

# BIM

## Secret heroes of every era



**About BİM**

- 10 Key Indicators
- 13 Expectations and Achievements
- 14 About BİM
- 22 Service Philosophy
- 24 BİM's Domestic and Foreign Operations
- 26 Subsidiaries and Affiliates
- 28 Milestones
- 30 Message from the Board of Directors

**2022 Activities**

- 32 Retail Industry in Türkiye
- 34 Main Developments in 2022
- 35 Awards and Achievements
- 36 BİM in 2022
- 38 R&D Activities
- 40 Human Resources

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**Corporate Governance and Sustainability**

- 42 Sustainability
- 48 Risk Management and Internal Control Mechanism
- 50 Convenience Translation into English of Independent Auditor's Report on the Early Detection of Risk System and Committee Originally Issued in Turkish
- 51 Investor Relations
- 52 Share Buyback Programs
- 52 Shareholding Structure
- 53 Committees Established Under the Board of Directors
- 54 Report on Transactions with Related Parties
- 54 Ordinary General Assembly Meeting Agenda
- 55 Articles of Association Amendments
- 60 Board of Directors and Senior Management - Executive Committee
- 63 Statement of Independence
- 65 Corporate Governance Principles
- Compliance Report
- 76 Statement of Responsibility of the Annual Report and Consolidated Financial Statements
- 77 Convenience Translation into English of Independent Auditor's Report on the Board of Directors' Annual Report Originally Issued in Turkish

# A compelling story of success

Since the year 1995 when we began to write our story, we have been dedicating all our efforts to putting a smile on our customers' faces. First and foremost, all our dealings with our customers are imbued with a sense of trust. While filling our shelves with affordable, good quality and reliable products, we sustain our immaculate service quality as on the very first day, thanks to our dynamic human resources. Our extensive product range, most notably staple products, is conveniently positioned in our stores.

With the protagonists of our story, our private-label products, we offer our customers unique purchase experiences; hence, we attract new customers from different walks of life. In order to render our growth sustainable, we continue our store, warehouse and logistics investments with relentless momentum.



# A customer- (friendly) mindset

With the experience of 28 years, we touch people's lives, and begin a new story every single day, inspired by the smile on their faces. We offer our affordable products to our customers without compromising quality, and increase their purchasing power. With a customer-centric mindset, we care about sustainable satisfaction and trust, rather than short term windfall profits. With this approach BIM has been selected as the "Reputable of the Year" in the Discount Chain Markets category in the Brand Value and Perception Survey 2022 and our DOST brand was selected for this award in the Milk and Dairy Products Category.



**5.8 million**  
Number  
of customer  
visits per day

# Robust growth with (confident) steps

Central to our pursuit of sustainable growth is our resolve to proceed with investments, even in the face of a challenging backdrop such as the pandemic and high inflation. We secure product supply with our warehouse, logistics and production facility investments, and aim to access more people every day with our store investments.

TL 5,112 million  
Capital expenditure





# (Legendary) experiences with distinctive brands

We deliver legendary product experiences to our customers with affordable prices and high quality content. We introduced the notion of private-label products to Türkiye for the first time, and proved over time that these products could be at least as high quality as branded products. We maintain, today, our leadership of the sector in the sales share of our private label products. While our customers' loyalty and trust constitute our most precious achievement, the accolades we have earned to date attest to our success.

**65%**  
Share of private-label products in sales



# High (performance) with solid infrastructure

We perceive our deep-rooted history based on trust with our suppliers as our foremost strength in the supply chain. We continue our warehouse and vehicle fleet investments with unabated impetus, hence securing supply sustainability. Thanks to our strong balance sheet and superior experience, we are able to take timely measures against looming risks, and to adroitly manage them.



**1.3** million m<sup>2</sup>  
indoor storage  
space on  
**2.7** million m<sup>2</sup> land

**3.7** million m<sup>2</sup>  
sales area

**1,521** trucks

# TL 5,112 million capital expenditure in 2022

**109%**

Net sales increase

**80**

thousand

Number of employees

**11,510**

Number of stores

Aware of its social responsibility in the face of declining consumer purchasing power in 2022, BİM consistently stood by customers with its "everyday low price" policy.

High inflation in 2022 created opportunities and challenges for the retail industry. A sharp decline in purchasing power on the consumer side drove demand for high discount retailing and private-label products. BİM, gained new customers across all strata while expanding its market share.

As depreciation of the country's currency raised investment costs, climbing operational expenses were among the factors that adversely affected the margins. In particular, the escalation of electricity and fuel expenses had significant impacts on profitability. The two minimum wage increases, the first at the beginning of the year and the second in the middle of the year, also contributed to rising personnel expenses.

Aware of its social responsibility in the face of declining consumer purchasing power in 2022 – a period of increasingly high inflation – BİM consistently stood by customers with its "everyday low price" policy. Reflecting gains generated by a range of efforts from efficiency improvements to product prices, BİM continued to create added value for our country. Despite higher costs, the Company maintained its progress in store openings throughout 2022 as well, opening 1,021 new stores.

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

## Number of Stores

'20	9,365
'21	10,489
'22	11,510

**9.7%** Growth

## Average Number of Daily Consolidated Customer Visits (Million)

'20	4.7
'21	5.0
'22	5.8

**18%** Growth

## Basket Size Per Visit (TL)

'20	32.6
'21	39.0
'22	69.6

**78%** Growth

## Net Sales (TL Million)

'20	55,495
'21	70,699
'22	147,716

**109%** Growth

## EBITDA (TL Million)

'20	5,067
'21	6,576
'22	11,867

**80%** Growth

## Net Profit (Owners of parent, TL million)

'20	2,607
'21	2,932
'22	8,157

**178%** Growth

## Gross Profit Margin (%)

'20	18.2
'21	19.0
'22	18.1

**-91** Points

## EBITDA Margin (%)

'20	9.1
'21	9.3
'22	8.0

**-127** Points

## Net Profit Margin (%)

'20	4.7
'21	4.2
'22	5.5

**+137** Points



**147.7** TL billion  
Net sales

BİM increased its sales by 109% in 2022.



Condensed Consolidated Income Statement (TL Million)	2022	2021	Change (%)
Sales	147,716	70,699	109
Gross Profit	26,774	13,460	99
Gross Profit Margin	18.1%	19.0%	
EBITDA	11,867	6,576	80
EBITDA Margin	8.0%	9.3%	
EBIT	9,274	4,774	94
EBIT Margin	6.3%	6.8%	
Net Profit (Owners of parent)	8,157	2,932	178
Net Profit Margin	5.5%	4.1%	

Condensed Consolidated Balance Sheet (TL Million)	2022	2021	Change (%)
Current Assets	28,095	14,011	101
Fixed Assets	36,589	16,401	123
<b>Total Assets</b>	<b>64,684</b>	<b>30,412</b>	<b>113</b>
Short-term Liabilities	28,810	15,865	82
Long-term Liabilities	10,465	6,738	55
Shareholders' Equity	25,409	7,809	225
Equity Holders of the Parent	25,201	7,606	231
Non-Controlling Interest	208	203	2
<b>Total Equity and Liabilities</b>	<b>64,684</b>	<b>30,412</b>	<b>113</b>

# Innovation leadership in the retail industry

BİM will continue to contribute to employment in 2023, with plans to make a consolidated capital expenditure of approximately 3.5% of its sales for domestic and international operations.

**3.5%**  
Capex to sales ratio target

Following two positive target updates in 2022, BİM closed the year with an increase in sales of 109% and an EBITDA margin of 8.0%. The Company continued its capital expenditure without interruption, exceeding its target set for 2022.

BİM aims to increase sales by 75% in 2023 compared to the previous year and estimates its EBITDA margin

at 7,0% - 7.5%. BİM will continue to contribute to employment, with plans to invest approximately 3.5% of sales for domestic and international operations. The Company aims to maintain its leading position in the retail sector through its robust financial structure and high quality employees.

2022	Targets (March 2, 2022)	Targets (May 9, 2022)	Targets (August 17, 2022)	Realizations
Increase in Sales	50% - 60%	70% - 80%	100% - 110%	109%
EBITDA Margin*	8.5% (±0.5)	8.5% (±0.5)	8.5% (±0.5)	8.0%
CAPEX to Sales Ratio	3.2%	3.2%	3.2%	3.5%
<b>2023</b>				<b>Expectations</b>
Increase in Sales				75% (±5)
EBITDA Margin*				7.0% - 7.5%
CAPEX to Sales Ratio				3.5%

\* The EBITDA margin target includes IFRS 16 effects.

# BİM's journey to success

BİM's private labels, which are produced specifically for the Company by its suppliers, constitute the foundation of its high discount business model.

**65%**  
Ratio of BİM's private-label products to net sales

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

Acting with the principle of keeping operational costs to a minimum level and reflecting the consequent savings to customers as discounts, BİM is the first representative of the high discount model in Türkiye with its organizational structure, effective cost management practices, and limited product range.

BİM accelerates the decision-making and implementation processes by establishing a dynamic logistics and information network among regional offices and stores through a decentralized organizational structure.

BİM avoids unnecessary expenses that raise product prices.

Maintaining effective quality standard controls by limiting its product range to around 850 items, BİM ensures that products reach customers at the most affordable prices.

BİM revises the composition of its products in line with the changing customer expectations and requirements while also introducing new products or delisting the old ones from its portfolio each year.

## Investment in Private Labels

BİM's private labels, which are produced specifically for the Company by its suppliers, constitute the foundation of its high discount business model. The main characteristic of these products is their more affordable pricing compared to equivalent, branded products of the same quality. Private-label products constituted 65% of the sales in 2022.



## Effective Cost Management

The principle adopted by BİM in carrying out its operations is to keep its costs at the lowest level and reflect its gains to customers as low prices. BİM has adopted a detailed and precise working method for the selection and pricing of the products. The products offered at the stores are carefully selected to meet 80% of the daily basic needs of a household. In this context, BİM keeps a limited product portfolio, purchasing high volumes at low prices from suppliers. This, in turn, is reflected in product prices.

Operating based on the "everyday low price" policy, BİM does not have applications such as promotion, campaign and loyalty cards; therefore, customers do not have to follow discount campaigns. Instead of campaigns and short-term discounts, BİM keeps the prices low everyday through its more understandable and simple business model. BİM reflects the savings from the cost deductions on the product prices.

One of the most important features distinguishing BİM from its competitors in the sector is to avoid short-term discounts even when there is no sufficient consumption. This pricing policy is a key factor in establishing customer confidence.

With the effective cost management policy, which it implements across all operations, BİM is constantly consolidating its leadership and strong position in the retail industry. The market share increase of BİM, which is the sector leader considering its sales volume, for fast moving consumer goods accelerated in 2022, and the Company's market share in these products increased by 1.4%\*.

Out of 3.000 exit interviews conducted by NielsenIQ of the current customers of BİM stores, the NPS (Net Promoter Score) of BİM was 24, which is highest compared to other national chains. This data indicates that BİM is the company that best meets customer expectations among retail companies.

\*NielsenIQ Retail Panel

BİM adheres to the following principles of cost management:

1. In general, the stores are rented.
2. Instead of high-cost stores on main streets, BİM prefers to locate the stores in the back streets to save on rent.
3. Sufficient personnel is employed to maintain uninterrupted service.
4. Store decoration is kept as simple as possible, minimum shelving is used, costs are kept at a minimum and gains obtained are reflected on the product prices.
5. Promotion and advertising expenditures are kept to a minimum.
6. Products are distributed through the Company's logistics network.
7. Product portfolio is kept limited and high volumes of products at low prices are purchased from suppliers.
8. Private labels are included in the product portfolio as much as possible.
9. Cost calculations are made daily, and effective cost controls are implemented, with immediate action taken when required.
10. New saving methods are continually explored, developed, and implemented.

As it conducts its transactions in Turkish Lira without using foreign currency and finances its operational investments through a strong equity, BİM is not directly affected by the fluctuations in the exchange rates and interest rates.

**1.4%**

Market share  
point increase  
in fast moving  
consumer goods  
of BİM\*

BİM keeps the costs  
at a minimum level  
without disrupting  
the service  
quality, reflects  
the consequent  
savings on the  
product prices,  
and maintains  
operations with  
a limited level of  
profit margin.

#### Strong Supply Chain

BİM is the biggest purchaser of the majority of the products it sells in Türkiye thanks to its high purchasing power. By this way, the Company encourages its suppliers to produce high-quality products at lower costs to procure quality products at affordable prices.

BİM is recognized as a company that suppliers would particularly like to work with in the retail sector since the Company has one of the shortest payment terms of the sector and provides all the necessary support to its suppliers, who they consider as business partners.

Always maintaining good relations with its suppliers, BİM did not leave its shelves empty in 2022, when supply problems were experienced, thanks to its strong cash position, successful supply and stock management, and successfully managing product availability issues with its partner suppliers even during the Ukraine-Russia crisis.

BİM preferred to use its strong cash position to ensure product supply and procure cost-effective products, allowing it to maintain high levels of customer satisfaction.

#### High Inventory Turnover Rate

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

#### Product Safety

As a provider of reliable products that are capable of fully and continuously meeting customers' basic needs in the most economical way and in a timely manner, BİM has adopted continuous improvement regarding food safety as a Company policy. For this reason, the Quality Assurance Unit exists as part of the Purchasing Head Office.

The Quality Assurance Unit is responsible for the following actions:

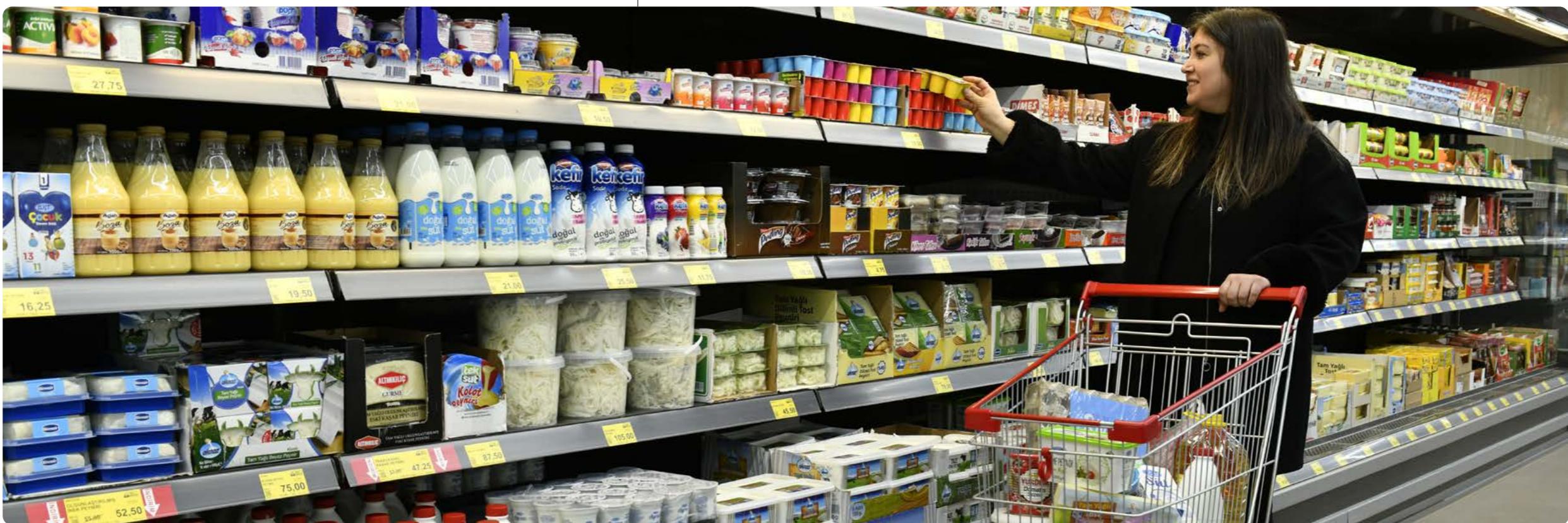
- Conducting activities to ensure the sustainable quality standards of purchased products as per the defined strategies,
- Conducting activities for legal proceedings of product packages,
- Following up on legal changes and problems in product groups,
- Inspecting the quality of the products as per the procedures,
- Performing tests when necessary and at planned times,
- Performing product and manufacturer inspections,
- Ensuring continuity in product development regarding its private labels.

#### Sustainable Business Model

BİM, in accordance with its business model keeps the costs at a minimum level without disrupting the service quality; it reflects the consequent savings on the product prices and maintains operations with a limited level of profit margin. Therefore, the Company's fight against inflation has been continuous since the day it was established. Moreover, BİM has significantly contributed to the balanced course of the price mechanisms in the sector. BİM assists spreading low prices throughout the market by setting an example for the market with its "everyday low price" policy. BİM will continue decisively to fight against inflation in the upcoming period as well. Aiming to continue its efficient and sustainable growth, BİM will maintain its effective cost management policy by prioritizing customer satisfaction.

Although the pressure has increased on costs due to increased raw material prices in international markets and the devaluation of TL particularly in 2022, a year of struggle against high inflation, BİM continued to support the fight against inflation by postponing its price increases as much as possible. When its costs increase, BİM takes care not to increase its prices before it runs out of the low-cost inventory.

On the other hand, BİM operates with the effort to keep customer satisfaction at the highest level with the unconditional return guarantee policy applied in its stores. This policy allows a customer to return any product at any time - without the need to provide an explanation - at the closest BİM store by providing the receipt and credit card slip.



\*NielsenIQ Retail Panel

**10,572**

Number of stores in Türkiye



BİM increased its investments in 2022 as well, and continued to contribute to the country's economy and employment.

#### Investment Policy

Focusing its investments mostly on the expansion of its operation network, BİM prefers organic growth by establishing new stores and regional centers. BİM usually rents the stores and decorates them as plainly as possible, which requires relatively low investment costs.

Since BİM is managed via a decentralized organizational structure, the regional centers are very crucial for the Company. The new warehouses and regional centers are constructed in accordance with the compliance criteria, generally by acquiring land.

Even in 2022, when investment costs increased significantly, BİM maintained its investment policy and continued to contribute to the country's economy and employment.

#### International Operations

Entering the international arena through its operations in Morocco and Egypt, BİM sustains its growth in foreign activities.

BİM's first foreign operation, Morocco, is the first discount chain in the country. BİM actively started the operations in Morocco with the opening of its first store in Casablanca on 11 April 2009 and owns 65% of the capital of the company that carries out the operations in the country. It is aimed to maintain and develop the current growth trend in the Kingdom of Morocco with Helios Investment Partners LLP, which acquired 35% share in the Morocco operations, and to contribute to localization with investors specialized in the region.

Being geographically close to Europe, Morocco is a more developed country in terms of culture, economy, infrastructure and politics compared to other African and Middle Eastern countries. In Morocco, which has a population of more than 37 million, the modern retail industry has significant potential.

The Morocco operations, which achieved operational and net profitability (before IFRS 16) as of the end of 2019, continued this trend by maintaining profitability in 2022 as well. The number of stores reached 627 with 49 new store openings in 2022.

In Egypt, where the second foreign operation of the Company launched in 2013, 11 stores were opened in 2022, reaching 311 stores. BİM has the whole capital of the company that carries out the Egypt operation. BİM has two regional directorates in Egypt, which is one of the biggest countries in the Middle East with a population of 104 million and acts as the production base of its region.



**627**

Number of stores in Morocco



**311**

Number of stores in Egypt

Number of Stores	2021	2022
BİM Türkiye	9,451	10,370
FILE	160	202
Morocco	578	627
Egypt	300	311
<b>Total</b>	<b>10,489</b>	<b>11,510</b>

## 65%

Share of its private labels in net sales



### BİM Brands

Having introduced the notion of private-label product sales to the Turkish retail sector, BİM plays an important role in Türkiye's fight against inflation by offering the high quality private-label products to customers at affordable prices. BİM meticulously carries out its studies for the protection, development and quality controls of these brands both in terms of flavor and package quality. BİM develops its' private-label product portfolio every year, and the share of its private labels in net sales increased from 46% in 2005, the year the Company went public, to 65% in 2022. In 2022, when inflation increased and household purchasing power decreased, interest in quality and affordable private label products increased across all strata of the society. Bringing the concept of private label product to Türkiye, BİM was the company that benefited the most from this interest.

### BİMcell

BİMcell, introduced in March 2012, is BİM's brand operating in the field of mobile communications. Offering special communication solutions with its Internet and mixed packages, BİMcell has a population coverage rate of 98% throughout



Türkiye. BİMcell attracts more and more customers with its economic, competitive and innovative packages that offer "pay as you go" options by charging customers per second. BİMcell increased its subscriber base by approximately 162 thousand in 2022, reaching 2.9 million subscribers as of the end of the year.

### Principles of BİMcell:

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

BİMcell is a virtual prepaid operator, and its subscriber base increases each day.

### FILE

BİM launched its new retail model, FILE, in March 2015. Combining the concept of discount with a supermarket notion, FILE achieved an important position in the retail sector and gained the appreciation of customers in a short period of time by offering a strong, fresh, high quality and richly varied range of products.

The primary purpose of this model is to meet consumer needs in groceries, personal care and general hygiene with good or superior quality healthy and fresh products produced at high standards, and offered continuously at low prices.

FILE has relatively larger spaces in terms of square meter compared to other discount stores. It allows the customers to shop in a wide and spacious store.

Bringing innovations to its customers as its concept, FILE attracts attention with its special service sections such as bakery products, meat-charcuterie, fruit-vegetables and personal care and offers an alternative to customers who would like to buy products at low prices and high quality standards other than basic food groups.

Establishing a new supply chain, FILE included new private-label products to its portfolio in addition to national and international products. 33% of the sales of FILE, which serves consumers with its three brands in basic product categories, is comprised of private-label products. 82 products not previously offered to the market before in Türkiye have been introduced to consumers for the first time thanks to FILE.

In 2022, there were more than 200 FILE stores in 26 provinces of Türkiye. FILE provides service with a total of three warehouses, two in Istanbul and one in Ankara.

Thanks to a plain presentation of the correct business model, FILE quickly achieved EBITDA profitability and managed to attain net profitability in the 5<sup>th</sup> year of its operations. The share of online sales in turnover reached 4% in 2022 at FILE, which launched its mobile shopping application in 2021.

### FILE Brands

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



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

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



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

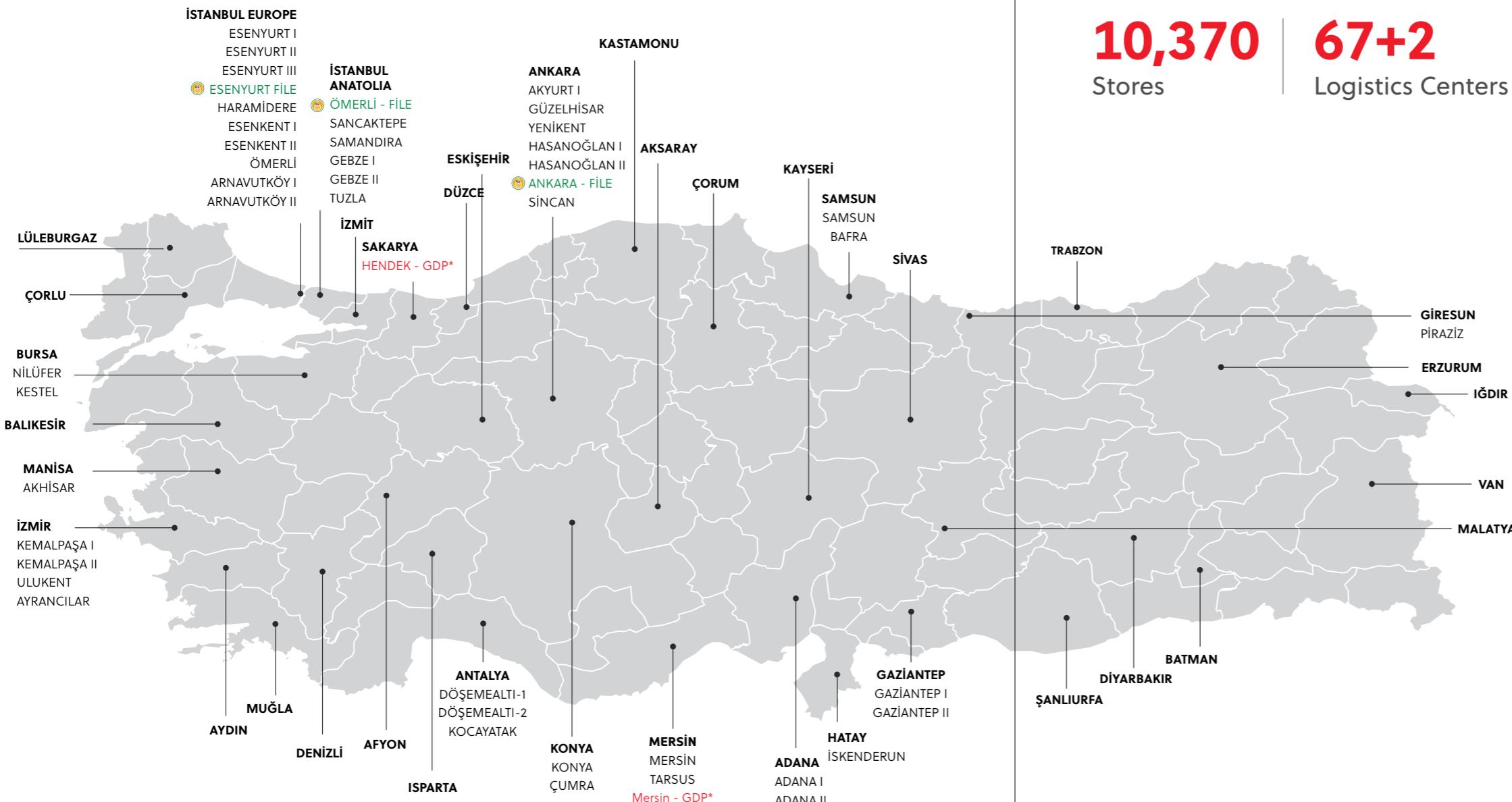


# The first representative of the high discount model



# A strong logistics network

1.3 million m<sup>2</sup> closed storage area  
on a total of 2.7 million m<sup>2</sup> land



**BİM** Türkiye



**10,370** Stores | **67+2** Logistics Centers

**FILE**



**202** Stores | **3** Logistics Centers

**BİM** Morocco



**627** Stores | **3** Logistics Centers

**BİM** Egypt



**311** Stores | **2** Logistics Centers

# High discount business model

BİM also conducts food retailing activities in Morocco and Egypt through its subsidiaries, and its subsidiaries operating in fields such as agriculture and food provide consumers with affordable and high-quality products.

Trade Name	Field of Activity of the Company	Paid-in/ Issued Capital	Currency	BİM's Share in Capital (%)	Nature of the Relationship with the Company	Consolidation Method
BİM MAROC	Food Retail Activities in the Kingdom of Morocco	246,824,000	MAD	65	Subsidiary	Full consolidation
BİM Stores LLC	Food Retail Activities in the Arab Republic of Egypt	875,000,000	EGP	100	Subsidiary	Full consolidation
Dost Global Danışmanlık A.Ş.	Advisory and Operation	180,000,000	TL	100	Subsidiary	Full consolidation
Es Global Gıda Sanayi Ticaret A.Ş.	Production of Biscuits and Confectionery	340,000,000	TL	100	Subsidiary	Full consolidation
Bircan Fide Tohum Tarım Nakliyecilik Sanayi ve Ticaret A.Ş.	Soilless Agriculture Activities in Geothermal Greenhouses	65,000,000	TL	100	Subsidiary	Full consolidation
GDP Gıda Paketleme Sanayi ve Ticaret A.Ş.	Food and Beverage Packaging	5,000,000	TL	100	Subsidiary	Full consolidation
Ideal Standart İşletmecilik ve Mümessilik San. ve Tic. A.Ş.	Toothbrush Production and Sales	8,000,000	TL	100	Subsidiary	Full consolidation
FLO Mağazacılık ve Pazarlama A.Ş.	Marketing of Shoe Products	34,500,000	TL	11.5	Affiliate	Not consolidated

## BİM MAROC

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

## BİM Stores LLC

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

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

To improve supply sustainability in the fresh fruit and vegetable category, BİM acquired all shares of Bircan Fide Tohum Tarım Lojistik Sanayi ve Ticaret Anonim Şirketi in 2021 for TL 51.3 million. The Afyon-based Bircan Fide produces tomatoes in geothermal greenhouses, set in an area of 100 decares, using the soilless farming method.

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

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

To produce certain biscuits and confectionery products sold in its stores, BİM decided in 2021 to establish a company titled Es Global Gıda Sanayi ve Ticaret A.Ş. The establishment procedures of the factory started in 2022, and production lines in the Eskişehir province are ongoing.

## Dost Global Danışmanlık A.Ş.

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

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

GDP Gıda Paketleme ve Sanayi ve Ticaret A.Ş., which is a fully owned subsidiary of BİM ensuring the supply and packaging of various food products sold in BİM stores, primarily rice and pulses, began to operate on July 13, 2017.

The Company carries out the activities relating to the purchase, quality control, storage and packaging of products procured from suppliers in Türkiye and abroad, as well as their transportation to regional warehouses.

## FLO Mağazacılık ve Pazarlama A.Ş.

Operating in the footwear sector since 1960, FLO Mağazacılık is the leader of the Turkish shoe sector, with more than 600 stores located in Türkiye and abroad, and an e-commerce web site: [www.flo.com.tr](http://www.flo.com.tr). In November 2013, 11.5% of the shares of the Company were acquired by a group of entrepreneurs for financial investment purposes.

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

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



# Solid steps for sustainable success



**1995**  
Commenced operations with 21 stores.



**2005**  
44.12% of BİM shares were offered to the public.



**2010**  
BİM became the leader in the sector through organic growth only.



**2013**  
First stores launched in Egypt, as its second foreign operation.



**2020**  
BİM switched to its new store design.



**2022**  
The number BİM stores in Türkiye exceeded 10 thousand.



**1997**  
Released Dost Süt, the first private-label product in the retail sector in Türkiye.  
The 100<sup>th</sup> store was opened.



**2009**  
Commenced its first foreign operation by opening stores in Morocco.



**2012**  
Launched BİMcell, mobile operator brand.



**2015**  
FILE, BİM's new retail model, opened its first stores.



**2021**  
Bircan Fide, which produces tomatoes under soilless farming method in geothermal greenhouses, was acquired.

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

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

# Increase in market share with high quality

During this period, Türkiye, unlike the rest of the world, adopted loose monetary policies and implemented a growth-oriented policy rather than fighting inflation. Along with increases in global raw material prices and the depreciation of the Turkish Lira, these policies led to an upturn in inflation.

According to data from the Turkish Statistical Institute (TÜİK), inflation was 64% in 2022. While rising inflation reduced the purchasing power of consumers, there was no significant decline in demand as a result of loose monetary policies.

Esteemed Shareholders,

When the monetary policies deployed to stimulate the economy during the pandemic period were tightened in order to combat inflation, the world entered a period of economic slowdown. According to IMF data, the global economy, which grew by 6% in 2021, is estimated to grow by 3.2% in 2022. Aside from the global financial crisis, this growth rate was the slowest since 2001.

Although the high inflation environment increased retail turnover, cost increases had a major impact. Minimum wage hikes, as well as rising electricity and fuel prices, significantly affected profitability.

Inflation also influenced consumer purchasing behavior. As citizens seeking to insulate their purchasing power against inflation turned to more affordable products, they gravitated towards both high-discount stores and market private labels.

Changing consumer habits demonstrated that brand loyalty has dissipated, while sensitivity to prices and campaigns has intensified, with consumer attention focused on the ingredients and price-quality balance of products rather than on brands. Consumers want to purchase products in convenient locations, at economical prices and with proper services.

In these difficult times, BİM, Türkiye's retail industry leader, stood by the consumer and took every measure possible to avoid passing these increased costs to customers.

BİM has always prioritized customer benefits over short-term high profits. According great importance to quality, BİM consistently avoids unnecessary costs and offers high quality at affordable prices.

Using its strong cash position to ensure product supply sustainability, and in accordance with its business philosophy, BİM did not reflect its rising costs to product prices until the older-priced stocks were exhausted in its stores: through this responsible approach, the Company both supported the fight against inflation and retained the trust of its customers. Our customers once again made BİM, which offers high quality at low prices, the most-preferred retail company.

## 109% Increase in sales revenues

Thus, BİM further expanded its market share in 2022. Furthermore, households of all income levels demonstrated increasing preference toward BİM. As of the end of 2022, our sales income increased by 109%, reaching TL 147.7 billion, while EBITDA reached TL 11.9 billion with 80% growth. Although factors such as the increase in the share of staple foods in sales and rapid cost increases have put pressure on profitability, the Company remained within the profitability estimation range determined early in the year.

High inflation also raised demand significantly for our private labels. Maintaining its leading position in private-label products in Türkiye, BİM realized 65% of total sales via its private labels.

BİM, which builds long-term trust while meeting customer expectations, has the highest customer satisfaction score among its competitors, thus ensuring the sustainability of the Company's strong growth performance.

BİM continued to work in close cooperation with its suppliers in 2022. Product supply risks, which amplified with geopolitical developments particularly in the first half of the year, were easily overcome, thanks to our close collaboration with our suppliers.

Despite higher input costs and the depreciation of the Turkish Lira in 2022, our investments continued at speed. Warehouse investments and store openings were ongoing during the year, with three warehouses and 919 stores opened in total. Being

among the companies in Türkiye providing the most employment, BİM expanded the number of personnel in Türkiye by 8,921 thousand in 2022 and continued to contribute to the country's economy.

In addition to BİM, it was also a successful year for FILE, which offers a brand new experience by combining the discount and supermarket concepts. In 2022, the total number of FILE markets reached 202 across 26 cities, while the number of regional warehouses increased to three.

The FILE market shopping platform application, one of our digitalization investments, also serves with a total of 49 stores in Türkiye, one of which is a dark store. While 33% of FILE's sales consist of products belonging to its private labels, FILE's share in BİM Türkiye's consolidated sales was 4%.

Our overseas operations continue to operate efficiently. In 2022, we expanded the number of our stores in Morocco to 627 and, in Egypt, the number of our stores reached 311.

BİM protects consumers from inflation by providing affordable products without sacrificing quality. Adopting continuous improvement in food safety as a company policy, BİM systematically manages food safety on the basis of national standards. The Company's private-label products are produced in facilities that have been awarded international food safety management systems certification; all facilities are audited and assessed in terms of consumer health and safety. In 2022, 1,4 million parameters were analyzed in 14 thousand product samples. BİM practices a full legal compliance policy in terms of product safety and consumer health.

We act in awareness of our responsibilities to our society and are dedicated to bequeathing a livable world to future generations in line with our concept of sustainability.

We published our second sustainability report in 2022, sharing our goals on sustainability topics for the first time. For BİM, the concept of sustainability includes providing quality products and services, managing the value chain responsibly, working towards a livable environment, and ensuring sustainable growth with strong corporate governance.

Adhering to a cost-oriented business philosophy, BİM strives to minimize energy consumption. Solar Power Plant projects continued in 2022 within the scope of sustainability studies, and solar power plants on the roofs of seven warehouses were completed, with the total power of ten SPP projects reaching 15 MW. Solar energy systems that produce the equivalent of the annual energy consumption of more than 7,600 households have reduced carbon emissions by 11,100 tons per year, saving more than 200 thousand trees.

In 2022, we received ISO 45001 Occupational Health and Safety System certificate in one of our regional warehouse and ISO 14001 Environmental Management System certificate in another. Thanks to these certification processes, we plan to identify areas for improvement in the environmental management system as well as the occupational health and safety systems.

These accomplishments are the result of efforts by all our stakeholders, especially BİM employees, who now number nearly 80 thousand. We extend special thanks to our employees and, in the coming years and together with our stakeholders, we will continue to make our customers happy with affordable and quality products and to contribute to the Turkish economy.

To heal the wounds of the devastating earthquake disaster, which shook Türkiye on February 6, 2023 and affected 10 provinces in total, we strived to do our best and stood by the people of the region with all our might and will continue to do so.

# Global power of the retail industry

The retail sector has endeavored to offer quality products with affordable prices to consumers whose purchasing power has fallen, while also striving to manage its rising costs as effectively as possible.

**16.8%**  
BİM's market share\*

While a return to pre-pandemic behaviors was observed in many sectors as the pandemic subsided, high demand in the retail sector – especially for staple products – persisted as home consumption habits, which rose during the pandemic period, continued in 2022. Despite the adverse effect of high inflation on consumers' purchasing power, no significant loss in consumer demand were observed, thanks to Türkiye's expansionary monetary policies.

With weakened purchasing power, consumers began seeking more affordable alternatives without sacrificing quality, raising demand for both discount markets and their private labels. Introducing both the discount market notion and the concept of market-labeled products to Türkiye, BİM gained new customers from all income levels in 2022.

The geopolitical developments and global energy crises arising early in the year also brought about risks related to the supply process. Despite limited access to many foodstuffs supplied by Russia and Ukraine, particularly in the early stages of the war, this period passed smoothly due to the strong structure of the Turkish retail industry.

The retail sector has endeavored to offer affordable quality products to consumers whose purchasing power has lessened, while also striving to manage its rising costs as effectively as possible. In 2022, mounting costs in areas such as the minimum wage, electricity and fuel posed a risk to profit margins.



However, these short-term risks also led to positive medium-term results, and the sector was compelled to focus on efficiency and review its existing systems and strategies. The year 2022 paved the way for the restructuring of traditional supply chains, the right-sizing of inventory management, pricing reviews and the recalibration of promotional tempos, as well as the reinvention of the physical store. Sustainability, energy efficiency and, accordingly, renovation processes, gained importance as well.

Retail, like all industries, is undergoing a significant transformation as a result of digitalization. In this period, when customers' shopping habits are changing and new digital channels are constantly being introduced, retailers' ability to interact and connect with consumers has become even more important.

E-commerce, an essential agenda item for the retail industry during the pandemic, lost some of its momentum in 2022 with the normalization of pandemic conditions and consumers' tendencies towards a cost-oriented approach. Nonetheless, with the entry of new players into the industry, it is predicted that e-commerce will continue to grow faster than the retail industry in the coming years.

Under the leadership of discount markets, store openings in the retail industry continue at a rapid pace. Despite the increasing investment costs, the sector continued to provide high employment as investments continued.

According to NielsenIQ Retail Panel data, BİM – with a market share of 16.8% – acting with a sense of social responsibility, continues to stand by consumers with its "everyday low price" policy. Reflecting its gains from efficiency improvements to product prices, BİM continued to create added value for our country. It maintained its position as Türkiye's leading food retailer in 2022 as well.

Among retail companies, BİM is considered the one that best meets customer expectations, a rating that is reinforced by market research data showing that BİM is the retailer with the highest NPS (Net Promoter Score) ratio.

Thanks to its high customer satisfaction and stable investments, BİM continues to grow in a sustainable way. In the Global Powers of the Retail Industry 2022 report, published by Deloitte, BİM rose fifteen places to 137<sup>th</sup> in the list according to revenue criteria.

\*NielsenIQ Retail Panel, FMCG (Fast Moving Consumer Goods) organized and total FMCG market includes all food retail formats.



While the total installed power of 10 SPP projects reached 15 MW in 2022, it is aimed to reach a total installed power of 40 MW in 2023 with ongoing projects.

#### February

- Within the scope of the investigation carried out by the Competition Board to examine the pricing behaviors of chain stores and businesses at the level of the producers and wholesalers which act as their suppliers, an administrative fine in the amount of TL 958,129,194.39, calculated at the arbitrary rate of 1.8% of the annual gross incomes that were generated at the end of FY 2020 and that were determined by the Board, was imposed on the Company under paragraph 3 in Article 16 of the Law numbered 4054. The administrative fine in question was paid with a 25% discount in February 2022 under paragraph 6 in Article 17 of the Law numbered 5326.

#### June

- The amendment of Article 4 of the Company's Articles of Association was registered by the Istanbul Trade Registry Office on June 30, 2022.
- The share buyback program initiated by BİM as of December 06, 2021 ended with the General Assembly Meeting held on June 07, 2022. Within the scope of the program,

3,687,000 shares were purchased at an average share price of TL 71.27 until the date of the General Assembly.

#### October

- Investing in renewable energy sources since 2020 to reduce greenhouse gas emissions by preventing the use of fossil fuels, BİM has completed the installation of its 7<sup>th</sup> Solar Power Plant (SPP) at its warehouse in Erzurum.

#### November

- Based on the decision taken by the Company's Board of Directors, there were changes in the management levels, effective from January 1, 2023. Purchasing General Manager and General Purchasing Committee Member Aynur Çolpan resigned from her current duties as of 31.12.2022 and was appointed as the Consultant to the Board of Directors; Operations Committee Member Umut Baba was appointed as the Purchasing General Manager and a Member of the General Purchasing Committee as of 01.01.2023; and Regional General Manager Metin Baykal was appointed as a Member of the Operations Committee as of 01.01.2023.

# Türkiye's most valuable retail brand

BİM has been selected as the "Reputable of the Year" in the Discount Chain Markets category in the Brand Value and Perception Survey 2022 and our DOST brand was selected for this award in the Milk and Dairy Products Category.

#### Brand Finance

In "Türkiye's 100 Most Valuable Brands Report," announced for the 15th time in 2022 by the international brand valuation organization Brand Finance, BİM ranked 8<sup>th</sup> among the 10 most valuable brands and 6<sup>th</sup> among the top 10 strongest brands.

#### Deloitte

According to the annual Deloitte Global Powers of Retail 2022 report, BİM ranked 137<sup>th</sup> among the top 250 retail companies and continued to represent Türkiye.

#### Marketing Türkiye & Akademetre

At the ONE Awards Integrated Marketing Awards, one of the most important standards of the marketing sector, organized through a cooperation between Marketing Türkiye and Akademetre, BİM Birleşik Mağazaları received the "Most Reputable Company of the Year" award in the chain market category and our DOST brand was selected for this award in the Milk and Dairy Products Category.

#### Beverage of the Year

Abdullah Efendi Turkish Coffee was chosen as the Best Beverage of 2021. According to the surveys conducted on the Denebunu.com platform between 22.09.2021 and 01.01.2022, 9 out of 10 people who tried it recommended Abdullah Efendi Turkish Coffee.



# Successes beyond goals

The private-label products offered at BİM stores are high quality, with the brands and formulas owned solely by BİM, and produced only by suppliers selected by the Company.

According to NielsenIQ market research data; the NPS (Net Promoter Score) of BİM was 24\*, which is highest compared to other national chains.

High inflation in 2022 and weakened purchasing power due to depreciation in the Turkish Lira caused consumers to turn to products of the same quality but more affordable prices.

This trend enabled BİM, which introduced the "private-label product" concept to Türkiye, to expand its market share, gain new customers across all income levels, and achieve a sustainable growth.

The private-label products offered at BİM stores are high quality, with the brands and formulas owned solely by BİM; these products are manufactured only by suppliers selected by the Company. The most outstanding feature of the private-label products is that their prices are lower than those of similar products of the same quality.

BİM completed 2022 with growth of 109%. The sector leader in terms of turnover, BİM's already significant market share for fast-moving consumer goods accelerated in 2022; according to NielsenIQ Retail Panel data, the Company's market

share in this area expanded by 140 basis points. Although factors including the increase in the share of staple foods in sales and rapid cost increases put pressure on profitability, BİM achieved the profitability targets determined early in the year. In addition to its operational cash outflow, the Company distributed cash profits in the approximate amount of TL 1.8 billion in 2022.

Out of 3 thousand exit interviews conducted by NielsenIQ of the current customers of BİM stores, the NPS (Net Promoter Score) of BİM was 24, which is highest compared to other national chains.

Despite escalating costs, the Company maintained its investments at a steady pace. Warehouse investments and store openings continued during the year. In 2022, a total of three warehouses and 1,021 stores were opened. As of the end of 2022, the Company has a total of 11,510 stores, 627 of which are located in Morocco, and 311 of which are located in Egypt.

The Company provides significant support to the country's economy via the employment it generates. BİM, whose consolidated number of personnel increased by 9,612 in 2022, had a total of 79,809 employees by the end of 2022.

Investing in renewable energy sources since 2020 to prevent the use of fossil fuels and reduce greenhouse gas emissions, BİM also continued its investments in SPP within the scope of sustainability efforts. The Company completed the installation of the 10<sup>th</sup> Solar Power Plant (SPP) in its Aksaray warehouse.

The total power of 10 SPP projects reached 15 MW. Solar energy systems, producing the equivalent of the annual energy consumption of more than 7,600 households, have reduced carbon emissions by 11,100 tons per year, saving more than 200 thousand trees.

Continuing with the investments in the following year, the Company expects the ratio of 2023 investments to turnover to be about 3.5%.

## FILE

Consistently generating positive feedback from its opening to date, FILE has demonstrated that it is the right concept for Türkiye. In 2022, FILE continued to grow, opening 42 new stores and increasing the total number of its stores to 202. FILE takes sure steps towards its goals and, in the coming period, will continue to open stores without slowing down.

## International Operations

Following the sale of 35% of BİM's Morocco operation to Helios Investment Partners, a private equity fund based in England, localization activities in the country gained momentum with the new partnership structure.



The number of stores reached 627 in Morocco, where 49 new stores were opened in 2022. In Egypt, BİM's second international operation, 311 stores continue their activities as of the end of 2022.

## Digitalization / E-Commerce Investments

### BİM Mobile Application

Sales of non-food products are carried out via the BİM market application, launched on December 24, 2021. Current products can be easily viewed on the app, which can be downloaded via Appstore or Google Play. The BİM Market app focuses on customer satisfaction and offers free shipping, installment payment options, and affordable price advantages with the addition of new products every Friday.

### FILE Mobile Application

Having launched its online shopping channel in 2021, FILE provides mobile shopping services in 49 provinces.

## BİMcell

BİMcell, a BİM brand offering special communication solutions with internet and mixed packages, extended its subscriber base by 162 thousand, reaching 2.9 million subscribers as of the end of 2022. Introducing the BİM quality to the telecommunication sector, BİMcell aims to expand its customer base with advantageous new packages in the coming period as well.

## BİM Para

BİM has taken significant steps towards contactless payment, a method that acquired even more importance due to the pandemic. The BİM Para mobile app enables customers to send money to each other and perform contactless payments at checkouts. More than 5 million transactions were conducted via BİM Para by the end of 2022.

\*Based on the results of 3 thousand surveys conducted at the exit of the door with current customers in BİM stores.

# Satisfaction oriented innovations

BİM, whose main criterion in the formation of the product portfolio is high quality and low price, selects its products so as they meet the daily basic needs of a household.

**155**  
New products

## R&D Activities

R&D activities at BİM are carried out by the Purchasing Department. The responsibilities of the Department include:

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

As a result of the studies and tests conducted with its suppliers by BİM in 2022, 155 new products were offered to consumers. The Company continues its search for new products in parallel with the changes in consumer habits.

## Product Range

High quality and low prices constitute the basic criteria for constituting the product portfolio at BİM. The products offered to consumers in stores are selected so that they can meet the daily basic needs of a household. The Company has adopted a detailed and precise working method for the selection and pricing of the products.

A limited variety of products is kept due to the discount concept and there are approximately 850 products in the stores. Observing the changes in customer habits and behaviors, BİM launches new products every year.

Products offered by BİM are divided into four main groups:

### Private-Label Products

Introducing the concept of private-label products to the organized retail industry with "Dost Süt," BİM takes the lead in this category in Türkiye. BİM stores offer only high-quality private label products that are produced by suppliers selected by the Company; BİM solely owns the brands and formulas of these products. The most outstanding feature of these products is that they are relatively cheaper than their counterparts of the same quality.

The ratio of private-label products sold in BİM stores to net sales was 65% in 2022. Consumers' demand for our private-label products grew in 2022, when sensitivity to prices and quality increased. Meticulously conducting activities in this area, BİM pays significant attention to private-label products; it aims to increase its sales ratio in the upcoming years.

### Spot Products

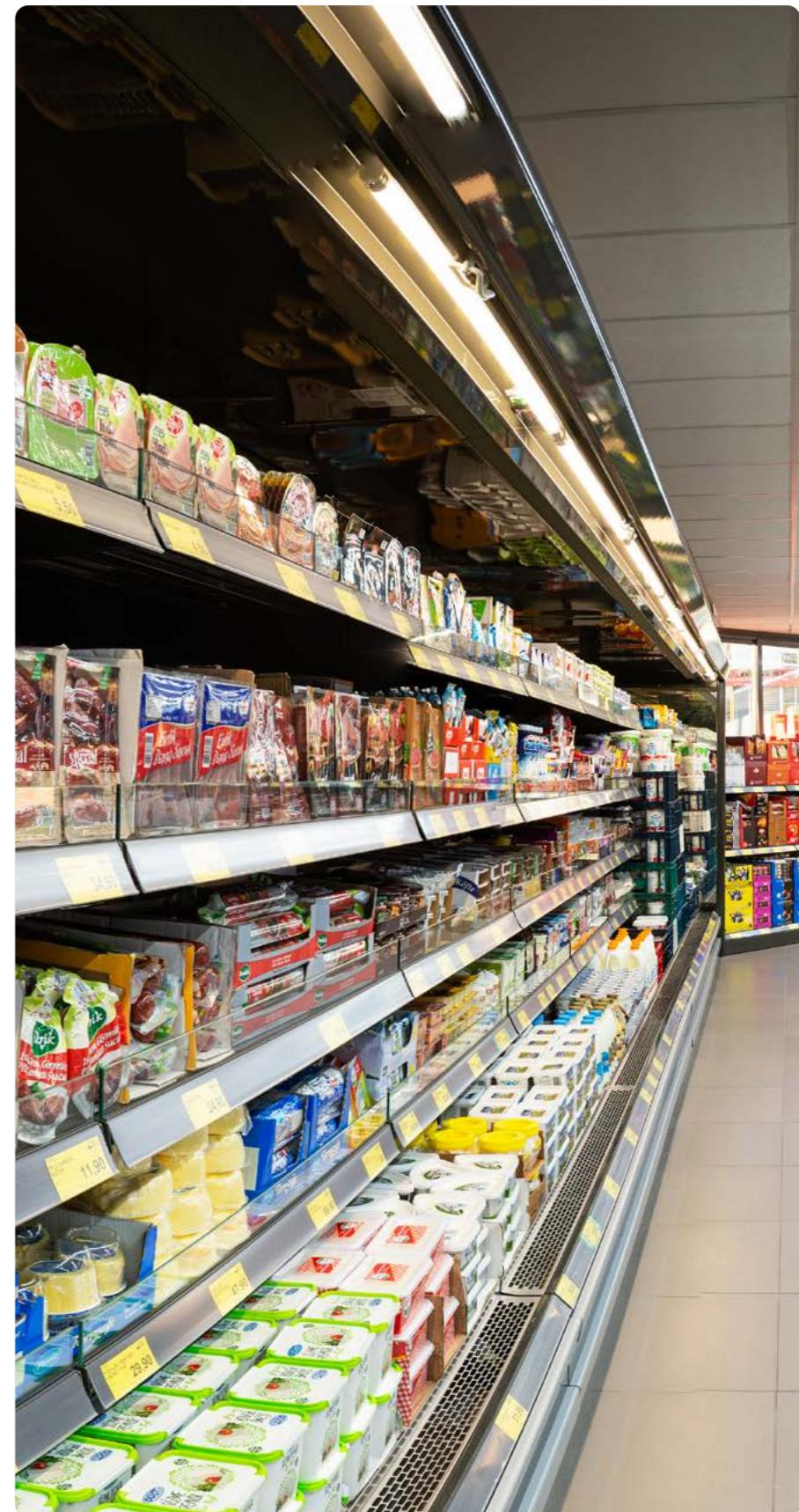
These are products kept in stock for a limited time and offered to customers in weekly periods. When they are on offer, spot products increase customer traffic and hence increase the sales of standard listed products as well.

### Exclusive Products

These are branded products with packages and contents specifically designed for BİM.

### Branded Products

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



# Management structure that rose from the ranks

The majority of current executives are employees who either started their careers at BİM or have been at the Company since its foundation and were promoted due to their outstanding performances.

**44%**  
Ratio of women employees

**80 thousand**  
Number of employees



**BİM is Built on its Own Human Resources**  
BİM objectively evaluates its need for staff and labor according to the criteria of knowledge, skills and experience, within the framework of its organizational targets. Consistently promoting its employees to make use of their potentials and skills, BİM has a young and dynamic human resources as well as experienced and qualified senior management.

One of the Company's priorities is to fill any strategic position from its own human resources internally. The majority of current executives are employees who either started their careers at BİM or have been at the Company since its foundation and were promoted due to their outstanding performances. This policy not only ensures the adoption of corporate culture but also positively impacts employee motivation. As per its human resources policy, BİM can be considered as a school where the executives are trained within its infrastructure.

BİM's Board of Directors approved and enforced the Human Resources Policy in 2021. General principles regarding recruitment, training-development, planning-career management and remuneration system, legislative compliance, protection of employee rights and prevention of discrimination and ill-treatment have been adopted in the policy. The policy is available on the Company's web site.

## Training and Development

### Management

BİM provides career opportunities and a business environment where the employees will maintain their development and attaches importance to training programs. Within this scope, orientation training and programs are provided both for recruits and promoted employees; the topics to be addressed during the training are standardized through internal regulations.

The online training program, which was started as a pilot program in 2020 in order to increase the quality of training, standardizing it and adapting it to today's conditions, has expanded to 7 regional directorates.

### Career Management

Planning at BİM includes the processes of regularly reviewing the organizational structure, making the necessary design and planning in line with company strategies, goals, and needs. One of the Company's top priorities in career management is to fill open positions or newly created positions within the Company by promoting internal candidates who meet the qualifications needed for the position while also taking gender equality into consideration.

### Remuneration System

BİM creates its remuneration policy competitively by considering the sector, labor market and local legislation. The lowest level of wage is determined above the legal minimum wage. The Company pays attention to ensure that annual wage increases are not below the inflation rate and equal remuneration is applied for female and male employees. The Company carries out its applications relating to daily and weekly working hours, as well as overtime work, breaks, weekly holidays and annual paid leave in accordance with laws and regulations.

## Employee Health and Occupational Safety and Compliance with Labor Legislation

Labor relations are carried out in accordance with the legislation in force. Assuring that all employees work in a safe and healthy business environment is among the most prioritized targets of BİM. The Company managing occupational health and safety (OHS) issues together with OHS Committee within the framework of legislation constantly monitors its performance in this issue and reports accident statistics.

In the workplace, creating and maintaining a suitable working environment for employees are considered as the most important priorities. Within the framework of OHS principles, necessary precautions are taken to protect employees from physical and psychological adverse situations.

### Protection of Employees' Rights

Any discrimination in any issue such as religion, language, race and gender is not tolerated in the human resources policies. Human values are given priority and efforts are made to enhance the quality of life throughout the value chain.

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

## Human Resources Profile

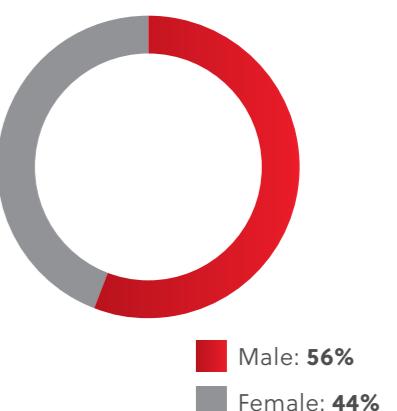
BİM provides significant contribution to the country's employment. The total number of employees increased by 13.7% reaching to 80 thousand people in 2022.

### Distribution of Employees by Domestic and International Operations\*

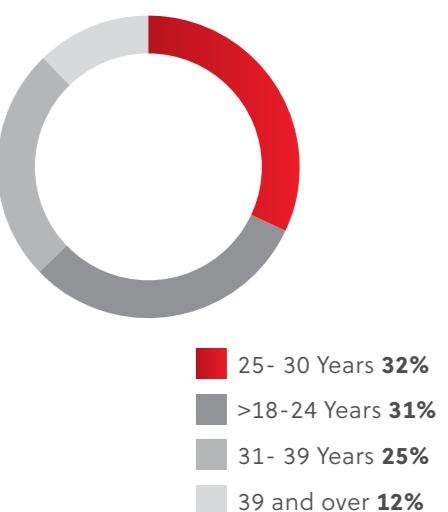
Egypt	2,058
Morocco	3,775
Türkiye	73,976

\*As of 31.12.2022

### Gender Distribution



### Distribution of Personnel by Age



# Generating long-term value



FTSE4Good

The total power of BİM's 10 Solar Power Plant (SPP) projects reached 15 MW.

BİM obtained the ISO 45001 Occupational Health and Safety System certificate in one of its regional warehouses and the ISO 14001 Environmental Management System certificate in another one.

Being included in the BIST Sustainability Index as of 2022, BİM has been included in the BIST Sustainability 25 index as of 2023. BİM is also a part of FTSE4Good Emerging and FTSE Emerging ESG Indices.

For BİM, the concept of sustainability is considering economic, environmental, and social factors together with corporate management principles in its activities and decision-making mechanisms, and actively managing the related risks to generate long-term values, and to perpetuate and increase this generated value.

Having a cost-oriented business philosophy, BİM is ahead of its competitors in terms of food waste, while minimizing the sourced energy consumption. The company published its second sustainability report in 2022. The related report outputs are based on the Sustainability Indices. Being included in the BIST Sustainability Index as of 2022, BİM has been included in the BIST Sustainability 25 index early in 2023. BİM is also included in FTSE4Good Index in 2023.

BİM shares its KPI and performance outputs on sustainability topics with international rating platforms such as S&P Global, Refinitiv, and Sustainalytics. The Company aims to be included in the Dow Jones Sustainability Index in the medium term.

Investing in renewable energy sources since 2020 to prevent the use of fossil fuels and reduce greenhouse gas emissions, BİM also continued its investments in SPP within the scope of sustainability efforts. So, the total power of 10 SPP projects reached 15 MW.

BİM obtained the ISO 14001 Environmental Management System certificate in a regional warehouse in 2022 to identify potential areas of development in the environmental management system, and similarly, it obtained the ISO 45001 Occupational Health and Safety System certificate in one of its regions to identify potential development areas in occupational health and safety topics and administrative issues.

## Sustainability Principles Compliance Framework

		COMPLIANCE STATUS	EXPLANATION/LINK
	<b>A. General Principles</b>		
	<b>A1. Strategy, Policy and Targets</b>		
A1.1	<p>Priority environmental, social and corporate governance (ESG) issues, risks, and opportunities were determined by the board of directors of the partnership.</p> <p>ESG policies (such as Environmental Policy, Energy Policy, Human Rights and Employee Policy) were created and disclosed to the public by the board of directors.</p>	YES	<p>BİM published its first Sustainability Report in 2021 operating period. Within the scope of these studies, sustainability priorities were determined by also consulting with various stakeholders.</p> <p>{Sustainability Management Section (Page 14) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a>}</p> <p>These policies are published on the Company website. (<a href="https://english.bim.com.tr/Categories/674/policies.aspx">https://english.bim.com.tr/Categories/674/policies.aspx</a>)</p>
A1.2	Short and long term targets set within the scope of ESG policies were disclosed to the public.	YES	<p>The medium-term ESG targets set within the scope of ESG Policies were first shared with the public in the 2021 Sustainability Report.</p> <p>{Our Sustainability Goals Section (Page 3) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a>}</p>
	<b>A2. Application/Monitoring</b>		
A2.1	<p>The committees and/or units responsible for the implementation of ESG policies and the highest level officials in the partnership related to ESG issues and their duties were identified and disclosed to the public.</p> <p>Activities carried out as part of policies by the responsible committee and/or unit were reported to the board of directors at least once a year.</p>	YES	<p>BİM decided to establish a Sustainability Unit on December 1, 2020. The department ensures the coordination of sustainability activities throughout the organizational structure. On March 18, 2021, a Sustainability Committee affiliated to the Board of Directors was established to execute, implement and monitor the Company's ESG activities.</p> <p>{Sustainability Management Section (Page 14) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a>}</p> <p>The Sustainability Committee, which is a part of the board, provides information to the Board of Directors.</p> <p>{Sustainability Committee Operating Principles <a href="https://english.bim.com.tr/Uploads/dosyalar/Sustainability%20Committee%20Operating%20Principles.pdf">https://english.bim.com.tr/Uploads/dosyalar/Sustainability%20Committee%20Operating%20Principles.pdf</a>}</p>
A2.2	Implementation and action plans in line with ESG policies were created and disclosed to the public.	YES	<p>The medium-term ESG targets set were first shared with the public in the 2021 Sustainability Report. Detailed information on the projects implemented or planned to be implemented within the scope of these targets is disclosed to the public in the Sustainability Reports.</p> <p>{Our Sustainability Goals Section (Page 3) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a>}</p>
A2.3	ESG Key Performance Indicators (KPI) and the level of reaching these indicators on a yearly basis were disclosed to the public.	YES	<p>KPIs are disclosed to the public collectively in the Sustainability Report.</p> <p>{Performance Indicators Section (Pages 47 - 49) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a>}</p>
A2.4	Activities to improve the sustainability performances for business processes or products and services were disclosed to the public.	YES	<p>Details of all activities aimed at improving sustainability performance are disclosed to the public in the Sustainability Reports.</p> <p>{<a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a>}</p>
	<b>A3. Reporting</b>		
A3.1	In the annual reports, information regarding the sustainability performance, targets and actions of the partnership is given in an understandable, accurate and sufficient manner.	YES	<p>Details of the information outlined in the Annual Reports are included in the Sustainability Reports.</p> <p>{Sustainability Section (Pages 38 - 43) <a href="https://english.bim.com.tr/AnnualReports/2021/2021%20Annual%20Report.pdf">https://english.bim.com.tr/AnnualReports/2021/2021%20Annual%20Report.pdf</a>}</p>
A3.2	Information on which of its activities are related to the United Nations (UN) 2030 Sustainable Development Goals were disclosed to the public by the partnership.	YES	<p>BİM's Sustainability Approach gives information on which SDGs BİM's ESG priorities are associated with.</p> <p>{Sustainability Management Section (Page 14) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a>}</p>

		COMPLIANCE STATUS	EXPLANATION/LINK
A3.3	Lawsuits filed and/or concluded against on ESG issues, which are important in terms of ESG policies and/or will significantly affect activities, were disclosed to the public.	YES	There are no significant lawsuits or penalties regarding the environment. The number of judicial decisions finalized against the Company with respect to employee rights: There are 52 lawsuits finalized against the Company in 2022. The number of judicial decisions finalized against the Company due to responsibility for occupational accidents: There are no lawsuits finalized against the Company in 2022.
	<b>A4. Verification</b>		
A4.1	Ortaklılığın ÇSY Kilit Performans ölçümleri bağımsız üçüncü tarafça doğrulanmış ve kamuya açıklanmıştır.	NO	The verification of BiM's data other than financial information will be evaluated in the coming years.
	<b>B. Environmental Principles</b>		
B1	The partnership publicly disclosed its policies and practices, action plans, environmental management systems (known as the ISO 14001 standard), and programs in the field of environmental management.	YES	The Company's Environmental Policy was published on the corporate website. Within the scope of this policy, implementations and action plans are disclosed to the public in the Sustainability Reports. The Company also obtained ISO14001 certification in a regional warehouse in 2022. <a href="https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf">(https://english.bim.com.tr/Policies/General/Environmental%20Policy.pdf)</a>
B2	The scope of the report, the reporting period, the reporting date, and the limitations on the reporting conditions were disclosed to the public regarding the environmental reports prepared in providing information on environmental management.	YES	BiM continues its activities in more than one country with more than one brand. The Company strives to reveal as much comprehensive data as possible in terms of environmental data. However, in cases where it is impossible to access data, only those within Türkiye or only the data of BiM brands may be given. Clarification is always provided when limited data are shared.  (About the Report Section (Page 7) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as members of the Board of Directors, managers, and employees) were disclosed to the public.	NO	
B5	How the priority environmental issues are integrated into business goals and strategies was disclosed to the public.	YES	BiM formed four sustainability working groups in order to integrate the sustainability goals to business processes. Environmental issues are handled by the Environment Working Group. The Environment Working Group has been commissioned with developing projects to measure, monitor and minimize the environmental impact in our operation.  (Sustainability Management Section (Page 14) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B7	How environmental issues were managed throughout the partnership value chain, including the operational process, as to include suppliers and customers, and how these were integrated into business goals and strategies were disclosed to the public.	YES	Our Responsible Procurement Policy has been adopted by the Board of Directors and published on our web site, so that our goals in environmental matters can be adopted by our suppliers as well. This policy is also attached to the contracts concluded with our suppliers.  ( <a href="https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf">https://english.bim.com.tr/Policies/General/Responsible%20Procurement%20Policy.pdf</a> )
B8	Whether the relevant organizations and nongovernmental organizations were involved in the policy-making processes on the environment and the collaborations with these institutions and organizations were disclosed to the public.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports.  (Packaging and Waste Management Section (Page 38) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B9	Information on its environmental impacts in the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) is periodically disclosed to the public in a comparable manner.	PARTIAL	BiM explains the environmental indicators collectively in its Sustainability Report. In the coming years, necessary preparations are being made for the disclosure of Scope-3 Greenhouse Gas emissions.  (Performance Indicators Section (Page 49) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )

		COMPLIANCE STATUS	EXPLANATION/LINK
B10	Details of the standard, protocol, methodology, and base year used to collect and calculate data are publicly disclosed.	YES	The Sustainability Report, in which BiM presents its sustainability strategy and performance to its stakeholders, is prepared in accordance with the "Core" option of the Global Reporting Initiative (GRI) Standards.  (About the Report Section (Page 7) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B11	The increase or decrease of environmental indicators for the report year comparatively with previous years was disclosed to the public.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports.  (Performance Indicators Section (Page 49) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B12	Short and long-term targets were determined to reduce its environmental impacts, and these targets together with their progress with respect to the targets determined in previous years were disclosed to the public.	YES	BiM explains the status of environmental indicators and its short and long-term targets in its Sustainability Report.  (Our Sustainability Goals Section (Page 3) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B13	A strategy to fight against the climate crisis was created and the planned actions were disclosed to the public.	YES	BiM publishes its strategy and actions to fight the climate crisis in its Sustainability Report.  (Healthy and Thriving Environment Section (Pages 33 - 39) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B14	Programs or procedures were established and disclosed to the public in order to prevent or minimize the potential negative impact of products and/or services on the environment.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports.  (Healthy and Thriving Environment Section (Pages 33 - 39) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B15	Actions were taken to reduce greenhouse gas emissions of third parties (such as suppliers, subcontractors, dealers) and these actions were disclosed to the public.	YES	Within the scope of BiM's Responsible Procurement Policy, the outputs of projects made especially with private label product suppliers are included in the Sustainability Reports.  (Healthy and Thriving Environment Section (Pages 33 - 39) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B16	The environmental benefits/gains and cost savings of initiatives and projects aimed at reducing environmental impacts were disclosed to the public.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports.  (Performance Indicators Section (Page 49) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B17	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are disclosed to the public as Scope-1 and Scope-2.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports.  (Performance Indicators Section (Page 49) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B18	Public disclosure was made about the electricity, heat, steam and cooling produced in the reporting year.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports.  (Performance Indicators Section (Page 49) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B19	Studies on increasing the use of renewable energy and the transition to zero or low carbon electricity were made and publicly disclosed.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports.  (Climate Change and Energy Section (Page 36) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
	Renewable energy production and usage data is publicly disclosed.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports.  (Performance Indicators Section (Page 49) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )

		COMPLIANCE STATUS	EXPLANATION/LINK
B20	Energy efficiency projects were carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects was disclosed to the public.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports. (Healthy and Thriving Environment Section (Pages 33 - 39) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B21	Water consumption, if any, amounts of water drawn, recycled and discharged from underground or above ground, their sources and procedures were disclosed to the public.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports. (Performance Indicators Section (Page 49) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
B22	Whether its operations or activities were included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax) was disclosed to the public.	YES	BİM does not have an application for carbon trading.
B23	Information about carbon credits accumulated or purchased during the reporting period was disclosed to the public.	NOT RELEVANT	BİM does not have an application for carbon trading.
B24	Details of the carbon pricing applied in the partnership, if any, was disclosed to the public.	NOT RELEVANT	BİM does not have a carbon pricing application.
B25	The platforms where the partnership provides its environmental information were publicly disclosed.	YES	Explanations on the subject are disclosed to the public in the Activity Reports. ( <a href="https://english.bim.com.tr/Categories/654/annual-reports.aspx">https://english.bim.com.tr/Categories/654/annual-reports.aspx</a> )
<b>C. Social Principles</b>			
<b>C1. Human Rights and Employee Rights</b>			
C1.1	The Corporate Human Rights and Employee Rights Policy was established as to cover the Universal Declaration on Human Rights, the ILO Conventions ratified by Türkiye and other relevant legislation, those responsible for the implementation of the policy were identified, and the policy and those responsible people were disclosed to the public.	YES	They are published on the Company website. ( <a href="https://english.bim.com.tr/Policies/General/Human%20Rights%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Rights%20Policy.pdf</a> <a href="https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf</a> )
C1.2	Considering also the impacts of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusiveness issues (such as non-discrimination on issues of sex, race, religion, language, marital status, ethnic identity, sexual orientation, gender, family responsibilities, union activities, political views, disability, social and cultural differences, etc.) were included in its employee rights policy.	YES	It is published on the Company website. ( <a href="https://english.bim.com.tr/Policies/General/Diversity%20and%20Inclusion%20Policy.pdf">https://english.bim.com.tr/Policies/General/Diversity%20and%20Inclusion%20Policy.pdf</a> )
C1.3	The measures taken along the value chain for the protection of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights/equal opportunities were disclosed to the public.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports. (Responsible Value Chain Section (Pages 27 - 32) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
C1.4	Developments regarding preventive and corrective practices for discrimination, inequality, human rights violations, forced labor, and employing child labor were disclosed to the public.	YES	In this regard, an Ethics Hotline was established where complaints can be conveyed, and the process for resolving incoming notifications has been explained in the Whistle Blowing Policy. ( <a href="https://english.bim.com.tr/Policies/General/Whistle%20Blowing%20Policy.pdf">https://english.bim.com.tr/Policies/General/Whistle%20Blowing%20Policy.pdf</a> )
C1.5	Investments in employees (training, development policies), compensation, vested benefits, unionization rights, work/life balance solutions, and talent management topics are included in its employee rights policy.	YES	It is published on the Company website. ( <a href="https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf</a> )
	Dispute resolution processes were determined by establishing mechanisms for employee complaints and resolution of disputes.	YES	In this regard, an Ethics Hotline was established where complaints can be conveyed, and the process for resolving incoming notifications has been explained in the Whistle Blowing Policy. ( <a href="https://english.bim.com.tr/Policies/General/Whistle%20Blowing%20Policy.pdf">https://english.bim.com.tr/Policies/General/Whistle%20Blowing%20Policy.pdf</a> )
	Activities carried out within the reporting period to ensure employee satisfaction were disclosed to the public.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports. (Employees Section (Pages 29 - 32) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )

		COMPLIANCE STATUS	EXPLANATION/LINK
C1.6	Occupational health and safety policies were established and publicly disclosed.	YES	OHS issues are included in the Human Resources Policy. ( <a href="https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf">https://english.bim.com.tr/Policies/General/Human%20Resources%20Policy.pdf</a> )
C1.7	The measures taken to prevent occupational accidents and protect health, as well as accident statistics were disclosed to the public.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports. (Performance Indicators Section (Page 48) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
C1.8	The policies for protection of personal data and data security were established and publicly disclosed.	YES	The relevant clarification text is published on the Company website. ( <a href="https://english.bim.com.tr/pages/personal-data-processing-lighting.aspx">https://english.bim.com.tr/pages/personal-data-processing-lighting.aspx</a> )
C1.10	Informative meetings and training programs for employees regarding ESG policies and applications were organized.	YES	BİM Ethical Principles are published on the Company website. ( <a href="https://english.bim.com.tr/Categories/674/policies.aspx">https://english.bim.com.tr/Categories/674/policies.aspx</a> )
<b>C2. Stakeholders, International Standards and Initiatives</b>			
C2.1	A customer satisfaction policy regarding the management and resolution of customer complaints is set and publicly disclosed.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports. ( <a href="https://english.bim.com.tr/Policies/General/Customer%20Satisfaction%20Policy.pdf">https://english.bim.com.tr/Policies/General/Customer%20Satisfaction%20Policy.pdf</a> )
C2.2	Information about the communication with stakeholders (which stakeholder, subject and frequency) is publicly disclosed.	YES	It is published on the company website. ( <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
C2.3	Information reporting standards adopted in reporting were explained.	YES	Explanations on the subject are disclosed to the public in the Sustainability Reports. (Stakeholder Dialogue Section (Page 46) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
C2.4	Principles adopted regarding sustainability, international organizations, committees and principles to which we are a signatories or members were disclosed to the public.	NO	BİM publishes its Sustainability Reports in accordance with GRI standards. (About the Report Section (Page 7) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
C2.5	Improvements were made and studies were carried out to be included in the sustainability indices of Borsa İstanbul and/or international index providers.	YES	Principles adopted regarding sustainability, international organizations, committees and principles to which we are a signatories or members were disclosed to the public. ( <a href="https://www.kap.org.tr/en/Bildirim/1088484">https://www.kap.org.tr/en/Bildirim/1088484</a> , 2022 Annual Report Page 44)
<b>D. Corporate Governance Principles</b>			
D1	Stakeholders were consulted when determining measures and strategies regarding sustainability.	YES	BİM's sustainability priorities were determined by taking the opinions of various stakeholders. (Sustainability Management Section (Page 16) <a href="https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf">https://english.bim.com.tr/Sustainability/2021/Sustainability%20Report%202021.pdf</a> )
D2	Studies were made on raising awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities, and training.	NO	

## Risk Management and Internal Control Mechanism

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

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

The Company may be exposed to strategic, operational, credit/counterparty, currency, liquidity, compliance, reputation and sustainability risks due to its activities. Strategic risk is the possibility of loss due to wrong choices made in the company strategy or mistakes in the implementation of the current strategy. The Company's strategic objective is to attain high productivity in the discount retailing industry, to expand into the countries where this concept can be applied in the future, and to serve consumers in those countries.

Consistently offering quality products, increasing operational efficiency, providing discounted prices, increasing the ratio of private-label products in the product portfolio, and reducing costs by increasing the productivity of suppliers are also among the Company's objectives. Compliance with strategic objectives is closely monitored through supervision by the management and by means of the budget. Furthermore, customer

preferences and the actions of other players in the market are closely monitored. Accordingly, the product portfolio is periodically reviewed and renewed in line with these needs. In addition, a Business Development Unit was established within the company in 2022, in order to address new strategic issues, conduct research on projects with technological and digital aspects, and evaluate the implementation processes of these projects.

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

Operational risk, is the risk of loss resulting from inadequate and unsuccessful business processes, employees and systems, or external events. The Company has created appropriate policies and procedures for business processes, has made functional segregation of duties within the organization, and has set up approval and authorization mechanisms as part of these processes. In addition, procedures have been put in place for the protection and reconciliation of physical assets. Effective reporting and monitoring practices also have been established. Operational procedures and practices are regularly reviewed by the management and audit agencies. The Company's essential processes are carried out through a computer program that is widely used all over the world.

Credit risk/counterparty risk refers to the risk that the Company may be exposed to due to the failure of the parties with whom it has commercial relations to fulfill their commitments. The Company may be exposed to these risks due to credit card receivables, money collected from stores by contracting companies, bank deposits, financial investments

made and advances that may be paid to some suppliers. The Company has defined the selection procedures of parties with which it may be involved in a business relationship and has determined the information and documents to be obtained from these parties. In this way, the responsibilities for the commitments of the other party are examined before commencing business relations, and business relations are initiated with those considered appropriate. The Company works with reputable financial institutions. The operational and financial status of the subsidiaries and affiliates to which financial investments are made are closely monitored. Appropriate warranties are also taken for advance payments that are made as a natural process of the business.

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

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

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

procedures are revised if required. The Company has implemented the Competition Law Compliance Policy in 2022, as part of a comprehensive strategy to ensure full compliance with competition law. In this context, employees receive regular competition law training, and periodic audits are performed.

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

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

As a result of the studies carried out, significant sustainability related processes such as product quality and safety, customer experience and satisfaction, packaging and food

waste, climate change, bribery and corruption, business ethics, human rights and fair working conditions, as well as the risks associated with these processes have been determined. As part of the management of these risks, the Company has periodic laboratory analyzes conducted on the products and inspects the production facilities of its suppliers, with and without prior notification. It prioritizes customer satisfaction with its unconditional return policy and develops new business models in order to respond to the preferences of different customer groups.

Renewable energy resources are used in energy consumption and projects for the reduction of packaging wastes are conducted in order to alleviate the impact of its operations on the environment. Furthermore, food waste rate is defined among employees' performance criteria and monitored closely; thus, the food waste rate is considerably low. Ethical principles, anti-bribery and anti-corruption and whistleblowing policies have been established and acceptable business conduct has been defined in these policies and announced to employees and suppliers. An ethics hotline has been established in order to report possible violations in ethical matters and has been made available to employees and suppliers as of 2021. All of the feedback received through the ethics line has been forwarded to the relevant units for investigation and has been largely resolved. In addition, regulations and practices for the protection of employee rights and the prevention of discrimination are governed by personnel regulations, human rights policy, human resources policy and ethical principles.

The Company started to publish a sustainability report in 2020 in order to disclose its sustainability efforts to the public. A road map was created in 2022 by declaring long-term targets on ESG issues.

Risk exposures were closely monitored through predefined indicators within the year. The Early Detection of Risk Committee convened six times in 2022. The Committee has informed the

Company's Board of Directors through reports regarding the outcomes they have reached and the assessments they have made.

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

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

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

The Internal Audit Unit presented their business plans, the situation of the existing activities according to this plan, the outcomes of their tasks, substantial risks and control issues, during the six meetings of the Audit Committee held in 2022.



Building a better  
working world

Güney Bağımsız Denetim ve SMMM A.Ş.  
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#### To the Board of Directors of BİM Birleşik Mağazalar Anonim Şirketi.,

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

#### Responsibility of the Board of Directors

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

#### Responsibility of the independent auditor

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

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

The Company established the Early Identification of the Risk System and Committee which consists of 2 members. For the period between January 1 – December 31, 2022, the committee has met for the purposes of early identification of factors posing a threat on the company's existence and development, implementation of necessary measures and solutions in this regard and the management of the risk; and has submitted the six reports it has prepared to the Board of Directors.

#### Conclusion

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

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

Kaan Birdal, SMMM  
Partner  
  
İstanbul, 13 March 2023

Investor relations activities at BİM are carried out by the Investor Relations and Sustainability Department, which reports to the Reporting and Investor Relations Directorate. The Unit carries out activities in accordance with the Capital Markets Board legislation to provide its investors accurately and promptly with the most correct and complete information, as per the Company's Information Policy. The Department made 78 material disclosures in total in 2022.

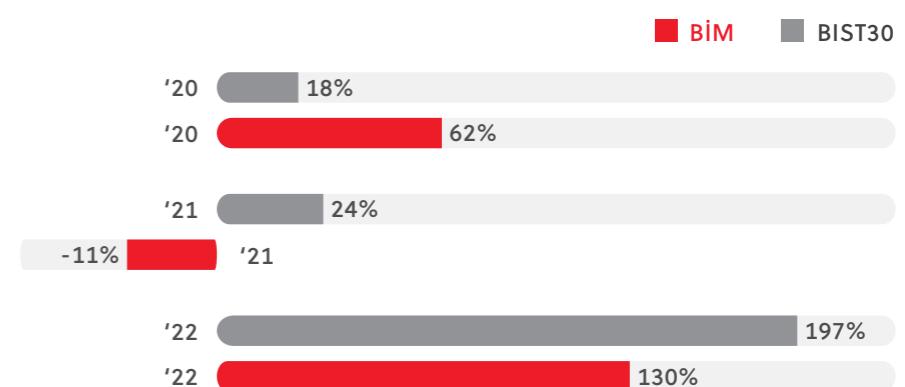
Under the Dividend Distribution Policy which was established in 2007 and updated in 2014 by the Company, at least 30% of the distributable profit to be calculated in accordance with the Turkish Commercial Law and regulations of the Capital Markets Board shall be distributed; however, actual dividend distributions were far above this rate. Dividends in the amount TL 1,822 million, which corresponds to 62% of the profit of 2021, were distributed in cash in 2022.

BİM attended 7 investor conferences and held approximately 156 meetings with investors in 2022.

#### Investor Relations Contact

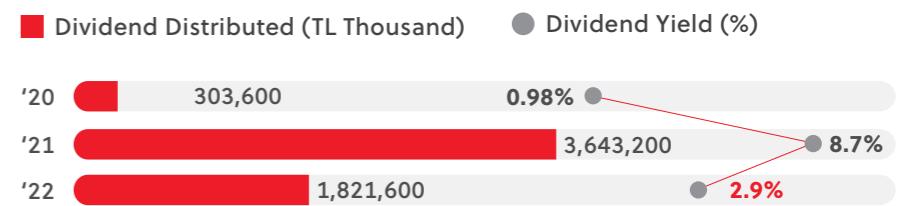
Tel: +90 216 564 03 03  
E-mail: [ircontact@bim.com.tr](mailto:ircontact@bim.com.tr)  
Address: Abdurrahmangazi  
Mahallesi Ebubekir Caddesi  
No: 73 34887 Sancaktepe/  
İstanbul-TÜRKİYE

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



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

#### Cash Dividend Graph\*



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

## Share Buyback Programs

The share buyback program initiated with the decision of the Board of Directors dated December 6, 2021, ended with the General Assembly held on June 7, 2022. Within the scope of the program, 3,687,000 shares were purchased at an average share price of TL 71.27 until the date of the General Assembly. Together with the shares obtained from the share buyback programs initiated by the Company in previous years, the number of BİMAS shares owned reached 9,357,992, and the ratio of these shares to the Company's capital was 1.5412%.

The Company initiated a share buyback program in 2023. A resource of TL 750 million was allocated for the program, which was initiated as per the Board of Directors' decision dated February 2, 2023, and authority was granted to purchase a maximum of 5 million shares.

## Shareholding Structure

Shareholders Structure of BİM Birleşik Mağazalar A.Ş.

	2022	2021
Merkez Bereket Gıda Sanayi ve Ticaret A.Ş.	15.15%	15.10%
Naspak Gıda Sanayi ve Ticaret A.Ş.	11.30%	11.00%
Non-public Shares (Other)	2.47%	3.00%
Public Shares (Other)	71.08%	70.90%
	<b>100.00%</b>	<b>100.00%</b>

## Committees Established Under the Board of Directors

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

### Audit Committee

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

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

Ahmet Akça - Chairman  
Paul Michael Foley - Member

### Corporate Governance Committee

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

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

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

### Early Detection of Risk Committee

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

Paul Michael Foley - Chairman  
Mahmud P. Merali - Member

### Sustainability Committee

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

Paul Michael Foley - Chairman  
Ömer Hulusi Topbaş - Member  
Galip Aykaç - Member (Executive)  
Haluk Dortluoğlu - Member (Executive)

The committees can make use of the independent expert opinions when necessary. Also in 2022, the Corporate Governance Committee has received support from independent experts and consultants for the design of a sustainability strategy and roadmap of the Company.

The Board of Directors thinks that the expected benefits were obtained from the activities of the committees during the year 2022.

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

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

## Ordinary General Assembly Meeting Agenda

The Ordinary General Assembly Meeting of BİM Birleşik Mağazalar Anonim Şirketi for 2021 was held on Tuesday June 07, 2022, at 11:00 am at the company headquarters at Abdurrahmangazi Mahallesi Ebubekir Caddesi No: 73 Sancaktepe, Istanbul, under the supervision of Şafak Yerli, Representative of the Ministry, who was appointed in the communiqué dated 06/06/2022 Nr: 75278693, issued by the Istanbul Provincial Directorate of Commerce. At the meeting, it was decided;

- 1) To be covered from the profit of 2021,
  - To distribute in cash gross TL 1,821,600,000 equivalent to 300% of the paid-in capital to partners,
  - Not to set aside primary reserves since the limits specified in article 519 of the TCC (Turkish Commercial Code) were reached,

The report, which was prepared to examine the prevailing and continuing purchases from related institutions in 2022 in accordance with the relevant legislation, and to determine the suitability of similar transactions to be carried out in 2023, has been approved by the Board of Directors, and the aforementioned report will be presented to the shareholders at the General Assembly. The conclusion section of the report is provided below.

### Conclusion Section of the Report

In this report, which has been prepared by the Board of Directors based on the regulations made by the Capital Markets Board in the relevant communiqués, the related party transactions of BİM Birleşik Mağazalar A.Ş. have been evaluated and it has been concluded that the conditions of the common and continuous transactions carried out by BİM Birleşik Mağazalar A.Ş. in 2022 with the related parties determined under the International Accounting Standard No. 24 were not considerably different than their comparable and that conduct of prevailing and continuous purchases under similar conditions from the respective entities in 2023 is permissible.

### BİM BİRLEŞİK MAĞAZALAR A.Ş. ARTICLES OF ASSOCIATION AMENDMENTS

#### OLD

#### PURPOSE AND SUBJECT MATTER Article 4

4.1. The purpose of the Company is (i) to import and export any and all kinds of goods in full compliance with applicable legislation relating to imports and exports and to open; and (ii) to operate big store chains where any kind of commercial products will be sold at wholesale and retail. In order to inform the investors, the company shall fulfill its liability of public disclosing in compliance with the CMB act and relevant regulations while it engages in the below given operations. The Company may engage particularly in the following transactions and disposals in order to achieve this purpose:

- a. It may acquire all rights and assume all debts and liabilities that fall within the line of activity mentioned above. The Company may appropriate to take into possession any and all movable and immovable properties in or outside the country in accordance with its purpose and subject matter and it may conduct any dispositive act with respect to those properties. It may purchase, re-sell (if necessary), construct, and appoint other persons to construct, lease to or from, repair (if necessary) and expand such properties.
- b. It may enter into, perform or amend any agreement or contract regarding the purchase or selling of any goods, product or service relating to its purpose and subject-matter and to transfer or dispose of all its rights, privileges or benefits arising from those agreements to Turkish nationals or to foreigners or may freely dispose them.
- c. It may submit its documents and funds to official or private entities for deposit and to request the return of the same.
- d. It may acquire, transfer or dispose of industrial and commercial rights and ownership rights over the movable and immovable properties in or outside the country; to conduct any dispositive transaction including, but not limited to, the purchase or sale of such immovable properties or establishment of pledge or lien over such properties, to accept, establish, release and cancel any and all kinds of rights in rem, servitude rights, leasing, preemptive right to purchase, habitation, mortgage and other encumbrances on immovable properties provided that it does not engage in intermediation and does not manage security portfolios at home or abroad; all these transactions are carried out through a resolution of the Board of Directors.

#### NEW

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**OLD**

The Company may not exclusively guarantee, pledge or put lien in favor of third persons except that it may guarantee, pledge or put lien on behalf of its own legal persons and/or in favor of partnerships included in the scope of full consolidation during the drafting of financial statements and/ or for the purpose of conducting the usual business operations of the Company. The Company adheres to principles specified in the CMB legislation if it may guarantee, pledge, give security or put lien including mortgage on its behalf or in favor of third persons.

e. It may co-operate with any real or legal persons, governmental institutions and courts of all degrees, registration offices, municipalities, private entrepreneurs, associations, commissions and committees.

f. It may carry out any research, projects and consultancy services within the scope of the Company.

g. It may carry out all kinds of commercial and industrial transactions necessitated by its economical purpose and subject matter. It may particularly acquire industrial property rights such as trademarks, patents, invention certificates, know-how, model and design rights and register these in the name of the Company, if necessary. It may also acquire intellectual property rights such as licences, technical information, privilege and goodwill. It may enter into agreements with local or foreign individuals or legal entities regarding such industrial property rights it may transfer, acquire by way of assignment, lease to or from or made them available to third parties.

h. It may employ foreign personnel if necessary it may train employees in Türkiye or abroad and it may carry related activities thereto.

i. It may initiate any kind of litigation procedure, to take part in any lawsuit either as plaintiff or defendant, it may relinquish from lawsuit and accept amicable settlement, it may appeal against court decisions, it may execute such decisions, it may apply to arbitration tribunal, it may appoint and reject arbitrators and to apply for any legal remedy or method in order to successfully conclude any litigation.

j. It may supply or have third parties to supply all kinds of plants, machinery, equipment and material relating to its purpose.

k. It may execute powers of attorney and agreements relating to services, international agency, dealership, salesmanship, brokerage, agency, distributorship, guarantee and sub-contract agreements.

**NEW**

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**OLD**

l. It may carry out all financial, commercial and industrial transactions within the scope of its subject-matter or appoint others to carry out the same.

m. It may carry out any and all other transactions and dispositions related to the subject-matter of the Company in order to achieve the purpose of the Company.

n. It may deal with transportation and packaging activities and also import and export if deemed necessary.

o. It may incorporate new companies or acquire the shares of existing companies locally or abroad if deemed necessary.

p. In order for the company to carry out its operations, it may undertake inner-city and intercity transfer and similar activities to load, unload and distribute the dry and/or fresh fruits and vegetables, meat and meat products, dairy products and, not limited with above said, also all kinds of food and perishable or non-perishable merchandise with all types of specially equipped and/or unequipped territorial, air and naval vehicles which are owned and/or hired and/or possessed through leasing in between its sales outlets, private and/or state owned, individuals and/or corporate entities, organizations and enterprises and warehouses and/or distribution centers which belong to them. To this end, it may purchase, sell, hire, rent, grant finance lease and import motor, motorless, refrigerated, special equipment, unequipped land, sea, air freight vehicles and all their equipment and parts.

r. If deemed necessary, aids and donations could be given to third parties in compliance with the Capital Markets Board regulations subject to fulfillment of CMB's decision of 21/the last, to do required disclosures, to inform the shareholders of the annual donations in the General Assembly and provided that the maximum limits of the donations to be determined by the General Assembly. They could accept cession of owned properties free of charge to city councils, governmental bodies and entities.

s. It may participate in any official or private tenders which are related to its field of activity.

**NEW**

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**OLD**

**NEW**

§. Provided that the relevant legislation in force is complied with and the requisite permits have been obtained, the Company may install, manage and/or have others manage charging stations for electric or alternative energy vehicles at the parking lots of its stores or third party stores and Shopping Malls, may lease and/or sub-lease parking areas, operate parking lots and make contracts and/or partnerships with third parties on these matters; the Company in order to cover its electric and heat energy needs, may establish renewable energy systems such as licensed and unlicensed solar energy power plants and wind energy systems, may establish generating plants and electricity storage systems and may produce electric and heat energy; in case of surplus production, the Company may sell the electric and heat energy and/or capacity to the other legal entities and eligible consumers and may import equipment and fuel relating with the facilities on non-commercial basis.

t. Provided that the relevant legislation in force is complied with and the requisite permits have been obtained, the Company may buy, sell, import, export, produce or outsource, cultivate fields and gardens and the Company may carry out the production, outsourcing, purchase, sale, commitment, import and export of all kinds of commercial materials and articles mentioned below, either in its own stores or in practice by opening a new workplace or through e-commerce, may establish partnerships, enter into tenders, and may engage in any commercial activities for intellectual and industrial products and all kinds of commercial goods and services retail and wholesale including all kinds of food products, including fresh fruits and vegetables and ready-to-serve food, basic necessities and all kinds of industrial, agricultural electrical or electronic, telecommunications, digital products and services, stationery, hardware, glassware, pet food, food, collar, aquarium and etc. pet products, textile, furniture, carpet, home textile, cosmetics, leather, chemical, fertilizer, agrochemical products, pesticides, seeds, flowers, seedlings and etc. all kinds of agricultural products; surgical, medical and orthopedic instruments and devices, all kinds of medical, surgical devices, medical consumables and all kinds of similar products and etc., and all kinds of industrially produced traditional herbal medicinal products that have protective and therapeutic effects on human health, all kinds of herbal medicinal products with vitamin and mineral additives, supplements, cosmetic products with herbal content and medical devices with herbal content.

**OLD**

**NEW**

u. The Company may establish, operate, manage shopping malls, establish warehouses, open stores, establish and operate fuel sale and service stations together with the abovementioned facilities or separately, operate traveling sales cars, act as operating vending machines, acting as brokers in various fields, act as an outsourcer, get outsourcing, and give agency and dealerships, The Company may open modern farms, barns, livestock and slaughterhouses, cold storages, bread factory, integrated meat combination, aisle, restaurant, buffet, cafeteria and sales stores, may establish ready-made food sales, promotion and distribution organizations, may benefit from established organizations, establish and operate a meal card network.

ü. Provided that the relevant legislation in force is complied with and the requisite permits have been obtained, the Company may sell cars, minibuses, midibuses, motorcycles, atvs, utvs, electric bikes, etc., may carry out wholesale or retail trade, import, export of all kinds of motor land vehicles (including trade via intermediaries from internet TV, etc.), may construct real estate, residence, workplace etc., may build, buy, sell, mediate and broker all kinds of real estate in its own stores, by opening a workplace or through e-commerce.

v. Provided that the relevant legislation in force is complied with and the requisite permits have been obtained, the Company may establish and develop infrastructures for digital, electronic and other alternative payment methods that allow paying for goods and services through online payment, mobile payment, short message payment and all kinds of technologies and methods that will be implemented later, may provide consultancy services to other domestic and foreign companies in order to provide services, may create electronic expenditure payment units to be used in physical and other virtual platforms, printing, marketing, selling of prepaid virtual and physical cards, coupons containing electronic expenditure payment units, may distribute already printed cards and coupons, may market, sell, make partnerships and agreements with companies that carry out these business and transactions.

## Board of Directors and Senior Management - Executive Committee

### BOARD OF DIRECTORS

#### Mustafa Latif Topbaş Chairman of the Board and Chairman of the Executive Committee

Born in Istanbul in 1944, Mustafa Latif Topbaş began his career in 1961 as partner and executive at Bahariye Mensucat A.Ş., a family-run business in the textile industry. In subsequent years, he served as Founder and Executive of various industrial and commercial companies.

In 1994, Topbaş was one of the founding partners of BİM and served as Deputy Chairman of the Board of Directors. He has been serving as Chairman of the Board of Directors since 2005, and as Chairman of the Executive Committee since January 2010.

#### Mahmud Pyarali Merali Vice Chairman of the Board

Mahmud Merali born in 1952 in Mombasa, Kenya, completed his professional education and training in the UK. Merali joined one of the major firms & gained experience in large owner-managed companies & public listed group of companies. Merali has over 50 years' experience in auditing, accounting, taxation, and business advisory spanning the EMEA region.

Merali is a Fellow of the Institute of Chartered Accountants of England & Wales (ICAEW), Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Chartered Accountants of Zambia (ZICA), and a Chartered Tax Advisor (CIOT-UK). An Executive Partner of the Meralis Group, Merali is the Group Managing Partner for the EMEA (Europe, Middle East and Africa) region. Merali serves as a consultant to multi-national companies in the UK, UAE, and East Africa.

Merali is Vice Chairman of the BİM Board of Directors and he is a member of Corporate Governance Committee, Early Detection of Risk Committee, and he gives support to the Audit Committee in the Company.

#### Ömer Hulusi Topbaş Board Member

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

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

#### Karl Heinz Holland Board Member

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

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

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

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

#### Ahmet Akça

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

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

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

In March 2013, Akça was appointed as a Board Member at Turkcell, by the Capital Markets Board, and he served as the Chairman of the Board of Directors at Turkcell between August 2013 and March 2020.

He also served as Chairman of the Board of Directors and Audit Committee at Lifecell Ukraine between 2015-2020, Chairman of the Board of Directors at Global Tower between 2016-2020, Chairman of the Board of Directors at Enerjicell between 2017-2020 and Member of the Board of Directors at TOGG between 2018-2020.

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

#### Paul Michael Foley

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

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

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

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

Name and Surname	Independence	Date of Appointment and Term of Office	Role in the Board of Directors	Roles Outside the Company
Mustafa Latif Topbaş	Not Independent	07.06.2022 - 1 Year	Chairman of the Board of Directors	Board of Directors Memberships at Companies
Mahmud Pyarali Merali	Not Independent	07.06.2022 - 1 Year	Vice Chairman of the Board of Directors, Member of the Corporate Governance Committee, Member of the Early Detection of Risk Committee	Managing Partner at Merali's Group and Managing Partner for EMEA Regions, Consultant for International Firms in UK, UAE and Africa, Member of Chartered Accountants Associations
Ömer Hulusi Topbaş	Not Independent	07.06.2022 - 1 Year	Member of the Board of Directors, Member of the Sustainability Committee	General Manager at Bahariye Mensucat A.Ş.
Karl Heinz Holland	Not Independent	07.06.2022 - 1 Year	Board Member	Managing Director at Takko Fashion, Senior Consultant at The Boston Consulting Group, Co-Founder and CEO at Cleangang Holding
Ahmet Akça	Independent	07.06.2022 - 1 Year	Member of the Board of Directors, Chairman of the Audit Committee	Chairman of the Board of Directors of Akça Lojistik, Chairman of the Board of Trustees of İstanbul Bezmialem University, Chairman of the Board of Directors of Tedarik Lojistik
Paul Michael Foley	Independent	07.06.2022 - 1 Year	Member of the Board of Directors, Chairman of the Corporate Governance Committee, Chairman of the Early Detection of Risk Committee, Member of the Audit Committee and Chairman of the Sustainability Committee	Foley Retail Consulting (Retail Consulting)/Austria Co-Founder, Konzum Plus/Croatia Chairman of the Board of Directors, Member of the Board of Auditors in Mercator/Slovenia, Voli/Montenegro and Korzinka/Uzbekistan

The Board of Directors convened six times in 2022. In addition, 17 occasions took place to make decisions with the consent of its members without holding an actual meeting as sanctioned in Article 390/4 of the Turkish Commercial Code. No counter vote was cast against the decisions taken. The attendance status of the members of the Board of Directors is listed below:

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

In the General Assembly Meeting of 2021 held on June 07, 2022, the election of Board Members was made. The members of the Board of Directors and Executive Committee hold first-degree signature authorization, with the limits of their authority being specified by the Board of Directors and registered on June 30, 2022.

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

The total net amount of the financial rights such as honorarium, wage, premium and bonus that were paid to the Board of Directors, Senior Management and other directors comprised of 193 individuals in 2022 is TL 171,120,990 and directors are not given shares from the profit. All Members of the Board of Directors have directors & officers liability insurance.

#### SENIOR MANAGEMENT - EXECUTIVE COMMITTEE

**Galip Aykaç**  
Chief Operating Officer (COO)  
Galip Aykaç was born in 1957 in Yozgat Akdağmadeni. Having more than 18 years of professional experience in various executive positions at Gima, Türkiye's first organized retail chain, Aykaç started to work for BİM in 1997 as Purchasing Director. Mr. Aykaç became the Chief Operating Officer (COO) in November 2007. He is currently the Chief Operating Officer (COO), and Member of the Executive Committee as of January 2010. Since October 2017, Mr. Aykaç is the Chairman of the Purchasing Committee. He is also member of the Sustainability Committee.

In Retail Sun Awards, the most prestigious awards of the retail sector, he received "The Most Successful Professional Manager in 2010" Award. He is also Vice

Chairman of the Turkish Retailing Council, established by The Union of Chambers and Commodity Exchanges, and Vice Chairman of the Federation of Shopping Centers and Retailers. He served as the Chairman of the Board of Directors of the Food Retailers Association (GPD) between 2019-2022. According to the assessment of Fortune magazine, Mr. Aykaç was rated as the third most successful business person in 2013 and 2014, as well as the second in 2015 ranking. In a research conducted by Xsights Research and Consultancy on behalf of Marketing Türkiye Magazine in 2013, Mr. Aykaç ranked 7<sup>th</sup> among "The Most Prestigious Executives in Business World." Finally, he received the "Leader of Food Retail Sector" Award at the retail days event in June 2022.

#### Haluk Dortluoğlu

##### Chief Financial Officer (CFO)

Haluk Dortluoğlu was born in Akşehir in 1972. Upon his graduation from Boğaziçi University Department of Management in 1995, he worked for the international independent audit companies Arthur Andersen, and Ernst & Young for about eight years.

In 2003, Mr. Dortluoğlu started working for Turkish Airlines as Accounting Director. In November

2005, he became the CFO of BİM and also assumed tasks as a member of the Operations Committee between 2006 and 2009.

Completing the Advanced Management Program of Harvard Business School in 2007, Mr. Dortluoğlu was granted the "The CFO of the Year" award in 2009 by Finance in Emerging Europe, a business magazine published in Europe under the structure of Frankfurter Allgemeine Zeitung Group. According to the results of the research made by Thomson Reuters Extel in the field of investor relations, Mr. Dortluoğlu was chosen "The Best CFO in Türkiye" by the international corporate investors in 2014.

In 2010, he was appointed as a Member of the Executive Committee of BİM, a position he still holds. Dortluoğlu is also member of the Sustainability Committee.

Dortluoğlu, having taken the leadership of FILE, starting from its pre-establishment phase until today, as a new retailing model in the supermarket sector that focused on high service level and opened its first store in 2015, is still the Chairman of the Executive Committee of FILE.

#### Other Executive Management

Ürfet Nacar	Member of the Operations Committee
İlkay Zengin	Member of the Operations Committee
Tolga Şahin	Member of the Operations Committee & Member of the Purchasing Committee
Uğur Kivrak	Member of the Operations Committee
Murat Dalgıç	Member of the Operations Committee
Faruk Öztürk	Member of the Operations Committee
Umut Baba	Member of the Operations Committee*
Aynur Çolpan	Purchasing General Manager & Member of Purchasing Committee*

\* Based on the decision taken by the Company's Board of Directors; Purchasing General Manager and General Purchasing Committee Member Aynur Çolpan resigned from her current duties as of 31.12.2022 and was appointed as the Consultant to the Board of Directors, Operations Committee Member Umut Baba was appointed as the Purchasing General Manager and a Member of the General Purchasing Committee as of 01.01.2023, and Regional General Manager Metin Baykal was appointed as a Member of the Operations Committee as of 01.01.2023.

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

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

a) There is no employment relationship of a managing position to assume important duties and responsibilities between me, my spouse and my relatives by blood and marriage up to the second degree, and BİM Birleşik Mağazalar A.Ş., partnerships under the management control or significant influence of BİM Birleşik Mağazalar A.Ş. and shareholders who have the management control of the Company or have substantial influence in the Company, as well as the legal persons whose management control is held by such shareholders, in the last five years; that I do own not more than 5% of the capital or voting rights or privileged shares, altogether or individually, or that there is no significant commercial relationship,

b) I have not worked for those companies that carry out, in part or in full, the activities or organization of BİM Birleşik Mağazalar A.Ş. within the framework of existing agreements, primarily those that audit, rate, or provide consulting services for BİM Birleşik Mağazalar A.Ş., or have been a member of the Board of Directors at these companies within the past five years; I have not worked as an executive manager who would have important duties and responsibilities nor have I been a member of the Board of Directors or been a shareholder (with more than 5% of shares) in the companies that BİM Birleşik Mağazalar A.Ş. purchases significant amounts of products and services from or sells significant amounts of products and services to.

c) I have the professional education, knowledge, and experience to carry out the duties I would assume as a result of becoming an independent member of the Board of Directors.

d) I do not work full time for any public institution or organization, except any academic membership at any university (on the condition that it is compliant with the related legislation),

e) I am considered a resident in Türkiye according to Income Tax Law, dated 31/12/1960 and numbered 193,

f) I have strong ethical standards, professional reputation, and experience that would enable me to make positive contributions to the operations of BİM Birleşik Mağazalar A.Ş., enabling me to maintain impartiality during times of conflict of interest among the partners of the company, and to decide independently by taking the beneficiaries' rights into consideration.

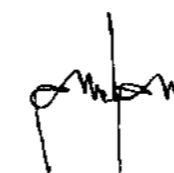
g) I shall devote enough time for the activities of BİM Birleşik Mağazalar A.Ş. to follow the operations of BİM Birleşik Mağazalar A.Ş. and to fully carry out the duties I would assume.

h) I have not been a board member in BİM Birleşik Mağazalar A.Ş.'s Board of Directors for more than six years in the last ten years.

i) I have not been an independent member of the Board of Directors in BİM Birleşik Mağazalar A.Ş. or in more than three of the companies controlled by the shareholders who control the management of BİM Birleşik Mağazalar A.Ş. and in more than five of the publicly traded companies in total,

j) I have not been registered and announced on behalf of the juridical person elected as member of the Board of Directors.

Kind regards,



Ahmet Akça

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

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

a) There is no employment relationship of a managing position to assume important duties and responsibilities between me, my spouse and my relatives by blood and marriage up to the second degree, and BİM Birleşik Mağazalar A.Ş., partnerships under the management control or significant influence of BİM Birleşik Mağazalar A.Ş. and shareholders who have the management control of the Company or have substantial influence in the Company, as well as the legal persons whose management control is held by such shareholders, in the last five years; that I do own not more than 5% of the capital or voting rights or privileged shares, altogether or individually, or that there is no significant commercial relationship.

b) I have not worked for those companies that carry out, in part or in full, the activities or organization of BİM Birleşik Mağazalar A.Ş. within the framework of existing agreements, primarily those that audit, rate, or provide consulting services for BİM Birleşik Mağazalar A.Ş., or have been a member of the Board of Directors at these companies within the past five years; I have not worked as an executive manager who would have important duties and responsibilities nor have I been a member of the Board of Directors or been a shareholder (with more than 5% of shares) in the companies that BİM Birleşik Mağazalar A.Ş. purchases significant amounts of products and services from or sells significant amounts of products and services to.

c) I have the professional education, knowledge, and experience to carry out the duties I would assume as a result of becoming an independent member of the Board of Directors.

d) I do not work full time for any public institution or organization, except any academic membership at any university (on the condition that it is compliant with the related legislation),

e) I have strong ethical standards, professional reputation, and experience that would enable me to make positive contributions to the operations of BİM Birleşik Mağazalar A.Ş., enabling me to maintain impartiality during times of conflicts of interest between the Company and shareholders, and to decide independently by taking the rights of the beneficiaries into consideration.

f) I shall devote sufficient time for the activities of BİM Birleşik Mağazalar A.Ş. to follow the operations of BİM Birleşik Mağazalar A.Ş. and to fully carry out the duties I would assume.

g) I have not been a board member in BİM Birleşik Mağazalar A.Ş.'s Board of Directors for more than six years in the last ten years.

h) I have not been an independent member of the Board of Directors in BİM Birleşik Mağazalar A.Ş. or in more than three of the companies controlled by the shareholders who control the management of BİM Birleşik Mağazalar A.Ş. and in more than five of the publicly traded companies in total,

i) I have not been registered and announced on behalf of the juridical person elected as member of the Board of Directors.

I hereby declare the above-mentioned matters.

Kind regards,



**Paul Michael Foley**

### Declaration of Compliance with Corporate Governance Principles

The Capital Markets Board of Türkiye requires a declaration from all listed companies on the Borsa İstanbul A.Ş. regarding their compliance with the Corporate Governance Principles. In case of non-compliance, the companies are obliged to state the necessary explanations in their Corporate Governance Principles Compliance Report.

In this regard, we declare that all mandatory recommendations of the Corporate Governance Principles Serial: II-17.1, published on January 03, 2014, by the Capital Markets Board of Türkiye, has been complied with. Regarding non-mandatory recommendations, we have continued to act in accordance with these. The company will strive to improve any deficiencies and continue its efforts to increase compliance level under changing circumstances.

The issues that do not comply with the Corporate Governance Principles are listed below, and there are no conflicts of interest arising from related issues.

There is no provision in the Articles of Association concerning the General Assembly meetings to be held open to public. The participants of the General Assembly Meetings are defined in accordance with the General Assembly Internal Directive. Participation requests of others will be evaluated and responded by the Chairmanship of the meeting.

Articles of Association include a provision stipulating that minority rights are to be respected in compliance with the Capital Markets Law and the regulations of the Capital Markets Board. Accordingly, no less than one-twentieth of the legally applicable capital was assigned for minority rights. No applications were made or no conflict of interest took place in this regard.

There is no provision in the Articles of Association regarding the separation of the powers of the Chairman of the Board of Directors and Chairman of the Executive Committee. In the current organizational structure of the company, the Chairman of the Board of Directors performs the duties of the Chairman of the Executive Committee. This issue and its justification was publicly disclosed on the 07.06.2022 via disclosure of material matters. To make the company's decision-making processes faster and efficient, and to foster a more dynamic organizational structure, it has been preferred to have the same person holding both positions. The Company is evaluating the matter to separate the duties of Chairman of the Board of Directors and Chairman of the Executive Committee from each other.

In accordance with the structuring of the Board of Directors, some members can hold positions in multiple committees. The Company is evaluating the matter to increase the number of independent members in the Board of Directors.

Pursuant to the Corporate Governance Principles, the total amount of the remuneration paid to the members of the Board of Directors and executive managers and all other granted benefits are publicly announced in the annual report. However, these announcements are not made on an individual basis.

**Corporate Governance Compliance Report**

	Company Compliance Status					Explanation	
	Yes	Partially	No	Exempt	Not applicable		
<b>Corporate Governance Compliance Report</b>							
<b>1.1. FACILITATION OF EXERCISING SHAREHOLDER RIGHTS</b>							
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X						
<b>1.2. RIGHT TO OBTAIN AND EXAMINE INFORMATION</b>							
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X						
<b>1.3. GENERAL ASSEMBLY</b>							
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X						
1.3.7 - Insiders with privileged information have informed the Board of Directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.			X				
1.3.8 - Members of the Board of Directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X						
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X						
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				<p>In accordance with the Internal Directive on the Working Principles and Procedures of the General Assembly, the shareholders who are registered to the list of attendants or their representatives, board members, auditor, the Ministry representative and the persons to be elected or appointed to the presiding chair, are nominated to the Board of Directors, Members of the Executive Committee of the Company, those with responsibilities in the agenda, other company managers and employees invited to the meeting, voice and video reception officers, officers who provide services for Electronic General Assembly (EGKS) and other guests can join the meeting. On the other hand, if the stakeholders who are not included in the related directive wish to participate in the general meeting, the relevant demand is evaluated by the presidency and usually accepted. No any negativity detected regarding this issue.</p>	
<b>1.4. VOTING RIGHT</b>							
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X						
1.4.2 - The company does not have shares that carry privileged voting rights.	X						
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.			X				

	Company Compliance Status					Explanation	
	Yes	Partially	No	Exempt	Not applicable		
<b>1.5. MINORITY RIGHTS</b>							
1.5.1 - The Company pays maximum diligence to the exercising of minority rights.							
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Articles of Association include a provision stipulating that minority rights are to be respected in compliance with the Capital Markets Law and the regulations of the Capital Markets Board. Accordingly, no less than one-twentieth of the legally applicable capital was assigned for minority rights. There is not any proposal regarding this issue and no any conflict of interest detected. The Company does not have any short term plan to take action for this issue.	
<b>1.6. DIVIDEND RIGHTS</b>							
1.6.1 - The Dividend Distribution Policy approved by the General Shareholders' Meeting is posted on the company website.	X						
1.6.2 - The Dividend Distribution Policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X						
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X		
1.6.4 - The Board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X						
<b>1.7. TRANSFER OF SHARES</b>							
1.7.1 - There are no restrictions preventing shares from being transferred.	X						
<b>2.1. CORPORATE WEBSITE</b>							
2.1.1 - The Company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					Due to the fact that the offering circular prepared for IPO in 2005, has been out of date, it does not appear on the website.	
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X						
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						
2.2.1 - The Board of Directors ensures that the annual report represents a true and complete view of the company's activities.	X						
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					Since the Company has not received any services in such areas as investment advisory and rating companies, the annual report does not contain any relevant issues.	
<b>3.1. COMPANY POLICY REGARDING STAKEHOLDERS</b>							
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X						
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X						
3.1.4 - A whistleblowing program 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						

	Company Compliance Status					Explanation
	Yes	Partially	No	Exempt	Not applicable	
<b>3.2. ENCOURAGING STAKEHOLDERS TO TAKE PART IN THE MANAGEMENT OF THE COMPANY</b>						
3.2.1 - The Articles of Incorporation, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The Company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.		X				The Company adopted an equal opportunity employment policy, but there is no succession planning for key executives.
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The Company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				The decisions that affect the employees are reported directly to the employees as soon as possible.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The Company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1 - The Company measured customer satisfaction, and operated to ensure unconditional customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The Company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The Company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
<b>3.5. CODE OF CONDUCT AND SOCIAL RESPONSIBILITY</b>						
3.5.1 - The Board of the corporation has adopted a code of ethics and disclosed on the corporate website.	X					
3.5.2 - The Company is considerate of its social responsibilities. Measures have been taken to prevent corruption and bribery.	X					

	Company Compliance Status					Explanation
	Yes	Partially	No	Exempt	Not applicable	
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1 - The Board of Directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
<b>4.2. BOARD OF DIRECTORS' PRINCIPLES OF ACTIVITY</b>						
4.2.1 - The Board of Directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The Board has ensured the Company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.			X			There is no issue in the Articles of Association regarding the separation of the powers of the Chairman of the Board of Directors and Chairman of the Executive Committee. In the current organizational structure of the company, the Chairman of the Board of Directors performs the duties of the Chairman of the Executive Committee. This issue and its justification was publicly disclosed on the 7th of June 2022 via disclosure of material matters. In order to make the company's decision-making processes more efficient, and to foster a more dynamic organizational structure, it has been preferred to have the same person holding both positions. The Company is evaluating the issue of the separation of the positions of the Chairman of the Board of Directors and the Head of Executive Committee.
4.2.7 - The Board of Directors ensures that the investor relations department and corporate governance committee function effectively, while working in close cooperation with the investor relations department and corporate governance committee in resolving the disputes among shareholders and communicating with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				The Company aims to include women in the Board of Directors and increase their role. A policy has been adopted accordingly. There are no female members in the Board of Directors yet. However, the company aims to have female member/members in the Board of Directors until the end of 2027 in accordance with the policy.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					

	Company Compliance Status					Explanation
	Yes	Partially	No	Exempt	Not applicable	
<b>4.4. THE FORMAT OF BOARD OF DIRECTORS' MEETINGS</b>						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Although the duties of the members of the Board of Directors outside the Company are not bound to a certain rule, detailed resumes of the members and the duties they receive outside the Company are presented to the shareholders through annual report at the general assembly.
<b>4.5. COMMITTEES ESTABLISHED UNDER THE BOARD OF DIRECTORS</b>						
4.5.5 - Board members serve in only one of the Board's committees.		X				In accordance with the structure of the Board of Directors, some members can hold positions in more than one committee. No conflict of interest was detected. The company is evaluating the issue of increasing the number of independent board members.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS OF THE BOARD MEMBERS AND EXECUTIVE DIRECTORS</b>						
4.6.1 - The Board of Directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.		X				Although there is no mechanism for the performance evaluation of the Board of Directors, the effectiveness of the Board of Directors are evaluated from time to time.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				Pursuant to the Corporate Governance Principles, remuneration paid to the members of the Board of Directors and executive managers and all other benefits granted, are publicly announced via annual report. However, the announcement is not made on an individual basis and the Company does not have any plans for this.

### Corporate Governance Information Form

<b>1. SHAREHOLDERS</b>	
<b>1.1. Facilitating the Exercise of Shareholders Rights</b>	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	The company participated in 7 conferences in 2022 and organized 4 investor teleconferences regarding financial results and held 156 investor meetings.
<b>1.2. Right to Obtain and Examine Information</b>	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
<b>1.3. General Assembly</b>	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	<a href="https://www.kap.org.tr/en/Bildirim/1026217">https://www.kap.org.tr/en/Bildirim/1026217</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	No such transaction took place during the year.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	No such transaction took place during the year.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	<a href="https://www.kap.org.tr/en/Bildirim/1006672">https://www.kap.org.tr/en/Bildirim/1006672</a>
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations/Corporate Governance/Policies
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	<a href="https://www.kap.org.tr/en/Bildirim/431725">https://www.kap.org.tr/en/Bildirim/431725</a>
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	26
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Only the shareholders participated the General Assembly.
<b>1.4. Voting Rights</b>	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	None
The percentage of ownership of the largest shareholder	15.15%
<b>1.5. Minority Rights</b>	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	-
<b>1.6. Dividend Right</b>	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations/Corporate Governance/Policies
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	-
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

General Assembly Meetings														
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of 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					
7.06.2022	0	77.44%	0.41%	77.03%	Investor Relations/ General Assembly Information	Investor Relations/ General Assembly Information	Article 9	0	<a href="https://www.kap.org.tr/en/Bildirim/1035562">https://www.kap.org.tr/en/Bildirim/1035562</a>					
<b>2. DISCLOSURE AND TRANSPARENCY</b>														
<b>2.1. Corporate Website</b>														
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.					Investor Relations and About Us sections									
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.					Investor Relations / Shareholders									
List of languages for which the website is available					Turkish and English									
<b>2.2. Annual Report</b>														
<b>The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.</b>														
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members					Board of Directors and Senior Management, Statement of Independence									
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure					Committees established under the Board of Directors									
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings					Board of Directors and Senior Management - Executive Committee									
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation					Risk Management and Internal Control Mechanisms									
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof					There are no significant lawsuits filed against the company.									
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest					Such services are not received.									
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%					There are no mutual subsidiaries in which direct participation in capital exceeds 5%.									
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results					Human Resources and Sustainability									
<b>3. STAKEHOLDERS</b>														
<b>3.1. Corporation's Policy on Stakeholders</b>														
The name of the section on the corporate website that demonstrates the employee remedy or severance policy					The Company carries out the compensation related matters within the scope of the relevant provisions of the Labor Law. Although a compensation policy has not been established in particular due to the consideration of the matters specific to the Company in accordance with the relevant law, the Company considers creating a compensation policy.									

The number of definitive convictions the company was subject to in relation to breach of employee rights	52
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Internal Audit Director
The contact detail of the company alert mechanism	Non-compliance notifications can be done via e-mail to <a href="mailto:bimetik@kpmg.com.tr">bimetik@kpmg.com.tr</a> , by phone at +90 850 2208797 or, with the form to be filled in <a href="https://etikdestekhatti.com/">https://etikdestekhatti.com/</a>
<b>3.2. Supporting the Participation of the Stakeholders in the Corporation's Management</b>	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Investor Relations/Corporate Governance/Policies
Corporate bodies where employees are actually represented	Audit Committee, Corporate Governance Committee, Occupational Health - Safety Committee and Sustainability Committee
<b>3.3. Human Resources Policy</b>	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	There is no succession plan.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Investor Relations / Corporate Governance / Policies
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Investor Relations / Corporate Governance / Policies
The number of definitive convictions the company is subject to in relation to health and safety measures	0
<b>3.5. Ethical Rules and Social Responsibility</b>	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations / Corporate Governance / Policies
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Investor Relations/Sustainability
Any measures combating any kind of corruption including embezzlement and bribery	The Company is committed to conduct its activities with an honest and ethical approach. As part of this, the Company adopts a zero-tolerance approach to bribery and corruption. In this regard, an Anti-Bribery and Anti-Corruption Policy has been established and there is an Ethics Hotline for reporting issues contrary to the policy. The policy is available on the Company's website under Investor Relations/Corporate Governance/Policies.
<b>4. BOARD OF DIRECTORS-I</b>	
<b>4.2. Activity of the Board of Directors</b>	
Date of the last board evaluation conducted	Evaluated from time to time
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Mustafa Latif Topbaş was authorized as Chairman, and P.K. Merali as Vice Chairman.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	12
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Risk Management and Internal Control Mechanisms
Name of the Chairman	Mustafa Latif Topbaş
Name of the CEO	Mustafa Latif Topbaş - Chief Executive Officer
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	<a href="https://www.kap.org.tr/en/Bildirim/1035587">https://www.kap.org.tr/en/Bildirim/1035587</a>
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	Although board members are insured, the amount is not exceeding 25% of the company's capital. This is not stated publicly, since it's not mandatory to make such a statement.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Investor Relations/Corporate Governance/Policies/Diversity and Inclusion Policy
The number and ratio of female directors within the Board of Directors	0

Composition of Board of Directors							
Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independence Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Mustafa Latif Topbaş	Executive	Not independent director	5.05.1995	-	Not applicable	Not applicable	Not applicable
Mahmud P. Merali	Non-executive	Not independent director	4.04.2006	-	Not applicable	Not applicable	Not applicable
Ömer Hulusi Topbaş	Non-executive	Not independent director	1.06.2005	-	Not applicable	Not applicable	Not applicable
"Karl-Heinz Holland	Non-executive	Not independent director	28.04.2021	-	Not applicable	Not applicable	Not applicable
Ahmet Akça	Non-executive	Independent director	25.04.2018	<a href="https://www.kap.org.tr/en/Bildirim/1026218">https://www.kap.org.tr/en/Bildirim/1026218</a>	Considered	No	Yes
Paul Michael Foley	Non-executive	Independent director	21.05.2019	<a href="https://www.kap.org.tr/en/Bildirim/1026218">https://www.kap.org.tr/en/Bildirim/1026218</a>	Considered	No	No

#### 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) 6

Director average attendance rate at board meetings 100%

Whether the board uses an electronic portal to support its work or not Yes

Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter 7 days

The name of the section on the corporate website that demonstrates information about the board charter Investor relations/Corporate Governance/Articles of Association

Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors There is none such policy.

##### 4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented Committees established under the Board of Directors

Link(s) to the PDP announcement(s) with the board committee charters <https://www.kap.org.tr/en/Bildirim/206977>  
<https://www.kap.org.tr/en/Bildirim/353650>  
<https://www.kap.org.tr/en/Bildirim/938513>

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	-	Ahmet Akça	Yes	Board member		
Audit Committee	-	Paul Michael Foley	No	Board member		
Corporate Governance Committee	-	Paul Michael Foley	Yes	Board member		
Corporate Governance Committee	-	Mahmud Pyrali Merali	No	Board member		
Corporate Governance Committee	-	Serkan Savaş	No	Not board member		
Committee of Early Detection of Risk	-	Paul Michael Foley	Yes	Board member		
Committee of Early Detection of Risk	-	Mahmud Pyrali Merali	No	Board member		
Sustainability Committee	-	Paul Michael Foley	Yes	Board member		
Sustainability Committee	-	Ömer Hulusi TOPBAŞ	No	Board member		
Sustainability Committee	-	Haluk DORTLUOĞLU	No	Not board member		
Sustainability Committee	-	Galip AYKAÇ	No	Not board member		
<b>4. BOARD OF DIRECTORS-III</b>						
<b>4.5. Board Committees-II</b>						
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report - Board Committees, website - Investor Relations/Corporate Governance/ Board Committees					
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report - Board Committees, website - Investor Relations/Corporate Governance/ Board Committees					
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The Corporate Governance Committee fulfills the duties of the nominating committee.					
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report - Board Committees, website - Investor Relations/Corporate Governance/ Board Committees					
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The Corporate Governance Committee fulfills the duties of the Remuneration Committee.					
<b>4.6. Financial Rights</b>						
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Expectations and Achievements.					
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations/Corporate Governance/Policies/Remuneration Policy					
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Board of Directors and Senior Management - Executive Committee					
Composition of Board Committees-II						
Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board	
Audit Committee	-	100%	100%	6	6	
Corporate Governance Committee	-	66.66%	33.33%	1	1	
Committee of Early Detection of Risk	-	100%	50%	6	6	
Sustainability Committee	-	50%	25%	2	2	

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

DATE OF RESOLUTION: 13 March 2023

RESOLUTION NO: 930/23

**STATEMENT OF RESPONSIBILITY**

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

Our consolidated financial statements and related footnotes, and the consolidated annual report issued for the accounting period between the 1<sup>st</sup> of January and the 31<sup>st</sup> of December 2022, as per the Capital Markets Board's (CMB) "Communiqué II-14.1. (Communiqué) on the Principles of Financial Reporting in Capital Markets";

Were reviewed by us and them;

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

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

We hereby declare the above-mentioned matters.

Respectfully,

BİM Birleşik Mağazalar A.Ş.



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To the Shareholders of BİM Birleşik Mağazalar Anonim Şirketi Company

**1) Opinion**

We have audited the annual report of BİM Birleşik Mağazalar Anonim Şirketi Company ("the Company") and its subsidiaries ("the Group") for the period of 1 January 2022-31 December 2022.

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

**2) Basis for Opinion**

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

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

We have expressed an unqualified opinion in our auditor's report dated 13 March 2023 on the full set consolidated financial statements of the Group for the period of 1 January 2022-31 December 2022.

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

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

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

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



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

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

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

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

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

Kaan Birdal, SMMM  
Partner  
  
13 March 2023  
İstanbul, Türkiye



bimturkiye/YouTube



bimturkiye/Facebook



bimturkiye/Instagram