

Our Contribution to Sustainable Agriculture and Biodiversity

GRI 103-1, 103-2, 103-3, 304-1, 304, 304-2

We care about the preservation and enhancement of the biodiversity at the regions where we affect due to our operations. The operations, we maintain at the urban areas as based on our fields of activity, do not have any direct negative effect on the biodiversity. However, we make the efforts to minimize our indirect effects despite the foregoing. Accordingly, we are subject to all environmental assessments, which also includes the biodiversity, as required by the Convention on Biological Diversity under the United Nations Environment Program (UNEP), signed by our country, in respect of the statutory permissions and licenses for opening stores. **Preservation of the biodiversity** is of vital importance not only for the living of the

creatures but also for the economic and social development. **Agriculture stands as** the basis for all basic products, we eat, drink and use, for the purpose of maintaining the ordinary course of life. While the biodiversity enables the agricultural products to be more resistant against the factors such as the diseases, epidemics and climate change, agricultural production based upon sustainable methods supports the biodiversity.

Since its establishment, we have been an active member of the OP2B (One Planet Business for Biodiversity) coalition, which was launched at the United Nations Climate Action Summit in 2019 and which is aimed at preserving the agriculture-driven

biodiversity with its members from various international industries. The OP2B coalition aims to perform a systematic transformation in respect of the production and supply processes within its own value chain, and to contribute to develop the policies by interacting with the corporate and financial officials for the purpose of revitalizing the biodiversity. Scaling up regenerative agriculture, developing product portfolio, and eliminating deforestation are among the focal topics of the OP2B that carries out its activities as managed by the WBSCD (World Business Council for Sustainable Development). In addition to our practices for **popularizing the agricultural awareness** in parallel with such approach, we carry out activities in respect of becoming sustainable

in agriculture and stock-breeding and ensuring the traceability therein by means of the **Good Agricultural Practices**, and preserving the seeds that face with the danger of extinction thanks to the **Tastes of Anatolia Project (Anadolu Lezzetleri)** and **Our Heritage Local Seeds (Mirasımız Yerel Tohum) projects**, and also in respect of tree planting with the Aegean Forest Foundation. The role, we have assumed as **the sole company representing Turkey** in the OP2B coalition, also constitutes the contribution provided by the private sector also for the Conference of the Contracting Parties to the Convention on Biological Diversity, which will be chaired by Turkey between 2022-2024.

Focal Activities of the OP2B Coalition



REGENERATIVE AGRICULTURE (REHABILITATIVE AGRICULTURE)

- To preserve the biodiversity at the agricultural areas
- To preserve the soil health



PRODUCT PORTFOLIO

- Offering the new ranges of product made of local seeds or traditional methods
- Raising the awareness of consumers on biodiversity and for the valuation of these new product ranges



ELIMINATING DEFORESTATION

- Increasing the forest lands
- Preservation of high-valued ecosystems, and restoration

OUR GOOD AGRICULTURAL PRACTICES

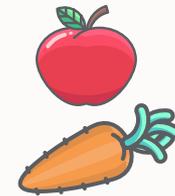
We feel grateful for the Anatolian soils, which have hosted various civilizations for thousands of years and which have served, yielded, fed our people continually and which stand as one of the greatest ranches in the world, and we act with the responsibility to carry over such fertility to the future and our children. In addition to being the retailer that purchases the most from the Cooperative Agricultural and Credit Associations, we provide support also for the local cooperative associations at all regions. We manage to reach both the large-scaled and also the medium and the small-scaled

producers through this channel. Besides, we purchase products from approximately 15 thousand farmers on individual basis. We materialize many projects for the purpose of ensuring the continuance of agricultural production and enabling the producers to continue their existence by getting stronger.

For the purpose of managing our impact on biodiversity, resulting from the indirect agricultural and animal production at our supply chain due to our field of activity, we prioritize collaboration with the suppliers that have adopted the Good Agricultural Practices. Thanks to the Good Agricultural Practices, which describe the processes that are required to be implemented for the purpose of turning the agricultural production system into a process which is livable in social terms and profitable and productive in economic terms and which protects the human health and cares about the animal health and welfare as well as the environment, we contribute to the reduction of the negative effects, resulting from the agricultural production. In addition to this, we carry out the activities for the purpose of developing alternative pest control methods and eliminating use of agricultural pesticides by making use of the biological combat techniques.



Vegetative Production



812,114

Within a period of 9 years, we delivered 812,114 tons of fruits and vegetables, produced as based on the GAP.



1,282

In 2019, we purchased products with a GAP certificate from 1,282 producers.

GAP - Vegetative Production

Since 2010, our Company is the retailer that has applied the **control system, as based on 224 criteria for the fruits & vegetables, the first in Turkey in accordance with the procedures and principles for the "Good Agricultural Practices"**.

Our Company holds the Good Agricultural Practices Group Certification, including the crop processing areas, for its fruit & vegetable warehouses in Antalya, Bursa, Izmir and Mersin, and it maintains such certificates up to date by means of the audits conducted on yearly basis.

We provide support for our suppliers and their producers to switch to the GAP system by providing them with consulting, training and incentives. We delivered **trainings to approximately 25,000 farmers** of us for producing as based on the GAP, within a period of 9 years. Also, **1,282 of our sub-producers** and the farmers affiliated with

them have completed their trainings in 2019. We procured **336 products with a GAP Certificate, pertaining to 102 groups of fresh fruits & vegetables which have been produced as based on the procedures and principles for the GAP, from such farmers.** The products we have procured with a Good Agricultural Practices Certificate, supporting the sustainable agriculture, increased to 812,114 tons as of the end of 2019 since 2010. In 2019, we held trainings for the purpose of ensuring that our employees are informed as based on the procedures and principles for the Good Agricultural Practices, and also raising their competence with respect to the products which are based on the Good Agricultural Practices and which are offered to our customers in our stores. Accordingly, **our 478 employees, serving at our 14 warehouses, have completed their trainings.** We are involved in the various activities that are carried out for the purpose of increasing the production as based on the procedures and principles for the Good Agricultural Practices for the

dried products (pistachio, hazelnut, apricot, grape, etc.).

GAP - Animal Production

Accordingly, we started to offer the chicken, turkey and egg products with a GAP certificate to our customers by realizing the 'Good Agricultural Practices in Animal Production' project as per the standards for white meat as part of the Good Agricultural Practices as introduced by the Ministry of Agriculture and Forestry, in 2013. Such products are being produced in accordance with the 317 criteria for the inquiries conducted by the inspection and certification bodies that are authorized by the Ministry of Agriculture and Forestry, and the relevant analyzes for such products are being performed, accordingly..

In 2019, **100 percent of our chicken and turkey** products was produced in accordance with the GAP procedures and principles, and we procured eggs from 12 enterprises, which are listed on the 6 GAP Certificates issued for our 4 suppliers, in respect of egg production. In 2017, we once more blazed a trail for delivering safe raw milk to our customers just after the sale of raw milk has become legal as based on certain conditions. We offered the **raw milk with a Good Agricultural Practices**

Certificate for the first

time to our customers by initiating a collaboration with a ranch, which produces at the international standards for the Dairy Cattle Raising and which is **approved by the European Union.** We sold 1.3 million liters of raw milk with the GAP certificate within 3 years. In 2019, we sold 857 tons of raw milk with the GAP certificate. Besides, we provided our customers with 968,765 eggs with the GAP certificate which correspond to 4.4 percent of our total egg sales.

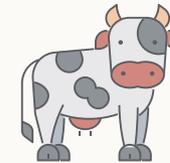


In 2019;



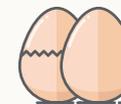
100%

100% of our chicken and turkey products were put on the market after having passed through 317 control points in accordance with the GAP procedures and principles.



857 tons

We offered 857 tons of raw milk, produced as based on the GAP, and



968,765

968,765 eggs with a GAP certificate to our customers.

In 2017, we initiated the “**Good Honey**” project together with the **Ministry of Agriculture and Forestry**. The aim of this project is to prevent imitation and adulteration in the honey products, and to establish good honey criteria, and ensure the **safe honey** production and supply, and also to **reduce the losses** in honey production. During the course of such process, many workshops were held in collaboration with the governmental agencies, research institutes, universities, producer associations, inspection and certification bodies. We will continue to offer honey with the Good Agricultural Practices Certificate to our customers.



SUPPORTING THE LOCAL SEEDS

Anadolu Lezzetleri (Tastes of Anatolia) Project

We created our “Anadolu Lezzetleri” (Tastes of Anatolia) brand name, we regard as a social responsibility project in order to **preserve the Anatolian seeds on the verge of extinction and deliver them to posterity**. We browsed around every inch of the Anatolia with a dedicated team for a period of 3 years for the purpose of finding the seeds, which have existed for centuries at these lands but which have not been planted for various reasons in the course of time. We are providing mediation for producing such tastes, which are of distinctive nature by their regional or cultural characteristics, authentically by making use of conventional methods, and for introducing such tastes with the next generations, thereby. We are aimed at not only supporting the biodiversity but also passing on such richness to the next generations by looking after such cultural richness of Anatolia.

In 2019, we introduced our 54 Tastes of Anatolia Project (Anadolu Lezzetleri) products with our customers by the examination of the local seeds and exclusive recipes of 25 localities in the 7 regions of Turkey. Each of such products

of us was produced authentically by the masters thereof.

Thanks to the 54 Tastes of Anatolia Project, pertaining to 25 localities of the Anatolia, we are carrying the seeds, which have almost become extinct, into the future.

We include all of our suppliers, which deliver products as part of the Tastes of Anatolia Project (Anadolu Lezzetleri), into the scope of the “Supplier Development Program”. At first, we conduct the initial audits for the production sites of such suppliers, and we analyze the results, thereafter. Depending on the results of such analysis, we provide our suppliers with the essential requirement trainings in respect of the provisions as prescribed under the statutory regulations, hygiene practices, pest control practices, infrastructure conditions, etc., without making any change with respect to the traditional production conditions for the respective product. Following such trainings, we supervise the practices of our suppliers by means of the monitoring audits, and we

support them in respect of sustainable production.

Mirasımız Yerel Tohumlar (Our Heritage Local Seed) products

We offer our customers ‘Mirasımız Yerel Tohumlar’ (Our Heritage Local Seeds) products, produced by using thousands of years old heirloom seeds of the Anatolia, a project that is being carried out within the Ministry of Agriculture and Forestry. We became the first and the sole retailer, which has put the Our Heritage Local Seeds Products on its shelves, by providing support for this endeavor that was launched in 2019. In this context, we purchased 75 tons of 9 kinds of products, and offered them to our customers.



COMBATING DEFORESTATION

As part of combating deforestation, we are working to reduce the amount of the paper we use in our operations, and preserve the biodiversity, and also **reforest the forest lands damaged by wildfires**. By offering the olives, grown by the Aegean Forest Foundation, at our shelves, we provide contribution to generation of new forest lands in substitution for the thousands of trees, which have been burned and damaged, by making use of the revenue derived from such products. We have donated young plants in the Aegean Region through the agency of the Aegean Forest Foundation for 11 years, and also in 81 cities of Turkey by means of the **"Breath for the Future"** campaign, carried out within the organization of the Ministry of Agriculture and Forestry, in 2019, and we have provided support for **the planting of a total of 544,241 young plants**. In 2019, we made a donation to the TEMA Foundation (The Turkish Foundation for Combating Soil Erosion, For Reforestation and the Protection of Natural Habitats) by making use of a portion of the revenue derived from the sales of the Sofia brand toilet tissues, sold as 32 in one pack, designed exclusively for the Migros stores thanks to the "Memorial Forest of 10 Thousand Young Plants For Our Future", we have accomplished in cooperation with Lila Kağıt.

A portion of the revenues, derived from the sales of the Finish Powerball 0% (containing no phosphate, perfume and skin allergens) sold at the Migros stores, has been donated to the Aegean Forest Foundation, and 10,000 young plants have been planted, accordingly. Likewise, 5,000 young plants have been planted as part of the donation made to the Aegean Forest Foundation by making use of the revenue, derived from the sales of the Omo Yumos Bio Active (with a packaging containing 50 percent lesser plastics) products sold at our stores.



We supported planting of 544,241 olive trees in 11 years. We donate the revenue, derived from the sales of the products of the olive trees, to the Aegean Forest Foundation.



Our Practices to Reduce the Use of Paper

We aim to reduce the amount of the paper consumption in our operations, and also increase the use of recycled or certificated materials. Our paper consumption in 2019 was reported as 6,629.5 tons.

We prefer to use the paper, derived from the sustainable resources, for the photocopy papers used at the Migros Head Office. Furthermore, the photocopiers are activated by the employee identity cards, and thus, we avoid taking any redundant printout. With the aim of reduction of paper consumption in both our stores and other units, all of our managers can access all data and analysis they need through the

application MIO on their tablets and view digitally their daily routine reports. In 2019, 67.14 tons of paper were saved with the store employees switching to tablets and by other updates in our processes. Also, the requests for the necessary consumables are being forwarded through the corporate intranet at our 5M stores. Any such needed product is being sent to the respective store only upon the grant of the approval thereto. Thanks to this practice, we saved 30 percent of A0 paper (plotter) consumption at our 5M stores in 2019. We design the size and design of our printed marketing materials so as to keep our paper consumption at the minimum level. Moreover, we print all campaign and promotional brochures and leaflets on recycled paper. We saved 30,685 trees by

using 1,805 tons of recycled paper for the entire campaign leaflets.

In addition to the foregoing, we are capable of completing the claims and collection processes as addressed to the respective insurance company with respect to any claim that might occur at any of our units, without any need for any printed paper, since we have moved the insurance claim notification system to the online system. Thus, we aim to avoid use of 50 kg paper next year.

Thanks to the BOSS (Maintenance Repair Servicing System) practice, we have started to implement on pilot basis in 2019, we aim to prevent the waste of paper, which would arise due to the fact

that a printout is taken and delivered to the manager of the store, at which such work was performed, following any work performed for any malfunction/repair at such store. We will save 406 kg of paper for 2020.

Also, we encourage our customers to make use of the mobile Money Cards. Thus, our customers can submit an on-line application through our website, namely www.money.com.tr, and have a mobile Money Card issued accordingly, instead of completing a printed Money Card application form.

