail. Ammonia, a natural refrigerant, is used instead of hydrofluorocarbons in MİGET's refrigeration systems. Efforts are made to improve the efficiency of distribution and logistics operations in order to reduce their GHG emissions. (See table 3.) https://www.migroskurumsal.com/sustainabilityfiles/pdf/migros-sustainability-report-2019.pdf
The Company will disclose the total number of actions taken, projects carried out and initiatives undertaken to mitigate its environmental impacts, along with the benefits/savings and cost savings derived on the same.	X			Project numbers are given in SDG tables. (See table 7.) All actions and performance results are presented in detail under the heading "A Livable World" in GRI standards-compliant sustainability reports. The monetary savings generated by environment-related activities are presented in detail in CDP Climate Change and CDP Water reports.
The Company will report its total energy consumption data (excluding raw materials) and discloses its energy consumption in terms of Scope-1 and Scope-2.	X			Details are presented in table 2.
The Company will provide information about the electricity, heat, steam and cooling generated and consumed during the reporting period.	X			The company does not consume or generate any heat, cooling, or steam for use as a secondary energy source. The company's consumption of electricity and other energy resources during 2019 is presented in table 4.
The Company will work towards increasing the use of renewable energy and transition to zero- or low-carbon electricity, and will explain these efforts.	X			Feasibility studies concerning renewable energy are currently being carried out. In 2019 the company offset about 19 thousand verified carbon units through its involvement in a hydroelectric power plant project.

Sustainability Principles Compliance Framework

	Compliance Status			Explanations
	Yes	No	Partially	
The Company will disclose data on its renewable energy generation and consumption.	X			Feasibility studies concerning renewable energy are currently being carried out. In 2019 the company offset about 19 thousand verified carbon units through its involvement in a hydroelectric power plant project.
The Company will develop energy-efficiency projects, and disclose the quantity reduced in energy consumption and emissions enabled by these efforts.	X			All actions and performance results are presented in detail under the heading "Combating Climate Change & Our Energy Management" in GRI standards-compliant sustainability reports. https://www.migroskurumsal.com/sustainabilityfiles/pdf/migros-sustainability-report-2019.pdf The monetary savings generated by environment-related activities are presented in detail in CDP Climate Change and CDP Water reports.
The Company will report on the quantity of underground or overground water withdrawn, consumed, recycled and discharged, the resources, and procedures (total water withdrawal on the basis of resources, water resources affected by water withdrawal, and percentage and total volume of recycled and reused water etc.).	X			All actions and performance results are presented in detail under the heading "Our Sustainable Water Management" in GRI standards-compliant sustainability reports. (See table 1.) https://www.migroskurumsal.com/sustainabilityfiles/pdf/migros-sustainability-report-2019.pdf
The Company will disclose whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	X			No operations or activities are included in any carbon pricing system. However some company-internal price-assessment is based on pricings determined within the framework of the Ministry of Environment and Urbanization's Partnership For Readiness (PMR) program which is a roadmap for the consideration of establishment a Greenhouse Gas Emissions Trading System in Turkey.
The Company will disclose the carbon credits saved or purchased during the reporting period.	X			The company has neither saved nor purchased any carbon credits.
The Company will disclose the details if carbon pricing is applied at the Company.	X			Some company-internal price-assessment is based on pricings determined within the framework of the Ministry of Environment and Urbanization's Partnership For Readiness (PMR) program.

	Compliance Status			Explanations
	Yes	No	Partially	
The Company will specify all compulsory and voluntary platforms that it reports its environmental information to.	X			The company publicly discloses such information in its annual and sustainability reports, to the CDP Climate Change and CDP Water programs, and in the context of its sustainability-related activities on its corporate website.
C. Social Principles				
C1. Human Rights and Workers' Rights				
The Company will develop a Company Human Rights and Employee Rights Policy, which pledges full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey, and regulatory framework and legislation governing human rights and work life in Turkey. It will also make public the said policy, and the roles and responsibilities for its implementation.	X			The company has developed and publicly disclosed a Human Rights & Equality of Opportunity Policy and a Human Resources Policy, both of whose implementation is overseen by the office of the CHRO. Compliance with these policies is regularly monitored by the Internal Audit Department and reported to senior management. 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
The Company will secure equal opportunities in recruitment processes. In its policies, it will incorporate equitable workforce, improving working standards, women's employment and inclusion (not discriminating on the basis of women, men, faith, language, ethnicity, age, disabilities, refugees, etc.), while looking out for the implications for the supply and value chain at the same time.	X			All these issues are dealt with in detail in the company's Human Rights & Equality of Opportunity Policy and in its Human Resources Policy. The company has any statements that it makes concerning human rights compliance independently verified.
The Company will explain the measures taken throughout the value chain for protecting the rights of groups susceptible to certain economic, environmental, social factors (e.g. low-income groups, women, etc.) or for securing minority rights/equal opportunities.	X			The company's activities concerning gender equality and equality of opportunity are presented in detail in sustainability reports. https://www.migroskurumsal.com/sustainabilityfiles/pdf/migros-sustainability-report-2019.pdf

Sustainability Principles Compliance Framework

	Compliance Status			Explanations
	Yes	No	Partially	
The Company will report on progress in relation to actions for preventing and remedying discrimination, inequalities, human rights violations and forced labor. It will explain the actions to prevent child labor.	X			<p>The company absolutely prohibits any forced or child labor and any discrimination in the conduct of any of its operations; it also has any statements that it makes concerning such matters independently verified. No instances of noncompliance on such matters were cited in the company's most recent verified sustainability report (2019), which concludes with an Independent Assurance Statement.</p> <p>https://www.migroskurumsal.com/sustainabilityfiles/pdf/migros-sustainability-report-2019.pdf</p>
The Company will disclose its policies regarding investments made in employees (training, development policies), employee compensation, fringe benefits granted, the right to unionize, work-life balance solutions and talent management. It will establish the mechanisms for resolution of employee complaints and labor disputes, and determine conflict resolution processes. The Company will regularly disclose the activities for ensuring employee satisfaction.	X			<p>In addition to its Human Rights & Equality of Opportunity and its Human Resources policies, the company has also published a Severance Policy.</p> <p>https://www.migroskurumsal.com/en/about-us/our-policies#tazminat-politikasi</p> <p>Matters pertaining to the company's investments in its employees' development are presented in detail under the heading "Employee Empowerment" in GRI standards-compliant sustainability reports; they are also highlighted visually in the infocharts in the annual report.</p> <p>https://www.migroskurumsal.com/sustainabilityfiles/pdf/migros-sustainability-report-2019.pdf</p> <p>An "Ethics Violation Complaint Tracking System" has been set up to ensure that all violations of the company's corporate policies that may be received via the call center, by email, through mobile apps, or in other ways are collected and assessed at a single location and that all action related to these complaints is systematically tracked.</p>
The Company will establish and publicly disclose occupational health and safety policies. It will disclose the measures adopted for protection against workplace accidents and for protecting occupational health, along with statistical data on accidents.	X			<p>The company has published an Occupational Health and Safety Policy. 2020 work-related accident statistics are presented in table 6.</p> <p>https://www.migroskurumsal.com/en/about-us/our-policies#is-sagligi-ve-guvenligi</p>

	Compliance Status			Explanations
	Yes	No	Partially	
The Company will establish and publicly disclose personal data protection and data security policies.	X			The company has published both a Privacy & Data Security Policy and an Information Security Policy covering all issues pertaining to the collection, processing, retention, destruction, protection, and confidentiality of all information and personal data. https://www.migroskurumsal.com/en/about-us/our-policies#gizlilik-ve-veri-guvenligi https://www.migroskurumsal.com/en/about-us/our-policies#bilgi-guvenlik-politikasi
The Company will establish and publicly disclose a code of ethics (including business, work conduct, compliance processes, advertising and marketing ethics, clear disclosure efforts etc.).	X			The company has published both a Migros Code of Ethics and an Anti-Bribery and Anti-Corruption Policy. 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
The Company will disclose its activities and initiatives in relation to community investments, social responsibility, financial inclusion and access to finance.	X			Information about the company's social responsibility projects is presented both in sustainability reports and on the corporate website. The company's activities in this area during 2020 are highlighted visually in the infocharts in the annual report. https://www.migroskurumsal.com/en/sustainability
The Company will organize information meetings and training programs for employees about ESG policies and implementations.	X			Company-policy and implementation-related training is provided both online and during information meetings at regular intervals. Details are highlighted visually in the infocharts in the annual report.
C2. Stakeholders, International Standards and Initiatives				
The Company will carry out its activities in relation to sustainability taking into consideration the needs and priorities of all its stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and NGOs, etc.).	X			As required by GRI standards, sustainability reports are structured so as to focus on primary-concern issues which have been identified by consulting and analyzing stakeholders' priorities. Details may be found in the "Sustainability" section of the company's corporate website. https://www.migroskurumsal.com/en/sustainability
The Company will develop and publicly disclose a customer satisfaction policy regarding customer complaints handling and resolution.	X			Information about the company's approach and activities concerning these matters is provided in annual reports under the heading "Customers Services / Service Channels".

Sustainability Principles Compliance Framework

	Compliance Status			Explanations
	Yes	No	Partially	
The Company will maintain continuous and transparent communication with stakeholders; it will disclose with which stakeholders it communicates for what purpose, about which topic and how often, as well as the progress achieved in sustainability-related activities.	X			As required by GRI standards, information about which stakeholders the company communicates with, through what channels, and with what frequency is presented under the heading "Stakeholder Engagement" in sustainability reports. The company's activities in this area during 2020 are highlighted visually in the infocharts in the annual report. https://www.migroskurumsal.com/sustainabilityfiles/pdf/migros-sustainability-report-2019.pdf
The Company will publicly disclose the international reporting standards it has embraced (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD) etc.).	X			The company prepares and publishes GRI standards-compliant sustainability reports; it also reports its performance to the CDP Climate Change and CDP Water programs.
The Company will publicly disclose the institutions or principles that it is a member or signatory of (Equator Principles, UN Environment Programme Finance Initiative (UNEP-FI), UN Global Compact (UNGC), UN Principles for Responsible Investment (UNPRI) etc.), and the international principles it embraces (such as International Capital Markets Association (ICMA) Green/Sustainability Bonds Principles).	X			Migros reports its operations in compliance with Sustainable Development Goals, GRI standards, and BIST Sustainability Index requirements and also in fulfillment of its commitments as a member of the Consumer Goods Forum, the OP2B coalition, and the LEAD Network.
The Company will spend concrete efforts to qualify for inclusion in Borsa İstanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices etc.).	X			The company is the only food retailer whose shares have been included in the Borsa İstanbul's BIST Sustainability Index for seven years in a row. Its shares have also been included in the FTSE4Good Emerging Index three times.
D. Governance Principles				
The Company will spend maximum efforts to achieve compliance with all Corporate Governance Principles, in addition to compulsory ones under the Capital Markets Board of Turkey (CMB) Corporate Governance Communiqué No. II-17.1.	X			These issues are dealt with as required by the Corporate Governance Committee, which reports to the Board of Directors.

	Compliance Status			Explanations
	Yes	No	Partially	
The Company will take into consideration the sustainability issue, environmental impacts of its operations and associated principles when setting its corporate governance strategy.	X			The Board of Directors is responsible for determining the company's strategic approaches when dealing with each of the sustainability issues appearing in prioritization matrixes. The CEO is responsible for implementing these strategies and fulfills that responsibility together with the senior management team. In addition, the Sustainability Committee, appointed by the CEO acting on behalf of the Board of Directors, manages, carries out, follows up, and quantifies sustainability-related matters. When determining corporate governance strategies, the company takes the environmental impact of its operations and associated principles into consideration.
The Company will take the necessary actions for achieving compliance with the principles related to stakeholders as stipulated in the Corporate Governance Principles and for strengthening communication with stakeholders. It will seek stakeholders' opinions for determining the sustainability-related measures and strategies.	X			The Corporate Governance Committee, which reports to the Board of Directors, organizes and takes such measures as are needed to deal with these matters. When preparing prioritization matrixes, workshops, surveys, and research is carried out to identify the expectations of suppliers, customers, and employees.
The Company will work on the sustainability issue through social responsibility projects, awareness activities and training, and on heightening awareness of the importance of this issue.	X			Information about the company's social responsibility projects is presented both in sustainability reports and on the corporate website. The company's activities in this area during 2020 are highlighted visually in the infocharts in the annual report. https://www.migroskurumsal.com/en/sustainability
The Company will spend efforts to become a member of sustainability-related international standards and initiatives and to contribute to related studies and efforts.	X			The conduct of the company's operations is informed by its memberships in the Consumer Goods Forum, the OP2B coalition, and the LEAD Network. The company reports those operations in compliance with Sustainable Development Goals, GRI standards, BIST Sustainability Index, and CDP Climate Change and Water program requirements.
The Company will disclose its anti-bribery and anti-corruption policy and programs, as well as those on the tax integrity principle.	X			The company has published an Anti-Bribery and Anti-Corruption Policy. Detailed public disclosures are made of information about policy-related training, complaints, and/or violations. Such matters are also highlighted visually in annual reports. https://www.migroskurumsal.com/en/about-us/our-policies#rusvet-ve-yolsuzlukla-mucadele-politikasi

Sustainability Principles Compliance Framework

Table 1: Our Sustainability Commitments for a Livable World

Reduce Food Waste

- By the year 2030, reduce the ratio of our food waste tonnage to our food sales tonnage by 50% as compared with 2018.
- A 17% reduction was achieved in 2019



Combating Climate Change

- By the year 2024, reduce our daily electricity consumption on our sales area m² by 18.5% as compared with 2013.
- By the year 2024, reduce our daily greenhouse gas emissions on our sales area m² by 7% as compared with 2019.



Sustainable Water Management

- By the year 2024, reduce our daily water consumption on our sales area m² by 3.5% as compared with 2019.



Supporting Sustainable Agriculture and Biodiversity

- Preserve biodiversity in cultivated areas
- Support crops grown from local/heritage variety seeds



Table 2: Corporate Greenhouse Gas Emissions of our Turkey Operations by Years

Source	2017	2018	2019
Scope 1 (mtCO ₂ e)	223,339	225,129	265,117
Scope 2 (mtCO ₂ e)	195,841	228,067	243,558
Scope 3 (mtCO ₂ e)	76,814	84,984	103,923
Total (mtCO₂e)	495,994	538,180	612,597

Daily CO₂ Emissions per m² of Sales Area * (kgCO₂e)



* Exceeding the 2023 target, a reduction of 26.6% was achieved between 2015-2019. An additional 7% reduction was targeted until 2024.

Table 3: CO₂ Emissions per Unit Transported in Distribution Center Shipments * (kgCO₂e)



* A 6% reduction was achieved between 2018-2019

Table 4: Energy Consumption by Source (MWh)

Source	2016	2017	2018	2019
Electricity	417,362	421,617	490,994	565,249
Natural gas	8,159	6,104	7,182	7,956
Diesel	13,999	14,629	15,459	15,025
Gasoline	21	55	43.6	788
Total	439,541	442,405	513,679	589,018

Daily Electricity Consumption per m² of Sales Area (kWh)



* There is an 18.5% reduction target between 2013-2024. 16.3% reduction was achieved in 2019.

Sustainability Principles Compliance Framework

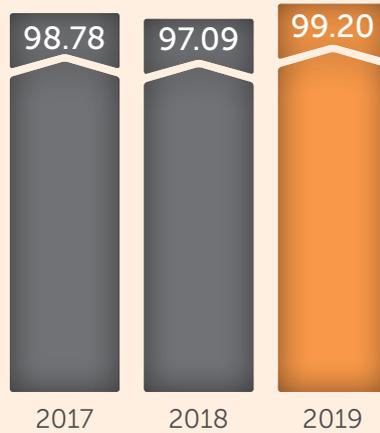
Table 5: Water Discharge Rates

Daily Water Consumption per m² of Sales Area * (m³)

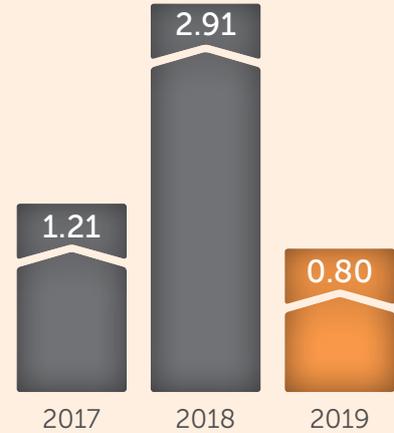


* The reasons for the increase in 2019 were the inefficient water installations in the transformation process of the stores taken over to Migros and the increase in data quality with the renewed water consumption tracking system.

Discharged to Sewers (%)

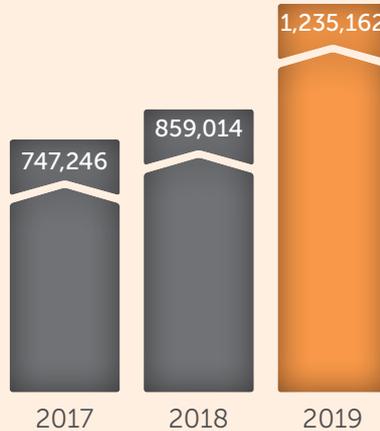


Discharged to Water Bodies (Other) (%)



Water Consumption by Source

Mains Water (m³)



Well Water (m³)

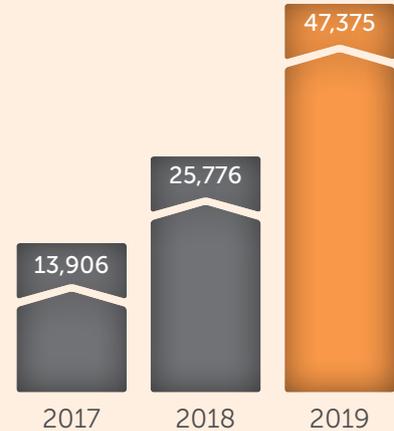


Table 6: OHS Performance

Work accidents	2017	2018	2019	2020
Work accident severity rate (lost days)	27.9	19.7	19.4	19.09
Work accident severity rate (lost hours)	0.022	0.015	0.015	0.015

Work accidents by type of injury	2018	2019	2020
Cuts and lacerations	38	33	31
Slips, trips and falls	14	15	14
Being hit by falling objects	8	8	11
Crushes	5	6	5
Collisions and crashes	8	9	10
Others	27	29	30
Fatal accident rate	0	0	0

Table 7: Sustainable Development Goals Map and Our Projects Related to Them

Sustainable Development Goals	Our Material Issues
	<ul style="list-style-type: none"> • Creating Sustainable Economic Value • Digital Innovation and Accessibility • Sustainable Growth with Our Suppliers
	<ul style="list-style-type: none"> • Empowering our Employees • Gender Equality and Equal Opportunities • Accessibility Practices
	<ul style="list-style-type: none"> • Products and Services Supporting Healthy Living • Quality, Freshness & Hygiene • Occupational Health & Safety
	<ul style="list-style-type: none"> • Social Development & Good Living Awareness
	<ul style="list-style-type: none"> • Combating Climate Change & Energy Management
	<ul style="list-style-type: none"> • Contributing to Sustainable Agriculture and Biodiversity • Providing Transparent Product Information
	<ul style="list-style-type: none"> • Preventing Food Waste • Collecting & Recycling Waste • Reducing Plastic Waste
	<ul style="list-style-type: none"> • Sustainable Water Management
<p>Humanitarian Goals</p> <p>SDG 1 SDG 2 SDG 3 SDG 4 SDG 5 SDG 6 SDG 7 SDG 8 SDG 9 SDG 10 SDG 11 SDG 12 SDG 13 SDG 14 SDG 15 SDG 16 SDG 17</p>	<p>Welfare Goals</p> <p>SDG 1 SDG 2 SDG 3 SDG 4 SDG 5 SDG 6 SDG 7 SDG 8 SDG 9 SDG 10 SDG 11 SDG 12 SDG 13 SDG 14 SDG 15 SDG 16 SDG 17</p>
<p>Planetary Goals</p> <p>SDG 1 SDG 2 SDG 3 SDG 4 SDG 5 SDG 6 SDG 7 SDG 8 SDG 9 SDG 10 SDG 11 SDG 12 SDG 13 SDG 14 SDG 15 SDG 16 SDG 17</p>	<p>Peace & Partnership Goals</p> <p>SDG 1 SDG 2 SDG 3 SDG 4 SDG 5 SDG 6 SDG 7 SDG 8 SDG 9 SDG 10 SDG 11 SDG 12 SDG 13 SDG 14 SDG 15 SDG 16 SDG 17</p>
8 7 19 22 8 7 6 39 12 20 12 48 13 10 13 4 39	

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