

2025 TNFD Report

Taskforce on Nature-related Financial Disclosures



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INTRODUCTION



ABOUT THE REPORT

The nature-related assessment in this report was conducted using the TNFD's LEAP (Locate, Evaluate, Assess, Prepare) approach.

Ülker Bisküvi Sanayi A.Ş. ("the Company") treats its interaction with nature and ecosystems as a strategic priority in line with sustainable food production, responsible sourcing of agricultural raw materials, and a circular economy approach. Aware of the importance of natural capital and ecosystem services for business continuity due to its agricultural raw material-based value chain, the Company integrates nature-related dependencies, impacts, risks, and opportunities into its corporate decision-making processes.

The Company has developed its sustainability approach in accordance with national and international reporting frameworks such as the GRI Standards, the Sustainability Accounting Standards Board (SASB), the Turkish Sustainability Reporting Standards (TSRS), and the Task Force on Climate-related Financial Disclosures (TCFD).

As part of the LEAP assessment, the Locate phase identified the geographies where the Company interfaces with nature and screened for sensitive locations. The Evaluate phase examined dependencies and impacts on nature across operations and the value chain. The Assess phase identified and assessed the physical and transition risks and nature-related opportunities arising from those dependencies and impacts. The Prepare phase considered how the Company should respond to the findings and report material nature-related issues through its governance, strategy, risk and impact management, and metrics and targets.

The assessment covers the Company's 13 production facilities located in Türkiye, Saudi Arabia, Egypt, and Kazakhstan, as well as their upstream and downstream value chains.

Priority agricultural raw materials—particularly wheat, sugar, vegetable oil, cocoa, and hazelnuts, which have relatively high dependence on nature and potential impacts on it—were also specifically addressed. Production facilities and raw material sourcing regions were assessed on a location-by-location basis in terms of nature-related impacts and risks, such as water availability and water stress, ecosystem integrity, pollinator services, land-use change, deforestation, and pollution.

Internationally recognized data sources and analytical tools—such as the WWF Biodiversity Risk Filter, the WRI Aqueduct Water Risk Atlas, the WWF Water Risk Filter, and ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure)—were utilized to identify nature-related dependencies, impacts, and risks.

Incorporating the results of these analyses into the corporate risk inventory, investment evaluations, supplier management, and strategic planning supports the approach outlined in the Kunming-Montreal Global Biodiversity Framework (GBF)—particularly under Target 15—which calls on companies to assess and transparently disclose nature-related dependencies, impacts, and risks. In translating the identified priorities into action, the Science-Based Targets Network's (SBTN) AR3T Action Hierarchy is used as a reference. The steps—Avoid, Reduce, Regenerate, Restore, and Transform—guide the prioritization of actions ranging from deforestation-free and traceable sourcing to water and resource efficiency, from regenerative agriculture and agroforestry to ecosystem restoration, sustainable packaging, and circular economy practices.

In the subsequent sections of the report, the Company's resilience is assessed under various physical and transition risk scenarios in terms of supply chain security, resource efficiency, investment priorities, and long-term business continuity. Thus, the report transparently illustrates how nature-related findings are incorporated into decision-making processes and how opportunities supporting nature-positive transformation are developed.



SCOPE OF THE REPORT

The report covers the period from January 1, 2025, to December 31, 2025. The reporting scope includes Ülker Bisküvi Sanayi A.Ş. and its fully consolidated subsidiaries, comprising a total of 13 production facilities: nine in Türkiye, two in Saudi Arabia, one in Egypt, and one in Kazakhstan. Nature-related assessments cover not only direct operations but also the regions of origin from which key agricultural raw materials are sourced, as well as relevant upstream and downstream value chain elements.

The Company does not engage in direct operational activities in the upstream or downstream stages of the value chain. No direct agricultural activities are conducted in the upstream value chain; agricultural raw materials are procured through suppliers. Logistics operations in the downstream value chain are carried out by third-party service providers.

In line with the TNFD framework's recommendation to consider upstream and downstream value chain stages in risk and opportunity assessment processes, these stages are included in the scope of the assessment. The assessments aim to monitor indirect environmental risks that may arise from the supply network and minimize potential impacts.



PRODUCTION FACILITIES



TÜRKİYE PRODUCTION NETWORK – 9 FACTORIES

- **Silivri, İstanbul Factory**
Chocolate and chocolate-covered biscuits
(Capacity: 30,000 tonnes/year)
- **Topkapı, İstanbul Factory**
Chocolate, cocoa powder, chocolate drops, flakes, and couverture chocolate (Capacity: 229,000 tonnes/year)
- **Topkapı, Önem Branch İstanbul Factory**
Cocoa derivatives and chocolate dough
(Capacity: 152,000 tonnes/year)
- **Ankara Factory**
Biscuit, wafer, cracker
(Capacity: 159,000 tonnes/year)
- **Ankara, Akyurt Branch Factory**
Flour
(Capacity: 255,000 tonnes/year)
- **Gebze, Kocaeli Factory**
Biscuit, cracker, cake
(Capacity: 189,000 tonnes/year)
- **Giresun, Keşap Factory**
Hazelnut derivatives
(Capacity: 6,000 tonnes/year)
- **Karaman Factory**
Bakery products and chocolate
(Capacity: 220,000 tonnes/year)
- **Karaman, Flour Factory**
Flour
(Capacity: 75,000 tonnes/year)



INTERNATIONAL PRODUCTION NETWORK – 4 FACTORIES

- **Kazakhstan Factory**
Biscuits, chocolate, cake
(Capacity: 35,000 tonnes/year)
- **Egypt Factory**
Biscuits
(Capacity: 51,000 tonnes/year)
- **Saudi Arabia Factory (pladis Arabia Food)**
Biscuits, chocolate, cake
(Capacity: 49,000 tonnes/year)
- **Saudi Arabia Factory (pladis Arabia International)**
Biscuits and chocolate
(Capacity: 21,000 tonnes/year)

13

Total Number of Factories

1.47 million tonnes/year

Total Production Capacity

ÜLKER AT A GLANCE

124,508 tCO₂e

Scope 1 + 2 Market-Based Emissions

2,576,802 GJ

Total Energy Consumption

91%

Percentage of Renewable Energy

0.57%

Net Food Loss Rate

19,160 m³

Water Recovered in 2025

37%

Reduction in Unit Water Consumption Compared to 2014

19,498 tCO₂ e

Logistics Emissions Reduced Compared to 2019

83%

Domestic Agricultural Raw Materials (by Tonnage)

6,860 Decares

Regenerative Agriculture Area

DECARBONIZATION ROADMAP AND CLIMATE TARGETS

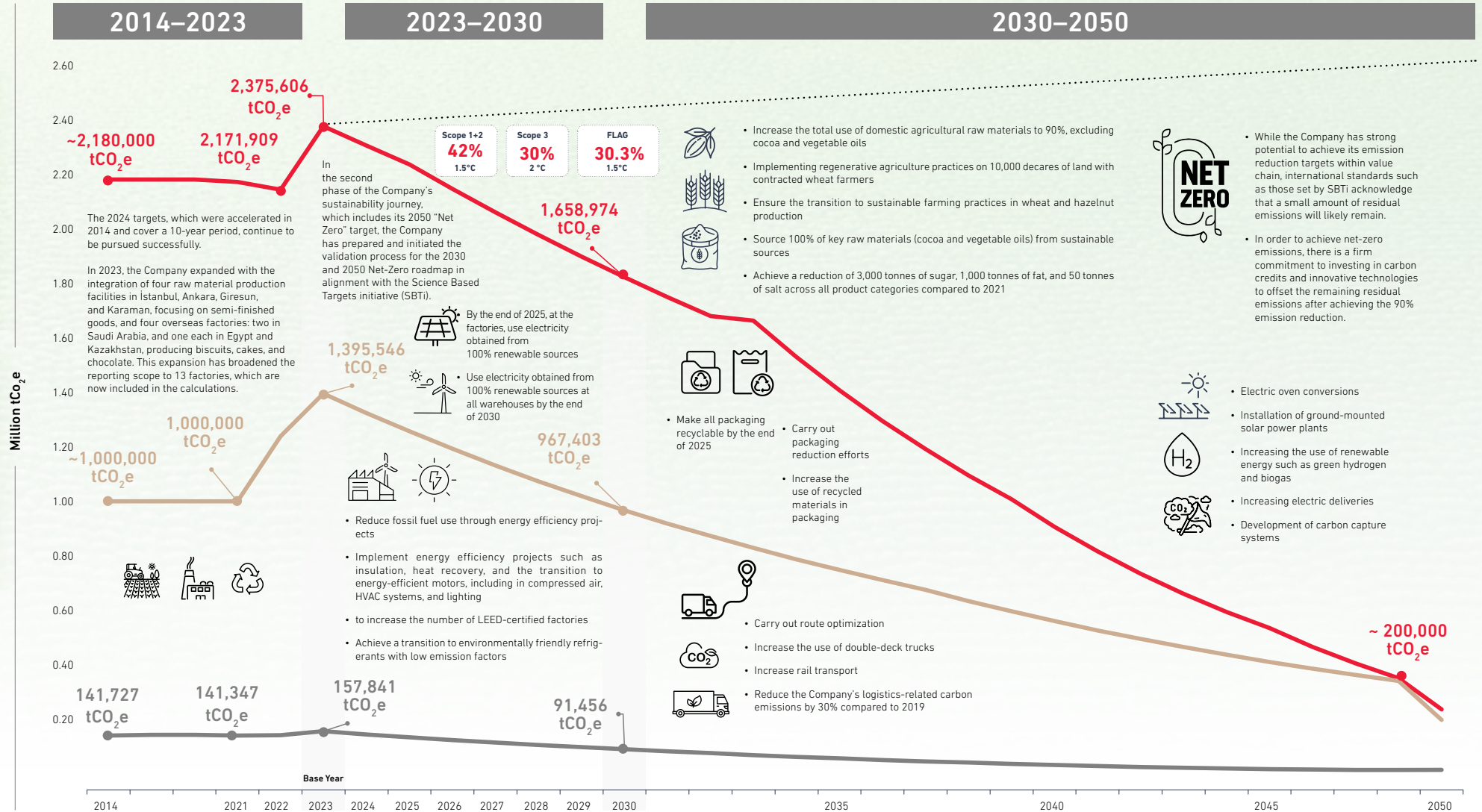
2030 INTERIM TARGET

A 42% reduction in absolute Scope 1 and 2 emissions; a 30% reduction in Scope 3 emissions under the FLAG framework, compared to the 2023 base year

2050 NET ZERO

A 90% gross reduction in absolute Scope 1, 2, and 3 emissions compared to the 2023 base year; the remaining limited emissions will be offset through mitigation mechanisms

— Scope 1 + 2
— Scope 3
— FLAG Emissions
... Current State Scenario



RESPONSIBLE VALUE CHAIN

2,076

Total Suppliers

29

Critical Supplier Audits

9,906 farmers

Aligning with our Beyond Cocoa pillars

86%

Local Suppliers

82%

Independent Social Compliance Audit Coverage

200 farmers

Technical Support under the Beyond Hazelnut Project



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GOVERNANCE

Nature is a fundamental consideration in the Company's business model—from raw material sourcing and production to brand value and long-term growth. The Company addresses nature-related dependencies and impacts as a direct component of corporate decision-making, rather than solely as a legal compliance requirement. Its governance structure—extending from the Board of Directors to supply chain management, financial planning, and field operations—supports the effective management of nature-related risks and opportunities.

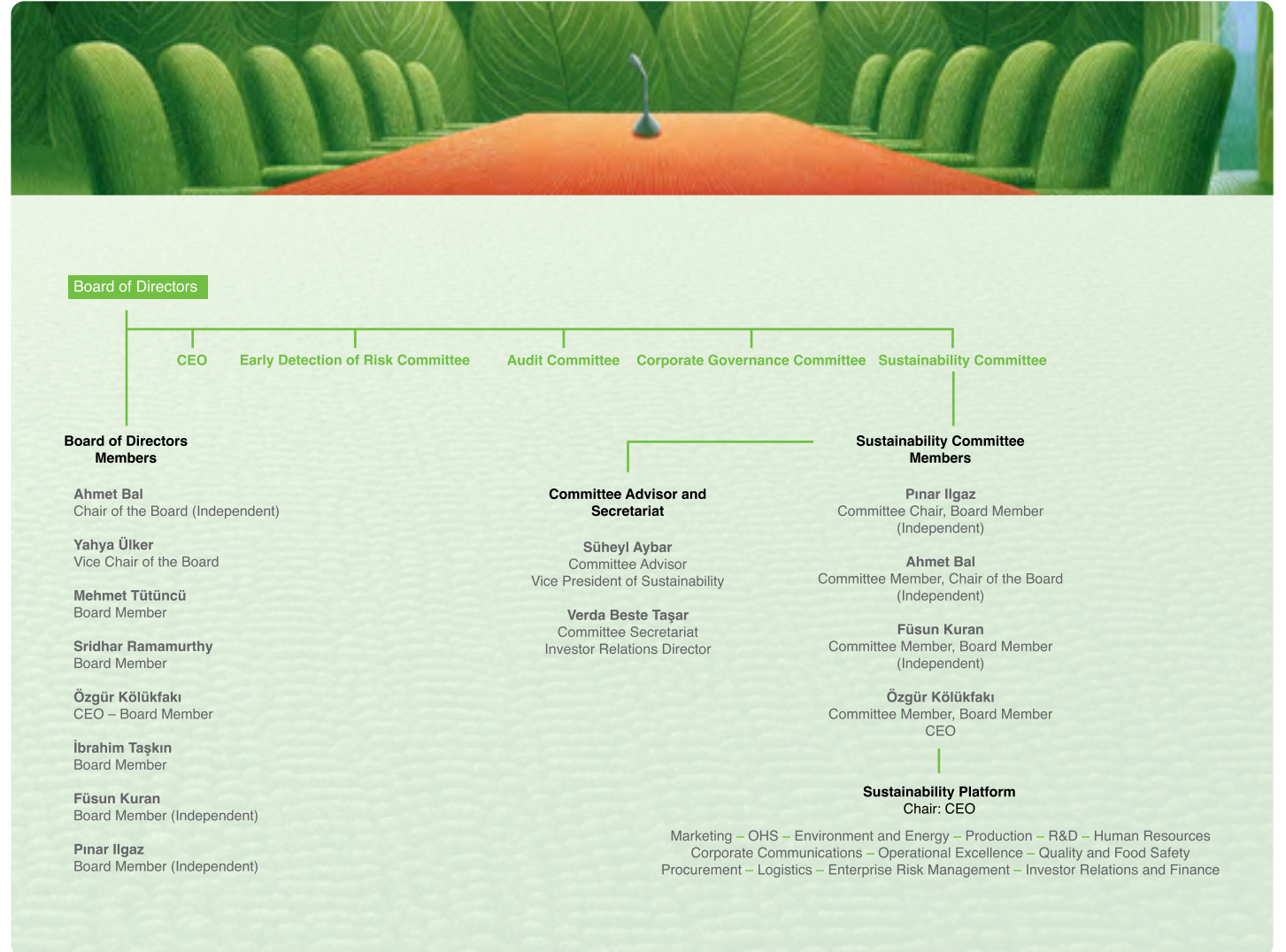


BOARD OVERSIGHT OF NATURE-RELATED DEPENDENCIES, IMPACTS, RISKS, AND OPPORTUNITIES

Nature-related issues—including the Company's past performance, areas for improvement in the value chain, and dependencies and impacts within the TNFD framework—are regularly addressed as agenda items at Board of Directors meetings.

At the Company, the Board of Directors monitors nature-related dependencies, impacts, risks, and opportunities through specialized committees, international reporting standards, and methodologies. This structure, formalized through the Board of Directors' internal bylaws, committee operating principles, and relevant policy sets, functions as the ultimate decision-making body responsible for approving all sustainability strategies, nature-related policies, and long-term goals—including the 2050 Net Zero commitment—and for monitoring progress toward them.

The flow of information to the Board of Directors is facilitated through reports, analyses, and recommendations prepared by the Sustainability Committee, the Early Risk Detection Committee (EDRC), and the Sustainability Platform. Nature-related issues—including the Company's past performance, areas for improvement in the value chain, and dependencies and impacts within the TNFD framework—are regularly addressed as agenda items at Board of Directors meetings. Impacts on and risks to nature are analyzed using the proposed LEAP methodology; risk analyses conducted specifically for production facilities and raw material sourcing regions form the basis for strategic reports presented to the Board of Directors.



NATURE-RELATED DEPENDENCIES, IMPACTS, RISKS, AND OPPORTUNITIES MANAGEMENT

Nature-related risks are managed within the framework of the “Three Lines of Defence” approach, extending from business units to the Board of Directors.

All business units—including procurement, production, R&D, and logistics—serve as the first line of defense and are responsible for identifying risks within their respective areas of operation and building resilience. In the second line of defense, the Corporate Risk Management unit and the Sustainability Platform coordinate environmental, social, and governance (ESG) risks across the Company. In the third line of defense, the Internal Audit Unit independently audits the effectiveness of risk mitigation plans and reports to the Audit Committee.

The Sustainability Committee fulfills its nature-related oversight responsibility through the following tasks:

- Approving nature-related strategies that address dependencies on and impacts of water, land, biodiversity, and ecosystem services
- Regularly monitoring nature-related risks in the supply chain, operational processes, and investments
- Reviewing nature-related short-, medium-, and long-term targets and performance indicators at least twice a year



Nature-related risks are managed within the framework of the “Three Lines of Defence” approach, extending from business units to the Board of Directors.



The Sustainability Platform consists of the managers in charge of departments such as Research and Development, Production, Human Resources, Logistics, Procurement, Operational Excellence, Corporate Communications, Marketing, Investor Relations and Finance, Corporate Risk Management, Quality and Food Safety, and HSE (Health, Safety, Environment).

The responsibility for nature-related oversight is fulfilled through the following tasks:

- Establishing nature-related sustainability policies, strategies, and targets; integrating these strategies into the Company’s culture and daily business processes
- Monitoring nature, climate, and ESG risks in collaboration with the Corporate Risk Management Unit; evaluating the risk management activities of business units and reporting them to the Sustainability Committee
- Regularly tracking progress on Key Performance Indicators (KPIs) related to nature-related areas such as water management, biodiversity, regenerative agriculture, sustainable raw material sourcing (cocoa, vegetable oil, etc.), zero waste, and packaging
- Evaluating KPIs, ongoing projects, investments, and biodiversity risk analyses at meetings held four times a year

EDRC fulfills its nature-related oversight function through the following tasks:

- Establishing an effective corporate risk management system for the systematic identification and assessment of risks that could jeopardize the Company’s existence, and monitoring the system to ensure its effectiveness and ongoing development,
- Informing the Board of Directors every two months about all ESG risks, including nature-related risks

Internal information flow is based on a regular reporting cycle that aligns with the corporate hierarchy. The Sustainability Platform communicates operational progress to the Sustainability Committee; the Head of Sustainability (EDRC) delivers briefing presentations to the Board of Directors every two months, while the Vice President of Sustainability does so quarterly.

Audit results are communicated to the Board of Directors through the Audit Committee; where deemed necessary, new action plans are implemented and follow-up activities are carried out.



INTEGRATION OF NATURE-RELATED DEPENDENCIES, IMPACTS, RISKS, AND OPPORTUNITIES INTO STRATEGIC DECISIONS

The Company's approach to growth in harmony with nature is rooted in a "Waste-Free Company" culture and forms the foundation of its strategic framework, which encompasses the 2030 interim targets and the 2050 Net Zero commitment. The sustainability strategy, structured around the pillars of Our Planet, Value Chain, Employees, and Community, identifies climate, water, biodiversity, and the protection of natural resources as priority focus areas and incorporates these issues into the decision-making mechanisms of the governance bodies.

The five strategic objectives defined for 2025 have been shaped with due consideration for climate risks, circular economy requirements, supply chain security, societal expectations, and the need for transparent reporting. Annual targets in areas such as energy efficiency, waste management, water recovery, supplier sustainability, social programs, and reporting practices are set and implemented under the direct oversight of management bodies. Accountability and approval mechanisms are clearly defined in committee operating principles and performance management procedures, and the process is carried out within a robust governance framework.

Within the scope of the Science Based Targets (SBTi)-approved 2030 and 2050 targets, a 42% reduction in Scope 1 and 2 emissions by 2030 compared to the 2023 base year is committed. The policies and practices developed in line with this commitment are integrated into financial planning, investment prioritization, and corporate risk management processes to also encompass the management of nature-related physical and transition risks affecting water resources, ecosystems, and agricultural production.

The Company integrates nature-related dependencies and impacts into its strategic decision-making processes through its corporate governance structure, financial instruments, and performance management systems.

THE ROLE OF SENIOR MANAGEMENT IN ASSESSING NATURE-RELATED DEPENDENCIES, IMPACTS, RISKS, AND OPPORTUNITIES

The CEO provides direct leadership in the implementation of the sustainability strategy and nature strategy, which are organized under four main headings: Our Planet, Value Chain, Employees, and Community.



Senior management has direct responsibility and accountability for implementing and monitoring the Company's strategy on nature-related issues.

As a member of the Sustainability Committee, the CEO contributes directly to the Committee's work and also chairs the Sustainability Platform, which consists of 13 department heads. The Platform, which meets quarterly under the CEO's chairmanship, monitors progress on KPIs to ensure the integration of nature-related strategies into business processes and operational coordination, and reports its assessments to the Sustainability Committee.

The CFO assesses the financial impacts of nature-related risks and opportunities; oversees financial decision-making processes for projects aimed at reducing dependence on ecosystem services, water efficiency investments, sustainable packaging management, and supply chain resilience. By leading the integration of investment needs under the SBTi into annual plans, the CFO ensures that nature-related goals are taken into account in capital allocation.

Nature-related performance is tracked at the senior management level using a comprehensive set of KPIs. The KPIs are defined under the headings of Net Zero, Zero Waste, Packaging, Responsible Sourcing, Social Projects, and Employees, and are analyzed quarterly against targets. The key metrics tracked are as follows:

- Greenhouse gas emissions (Scope 1, Scope 2, Scope 3)
- Renewable energy use and capacity
- Food losses, waste recycling rates
- Fat, sugar, and salt reduction rates
- Wastewater and rainwater recycling
- Packaging recyclability rates and plastic/paper reduction
- Sustainable and deforestation-free vegetable oil/cocoa sourcing
- Regenerative agriculture area
- Numbers of farmers reached under sustainable and regenerative agriculture and rates of women farmers

Senior management responsibilities are supported by the [Water Policy](#), [Energy Policy](#), [Environmental Policy](#), [Biodiversity Policy](#), [Occupational Health and Safety Policy](#), [Code of Ethics](#), [Human Rights Policy](#), [Diversity Policy](#), [Global Supplier Ethics Policy](#), and [Information Security Policy](#).

These documents define the responsibilities of employees, managers, and suppliers regarding water and ecosystem use, pressures on biodiversity, land and resource management, impacts on natural processes, and nature-related supply chain risks.

Together with the procedures and instructions in the integrated management system, these policies embed nature-related responsibilities across the organization and keep them up to date.

NATURE-RELATED STAKEHOLDER MANAGEMENT

In the stakeholder engagement approach, the strong relationship that Indigenous Peoples and Local Communities have with nature and their role in ecosystem conservation are of great importance. Safeguarding the rights of these communities and supporting their socioeconomic development enhances the effectiveness of efforts to protect nature and biodiversity.



HUMAN RIGHTS POLICY

The Company's human rights approach is based on a comprehensive policy framework grounded in the conventions of the Organization for Economic Cooperation and Development (OECD) and the International Labor Organization (ILO). Available to stakeholders in Arabic, Kazakh, and Russian—in addition to Turkish—in Türkiye and other countries where the Company operates, this policy encompasses fundamental principles such as the prevention of discrimination, the fight against child labor, freedom of association, and the provision of a safe working environment. Aiming to create a work environment that respects human rights for all stakeholders, the Company supports this effort through feedback, complaint, and monitoring mechanisms.

The identification and monitoring of human rights risks are carried out by the Human Rights Team. The team creates a risk map covering potential and actual human rights violations in the Company's direct operations and throughout its value chain; it develops preventive and corrective actions in line with the Human Rights Policy for the identified risks and impacts.

The Human Rights Committee, which meets four times a year, regularly reviews and updates the risk map. The Committee also assesses human rights risks that may arise at different stages of the value chain and monitors the progress of the measures taken and corrective actions. These assessments cover the following areas: social management systems, employee participation, freedom of association and the right to collective bargaining, prevention of discrimination, fair compensation, decent working conditions, occupational health and safety, combating forced labor and child labor, environmental protection, and ethical conduct.

DIALOGUE WITH STAKEHOLDERS

The Company uses stakeholder engagement as a strategic tool in managing its dependencies and impacts on nature, as well as nature-related risks and opportunities. Placing the philosophy of **"Make Happy, Be Happy"** at the center of its sustainability strategy, the Company implements a structured, multi-layered engagement model with a broad stakeholder ecosystem ranging from farmers to suppliers, employees to consumers, and civil society organizations. Human rights policies, stakeholder engagement mechanisms, and the oversight structure are addressed in an integrated manner with international standards and the corporate governance framework.

The Company ensures access to feedback and complaint mechanisms through the ethics hotline and the portal, which enable stakeholders to safely report potential ethical violations and human rights issues. These reporting mechanisms help identify adverse impacts at an early stage and facilitate the initiation of necessary corrective actions.



SUPPLY CHAIN ENGAGEMENT

The company carries out various stakeholder engagement projects aimed at managing nature-related dependencies and impacts, mitigating risks, and developing opportunities at different levels of the value chain.



BEYOND COCOA PROJECT

The “Beyond Cocoa” Project stands out as a multidimensional model aimed at reducing ecosystem pressures in the cocoa supply chain while strengthening local communities’ nature-based livelihoods. Launched in 2020, the project is carried out in partnership with an export company that joined the Company in 2021 and is responsible for sourcing raw materials used in cocoa and chocolate production. Focused on capacity building in the areas of forest conservation, agroforestry, good agricultural practices, and agricultural input management, the project also incorporates a comprehensive corporate social responsibility program designed to enhance the social well-being of farming communities.

In 2025, the total project area reached 634 hectares with the participation of 196 farmers selected from a different region.

Cocoa is among the raw materials primarily targeted by the EU Deforestation Regulation (EUDR). The regulation requires proof that products placed on the EU market are “deforestation-free” and produced in compliance with relevant national legislation, and mandates that geographic origin documentation, risk assessments, and due diligence statements be provided at every stage of the supply chain. To ensure compliance with these obligations, the company took proactive steps even before the regulation came into effect; through the “Beyond Cocoa” Project, it implemented initiatives to restructure its supply chain in accordance with relevant standards at an early stage.

As part of the collaboration with the Earthworm Foundation, which has been ongoing since 2016, all cooperatives from which purchases are made are audited in the field; sourcing is limited to regions where “No Deforestation Verified” (NDV) certification has been completed.

The verification process includes regular monitoring of cocoa farming areas using the Starling satellite monitoring system, regular checks of the proximity of fields to forest boundaries via GPS mapping, and annual field audits conducted by an Côte d’Ivoire-based team and independent third-party organizations. This approach, which combines digital monitoring with physical observation, ensures traceability from farm to factory, while independent organizations have confirmed that carbon emissions in the cocoa supply chain are being mitigated.

Field projects aimed at agroforestry and the efficient use of agricultural products were launched in 2024. Under the agroforestry initiative, a pilot program covering 250 hectares was launched in 2024 with 124 farmers; in 2025, the total project area reached 634 hectares with the participation of 196 farmers selected from a different region. This initiative not only provides farmers with an opportunity for additional income but also directly contributes to the conservation of ecosystem services and the enhancement of agricultural resilience against climate change. The planting and monitoring of local fruit and forest tree species—such as *Acajou*, *Akpi*, *Fraké*, *Framiré*, and *Petit cola*—are being carried out to improve soil quality in fields, provide microclimate shade for young cocoa saplings, and generate additional income for farmers.

The program focusing on the proper use of agrochemicals and good agricultural practices began with 150 farmers and reached 621 farmers across two cooperatives by 2025. Training provided to farmers on forest law, tree ownership, and agroforestry supports the transition to a production model that preserves forest cover. Occupational safety and production capacity have also been enhanced by providing 135 women farmers with agricultural and protective equipment. At the Farmer Schools, which will become operational in 2025, it is planned to provide training to 150 farmers over a 6-month period on various technical topics, primarily focusing on good agricultural practices, agroforestry, and agrochemical management. The technical training programs to be implemented within the Farmer Schools aim to promote climate-resilient production practices and foster the adoption of safer and more sustainable agricultural practices at all levels of the supply chain.

Beyond agricultural capacity building, the program also includes comprehensive social investments aimed at improving the living conditions of farming communities. Awareness training on child labor and school renovation projects are ongoing, and as of 2025, approximately 4,520 families have received awareness training. As part of the mobile health program organized since 2023, 2,440 farmers and their families were reached in 2025. The program includes general checkups, prenatal and postnatal care, family planning counseling, the distribution of hygiene kits, and health awareness initiatives for adults, adolescents, and young people.

SUSTAINABLE WHEAT INITIATIVES



REGENERATIVE AGRICULTURE PROJECT

Holistic regenerative agriculture practices are being implemented to increase the soil's water retention capacity, support biodiversity, and boost organic carbon levels. Conducted across a broad geographic area covering the provinces of Kırıkkale, Kırşehir, Çorum, Ankara, Aksaray, Yozgat, and Konya, the project involves advanced regenerative agriculture practices on 1,060 decares of land belonging to 18 participating farmers, while preparatory and monitoring activities are being carried out on 5,800 decares of land belonging to 83 participating farmers. In the project, which reaches a total of 101 farmers and 6,860 decares of land, digital tools such as digital soil analysis, satellite-supported crop growth monitoring, moisture maps, and temperature and humidity sensors are being utilized. Farmers are supported through regular field visits by agricultural engineers and real-time sharing of agronomic data.

According to Cool Farm Tool analyses, in dryland farming areas, a 22% increase in yield is achieved compared to the regional average, while fertilizer-related carbon emissions are reduced by 10% and energy-related emissions by 4%. In irrigated farming areas, a 21% increase in yield is accompanied by a 32% reduction in energy emissions from irrigation and a 6% reduction in fertilizer-related emissions. Soil DNA analyses have demonstrated that fields where cover crops and hedge plants are used significantly outperform conventional fields in terms of microbial biodiversity, water-holding capacity, and the soil organic matter cycle.



BISCUIT WHEAT DEVELOPMENT PROGRAM (ALIAĞA WHEAT)

Launched in 2007 in partnership with the Bahri Dağdaş International Agricultural Research Institute, this program has resulted in the development of the high-yielding, disease- and drought-resistant native "Aliağa Biscuit Wheat" variety. This wheat variety has been used as a raw material in the Company's production processes since 2022. Seeds produced under the contract farming model are provided to farmers on a harvest-deferred basis, and crop development processes are closely monitored. The collaboration period was extended by an additional five years in 2025, and in the same year, planting was carried out across a total area of 50,000 decares in 11 provinces.

BIOFORTIFICATION PROJECT

In studies conducted in collaboration with Sabancı University, micronutrient fortification is achieved by applying zinc and selenium via foliar spraying during the wheat's field-growing stage. Field studies conducted on a 90-decare plot in Kırıkkale confirmed that the enriched whole wheat flour produced contained 46% more zinc and 18 times more selenium than conventional flour, reaching the target levels. These scientific findings were brought to consumers with the 2025 launch of the Enriched Cereal Biscuit series developed under the Saklıköy brand.



WATER RISKS PROJECT

The Company served as the main sponsor in studies conducted between 2022 and 2024 through a partnership between SKD Türkiye and the Ankara University Institute of Water Management. Comparative water footprint and efficiency analyses of drip irrigation systems installed for wheat, silage corn, and grain corn production in Kırıkkale, compared to traditional methods, have been completed. It was determined that drip irrigation could achieve a minimum 30% increase in wheat yield and a 21% reduction in the water footprint. Through training programs, 100 farmers in the region received instruction on modern irrigation methods and fertilization practices.



AGRICULTURAL INNOVATION PROJECT

The project is being carried out under the Company's main sponsorship in partnership with the Sustainable Development Association (SKD Türkiye), Toros Tarım, Türkiye İş Bankası, and TSKB, with technical consulting provided by Doktor Technology. It covers 228 decares: two wheat fields totaling 200 decares in Konya and three hazelnut orchards totaling 28 decares in Giresun. The project uses satellite-based crop health monitoring, phenology cameras, climate and soil-moisture sensors, fertilizer plans informed by digital soil analysis, smart pest-monitoring systems, and digital flow meters. Farmers' carbon emissions from wheat production are calculated using soil and carbon analyses conducted with the Cool Farm Tool. Data-driven pest management is supported by digital population monitoring of wheat aphids in wheat fields and brown stink bugs in hazelnut orchards.

SUSTAINABLE WHEAT INITIATIVES



THE “BEYOND HAZELNUT” PROJECT

The “Beyond Hazelnut” Project is an agricultural program aimed at strengthening local development and producer well-being by promoting sustainable and regenerative agricultural practices throughout the hazelnut supply chain. Conducted across a total area of 2,510 decares in the Esentepe, Kılıçlı, Örnekköy, Tepeköy, Yıldız, and Keşap regions of Giresun, the project reached 200 farmers, 100 of whom were women. Participants received over 850 hours of hands-on training and advisory support covering critical topics such as Good Agricultural Practices, composting, pruning techniques, and Integrated Pest Management (IPM).

As part of a biological control approach that minimizes the use of chemicals in pest management, 9,000 Samurai wasps were released into the wild in collaboration with the Ministry of Agriculture and Forestry’s Hazelnut Research Institute; the population was monitored in real time through 200 pheromone traps and artificial intelligence-powered smart cameras (PestTrap Air) installed in the fields.

Thanks to the biological measures taken, while pest density reached 2,125 individuals in neighboring uncontrolled areas, this number was limited to 134 in the pilot area where the project was implemented. To revitalize soil health, 200 producers were provided with organic sheep manure, and 40 producers received microbial fertilizer support. As a result of the work carried out, an increase in hazelnut yield was achieved in the pilot orchards, while a decrease was recorded in the rates of rotten and shriveled hazelnuts.

Furthermore, to address the issue of aging orchards—one of the key challenges threatening productivity in hazelnut farming—1,500 certified “Giresun Yağlısı” hazelnut saplings, representing the highest quality standards, were procured and distributed free of charge to producers. Furthermore, through the 12-decare trial and demonstration orchard established at the Giresun Factory and the 24/7 WhatsApp agronomist support line, producers are provided with continuous phenological monitoring and technical guidance services.



SUPPLIER ESG AUDITS

A capacity-building and audit process is being carried out to manage nature-related risks in the supply chain and strengthen ESG performance. The pladis Global Supplier Ethics Policy and Responsible Sourcing Guide have been developed. Within this framework, sustainability risk analyses were conducted on 33 critical packaging and raw material suppliers and action plans were developed.

With the social compliance audits conducted on 29 critical suppliers in 2025, the percentage of critical suppliers that have passed an independent social compliance audit has reached 82%. Approximately 100 suppliers received training on social compliance and greenhouse gas calculations. The training covered topics such as natural resource management, human rights, and compliance with nature-related regulations such as the EUDR and the European Union Green Deal.

Audit processes within the supply chain are based on a risk-based assessment methodology. All suppliers are screened through online surveys and desk reviews; on-site audits compliant with the Business Social Compliance Initiative (BSCI) and Supplier Ethical Data Exchange (SEDEX) standards are conducted for high- and medium-risk suppliers. Suppliers are given a period to make improvements and are provided with technical support for areas identified during audits; business relationships may be suspended if critical non-conformities are not resolved.

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LEAP APPROACH



LOCATE PHASE



VALUE CHAIN	ACTIVITY	MATERIAL RAW MATERIALS	GEOGRAPHIC LOCATION	INTERFACE WITH ECOSYSTEMS	INTERFACE WITH SENSITIVE LOCATIONS
UPSTREAM VALUE CHAIN	Direct / Indirect Sourcing	Wheat	Türkiye (Konya) Russia (Rostov)	Agricultural Areas	Agricultural basins in Konya experiencing Very High Water Stress (>80%) according to the WRI Aqueduct Water Risk Atlas; terrestrial and freshwater ecosystems in Rostov with degraded ecological integrity
	Direct Sourcing	Sugar Beets	Türkiye (Konya)	Agricultural Areas	An agricultural watershed in Konya that falls into the Very High Water Stress (>80%) category according to WRI Aqueduct water stress criteria and is experiencing declining yields
	Direct Sourcing	Hazelnut	Türkiye (Giresun)	Agricultural Areas	A region highly sensitive to pollination ecosystem services and soil quality
	Indirect Sourcing	Cocoa	Côte d'Ivoire	Tropical and subtropical forests	Sensitive areas in Côte d'Ivoire with high rates of tropical forest loss and regions included in the SBTN High Impact Commodities List (HICL) under the deforestation criterion
	Indirect Sourcing	Vegetable Oil	Malaysia / Indonesia	Tropical and subtropical forests	Supply basins adjacent to High Conservation Value (HCV) and High Carbon Stock (HCS) tropical forest areas in Malaysia and Indonesia, as well as regions where commodities listed on the SBTN HICL are sourced
DIRECT OPERATIONS	Production	Türkiye Plants	Türkiye (Ankara, İstanbul, Karaman, Gebze, Giresun)	Urban/Industrial Areas Freshwater Ecosystems	According to data from the WRI Aqueduct Water Risk Atlas, 72.6% of the Company's operations in Türkiye and abroad are located in areas with " Very High " water stress (>80%) . In addition, 22.6% of the facilities are located in areas with " High " (40%–80%) water stress , while only 4.8% are in areas with " Low " (<10%) water stress .
	Production	International Plants	Egypt, Saudi Arabia, Kazakhstan	Industrial Areas Deserts and semi-deserts Freshwater Ecosystems	
DOWNSTREAM VALUE CHAIN	Logistics and Distribution	Storage and Shipping	Entire Distribution Network	Urban Areas Transportation Infrastructure	There are no sensitive area overlaps in distribution operations.
	Consumer Markets	Packaging Disposal / Plastic Leakage	Global and Local Consumer Markets	Marine Ecosystems Freshwater Ecosystems Terrestrial Ecosystems	Due to the marketing of products across broad geographical areas, no direct overlap with sensitive areas is identified.

EVALUATION PHASE



VALUE CHAIN STAGE & SECTORAL ACTIVITY	ECOSYSTEM SERVICES DEPENDED ON / IMPACTED	IMPACT MATERIALITY
UPSTREAM		
Agricultural Products (Wheat, Cocoa, Hazelnut, Vegetable Oil, Sugar)	Dependencies • Water Supply • Climate Regulation • Water Quality and the Ecosystem's Purification Capacity • Pollination and Biological Pest Control Supply Chain Impacts • Water Withdrawal and Consumption • Greenhouse Gas and Air Emissions • Land/Forest Loss and Pesticide Pollution	ENCORE Sector Materiality Level: High Company's Corresponding High-Material Issue • Climate Crisis • Water • Responsible Sourcing
DIRECT OPERATIONS		
Food Production Processes	Dependencies • Water Supply • Water Quality and the Ecosystem's Purification Capacity Direct Impacts • Water Withdrawal and Consumption • Greenhouse Gas and Air Emissions • Waste Generation and Circularity	ENCORE Sector Materiality Level: High Company's Corresponding High-Material Issue • Climate Crisis • Water • Packaging
DOWNSTREAM		
Logistics and Distribution	Dependencies • Climate Regulation Value Chain Impacts • Greenhouse Gas and Air Emissions	ENCORE Sector Materiality Level: High Company's Corresponding High-Material Issue • Climate Crisis • Packaging
Consumer Markets	Dependencies • Water Quality and the Ecosystem's Purification Capacity Value Chain Impacts • Waste Generation and Circularity	

ACTIVITY-BASED MATERIALITY MATRIX								
VALUE CHAIN COMPONENT	DEPENDENCY: WATER SUPPLY	IMPACT: WATER WITHDRAWAL AND CONSUMPTION	DEPENDENCY: CLIMATE REGULATION	IMPACT: GREENHOUSE GAS AND AIR EMISSIONS	DEPENDENCY: WATER QUALITY AND ECOSYSTEM PURIFICATION CAPACITY	IMPACT: WASTE GENERATION AND CIRCULARITY	DEPENDENCY: POLLINATION AND BIOLOGICAL PEST CONTROL	IMPACT: LAND/FOREST LOSS AND PESTICIDE POLLUTION
DIRECT OPERATIONS								
Silivri, İstanbul Factory	High (Water Stress > 80%)	High (2.41 m³/metric ton)	Low	Medium (0.11 tCO ₂ e/t)	High	Low (99.26% GD ¹)		
						High Wastewater: 1.53 m³/metric ton		
Topkapı, İstanbul Factory	High (Water Stress > 80%)	Medium (0.98 m³/metric ton)	Low	Medium (0.14 tCO ₂ e/t)	High	Low (99.92% GD ¹)		
						Medium Wastewater: 0.43 m³/metric ton		
Topkapı, Önem Branch Factory	High (Water Stress > 80%)	Medium (1.04 m³/metric ton)	Low	Low (0.08 tCO ₂ e/t)	High	Low (99.99% GD ¹)		
						Medium Wastewater: 0.54 m³/metric ton		
Ankara Factory	High (Water Stress > 80%)	Low (0.12 m³/metric ton)	Low	Low (0.01 tCO ₂ e/t)	High	Low (100% GD ¹)		
						Low Wastewater: 0.06 m³/metric ton		
Ankara, Akyurt Branch Factory	High (Water Stress > 80%)	Medium (0.85 m³/metric ton)	Low	Medium (0.14 tCO ₂ e/t)	High	Low (100% GD ¹)		
						Medium Wastewater: 0.62 m³/metric ton		
Gebze, Kocaeli Factory	Medium (Water Stress 40–80%)	High (1.76 m³/metric ton)	Low	Medium (0.15 tCO ₂ e/t)	High	Low (99.98% GD ¹)		
						High Wastewater: 1.23 m³/metric ton		
Giresun, Keşap Factory	Low (Water Stress < 10%)	Low (0.44 m³/metric ton)	Low	Low (0.05 tCO ₂ e/t)	High	Low (96.71% GD ¹)		
						Medium Wastewater: 0.39 m³/metric ton		
Karaman Factory	High (Water Stress > 80%)	High (1.85 m³/metric ton)	Low	Medium (0.16 tCO ₂ e/t)	High	Low (95.75% GD ¹)		
						High Wastewater: 1.38 m³/metric ton		
Karaman, Flour Factory (Importance)	High (Water Stress > 80%)	Low (0.07 m³/metric ton)	Low	Low (0 tCO ₂ e/t)	High	Low (95.75% GD ¹)		
						Low Wastewater: 0.03 m³/metric ton		
Kazakhstan Factory	Low (Water Stress < 10%)	High (2.85 m³/metric ton)	Medium	Medium (0.28 tCO ₂ e/t)	High	Medium (52.58% GD ¹)		
						High Wastewater: 1.90 m³/metric ton		
Egypt Factory	High (Water Stress > 80%)	High (1.78 m³/metric ton)	High (Extreme Heat)	Medium (0.18 tCO ₂ e/t)	High	Medium (69.79% GD ¹)		
						High Wastewater: 1.18 m³/metric ton		
Saudi Arabia (Food) Factory	High (Water Stress > 80%)	Medium (1.16 m³/metric ton)	High (Extreme Heat)	High (0.51 tCO ₂ e/t)	High	Medium (68.21% GD ¹)		
						Medium Wastewater: 0.77 m³/metric ton		
Saudi Arabia (Int.) Factory	High (Water Stress > 80%)	High (1.73 m³/metric ton)	High (Extreme Heat)	High (0.76 tCO ₂ e/t)	High	Medium (56.65% GD ¹)		
						High Wastewater: 1.15 m³/metric ton		

¹GD: Recycling

Activity-Based Materiality Matrix								
Value Chain Component	Dependency: Water Supply	Impact: Water Withdrawal and Consumption	Dependency: Climate Regulation	Impact: Greenhouse Gas and Air Emissions	Dependency: Water Quality and Ecosystem Purification Capacity	Impact: Waste Generation and Circularity	Dependency: Pollination and Biological Pest Control	Impact: Land/Forest Loss and Pesticide Pollution
Upstream								
Wheat (Türkiye, Konya / Russia)	High (Water Stress > 80%)	High	High	Medium	Medium	Low	Medium	Medium
Sugar Beet (Türkiye, Konya)	High (Water Stress > 80%)	High	High	Medium	Medium	Low	Medium	Medium
Cocoa (Côte d'Ivoire)	Medium (Water Stress 40–80%)	Low	High	High (FLAG emissions)	Medium	High	High	High (Deforestation and loss of HCV/HCS areas)
Hazelnut (Türkiye, Giresun)	Low (Water stress < 10%)	Low	Medium	Low	Low	Medium	High	Medium
Vegetable Oil (Malaysia/ Indonesia)	Malaysia: Low (Water stress < 10%)	Medium	High	High (FLAG emissions)	High	High	High	High (Deforestation and loss of HCV/HCS areas)
	Indonesia: High (Water Stress > 80%)							
Downstream								
Logistics and Distribution Operations			High	High (Scope 3 Emissions)				
Consumer Markets					High (Plastic Leakage)	High (Plastic Waste)		

ASSESS PHASE



NATURE-RELATED RISKS

Nature-Related Risks

Water Management Risk

Increased operational costs and reduced raw material yields due to declining water availability and quality in operations located in regions with high or extremely high water stress (facilities and the agricultural supply chain).

Position in the Value Chain
Direct Operations
Upstream Value Chain



ASSESSMENT OF MATERIAL RISKS²

Time Horizon
Medium



Financial Impact:
Very Low



Financial Impact Item:
Operating Profit, Cash Flow



Impact type:
Anticipated



TCFD/TNFD Category

Physical Risk (Chronic)



Monitoring:

Water consumption is monitored in real time using monthly scorecards and digital systems. Facility-specific risks are analyzed annually using WRI Aqueduct and the WWF Water Risk Filter to determine investment priorities.

Enterprise Risk Management (ERM) Integration:

Operational units on the first line of defense track risks in the corporate risk inventory, and process coordination is managed by the Corporate Risk Management Unit and the Sustainability Platform. Within the Sustainability Platform, the Sustainability Unit (monitors risk-related targets and performance developments. The strategic action plans developed are submitted directly to the Sustainability Committee for approval, while all consolidated nature-related risk data is reported to the Board of Directors every two months via EDRC.

Nature-Related Risks

Risks Arising from Extreme Weather Events

Extreme weather events such as floods, severe storms, heatwaves, or fires causing direct physical damage to production facilities (increased infrastructure repair costs) or leading to disruptions in the supply chain/raw material supply, thereby jeopardising production continuity.

Position in the Value Chain
Downstream Value Chain
Direct Operations
Upstream Value Chain



ASSESSMENT OF MATERIAL RISKS

Time Horizon
Medium



Financial Impact:
Very Low



Financial Impact Item:
Operating Profit, Cash Flow



Impact type:
Anticipated



TCFD/TNFD Category

Physical Risk (Acute)



Monitoring:

Facility emergency plans and regular risk analyses are monitored through insurance coverage, critical raw material inventories, alternative routes, and agricultural sensor/satellite monitoring applications. Supply fields are monitored for drought and frost risks using satellite systems and agronomic monitoring stations.

ERM Integration:

Crisis scenarios and financial impacts related to extreme weather events are taken into account. Risk assessments are presented to the Board of Directors through the Sustainability Committee and EDRC channels.

² The financial effects of risks and opportunities are classified based on the Company's annual EBITDA performance.

The financial effect thresholds are defined as Very Low ($\leq 1\%$; $< \text{TRY } 185$ million), Low ($1.01\% - 3\%$; $\text{TRY } 185 - 549$ million), Medium ($3.01\% - 5\%$; $\text{TRY } 550 - 899$ million),

High ($5.01\% - 10\%$; $\text{TRY } 900 - 1,799$ million), and Very High ($> 10\%$; $> \text{TRY } 1,800$ million) (for further information, see Ülker 2025 TSRS Sustainability Report, p. 26).

NATURE-RELATED RISKS

Nature-Related Risks

Biological Threats

Decline in hazelnut and cocoa yields/quality due to invasive species and diseases.

Position in the Value Chain
Downstream Value Chain
Direct Operations



ASSESSMENT OF MATERIAL RISKS

Time Horizon
Medium



Financial Impact:
Low



Financial Impact Item:
Operating Profit, Cash Flow



Impact type:
Anticipated



TCFD/TNFD Category

Physical Risk (Acute)



Monitoring:

Brown stink bug populations in hazelnut orchards and aphid populations in wheat are monitored in real time using AI-powered smart cameras (PestTrap Air), pheromone traps, and field counts. The risk of disease spread in the cocoa supply chain is monitored by the Company's field experts, who provide training to producers on good agricultural practices. Concurrent with these training activities, symptoms of disease in trees and instances of prohibited chemical use are assessed on-site.

ERM Integration:

Agricultural procurement processes are managed through Integrated Pest Management (IPM) and biological control projects that minimize the use of chemical pesticides. Project implementations are integrated into the corporate inventory under the supervision of the Sustainability Committee and presented to the Board of Directors via the EDRC channel.

Nature-Related Risks

Risk of Non-Compliance with the EU Deforestation Regulation (EUDR)

Restriction/prevention of access to the EU market if the production processes of certain products in the value chain (cocoa, vegetable oil, etc.) are found to cause deforestation; loss of reputation as a result of administrative fines and sanctions.

Position in the Value Chain
Downstream Value Chain
Direct Operations



ASSESSMENT OF MATERIAL RISKS

Time Horizon
Medium



Financial Impact:
Low



Financial Impact Item:
Operating Profit



Impact type:
Anticipated



TCFD/TNFD Category

Transition Risk (Policy and Legal)



Monitoring:

Satellite monitoring technologies, TTP (Traceability to Plantation) data, field audits, and NDV/DCF (Deforestation and Conversion Free) verification are implemented; compliance of certified raw materials and suppliers is monitored in accordance with ISO 31000 standards. An early warning verification mechanism is operated through audits under the Supplier ESG Program. EUDR targets are integrated into senior management performance and compensation criteria.

ERM Integration:

Within the Sustainability Platform, the Sustainability at Unit monitors risk-related targets and performance trends. The Corporate Risk Management Unit and the Sustainability Platform coordinate these efforts, and the results are presented to the Board of Directors through the Sustainability Committee and EDRC.

NATURE-RELATED RISKS

Nature-Related Risks

Risk of Non-Compliance with Sustainable Packaging Regulations

Under the Packaging and Packaging Waste Regulation (PPWR), due to the mandatory use of PCR (post-consumer recycled) content and the ban on certain polymers, the pressure on operational profitability created by the need to procure high-cost recycled raw materials and to modify packaging designs, and the restriction of access to the EU market in the event of failure to comply with the relevant regulation.

Position in the Value Chain
Downstream Value Chain
Direct Operations
Upstream Value Chain



ASSESSMENT OF MATERIAL RISKS

Time Horizon
Short



Financial Impact:
Low



Financial Impact Item:
Operating Profit



Impact type:
Anticipated



TCFD/TNFD Category

Transition Risk (Policy and Market)



Monitoring:

Under the Packaging Roadmap, the transition to mono-material and post-consumer recycled (PCR) materials is tracked. Regulatory and supplier compliance is monitored through International Sustainability and Carbon Certification (ISCC), Environmental Product Declaration (EPD) verification processes, and Supplier ESG Program audits.

ERM Integration:

Products are evaluated from a life cycle perspective by the R&D and Packaging Development units. The Corporate Risk Management Unit and the Sustainability Platform coordinate the process, while target-related performance and legal compliance data are presented to the Board of Directors through the Sustainability Committee and EDRC.

Nature-Related Risks

Environmental and Social Sourcing Risks

In the event that environmental and social non-compliance issues such as deforestation, biodiversity loss, child labour, and human rights violations are identified in the supply chain of key raw materials such as cocoa, vegetable oil, and hazelnuts, the risk of suffering reputational damage due to legal sanctions or of facing the obligation to switch to costlier new suppliers as a result of non-compliance with regulations.

Position in the Value Chain
Downstream Value Chain
Direct Operations



ASSESSMENT OF MATERIAL RISKS

Time Horizon
Medium



Financial Impact:
Low



Financial Impact Item:
Operating Profit



Impact type:
Anticipated



TCFD/TNFD Category

Transition Risk (Market and Reputation)



Monitoring:

Non-compliance is monitored through the Ethics and Human Rights Committee, the Supplier ESG Program, Farmforce/SRM, independent audits, and the Child Labour Monitoring and Remediation System (CLMRS). The Regulatory Affairs Department communicates legislative developments to relevant units.

ERM Integration:

Enterprise Risk Management and the Sustainability Platform coordinate the process, overseen by the Ethics and Human Rights Committee—which meets four times a year—and the Internal Audit Directorate. Identified non-conformities are addressed through Corrective and Preventive Action (CAPA) plans. Results are reviewed by the Sustainability Committee at least twice a year and reported to the Board of Directors every two months through EDRC.

NATURE-RELATED OPPORTUNITIES

Nature-Related Opportunity

Opportunity for Cost and Energy Savings Through the Circular Economy

Achieving cost and energy savings by reducing food and non-food waste/reintroducing it into the circular economy.

Position in the Value Chain
Direct Operations
Upstream Value Chain



ASSESSMENT OF MATERIAL OPPORTUNITIES

Time Horizon
Short



Financial Impact:
Very Low



Financial Impact Item:
Operating Profit



Impact type:
Realized



TCFD/TNFD Category

Opportunity (Resource Efficiency)



Monitoring:

Under the 'Zero-Waste Company' model, net food loss, the waste recycling rate, Zero Waste to Landfill certification, and plastic and paper reduction outcomes are tracked as regular performance indicators.

ERM Integration:

These matters are recorded as high-priority items in the corporate risk and opportunity inventory, and the relevant owner is responsible for implementing the action plan. Operational Excellence teams support implementation, and progress is reviewed at Sustainability Platform meetings. Corporate Risk Management and the Sustainability Platform coordinate the process; the Sustainability Committee reviews the matter at least twice a year, and EDRC reports to the Board of Directors every two months.

Nature-Related Opportunity

Market Growth Opportunity with Sustainable Products Aligned with Nutrition Trends

Achieving market share and revenue growth by enriching product portfolios with products aligned with new nutrition trends and by developing the sustainable product portfolio.

Position in the Value Chain
Direct Operations
Upstream Value Chain



ASSESSMENT OF MATERIAL OPPORTUNITIES

Time Horizon
Short



Financial Impact:
Low



Financial Impact Item:
Operating Profit



Impact type:
Realized



TCFD/TNFD Category

Opportunity (Market)



Monitoring:

Reformulation, new product development, and R&D efforts are tracked based on product and launch performance; transparent labeling and consumer trends are monitored to identify market opportunities.

ERM Integration:

Enterprise Risk Management and the Sustainability Platform coordinate the process. The Sustainability Committee evaluates the matter at least twice a year, and EDRC reports to the Board of Directors every two months.

NATURE-RELATED OPPORTUNITIES

Nature-Related Opportunity

Cost Reduction and Resilience to Water Stress Through Energy and Water Efficiency

Reducing operational costs through investments in energy and water efficiency and increasing resilience to water stress

Position in the Value Chain
Direct Operations
Upstream Value Chain



ASSESSMENT OF MATERIAL OPPORTUNITIES

Time Horizon
Short



Financial Impact:
Very Low



Financial Impact Item:
Operating Profit



Impact type:
Realized



TCFD/TNFD Category



Opportunity (Resource Efficiency and Resilience)

Monitoring:

Energy and water consumption are monitored through digital systems. Metrics such as I-REC-certified renewable electricity use, energy savings, water consumption per unit, water recovery, and water loss and leakage inform investment and operational decisions. Completion of at least one energy-saving project is included in leadership-level variable remuneration criteria.

ERM Integration:

Within the Sustainability Platform, plant maintenance units and the Sustainability Unit track risk-related targets and performance improvements. Corporate Risk Management and the Sustainability Platform coordinate the process. The Sustainability Committee reviews the matter at least twice a year, and EDRC reports to the Board of Directors every two months.



PREPARE PHASE

While presenting the Company's nature-focused strategic goals and action plans, two internationally recognized methodological frameworks were referenced.

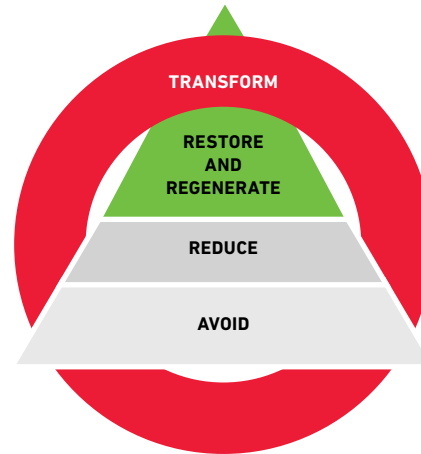
KUNMING-MONTREAL GLOBAL BIODIVERSITY FRAMEWORK (GBF)

This global agreement, which aims to halt and reverse nature loss by 2030, consists of 23 action-oriented targets. The framework sets out critical targets for the private sector regarding the conservation of biodiversity and the preservation of ecosystem balance. In particular, **GBF Target 15** requires large organizations operating on a global scale to regularly analyze their impacts on nature, their dependencies, and associated risks, and to disclose this information transparently. The Company's TNFD compliance efforts represent one of the most comprehensive corporate commitments directly addressing the requirements of **GBF Target 15**.

AR3T ACTION HIERARCHY

A framework designed by the Science-Based Targets Network (SBTN) to help businesses translate their nature conservation goals into concrete, science-based steps. This hierarchical structure consists of the following stages: **Avoid, Reduce, Regenerate, Restore, and Transform**.

SBTN AR3T ACTION FRAMEWORK



AR3T HIERARCHY	NATURE INTERACTION	STRATEGY AND RESOURCE ALLOCATION MODEL	KEY PERFORMANCE INDICATORS, TARGETS, AND ACHIEVEMENTS
1. AVOID Preventing negative impacts from occurring in the first place.	Deforestation and Habitat Loss	- In procurement processes, priority is given to sources certified by the Roundtable on Sustainable Palm Oil (RSPO), the Rainforest Alliance, and Fair Trade. In accordance with the NDPE (No Deforestation, Peatland Development and Exploitation) policy implemented in collaboration with pladis and the Earthworm Foundation, sourcing from converted forests and peatlands after the cutting date is strictly prohibited, thereby preventing habitat loss at its source. The “Beyond Cocoa” project, implemented to prevent deforestation in the supply chain in Côte d'Ivoire, utilizes the Starling Satellite Monitoring System and GPS mapping technologies. Using infrastructure provided by the Earthworm Foundation and Airbus, 11,180 fields belonging to 6 cooperatives are monitored via satellite, and “Traceability to Plantation” (TTP) data ensures that purchases are made directly from areas verified as free of deforestation (NDV – No Deforestation Verified).	Metric: Sustainable/Deforestation-Free (DCF/NDV) procurement rate (%) Target: Source 100% of primary raw materials (cocoa, vegetable oil) from sustainable sources Achievement (2025): For direct cocoa purchases, 100% traceability to plantation (TTP) at the cooperative level, and NDV (No Deforestation Verified) sourcing have been achieved. In Türkiye’s total purchases, the DCF level has reached 40% for vegetable oil and 15% for cocoa.
	Solid Waste and Plastic Leakage	- To certify the sustainability performance of packaging, ISCC and EPD processes compliant with the ISO 14025 standard are being conducted for the six highest-volume products. To reduce virgin plastic production and the risk of environmental leakage, Godiva Masterpieces doypack packaging has transitioned to using 30% PCR (post-consumer recycled content) plastic material. - The “Zero Waste to Landfill” standard is implemented at all factories to prevent production waste from leaking into landfills and the receiving environment. - We are phasing out PVC packaging materials—which pose a high environmental risk and are difficult to recycle—in favor of PET and paper-based alternatives. By transitioning to recyclable single-material alternatives in the packaging for Çokokrem Tube (from composite to single-material), Çokokrem Blister, Rulokat, and Taç Kraker, the generation of multi-layer packaging waste has been eliminated at the source.	Metric: Recyclable packaging rate (%) Target: Design all packaging to be recyclable by 2025, compared to the 2021 baseline Achievement (2025): The target of making 100% of packaging recyclable has been met. In addition, 423 metric tons of hard-to-recycle materials have been eliminated from packaging.
	Biodiversity Status Analysis and Operational Site Selection	- In 2025, all 13 production facilities (70 hectares) located in Türkiye, Saudi Arabia, Egypt, and Kazakhstan, along with the agricultural raw material source regions of 76 critical suppliers, were analyzed on a location-by-location basis using the WWF Biodiversity Risk Filter (BRF) tool. The fact that the Gebze and Karaman plants are located in organized industrial zones, while the other facilities are situated in industrial/commercial zones, facilitates the management of environmental impacts. Measures are being developed to address high physical biodiversity risks (water scarcity and extreme heat) at the facilities in Egypt and Saudi Arabia. - For new investments, proximity to Protected Areas (IUCN I–VI), Key Biodiversity Areas (KBA), Ramsar wetlands, and High Conservation Value (HCV) ecosystems is applied as a direct exclusion criterion, thereby preventing ecological impacts from the outset.	Target: To develop a biodiversity policy and establish long-term commitments Achievement (2025): Biodiversity Management Plans have been developed for two sites (8 hectares) identified as priorities due to their proximity to critical biodiversity areas or their potential impacts.

AR3T HIERARCHY	NATURE INTERACTION	STRATEGY AND RESOURCE ALLOCATION MODEL	KEY PERFORMANCE INDICATORS, TARGETS, AND ACHIEVEMENTS
2. REDUCE Minimizing impacts or uses that cannot be avoided.	Water Withdrawal and Consumption	- With the BLUE-IT Digital Monitoring Infrastructure implemented at the Ankara, Gebze, and Topkapı plants, water flow maps are being digitized, mass balances are monitored in real time, and leaks are addressed in real time through automatic anomaly alerts. - The Ultrafiltration (UF) and Reverse Osmosis (RO) membrane systems installed at the Topkapı plant have also been integrated into the Silivri facility, thereby increasing wastewater recovery. Efforts to expand water recovery systems are ongoing at the Ankara and Karaman plants. - Rainwater harvesting is conducted at the Topkapı, Ankara, and Gebze plants; steam and condensate water from processes are recovered and reused in closed-loop high-temperature water systems. - A shadow pricing method is applied in regions under very high water stress. In line with water stress scenario projections for 2030, 2040, and 2050, water efficiency investments are prioritized by calculating reduction costs per cubic meter.	Metric: Water consumption per unit (m³/ton) Target (2030): Achieve a 45% reduction in water consumption per unit compared to 2014 Achievement (2025): Significant progress has been made, with a cumulative reduction of 37% compared to the 2014 baseline year.
	Greenhouse Gas Emissions	- Efforts to reduce fossil fuel use are managed under the Decarbonization Roadmap. Scope 1 emissions are being reduced through investments in energy-efficient equipment. 100% of the electricity consumed at all finished product and raw material plants in Türkiye has been offset with I-RECs (International Renewable Energy Certificates). A 100% I-REC supply has been implemented at facilities in Uzbekistan, Kazakhstan, and Egypt, and a 50% I-REC supply at the Jeddah facility. To reduce reliance on the grid, the installation of 31.5 kWp of solar panels on-site has been completed. - Logistics-related Scope 3 emissions are being reduced through route optimization, the use of double-deck trucks, increased rail transport, and sourcing raw materials—excluding cocoa and vegetable oil—primarily from local suppliers. - The company evaluates emission reduction projects based on an internal carbon price of 50 €/metric ton of CO₂; it uses an “implicit” carbon pricing approach before the project and a “shadow” carbon pricing approach afterward. Work continues on integrating the system into strategic decision-making processes.	Metric: - Greenhouse gas emissions (tCO₂e) - Renewable electricity usage rate (%) - Rate of domestic raw material use (%) Target (2030–2050): - Reduce Scope 1 and 2 emissions by 42% compared to 2023 under the SBTi commitment - Reduce carbon emissions from logistics by 30% compared to 2019 - Use 100% electricity from renewable sources in factories by 2025 - Use 100% electricity from renewable sources in all warehouses by 2030 - Increase the use of domestic agricultural raw materials (excluding cocoa and vegetable oils) to 90% Achievement (2025): While Scope 1 and 2 emissions at factories in Türkiye were reduced by 2% compared to the previous year, an 8.4% reduction was recorded across all factories. Compared to the 2019 base year, carbon emissions from logistics were reduced by 19,498 tCO₂e. The total reduction in carbon emissions per unit reached 50.7% compared to 2014.
	Reducing Food Waste	- As part of the “Waste-Free Company” culture, the “right the first time” approach is implemented to reduce production losses. Thanks to efficiency strategies aimed at improving raw material conversion efficiency, the company has achieved a conversion rate of 99% of raw materials into finished products. - The “10x20x30” initiative (in partnership with Migros), which aims to cut global food waste in half, and the Ministry of Agriculture and Forestry’s “Save Your Food” campaign are actively supported.	Metric: Net food loss rate (%) Target (2030): Reduce net food losses to below 0.5% compared to 2022 Achievement (2025): The net food loss rate has been reduced to 0.57%.
	Packaging Material Reduction and Process Efficiency	- Through design improvement initiatives, packaging usage is being optimized, and the packaging weight per unit of product (plastic and paper density) is being reduced while maintaining quality and food safety standards. - At the Silivri chocolate factory, in collaboration with Modern Ambalaj, the Just-In-Time (JIT) Storage Model has been implemented, shifting from high-volume packaging order models to a “pull” system shaped by the production line’s real-time demand. As a result, material inventory volumes, storage space requirements, and logistics activity have been minimized. - By switching from multi-layer structures to recyclable single-material (mono) packaging for Çokokrem Tube, Çokokrem Blister, Flipz Doypack, Taç Kraker, and Rulokat products, the cumulative material weight and carbon intensity have been reduced.	Metric: Annual reduction in packaging materials (plastic and paper – metric tons) Target: Reduce plastic and paper use by 200 metric tons and 300 metric tons, respectively, each year Achievement (2025): As a result of design and optimization efforts, the use of 96 metric tons of plastic and 25.2 metric tons of paper in packaging has been reduced. For the first time across the entire pladis portfolio, the Çokokrem Tube packaging was converted to a mono-material structure, eliminating the use of 121 metric tons of composite material annually. While a reduction of 53 metric tons in composite material was achieved in the Çokokrem Blister series, the transition to a mono-material structure in the packaging for Flipz Doypack, Taç Kraker, and Rulokat eliminated the use of approximately 180 metric tons of composite packaging.

AR3T HIERARCHY	NATURE INTERACTION	STRATEGY AND RESOURCE ALLOCATION MODEL	KEY PERFORMANCE INDICATORS, TARGETS, AND ACHIEVEMENTS
3. REGENERATE Practices that enhance the biophysical functions of ecosystems.	Soil Health and Regenerative Agriculture in Wheat Production	• Under the Regenerative Agriculture Roadmaps, holistic practices are implemented to improve the physical, chemical, and biological structure of soils that have lost their health due to excessive tillage and uncontrolled fertilizer use. In this context, the following practices are implemented simultaneously in fields: 4R Nutrient Management; Cover Crops, which prevent soil from lying fallow and prevent erosion after the main crop harvest; Minimum Tillage, which protects the soil biome; Irrigation Efficiency; and Hedgerow Establishment, which creates biodiversity corridors. • Laboratory analyses have demonstrated that in areas where vetch is planted and hedgerows are established, ecosystem service indicators—such as organic matter decomposition, the carbon cycle, and the phosphorus cycle—reach their highest levels. • Farmers receive remote agronomic decision support for data-driven agriculture through digital soil analysis, Cool Farm Tool carbon footprint analysis, humidity and temperature sensors, and satellite monitoring systems.	Metric: Area under regenerative agriculture (decares) and number of farmers reached Target (2030): Implement restorative agriculture practices across 10,000 decares of land with wheat producers engaged in contract farming Achievement (2025): Regenerative agriculture has been implemented on a total of 6,860 decares, comprising 1,060 decares at the advanced level and 5,800 decares at the introductory level. As a result of the project, the project won first place in the Regenerative Agriculture category at the Sustainable Food Awards.
	Agroforestry in Cocoa Farming	• Under the Agroforestry Policy, the planting of perennial forest trees—which provide shade and nutrients—among cocoa trees is encouraged to prevent soil degradation and moisture loss caused by monoculture cocoa farming. • The planting and monitoring of local fruit and forest tree species—such as Acajou, Akpi, Fraké, Framiré, and Petit cola—are carried out to improve soil quality in fields, provide microclimatic shade for young cocoa saplings, and generate additional income for farmers.	Metric: Number of trees planted and protected under agroforestry; area covered (hectares) Achievement (2025): In collaboration with AGROMAP, 387 hectares of land belonging to 196 farmers in the DAKUA cooperative were mapped, and 16,266 forest and fruit saplings were planted. At the COODIG cooperative, as part of the pilot initiative, 9,007 trees were protected across 250 hectares involving 124 farmers. The survival rate of the saplings in the field was determined to be 91%.
	Soil Revitalization in Sustainable Hazelnut Farming	• To counteract the soil infertility and pollution caused by traditional hazelnut farming, soil-friendly solutions that reduce dependence on chemical fertilizers are being offered. Farmers are being trained in the production of organic compost from hazelnut harvest waste, and Microbial Fertilizer— which revitalizes soil structure—and Organic Sheep Manure— which regulates soil microbiology—are distributed free of charge. • Good Agricultural Practices (GAP) are tested in the 12-decare Modern Application and Demonstration Garden established at the Giresun factory; farmers are provided with phenological development monitoring through a 24/7 active WhatsApp agronomist support line.	Metric: Area (decare) covered by soil analysis and sustainable agricultural practices, and the number of farmers reached Target: To facilitate the transition to sustainable agricultural practices in wheat and hazelnut production Achievement (2025): The program has been expanded to cover a total area of 2,510 decares in the Esentepe, Kılıçlı, Örnekköy, Tepeköy, Yıldız, and Keşap regions of Giresun. An average yield increase of 35% was recorded in pilot orchards that adopted sustainable techniques. A total of 200 farmers, including 100 women, were reached in the Eastern Black Sea region; over 850 hours of technical training were provided on fertilization, pruning, and composting. Microbial fertilizer was provided to 40 farmers, and organic sheep manure was provided to 200 farmers.
	Aliağa Biscuit Wheat and Biofortification	• Developed in partnership with the Bahri Dağdaş International Agricultural Research Institute, the use of the indigenous Aliağa Biscuit Wheat—which possesses a high adaptability to climate change and drought—is being expanded through a contract farming model. In 2025, the partnership was extended for another five years; seeds are provided to farmers on a harvest-based payment schedule, thereby supporting the conservation of local genetic resources in the fields and enhancing agricultural biodiversity resilience. • In this project, conducted in collaboration with Sabancı University, zinc (Zn) and selenium (Se) were applied to the leaves during the wheat-growing phase, thereby replenishing the wheat kernels with the microminerals lost by the soil while the wheat was still in the field. The functional “Saklıköy Field-Enriched Cereal Biscuit” produced using this flour, went on sale in July 2025.	Metric: Increase in Zn and Se levels in wheat flour Target: To facilitate the transition to sustainable agricultural practices in wheat and hazelnut production Achievement (2025): In 2025, Aliağa wheat was planted across a total area of 50,000 decares in 11 provinces. • Phase II studies conducted on a 90-decare area in Kırıkkale were successfully completed; the harvested wheat was processed in mills, resulting in whole wheat flour with zinc levels 46 times, selenium levels 18 times higher than standard flour.

AR3T HIERARCHY	NATURE INTERACTION	STRATEGY AND RESOURCE ALLOCATION MODEL	KEY PERFORMANCE INDICATORS, TARGETS, AND ACHIEVEMENTS
4. RESTORE Restoration that enables degraded ecosystems to return to their natural state.	Restoration of Forest Ecosystems and Natural Habitats	- As part of the “Ülker My Beautiful Country Forest” Project, this nature-based solution—initiated in 2011 with the voluntary contributions of employees around the Ankara factory and expanded under the Ministry of Agriculture and Forestry’s “Breath for the Future” campaign—aims to directly restore degraded terrestrial ecosystems through forestry. - Tree planting for ecological restoration is being carried out primarily in Karaman and Ankara, as well as in the provinces of Kocaeli, Muğla, Elazığ, Eskişehir, Hatay, and Gümüşhane.	Metric: Total number of saplings planted and protected Target: To continue revitalizing local terrestrial habitats by supporting forest restoration efforts across Türkiye through sapling donations Achievement (2025): As part of the November 11 National Afforestation Day, 15,850 new saplings were planted in the Karaman and Ankara regions. The cumulative number of saplings planted under the project reached 194,350, making a significant contribution to forest cover restoration.
	Restoration of Watersheds and Ecological Cycles	- Industrial water cycles are being restored to reduce the amount of water drawn from factories and thereby alleviate pressure on limited watersheds and groundwater resources. To this end, at the Topkapı and Silivri plants, advanced UF and RO membrane filtration systems are used to treat wastewater, removing it as a burden on the ecosystem and reclaiming it for use in non-process infrastructure facilities. - Rainwater is harvested through collection infrastructure installed at the Topkapı and Gebze plants and utilized to meet on-site needs, thereby preserving the water cycle. - Through the “Water Risks Project,” carried out in collaboration between SKD Türkiye and Ankara University’s Institute of Water Management, drip irrigation infrastructure is being established in agricultural basins experiencing drought and water stress (e.g., Kırıkkale) to support the natural replenishment of groundwater and water resources.	Metric: Amount of water recovered (m³) Target (2030): To achieve a total of 50,000 m³ of water and wastewater recovery compared to the 2014 base year. Achievement (2025): A total of 19,160 m of water was recovered in 2025—6,601 m at Silivri and 12,559 m at Topkapı—exceeding the target of recovering 15,000 m of wastewater at factories in Türkiye. Cumulative water recovery since the 2014 base year reached 47,130 m, bringing the Company closer to its 2030 target of 50,000 m.
	Restoring Biodiversity and Ecological Balance	- To combat the invasive brown stink bug (<i>Halyomorpha halys</i>), which threatens the local ecological balance and product quality in the Black Sea hazelnut basin, biological control methods have been adopted that prevent the use of harmful chemicals and restore the natural ecosystem balance. - In collaboration with the Hazelnut Research Institute under the Ministry of Agriculture and Forestry, the samurai wasp—a natural predator of the invasive brown stink bug that causes no harm to the local ecosystem—is being bred and released into hazelnut orchards, thereby restoring the disrupted predator-prey balance through ecological methods. - To monitor pest populations, field teams have installed AI-powered smart cameras and chemical-free pheromone traps in the fields, thereby preventing the contamination of ecological corridors.	Achievement (2025): In the Piraziz, Bulancak, Keşap, Fatsa, and Çamaş regions—where invasive insect density is highest—9,000 samurai wasps were released for biological control. In addition, 200 pheromone traps were distributed to farmers participating in the project. While the pest population reached 2,125 individuals in neighboring uncontrolled areas, these biological measures kept the population at 134 in the Giresun pilot area, supporting the restoration of ecological balance.

AR3T HIERARCHY	NATURE INTERACTION	STRATEGY AND RESOURCE ALLOCATION MODEL	KEY PERFORMANCE INDICATORS, TARGETS, AND ACHIEVEMENTS
5. TRANSFORM Systemic actions that fundamentally transform business models.	Industrial Symbiosis and Circularity in Waste Management	- All byproducts and waste generated from production processes—which fall under the category of food waste—are converted into raw materials for different sectors through industrial symbiosis before they become waste. In this regard, food waste is sorted at factories and returned to the economy directly as an additive in animal feed. - Independent audits have confirmed that non-hazardous waste from factories is used as a secondary raw material in more than 40 different sectors, ranging from packaging to animal feed and from construction materials to biodiesel production. - Organic waste from the facilities' cafeterias is sent directly to biomethanation plants instead of landfills and converted into renewable energy through biogas production.	Target: To send zero waste to landfills by the end of 2025 through 99% recycling and recovery Achievement (2025): 92% of the waste generated at the facilities (99.4% at Ülker Türkiye's finished product factories and 99.9% at raw material factories) has been reintroduced into the circular economy through recycling and recovery processes. - As part of industrial symbiosis, a total of 7,998 metric tons of food waste (Ülker Türkiye: 6,534 metric tons, raw material plants: 164 metric tons, overseas plants: 1,300 metric tons) was directly converted into animal feed.
	Supply Chain and Sectoral ESG Transformation	- A fundamental transformation has been implemented in supplier selection and evaluation processes, incorporating ESG criteria alongside the traditional cost-quality balance. In new supplier selections and in the final performance scoring of existing critical partners, the weight of the ESG score has been integrated into legal procurement criteria at a minimum of 5%. Technical Support and Capacity Building: Suppliers classified as medium- or high-risk based on risk analysis are provided with direct technical support facilitated by independent consultants, and training on greenhouse gas inventory calculations and ESG compliance is offered free of charge. Contracts with suppliers who fail to address non-compliance within the specified timeframe are suspended, thereby triggering a mandatory green transformation within the ecosystem.	Metric: Percentage of suppliers who have undergone a social compliance audit Target: Ensure full compliance of critical suppliers with the Global Supplier Ethics Policy by 2030 Achievement (2025): - Under the Supplier ESG Program, out of a total of 388 findings identified among raw material and packaging suppliers, 138 have been permanently resolved, and 8 high-risk suppliers were provided with direct on-site improvement guidance. Sustainability risk analyses were conducted for 33 critical packaging and raw material suppliers, and action plans were developed. - Social compliance audits were conducted for 29 critical suppliers, and independent social compliance audits were conducted for 82% of critical suppliers. - A total of 504 person-hours of technical training on the Supplier ESG program and roles was provided to suppliers, and 99 person-hours was provided to procurement and R&D teams.

ALIGNMENT WITH THE GLOBAL BIODIVERSITY FRAMEWORK (GBF) TARGETS

GBF Target 1

Plan and manage all areas to reduce biodiversity loss

The Company's Strategy and Actions to Achieve the Target

Proximity to Protected Areas (IUCN I–VI), Key Biodiversity Areas (KBAs), and Ramsar wetlands is evaluated as an exclusion criterion in new investment decisions. Location-based risk mapping was conducted using the WWF Biodiversity Risk Filter (BRF) for 13 production facilities and 76 critical suppliers.



GBF Target 2

Restore at least 30% of degraded ecosystems

The Company's Strategy and Actions to Achieve the Target

Through the “Ülker My Beautiful Country Forest” project, which began in Ankara in 2011 and has since expanded to various cities, a total of 194,350 saplings have been planted. Additionally, in cocoa-producing regions of Côte d'Ivoire (Agricultural Forestry), 16,266 saplings have been planted as shade trees to restore degraded habitats.



GBF Target 3

Protecting at least 30% of land, inland water, and marine areas

The Company's Strategy and Actions to Achieve the Target

In accordance with pladis's NDPE (No Deforestation, Peatland Development and Exploitation) policy, sourcing from converted forest and peatland areas after the harvest date is strictly prohibited. In the 6 cocoa cooperatives from which we purchase directly, 100% of our supply comes from deforestation-free areas (NDV).



GBF Target 4

Halting species extinction and managing human-wildlife conflicts

The Company's Strategy and Actions to Achieve the Target

To prevent invasive species from destroying local ecosystems and species, the “samurai wasp” (*Trissolcus japonicus*) was released in the Black Sea Region as a nature-based biological control measure against the hazelnut pest “brown stink bug,” thereby avoiding the use of chemicals.



ALIGNMENT WITH THE GLOBAL BIODIVERSITY FRAMEWORK (GBF) TARGETS

GBF Target 5

Ensuring the sustainable and legal harvesting and trade of wild species

The Company's Strategy and Actions to Achieve the Target

The Company does not engage in the direct harvesting or trade of wild species.



GBF Target 6

Reduce the introduction of invasive alien species by 50% and minimize their impacts

The Company's Strategy and Actions to Achieve the Target

To counter the increasing pressure from invasive species due to climate change, the spread of invasive pests is being halted in the Black Sea hazelnut basin—particularly in Giresun—through the implementation of pheromone traps and biological control (release of samurai wasps) as part of the “Beyond Hazelnut” program.



GBF Target 7

Reducing pollution to levels that do not harm biodiversity

The Company's Strategy and Actions to Achieve the Target

Zero Waste to Landfill certification has prevented production waste from being released into the natural environment in Türkiye. To combat plastic pollution, the Company achieved its goal of designing 100% of plastic packaging to be recyclable. To prevent agricultural pollution, wheat and hazelnut farmers receive training on 4R fertilizer management and microbial fertilizers to reduce pesticide and chemical use.



GBF Target 8

Minimizing the effects of climate change on biodiversity

The Company's Strategy and Actions to Achieve the Target

In line with the 2050 Net Zero target, a Science Based Targets Initiative (SBTi)-aligned commitment has been made, aiming for a 42% reduction in Scope 1 and 2 emissions. Production-related Scope 2 emissions have been eliminated by using 100% I-REC-certified renewable electricity at all factories in Türkiye.



ALIGNMENT WITH THE GLOBAL BIODIVERSITY FRAMEWORK (GBF) TARGETS

GBF Target 9

Sustainable management of wild species (for human benefit)

The Company's Strategy and Actions to Achieve the Target

The Company does not engage in any direct wildlife management activities.



GBF Target 10

Biodiversity and sustainability in agriculture, forestry, and aquaculture

The Company's Strategy and Actions to Achieve the Target

The goal is to implement Regenerative Agriculture across 10,000 decares by 2030. In Kırıkkale, Kırşehir, Çorum, Ankara, Aksaray, Yozgat, and Konya, agricultural sensors (moisture & temperature) and satellite monitoring are used to optimize water and fertilizer use, thereby increasing the soil's carbon sequestration capacity.



GBF Target 11

Restoring the benefits nature provides to people (ecosystem services)

The Company's Strategy and Actions to Achieve the Target

To protect the ecosystem service of clean water supply, an "Internal Water Pricing" model is being implemented; pressure on freshwater groundwater resources has been alleviated by harvesting rainwater and reclaiming wastewater through reverse osmosis systems.



GBF Target 12

Strengthening green spaces for human well-being

The Company's Strategy and Actions to Achieve the Target

Demonstration gardens that apply sustainable agriculture practices, minimize chemical use, and conserve water and energy have been established at production sites to strengthen employees' environmental awareness.



ALIGNMENT WITH THE GLOBAL BIODIVERSITY FRAMEWORK (GBF) TARGETS

GBF Target 13

Sharing the benefits derived from genetic resources

The Company's Strategy and Actions to Achieve the Target

In collaboration with the Bahri Dağdaş International Agricultural Research Institute, the native “Aliağa Biscuit Wheat” seed—which is resilient to climate change and drought and has a high genetic adaptability—was developed and shared with contract farmers.



GBF Target 14

Integrating biodiversity into all decision-making processes

The Company's Strategy and Actions to Achieve the Target

A Sustainability Committee operates at the Board of Directors level. Biodiversity and climate risks have been integrated into investment plans, and work is ongoing to implement a Shadow Carbon Pricing and Internal Water Pricing system at a rate of 50 €/metric ton of CO₂.



GBF Target 15

Assessing and reporting on biodiversity-related risks and impacts

The Company's Strategy and Actions to Achieve the Target

The TNFD LEAP methodology has been fully adopted. Climate and biodiversity risks are disclosed to the public through integrated reports that are transparent, independently audited, and compliant with TSRS, TCFD, and GRI standards.



GBF Target 16

Sustainable consumption choices to reduce waste and overconsumption

The Company's Strategy and Actions to Achieve the Target

A “Waste-Free Company” culture has been adopted. 99% of raw materials used in food production are converted into the final product without waste. Compared to 2021, a total reduction of 10.05 metric tons of oil and 3,452 metric tons of sugar was achieved across all product categories. A total of 9,227 metric tons of food waste generated from production processes was recycled into the circular economy as animal feed.



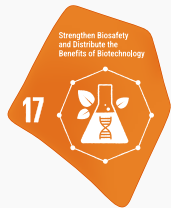
ALIGNMENT WITH THE GLOBAL BIODIVERSITY FRAMEWORK (GBF) TARGETS

GBF Target 17

Strengthen biosafety and share the benefits of biotechnology

The Company's Strategy and Actions to Achieve the Target

In the Biofortification project carried out in collaboration with Sabancı University, biotechnological monitoring methods were used to increase the zinc and selenium content in whole wheat flour by foliar feeding of wheat in the field, resulting in innovative food production (Saklıköy Field-Enriched Biscuits).



GBF Target 18

Reduce incentives that harm nature and increase positive incentives

The Company's Strategy and Actions to Achieve the Target

The Supplier ESG Program screens out suppliers with high ESG risks. In cocoa sourcing, farmers receive financial incentives for sustainable, deforestation-free production through Fairtrade premiums and support for the Living Income Differential (LID).



GBF Target 19

Mobilizing financial resources for biodiversity

The Company's Strategy and Actions to Achieve the Target

Within the scope of the responsible and sustainable procurement of critical raw materials, TRY 145–150 million has been allocated for traceability, sustainable and regenerative agriculture, agroforestry, farmer support programs, the use of certified raw materials, and related R&D activities.



GBF Target 20

Strengthening technology transfer and scientific and technical cooperation

The Company's Strategy and Actions to Achieve the Target

Collaboration with the Earthworm Foundation (Starling satellite monitoring) and Doktor agricultural technologies supports satellite-based monitoring of fields in the supply chain. The technological infrastructure is used to record farmers' locations, information, and survey results.



ALIGNMENT WITH THE GLOBAL BIODIVERSITY FRAMEWORK (GBF) TARGETS

GBF Target 21

Ensuring access to information to guide biodiversity actions

The Company's Strategy and Actions to Achieve the Target

"Farmer Field Schools" are being established in cocoa, wheat, and hazelnut production regions; agronomists are working alongside farmers in the field to share knowledge on good agricultural practices, composting, forest law, and pruning techniques, and to provide expert guidance.

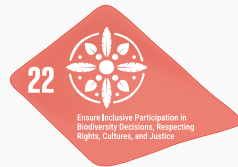


GBF Target 22

Inclusive participation of women, youth, and local communities in decision-making

The Company's Strategy and Actions to Achieve the Target

As part of the "Beyond Cocoa" project, water pumps have been built for rural communities in Côte d'Ivoire, and more than 2,000 school kits have been distributed. By involving local labor and young foresters in the process, the voices of local communities have been reflected in the projects during both the decision-making and production phases.



GBF Target 23

Ensuring gender equality in biodiversity actions

The Company's Strategy and Actions to Achieve the Target

Women's economic empowerment is a central focus of the Company's agricultural projects. Of the 200 farmers participating in the 'Beyond Hazelnut' program, 100 are women. In the 'Beyond Cocoa' project, women represented 38% of participants in income-generating activities, and the Company engaged 747 women cocoa farmers in total. The Gender Award received in the 2024 Chocolate Scorecard recognizes these efforts toward gender equality.



SCENARIO ANALYSIS

The Scenario Analysis is built on the following framework and tools to test the resilience of the Company's strategy under various nature-related risk and opportunity conditions:

Time Horizon and Policy Targets (Kunming-Montreal GBF): The time horizon for the scenario analysis was determined in alignment with the Kunming-Montreal GBF, one of the key global policy references. In short- and medium-term assessments, the goal of halting and reversing nature loss by 2030 is used as a reference, while in long-term assessments, the goal of living in harmony with nature by 2050 is used as a reference.

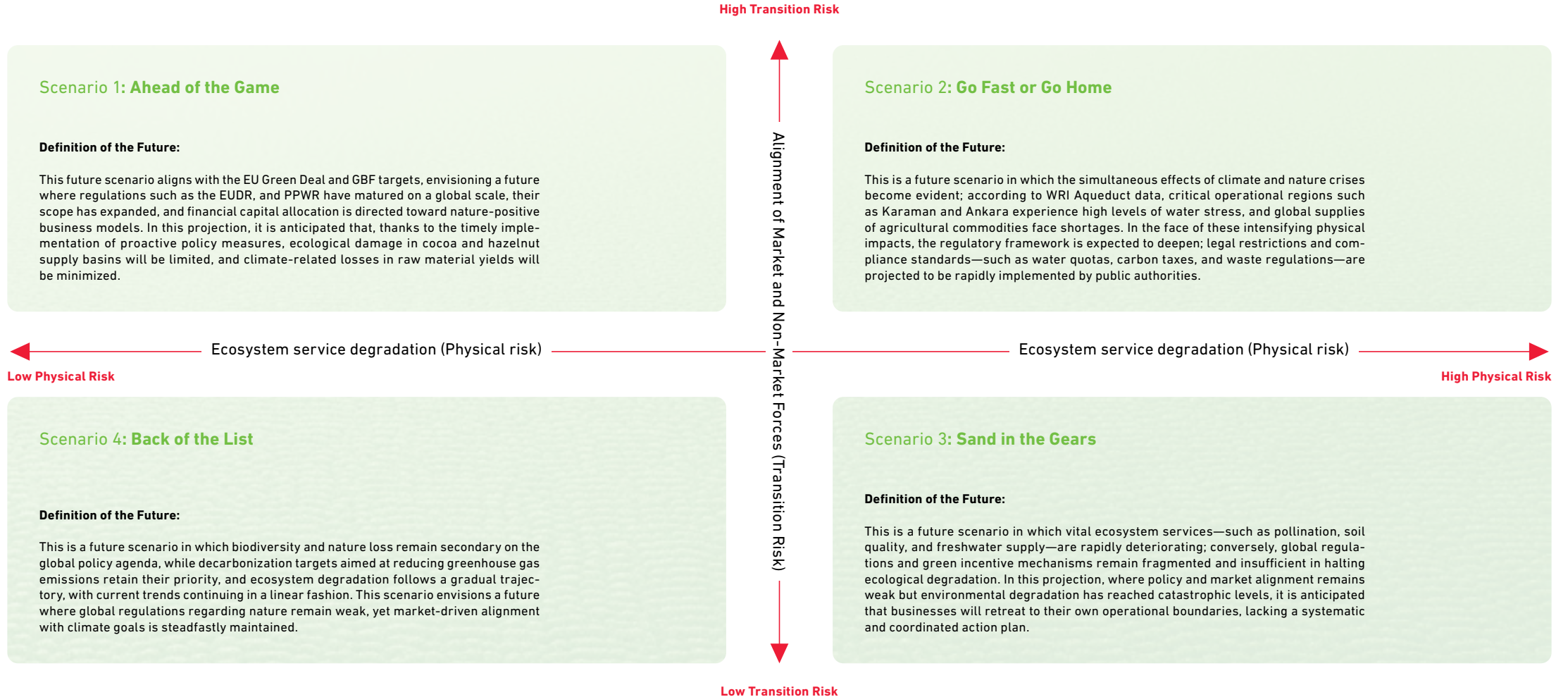
IPBES and Scientific Foundations: Scientific assessments published by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) serve as the basis for identifying physical risks related to nature and biodiversity loss. The increasing impact of climate change on nature loss, as well as potential degradation and critical thresholds in ecosystem services such as pollination, soil quality, and water supply, are assessed in line with the findings and assumptions presented by IPBES.

Financial and Economic Modeling: In assessing transition risks within the framework of regulatory developments, carbon pricing, and market dynamics, the study draws on climate and nature scenarios developed by the Network for Greening the Financial System (NGFS) and scientific approaches developed by the IPR Forecast Policy Scenario (FPS). The potential macroeconomic impacts of nature-related risks on inflation, supply chain costs, and asset valuations are taken into account.

Sectoral and Spatial Data Tools: To generate quantitative projections for the processed food value chain, the World Business Council for Sustainable Development's (WBCSD) Climate Transition Scenario tool for the Food and Agriculture Sector, the Earth-Economy Model used in the World Bank's "The Economic Case for Nature" study, the WWF Biodiversity Risk Filter and Water Risk Filter tools, and the ENCORE database are utilized.



SCENARIO MATRIX



SCENARIO COMPARISON

Scenario 1: Ahead of the Game

Impacts:

The primary financial and operational impact centers on transition risks stemming from the costs of compliance with new regulatory standards. This increase in regulatory expectations initially drives up investment needs by making end-to-end (100%) traceability in the supply chain, the transition to deforestation-free (NDPE) raw material sourcing, and the integration of post-consumer recycled (PCR) materials in packaging operational requirements. However, thanks to the company's existing "Zero Waste to Landfill" success and circular economy capabilities, this pressure for transformation can be managed without becoming a systemic burden; meanwhile, its integrated sustainability-linked financing structure directly provides a market and competitive advantage.

Resilience Assessment:

The Starling satellite monitoring system—implemented in the company's supply chain through a partnership with the Earthworm Foundation—and the sustainability strategies within its packaging portfolio provide a strong capacity for compliance with anticipated regulations. The \$550 million Sustainability-Linked Bond (SLB) mechanism, indexed to environmental and social performance, serves as a strategic lever in managing the financial impacts of transition risks and securing access to international markets.

Scenario 2: Go Fast or Go Home

Impacts:

In this scenario, where physical and transition risks are simultaneously felt at the highest level, capacity losses in watersheds and declines in agricultural yields pose a direct risk to operational processes. Limiting the impact of operational risks on financial statements depends on optimizing resource allocation through mechanisms such as Internal Carbon and Internal Water Pricing; proactively safeguarding raw material supply security through investments in "Regenerative Agriculture" and "Agroforestry"; and ensuring full integration from linear business models to a circular economy.

Resilience Assessment:

The company's most critical resilience factor is the integration of environmental externalities into investment decisions. The implemented Internal Carbon Pricing and Internal Water Pricing models, which promote water efficiency, will safeguard financial planning and capital allocation. At the same time, an "industrial symbiosis" network that converts food waste from production processes into animal feed, along with Regenerative Agriculture investments that enhance the soil's carbon and water retention capacity, will ensure operational continuity by building resilience against resource constraints.

Scenario 3: Sand in the Gears

Impacts:

While transition risks stemming from regulatory compliance obligations remain low, acute and chronic physical risks are expected to become the most fundamental threat to business continuity. Temperature increases triggered by climate change are accelerating the spread of invasive species such as the "brown stink bug," posing a risk of directly disrupting hazelnut, cocoa, and vegetable oil harvests, while extreme drought and soil depletion threaten to disrupt wheat supplies in Central Anatolia. In this environment, where protective policies and incentives are lacking at the macro level, safeguarding the value chain and preventing raw material bottlenecks depend on the success of the Company's independent operational investments in nature-based solutions.

Resilience Assessment:

The Company's primary line of defense against physical risks consists of nature-based solutions, nature-compatible supply models, and engineering improvements. The widespread adoption of the "Aliağa Biscuit Wheat" seed, developed to be resilient to climate change and drought, biological control efforts using "Samurai Wasps" against invasive species in hazelnut production, the enhancement of soil carbon, nitrogen, and moisture through regenerative agriculture practices, and wastewater recovery systems implemented at facilities to address water constraints are critical adaptation mechanisms against environmental risks in the supply chain.

Scenario 4: Back of the List

Impacts:

While this environment does not create direct short-term legal compliance costs or regulatory transition pressures, it carries the risk of harboring nature-related operational blind spots in long-term decisions. Ignoring the effects of slow but steadily accumulating pressures on natural resources on the supply chain could lead to crop yield fluctuations and capacity bottlenecks in the long term. Under this scenario, the Company's strategic focus is to maintain its cost advantage by maximizing energy, carbon, and resource efficiency, and to closely monitor weak warning signals in the value chain using data-driven analytical approaches.

Resilience Assessment:

One of the Company's most important resilience factors is its efficiency-focused corporate culture, shaped by the "SIRI Digital Maturity" infrastructure and the "Waste-Free Company" principle. Through AI-powered data management and the "Yıldız Excellence Path (YMY)" methodology, the company minimizes environmental impact and costs per unit of production while strongly managing long-term changes in its supply network to safeguard its financial and operational resilience.

CORE GLOBAL DISCLOSURE METRICS

CORE GLOBAL INDICATOR	CORE GLOBAL METRIC		UNIT	2024	2025
Total Spatial Footprint	Total surface area controlled/managed or sourced		km ²	0.35	0.35
Ecosystem Change	Area of land and freshwater ecosystems voluntarily conserved or restored		km ²	5.5	15.74
Wastewater	Total volume of water discharged		m ³	Domestic: 528,041 Overseas: 96,734	Domestic: 571,059 Overseas: 120,428
	Volume of water discharged into freshwater sources		m ³	0	0
	Volume of other discharged water		m ³	0	0
Waste Generation and Disposal	Total Waste	Total	tonnes	Domestic: 22,863 Overseas: 4,835	Domestic: 21,270 Overseas: 5,427
		Hazardous waste generation	tonnes	Domestic: 180 Overseas: 1	Domestic: 85 Overseas: 4
		Non-hazardous waste generation	tonnes	Domestic: 22,683 Overseas: 4,834	Domestic: 21,179 Overseas: 5,423
	Disposal Methods	Waste disposed of by incineration (energy recovery)	tonnes	Domestic: 4,599 Overseas: 0	Domestic: 2,769 Overseas: 0
		Waste sent to regulated landfills	tonnes	Domestic: 190 Overseas: 1,782	Domestic: 114.3 Overseas: 1,918
		Other disposal methods (incineration)	tonnes	Domestic: 0 Overseas: 0	Domestic: 0 Overseas: 0
		Recycled waste (recycling)	tonnes	0	0
		Recycled waste	tonnes	Domestic: 18,073 Overseas: 3,053	Domestic: 18,387 Overseas: 3,510
		Other recycling methods	tonnes	0	0
	Food Waste	Sent to landfills	tonnes	0	0
		Sent to composting	tonnes	0	0

CORE GLOBAL INDICATOR	CORE GLOBAL METRIC		UNIT	2024	2025
Waste Generation and Disposal	Food Waste	Sent for controlled incineration	tonnes	0	0
Waste Generation and Disposal	Food Waste ³	Applied to the soil	tonnes	0	0
		Anaerobic digestion / co-digestion	tonnes	0	0
		Other disposal methods (Animal feed mills) ³	tonnes	Domestic: 6,976 Overseas: 1,371	Domestic: 6,698 Overseas: 1,300
Plastic Pollution	Total amount of plastic used or sold		tonnes	21,244	19,953
	Percentage of reusable plastic packaging		%	98	100
Air pollutants other than greenhouse gases (GHG)	Particulate matter (PM2.5 and/or PM10)		kg/hour	Domestic: 1.1	Domestic: 1.1
	Nitrogen oxides (NO ₂ , NO, and NO ₃)		kg/hour	Domestic: 31.71 Overseas: NA	Domestic: 31.71 Overseas: NA
	Volatile organic compounds (VOC or NMVOC)		kg/hour	Domestic: 0.0008 Overseas: NA	Domestic: 0 Overseas: NA
	Sulfur oxides (SO ₂ , SO, SO ₃ , SO _x)		kg/hour	Domestic: 1.14 Overseas: NA	Domestic: 1.14 Overseas: NA
Water withdrawal and consumption volumes from water-stressed regions	Amount of water withdrawn from regions experiencing water stress		%	74	72.60
	Amount of water consumed from regions experiencing water stress		%	74	72.60
	Water source		-	Well and mains	Well and mains
	Amount of water extracted		m ³ /tonne	Domestic: 828,912 Overseas: 99,725	Domestic: 867,418 Overseas: 129,867
	Amount of reclaimed wastewater consumed		m ³	Domestic: 3,163 Overseas: 0	Domestic: 17,416 Overseas: 0

³ Quantities of food waste sent to relevant facilities for use in animal feed production are included within the total non-hazardous waste figure. Food waste data has been assessed separately within that total and is presented specifically for food waste.

CORE GLOBAL INDICATOR	CORE GLOBAL METRIC	UNIT	2024	2025
Volume of high-risk natural commodities (sourced from land, ocean, and freshwater)	Quantity of high-risk natural commodities sourced	Thousand metric tons	Vegetable oil: 79 Cocoa: 53	Vegetable oil: 78 Cocoa: 62
	The proportion of high-risk natural commodities sourced out of total natural commodities	%	Vegetable oil: 15% Cocoa: 9%	Vegetable oil: 12% Cocoa: 9%

CORE GLOBAL INDICATOR	CORE GLOBAL METRIC	UNIT	2024	2025
Amount of high-risk natural commodities sourced from land, ocean, or freshwater	Percentage of high-risk natural commodities sourced under a sustainable management plan or certification program	% (based on cost)	Sugar: 1% Certification type: FSA Cocoa: 0.05% Certification type: Fairtrade	Sugar: 1% Certification type: FSA Cocoa: 0.06% Certification type: Fairtrade
Greenhouse Gas Emissions	Scope 1 Emissions	metric tons of CO ₂ e	106,068	108,318
	Scope 2 Emissions (location-based)	metric tons of CO ₂ e	130,875	128,994
	Scope 2 Emissions (market-based)	metric tons of CO ₂ e	29,840	16,189
	Scope 3 Emissions	metric tons of CO ₂ e	2,321,548	2,232,151
	Total Greenhouse Gas Emissions (by location)	metric tons of CO ₂ e	2,558,491	2,469,464
	Total Greenhouse Gas Emissions (market-based)	metric tons of CO ₂ e	2,457,456	2,356,659

INDICATOR	KEY SECTOR METRIC	UNIT	2024	2025
Deforestation and conversion-free (DCF) products	Vegetable Oil	%	42	40
	Cocoa	%	9.4	15
Products sourced from regions experiencing water stress	The proportion of agricultural products produced or sourced from regions with high or very high water stress	%	30–35	30–35
Reclaimed food waste	The percentage of food waste converted into by-products and/or co-products	%	Domestic: 100% Overseas: 100%	Domestic: 100% Overseas: 100%

ADDITIONAL METRICS

INDICATOR	ADDITIONAL INDUSTRY METRIC	UNIT	2024	2025
Recycled, renewable, and compostable non-plastic packaging	The percentage of total non-plastic packaging supplied and purchased that consists of recycled materials	%	95.9	91.3
Waste	Weight of non-plastic primary packaging for food products	tonnes	899.8	912.3
	Weight of non-plastic secondary packaging for food products	tonnes	39,454.8	38,341.6
	Weight of non-plastic tertiary packaging for food products	tonnes	26,523.7	27,116.5
	Total weight of non-plastic packaging (primary, secondary, and tertiary packaging) for food products	tonnes	51,630.5	51,372.5
Products sourced using life cycle assessment (LCA)	Percentage of products procured that have undergone a life cycle assessment (LCA) out of the total procured products (%)	%	0	0

GLOSSARY

Dependencies: The elements of environmental assets and ecosystem services on which an organization depends to sustain its operations.

Direct operations: All activities and facilities over which a company has operational or financial control (e.g., production facilities, mines, land, and stores).

Downstream value chain: All activities related to the sale of products and services produced by the company. This includes the end-of-life phase, encompassing product use, reuse, recovery, recycling, and final disposal.

Ecosystem services: The contributions ecosystems make to benefits used in economic and other human activities.

Environmental assets: The living and non-living components of the Earth that exist naturally and, together, form the biophysical environment, capable of providing benefits to humanity.

Global Biodiversity Framework (GBF): The Kunming-Montreal Global Biodiversity Framework was adopted in December 2022 at the fifteenth meeting of the Conference of the Parties (COP15) to the Convention on Biological Diversity. The Framework sets out a roadmap for achieving the global vision of a world living in harmony with nature by 2050.

Impact drivers: A measurable quantity of a natural resource used as an input to production, or a measurable non-product output of a business activity.

Impacts: Changes in the state of nature (in terms of quality or quantity) that may lead to alterations in nature's capacity to fulfill its social and economic functions.

Natural capital: The stock of renewable and non-renewable natural resources that come together to generate a flow of benefits to people (e.g., plants, animals, air, water, soil, and minerals).

Nature-related opportunities: Activities that create positive outcomes for organizations and nature by generating positive impacts on nature or mitigating negative impacts on nature.

Nature-related risks: Potential threats to an organization linked to its own and wider society's dependencies and impacts on nature.

Physical risks: Risks arising from the degradation of nature and the resulting loss of ecosystem services on which economic activity depends; these may be acute or chronic.

Priority locations: Locations where an organization has identified material nature-related dependencies, impacts, risks, and opportunities in its direct operations and upstream and downstream value chains.

Resilience: Resilience is defined as the capacity to adapt and thrive in the face of change and uncertainty.

Restoration: The process of helping a degraded, damaged, or destroyed area or ecosystem recover.

SBTN: Science-Based Targets Network

Scenario Analysis: Enables organizations to assess the potential consequences of nature loss and climate change, how governments, markets, and society might respond to them, and the impact of these uncertainties on business strategy and financial planning.

Sensitive locations: Locations where assets and/or activities in an organization's direct operations—and, where possible, those in its value chain(s)—interact with nature in areas that are important for biodiversity, where ecosystem integrity is high or rapidly declining, where physical water risks are high, and where the provision of ecosystem services is critical.

Transition risks: Risks arising from a misalignment between an organization's or economic actors' strategy and management and the changing regulatory, policy, legal, technological, and market landscape intended to halt and reverse nature loss.

Upstream value chain: All activities related to suppliers, such as production, commodity procurement, and the transportation of commodities to production facilities.

Value chain: The entirety of interactions, resources, and relationships related to the reporting company's business model and the external environment in which it operates.

TNFD INDEX

TNFD Recommendation	Recommended Disclosure	Relevant Report Section
Governance	Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	Governance – Board Oversight of Nature-Related Dependencies, Impacts, Risks, and Opportunities
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	Governance – Board Oversight of Nature-Related Dependencies, Impacts, Risks, and Opportunities; The Role of Senior Management in Assessing Nature-Related Dependencies, Impacts, Risks, and Opportunities
	Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	Governance – Nature-Related Stakeholder Management
Strategy	Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	LEAP Approach – Evaluation Phase; Activity-Based Materiality Matrix; Assess Phase – Nature-Related Risks; Nature-Related Opportunities
	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	Governance – The Role of Senior Management in Assessing Nature-Related Dependencies, Impacts, Risks, and Opportunities; LEAP Approach – Assess Phase; Prepare Phase
	Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	Scenario Analysis
	Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	LEAP Approach – Locate Phase
Risk & Impact Management	Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	LEAP Approach – Locate Phase; Evaluation Phase; Activity-Based Materiality Matrix; Assess Phase
	Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	LEAP Approach – Locate Phase; Evaluation Phase; Activity-Based Materiality Matrix; Assess Phase
	Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.	Governance; LEAP Approach – Assess Phase; Prepare Phase
	Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	Governance; LEAP Approach – Assess Phase
Metrics & Targets	Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	LEAP Approach – Assess Phase; Prepare Phase; Core Global Disclosure Metrics
	Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	LEAP Approach – Evaluation Phase; Activity-Based Materiality Matrix; Prepare Phase; Core Global Disclosure Metrics
	Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	Governance; LEAP Approach – Prepare Phase; Alignment with the Global Biodiversity Framework (GBF) Targets



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