



BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ
SUSTAINABILITY REPORT
2023

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ANNEX - 2 : SUSTAINABILITY REPORT

As Banvit BRF, we not only produce products that add flavor and practicality to the lives of our consumers, but also carry out our activities by focusing on sustainability issues. In order to reduce the carbon footprint in nature, we carry out practices in different areas ranging from training activities to energy, from recyclable packaging to saving measures, from animal welfare to waste management. Within the framework of BRF's sustainability plan and related policies, we reinforce our commitment to incorporate ESG (environmental, social and governance) principles into our Company's future vision.

According to BRF's sustainability plan, the care of the way we work at all stages of the value chain and operations continues from the field to the table. When it comes to sustainability, we redouble our attention to the environment.

Sustainable Development Goals that we are in the scope are;

SDG-2 (Zero Hunger)
SDG-3 (Health and Quality of Life)
SDG-6 (Clean Water and Sanitation for All)
SDG-7 (Affordable and Clean Energy)
SDG-8 (Decent Work and Economic Growth)
SDG-9 (Industry, Innovation and Infrastructure)
SDG-12 (Responsible Consumption and Production)
SDG-13 (Climate Action)
SKA-15 (Terrestrial Life)
SDG-16 (Peace, Justice and Strong Institutions)

1. Strategy and Objectives

BRF's 5 main principles on sustainability shared with the public are:

- Protecting the environment and being eco-efficient,
- Inclusive of differences and being pluralistic,
- Promoting animal welfare,
- To obtain innovative-sustainable solutions against global challenges,
- To act in harmony with our partners and positively impact the communities in which we operate.

It also has 22 sustainability commitments created around these principles.

Member Associations and Working Groups

In today's business world, sectoral cooperation and coordination are becoming more important. In this context, associations and working groups have become important resources for companies.

First of all, by facilitating sectoral cooperation and coordination, they offer effective communication and cooperation between companies engaged in similar industrial or commercial activities. Through this cooperation, it is possible to follow developments in the sector and engage in joint projects.

We continue this initiative as an important opportunity to follow sectoral agenda issues, discuss sectoral problems and find solutions. With working groups, all member companies come together to carry out joint projects, technical feedback, and industrial collaborations more effectively. We see these platforms as important structures to overcome sectoral problems and find sustainable solutions.

Associations

- YASED-International Investors Association
- Sustainability Academy
- BESD-BIR
- TOBB
- GGD (Food Safety Association)
- TURKIYEM-BIR
- TUGIS
- DEİK
- TEİD

Working Groups

- Circularity and Food Waste Management (Sustainability Academy)
- Climate Change and Resource Management (Sustainability Academy)
- Transparency, Traceability and Responsible Consumption (Sustainability Academy)
- Sustainable Supply Chain and Agriculture (Sustainability Academy)
- Environment Working Group (BESD-BIR)

2. Sustainability Studies

2.1 Animal Welfare

By 2025, BRF aims to have 100% of the facilities owned by BRF group companies approved for Animal Welfare. BRF is committed to zero tolerance for the mistreatment of animals, whether through abuse or neglect. It also aims to use environmental enrichment in 100% of poultry integration by 2025.

Within the scope of "Good Agricultural Practices", the rate of our broiler breeder farms having this certificate is approximately 40% according to 2023 year-end data. In addition, 100% of our breeder farms have "Good Agricultural Practices" certificate.

BRF is pleased to announce the fulfillment of one of our Animal Welfare commitments, "Integrate 100% of poultry cage-free globally by 2023". We have now achieved cage-free status on 100% of our farms.

2.2 Environmental Management

On June 5, through the World Environment Day week, we shared informative e-mails on domestic waste management and "3Rs" (Reduce, Reuse, Recycle) rules with our employees using internal communication. Subsequently, on June 7, 2023, we held a webinar called "Environment Talks" with our expert professor and talked about the "EU Green Deal and the Food Sector" with our employees.

The "Environmental Route" program, which we implement in our production facilities, is a system we adopt to reduce environmental impacts and strengthen the principle of sustainability. Within the scope of this program, the parameters identified in the checklists of our regional engineers are meticulously examined. These parameters include elements that directly affect environmental impacts such as waste management, management of chemical products, procedures, and instructions. Based on the checklists and the results of the detailed examination and evaluation of these parameters, the necessary corrective and preventive actions are determined in our facilities. Monthly follow-up and evaluation processes are organized to ensure that these activities are carried out effectively and their results are monitored. In this way, a systematic approach is adopted to continuously improve environmental performance and minimize environmental impacts at our facilities.

Another environmental management initiative is the "ISA", a description we have given to a checklist for the monthly monitoring of our environmental activities. Within the scope of "ISA", we can see the summary of the results of all tabs and the results for the month checked. Environmental license, artesian licenses, EIA, Emission reports, environmental law and related regulations include the follow-up of the issues we are legally subject to. Regarding wastewater, there is a comparison of our wastewater discharge analysis results with the legal limit values specified in the regulation by the authorized laboratory on a monthly basis according to the Water Pollution Control Regulation. The section on emissions includes our flue gas emission results and rendering chimney odor measurement results within the scope of the Air Pollution Control Regulation and the Regulation on Odor Forming Emissions. "Waste Management" checklist is the section where our observations on waste separation and leakages are reported during our site visits. Finally, license checks of the 3rd party waste disposal companies that we have contracted for waste management are provided. The total score resulting from all these checks is compared with the monthly targeted score.

In addition, 512 people received environmental training on zero waste, waste management and proper waste segregation at our Izmir facility in 2023. The facility's

training policy stipulates that at least 60% of the current staff will be trained each year. In line with this policy, training was provided to 60% of the existing staff at the Izmir plant.

In our Elazığ plant, environmental training was provided to 633 people in total, reaching 75% of our plant employees. The trainings cover a wide range of topics such as environmental pollution, waste management, legal obligations, and climate change.

At our facility in the Bandırma region, a total of 1716 people received environmental training. The trainings covered topics such as environmental pollution and its consequences, waste management, and obligations under environmental legislation. The facility's training rate is 93%, well above the 60% recommended by the ministry.

a. Natural Resources

Water

In 2023, thanks to the "Wastewater Recovery Facility" located in our Bandırma main campus, we will use an average of 50% of the water we purify. We have regained the quality of drinking water. Thus, we continued to protect underground water resources by recycling wastewater instead of using natural resources.

In 2020, we aimed to reduce our water use in all our facilities by 13% by 2025. As a result of our commitment to reduce water use, our annual water consumption reduction result is 11.40%. This reduction is calculated based on the reference year 2020.

Afforestation Projects

First, in 2021, we implemented the "Banvit BRF Forests" project with 20 thousand trees in the afforestation area of Sahil Yenice neighborhood of Bandırma, where our main production campus is located, with the support of the General Directorate of Forestry.

In 2022, in cooperation with the Aegean Forest Foundation, we planted another 20 thousand saplings in Elazığ - Maden and Manisa - Yunt Mountain afforestation areas.

Finally, within the scope of the "Centennial Forests" project established by the Aegean Forest Foundation to commemorate the 100th anniversary of our Republic, we created a new forest of 10 thousand saplings in İzmit Taşköprü afforestation area in December 2023. Thus, our Banvit BRF Forests project reached a total of 50 thousand trees in 4 different regions in its 3rd year.

b. Reducing Food Waste, Waste and Packaging

As Banvit BRF, we also carry out our activities by taking into account the issue of preventing food waste. Our production integration operates with a zero food loss model. We have a rendering facility that processes and recovers all organic waste generated

during the production process. Here, we contribute to animal nutrition by selling the resulting raw material production, especially to companies producing fish or pet food.

In addition to these efforts, we launched the Smart Children's Table, one of our sustainability projects to reduce food waste, in March 2022. 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 whose sustainability goals include "preventing food waste", we launched our Smart Children's Table project. In order to make positive contributions to the future of our society and our world, we focused on "homes", one of the places where food waste occurs the most. We continue to include useful content prepared by expert consultants on conscious food consumption and food waste for children and their parents on our project website akillicocuksofrasi.com and our social media accounts.

With our Smart Children's Table project, our Company was deemed worthy of an award at the 2nd "Brandverse Awards" organized by Marketing Türkiye Magazine and BoomSonar in June 2023. We received the "Bronze" award in the "Fight against Waste and Recycling" category under the Social Responsibility and Sustainability section of the competition, where projects developed to solve social and environmental problems and raise awareness are evaluated.

We were also among the sponsors of the "Sustainable Brands Conference" held between September 12-14, 2023. At the conference, we gave information about our project to the participants of the event and answered their questions from the promotional stand of our Smart Children's Table project.

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

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

In 2023, the rate of use of packaging produced from recyclable materials in "kg" was 92.9%.

c. Emissions and Climate

Our Company's "Net Zero Commitment" aims to reduce Greenhouse Gas emissions by 35% by 2040, including Scope - 1 (direct) and Scope - 2 (Energy Indirect) emissions. 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 that aims to harmonize efforts to limit the warming of our planet.

In line with our sustainability strategy and the potential impacts of climate change on our business, we have sought to improve our efficiency in the use of natural resources, renewable energy, and emission control across 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%.

We also aim to reduce indirect emissions, which are part of our value chain, by 12.3%.

Energy

We aim to reduce our CO₂e emissions in the energy category by generating electricity and heat with natural gas in the cogeneration facility. The heat we gain from the facility supports the production of hot water and steam for use in processes.

By 2030, we aim to meet at least 50% of the electrical energy we use in all our facilities from clean sources. In 2023, we procured 60,720 MWh (megawatt-hours) of electrical energy used in our production facilities across Turkey from renewable sources within the scope of the I-REC certificate. Thanks to this resource guarantee certificate, we have the traceability of the electrical energy produced with hydroelectric and solar energy provided to us.

In 2023, our operation consumed 9%* less natural gas energy, which translates into approximately 3,895 tCO₂eq less emissions for the environment.

While the use of mineral oil in ammonia compressors was considered standard practice, as a result of our energy efficiency efforts, we achieved significant electricity consumption savings by switching to synthetic oil instead of mineral oil. With this transition, we achieved a reduction in electricity consumption of approximately 7% thanks to the improvements we realized in our ammonia compressor systems.

These results can be considered an important step towards sustainable energy use and reduced environmental impact. The adoption of synthetic oil, together with the energy efficiency gains noted, stands out as a strategic improvement to enhance the overall performance of our plant. This study can serve as a model for other businesses looking to improve energy efficiency in industrial facilities.

*Compared to our objective.

2.3 Digital Transformation

"AGRO BRF App" contributes to the time, raw material and value chain management parameters of the live production department simultaneously with the corporate and Turkey digital transformation strategy. By covering SDG-8 Decent Work and Economic Growth, it enables live production and field teams to digitize the value chain management and create the infrastructure for this entire process and manage it from a single location thanks to the AGRO BRF App.

It aims to increasingly connect with integrated producers and create an ecosystem that meets their needs, makes life on the farm easier, and increases both productivity and sustainability through a technology-based process that ensures longevity.

Within the scope of the project, the utilization rate of the application within the scope of broiler farms in Bandirma, Elazig and Izmir regions in Turkey is approximately 90% according to the year-end closing data. This figure is constantly updated according to the farms that are currently using the application.

When we compare the impact of the AGRO App project to the total size of our organization, we realize that it will improve communication and cooperation: The app acts as a bridge for seamless communication and collaboration between chicken breeders and our integration company. It facilitates the sharing of information, updates and feedback and enables both parties to work together more effectively and efficiently.

2.4 Culture and Participation

Gender Equality and Cultural Interaction

As Banvit BRF, gender equality is another issue that we see within our sustainability goals. Our company aims to increase the ratio of senior female employees to 30% by 2025 within the scope of the "Women Leaders" program.

Within the scope of the actions, 22 female employees participated in the "Lead as a Woman" program, which aims to develop our female employees and prepare their careers for leadership.

Employee Rights and Benefits

Our Company adopts Corporate Human Rights and Employee Rights principles in line with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation.

Employees are entitled to annual paid vacation allowance, marriage/birth/death benefits, active military service allowance, child/education benefits, complementary health insurance, annual leave entitlement in excess of legal periods, and notice period and compensation. All employees are provided with social benefits such as meal and transportation allowances, incentive incentives for seniority, private health insurance for some employees, and individual pension with corporate contributions for managers and above. Blue-collar and white-collar employees are provided with nursery care.

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

Pursuant to Law No. 6331, employees continue to receive information and awareness-raising trainings on occupational health and safety issues related to their legal rights and responsibilities, the hazards and risks they face, and the measures to be taken.

Occupational Health and Safety

Ensuring the health and safety, well-being and integrity of our employees is a global priority for BRF. In this context, there are Health, Safety and Environmental Policies that include directives for the prevention and reduction of accidents, incidents and losses, and responsibilities for the management of risks related to the protection of human life and assets. Our employees are provided with legal "Occupational Health and Safety" trainings, "ISO 45001" and safety trainings specific to their jobs.

The way to deliver healthy and reliable flavors to our consumers is primarily through occupational health and safety in our production facilities. With this awareness, one of our primary goals as Banvit is to ensure Occupational Health and Safety (OHS) in our production facilities, to increase the level of awareness on this issue and to support the implementation of the necessary rules at the highest level.

Accordingly, we regularly celebrate Global Occupational Health and Safety Week in our company. This year, we organized various events at our Bandırma, Elazığ and İzmir campuses as part of the OHS Week.

During the week, we organized various activities at our campuses to emphasize the importance of Occupational Health and Safety and to create more awareness.

What did we do during the "STOP AND THINK" themed OHS Week?

- 1- The Occupational Safety Week event was launched with the opening speech made by our regional director.
- 2- Our doctors provided trainings on issues related to smoking habits throughout the week.
- 3- Lockout tagout systems were introduced by providing trainings with suppliers on lockout tagout systems.
- 4- Certificates were given by department managers to the personnel who participated the most in Occupational Health and Safety throughout the year.
- 5- Our doctors gave information about preventive behaviors for health by performing gymnastic movements for production and office employees.

6- Doctors and occupational safety experts visited the work areas and made corrections and information about behaviors that are not suitable for ergonomics in working environments.

7- Training on the use of PPE was provided by supplier companies by setting up booths on campus.

8- Trainings were given by environmental engineers to address the theme of environmental awareness.

9- Drivers were interviewed and informed about the importance of seat belt use and safe driving rules.

10- Subcontractors were also included in the activities and awareness was raised.

Monitoring and Tracking Sustainability Activities

The Board of Directors is informed at least once a year by the senior executives responsible for the sustainability activities of our Company and the activities are monitored by the Board of Directors.

In addition, at the monthly meetings of the "Sustainability Committee" within our Company, the development of sustainability commitments is monitored together with managers from all relevant departments and responsible unit representatives.

Reports and Announcements on Sustainability Studies

Our Company's annual reports include information on the activities carried out within the scope of sustainability efforts, the targets set and the realization rates. In addition, our Company's renewed corporate website includes detailed information on Sustainability efforts.

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

Corporate Governance Principles

Our Company shows utmost care and effort to comply with voluntary principles as well as mandatory principles within the scope of the Capital Markets Board Corporate Governance Communiqué.

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

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