ŞOK Marketler

Türkiye Sustainability Reporting Standards Compliant Sustainability Report

2024

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About the Report

Basis of Preparation

As ŞOK Marketler Ticaret Anonim Şirketi (referred to as "ŞOK Marketler" in this report), we are taking our experience in sustainability reporting, which we have gained since 2017, one step further by publishing our first "TSRS-Compliant Sustainability Report" (TSRS Report) in accordance with the **Türkiye Sustainability Reporting Standards 1: General Provisions for the Disclosure of Financial Information (TSRS 1)** and the **Türkiye Sustainability Reporting Standards 2: Climate-related Disclosures (TSRS 2)** standards.

Through this report, we assess our company's climate change-related risks and opportunities, share our priority risks and opportunities, and highlight the potential impacts of material risks and opportunities on our cash flows, access to finance, and other key financial indicators in the short, medium, and long term, based on the scenario analyses we have conducted. In addition, our report highlights the governance structure we have implemented to effectively manage climate-related risks and opportunities, as well as the strategic approach we have developed to minimize risks and maximize opportunities. We do not limit these assessments to our own operations, but also take into account the risks, opportunities, and impacts upstream and downstream in our value chain.

The report includes evaluation criteria used in various areas, particularly the definitions of climate-related risks and opportunities. The timing of the realization of risks and opportunities,

- Time of Occurrence,
- Probability of Occurrence,
- Potential Financial Impact,

These criteria have been used in the materiality of climate-related risks and opportunities and in the calculation of their financial impacts in the short, medium, and long term. The evaluation criteria under the three main headings have been determined in accordance with the Risk Procedure of Yıldız Holding A.Ş., the parent company of ŞOK Marketler. In this context, unlike financial reports, the term definitions in the Risk Procedure of Yıldız Holding A.Ş. are used for term definitions in the evaluation process of climate-related risks and opportunities.

The financial impact assessment of climate-related risks and opportunities has been prepared in the same reporting currency as the company's consolidated financial statements, Turkish Lira (TRY).

Time of Occurrence: The terms short, medium, and long term, used to describe the expected time of occurrence of climate-related risks and opportunities, represent the time periods specified below.

Short Term	1-3 Years
Medium Term	3-5 Years
Long Term	5 Years and above

Likelihood of Occurrence: The likelihood of climate-related risks and opportunities occurring is assessed at the five levels specified below, based on exposure to risks and opportunities and the degree of vulnerability.

1: Unlikely	May occur in exceptional circumstances.
2: Low	May occur rarely within a given time frame.
3: Possible	May occur within a given time frame.
4: High	Likely to occur under most circumstances.
5: Certain	Expected to occur in most circumstances.

Potential Financial Impact: When prioritizing climate-related risks and opportunities, the potential financial impact was taken into consideration. In this context, the financial impact of risks and opportunities is assessed at the following five levels based on the impact of the calculated value on revenues[*].

1: Ordinary	Revenue ratio less than 10%
2: Low	Revenue ratio between 10% and 20%
3: Medium	Revenue ratio between 20% and 30%
4: High	Revenue ratio between 30% and 40%
5: Critical	Revenue ratio greater than 40%

[*] As a company operating in the retail sector, our revenues are one of the most critical and guiding items on our balance sheet. Assessing the potential impact of risks through revenues provides a more consistent approach from a sectoral perspective when managing the financial impact of risks and evaluating the scale of our operations.

First-time Application of TSRS Standards, Transition Provisions, and Exemptions

In preparing our TSRS Report, we took into consideration the **Türkiye Sustainability Reporting Standards 1: General Provisions on Disclosure of Sustainability-Related Financial Information (TSRS 1)** and the sector-specific guidance provided by the **Sustainability Accounting Standards Board (SASB)**. Our report has been prepared in accordance with the flow of the TSRS standards and is structured under the headings of **Governance**, **Strategy**, **Risk Management**, and **Metrics and Targets**.

The prepared TSRS Report has been issued in accordance with the reporting exemption rights and does not include comparative data for the first year of reporting. The report was published after the financial statements dated March 11, 2025. Additionally, regarding the exemption for the first two years of reporting Scope 3 greenhouse gas emissions, ŞOK Marketler has not included information on Scope 3 greenhouse gas emissions in the report.

Reporting Boundary

The prepared TSRS Compliance Report should be read in conjunction with the consolidated financial statements prepared in accordance with IFRS Accounting Standards. The report covers the 12-month period starting on January 01, 2024 and ending on December 31, 2024, consistent with the reporting period of the relevant consolidated financial statements.

Within the scope of reporting, the process of assessing climate-related risks and opportunities has been carried out with great care in order to perform analyses within the same scope as the financial statements. The assessments carried out on the company's main activities and affiliated companies, as well as the related financial effects, have also been prepared in accordance with TFRS. The data and information contained in the report cover the company's main activities and assets.

Affiliated Companies	Company's Business Activity	Company's Share in Capital (%)	Countries of Operation	Inclusion in the TSRS Compliance Report
Mevsim Taze Sebze Meyve Sanayi ve Ticaret A.Ș.	Supply of Fruit and Vegetable Products	100	Türkiye	Included
UCZ Mağazacılık Ticaret A.Ș.	Supply of Food and Agricultural Products	100	Türkiye	Included

Limits and Methodology Related to Emission Calculations

Reporting Boundaries

As stated in TSRS 2 standards, ȘOK Marketler calculates greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol). In addition, greenhouse gas emissions are calculated based on organizational boundaries and operational control methodology.

Calculation Methodology

Emissions	Definitions	Data Preparation
Scope 1 – Greenhouse Gas Emissions (tonnes CO_2e)	During the reporting period, Scope 1 greenhouse gas emissions refer to emissions resulting from the Company's fixed and mobile energy consumption, including natural gas, diesel off-road vehicles, diesel on-road vehicles, gasoline on-road vehicles, diesel generators, and CO_2 fire extinguishers.	Scope 1 greenhouse gas emissions are calculated in accordance with ISO 14064-1, covering energy consumption resulting from operational control principles related to fixed combustion, transportation, and leakage activities. Scope 1 greenhouse gas emissions are calculated using the GHG Protocol methodology, with emission factors sourced from the 2006 National Greenhouse Gas Inventories, IPCC Guidelines and the IPCC 6th Assessment Report and Defra GHG Conversion Factors. The greenhouse gases included in the calculation encompass emissions resulting from fuel consumption activities, and Emission Management covers CO_2, CH_4, and N_2O gases.
Scope 2 – Greenhouse Gas Emissions (tonnes CO_2e)	During the reporting period, this refers to greenhouse gas emissions classified as Scope 2 resulting from the Company's indirect energy consumption and energy production.	Scope 2 greenhouse gas emissions are calculated in accordance with ISO 14064-1, covering energy consumption from indirect combustion activities under the operational control principle. Scope 2 Greenhouse Gas Emissions The calculations were performed in accordance with the GHG Protocol methodology, using emission factors referenced from the **Ministry of Energy and Natural Resources, Türkiye Electricity Production and Electricity Consumption Point Emission Factors Information Form: ETKB-EVÇED-FRM-042 Rev.00**, and **Defra GHG Conversion Factors.** The greenhouse gases included in the calculation encompass emissions resulting from fuel and electricity consumption activities, and the Emission Management covers CO_2, CH_4, and N_2O gases.

About ŞOK Marketler

At ŞOK Marketler, we have been continuing our journey, which began in 1995 with 13 stores, under the umbrella of Yıldız Holding A.Ş. since 2011, strengthened by our nearly 30 years of experience, extensive product portfolio, affiliated production facilities and agricultural product platforms, widespread store network, distribution centers, and high-quality approach. As of 2024, we operate **10,981 stores, 45 warehouses, 17 production facilities**, and **8 fruit/vegetable platforms** across all 81 provinces of Türkiye. We also offer our customers a convenient, fast, and accessible shopping experience in the e-commerce sector through **"Cepte ŞOK"** and **"ŞOK'tan İste Gelsin."**

With our differentiated business model and customer-focused service approach, we reach every corner of Türkiye. We offer our customers high-quality products at affordable prices that are easily accessible. Our product portfolio includes over **1,800 product varieties,** including our private label products such as Mis, Piyale, Mintax, Evin, and Amigo, which have established themselves in customers' memories and have historically carried national brand status, as well as various national brands.

Our Vision

To become the most preferred retail brand by the people and the leading food retailer of Türkiye and to continue creating value for our investors.

Our Mission

To offer our customers the most convenient shopping experience through our differentiated business model, high-quality product variety, affordable prices, and advanced service concept and to be the first choice of our business partners and employees.

Business Model Principles

Proximity

Price

Product Range

Private Label Products

Shopping Experience

E-Commerce

Our Value Chain

In order to offer our customers high-quality products at affordable prices, we work closely with all our business partners, especially our suppliers.

Value Chain Step		Definition	Impact Framework
Upstream	Procurement	We source nationally branded products directly from our suppliers, agricultural products from farmers with whom we work under contract farming arrangements, and through our affiliated platforms. For certain product groups, we also supply raw materials to producers with whom we have agreements.	Approximately **1,800** suppliers **500** farmers **8** fruit & vegetable platforms
Operations	Production	We manufacture our private label products in collaboration with our contracted manufacturers and using a vertical integration model. For some products, we take direct responsibility for raw material procurement.	**17** Production Facilities **494** Private Label Product Suppliers
	Distribution	We store the products we supply and manufacture in our 45 warehouses located in strategic regions of Türkiye, and then deliver them to our stores according to the order quantities determined through the ERP system. We deliver fresh products directly to our stores without sending them to our warehouses.	**45** warehouses Within the scope of logistics operations; Approximately **1,000** vehicles **202,018 km** distance
	Sales	With 10,981 stores located in 81 provinces across Türkiye, our Cepte ŞOK app, and our ŞOK'tan İste Gelsin service, we offer our customers a wide range of products and meet their shopping needs in an easy, fast, and accessible way.	**10,981** stores in **81** provinces Online Sales Channels
Downstream	End Consumer	We reach millions of customers every day through our extensive store network and e-commerce channels. We prioritize customer satisfaction while serving households across Türkiye.	More than **1,800** products More than **100** Private Label More than **750** Private Label Products

Strategy

Impact-Oriented Value Creation Approach

At ŞOK Marketler, we have redefined our value approach in 2024 by making sustainability an integral part of our corporate strategy. In developing this approach, we have placed the principles that form the foundation of our business model at the heart of our strategy, in line with our sustainable growth objectives. We view sustainability as an inclusive framework that enhances the value we create for our stakeholders at every step we take while delivering on our overall performance and business model principles.

Within this scope, we have shaped our value approach around three new focuses: **Value for Our Environment, Value for Our Stakeholders**, and **Value through Our Business**. We are working to increase the value we create within a total of 21 topics, 13 of which are high priority and 8 of which are priority, mapped out with these focuses. The topics we address in evaluating our climate-related risks and opportunities are covered under the main focus area of *Value for Our Environment* and are addressed under the high-priority topics of **Combatting Climate Change** and **Energy Management.**

At the beginning of the process of developing our sustainability strategy, which we carried out together with our senior management, sustainability team, and independent consultants, we conducted a comprehensive external environment analysis by reviewing national and international sustainability initiatives and benchmark practices. In addition, we held meetings with our internal and external stakeholders. During these meetings, we asked our stakeholders questions to gather their views on our sustainability priorities and climate-related risks.

Both the external environment analysis and the interviews we conducted with our stakeholders provided critical inputs for our risk and opportunity analysis. Thus, in developing our sustainability strategy, we integrated a participatory perspective and a risk- and opportunity-focused approach into the process.

For details about our Impact-Oriented Value Creation Approach, please refer to pages 27-33 of our 2024 Sustainability Report.

Climate Change Adaptation Activities*

We are implementing a series of projects to reduce electricity consumption in our stores and warehouses. To save energy in our lighting systems, which are one of the most significant factors affecting electricity consumption, we are converting to LED lighting. Additionally, in our new store concept, ŞOK 2.0, we are optimizing energy consumption from lighting by using spot lighting that directs light only to necessary areas.

We are rapidly continuing our efforts to replace devices that have reached the end of their service life and consume high amounts of energy in climate control (air conditioning) and refrigerated cabinet systems. In previous tests, we observed that replacing refrigerated cabinets and air conditioning systems that have reached the end of their service life results in reduced electricity consumption. In this context, during the past period, we successfully replaced refrigerated cabinets that have reached the end of their service life and consume high amounts of energy, as well as air conditioning units that are nearing the end of their service life and consume excessive amounts of energy.

In addition, we are working to reduce energy consumption on a store-by-store basis by automating the opening and closing of equipment in our stores, climate control, and active and reactive consumption monitoring.

In 2024, we invested in energy efficiency projects, achieving both energy savings and financial savings. We regularly measure and analyze the outcomes of the projects we have implemented. By continuing

* As of 2024, efforts to combat climate change are ongoing, but there is no climate transition plan in place.

our investments in energy efficiency projects, we aim to reduce our total energy consumption intensity compared to previous years.

Materiality Analysis

At ŞOK Marketler, we have conducted a detailed analysis consisting of three steps, including **"Identification of Climate-Related Risks and Opportunities," "Materiality of Risks and Opportunities,"** and **"Scenario Analysis for Future Impact Assesment."**, as a part of our climate-related risk and opportunity studies. In our work related to risks and opportunities, we have received support from senior management (details can be found in the "**Sustainability Governance**" section of our report), internal stakeholders, experts, and consultants in relevant fields.

Based on the principle of adequacy in disclosing climate-related risks and opportunities in the first year of reporting, although we have a broad list of sustainability-related risks and opportunities, we only carried out the risk and opportunity materiality and financial impact analysis steps within the framework of climate-related risks and opportunities.

Step	Definition	Supporting Tools
Identification of Climate-Related Risks and Opportunities	Climate-related risk and opportunity list has been determined by conducting an external environment analysis that includes sustainability initiatives, relevant regulations, and national and international sectoral benchmarks within the scope of ŞOK Marketler's sector, business model, and operations, as well as by utilizing the opinions of internal and external stakeholders.	SASB Sector Guides Benchmark Analysis Stakeholder Interviews
Materiality of Risks and Opportunities	In the materiality of risks and opportunities step, probability and financial impact analyses were performed for the identified risks and opportunities, which were then rated based on the analysis results and materialized according to their average impact.	Senior Management Meetings Consultant Support Think Hazard
Scenario Analysis for Future Impact Assessment	Based on scientifically accepted studies, the direction of change in the probability and financial impact of risks for 2030 and 2050 has been determined within the scope of the risks identified as material in scenarios where the global temperature increase at the end of the century is **<2°C** and <**3.5-4°C**.	Climate Analytics - **Climate Impact Explorer** IIASA Scenario Explorer - **Shared Socioeconomic (SSP) Pathways Scenario Explorer** IPCC - **Climate Change 2023 Synthesis Report (AR6)**

Identifying Climate-Related Risks and Opportunities

In identifying our climate-related risks and opportunities, we conducted a comprehensive assessment of the processes in our value chain, both upstream and downstream, in conjunction with our operations. In doing so, we adopted a systematic and comprehensive approach, drawing on information from various sources and the views of our stakeholders.

Step	Definition
External Environment Analysis Related to Operations and Value Chain	We assessed global developments related to climate change and their impact on the business world. As a company operating in Türkiye, we detailly examined climate-related developments in our country, current and planned regulations, and Türkiye's roadmap for combating climate change. From a sectoral perspective, we identified risks and opportunities specific to our industry by drawing on global sustainability initiatives and benchmark reports. We analyzed which physical risks could be effective in Türkiye geographically, where we carry out all of our operations. We evaluated the potential impacts throughout our value chain, both upstream and downstream. Upstream, we identified product groups that are sensitive to climate change-related risks. Downstream, we analyzed the changes that climate change could bring about in consumer behavior, taking into account factors such as potential shifts in demand and new consumer expectations.
Identification of Risks and Opportunities	As a result of this comprehensive analysis process, we identified a total of 6 climate-related risks and 4 opportunities, taking into account our operations and entire value chain. **Risks** • Transition to ETS and Carbon Taxation • Transition to Nearly Zero Energy Buildings (NSEB) Concept • Obligation of ISO 50001 Certification • Loss of Reputation Due to Lack of Renewable Energy Use • Loss of Agricultural Yield due to Climate Change • Extreme Precipitation and Flood Disaster **Opportunities** • Reduction in Operational Expenses through Energy Efficiency Projects • Water Conservation through New Regulations in the Planned Areas Zoning Regulations • Reduction in Energy Costs through Renewable Energy Investments • Increased Consumer Demand for Sustainable Products

Materiality of Risks and Opportunities

At ŞOK Marketler, we disclose the climate-related risks and opportunities in our report that could reasonably be expected to affect our revenues, inventory levels, fixed assets, and therefore our cash flow balance. These risks and opportunities are identified as material risks and opportunities and are assessed based on their likelihood of occurrence and current financial impact.

Step	Definition
Assessment of the Likelihood of Risk and Opportunity Occurence	ŞOK Marketler's sustainability teams, together with senior management, risk officers, and consultants, have assessed the likelihood of climate-related risks and opportunities being realized. This process included an assessment of the company's exposure and vulnerability to risk. **Exposure:** The likelihood of a specific area in which ŞOK Marketler operates being adversely affected by a specific hazard. **Vulnerability:** The tendency of ŞOK Marketler's business to be adversely affected by climate risks due to the nature of its operations. Within this scope, the likelihood of risk and opportunity occurring has been rated on a scale of 1 to 5. *Details regarding the scale are available in the **Basis of Principles** section.* Regulations, extreme weather events, etc. that are expected to be implemented in the near future have been assigned a probability score of certain (5) / high (4); risks for which there is no evidence of past impacts or where sectoral coverage under regulations is uncertain have been assigned a probability score of low (2) / unlikely (1).
Assessment of the Current Financial Impact of Risk and Opportunity	Another factor included in the process of prioritizing the ŞOK Marketler's risks and opportunities is the current financial impact of the relevant risks and opportunities. The financial impact of each risk in the event of its occurrence was calculated, analyzed in terms of the company's revenue ratio within the scope of materiality, and rated on a scale of 1 to 5. As a company operating in the retail sector, our revenues are one of the most critical and guiding items on our balance sheet. Evaluating the potential impact of risks through revenues provides a more consistent approach from a sectoral perspective when managing the financial impact of risks and assessing the scale of our operations. *Details regarding the scale are available in the **Basis of Principles** section.* Within the scope of rating according to financial impact levels, materiality rating has been performed based on the average value for risks calculated with a minimum-maximum impact range, as the nature of the available data requires measurement as net impact or minimum-maximum impact range.
Average Impact Assessment	The average of the ratings of the risks and opportunities evaluated in terms of likelihood of occurrence and current financial impact under these two headings has been taken to determine the material risks and opportunities. Risks and opportunities with an average of 2.5 or higher in terms of likelihood of occurrence and financial impact rating (on a scale of 1 to 5) have been determined as material risks and opportunities.

Throughout the process, the steps listed in the table above were carried out, and the risks of **"Loss of Agricultural Yield due to Climate Change"** and **"Extreme Precipitation and Flood Disaster"** were identified as material within the scope of operations and the value chain. No material opportunities have been identified as a result of the assessments conducted under the opportunities category. However, our efforts to evaluate opportunities and identify the most optimal solutions to benefit from potential gains continue.

Scenario Analysis and Assessment of Future Impacts

A study was conducted to determine how the identified material risks will affect ŞOK Marketler in 2030 and 2050 according to different climate scenarios in terms of operations, upstream and downstream value chains.

In selecting climate scenarios, we adopted an approach based on the warming levels likely to occur globally by the end of the century. In this context, we considered both optimistic and pessimistic scenario alternatives, taking into account the uncertainties surrounding the possible severity and speed of climate change.

As an optimistic scenario, we evaluated a future projection in which global warming remains below 2°C; as a pessimistic scenario, we evaluated a more negative scenario in which average temperature increases occur between 3.5°C and 4°C due to the effects of global warming.

In the scenario analyses, the scenario outputs and analysis tools published by the **Intergovernmental Panel on Climate Change (IPCC)** and the **Network of Central Banks and Supervisors for Greening the Financial System (NGFS)** formed our primary reference sources. As a result, we conducted an analysis process that is internationally recognized, scientifically grounded, and aligned with the expectations of various stakeholders.

	<2°C warming by the end of the century	3.5–4°C warming by the end of the century
IPCC	RCP 2.6	RCP 4.5 RCP 6.0
NGFS	Below 2°C	Current Policies

Possible Trends According to Climate Scenarios

At ŞOK Marketler, within the scope of the optimistic and pessimistic climate scenarios we have identified, we have conducted a future-oriented trend analysis by considering the environmental, social, and financial impacts of changes in different trends on the material risks with projections for 2030 and 2050.

Under optimistic and pessimistic scenarios for 2030 and 2050;

- Social trends such as population growth, agricultural demand, customer and consumer preferences were examined; the increase in demand for agricultural products and population growth were included in the scenario analysis and evaluated under two different scenarios.
- Environmental trends like factors that could affect extreme weather events, changes in agricultural productivity and temperature increases have been examined; Potential changes in rainfall patterns that could affect flood disasters, extreme rainfall, rainfall amounts, areas affected by river flooding, temperature increases, and intensification of flood impacts have been assessed under two different scenarios.

	<2°C warming by the end of the century	3.5–4°C warming by the end of the century
Transition Risks	High level	Low-Medium level
Physical Risks	Medium level	High level
Policy Changes	Smooth and Fast Conversation	Current Policies

Governance

Corporate Risk Management

We monitor and track our corporate risk management process in coordination with the Corporate Risk Management Directorate, which is affiliated with Yıldız Holding Global Internal Audit. In our work on risks that may affect ŞOK Marketler's operational and support processes, we aim to identify all threats that may affect our business model and strategic goals in a comprehensive and thorough manner.

When identifying risks, our priority is always to ensure that threats that could affect ŞOK Marketler's business model and strategy are not overlooked. To this end, the risk management process begins with an examination of the company's strategic objectives and continues with the guidance of senior management and detailed analyses by subject matter experts. All risks that could prevent the achievement of these objectives are identified through one-on-one interviews and detailed analysis workshops. In particular, in detailed analysis workshops involving multiple stakeholders and identifying root causes of risk, brainstorming approaches and bow-tie analysis methods ensure that various risk triggers are identified in a comprehensive manner. We treat risks not only as something negative, but also as something educational through analysis and action, and we also evaluate the opportunities that may arise from risks.

Our risk management activities are carried out through the **Early Detection of Risk Committee**, which operates within our Board of Directors and is one of the fundamental elements of an effective risk management structure. The rules governing the working principles and formation of our Committee, which is responsible for establishing and developing the Corporate Risk Management System, are detailed in the document entitled "Early Detection of Risk Committee Duties and Working Principles." The Committee meets at least six times a year, every two months, to review the general risk agenda. In addition, the Committee may invite the management of ŞOK Marketler, relevant employees, including employees of subsidiaries, related people, internal or independent auditors, representatives of organizations, or independent experts to meetings to obtain their opinions on the risk agenda, as deemed necessary.

As a result of assessing the identified risks, we determine the priorities among risk areas based on the severity and impact of the risks, and develop and implement actions that can be taken for material risks with the assessments and resource allocations of risk owners. Key Risk Indicators (KRI) tools, which are an important input for risk assessment, are used to monitor and report changes in the impact and likelihood of risks from a dynamic perspective. Qualitative assessment, expected state financial impact calculations, scenario analysis, and other methods are used for risk assessment depending on the type and importance of the risk.

All resources and support required during the Committee's activities are provided by the Board of Directors; the Committee prepares reports on its findings and recommendations within the scope of its basic objectives and submits them to the Board of Directors.

Our Early Detection of Risk Committee held six meetings in 2024 with a 100% participation rate.

You can find members of the Early Detection of Risk Committee on page 83 of the 2024 Annual Report.

Within our risk approach, we categorize our risks into five main categories. These categories include **strategic risks**, which include factors such as regulations that may affect our sales and growth targets or restrict our business; **financial risks**, which include effects such as access to resources and cost increases; **operational risks**, which include situations that may threaten our business continuity and operational performance; **compliance risks** arising from legal obligations or lawsuits that could result in the loss of our ability to operate; and **other risks** related to **sustainability**, **climate change**, occupational health and safety, corporate image, and fraud.

We manage our sustainability and climate change-related risks under the supervision of the **Early Detection of Risk Committee** and the **Sustainability Committee**. Climate-related risks are addressed at

Early Detection of Risk Committee meetings when they require agenda items. The detailed assessment process of risks included in the meeting agenda involves the participation of the Sustainability Committee member responsible for the risk and representatives from relevant departments. Additionally, representatives from the Yıldız Holding Risk Management Directorate attend these meetings to provide expert input. When making new investment decisions or determining necessary action steps within our company, the assessments conducted in these meetings are taken into consideration.

Within the scope of our climate-related risks, fundamental tasks are carried out by the **Sustainability Committee,** and Committee report on risks related to the Early Detection of Risk Committee. This aims to ensure that climate change-related risks are monitored within high-level governance mechanisms and that necessary actions are taken in a timely manner.

Sustainability Governance

We effectively manage sustainability-related issues through our Sustainability Committee, which reports to our Executive Board, representing the company's senior management. The Sustainability Committee is chaired by our **CEO** and co-chaired by our **CFO**. The role of decision-making regarding mechanisms for assessing, monitoring, and mitigating climate-related risks is carried out by our Sustainability Committee, while the decisions made by the Sustainability Committee are implemented by **Sub-Working Groups** composed of managers and employees from the Quality, CEO Office, and Loss Prevention Group Directorate.

Name Surname	Mission	Competencies
Uğur Demirel	CEO – Committee Chairman	Financial, Strategic, Sectoral, Sustainability, Corporate Governance, Production, Quality, Sales, Marketing
Ziya Kayacan	CFO – Committee Vice Chairman	Financial, Strategic, Sectoral, Sustainability, Corporate Governance, Audit, Risk Management
Bülent Ömürlü	Sales Operations Group Director	Sectoral, Sales, Marketing
Mustafa Kurtçu	Projects and Business Development Director	Sectoral, Strategic, Sales, Marketing, Digitalization, Innovation
Tuncer Konak	CHRO	Sectoral, Human Resources
Aytaç Tombaz	Information Technologies Director	Sectoral, Information Technology, Digitalization, Innovation
Özgen Yazgan	Supply Chain Director	Sectoral, Supply Chain, Logistics
Hidayet Calayır	E-Commerce Director	Sectoral, E-Commerce
Alev Yaman	Quality and Product Safety Director	Sectoral, Sustainability, Production, Quality, Food
Kenan Hatipoğlu	Construction, Technical Procurement and Investment Director	Sectoral, Technical Procurement
Nilhan Gülbahçe*	Marketing Director	Sectoral, Sales, Marketing, Corporate Management
İsmail Özen*	General Manager of Trade	Sectoral, Commercial Purchasing, Sales, Marketing
Sena Altıntaş	Investor Relations Manager	Financial, Data Analytics
Hakan Şentürk	Sustainability Manager – Committee Secretariat	Sustainability, Environmental Management, Logistics

* İsmail Özen ve Nilhan Gülbahçe left ŞOK Marketler as of 31.12.2024. In 2025, Uğur Baykaler was appointed as Marketing Director and Murat Namtı joined our company as Group Director of Trade

The details of the tasks and responsibilities of our Sustainability Committee, which meets periodically, regarding sustainability, climate-related risks, and opportunities are as follows:

- Define the sustainability strategy, roadmap, policies, short-, medium-, and long-term goals, and performance metrics
- Reorganize, implement, monitor, and audit all sustainability-related processes in accordance with the current situation, and submit them to the Board of Directors for approval when necessary
- Identify risks and opportunities related to environmental, social, and corporate governance issues and manage them proactively
- Evaluate analyses of the financial impacts of risks related to social, environmental, and corporate governance issues and approve material risks
- Support and implement projects aimed at reducing carbon emissions in business processes as part of the combatting climate change
- Inform employees about sustainability and ensure that the strategy, policy, and targets are internalized
- Authorize and coordinate sub-working groups within the scope of the work,
- Manage processes related to the compliance of our activities with national regulations and standards, as well as international standards

Within the scope of identifying sustainability and climate-related risks and opportunities, establishing their connection with strategy, evaluating analyses of their financial impacts, determining priority risks and opportunities, and working on optimistic and pessimistic climate scenarios around priority risks, our Sustainability Committee held meetings in 2024 with the participation of our independent consultant and relevant teams.

The Impact of Sustainability and Climate-Focused Performance on Compensation

At ŞOK Marketler, we have been implementing the **OKR (Objectives and Key Results)** methodology since 2023. This methodology is a completely data-driven, systematic, measurable, and unbiased tool that enables us to evaluate the performance of our employees and managers in terms of their competencies and their progress toward achieving their goals from an objective and fair perspective.

With OKR targets set twice a year in six-month periods, we integrate the goals of all our employees, from the highest level to the entry level, and align them with our corporate goals. In addition, the targets within the scope of OKR affect the salaries (including bonuses) and promotions of our employees and managers as part of their performance evaluations.

The performance targets of the Sustainability Committee members include sustainability-focused elements. While our CEO and CFO's objectives include ensuring the sustainability of rapid growth, other committee members have targets and performance indicators related to supporting a sustainable organizational structure, developing sustainability projects in quality and product development, and improving our sustainability index and ensuring the long-term sustainability of all critical processes in the management of sustainability functions.

We are continuing our efforts to set measurable targets across the company in terms of climate-related risks and opportunities. In this context, we are taking the necessary steps to strengthen the data infrastructure in relevant areas and enable comprehensive analysis. In the coming period, we plan to integrate climate-related risks and opportunities into our performance management processes in line with the concrete targets we will set.

Risk and Opportunity Management

Climate-related risks and opportunities are identified as a result of the steps outlined in the [Material Risk and Opportunity Analysis] section. A risk assessment process involving qualitative and quantitative steps has been carried out, and materiality has been performed within the scope of the identified risks and opportunities.

As a result, two material risks related to climate have been identified and require disclosure of relevant information, while the opportunities assessed have not been materialized. Both of these risks have been mapped as physical risks under the categorization of the Task Force on Climate-related Financial Disclosures (TCFD). The judgments applied to identify material information related to sustainability risks and opportunities will be reassessed at each reporting date.

The summary table below provides brief information on the definition, term, value chain impact, and measures taken to address climate-related material risks. Detailed analysis and information on the risks are provided separately for each risk in the Climate-Related Risks section.

Climate Risks	Definition	Measures	TCFD		Value Chain Step
			Risk Group	Risk Type	
Loss of Agricultural Yield due to Climate Change	In Türkiye, it is predicted that as we approach 2050, all regions will experience a decline in agricultural productivity due to the effects of climate change, such as high temperatures, loss of fertile agricultural land, and chronic changes in rainfall patterns. In this situation, ŞOK Marketler may face potential challenges in ensuring the availability of agricultural products it offers to customers from farm to table, which could lead to a reduction in the supply of agricultural products reaching the final consumer and, ultimately, a decrease in revenue.	Local Procurement Fair Agriculture From Farm to Table Project Residue-Free Agriculture Project	Physical	Chronic	Upstream
Extreme Precipitation and Flood Disaster	According to the Annual Climate Assessment Reports of the Turkish State Meteorological Service, the most dangerous and damaging extreme weather events in Türkiye are severe rainfall and flooding. Heavy rainfall and flooding that have occurred or are likely to occur may cause physical damage to ŞOK Marketler's stores and warehouses in the relevant geographical regions, as well as disruptions in store operations.	Insurance Business Continuity Measures Occupational Health and Safety Trainings	Physical	Acute	Operations

Climate-Related Risks

The general process followed to identify, assess, prioritize, and monitor climate-related risks is part of the general process described in the **Governance** section. ŞOK Marketler follows a structured approach to identify and assess climate-related risks, utilizing various inputs and parameters such as historical climate data and forecast models. As part of this approach, a STEEPS analysis was conducted to evaluate social, technological, economic, ecological, and political factors. This analysis was specifically evaluated within the scope of the use of climate-related scenario analyses.

TSRS compliant sustainability reporting covers the effects of risks that may not yet be reflected in financial statements. As a result, ŞOK Marketler may conclude that certain information is important in the context of sustainability reporting, even if it is not important for financial statements, due to the future-oriented nature of sustainability disclosures and the risks and opportunities arising in the value chain.

Loss of Agricultural Yield due to Climate Change

Due to the effects of climate change, such as high temperatures, loss of fertile agricultural land, and chronic changes in rainfall patterns, it is predicted that there will be a loss of productivity in agricultural production in almost every region of Türkiye in the medium and long term.

ŞOK Marketler's product portfolio includes a wide range of agricultural and agriculture-based products, from farm to table, including fruits and vegetables, rice, legumes, and olives. A decline in agricultural production efficiency could lead to supply chain disruptions for these products, potentially causing shortages in their availability and, ultimately, posing a risk to the revenue ŞOK Marketler generates from these products.

Impact on Operations and the Value Chain

ŞOK Marketler directly sources the agricultural products it offers to its customers from approximately 500 farmers producing in different regions of Türkiye as of 2024, through a contract purchasing model.

Increasing temperatures, prolonged droughts, and irregular rainfall patterns associated with climate change may adversely affect the production capacity of farmers who are part of our current and potential supplier diversity. Yield losses in agricultural production due to these conditions may disrupt product availability and supply continuity.

Any issues with product availability could directly impact ŞOK Marketler's sales volume and revenue in these product groups. Additionally, the need to allocate more resources and effort to sourcing agricultural products could put pressure on the company's profitability. If production-related supply shortages persist in the long term, it may become increasingly challenging to meet customer expectations and maintain competitive strength in the market.

Strategic Impact and Preventive Activities

ŞOK Marketler prioritizes supporting local producers to ensure the availability of agricultural products and reduce supply risks. As part of this initiative, the **"Fair Agriculte From Farm to Table Project"** is being implemented to establish direct communication with farmers throughout the entire process, from seed to harvest, provide guidance and information on efficient agricultural practices, conduct training programs, and offer purchase guarantees to producers to alleviate production concerns. Furthermore, by making payments upfront, commission deductions and interest rate differentials are prevented, and early payment options backed by letters of guarantee are offered to support production costs.

Within the scope of the project, agricultural engineers also provide training to farmers on disease control, environmentally friendly agricultural practices, and controlled use of pesticides. **In 2024, a total of 125 hours of training was provided to 250 farmers.** To ensure product quality and environmental standards, regular pesticide (residue) analyses are conducted, and necessary measures are taken against identified soil contamination, with producers being informed accordingly. **In 2024, 199 pesticide analyses were conducted.**

Financial Impact

Climate change, along with rising temperatures and changes in rainfall patterns, may lead to potential losses in agricultural productivity, which could make it difficult for ŞOK Marketler, a company operating in the retail sector, to maintain the sustainability of product availability in its supply chain. It is estimated that the decline in agricultural productivity due to climate change, coupled with challenges in product availability, could lead to a decrease in sales volume and a reduction in revenue directly derived from agricultural products, thereby impacting financial performance.

The decrease in revenue may have a downward effect on EBITDA. The decline in profitability may also affect the company's cash position. However, since the impact on inventory and trade payables is expected to be below the materiality threshold and to offset each other, the net effect will be reflected in cash flow from operating activities. As a result, there is a risk of deterioration in cash flow and a decline in the level of cash held at the end of the period.

In the current period, no significant impact on ŞOK Marketler's financial statements has been identified in line with the short-term effects of the risk of agricultural yield losses due to climate change. The main reasons for this include the company's extensive purchasing network, which sources from different regions and a large number of producers, and the high volume of agricultural products traded. Furthermore, it is anticipated that any potential losses in agricultural productivity during the current period will be qualitatively consistent with short-term effects and will have similar reflections on the financial statements.

Scenario Analysis and Resillience

To understand and assess the potential impacts of the loss of agricultural yield due to climate change on the company's operations, a climate scenario analysis was conducted using two different scenarios. The developed scenarios include analyses based on the Representative Concentration Pathways (RCP) prepared by the Intergovernmental Panel on Climate Change (IPCC) and the optimistic and pessimistic scenarios prepared by the Network for Greening the Financial System (NGFS), which are used in climate modeling and projections.

The expected impact of risk on financial performance and cash flows is explained as a percentage of estimated revenue and EBITDA for the relevant period, assuming that the impact on financial performance and cash flows will be similar. Information on revenue estimates can be found in the Assumptions and Uncertainties section of the report.

<table>
<tr><th colspan="3">Impact on ŞOK Marketler</th></tr>
<tr><th rowspan="2">Strategic Impact</th><th colspan="2">Financial Impact (Annual)</th></tr>
<tr><th><2°C Scenario</th><th>3.5-4 °C Scenario</th></tr>
<tr><td>According to the analyses conducted, it is likely that climate change-induced agricultural productivity losses will occur in both optimistic and pessimistic scenarios in Türkiye. However, no data has been obtained indicating that agricultural productivity losses differ in the short term and by 2030 under optimistic and pessimistic scenarios; it has been concluded that agricultural productivity losses differ under optimistic and pessimistic scenarios by 2050 and beyond.

As mentioned in the Strategic Impact and Preventive Activities section, ŞOK Marketler is currently able to manage this risk. In the event of an unforeseen loss of agricultural productivity, it may need to allocate more resources to methods such as turning to alternative supply sources and increasing supply diversity in order to mitigate the effects of this risk.</td><td>Short Term

Revenue - 0.603%
EBITDA Impact* - 0.030%

Medium Term (2030)

Revenue - 0.653%
EBITDA Impact* - 0.033%

Long Term (2050)

Revenue - 0.904%
EBITDA Impact*- 0.045%</td><td>Short Term

Revenue - 0.603%
EBITDA Impact* - 0.030%

Medium Term (2030)

Revenue - 0.653%
EBITDA Impact* - 0.033%

Long Term (2050)

Revenue - 1.004%
EBITDA Impact* - 0.050%</td></tr>
</table>

* EBITDA impact excluding TFRS 16 effect.

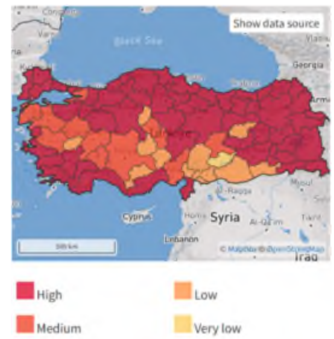
Extreme Precipitation and Flood Disaster

According to the Annual Climate Assessment Reports of the Turkish State Meteorological Service, the most dangerous and damaging extreme weather events in Türkiye in 2023 and 2024 were extreme precipitation and flooding, with rates of 38% and 35%, respectively.

In the event of extreme precipitation and flooding in relevant geographical regions, physical damage may occur in ŞOK Marketler stores and warehouses. Additionally, operational disruptions may occur in stores due to extreme precipitation and flooding. Such natural disasters may result in additional costs for ŞOK Marketler due to the exclusions in insurance policies taken as a precautionary measure.

Impact on Operations and the Value Chain

As of 2024, ŞOK Marketler operates 10,981 stores across all 81 provinces of Türkiye. According to analyses conducted using Think Hazard tool, 9%* of of the locations where ŞOK Marketler stores are located are considered high-risk areas for urban flooding across all provinces and districts of Türkiye.



As analyzed by Think Hazard, extreme precipitation and flooding, may cause physical damage to stores located in high-risk areas in the event of a flood. Additionally, such disasters may result in temporary disruptions to store operations. Revenue losses resulting from operational disruptions and physical damage are covered by insurance; however, due to exclusions in insurance contracts, there is a possibility of incurring additional costs and revenue losses related to flood risks.

Strategic Impact and Preventive Activities

ŞOK Marketler has taken insurance measures against natural disaster risks in order to reduce the impact of extreme precipitation and flooding on its operational processes. The insurance contracts concluded in this context provide protection against potential financial losses by covering physical damage and operational interruptions. However, the exemption clauses in the insurance contracts do not completely eliminate the impact of the risk but rather mitigate it.

In addition, regular training is provided to employees as part of occupational health and safety practices. As of 2024, a total of **230,841 hours** of OHS training has been conducted, with an average training duration of **4.67 hours** per employee. The training content also includes information on **emergencies and natural disasters**, thereby increasing the **level of preparedness** of employees in the event of disasters.

Financial Impact

It has been assessed that adverse conditions that may occur in stores located in areas at high risk of extreme precipitation and flooding as a geographical effect could lead to temporary operational interruptions and physical damage. Operational disruptions may result in a decrease in sales due to the temporary suspension or disruption of store operations. This situation may have a negative impact on EBITDA.

In addition, the occurrence of physical damage caused by floods can also increase costs and negatively affect profitability. These effects can also be directly reflected in cash flow and may lead to a decrease in the level of cash generated from operating activities at the end of the period. Furthermore, it has been assessed that the significance level of the impact that this risk could have on the balance sheet is below the materiality threshold.

During the current period, there has been no operational disruption or physical damage caused by flooding in the locations where ŞOK Marketler operates. Therefore, the aforementioned risk has not had

* According to Think Hazard data, 9% of ŞOK Marketler stores are located in areas with a high risk of urban flooding. This finding does not indicate that these stores are likely to be directly affected by flooding, but only that their geographical location carries a high level of risk.

a direct impact on the financial statements; the financial impact relates to insurance measures taken in response to the flooding. Expenses related to insurance measures during the current period are included in the "Other Expense Items" section of the financial statement footnote under "22. Marketing, Sales, and General Administration Expenses" on page 158 of the Annual Report. In addition, it is estimated that any losses incurred in the current period due to extreme precipitation and flooding will be qualitatively similar to the short-term effects and will have similar impacts on the financial statements.

Scenario Analysis and Resillience

To understand and assess the potential impacts of extreme precipitation and flooding on the company's operations, a climate scenario analysis was conducted using two different scenarios. The developed scenarios are based on analyses of the Representative Concentration Pathways (RCP) prepared by the Intergovernmental Panel on Climate Change (IPCC) and the optimistic and pessimistic scenarios prepared by the Network for Greening the Financial System (NGFS), which are used in climate modeling and projections.

The expected impact of risk on financial performance and cash flows is explained as a percentage of estimated revenue and EBITDA for the relevant period, assuming that the impact on financial performance and cash flows will be similar. Information on revenue estimates can be found in the **Assumptions and Uncertainties** section of the report.

Impact on ŞOK Marketler		
Strategic Impact	Financial Impact (Annual)	
	<2°C Scenario	3.5-4 °C Scenario
According to reports from the Turkish State Meteorological Service, extreme precipitation and flooding disasters occur every year in Türkiye. In the optimistic scenario, extreme precipitation and flooding disasters are likely to continue at similar levels, while in the pessimistic scenario, an increase in the frequency and severity of flooding disasters is likely. However, no data has been obtained indicating that the potential increase in operational disruption duration and physical damage caused by extreme precipitation and flooding disasters under optimistic and pessimistic scenarios will differ in the short term and by 2030; It has been concluded that the effects of extreme precipitation and flooding disasters will differ between the optimistic and pessimistic scenarios after 2050. As mentioned in the **Strategic Impact and Preventive Activities** section, ŞOK Marketler is currently taking measures to mitigate the effects of this risk. In the event of an increase in the impact of the risk in the pessimistic scenario, ŞOK Marketler may need to allocate additional resources under its insurance measures.	**Short Term** Revenue - 0.049% EBITDA Impact* - 0.0061% **Medium Term (2030)** Revenue - 0.051% EBITDA Impact* - 0.0062% **Long Term (2050)** Revenue - 0.107% EBITDA Impact* - 0.013%	**Short Term** Revenue - 0.049% EBITDA Impact* - 0.0061% **Medium Term (2030)** Revenue - 0.051% EBITDA Impact* - 0.0062% **Long Term (2050)** Revenue - 0.201% EBITDA Impact* - 0.024%

* EBITDA impact excluding TFRS 16 effect

Assumptions and Uncertainties

The scenarios used in the preparation of the TSRS Report contain certain uncertainties related to sustainability. In addition, certain assumptions have been made in the processes of prioritizing climate-related risks and opportunities, calculating financial impacts, and conducting scenario analysis, as well as in the processes of determining financial impacts and conducting geographical analysis. These assumptions and uncertainties were made when data access constraints existed, when data related to certain stakeholders in the value chain was unavailable, and when future-oriented data was required.

When materialization climate-related risks and opportunities, unidentified events were considered, and the potential impacts on the company were assessed if such risks were to occur. Decisions were made in collaboration with management to determine the likelihood of risk occurrence. Similarly, the impact of the relevant **risk on the company's finances** has been assessed by examining which financial focus areas on the balance sheet would be affected if the risk were to materialize.

In particular, estimates were made for data that could not be directly measured in the calculation of the financial impact of climate-related risks and opportunities, and in **scenario analyses**, global average values were used when data specific to Türkiye was not available.

In accordance with the Turkish Sustainability Reporting Standards (TSRS) **TSRS 2 Climate-Related Disclosures, paragraph 19 (a)(b)**, it has been determined that, due to the high level of uncertainty inherent in the nature of the risks throughout the process, the impact of risks on the financial position, financial performance, and cash flows is not material and that separate disclosure would not be useful. In this context, quantitative information on the combined financial impact of the risk is disclosed under the "Scenario Analysis and Resilience" heading for the relevant risk, while qualitative information on the financial impacts of the relevant risk is disclosed under the "Financial Impact" heading, in accordance with **TSRS 2 Climate-Related Disclosures paragraph 21 (b)(c)**.

Loss of Agricultural Yield due to Climate Change

- Since no clear data is available on the potential loss of productivity due to climate change, conclusions[1] based on scenario analysis and the expected temperature increase in Türkiye, as determined by a literatüre review[2], were used to calculate the annual loss of agricultural productivity. It has been assumed that the annual agricultural productivity loss will be 9% in the short term, 9.75% in 2030, and 13.5% in the optimistic scenario and 15% in the pessimistic scenario in 2050.
- Considering the potential loss of agricultural productivity due to climate change, a 5% margin impact has been applied to the potential revenue loss, taking into account the dynamics of the retail sector, which is our company's area of activity, and our managerial experience..
- For the projection of potential revenue growth in future periods, the real growth effect has not been taken into account, and calculations have been made based on the Turkish Central Bank's inflation forecasts.

Extreme Precipitation and Flood Disaster

- Based on the Turkish State Meteorological Service's 2023 and 2024 Annual Climate Assessment Reports, it has been assumed that operational disruptions will last for 2 days due to a potential flood disaster.
- The amount of physical damage caused by extreme precipitation and flooding was calculated by taking into account past events, averaging the physical damage from three different incidents, and considering the deductibles in insurance policies.
- Since no clear data was available on the likely increase in operational interruption duration due to extreme precipitation and flooding in optimistic and pessimistic climate scenarios, caltulations were made for the increase in operational interruption duration and physical damage based on information obtained from a literature review[3].
- Based on the growth strategy, it is assumed that the total number of stores will increase by approximately 3% each year, and that the number of stores located in flood-prone areas will increase by 1%, given that flood risk is not the same in all provinces and districts of Türkiye.

1 Absolute change in mean air temperature in Türkiye, **Climate Impact Explorer**
2 Effects of Climate Change on Agriculture, **Wikipedia**
3 Summary for Policymakers, **IPCC AR6**

- For the projection of potential revenue growth in future periods, the real growth effect has not been taken into account, and calculations have been made based on the Turkish Central Bank's inflation forecasts.
- Within the scope of operational disruptions caused by the flood disaster, a 5% margin effect has been applied to the potential loss of revenue, taking into account the dynamics of the retail sector in which our company operates and our management experience.

Targets and Metrics

This year, the process of assessing climate-related risks and opportunities was carried out for the first time in 2024. As stated in the **Governance** section of the report, the process of setting targets and performance measures in line with these targets to mitigate the effects of climate-related risks and increase ŞOK Marketler's resilience to these risks is ongoing as of 2024. The aim is to complete the process of setting these targets and performance metrics aligned with them in the coming periods.

Data	2024
Scope 1 – Greenhouse Gas Emissions (tonnes CO2e)	23,186
Scope 2 – Greenhouse Gas Emissions (tonnes CO2e)	270,364
Scope 1 + 2 - Greenhouse Gas Emissions (tonnes CO2e)	**293,550**

Unless otherwise stated and deemed necessary by TSRS S2, ŞOK Marketler measures its greenhouse gas (GHG) emissions in accordance with the GHG Protocol. The metrics disclosed are based on activity data obtained from third parties, fossil fuel-based emission factors are sourced from the IPCC, and are not country-specific, therefore they have low uncertainty.

Details regarding definitions and calculation methodologies related to emission calculations can be found under the heading "**Reporting Boundaries**".

Work on calculating Scope 3 emissions is ongoing, and no related disclosure is being made for this year in accordance with the TSRS 2 standard. Additionally, ŞOK Marketler is not included in any carbon pricing system in its operational activities. Furthermore, there are no carbon credits accumulated or purchased during the reporting period, and carbon pricing is not applied.

Metrics

<table>
<tr><th>Metric Name</th><th>2024 Performance</th><th>Related Risk</th><th>Explanation</th></tr>
<tr><td>Number of farmers engaged in contract farming activities (#)</td><td>500</td><td rowspan="5">Loss of Agricultural Yield due to Climate Change</td><td rowspan="5">Among our high-priority issues, we have many activities within the scope of Supporting Sustainable Agriculture and Soil Protection.

Thanks to our activities in this area and the diversity of the farmers we work with, we strive to minimize the impact of risks related to the availability of agricultural products.

The establishment of targets for the metrics included in the report is planned for future periods.</td></tr>
<tr><td>Fair Agriculture from Farm to Table Project - Number of Farmers (#)</td><td>452</td></tr>
<tr><td>Fair Agriculture From Farm to Table Project - Number of Farmers Receiving Sustainable Agriculture Training (#)</td><td>250</td></tr>
<tr><td>Fair Agriculture from Farm to Table Agriculture Project - Sustainable Agriculture Training Hour (hour)</td><td>125</td></tr>
<tr><td>Number of Pesticide Analyses (#)</td><td>199</td></tr>
</table>

Number of stores at risk of urban flooding area (#)	972	Extreme Precipitation and Flood Disaster	We have insurance measures in place covering our stores and warehouses to mitigate the effects of risks arising from extreme precipitation and flooding. The establishment of targets for the metrics included in the report is planned for future periods.
Number of Stores Covered by Insurance (#)	10,981		
Number of Warehouses Covered by Insurance (#)	45		

Post-Reporting Events

Following the reporting period, there have been no events that could affect our climate-related risk and opportunity assessments, our materialities, or the financial impacts.

Financial events that occurred after the reporting period are disclosed in the 2024 Annual Report on page 175, in footnote 32 titled "Events After the Reporting Period."

CONVENIENCE TRANSLATION INTO ENGLISH OF PRACTITIONER'S LIMITED ASSURANCE REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON ŞOK MARKETLER TİCARET A.Ş.'S AND ITS SUBSIDIARIES SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Şok Marketler Ticaret A.Ş.

We have undertaken a limited assurance engagement on Şok Marketler Ticaret A.Ş. and its subsidiaries (collectively referred to as the "Group"), sustainability information for the year ended 31 December 2024 in accordance with Turkish Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkish Sustainability Reporting Standards 2 "Climate Related Disclosures" ("Sustainability Information").

Our assurance engagement does not extend to information in respect of earlier periods or other information linked to the Sustainability Information (including any images, audio files, document embedded in a website or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Sustainability Information for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023, and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the "POA") . We do not express an assurance conclusion on information in respect of earlier periods.

Inherent Limitations in Preparing the Sustainability Information

As discussed in Sustainability Information, Assumptions and Uncertainties Section is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

Responsibilities of Management and Those Charged with Governance for the Sustainability Information

Management of Şok Marketler Ticaret A.Ş. are responsible for:

- The Group management is responsible for the preparation of the sustainability information in accordance with Turkish Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- The Group Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

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

Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of Şok Marketler Ticaret A.Ş..
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of Sustainability Information.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and, in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements, issued by POA.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Ethical Rules for Independent Auditors (including Independence Standards) (the ''Ethical Rules'') issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk experts. We used the work of experts, in particular, to assist with determining the reasonableness of Group's information and assumptions related to climate and sustainability risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- Inquiries were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period
- The Group's internal documentation was used to assess and review the information related to sustainability;
- Considered the presentation and disclosure of the Sustainability Information.

- Through inquiries, obtained an understanding of Group's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether Group's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates;
- Obtained understanding of process for identifying risks and opportunities that are financially significant, along with the Group's sustainability reporting process.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

Sertu Talı, SMMM
Independent Auditor

Istanbul, 12 September 2025

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THIS IS OUR WORLD

YILDIZ HOLDING