



**BANVİT BANDIRMA VİTAMİNLİ YEM SANAYİ ANONİM ŞİRKETİ**  
**01 JANUARY 2024 – 31 MARCH 2024 PERIOD**  
**ANNUAL ACTIVITY REPORT**

**07.05.2024**

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## A. General Information

### 1) Reporting Period

01.01.2024 – 31.03.2024

### 2) Information on the Company

<b>Commercial Title</b>	Banvit Bandırma Vitaminli Yem Sanayi A.Ş.
<b>Trade Registry No</b>	4153
<b>Tax Office</b>	Bandırma
<b>Tax Number</b>	1400036590
<b>Address of the Headquarter</b>	Ömerli Mah. Ömerli Sok. No: 208 Bandırma-Balıkesir
<b>Phone &amp; Fax of the Headquarter</b>	Phone: (0266) 733 86 00   Fax: (0850) 2001052
<b>Website</b>	<a href="http://www.banvit.com">www.banvit.com</a>
<b>Upper Limit of the Registered Capital</b>	TRY 300.000.000
<b>Paid In/Issued Capital</b>	TRY 100.023.579

### 3) Shareholding Structure and Capital Structure

<b>Shareholders</b>	<b>Number of Shares</b>	<b>%</b>
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.

Within the framework of the provisions of the TCC and the Capital Markets Law, at the Ordinary General Assembly Meeting held on 9 May 2023 registered by the Bandırma Trade Registry Office on 17 May 2023, eight (8) members of the Board of Directors, three of whom are independent members, have been appointed by the General Assembly for a term of three (3) years in accordance with Article 8 of the Company's Articles of Association.

The Members of the Board of Directors on duty as of 31.03.2024:

Board of Directors	Position	Duty Period
Igor Fonseca Marti	Chairman	09.05.2023-09.05.2026
Fadi Felfeli	Vice Chairman	09.05.2023-09.05.2026
Fabio Luis Mendes Mariano	Member	09.05.2023-09.05.2026
Davide Luigi Vimercati	Member	09.05.2023-09.05.2026
Feras Abdulaziz M H Al-Naama	Member	09.05.2023-09.05.2026
Meral Kurdaş	Independent Member	09.05.2023-09.05.2026
Selim Taşo	Independent Member	09.05.2023-09.05.2026
Ali Ferda Elerman	Independent Member	09.05.2023-09.05.2026

### ***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 31.03.2024 date:

Name Surname	Duty	Commencement Date
Tolga Gündüz	General Manager	16.10.2019
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 and Corporate Affairs Director	23.09.2021

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

Wages and side benefits of our blue-collar employees are subject to collective bargaining agreements. Our white-collar employees are not subject to any collective labor 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 December 2023 - 31 March 2024 :

	31.03.2024	31.12.2023
Blue Collar	4,216	4,174
White Collar	667	642
Total	4,883	4,816

## 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/1252093> ve <https://www.kap.org.tr/tr/Bildirim/1252092> 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 May 9, 2023, 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 50,000 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 2024, 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 2024 and 31 March 2024; A total of TRY 20,230,224.76 was paid for senior executives and TRY 645,830.99 SSI-employer deduction was made. In addition, in the term of 01.01.2024 – 31.03.2023, a total of TRY 450,000 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 01.01.2024 – 31.03.2024 is indicated in the table below.

(TRY)	31.03.2024	31.03.2023
<b>Board of Directors</b>	450,000	270.000
<b>Executive Managers</b>	20,876,055	9.017.109
<b>Total</b>	21,326,055	9.287.109

Between 1 January 2024 and 31 March 2024; a total of TRY 21,326,055.75 was paid as benefits for senior executives (31 March 2023: TRY 9,287,109).

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 1,668,180.77.

**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, 6 new products and 15 new packages have been developed in the first quarter of 2023. In the period of 01.01.2024 - 31.03.2024, the usage rate of the packages produced from recyclable materials is 94,3 %. 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 2024, the total investment expenditure of Banvit Bandırma Vitaminli Yem Sanayi A.Ş. is TRY 230,887,688 (31 March 2023: TRY 184.471.168).

### **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	
			31.03.2024	31.12.2023
<b>Nutrinvestments B.V.</b>	Holland	Holding Company	%100.00	%100.00
<b>Banvit Enerji ve Elektrik Üretim A.Ş.</b>	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, Netherlands, 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.

## 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 Audited)	(Audited)
(TRY)	1 January - 31 March 2024	1 January - 31 December 2023
<b>Current Assets</b>	7,678,542,708	7,428,507,844
<b>Non-Current Assets</b>	5,227,327,955	5,149,349,591
<b>Total Assets</b>	12,905,870,663	12,577,857,435
<b>Short Term Liabilities</b>	6,177,326,182	6,496,430,533
<b>Long Term Liabilities</b>	1,024,617,449	1,016,890,009
<b>Capital</b>	5,703,927,032	5,064,536,893
<b>Total Resources</b>	12,905,870,663	12,577,857,435

## Summary of Income Statement

	(Not Audited)	(Audited Limitedly)
(TRY)	1 January - 31 March 2024	1 January - 31 March 2023
<b>Net Sales</b>	6,311,040,364	5,908,923,182
<b>Gross Profit</b>	1,309,310,180	73,514,622
<b>EBIT</b>	769,544,137	(438,188,280)
<b>EBITDA</b>	1,117,585,387	(49,789,128)
<b>Net Profit/(Loss)</b>	666,497,919	248,175,833

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 2024	1 January - 31 March 2023
<b>Gross Profit Margin</b>	20.74	1.24
<b>EBIT Margin</b>	12.19	-7.41
<b>EBITDA Margin</b>	17.71	-0.01
<b>Net Profit Margin</b>	10,56	4.20

<b>Profit Per Share</b>	6.6634	2.48
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### **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.

### **5) General Assembly**

With the resolution of our Company's Board of Directors dated 18.04.2024, it was decided to hold the Ordinary General Assembly Meeting for 2023 on Tuesday, 14 May 2024 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 18.04.2024 (<https://www.kap.org.tr/tr/Bildirim/1274770>). The minutes of the Ordinary General Assembly Meeting for the year 2023 have been published on the Public Disclosure Platform. (<https://www.kap.org.tr/tr/Bildirim/1152447>)

At the 2023 Ordinary General Assembly Meeting held on 14.05.2024, the following agenda items will be discussed and resolved.

### **Banvit Bandırma Vitaminli Yem San. A.Ş. Ordinary Shareholders' Meeting 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 2023.
3. Reading the summary of the Independent Audit Report for the fiscal year 2023.
4. Reading, discussing and approving the Financial Statements for the fiscal year 2023.
5. Release of each member of the Board of Directors in relation to the activities of the Company's in 2023.

6. Discussion on offer of the Board of Directors regarding the manner of use and distribution of the profits of 2023 in accordance with the Company's profit distribution policy and resolving on such offer.
7. 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 2023.
8. Decision on the annual and/or monthly salaries of the Members of the Board of Directors.
9. Discussion and resolving on the proposal of the Board of Directors regarding election of Independent Audit Institution.
10. Informing the shareholders about the donations made by the Company in 2023 financial year and discussion and determining an upper limit for donations to be made in 2024 financial year.
11. Informing the shareholders about the collaterals, pledges, mortgages and surety granted in favor of third parties and the income or benefits obtained in 2023 by the Company and subsidiaries.
12. Informing the shareholders about the transactions conducted with the related parties in 2023.
13. Informing the shareholders on the transactions carried out in the year 2023 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.
14. Authorizing the Members of the Board of Directors as per the provisions of the Articles 395/1 and 396 of the Turkish Commercial Code.
15. Discussion and decision on the amendment of Article 2 titled as "Commercial Title of the Company", Article 3 titled as "Headquarters and Branches of the Company", Article 6 titled as "Registered Capital and Shares" and Article 24 titled as "Announcements" of the Company's Articles of Association as per Annex-1 hereof, provided that required permits are obtained from the Capital Markets Board and Ministry of Trade.
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 01.01.2023-31.12.2023 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 Eren Independent Auditing A.Ş., a net profit of TRY 951,965,590 was realized.

With the Board of Directors' decision dated 18.04.2024, no profit distribution shall be made, this amount shall be added to previous years' profits and these issues shall be submitted to the approval of the shareholders at the first shareholders' meeting of the Company.

## **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 56 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 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),
- 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 2024 decreased by 7.6% compared to the same period last year. The finished turkey operation ended as of the end of March 2023 Advanced processed products increased by 38.7% compared to the same period of the previous year due to new capacity.

Approximately 16.3% of the total poultry and further processed products produced were exported. Domestic sales decreased by 4.1% in the first 3 months of 2024 compared to the same period of the previous year.

General Turkish poultry production is updated via Turkish Statistical Institute ("TUIK"). In the middle of each month, data closing information from 2 months ago is published. According to TUIK data, in the January-February 2024 period, the amount of chicken sent to the domestic market increased by 10.4% compared to the same period of the previous year, while the amount exported increased by 8.1%.

January-February 2024 in total production increased by 10% compared to the same period of 2023. While the total chicken production in Turkey was 368 thousand tons in the relevant period of 2023, it reached 405 thousand tons in the same period of 2024.

## **10) Products**

The main products of Company are as follows:

Bandırma/İzmir/Elazığ Chicken	Bandırma Further Processing Plant
Chicken Whole	Deli (Salam, Sausage, Sausage, Ham)
Tenderloin Chicken Breast	Ready Products (Crisps, Burgers,
Chicken Brest	Meatballs, Kebabs, Special Products)
Chest with Back	Raw Doner
Drumstick	Cooked Doner
Bony Hip	
Boneless Hip	
Hip	
Drumstick With Hip	
Chicken Wings	
Chicken Liver	
Chicken Gizzards	
Chicken Feet	
Other (Wingtip, Tail, mechanical stripped meat)	
Mix Piece (Kebab, Soup Bowl)	

## 11) Developments on the Sales

Considering the change in the first quarter of 2023/2024 Domestically, there is a 74.9% increase in net turnover compared to the first quarter of 2023.

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

Product	(%)
Poultry	69.4 %
FPP (Finished Products & Delicatessen)	104.0 %
<b>Total</b>	<b>74.9 %</b>

Domestically, there is a 29.1% increase in net turnover between the last quarter of 2023 and the first quarter of 2024. Net Turnover distribution by production unit is as follows:



Product	(%)
Poultry	29.2%
FPP (Finished Products & Delicatessen)	28.6%
<b>Total</b>	<b>29.1%</b>

Considering the change in the first quarter of 2023/2024 in Abroad, there is a 143.7% increase in net turnover compared to 2023 figures. Net Turnover distribution by production type is as follows:

Product	(%)
Poultry	104.4 %
FPP (Finished Products & Delicatessen)	323.9 %
<b>Total</b>	<b>143.7 %</b>

Considering the last quarter of 2023 and the first quarter of 2024 in Abroad; there is a 17.5% decrease in net turnover.

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

Product	(%)
Poultry	-28.7 %
FPP (Finished Products & Delicatessen)	+20.5 %
<b>Total</b>	<b>-17.5 %</b>

## 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**

The Company operates through its head office located at Ömerli Mah. Ömerli Sok. No: 208 Bandırma-Balıkesir and carries out its activities through its headquarters and branches. As of 31.03.2024, our operating branches are as follows:

İzmir Feed Factory Branch  
İzmir Armutlu Slaughterhouse Branch  
İzmir Pınarbaşı 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  
İstanbul Kartal Sales Branch  
Muğla Sales Branch  
Fethiye Sales Branch

Kuşadası Sales Branch  
Bodrum Sales Branch  
Trakya Sales Branch  
Ankara Esenboğa Sales Branch  
Ankara Sales Branch  
Samsun Sales Branch  
Kayseri Sales Branch  
Bursa Sales Branch  
Kemerburgaz Sales Branch  
Adana Sales Branch  
Antalya Satış Şubesi

## **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**

- As announced at KAP on 15.01.2024; Marfrig Global Foods S.A., shareholder of BRF S.A. and the indirect controlling shareholder of our Company, has acquired 50.06% of BRF S.A. shares. As a result of the aforementioned acquisitions, the indirect participation rate of Marfrig Global Foods S.A. increased to 27.54% in our Company.
- As announced at KAP on 24.01.2024; by means of the Competition Board decision dated 19 January 2024, an investigation against certain entities including our Company has been filed in order to determine whether the entities operating in the white meat industry have violated Article 4 of the Law No. 4054 on the Protection of Competition, and a statement of defense has been requested from our Company.
- As announced at KAP on 13.02.2024; at the meeting of our Board of Directors held today, it was resolved to amend the Articles 2, 3, 6, and 24 of the Articles Association of our Company in order to correct the word "Sanayii" in the title of our Company to "Sanayi", to harmonize the address of our Company with the numbering system, to extend the validity period of the registered capital ceiling to cover the years 2024-2028, to increase the registered capital ceiling to 8,000,000,000 (eight billion) Turkish Liras and to revise the article regarding

announcements in accordance with the legislation. The necessary permissions and approvals have been obtained from the Capital Markets Board and the Ministry of Trade, the attached draft amendment to the Articles of Association will be submitted to the approval of our shareholders at the General Assembly.

#### **4) Significant Developments After the Reporting Period**

- As announced at KAP on 04.04.2024; as Banvit Enerji ve Elektrik Üretim A.Ş., a 100% subsidiary of our Company, is not considered beneficial to continue its activities, it was decided to initiate the liquidation procedures of the company at the general assembly meeting held on 4 April 2024. The liquidation of Banvit Enerji ve Elektrik Üretim A.Ş. is not expected to have a significant impact on the operations and financial statements of our Company.

## **Annex**

### **BANVIT BRF SUSTAINABILITY PRACTICES**

As Banvit BRF, we do not only produce products that add flavor and practicality to the lives of consumers, but also carries out our activities by focusing on sustainability issues. In order to reduce the carbon footprint in nature, we carry out practices in different areas such as training activities, energy, recyclable packaging, saving measures, animal welfare and waste management. As part 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.

BRF's sustainability plan continues from farmer to consumer, as we work rigorously at all stages of the value chain and in our operations. We are doubling down on our environmental commitment when it comes to sustainability.

Sustainable Development Goals that we are taking part in within the scope of Banvit BRF Sustainability Strategy:

SDG-2 (Zero Hunger)

SDG-3 (Good Health and Well-being)

SDG-6 (Clean Water and Sanitation)

SDG-7 (Accessible 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)

SDG-15 (Life on Land)

SDG-16 (Peace and Justice Strong Institutions)

#### **1. Strategies & Targets**

Banvit BRF strategy has 5 basic principles regarding sustainability:

- Protecting the environment and being eco-efficient,
- Being inclusive and pluralistic,
- Promoting animal welfare,
- Achieving innovative and sustainable solutions to global challenges,
- To act in harmony with our partners and positively impact the communities in which we operate.

There are also 22 sustainability commitments formed around these principles.

### Membership Associations and Working Groups

Sectoral cooperation and coordination are becoming increasingly important in today's business world. In this context, the associations and working groups we are a member of have become an important resource for companies.

Primarily by facilitating sectoral cooperation and coordination, they ensure effective communication and collaboration between companies engaged in similar industrial or commercial activities. Through this cooperation, it is possible to follow developments in the sector and carry out joint projects.

We maintain this initiative as an important opportunity to follow sectoral agenda issues, discuss sectoral problems and produce solutions. By bringing together working groups and all member companies, we carry out joint projects, technical feedback and industrial collaborations more effectively. We see these platforms as important structures for overcoming sectoral problems and finding sustainable solutions.

#### **Associations**

- YASED- International Investors Association
- Sustainability Academy
- BESD-BİR
- TOBB
- GGD (Food Safety Association)
- TÜRKİYEM-BİR
- TÜGİS
- DEİK
- TEİD
- (RDV) Advertisers Association
- (REPİD) Advertisement and Marketing Communication Association

#### **Working Groups**

- Circularity and Food Waste Management (Sustainability Academy)
- Climate Change and Resource Management (Sustainability Academy)
- Transparency, Traceability and Accountable Consumption (Sustainability Academy)

- Sustainable Supply Chain and Agriculture (Sustainability Academy)
- Environmental Working Group (BESD-BIR)

## **2. Sustainability Works**

In this report, we provide an update for the first quarter of 2024 and highlights of the sustainability agenda.

- We purchased 16,080 MWh from renewable sources under the i-REC certificate.
- In 2024, our operation achieved 8% less natural consumption in the period up to March, which means around 987 tCO<sub>2</sub>eq less emissions for the environment.
- The “Wastewater Recovery Plant” produced over 180,000 m<sup>3</sup> of drinking water. This represents the recovery of 46% of treated water.
- We aim to reduce our water use in our facilities by 13% by 2025. The result until March 2024 is a 10.40% reduction compared to the same period of 2020.