BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ
01 JANUARY 2023 – 31 MARCH 2023 PERIOD
ANNUAL ACTIVITY REPORT

10.05.2023

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A. General Information

1) Reporting Period

01.01.2023 – 31.03.2023

2) Information on the Company

Commercial Title	Banvit Bandırma Vitaminli Yem Sanayi A.Ş.
Trade Registry No	4153
Tax Office	Bandırma
Tax Number	1400036590
Address of the Headquarter	Ömerli Mah. Ömerli Sok. No: 208 Bandırma-Balıkesir
Phone & Fax of the Headquarter	Phone: (0266) 733 86 00 Pbx | Fax: (0266) 733 86 18 Pbx
Website	www.banvitas.com
Upper Limit of the Registered Capital	TRY 300.000.000
Paid In/Issued Capital	TRY 100.023.579

3) Shareholding Structure and Capital Structure

Shareholders	Number of Shares	%
TBQ Foods GMBH	91.727.012	91,71
Other (Publicly Held)	8.296.567	8,29
Total	100.023.579	100,00

There has been no change in the direct shareholding and capital structure within the period.

4) Explanations Related to Privileged Shares and Voting Rights of the Shares

There is no privileged shares in the capital and each shareholder has one (1) voting right.

5) Information on the Board of Directors, Key Managers and Number of Personnel

In accordance with the Turkish Commercial Code ("TCC") and the related legislation, the election of the Board of Directors is executed by the General Assembly within the framework of the articles of association. Should there be a vacancy in the membership of the Board of Directors within the respective period, an election for the available positions is made according to the provisions of TCC and the company's articles of association and the results are submitted to the upcoming Ordinary General Assembly to be approved.

The Members of the Board of Directors on duty as of 31.03.2023:

Board of Directors	Position	Duty Period
Igor Fonseca Marti	Chairman	15.05.2020 – 15.05.2023
Fadi Felfeli	Vice Chairman	Appointed as per Article 363 of TTC in order to complete the term in office until 15.05.2023 (to be presented to the approval of the General Assembly)
Fabio Luis Mendes Mariano	Member	Appointed as per Article 363 of TTC in order to complete the term in office until 15.05.2023 (to be presented to the approval of the General Assembly)
Davide Luigi Vimercati	Member	15.05.2020 – 15.05.2023
Feras Abdulaziz M H Al-Naama	Member	15.05.2020 – 15.05.2023
Orhan Cem	Independent Member	15.05.2020 – 15.05.2023
Levent Avni Ersalman	Independent Member	15.05.2020 – 15.05.2023
Meral Kurdaş	Independent Member	03.06.2022 – 15.05.2023

Powers and Duties of the Members of the Board of Directors

The Board of Directors carries out and executes the duties assigned to them by the resolutions held by the General Assembly meeting in matters specified in the TCC, the Capital Markets Law and other relevant legislation and the article 9 of the company's articles of association.

Executive Management as of 31.03.2023 date:

Name Surname	Duty	Commencement Date
Tolga Gündüz	General Manager	16.10.2019
Christine Maziero Castro *	Production Director	01.11.2019
Levent Aytimur	Finance Director	09.01.2023
Nerdin Alp	Sales Director	06.04.2001
Atakan Sakin	Logistics Director	01.06.2022
Yasemin Gürleroğlu	Marketing and Corporate Communications Director	18.05.2020
Gökçen Aslan Özşar	Human Resources Director	27.09.2021

Miray Ilıksoy Baran	Legal Manager	23.09.2021

*Christine Maziero Castro, Production and Agro Director of our company, left her position as of 30.04.2023 (https://www.kap.org.tr/tr/Bildirim/1142592).

6) Staff and Employee Movements and Collective Bargaining Practices and Rights and Benefits Provided to Staff and Employees

The wages and side benefits of our company's employees are not subject to any collective bargaining agreement.

In addition to base salaries; we offer bonuses, marriage benefits, health insurance, Company annual dividends, product assistance, food assistance and vehicle assistance to our employees.

Permissions are annual paid leave, excuse leave, unpaid leave and marriage leave, death leave, working limit (pregnancy) leave, maternity leave, breastfeeding leave.

The number of employees of Banvit Bandırma Vitaminli Yem Sanayi A.Ş. as of dates between 31 March 2023 and 31 December 2022:

	31.03.2023	**31.12.2022**
Blue Collar	4.199	4.334
White Collar	696	703
Total	**4.895**	**5.037**

7) Corporate Governance Principles Compliance Report

In accordance with the Capital Markets Board's decision dated 10.01.2019 and numbered 2/49, the "Corporate Governance Compliance Report (URF)" which shows compliance with the principles that are voluntary and mandatory to be implemented by our company's Corporate Governance Principles and "Corporate Governance Information Form (KYBF)" which provides information about our current corporate governance practices was disclosed on the Public Disclosure Platform using relevant templates at the addresses of https://www.kap.org.tr/tr/Bildirim/1118106 and https://www.kap.org.tr/tr/Bildirim/1118105 open to the public.

Information on the corporate governance can accessed from the: https://www.kap.org.tr/tr/cgif/4028e4a1415f4d990141601902e33250.

8) Changes to the Articles of Association

No changes was made to the articles of association during the period.

B. Financial Rights Given to Board Members and Executive Management

1) Total Amount of Financial Rights like Attendance Fee, Wages, Bonus, Premium and Dividend Payments

At the Ordinary General Assembly meeting of the company on June 3, 2022, it has been resolved that the members of the Board of Directors are not paid and, starting from the month following the General Assembly, until the next Ordinary General Assembly, a monthly gross salary of TRY 30.000 per month to each Independent Board Members.

Salaries of the company's senior executives are determined by the Company's Board of Directors. All senior executives have private health insurance.

In the fiscal period ending on 31 March 2023, all benefits provided to senior executives are short-term benefits and include wages, premiums and other payments.

Performance-based additional payments are made to out-of-scope personnel, including senior managers, within the company.

Between 1 January 2023 and 31 March 2023; A total of TRY 8.704.922 was paid for senior executives and TRY 312.187 SSI-employer deduction was made. In addition, in the term of 01.01.2023 – 31.03.2023, a total of TRY 270.000 TL was paid for three independent members as attendance fee.

No payables were given, no loans were issued directly or through a third party and no indemnity such as sureties was given to Board Members or executive management during the period.

The total of fees paid to board of directors and executive managers for the period between 01.01.2023 – 31.03.2023 is indicated in the table below.

(TRY)	31.03.2023	31.03.2022
Board of Directors	270.000	120.163
Executive Managers	9.017.109	4.081.657
Total	9.287.109	4.201.820

Between 1 January 2023 and 31 March 2023; a total of TRY 9.287.109 was paid as benefits for senior executives (31 March 2022: TRY 4.201.820).

Performance-based additional payments are made to out-of-scope personnel, including senior managers, within the company.

No performance-based payment was made to Board Members.

No payables were given, no loans were issued directly or through a third party and no indemnity such as sureties was given to Board Members or executive management during the period.

2) Information on Allowance Granted, Travel, Accommodation and Representation Expenses and Total Amount of Facilities in Cash and Kind, Insurances and Similar Guarantees

The total amount of allowance, travel, accommodation and representation expenses as well as in cash and kind facilities and insurances given to the members of the board of directors and senior executives during the period is TRY 682.820.

C. Research and Development Studies

Our company carries out R&D studies on product development and new product production in order to meet the expectations of our consumers and customers in a creative, high quality and delicious way, to meet the demands and needs of the companies that we supply, in addition, to ensure that our consumers are fed with healthy and affordable protein. Further, R&D studies are carried out within the body of our company on the development of packaging and recyclable packaging, to ensure that the products are stored in a quality and reliable manner and to contribute to nature by effective waste management.

In this context, 8 new products and 13 new packages have been developed in the first quarter of 2023. In the period of 01.01.2023 - 31.03.2023, the usage rate of the packages produced from recyclable materials is 96%. Our company aims to increase the variety of packaging produced from recyclable materials.

Our R&D studies continue to increase the variety of packaging produced from recyclable materials.

D. Activities and Significant Developments Regarding the Activities

1) Investment Activities

As of 31 March 2023, the total investment expenditure of Banvit Bandırma Vitaminli Yem Sanayi A.Ş. is TRY 184.471.168 (31 Mart 2022: TRY 30.299.782).

2) Internal Control System and Internal Auditing Activities

The Internal Audit unit provides independent and impartial assurance and consultancy activities to the board of directors regarding corporate governance processes. Internal

Audit activities aim to provide a reasonable assurance to the stakeholders of the company, especially shareholders, on the establishment of managerial accountability, efficiency and effectiveness of business processes, reliability of the financial reporting system, compliance of company activities with laws and regulations. Internal Audit activities are carried out according to the “International Internal Auditing Standards” established by the International Institute of Internal Auditors (IIA). The internal audit unit works in compliance with the “Banvit Internal Audit Regulation” and monitors the audit findings until the risk disappears.

The Internal Control unit carries out the activities of early detection, evaluation, calculation of the effects and probabilities of risks that may affect the company, managing and reporting these risks in accordance with the corporate risk appetite of the company, taking necessary measures to reduce the effects and probabilities of the identified risks and establishing effective internal control systems in this direction. Internal Control unit aims to provide reliable financial reporting and effective management of risks according to the basic internal control components consisting of “control environment, risk assessment, control activities, information and communication and monitoring”.

3) Direct and Indirect Subsidiaries

The main scope of business and the participation in their shareholding of the affiliates subject to consolidation are as follows.

Company	Country of Operation	Operation	Effective Share	
			31.03.2023	31.12.2022
Nutrinvestments B.V.	Holland	Holding Company	%100,00	%100,00
Banvit Enerji ve Elektrik Üretim A.Ş.	Turkey	Energy Production	%100,00	%100,00

Nutrinvestments B.V., a subsidiary of Banvit. was established as a Limited Company on August 18, 1999 in Amsterdam, Holland, in order to operate as a holding company. As of 31.03.2023, a liquidation decision has been taken regarding Nutrinvestments B.V. ("Nutrinvestments"), 100% owned by our Company. Since our company is subject to full consolidation in the preparation of its financial statements, it is considered that the liquidation of Nutrinvestments will not have a negative impact on the financial statements.

Banvit’s subsidiary, Banvit Enerji, was established on 14 May 2009 and registered on 5 June 2009 for the purpose of establishing, commencing and renting manufacturing plants to have the energy sources turned into electrical energy in those plants, producing electrical energy, selling the produced electrical energy and/or the capacity of the produced energy to the customers.

Banvit ME FZE, a wholly owned subsidiary of our company and a subsidiary of Nutrinvestment B.V., was established on 16 July 2012 in the United Arab Emirates, Jebel Ali Free Zone as a free zone company, in order to operate in the marketing and sales of the Group's products to the gulf countries. Since it was rendered not to be beneficial for Banvit ME FZE to continue its activities, it was decided to start the liquidation process of Banvit ME FZE with the general assembly resolution of Nutrinvestments B.V. dated 29.03.2022 and the liquidation procedures were completed as of 21.03.2023.

E. Financial Status

1) Summary of Financial Statements

The financial statements are prepared in accordance with the financial reporting standards published by the Capital Markets Board. In accordance with the Board of Directors' resolution numbered 2021/22 and dated 06.10.2021, the Company's 1st and 3rd quarter interim financial statements will not be subject to independent audit. On 07.10.2021, a material event disclosure was published on the Public Disclosure Platform regarding this matter.

Summary of Balance Sheet

	(Not Reviewed)	(Audited)
(TRY)	1 January - 31 March 2023	1 January - 31 December 2022
Current Assets	4.505.612.835	4.103.497.420
Non-Current Assets	2.832.756.737	2.917.100.021
Total Assets	7.338.369.572	7.020.597.441
Short Term Liabilities	4.828.442.314	4.276.787.551
Long Term Liabilities	455.672.444	600.486.521
Capital	2.054.254.814	2.143.323.369
Total Resources	7.338.369.572	7.020.597.441

Summary of Income Statement

(TRY)	(Not Reviewed) 1 January - 31 March 2023	(Not Reviewed) 1 January - 31 March 2022(*)
Net Sales	3.424.082.208	1.959.422.838
Gross Profit	306.669.373	196.204.315
EBIT	-3.938.466	21.735.379
EBITDA	109.850.356	69.216.698
Net Profit/(Loss) for the Period from Continuing Operations	-99.844.797	-51.933.920
Net Profit/(Loss) for the Period from Discontinued Operations	-30.221.613	-2.483.990

(*) Due to the termination of hindi business, operations related to hindi production have been classified as “Discontinued Operations”. In the table above, in accordance with the periodicity principle, the amounts related to turkey production have been eliminated from the revenue, cost amounts, EBIT and EBITDA for the period 01.01.2022 - 31.03.2022.

The company prepares its budgets within the frame of its strategic goals that is approved by the Board of Directors.

In its regular meetings, the Board of Directors is reviewing the current position of the company and activities are compared with the previous period and budget targets.

2) Key Ratios

	1 January - 31 March 2023	1 January - 31 March 2022
Gross Profit Margin	8,96%	10,01%
EBIT Margin	-0,12%	1,11%
EBITDA Margin	3,21%	3,53%
Net Profit Margin	-2,92%	-2,65%
Profit Per Share	-1,3003	-0,544

3) The Development of Financial Sources and The Policies Applied in the Framework this Development

New funding alternatives according to changing market conditions are continuously analyzed and offers are evaluated. The debt policy of company is developed based on the capability of cash generation and the strong equity structure. Hedging methods and amounts used against financial risks are developed based on a frame of determined models.

4) The Nature and Amount of Issued Capital Market Instruments

There is no capital market instrument issued in the period.

With Company's Board of Directors resolution dated 5 December 2022, it has been resolved on the issuance debt instruments, to the amount or TRY 2.500.000.000 (two billion five hundreds million Turkish lira) in total, having maximum three years of maturity; at once or at several times, within the country, without offering to public, to be sold to Qualified Investors. The approval was received on 19.01.2023 by the application made to CMB on 12.12.2022.

The issuances that shall be made will be announced in Public Disclosure Platform in accordance with relevant laws and legislation.

5) General Assembly

With the resolution of our Company's Board of Directors dated 11.04.2023, it was decided to hold the Ordinary General Assembly Meeting for 2022 on Tuesday, 9 May 2023 at 11:00, at Banvit facilities at the address of Ömerli Mah. Ömerli Sok. No: 208 Bandırma/Balıkesir. Our announcement regarding the Ordinary General Assembly meeting was published on the Public Disclosure Platform and on our Company's website on 11.04.2023 (https://www.kap.org.tr/tr/Bildirim/1136526).

At the 2022 Ordinary General Assembly Meeting held on 09.05.2023, the following agenda items were discussed and resolved. The minutes of the Ordinary General Assembly Meeting for the year 2022 have been published on the Public Disclosure Platform. (https://www.kap.org.tr/tr/Bildirim/1149200).

Banvit Bandırma Vitaminli Yem San. A.Ş. Ordınary Shareholders' Meetıng Agenda

1. Commencement and the election of the Meeting Chairmanship.
2. Reading and discussing the Activity Report of Board of Directors for the fiscal year 2022.
3. Reading the summary of the Independent Audit Report for the fiscal year 2022.

4. Reading, discussing and approving the Financial Statements for the fiscal year 2022.
5. Release of each member of the Board of Directors in relation to the activities of the Company's in 2022.
6. Determining the number and duty term of the members of the Board of Directors, making elections in accordance with the determined number of members, selecting the Independent Members of the Board of Directors.
7. Discussion on offer of the Board of Directors regarding the manner of use and distribution of the profits of 2022 in accordance with the Company's profit distribution policy and resolving on such offer.
8. Informing the shareholders on (i) "Remuneration Policy for the members of the Board of Directors and the Senior Executives" and (ii) the total sum of benefit provided to the members of the Board of Directors and the executive management in 2022.
9. Decision on the annual and/or monthly salaries of the Members of the Board of Directors.
10. Discussion and resolving on the proposal of the Board of Directors regarding election of Independent Audit Institution.
11. Informing the shareholders about the donations made by the Company in 2022 financial year and discussion and determining an upper limit for donations to be made in 2023 financial year.
12. Informing the shareholders about the collaterals, pledges, mortgages and surety granted in favor of third parties and the income or benefits obtained in 2022 by the Company and subsidiaries.
13. Informing the shareholders about the transactions conducted with the related parties in 2022.
14. Informing the shareholders on the transactions carried out in the year 2022 by the shareholders that have management control, the members of the Board of Directors, the senior executives and their spouses and relatives related by blood or affinity up to the second degree.
15. Authorizing the Members of the Board of Directors as per the provisions of the Articles 395/1 and 396 of the Turkish Commercial Code.
16. Wishes and opinions.
17. Closing.

6) Dividend Distribution Policy

In article 23 titled "Profit Determination and Distribution" of the Company's articles of association, the determination and distribution of profit is explained as follows:

The method and time of distribution of the profit decided to be distributed is determined by the general assembly upon the proposal of the board of directors. However, the period of distribution of the end-of-period profit share cannot exceed the period specified in the communiqués of the Capital Markets Board.

Dividends related to the shares are distributed to all existing shares as of the end of the accounting period, regardless of their issuance and acquisition dates, without applying the per diem basis.

No dividend distribution was made during the period.

According to our financial statements for the accounting period of 01.01.2022-31.12.2022 prepared by our company in accordance with the Turkish Accounting Standards in accordance with the Capital Markets Board's Communiqué Series II, No. 14.1 on the "Principles of Financial Reporting in the Capital Markets" and audited by KPMG Independent Auditing and Independent Accountant Mali Müşavirlik A.Ş., a net loss of TRY 442,655,712.00 was realized.

With the Board of Directors' decision dated 11.04.2023, no profit distribution shall be made, this amount shall be added to previous years' losses and these issues shall be submitted to the approval of the shareholders at the first shareholders' meeting of the Company. At the Ordinary General Assembly Meeting for the year 2022 held at our Company headquarters on 09.05.2023, the proposal of the Board of Directors regarding non-distribution of dividends was submitted to the approval of the general assembly and non-distribution of dividends was accepted unanimously.
(https://www.kap.org.tr/tr/Bildirim/1149231).

7) Information About the Sector and the Position within the Sector

Banvit, which started its activities as a compound feed producer in 1968, also stepped in broiler production in 1984. Banvit that performs first time the cleaned and bagged fresh broiler production in Turkey, in 2001 began production of firstly turkey meat, then ready-to-eat further processed foods and delicatessen products. Production is carried out in three different locations in Elazığ, İzmir and Bandırma. The main activity is the sale and export of produced goods to the domestic market.

Having left 53 years behind in its sector, Banvit is one of the leading food companies in our country that serves its customers daily with its raw chicken and turkey products, sauced products group, ready-to-eat cooked products and delicatessen products. Banvit's vision is specified as "To strengthen our position as Turkey's leading poultry and poultry meat products company". Banvit's mission is positioned as “To meet the expectations of consumers and customers in a creative, high quality and delicious manner, to ensure that our consumers are fed with healthy and affordable protein, to be sensitive to the environment, animal welfare and employee happiness”.

In addition to the products sold with its main brand, Banvit provides service with its sub-brands in accordance with customer types and needs.

8) Incentives

These grants and incentives can be used by all companies, which meet the related legislative requirements and those grants have no sectoral differences:

- Investment incentive documents (Customs Duty exemption, VAT exemption, corporate tax advantages),
- Export refunds on agricultural products
- Inward processing permission certificates,
- Social Security Institution incentives,
- Insurance premium employer share incentive.

9) Development of the Business

Our company's finished chicken meat production for the first 3 months of 2023 increased by 0.5% compared to the same period last year. The finished turkey operation ended its operation as of the end of March 2023 and the production decreased by 69%. There is an 8.9% increase in advanced processed products with the effect of new capacity.

Approximately 12.2% of the total poultry and further processed products produced were exported. Domestic sales increased by 2.6% in 2022 compared to the previous year.

General Turkish poultry production is updated via Turkish Statistical Institute. In the middle of each month, data closing information from 2 months ago is published. According to TUIK data, in the January-February 2023 period, the amount of chicken sent to the domestic market increased by 6.4% compared to the same period of the previous year, while the amount exported decreased by 32.2%.

January-February 2023 in total production decreased by 3% compared to the same period of 2022. While the total chicken production in Turkey was 380 thousand tons in the relevant period of 2022, it reached 368 thousand tons in the same period of 2023.

10) Products

The main products of Company are as follows:

Bandırma/İzmir/Elazığ - PİLİÇ	Bandırma Further Processing Plant
Chicken Whole Poultry	Cold Cuts (Salami, Franks,Soucuk,Ham)
Chicken Breast	Raw Doner
Chicken Breast Bonein Skin-on	Cooked Doner

Chicken Breast Bonein Skin-on (With Back Bone)	Ready Products-FPP (Crisps, Burgers, Meatballs, Kebabs, Special Products)
Chicken Drumstick	
Chicken Thigh Bonein	
Chicken Thigh Boneless	
Chicken Leg	
Chicken Leg Quarters	
Chicken Wings	
Chicken Livers	
Chicken Gizzards	
Chicken Feet	
Chicken Other (Wingtip, Tail,MDM)	
Chicken Mix Products-Polultry parts	

11) Developments on the Sales

Considering the first quarter of 2023 and first quarter of 2022 change in Domestic; according to first quarter of 2022 figures, there is a 84,7% increase in net turnover in the sales of Poultry Chicken-Turkey and Processed Products (Finished Products & Delicatessen).

The change on the net turnover per production unit is as follows:

Product	(%)
Poultry	80,6%
Turkey	-27,3%
FPP (Finished Products & Delicatessen)	123,2%
Total	**84,7%**

Considering the first quarter of 2022 and first quarter of 2023 change in Abroad; according to first quarter of 2022 figures, there is a 8,0% increase in net turnover in the sales of Poultry Chicken-Turkey and Processed Products (Finished Products & Delicatessen).

The change on the net turnover per production unit is as follows:

Product	(%)
Poultry	10,3%
Turkey	-23,2%
FPP (Finished Products & Delicatessen)	2,1%
Total	**8,0%**

F. Risks and Evaluation of the Board of Directors

1) Corporate Risk Management

The risk map and risk management policies have been published by the internal control unit with the purpose of ensuring systematic and comprehensive identification, evaluation, control, monitoring and establishing action plans to identify those responsible and reduce their impact of risks and opportunities that may affect company's assets, reputation, profitability.

The policies include guidance on support and positioning, risk identification, prioritization, improvement, reporting, monitoring/surveillance, and communication principles related to risks in order to manage company-wide risks to the highest standard.

In order to measure the risks incurred by the company and ensure conformity to the risk tolerance limits; risks are monitored and managed in accordance with regulations and guidelines developed for critical risks

2) Early Risk Detection Committee

The purpose of the Committee is to identify the risks that may threaten the existence, progress and continuation of the company operations within the scope of this regulation and legal legislation, to implement the necessary measures related to the risks identified and to manage those risks.

The meetings of the Committee are held once for every two-month period in order to ensure that the Committee can fulfill its duties effectively. After each meeting, a written report on the activities of the Committee is submitted to the Board of Directors with a summary of the minutes.

G. Other Information

1) Organizational Structure

Our company continues its activities through its head office at the address of Ömerli Mah. Ömerli Sok. No: 208 Bandırma-Balıkesir and the following branches:

İzmir Akalan Slaughterhouse Branch*
İzmir Feed Factory Branch
İzmir Armutlu Slaughterhouse Branch
İzmir Sarnıç Branch
Elazığ Slaughterhouse Branch
Elazığ Feed Factory Branch
Elazığ Hatchery Branch
Pamukçu Hatchery Branch
İstanbul Hadımköy Sales Branch
İstanbul Kadıköy Sales Branch
Halkalı Sales Branch**
Kartal Sales Branch
Muğla Sales Branch
Fethiye Sales Branch
Bodrum Sales Branch
Trakya Sales Branch
Ankara Esenboğa Sales Branch
Ankara Sales Branch
Samsun Sales Branch
Kayseri Sales Branch
Söke Sales Branch
Bursa Sales Branch
Kemerburgaz Sales Branch
Adana Sales Branch

*In our announcement published on 28.02.2023, it has been declareted that the decision Turkey business line activities termination. Due to the termination of the activities of the Turkey business line, the closing procedures of the Izmir Akalan Slaughterhouse Branch, where the activities of this business line are carried out, have been completed and the branch has been withdrawn from the registry. The closing of the respective branch was registered on 03.04.2023 and announced in the Turkish Trade Registry Gazette dated 04.04.2023.

**As explained within our announcement published on 28.02.2023 in the PDP, in accordance with the Board of Directors' resolution dated 12.04.2023, it has been resolved on to close "Banvit Bandırma Vitaminli Yem Sanayi Anonim Şirketi Halkalı Satış Şubesi" of which the registered address is in the address Atatürk Mah. İkitelli Cad. Firmalar Blok N0: 178b İç Kapı No: 3 Küçükçekmece/İstanbul.

2) Sustainability Principles

Environmental, social and corporate management studies, which are within the scope of the Sustainability Principles Compliance Framework, are carried out by our company. The implementation of the sustainability principles is based on a voluntary basis, and the effects on environmental and social risk management are evaluated by our company. Details of sustainability studies has been summarized under Annex.

3) Important Developments

- **Opening Antalya Sales Branch – 14.03.2023**

With the decision of our Company's Board of Directors dated 14.03.2023, a branch was opened at the address of Menderes Mahallesi 10 No.lu Sokak Dış Kapı No: 27 Kepez/Antalya with the title "Banvit Bandırma Vitaminli Yem Sanayi Anonim Şirketi Antalya Sales Branch" ("Antalya Sales Branch").

- **Appointment of Finance Director – 09.01.2023**

With the resolution of our Company's Board of Directors dated 09.01.2023; Mr. Levent Aytimur has been appointed as the Finance Director.

- **CMB Approval for Issuance of Debt Instrument – 23.01.2023**

Our application, which we submitted to the Capital Markets Board on 12.12.2022 and announce at the PDP on 05.12.2022, bonds and/or financing bills with a maximum maturity of 3 years, up to a total amount of TL 2.500.000.000 (Two Billion Five Hundred Million Turkish Liras) in Turkish Lira, to be sold to qualified investors within a 1-year period without being offered to the public, has been approved by the Board's decision dated 19.01.2023 and numbered 3/63.

- **Decision on Donations and Aids to be Sent to the Earthquake Zone – 15.02.2023**

In accordance with the resolution of the Board of Directors of our Company dated 06.03.2023 and the resolution of the Capital Market Board dated 09.02.2023 and numbered 8/174, , it has been decided sent donations and aids in cash and/or in kind up to TRY 1.500.000 due to the earthquakes that occurred on 06.02.2023 to earthquake zones directly and/or through organizations authorized to collect donations, and this resolution will be submitted to the approval of the shareholders at the first general assembly to be held. The resolution has been submitted to the approval of the general assembly and duly approved on the general assembly on 09.05.2023.

- **Termination of Turkey Business Activities – 28.02.2023**

Within the scope of the studies carried out to increase efficiency and profitability in our company's activities, it has been determined that turkey production, which has a share of only 3% in our turnover, does not make a significant contribution to the profitability of our company. At the meeting of our Company's Board of Directors dated 28.02.2023, it was resolved on to terminate the turkey business line in order to use the Company's resources and workforce more efficiently and to increase profitability.

- **Türkiye Orman İşçileri Sendikası Cancellation of Authorization Case – 13.03.2023**

In our statement dated 13.09.2022, it was announced that legal proceedings had been initiated by our Company regarding cancellation of the authorization of Türkiye Orman İşçileri Sendikası ("Sendika") to conclude collective bargaining agreements in our Company.

The lawsuit filed in this context, has been rejected; based on the relevant decision, our Company has applied to the legal remedy of appeal on 13.03.2023.

4) Significant Developments After the Reporting Period

- **Appointment of Board Members – 09.05.2023**

In our company's Ordinary General Assembly dated 09.05.2023, appointment of the board of directors has been made, and Igor Fonseca Marti, Fadi Felfeli, Fabio Luis Mendes Mariano, Davide Luigi Vimercati, Feras Abdulaziz M H Al-Naama, Ali Ferda Elerman (Independent Member), Selim Taşo (Independent Member) and Meral Kurdaş (Independent Member) have been appointed to the Board of Directors for a period of 3 years.

- **Determination of Independent Audit Company for 2023 – 11.04.2023**

In accordance with the principles determined in accordance with the Turkish Commercial Code No. 6102 and the Capital Market Law No. 6362 at our Company's Ordinary General Assembly for the year 2022, dated 09.05.2023, Eren Bağımsız Denetim A.Ş. (Grant Thornton) has been appointed to audit the consolidated financial reports of our company for the 2023 accounting period and to carry out other activities within the scope of the relevant regulations in these laws.

Annex -1

SUSTAINABILITY REPORT

As Banvit BRF, we do not only manufacture products that add taste and practicality to the lives of our consumers, but also carry out our activities by focusing on sustainability issues at the same time. In order to reduce our company's footprint in nature, we carry out implementations in different fields ranging from education activities to energy, from recyclable packaging to saving measures, from animal welfare to waste management. We reinforce our commitment to incorporate ESG (environmental, social and management) principles into our Company's future vision within the framework of BRF's sustainability plan and related policies.

Based on the United Nations 2030 Sustainable Development Goals, determined by the BRF in accordance with the UN Global Compact, the world's largest corporate sustainability initiative, we have set targets for the ESG principles regarding the 2030 Vision within the scope of the sustainability plan and policy.

The Sustainable Development Goals that we are determined within are as follows;

SDG-1 (No Poverty)
SDG-2 (Zero Hunger)
SDG-3 (Good Health and Well-being)
SDG-5 (Gender Equality)
SDG-6 (Clean Water and Sanitation)
SDG-8 (Decent Work and Economic Growth)
SDG-9 (Industry, Innovation, and Infrastructure)
SDG-10 (Reduced Inequalities)
SDG-12 (Responsible Consumption and Production)
SDG-13 (Climate Action)
SDG-15 (Life on Land)
SDG-16 (Peace and Justice Strong Institutions)

1. Strategies & Targets

a. Animal Welfare
b. Reducing Food Waste and Zero Waste
c. Net Zero Commitment (Scope-1, Scope-2 and Scope-3)
d. Afforestation Works
e. Gender Equality and Cultural Interaction
f. Employee Rights and Benefits
g. Corporate Governance Principles

2. Sustainability Working

a. Animal Welfare

By 2025, it is aimed that 100% of the facilities belonging to group companies within the body of BRF will be approved within the scope of Animal Welfare. BRF is committed to zero tolerance for animal abuse, whether through abuse or neglect. In addition, it is aimed to use environmental enrichment in 100% of poultry integration by 2025.

Within the scope of "Good Agricultural Practices", it is aimed to certify at least 50% of our broiler farms by the end of 2023. In addition, 100% of our breeding broiler breeding farms have "Good Agricultural Practices" certificate.

b. Reducing Food Waste and Zero Waste

As Banvit BRF, we carry out our activities by taking into account the prevention of food waste. Our production integration operates with a zero food loss model. We have rendering facilities that process and recycle all organic waste generated during the production process. Here, we contribute to animal nutrition by selling the resulting raw material production to companies that produce fish feed or pet feed.

In addition to these efforts, we continue to work on our sustainability project, Smart Kids Table, which we launched in March last year and implemented to reduce food waste. We are aware of the importance of conscious food consumption and food waste for the future of our world and new generations. As both a food producer and an organization with "prevention of food waste" among its sustainability goals, we launched our Smart Kids Table project for this purpose. In order to contribute positively to the future of our society and our world, we focused on “houses”, one of the places where food waste occurs the most. We continue to share useful content for children and their parents, prepared by consultants who are experts in their fields on conscious food consumption and food waste, on our project website akillicocuksofrasi.com and our social media accounts.

As a company, we continue our activities in all our facilities by holding the "Zero Waste" certificates issued by the Ministry of Environment and Urbanization.

c. Net Zero Commitment

Our Company's "Net Zero Commitment" aims to reduce its Greenhouse Gas emissions by 35% by 2040, including Scope – 1 (direct) and Scope – 2 (Energy Indirect). In addition, the “Net Zero Commitment” includes a commitment to neutralize 12.3% of Scope – 3 emissions (other indirect emissions in the Company's value chain) by 2040.

We joined the Science-Based Targets Platform (SBTi), a global initiative aimed at harmonizing efforts to limit warming of our planet.

In line with our sustainability strategy and the potential impact of the climate problem on our business, we tried to increase our efficiency in natural resource use, renewable energy use and emission control in the production chain.

By 2030, we aim to reduce direct emissions from our operations (Scope 1) and those from energy consumption (Scope 2) by 35%.

In addition, we aim to reduce indirect emissions, which are part of our value chain, by 12.3%.

c.1 Waste Water Recovery

In line with the "Net Zero" target of our global company BRF in 2040, we, as Banvit BRF, are moving forward with the goal of sustainability in all our operations.

Thanks to the "Waste Water Recycling Facility" located in our Bandırma main campus in 2022, we recovered 43% of the water we treated in drinking water quality. Thus, instead of using natural resources, we continued to protect underground water resources by recycling wastewater.

In 2020, we aimed to reduce our water use in all our facilities by 13% by 2025. From 2020 to the end of 2022, we achieved 9,73% water savings per kg in the production of chicken meat in all our facilities.

c.2 Energy Saving

Until 2030, we aim to meet at least 50% of the energy we use in all our facilities from clean sources.

We aim to reduce our CO2e emissions in the energy category by producing electricity and heat with natural gas at the cogeneration facility. The heat we gain from the facility supports the production of hot water and steam to be used in the processes. In addition, in the areas where agriculture activities are carried out in our production facilities, both energy savings are provided and greenhouse gas emissions are reduced with solar panels.

We aim to provide 50% of our electricity consumption from renewable sources by 2030. Within the framework of the I-REC certificate we obtained in 2021, we supplied the 80,000 MWH electrical energy we purchased at our production facilities across Turkey from renewable sources.

c.3 Recyclable Packaging Commitment

In line with our packaging commitment, our Research and Development team is working to increase this rate to 100% by 2025 so that the packaging materials we use are recyclable.

d. Afforestation Projects

In 2021, as part of our sustainability efforts, we implemented the Banvit BRF Forests project of 20 thousand trees in Bandırma, where our main production campus is located, with the support of the Ministry of Agriculture and Forestry General Directorate of Forestry, and we brought the first saplings to the soil.

In 2022, we planted 20 thousand more saplings in Elazig and Manisa, the regions where our production integrations are located.

e. Gender Equality and Cultural Interaction

As Banvit BRF, another issue we see within our sustainability goals is gender equality. We attach great importance to women's power and labor in social life. In this regard, we carried out an awareness campaign to point out the importance of gender equality on March 8, International Women's Day. In our campaign, we emphasized the importance of equality in the division of labor within the family and gave the messages "Housework is not just a woman's job" and "life is common".

Starting with our employees, we provided gender equality training to our colleagues in cooperation with the “Turkey Sustainability Academy and included informative posters in our facilities. In parallel with our internal communication efforts, we were guests in the homes of couples working in different departments of our company in our film that we released on digital platforms. The actors who took part in our movie and the voice-over of the movie were performed by our volunteer employees. We aimed to increase the awareness of our employees through internal communication channels and our consumers through social media and digital channels.

In addition, our Company aims to increase the rate of senior female employees to 30% by 2025 scope of “Woman Leadership” program.

With this awareness campaign we prepared, we were deemed worthy of an award in the category of 'Gender Equality in Advertising' at the 'Crystal Apple Awards' organized by the Advertisers Association for the 34th time in October.

f. Employee Rights and Benefits

Our company adopts the principles of Corporate Human Rights and Employee Rights, including the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation.

Employees are provided with annual paid leave benefits, marriage/birth/death benefits, active military service benefits, child/study benefits, supplemental health insurance, annual leave entitlement over legal periods, notice period and compensation. All employees are provided with social benefits such as meal and vehicle allowances, incentives for senior workers, private health insurance for some employees, and private pension with corporate contributions to managers and above. Nursery assistance is provided to blue-collar and white-collar employees.

Educational programs are planned to contribute to the realization of the company's strategic goals and to the implementation of the basic principles of the Quality, OHS, Environment, Energy and Information Management Systems Policy. In the company, where various training methods suitable for adult education are used, many learning opportunities such as on-the-job, classroom, domestic / international training and conferences are offered, e-trainings are also considered within the scope of the company.

In accordance with the law numbered 6331, information and awareness-raising trainings on occupational health and safety issues related to the legal rights and responsibilities of the employees, the dangers and risks they face, and the precautions to be taken are continued.

g. Corporate Governance Principles

Within the scope of the Capital Markets Board's Corporate Governance Communiqué, our company shows utmost care and effort to comply with the voluntary principles as well as the mandatory principles.

Within the scope of Sustainability, our company continues its efforts to increase interaction with our stakeholders and shareholders.

In this context, studies are carried out to raise awareness through social responsibility projects and various activities.

3. Monitoring and Tracking of Sustainability Studies

The Board of Directors is informed at least once a year by the senior managers responsible for our company's sustainability activities, and the activities are followed up by our Board of Directors.

4. Reports and Announcements Regarding Sustainability Studies

The annual reports of our company include information about the activities carried out within the scope of sustainability studies, the targets set and their realization rates. In addition, detailed information on Sustainability studies will be included on the corporate website of our Company, which is being renewed.

In case of any changes in the Sustainability Report in the following periods, the relevant changes will be included in the interim activity reports.