



# 2017 SUSTAINABILITY — REPORT —

Sustainability  
**Our Legacy**  
For The Future



YILDIZ ★ HOLDING

# CONTENTS

<b>GENERAL MANAGER'S MESSAGE</b> .....	3
<b>ABOUT THE REPORT</b> .....	4
<b>ABOUT US</b> .....	5
Vision.....	5
Mission.....	5
Bizim Toptan by the Numbers.....	5
<b>CORPORATE GOVERNANCE</b> .....	6
Ethical Principles.....	6
Risk Management.....	7
Sustainability Committee.....	7
Organizational Structure of the Sustainability Committee.....	8
<b>OUR SUSTAINABILITY APPROACH</b> .....	9
Material Issues.....	9
Sustainability Issues.....	10
Communication with Stakeholders.....	11
<b>PRODUCT - INSPIRATION</b> .....	12
<b>QUALITY AND ECONOMICAL PRODUCTS</b> .....	13
Product Safety and Quality.....	13
Customer Satisfaction.....	14
<b>PEOPLE – EMPOWER</b> .....	16
<b>STRATEGIC SUPPLY CHAIN MANAGEMENT</b> .....	17
Business Partnership Supply Model.....	18
<b>EMPLOYEES</b> .....	19
Performance and Career Management.....	20
Training.....	21
Employee Satisfaction.....	22
Occupational Health and Safety.....	22
<b>PLANET - RESTORE</b> .....	23
<b>ENVIRONMENTAL MANAGEMENT</b> .....	24
Waste Management.....	24
Water Consumption.....	24
Energy Efficiency.....	24
<b>PERFORMANCE INDICATORS</b> .....	26
<b>SOSYAL PERFORMANS GÖSTERGELERİ</b> .....	27
<b>GRI CONTENT INDEX</b> .....	29

## GENERAL MANAGER'S MESSAGE

Dear Stakeholders,

In line with our vision of becoming the number one wholesaler in Turkey, with our customer-oriented business culture we have been growing steadily since 2002. We are taking steps to extend our network of stores and reach new customers under the wholesale concept. Today, we are geographically the most accessible wholesale market with 176 stores in 69 provinces. In this regard, we are publishing our first Sustainability Report to transparently share the environmental, social and economic impacts of all our successful operations.

We measure the success of our company by the value we create for our stakeholders in our ecosystem, with financial profitability. Employee development, customer satisfaction and our unique business partnership system play a vital role for us in achieving our strategic goals set in line with the sustainable business model.

We aim to grow by gaining mutually with our business partners through the business partner model of supply – a first in the B2B sector. To implement this model, we purchased the supply contracts of the business partners operating under Şok Marketler A.Ş. affiliated

with Yıldız Holding in 2014, and we continue to use this model under the SEÇ Market brand.

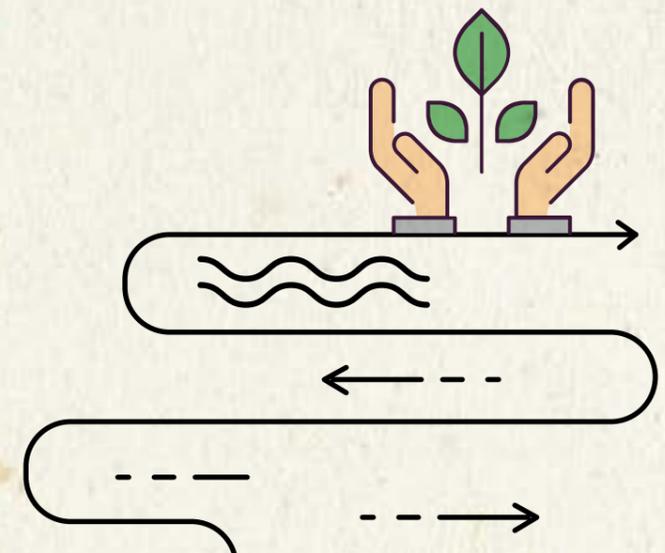
By keeping track of the changing trends of customers' shopping, we optimize our marketing efforts and campaigns on the basis of customer behaviors. We also provide services through the corporate sales web portal to our corporate customers. With the e-commerce system, we provide our customers with an easier and more accessible trading opportunity.

I am pleased to share our first Sustainability Report, and I extend my thanks to all our stakeholders and especially to my colleagues who contributed to this process.



GENERAL MANAGER  
HÜSEYİN BALCI

WE MEASURE  
THE SUCCESS OF  
OUR COMPANY  
BY THE VALUE WE  
CREATE FOR OUR  
STAKEHOLDERS IN  
OUR ECOSYSTEM,  
WITH FINANCIAL  
PROFITABILITY.



## ABOUT THE REPORT



YOU CAN  
FOUND  
DIGITAL  
REPORT FROM  
HERE

- As Bizim Toptan Satış Mağazaları A.Ş., we are publishing our first Sustainability Report to share our work that is accelerating in line with Yıldız Holding's vision of becoming a leader in global sustainability. We are responsible for the environment and society with our business operations which create economic value, and with this report, we submit for our stakeholders' information our performance in operations pertaining to sustainability.

We prepared the report in compliance with the "core" option in reference to the Global Reporting Initiative (GRI) Standards.

We identified the report's material sustainability issues in accordance with the international stakeholder participation standard Accountability AA1000SE and with the participation of both internal and external stakeholders. Comparisons are made where necessary to display changes in our performance between the period January 1 – December 31, 2017 covered in the report and the past using performance data from previous periods.

Any questions, opinions or suggestions can be sent to [surdurulebilirlik@bizimtoptan.com.tr](mailto:surdurulebilirlik@bizimtoptan.com.tr)

## ABOUT US

In line with our target of becoming Turkey's number one wholesaler, we focus on customer satisfaction, investing in human resources and distinguishing ourselves with our original business partnership model.\* We started our journey in 2001 with 14 stores, but today we occupy the position of the largest (based on number of stores) and most accessible company in the wholesale sector with 176 stores in 69 provinces. Shares of our company have been traded on the Istanbul Stock Exchange (BIST) since 2011.

We implemented our business partner supply model in 2014 within the framework of our strategy for channel-based growth. Within the scope of this model run under the SEÇ Market brand, by increasing the competitive power of our 381 business partners in the sector, we grow together. We are the first and only wholesale market that operates using this model.

We focus on six main customer groups: SEÇ Market, HORECA, corporate, traditional channel, wholesalers and individual customers. By closely following the changing trends of shopping, we meet the needs of over a million customers with approximately 4,700 different products. Our shelves offer national and international product brands as well as our own brands in main product categories including food, soft drinks, tobacco products, cleaning materials and personal care products. We also provide our customers with online shopping opportunities at [www.bizimtoptan.com.tr](http://www.bizimtoptan.com.tr).

### VISION

To be Turkey's number one wholesaler in the fast-moving consumer goods sector, with its widespread, contemporary and, reliable concept.

### MISSION

To be strategic business partner that decreases costs and risks of its customers and suppliers, providing them with a competitive advantage.

(\* Turkey's first business partnership supply system in the B2B field.

## BİZİM TOPTAN BY THE NUMBERS

---> **69** | **176**  
PROVINCE | STORES



---> **1.855**  
EMPLOYEES



---> **1,063,000**  
ACTIVE CUSTOMERS



---> **9,6 MILLION**  
STORE VISITS



---> **524**  
SUPPLIERS



SEÇ MARKET  
COMPRISED OF THE  
---> **381**  
BUSINESS PARTNERS MODEL



---> **+4.700**  
DIFFERENT PRODUCTS



---> **TL 2,9 BILLION**  
SALES REVENUE



---> **TL 340 MILLION**  
TOTAL PUBLIC MARKET VALUE



# CORPORATE GOVERNANCE

Our corporate governance structure ensures that we are a company that achieves our goals, fulfills our environmental and social responsibilities and creates economic value for all stakeholders. On the basis of Code of Ethics, we carry out fair, transparent and accountable activities and accelerate the transformation to sustainability that we are a part of under the leadership of Yıldız Holding.

The highest governance body in the structure of corporate governance, the Board of Directors is comprised of 8 members in total, 3 of whom are independent. The Board of Directors convenes as frequently as is necessitated by company activities. The Executives formed by the General Manager and senior managers reporting to him is responsible for the execution of operations. The Corporate Governance Committee, the Early Detection of Risk Committee, the Audit Committee and the Sustainability Committee act under the Board of Directors.

We abide by the Capital Market Board's Corporate Governance Principles and all legal regulations..

## ETHICAL PRINCIPLES

Ethical principles form the core of our business operations. By publishing our own Code of Ethics in 2018, Bizim Toptan Satış Mağazaları A.Ş., has gone beyond the ethical principles we had been subject to under Yıldız Holding and its affiliates. Our relationships with employees, customers, suppliers, business partners, stakeholders, competitors, public institutions, the environment and society are conducted within the framework of these principles.

Our Code of Ethics include regulations to prevent corruption, bribery, or payments to ease or accelerate the fulfillment of individual requests.

Employees are provided with annual training regarding Code of Ethics and changes to them. All stakeholders are provided with the document defining the Code of

Ethics and their compliance is monitored.

Stakeholders report violations of ethical principles through Yıldız Holding's Ethical Reporting Line (0216 524 34 24) or via [etik.bildirim@yildizholding.com.tr](mailto:etik.bildirim@yildizholding.com.tr). In addition, all feedback related to ethics and other issues are shared through Yıldız Holding Customer Relations Center's call center (0212 576 33 00) and via [mim@yildizholding.com.tr](mailto:mim@yildizholding.com.tr). This year, we received only one complaint through the ethical line, and a solution was found for the employee rights issue reported. To report acts and behavior violating the code of ethics within the scope of the new Code of Ethics, we will establish a new ethical reporting line specific to Bizim Toptan.

Employees shown to have exhibited behavior violating the ethical principles are referred to the Disciplinary Board. The Executive Board and the Disciplinary Board function together in this regard and impose sanctions on employees as necessary.

## RISK MANAGEMENT

The Early Detection of Risks Committee is responsible for the early detection of risks that may endanger the existence of the company, for taking preventive measures as necessary and for managing such risks. The Internal Auditing Department within the company, Yıldız Holding's auditing units and independent auditing firms regularly carry out auditing activities. By reporting audit conclusions to the relevant committee members and the Board of Directors, all business operations and employee authorizations are controlled within the scope of risk management.

## SUSTAINABILITY COMMITTEE

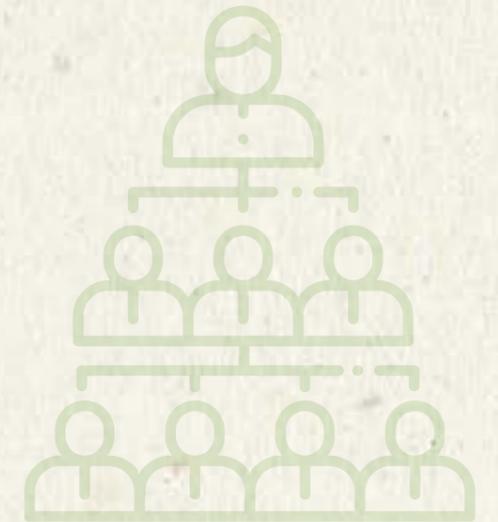
On its journey to becoming a global leader in sustainability, Yıldız Holding aims to increase the competitive power and brand value of its affiliated companies by helping them internalize sustainability culture. Bizim Toptan's Sustainability Committee was put into action in 2018 to systematically coordinate our efforts on sustainability and increase our performance.

The Committee is responsible for environmental, social and corporate governance issues and ensures the design and implementation of a road map for a strategy of sustainability, for auditing its performance, and ensuring the active participation of relevant units in the company during this process. The first priority of the Committee, on the other hand, is to publish the first sustainability report wherein we transparently share the effects of our operations.

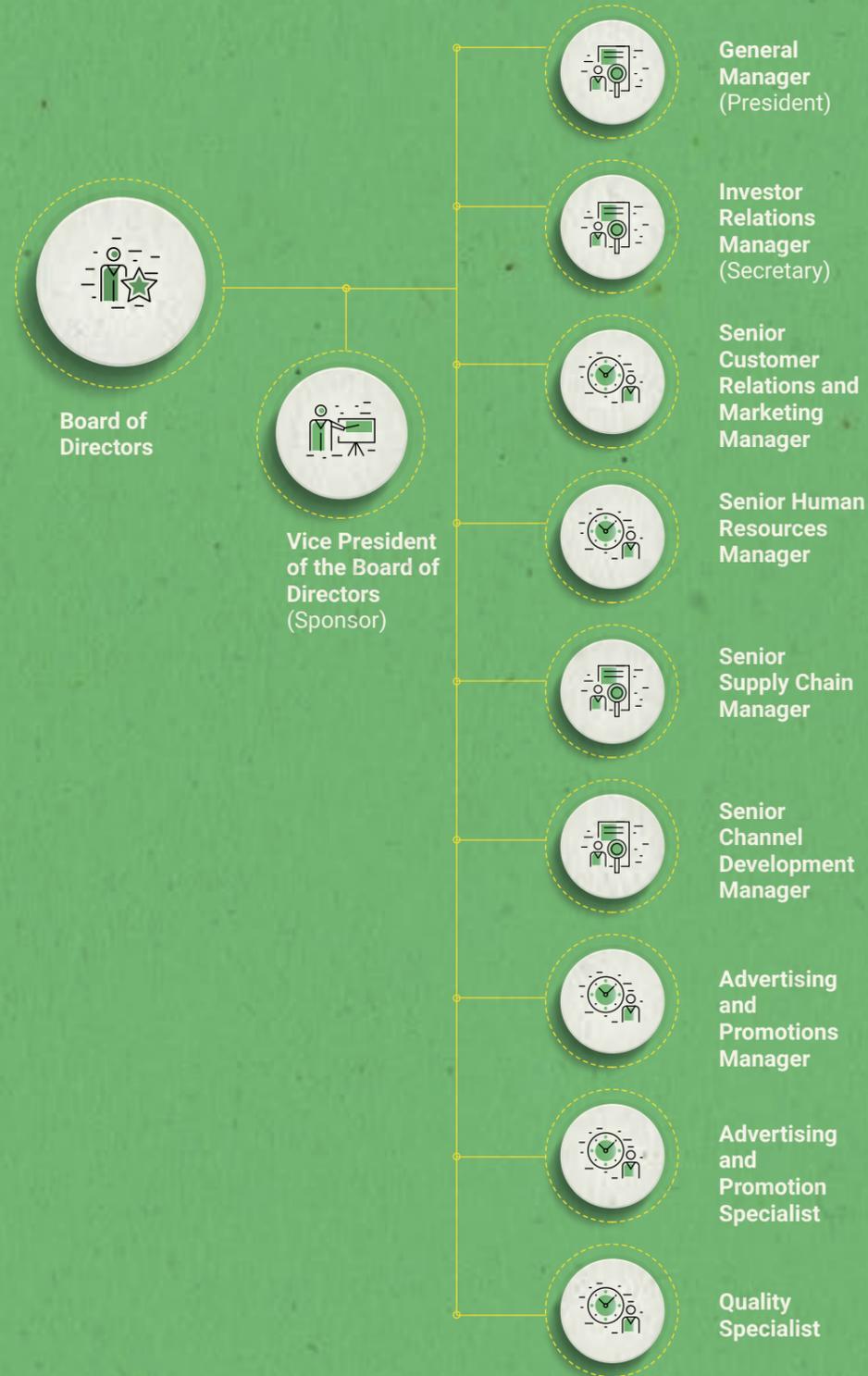
Operations are carried out with the sponsorship of the Vice President of the Board of Directors, under the presidency of the General Manager and with the secretariat of the Investor Relations Manager. The Committee has 9 members including the Senior Manager for Customer Relations and Marketing, the Senior Manager for Human Resources, the Senior Supply Chain Manager, the Senior Channel Development Manager, the Advertising and Promotions Manager, the Advertisement and Promotions Specialist, and the

Quality Specialist. The Committee convenes as necessary, but no less than twice a year. The Committee reports the decisions made in their meetings to the Board of Directors through the Committee Chairman.

The Committee may form sub-working groups as necessary with representatives from Committee member units within the scope of the initiatives taken to integrate sustainability in the company structure.



**ORGANIZATIONAL  
STRUCTURE OF THE  
SUSTAINABILITY  
COMMITTEE**



## OUR SUSTAINABILITY APPROACH

Bizim Toptan has adopted Yıldız Holding's motto "Make Happy, Be Happy" and we shape our understanding of corporate management and operations based on this approach. This understanding is composed of the focal points of product, society and the world, and it defines sustainability as our promise to future generations.

**Product – Inspiration:**

To supply the food and non-food products our customers need for their commercial activities on time and at reasonable prices, and to contribute to public health and social development.

**People – Empower:**

To adopt a business model that provides opportunities for social and economic development for employees and society.

**Planet – Restore:**

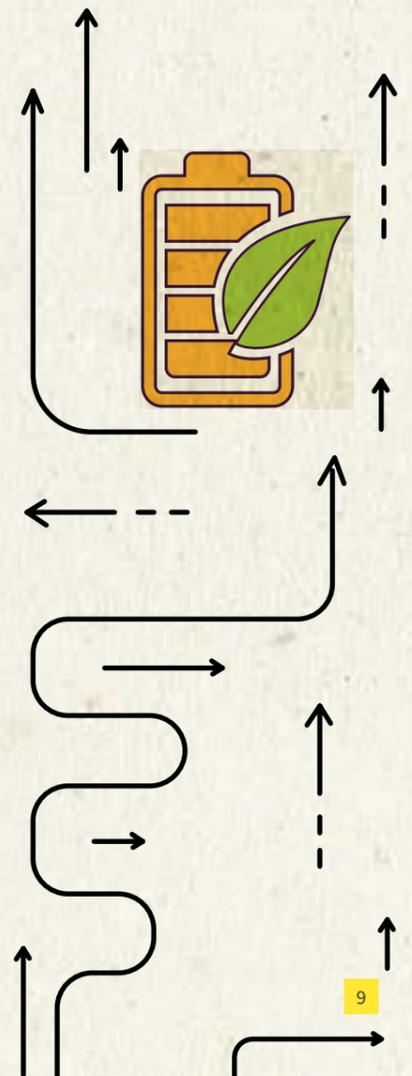
To protect the world's limited natural resources for future generations.

**MATERIAL ISSUES**

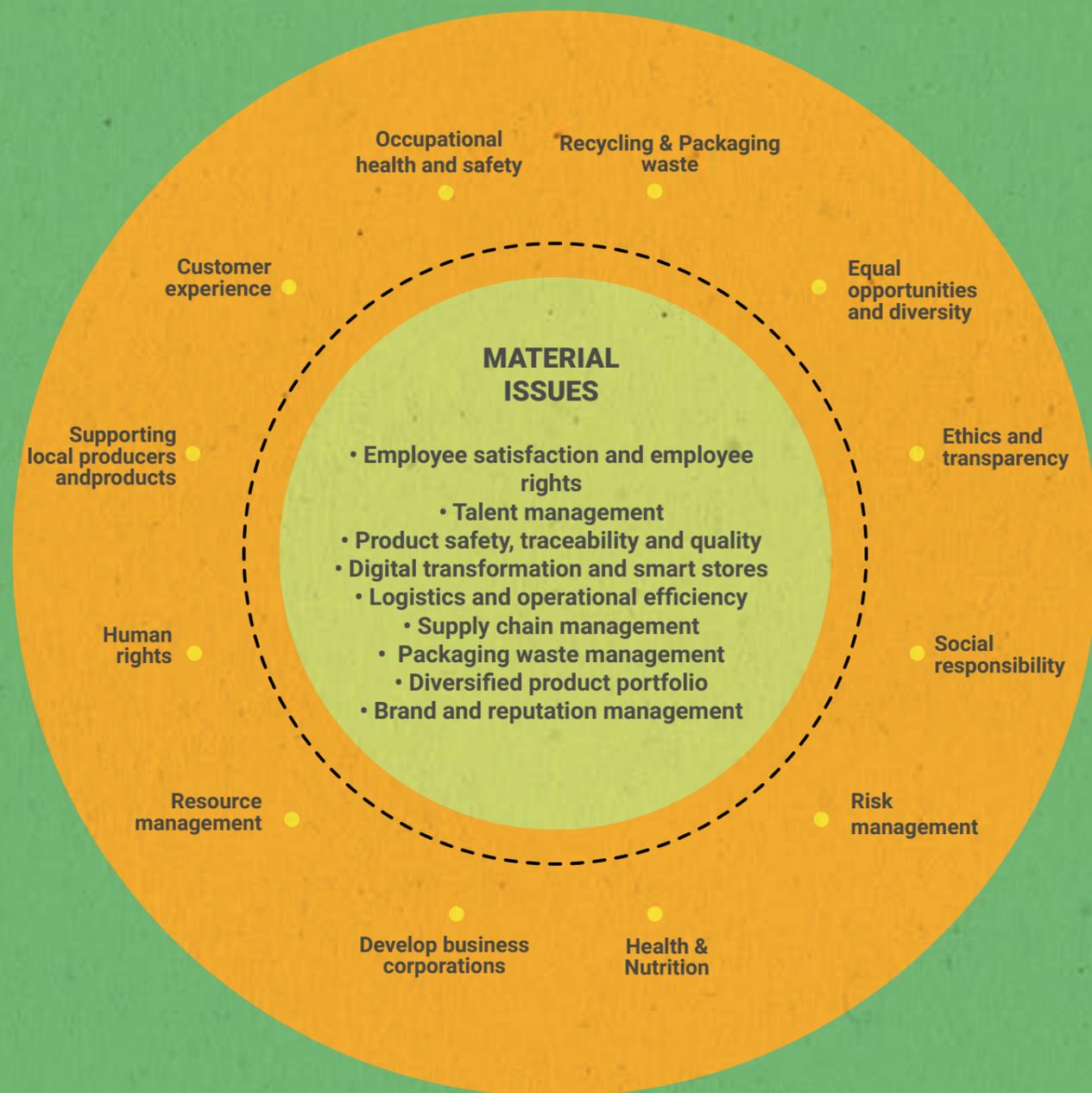
In order to develop a successful sustainability management approach, we believe in the need to focus on strategic areas. With the materiality analysis, we have tried to specify the social, environmental and economic areas that have the highest

importance for our stakeholders and have the greatest impact on our activities.

The subject headings in the report were specified after a comprehensive study. We sought the opinions of our internal and external stakeholders while specifying our material issues. We organized workshops with the participation of various experts and managers in the company. By means of these workshops, we further specified material issues for Bizim Toptan. Material issues for our external stakeholder, on the other hand, we used the stakeholder analysis. Among our stakeholders whom we mapped according to the level of priority, we reached various groups such as non-governmental organizations, suppliers, employees, analysts, investors and business partners via online surveys and received feedback from 58% of these stakeholders. This analysis was focused on learning about the perception and expectations of Bizim Toptan and was carried out by an independent consultancy firm in accordance with the AA1000 Stakeholder Engagement Standard. We identified our shared material issues as a result of this analysis and obtained the approval of the Board of Directors in this regard.



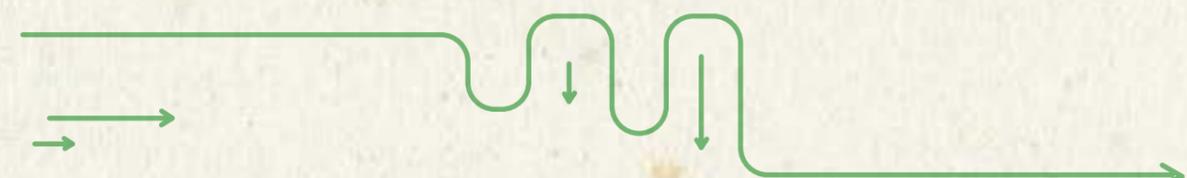
**SUSTAINABILITY ISSUES**



**COMMUNICATION WITH STAKEHOLDERS**

We communicate with different stakeholders as necessary using various methods. We will continue to work to understand and meet the needs and expectations of our stakeholders in 2018.

Group of Stakeholders	Communication Method	Communication Frequency
<b>Employees</b>	Internal informative e-mails, internal communication bulletins, meetings, satisfaction surveys, website, social media	Continuously
<b>Customers</b>	Website, social media, informative e-mails, text, messages, surveys, mobile applications	Continuously
<b>Suppliers</b>	Audits, B2B meetings, e-mail	Continuously
<b>Business Partners</b>	Joint projects	At least 4 times a year
<b>Non-governmental organizations and foundations</b>	Congresses, conferences, seminars, etc., events, joint projects	At least 4 times a year
<b>Investors</b>	Annual reports, website, investor presentations, conferences, announcements on the Public Disclosure Platform (PDP)	Continuously
<b>Analysts</b>	Annual reports, website, announcements on the Public Disclosure Platform (PDP), meetings, analysts day (once a year)	once a year



# PRODUCT / INSPIRE

**AT BİZİM TOPTAN, WE PROVIDE OUR CUSTOMERS WITH SAFE AND QUALITY PRODUCTS WITH CONVENIENT TERMS. WE FOCUS ON CUSTOMER SATISFACTION AND INSPIRE OUR CUSTOMERS TO MAINTAIN A LIFESTYLE OF HEALTHY AND BALANCED NUTRITION WITH HIGH NUTRITIONAL VALUE PRODUCTS.**

## QUALITY AND ECONOMICAL PRODUCTS

We have been providing our customers with healthy, quality and economical products since 2002 in line with our vision of becoming the number one wholesaler in Turkey. Within the scope of our customer-oriented business culture, we closely follow the changing trends of shopping and respond to the different needs of over a million customers with approximately 4,700 products. We share all information about the content of our products transparently and aim to inspire our consumers with regard to healthy nutrition. Our priorities include offering quality products at competitive prices to always keep customer satisfaction at the highest level, providing a wide range of products and supporting our customers' business operations via digital solutions.

For our customers, our stores offer national and international product brands as well as our own brands on products such as basic foods, charcuterie and breakfast items, snacks, beverages, cleaning materials, personal care products, baby care products and non-food products.

We have enhanced our product range with our own local brands according to varying regional customer demands. 95% of our

products are branded products and 5% are our own brands. The rate of our branded product sales in main categories increased from 11% in 2015 to 15% in 2017.



Product Rates According to Brands (%)

### PRODUCT SAFETY AND QUALITY

One of the most important issues for us is ensuring that our customers can trustfully buy any of our approximately 4,700 products and sell them to their customers with the same trust. Therefore, we strive to protect our customers' health and make sure that each and every product on our shelves is of the highest quality. We guarantee that our products are in compliance with legal regulations and international quality standards.

To actualize quality management in the most efficient way possible, we certified all our stores with the ISO 9001: 2008 Quality

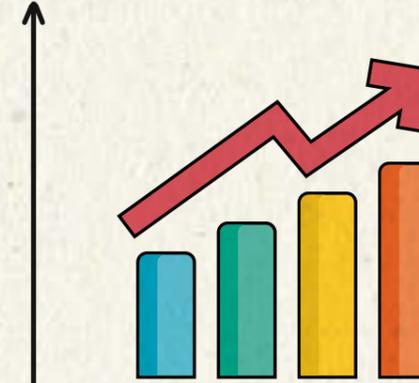
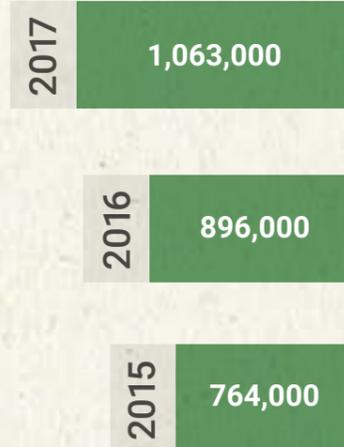
Management System. Within the framework of the ISO 22000 Food Safety Management System, we regularly audit our suppliers for compliance with regards to products suitability for human health, food safety and quality, healthy and hygienic production, storage under suitable conditions and monitoring the logistics of products from field to fork. We also check the compliance of the products to the Turkish Food Codex Legislation. By analyzing products, we ensure high quality and food safety. In addition, we obligate new companies we will start cooperating with to abide by the conditions of the ISO 9001: 2008 Quality Management System and ISO 22000 Food Safety Management System in their production processes. Only companies that successfully pass our audits are added to our suppliers list.

This year, we started to organize Sustainability in Quality training for store managers, vice managers and manager candidates in order to raise awareness of our customers' health and safety. Within the framework of this training, we provided detailed information starting with receiving goods, their storage, preserving the cold chain, food safety and quality, and rules regarding return processes. 89 employees participated in the training which lasted 20 hours in total.



## CUSTOMER SATISFACTION

### ----- 39% INCREASE



### CUSTOMER SATISFACTION

We aim to become strategic business partners to our customers by decreasing their costs and risks, while offering them competitive advantages. To this end, we work to ensure that our customers are satisfied with their shopping experiences by developing goods and services that comply with their demands and expectations.

We focus on six main customer groups including SEÇ Market, HORECA, corporate, traditional channel, wholesalers and individual customers. Business and individual customers who have membership cards can also shop from our stores. Compared with 2015, our number of active customers increased by 39% to exceed 1 million. During the same period the number of customer visits increased by 22% to reach 9.6 million. With the aim of improving the shopping experience, our Bizim Card membership loyalty program allows our customers to do bulk shopping from our stores.

Customers with this card or who download the Bizim Card Mobile Application are offered well-priced, healthy and quality products and the opportunity to benefit from various advantages.

In line with our goal of becoming the most widespread wholesale market offering the best prices possible for all customer groups, we have been renewing our stores and opening new ones. This year, we opened 7 stores specifically to serve our large wholesale customers, reflecting their increased size in the market and bringing our total to 176 stores in 69 provinces.

Within the scope of our customer-oriented business culture, we make sure that our customers are able to communicate all their feedback pertaining to our products and services. We receive and respond to customer feedback via Yildiz Holding Customer Relations Center's call center at 0212 576 33 00 and [mim@yildizholding.com.tr](mailto:mim@yildizholding.com.tr). Feedback received by Yildiz Holding Customer Relations (CRC) are solved

within three working days at the latest by the Customer Relations and Loyalty Systems Department. Customer development experts serving in this Department enter and keep track of all feedback in the system, convey this feedback to the relevant departments according to their subject and ensure that responses are delivered to the customers. We responded to all feedback this year and provided solutions for 72% of these. Measures are taken regarding customer confidentiality and data security within the framework of the Personal Data Protection Law and in compliance with Yildiz Holding Customer Relations Center's policies.

When there is a customer complaint about any of our products, we assign independent laboratories to analyze, detect and correct any quality defect. We remove noncompliant products from the market according to the results of these analyses. After solving the products's problem, we inform our customers and ensure returns or exchanges of the relevant product.

With studies measuring customer satisfaction, we determine our areas of development and take the necessary steps. The level of satisfaction in the first customer satisfaction survey we conducted in 2017 was 79%. We took actions as a result of this survey in line with feedback on product diversity, price balance and home-delivery. We aim to repeat this survey every two years.

Furthermore, we improve our services by assessing our stores through the eyes of our customers by means of quarterly mystery shopper evaluations. In the last quarter of 2017, the mystery shopper evaluation was actualized at a rate of 77%. We will continue our mystery shopper visits in a more comprehensive manner next year by expanding the auditing criteria.

### E-COMMERCE

We have diversified our service channels in order to facilitate our customers' business operations. Within this scope, we have digitalized our operations and have been offering online shopping services since 2017.

Bizim Card subscribers save time by shopping from our corporate sales internet portal

[www.bizimtoptan.com.tr](http://www.bizimtoptan.com.tr)

Our customers can order from nearly 1,500 different products online. The rate of online shoppers to the total number of shoppers this year has been approximately 0,7%. We plan to increase the number of products on this platform in 2018, and to integrate the notification of promotions, campaigns and price advantages to specific customer segments on the website.



# PEOPLE / EMPOWER

**AS THE MOST WIDESPREAD WHOLESALE BRAND IN TURKEY, WE ADOPTED A BUSINESS MODEL THAT EMBRACES SOCIAL AND ECONOMIC DEVELOPMENT FOR THE WELLBEING OF OUR EMPLOYEES AND THE COMMUNITY.**

WE EMPOWER OUR EMPLOYEES, SUPPLIERS AND BUSINESS PARTNERS TO BECOME STRONG TOGETHER AND WE ACHIEVE OUR GOALS WITH COMMON FORCE.

## STRATEGIC SUPPLY CHAIN MANAGEMENT

As Turkey's most widespread wholesale market in geographical terms, we have been undergoing a transformation process that allows us to reach a larger network of stores and customers within the scope of the wholesale concept. In line with this transformation, we aim to manage our growing supply chain in the most efficient way and to achieve our company goals by growing stronger together with our suppliers and business partners through cooperation. We believe that we can increase our success together with satisfied business partners who are happy to work with us.

In order to be easily accessible by our customers, especially HORECA and corporate customers, we increased our number of stores to 176 in 69 provinces. In addition, we continue to enhance our service network through the business partnership supply model using market channel suppliers, a first in the sector. We supply 100% of our nearly 4,700 national and

international branded products and our own brands from local suppliers to contribute to the local economy.

In order to manage our supply chain centrally and systematically, we restructured the Supply Chain department as a separate unit this year and conferred the responsibility for managing our logistic warehouses to this department. In addition, we met with our suppliers to specify areas where we can increase our efficiency in line with our goal of becoming strategic business partners. Consequently, by improving our ordering, planning and transportation processes, both sides benefitted financially and time and labor was saved. We minimized turnover loss by digitalizing our business operations to work in the same system with our suppliers, and we also increased stock product availability and improved our shipping performance. By converting to the Enterprise Resource Planning (ERP) system, we moved communication

between stores and field teams to a digital platform. By integrating this system with mobile applications, we ensured that demands were met and approvals received rapidly. We ship our products to our stores across Turkey every day from our warehouses in Adana, Erzurum, Gebze and İzmir as well as our cold storage in Tuzla.

We specified criteria to reduce our environmental impact from supply chain activities as per the Environmental Policy prepared in 2018. Within this scope, we base our supply chain upon efficiency and sustainability and strive to offer environment-friendly products. We take these environmental policies into consideration during supplier evaluations and audits. Our goal is to inform our suppliers and ensure they adopt environment management practices and prepare a supply chain policy specific to Bizim Toptan next year.



### BUSINESS PARTNERSHIP SUPPLY MODEL

We enrich our business model with the purpose of setting ourselves apart in the intense competition of the organized wholesale trade sector and put into action new systems allowing us to grow together with our business partners. We took strategic steps to improve and enhance our business model in 2014, bought all the franchising contracts, including non-current assets as well as all the rights in these contracts, of 196 stores operating as the partner of Şok Marketler A.Ş. to accelerate its growth in the supermarket channel in line with our channel-oriented growth strategy. In this way, we became the first and only wholesaler with the business partnership supply model. Our

target with this model is to gain mutual profits with our business partners and to grow together.

We decided to continue to implement our business partnership supply model in 2016 under the brand SEÇ Market and we continue to expand the geographical reach and accessibility of SEÇ Markets every year. We offer our business partners in this system the right to use the brand name SEÇ Market for which we reserve all legal rights. By this means, our business partners can create their own product ranges. As their main supplier, we doubled the number of business partners to reach 381 since the initiation of the system. This year, SEÇ Markets' sales revenues accounted for 6% of our total sales revenue.

Within the scope of the business partner supply system, our target is to combine our company's purchasing power with the power of our business partners. We offer our business partner markets a wide range of branded and locally branded products with advantageous prices, promotions, homedelivery services and easy payment terms. With the benefits we offer our business partners as their main supplier, we aim to increase their competitive power. We also support our business partners' growth by sharing our experience in the fields of operations and marketing.

## EMPLOYEES

Despite being a new company in the wholesale sector, our rapid growth has brought us to the position of being the 58th largest company in Turkey. We realize the stakeholders that have contributed the most to our progress are qualified specialists and our aim is to grow stronger together with them for sustainable success. It takes happy employees to develop and offer goods and services that satisfy customers. Therefore, we offer a workplace environment that makes our employees happy by ensuring equality of opportunity at all levels, has education and career opportunities and prioritizes occupational health. To bring employee satisfaction to a high level,

our priorities include performance and career management.

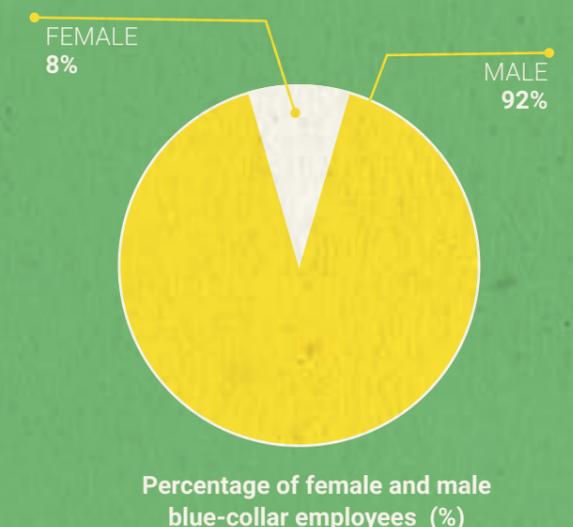
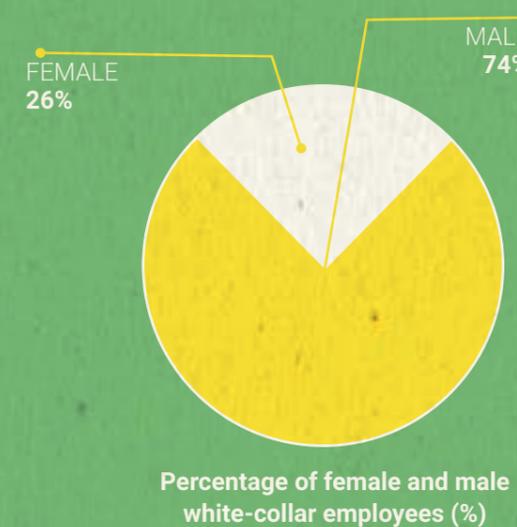
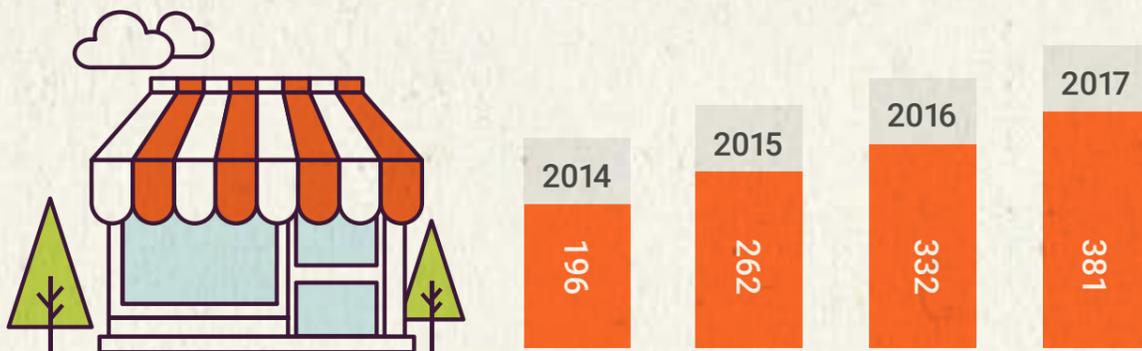
We design human resources implementations taking the changing dynamics of the sector and the developmental needs of our employees into consideration. In addition to investments into our existing human resources, we also implement programs to add talented young people to our teams.

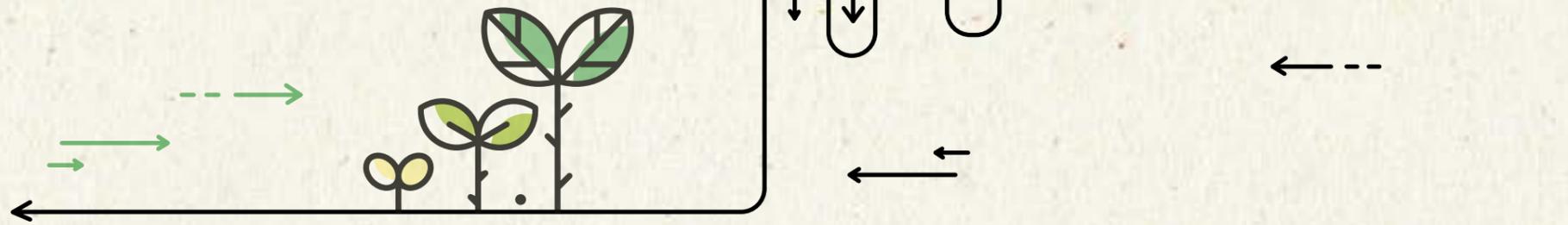
1,855 employees carry out our operations in our headquarters and stores. Our widespread network of stores in 69 provinces also contributes to local employment rates. The total rate of female

employees in our company is 9% with the rate of white-collar female employees increasing from 16% in 2015 to 26% in 2017. 92% of our employees are blue-collar employees.



### NUMBER OF SEÇ MARKETS 94% INCREASE





## PERFORMANCE AND CAREER MANAGEMENT

We prioritize investments in human resources in order to keep up with innovations such as improvements in the wholesale sector and varying customer trends that play an important role in achieving our strategic targets. In this scope, we implement performance and career management to support employees in their personal and professional development and to guide them in their careers.

Our performance assessment system is based on employees' objectives and competencies. By integrating corporate and departmental goals with employee goals, we measure the current and potential performances of our employees. Assessment results directly affect employee development plans, human resources planning and determine the amount of performance-based bonuses.

We organize Goal Setting Workshops in January every year using the balanced target card methodology for all white-collar

employees in our headquarters. With this methodology, we assess employee performances in a balanced way in terms of financial, business and customer processes. Our yearly performance assessments are comprised of three sections: Goal setting, interim assessment and final assessment. At the end of each year the results of these assessments are determined by calibrating the yearly developments in direct proportion to the company's success.

For blue-collar employees, we conduct performance assessments by measuring Key Performance Indicators (KPIs) such as quarterly sales, profitability, customer satisfaction, inventory management and auditing.

The performance assessment results affect annual Human Resources Planning as well. For new positions in our company, we prioritize current employees and assess them for recruitment. Furthermore, we identify the competencies required by the company and form development plans taking into account our

employees' potential.

The performance system also determines year-end bonuses. In this regard, the goal of our salary policy is to be sustainable by maintaining the balance of the company's internal salaries with the external market to support competitive and high performance. We use a bonus system that follows objective criteria and is based on an international wage system which varies according to a position's workload where all employees share the same goal. We provide our employees with vested rights varying according to their positions as well.



## Training

We organize training according to performance assessment results, career plans and position-specific developmental needs. Employees at our headquarters can attend various Yıldız Holding training classes including personal development, leadership, technical and vocational training and foreign language training.

This year, we provided store managers, assistant managers and manager candidates with technical and on the job training on retail sector and business models within the scope of the store management trainee program. We also provide orientation and on-the-job training for all new employees so that they learn our business processes and easily adapt to the company culture. White-collar training lasts 2 hours, while blue-collar training takes 1 day.

In addition, the Human Resources Department organizes monthly seminars on leadership featuring experienced senior managers from Yıldız Holding as speakers.

The total training hours for employees in 2017 was 599 employee-hours. Next year, following a needs analysis, we plan to design special training programs to elaborate on different functions to give 16 training hours per employee.



To add new graduates and young professionals to our team, we put our B-Raise Management Trainee Program into action this year. 80 candidates were selected from thousands of applicants on the Career Portal to first go through a two-week orientation training. The trainers provided information on our corporate culture as well as the fields of operation ranging from internal auditing to customer services management, from finance to human resources. To experience all the roles they will perform, manager candidates were given three-month assignments of various field duties including cashier, service manager, warehouse manager and goods receiving department, transferring to different pilot stores every month.

B-Raise manager candidates regularly convened with their mentors and completed the 3.5-month training process with a presentation to a committee of senior managers at the headquarters before they were promoted as store managers or assistant managers.

With the next B-Raise program in 2018, which will be available for candidates from both within and outside the company at four different application periods, we aim to offer even more career and development opportunities for young talents.

GOAL  
SETTING

INTERM  
ASSESSMENT

ASSESSMENT

PERFORMANCE  
ASSESSMENT  
SYSTEM

## EMPLOYEE SATISFACTION

We believe it is important to have qualified and highly motivated human resources to be competitive and to make a difference in our sector. In this direction, we value and keep a close eye on employee satisfaction and loyalty.

In our company, we conduct Employee Satisfaction Surveys every 2 years for employees at the headquarters and every 3 years for store employees. Engagement in this year's survey for white-collar employees was 76%.

## OCCUPATIONAL HEALTH AND SAFETY

We implement various practices to achieve our Zero Work Accident goal regarding occupational health and safety. In our headquarters and stores, we follow occupational health and safety rules in full compliance with laws and regulations. The Occupational Health and Safety (OHS) Board formed by senior managers at the General Directorate reports directly to the General Manager.

The General Manager, the Finance Director, the Senior Manager for Human Resources, the Sales Directors, the Sales Planning and Supply Chain Director, the Internal Auditing Manager, the Construction Works Manager, the Technical Purchasing Manager, the Security and Risk Officer, the Workplace Physician and the Occupational Safety Specialist all hold positions on the OHS Board. Through Board subcommittees, we take action with regard to occupational health and safety practices in our stores.

As a company with 176 stores in 69 provinces, we have initiated a digitalization process for systematic and centralized monitoring and reporting of occupational health and safety activities. Within the scope of our joint work with Yıldız Holding, we put the Airsweb system into action in 2018 in order to monitor work accidents and take more preventive measures on the basis of three basic modules: Accident Entry, Accident Follow-up and Action Follow-up. In 2017, we provided a total of 88 employee-hours of training on occupational health and safety.



# PLANET / RESTORE

**WE PROTECT THE NATURAL CAPITAL THAT ENABLES US TO SURVIVE AND TO CONTINUE OUR BUSINESS AND DELIVERS THE NEEDS OF FUTURE GENERATIONS.**  
WE RESTORE ENVIRONMENTAL CONDITIONS WITH ENERGY EFFICIENCY AND SAVING PROJECTS.

# ENVIRONMENTAL MANAGEMENT



We have an obligation to protect the natural capital that ensures the continuity of our lives today and in the future and allows us to sustain our business. In the provision of raw materials that are main elements of our activities, we need to protect the environment and minimize our environmental impact. In this line, we are aware of the responsibility the retail sector assumes in combating climate change, one of the most important environmental issues. To create a restorative effect on the environment, we take the necessary steps against climate change. Our priorities include waste packaging management, effective solutions in the supply chain and reducing our carbon footprint by providing energy efficiency.

We adopt a policy of environmental management based on continuous development. We have set environmental targets for our company with the Environmental Policy that we prepared with contributions from the stakeholder analysis carried out in 2018. In this context, all our operations are

carried out in accordance with all environmental laws and obligations, and we aim to develop practices beyond our legal obligations.

## WASTE MANAGEMENT

Waste management is crucial in limiting the environmental impact of our products and services. We reduce the wastes generated as a result of our activities at their sources, recycle them or dispose of these wastes in accordance with legal regulations if recycling is not possible.

We are developing innovative practices to reduce the use of plastic bags by customers in stores to control and reduce waste packaging. Our target is to reduce waste packaging by encouraging customers to use fewer bags with Poşetmatik. In 2017, we installed Poşetmatik in the Altunizade store in Istanbul as a pilot practice. An almost 30% reduction in the use of plastic bags was observed as a result of this practice.

In addition to that, we expect to reduce the use of plastic bags

further with new regulations. Plastic bags will be provided for a fee according to the Regulation on the Control of Packaging Waste prepared by the Ministry of Environment and Urban Planning which will come into force on January 1, 2019.

## WATER CONSUMPTION

Although we do not use an excessive amount of water in our operations, we are still working to reduce water consumption in our company. For this, we are actively managing and reducing our water consumption. We are trying to reduce waste water to the lowest possible level and improve the quality of our water emissions. Furthermore, we monitor our water consumption on a monthly basis using technological equipment to reduce water consumption.

## ENERGY EFFICIENCY

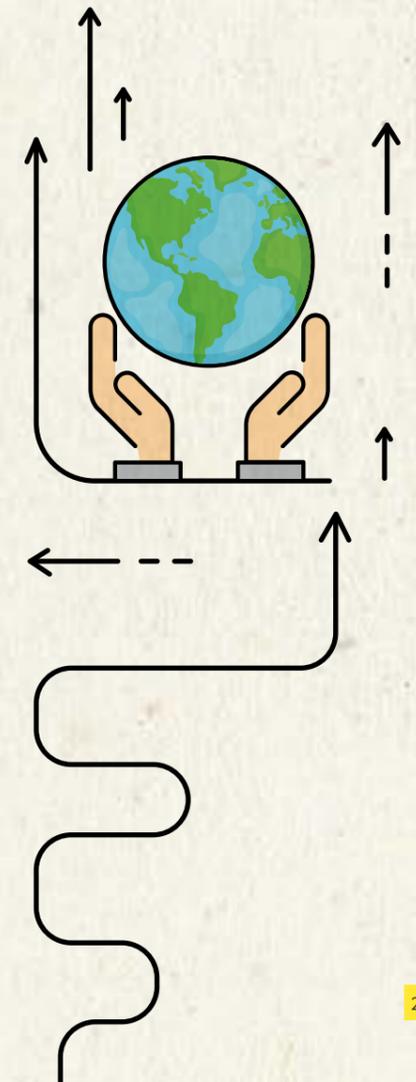
We are working to reduce our carbon footprint by implementing effective environmental management practices. In supply chain and store operations, we are taking energy-efficient steps

to minimize carbon emissions. Efficiency and sustainability are essential in our procurement processes. We aim to contribute to our environmental performance first by providing operational efficiency in every link of the supply chain. To centralize supply chain operations, we set up the Supply Chain Department this year. In this way, we have made improvements to ordering, planning and logistical processes, obtained financial gains, and saved time and labor.

We use pallet pooling services to increase supply chain efficiency. As needed, we use pallets without purchasing them. Within the scope of this service, ready-to-use pallets are first delivered to our suppliers. Suppliers use these pallets to ship their products through the supply chain. In the final stage of the supply chain, products reach our markets and the pallets are unloaded. The pallets become reusable after maintenance. In addition to cost saving, we also ensure logistical efficiency through this service.

Additionally, we have made changes to provide energy efficiency during the transformation of our store format in accordance with our multi-channel sales strategy. By replacing the engines of our dairy cabinets, we saved approximately 50% of the energy used by them. We also saved about 48% of the energy used for lighting by switching to low-energy consuming LED lighting systems.

In this regard, we measure suppliers' environmental practices during the supplier evaluation and auditing process and inform new suppliers about effective environmental management practices in accordance with the Environmental Policy.



## PERFORMANCE INDICATORS

Energy Consumption*	2016 (MWh)	2017 (MWh)
Fuel & Electricity in households	21,982	23,532
Purchased Electricity	20,616	22,314
Natural Gas	1,367	1,218
Vehicle Fuels	476	585
Diesel	476	585
<b>TOTAL NET Energy Consumption</b>	<b>22,458</b>	<b>24,117</b>

\* Energy consumptions are provided in Turkish Liras and calculated by considering annual average unit prices from sources such as Energy Market Regulatory Authority (EMRA) and natural gas distribution companies.

Greenhouse Gas Emissions* (ton CO2 equivalent)	2016	2017
Scope 1	639.4	13,156.2
Scope 2	10,129.3	11,427.9
<b>TOTAL NET Energy Consumption</b>	<b>10,768,7</b>	<b>24,584.1</b>

\* GHG emission consumptions are provided in Turkish Liras and calculated by considering annual average unit prices from sources, for example natural gas distribution companies.

Water Consumption (m3)*	2016	2017
Municipal water consumption	25,964.61	26,923.35

\* Water data is provided in Turkish Liras and calculated as an average value considering Istanbul Water and Sewerage Administration (İSKİ) commercial tariff.

Raw materials used in packaging	2016 (Ton)	2017(Ton)
Plastics (plastic bag)	369.84	486.4
Plastic-heavy composites (strech)	68.29	74.34

## SOCIAL PERFORMANCE INDICATORS

	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Number of Employees	135	1682	125	1655	163	1692
Total Number of Employees	<b>1817</b>		<b>1780</b>		<b>1855</b>	
Number of White-collar Employees	20	105	19	96	40	113
Number of Blue-collar Employees	115	1577	106	1559	123	1579

### Number of Employees by Employment Duration and Ratios (by Gender and Category)

	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Employed for 0-5 Years	132	1124	119	789	154	884
Employed for 5-10 Years	0	313	2	498	5	461
Employed for 10 Years or More	3	245	4	368	4	347

### Number of Executives (by Gender and Age)

	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Over 50 Years Old	0	3	0	4	0	2
Between 30-50 Years Old	3	54	2	42	3	51
Under 30 Years Old	0	0	0	0	0	0
<b>TOTAL</b>	<b>3</b>	<b>57</b>	<b>2</b>	<b>46</b>	<b>3</b>	<b>53</b>

### Number of Employees Benefiting from Parental Leave (by Gender and Category)

	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Number of Employees Benefiting	4	11	6	72	3	157
Number of Employees Returning	4	11	6	72	3	157

### Number of Employees Who Quit Work During the Year (by Gender and Category)

	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Over 50 Years Old	0	5	0	11	0	9
Between 30-50 Years Old	1	47	15	193	16	197
Under 30 Years Old	5	24	59	176	54	240
<b>Number of employees who quit work during the year</b>	<b>6</b>	<b>76</b>	<b>74</b>	<b>380</b>	<b>70</b>	<b>446</b>

**Number of Employees Who Start to Work During the Year (by Gender and Category)**

	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Over 50 Years Old	0	4	0	3	0	2
Between 30-50 Years Old	15	65	4	68	20	100
Under 30 Years Old	84	243	21	112	62	222
<b>Number of new employees</b>	<b>99</b>	<b>312</b>	<b>25</b>	<b>183</b>	<b>82</b>	<b>324</b>

**Number of Employees Subjected to Performance Evaluation (by Gender and Category)**

	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
<b>Total Number of Employees</b>	<b>16</b>	<b>102</b>	<b>15</b>	<b>89</b>	<b>26</b>	<b>104</b>

	2015	2016	2017
<b>Employee Trainings</b>			
Total Training Hours (including OHS training)	383	178	599
Total OHS training hours (Employee*Hour)	204	68	88
OHS Training Per Employee (Total Training Hours / number of employees)	0,11	0,04	0,05

	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Number of incidents	1	101	2	49	1	61
Number of work related fatalities	0	0	0	0	0	0
Number of occupational disease	0	0	0	0	0	0
Occupational most common diseases	<b>Back and Waist Disease</b>					
Absenteeism						2.215
Injury Frequency Rate						3,1
IR formula	<b>Total number of injuries / (Total working hours - Lost hours) * 200,000</b>					
Occupational disease rate (ODR)	0		0		0	
Absenteeism Rate (AR)						0,0006
(AR) formula	<b>Lost working hours / Total working hours</b>					

GRI Standard	Disclosures	Page Number/ Direct Reference	Omission
<b>GRI 101: Foundation 2016</b>			
<b>GRI 102: General Indicators 2016</b>			
<b>GRI 102: General Disclosures 2016</b>	<b>Organizational Profile</b>		
	102-1	3	
	102-2	4	
	102-3	<a href="https://www.biziminvestorrelations.com/en/view-to-bizim-toptan/contact.aspx">https://www.biziminvestorrelations.com/en/view-to-bizim-toptan/contact.aspx</a>	
	102-4	4	
	102-5	<a href="https://www.biziminvestorrelations.com/en/view-to-bizim-toptan/shareholder-structure">https://www.biziminvestorrelations.com/en/view-to-bizim-toptan/shareholder-structure</a>	
	102-6	4, Bizim Toptan Annual Report 2017 <a href="https://www.biziminvestorrelations.com/en/financial-andoperating-data/financial-statements.aspx">https://www.biziminvestorrelations.com/en/financial-andoperating-data/financial-statements.aspx</a>	
	102-7	4, Bizim Toptan Annual Report 2017 <a href="https://www.biziminvestorrelations.com/en/financial-andoperating-data/financial-statements.aspx">https://www.biziminvestorrelations.com/en/financial-andoperating-data/financial-statements.aspx</a>	
	102-8	27, 28	
	102-9	17, 18	
	102-10	There has been no significant change in the reporting period.	
	102-11	6, 7	
	102-12	11	
	102-13	11	
	<b>Strategy</b>		
	102-14	3	
	<b>Ethics and Integrity</b>		
	102-16	5	
	<b>Governance</b>		
	102-18	7, 8	
	102-19	7	
	102-20	7	
	102-21	10, 11	
	102-22		
	102-23	<a href="https://www.biziminvestorrelations.com/en/corporate-governance/committees.aspx">https://www.biziminvestorrelations.com/en/corporate-governance/committees.aspx</a>	
	102-24		
	102-25		
	102-35	<a href="https://www.biziminvestorrelations.com/en/corporate-governance/remuneration-policy.aspx">https://www.biziminvestorrelations.com/en/corporate-governance/remuneration-policy.aspx</a>	
	<b>Stakeholder Engagement</b>		
	102-40	11	
	102-41	In Bizim Toptan there are no employees under collective bargaining agreements.	
	102-42	10, 11	
	102-43	11	
	102-44	10, 11	
	<b>Reporting Practice</b>		
	102-45	5	
	102-46	5, 10, 11	
	102-47	10	
	102-48	Bizim Toptan Sustainability Report 2017 is the company's first sustainability report.	
	102-49	Bizim Toptan Sustainability Report 2017 is the company's first sustainability report.	
	102-50	1 January 2017 - 31 December 2017	
	102-51	Bizim Toptan Sustainability Report 2017 is the company's first sustainability report.	
	102-52	4	
	102-53	4	
	102-54	4	
	102-55	29	
	102-56	No assurance was taken.	

GRI Standard	Disclosure	Page Number/ Direct Reference	Omission
<b>GRI 200: Economic</b>			
<b>Economic Performance</b>			
GRI 103: Management Approach 2016	103-1	4, 5	
	103-2	<a href="https://www.biziminvestorrelations.com/en/financial-and-operating-data/financial-statements">https://www.biziminvestorrelations.com/en/financial-and-operating-data/financial-statements</a>	
	103-3	<a href="https://www.biziminvestorrelations.com/en/financial-and-operating-data/financial-statements">https://www.biziminvestorrelations.com/en/financial-and-operating-data/financial-statements</a>	
GRI 201: Economic Performance 2016	201-1	<a href="https://www.biziminvestorrelations.com/en/financial-and-operating-data/financial-statements.aspx">https://www.biziminvestorrelations.com/en/financial-and-operating-data/financial-statements.aspx</a>	
<b>Procurement Practices</b>			
GRI 103: Management Approach 2016	103-1	17	
	103-2	17	
	103-3	17	
GRI 204: Procurement Practices 2016	204-1	17, 18	
<b>GRI 300: Environmental</b>			
<b>Energy</b>			
GRI 103: Management Approach 2016	103-1	24	
	103-2	24	
	103-3	24	
GRI 302: Energy 2016	302-4	24, 25	
<b>Water</b>			
GRI 103: Management Approach 2016	103-1	24	
	103-2	24	
	103-3	24	
GRI 303: Water 2016	303-1	24	
<b>Emissions</b>			
GRI 103: Management Approach 2016	103-1	24	
	103-2	24	
	103-3	24	
GRI 305: Emissions 2016	305-5	24, 26	
<b>GRI 400: Social</b>			
<b>Employment</b>			
GRI 103: Management Approach 2016	103-1	19	
	103-2	19	
	103-3	19	
GRI 401: Employment 2016	401-1	27, 28	
	401-3	27, 28	
<b>Occupational Health And Safety</b>			
GRI 103: Management Approach 2016	103-1	22	
	103-2	22	
	103-3	22	
GRI 403: Occupational Health and Safety	403-5	22, 28	
<b>Training and Education</b>			
GRI 103: Management Approach 2016	103-1	21	
	103-2	21	
	103-3	21	
GRI 404: Training and Education 2016	404-1	28	
	404-2	21	
	404-3	28	

GRI Standard	Disclosures	Page Number/ Direct Reference	Omission
<b>Customer Health and Safety</b>			
GRI 103: Management Approach 2016	103-1	13	
	103-2	13	
	103-3	13	
GRI 416: Customer Health and Safety 2016	416-1	13	
<b>Marketing and Labeling</b>			
GRI 103: Management Approach 2016	103-1	13	
	103-2	13	
	103-3	13	
GRI 417: Marketing and Labeling 2016	417-1	13	

GRI Standard	Disclosures	Page Number/ Direct Reference	Omission
<b>Material Topics That Are Not Covered by the GRI Standards</b>			
<b>Product Safety, Traceability and Quality</b>			
GRI 103: Management Approach 2016	103-1	13	
	103-2	13	
	103-3	13	
<b>Digital Transformation and Smart Stores</b>			
GRI 103: Management Approach 2016	103-1	14, 15	
	103-2	14, 15	
	103-3	14, 15	
<b>Logistical and Operational Efficiency</b>			
GRI 103: Management Approach 2016	103-1	17, 18	
	103-2	17, 18	
	103-3	17, 18	
<b>Brand and Reputation Management</b>			
GRI 103: Management Approach 2016	103-1	6, 7	
	103-2	6, 7	
	103-3	6, 7	



## BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

Kuşbakışı Caddesi No:19 Posta Kodu: 34662 Altunizade / Üsküdar / İstanbul  
(0212) 577 75 52 [bizimtoptan.com.tr](http://bizimtoptan.com.tr)

## 2017 SUSTAINABILITY REPORT

Reporting: S360 Sürdürülebilirlik ve İletişim Hizmetleri  
Design: TikTakTik