

Konfrut Gıda
Sanayi ve Ticaret A.Ş.

Annual Report

2023



KONFRUT AG



KONFRUT AG



Reporting Period

01.01.2023 – 31.12.2023

Trade Name

Konfrut Gıda Sanayi ve Ticaret A.Ş.

Trade Registration Number

272403

Issued Capital

264.000.000 TL

Registered Capital Ceiling

660.000.000 TL

Konfrut Gıda Sanayi ve Ticaret A.Ş.

Head Office

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Konfrut AG Tarım A.Ş.

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Rize Plant

Denizgören Köyü İyidere / Rize

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Message from the Board of Directors

Dear Esteemed Stakeholders,

The year 2023 was a milestone year for our company, Konfrut. It was a year in which we celebrated the 100th anniversary of our Republic and took concrete steps in our transformation journey from a food company with a single factory of over fifty years into Turkey's most innovative agriculture and agribusiness company.

Konfrut AG, which we established with the mission of "Agri Sourcing Redefined" to produce solutions to the needs of the agricultural sector and bring a new breath based on our experience, has achieved significant growth and development in a short time. Our country's almost unlimited growth potential, which is a strong agricultural country, was also effective in this development of Konfrut AG, which is a 100% subsidiary of our company.

In 2023, Konfrut achieved a turnover of TL 4.3 billion on a consolidated basis, contributing to the growth in agricultural operations. It made a strong profit by increasing its net profit by 177% to TL 155.2 million. During this period, a total investment of TL 108.7 million was made on a consolidated basis.

At Konfrut AG, which has structured its operations under three main business units as Agri Sourcing, Logistics and Industry, we design projects and realize our investments by evaluating the opportunities we see under each of these business units. As Konfrut, we continued to conduct projects to add value to the sector without slowing down in 2023.

Hundreds of farmers from various regions continue to collaborate on the Organic/Residue-Free Strawberry Products from Field to Table project within the scope of Sustainable Agriculture, which is Turkey's largest organic strawberry planting initiative. This project offers a regular source of income to the region's people and increases their welfare. More than 14 thousand tons of strawberries have been harvested so far, providing farmers with all the necessary opportunities for strawberry production.

The domestic and international sales volume in the fresh fruit and vegetable trade channel has increased. Fresh product exports, which began with fresh pomegranates a year ago, continued with various fresh products in 2023. Consumers in many locations, from Germany to India, have received fresh products from Konfrut AG. Exporting began under the brand Wunder Fresh, created for the expanding fresh fruit and vegetable operations.

Message from the Board of Directors

Konfrut is a supporter of sustainable tea farming. In 2023, Konfrut invested in a new pelletizing line at the Tea Fiber Pelletizing Plant, which began operations last year in the İyidere district of Rize, a pivotal location in tea agriculture in the country. With tea fiber pelletizing operations that contribute to the circular economy, Konfrut is at the top of the chain in the domestic production of tea extract used in the tea industry, a significant portion of which is imported from abroad. Konfrut contributes to the country's economy by preventing imports with the tea fibers brought into the economy.

Konfrut AG respects farmers' efforts while growing products. The products are harvested with modern methods and carefully transported in specially designed fiber pools suitable for food transportation through an innovative transportation method called Fiber-K. In 2023, Konfrut continued investments in fiber pools and modern agricultural equipment, making an investment of TL 22 million. Thus, the number of fiber pools reached 210. Konfrut will continue investments in logistics to increase capacity in the coming period.

Konfrut recognises that the agricultural sector, often perceived as static due to its traditional nature, is actually playing a vital role in technological change. Konfrut is digitalising all agricultural operations from start to finish, setting an example for the sector with the projects it has implemented.

As Konfrut Gıda's Board of Directors, an important decision was made in December 2023. By establishing Konfrut AG, the aim is to lead agricultural transformation with technology and sustainable practices. The future focus of the company is now entirely on the agricultural sector. By utilizing resources correctly, successful projects will be executed together in this sector, which has high development potential to benefit the country and society. Moving rapidly toward these goals, gratitude is extended to the employees, farmers, investors, and all business partners for their valuable contributions.

Konfrut Gıda's Board of Directors

1. Konfrut at a Glance



1. Konfrut at a Glance

Konfrut continued to grow and invest under the leadership of Konfrut AG in 2023.



Operations that diversify and grow with the vision of **“Agri Sourcing Redefined”**



Turkey's **largest industrial fruit buyer**



Contracted agriculture agreements with nearly 800 farmers on an area of approximately **40 thousand decares**



Turkey's largest scale organic/residue-free strawberry project on an area of **6,000 decares**



Turkey's only company operating with specially designed transportation equipment with **210 fiber pools**



Combine **high digital technology** and agri operations



Signing a strategic cooperation agreement with seed plot



Supplying more **than 20 types** of fruits and vegetables with its widespread operation and supply network extending all over Turkey



Business operations integrated with the understanding of **sustainability with zero waste awareness coming from its DNA**



Tea fiber pelletizing operations **contributing to the circular economy**



Created new brand; **Wunder Fresh**



99 Konfrut AG employees by the end of 2023

Financial Indicators

Konfrut Gıda and Konfrut AG On a consolidated basis in 2023;



Net Sales

TL 4.3 billion

Increase of 5.1%



EBITDA

TL 271.4 million

Increase of 10.7%



Net Profit

TL 155.2 million

Increase of 177.1%



Shareholder's Equity

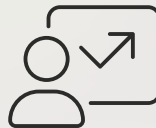
TL 1.1 billion

Increase of 15.2 %



Investment

TL 108.7 million



Number of Employees
(Annual Average)

299



1.1. About Konfrut

Today, Konfrut focuses on its activities in agriculture with the awareness that the agricultural sector is the center of transformation in development and with its high growth potential.

Working with our country's farmers to create an end-to-end digital agricultural supply chain, Konfrut structures its agricultural operations under three basic business units.



AGRI SOURCING

Agri Sourcing & Services



LOGISTICS

Integrated Storage and Logistics Operations for Agricultural Products



INDUSTRY

Industrial Products and Services for Agro-Based Industry

The momentum gained by Konfrut, which has focused on the agricultural sector in recent years by creating an end-to-end digital agricultural supply chain, brings growth on a consolidated basis.

Konfrut Gıda Sanayi ve Ticaret A.Ş., also known as "Konfrut Gıda," the foundations of which were laid in 1968 as a fruit juice cooperative in Akkent-Denizli, has produced fruit and vegetable juice, concentrate and puree for many years in its only factory.

In order to adapt to the rapidly changing dynamics that emerged in the agriculture and food sector over time and depending on global factors, a strategic decision was made. We participated in establishing Konfrut AG Tarım A.Ş. also known as "Konfrut AG." Thus, Konfrut AG, established in August 2020 with the motto "Agri Sourcing Redefined," started its activities. In 2021, Konfrut AG became a 100% subsidiary of Konfrut Gıda in line with the predetermined strategy.





Agri Sourcing

With its widespread supply network and high organizational volume, which can reach all domestically produced products in the field of Agri Sourcing and Services, Konfrut AG can supply more than 600 thousand tons of raw materials in more than 60 different product groups.

As the leader in industrial fruit purchasing in Turkey, the Company is on its way to becoming Turkey's largest fresh fruit exporter with its recently launched fresh fruit and vegetable export operations.

Making use of technology in every field of agriculture to produce the highest yield from the fertile lands of our country by working in cooperation with farmers, Konfrut AG pioneers Turkey's new-generation agriculture by providing farmers with modern agricultural devices such as satellite field health monitoring, digital insect trap, digital soil analysis and agricultural sensor stations.



Logistics

Within Integrated Storage and Logistics for Agricultural Products, Konfrut AG harvests its products with modern methods. Agricultural products are transported using specially designed fiber pools that we call Fiber-K.

Konfrut AG transports products reliably by tracking temperature and vehicles with a traceable cold chain.



Industry

Under the Energy and Industrial Supplies & Services Business Unit, pallet production and sales as well as renewable biomass energy supply are carried out for the agro-based industry.



Fruit and Vegetable Processing

Fruits and vegetables are processed, and the concentrate and puree are produced in the factory in Akkent, Denizli, throughout the year.



Pioneer of Sustainable Agriculture

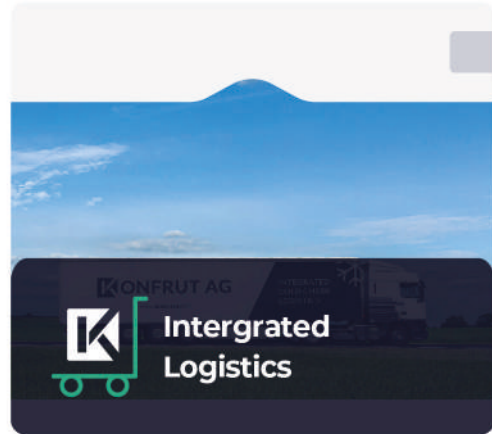
Carrying out sustainable agriculture in cooperation with farmers with the vision of **End-to-End New Generation Industrial Agriculture**, Konfrut AG continues to add value to the country's economy with its sensitivity to nature and the environment and its sustainability-oriented approach, which considers resource efficiency.

Konfrut AG provides long-term contract support to farmers, which is a first in its sector. Working hand in hand with farmers enables them to produce consciously and knowledgeably while minimizing risks. In 2023, the Company engaged in contract farming with **nearly 800 farmers in an area of approximately 40 thousand decares**, touching the lives of thousands of people with the training, equipment, technical and financial support it provides to farmers.

1.2. Konfrut AG Operations



- Agri Sourcing
- Agri Input Products
- Agri Trading



- Agri Hauling Logistic
- Transportation
- Warehousing



- Green Energy
- Pomace & Fertilizer
- Packaging



1.3. From Past to Future



KONFRUT AG

Transformation of Konfrut from a single-factory Company to a New Generation Agricultural Supply Chain Company

1968

Started its operations as Akkent Fruit Juice Cooperative.

1996

On June 10, 1996, Konfrut Gıda shares began to be traded on the Istanbul Stock Exchange.

2020

Konfrut AG Tarım A.Ş. was established in August 2020 with its vision to become an **“Agri Sourcing Redefined”** company to bring a new breath to our country’s agriculture.

2022

Europe’s largest organic/residue-free strawberry project was put into practice.

Konfrut AG made its first export.

The Tea Pelletizing Plant was established in the İyidere district of Rize.

In the Near Future

By focusing on all areas of the agricultural sector, we aim to create an end-to-end digital agricultural supply chain with new investments and stable growth.

1990

Founded on October 3, 1990, under the name Konfrut Gıda Sanayi ve Ticaret A.Ş.

2005

Döhler Group purchased Konfrut Gıda’s shares, which were not traded on the Stock Exchange.

2021

With a strategic decision, Konfrut AG became a 100% subsidiary of Konfrut Gıda.

Agri Sourcing supply reached 525 thousand tons.

Logistics investments were made.

2023

Konfrut AG’s capital was increased to TL 30 million.

The brand Wunder Fresh was created.

Collaboration on seedling supply was accomplished.

As part of ongoing logistics investments, the fiber pool number was doubled.

A new line was implemented in the tea pelletizing facility, thus increasing the capacity.

With the Board of Directors’s decision to sell the Denizli Factory in December 2023, Konfrut took an important step toward focusing entirely on the agricultural sector.

1.4. Shareholding Structure

Capital and Shareholding Structure

Shareholders holding 10% or more of the capital are as follows;

Trade Name	Capital Share (TL)	Capital Share (%)
Döhler Gıda Sanayi A.Ş.	204.885.455,52	77,61
Other	59.114.544,48	22,39
Total	264.000.000	100,00

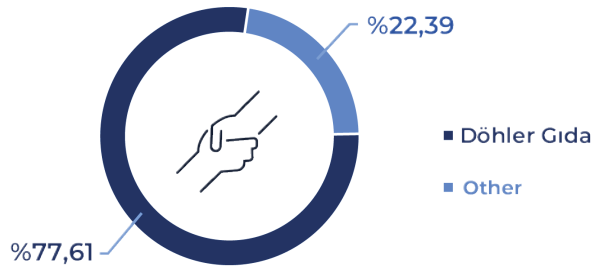
Konfrut Gıda's registered capital ceiling is TL 660,000,000.

Pursuant to the decision of Konfrut Gıda's Board of Directors dated 12.10.2023, an application was made to the Capital Markets Board (the "CMB") on 19.10.2023 seeking approval for the increase of the Company's capital by 100% from TL 132,000,000 to TL 264,000,000 TL. This increase will be fully covered by the internal resources and for the amendment to the article "Capital and Shares Type" of the Company's Articles of Association accordingly.

The CMB's bulletin no. 2024/4, dated 18.01.2024, revealed that the application was approved, and the registration of the Company's Articles of Association amendment was published in the Turkish Trade Registry Gazette ("TTRG") no. 11014 dated 02.02.2024.

No privileges exist in the Company's shares.

Direct or Indirect Subsidiaries and Share Percentages



As of 31.12.2023, Konfrut Gıda's participation rates are depicted in the table.

Trade Name	Capital Share (TL)	Capital Share (%)
Konfrut AG Tarım A.Ş.	30.000.000	%100

It was announced with the TTRG no. 10875 dated 20.07.2023 that Konfrut AG's capital increase of 200%, which was to be covered entirely from the internal resources had been registered.

1.5. Board of Directors and Committees

Board of Directors

Name and Surname	Position	Term of Office
Can Aydemir	Chairman	24.06.2021 – 3 Years
Kerim Aydemir	Vice Chairman	24.06.2021 – 3 Years
Christian Dr. Hebeler	Board Member	24.06.2021 – 3 Years
Muhammed Enes Haşim	Independent Member	24.06.2021 – 3 Years
Emir Feyzi Güçlü	Independent Member	24.06.2021 – 3 Years

Authority Limits

Both the Chairman and the members of the Board of Directors have the authority as specified in the relevant articles of the Turkish Commercial Code and Articles 7 and 8 of our Articles of Association.

Audit Committee

Name and Surname	Position
Muhammed Enes Haşim	Chairperson
Emir Feyzi Güçlü	Member

Corporate Governance Committee

Name and Surname	Position
Muhammed Enes Haşim	Chairperson
Emir Feyzi Güçlü	Board Member
Sinan Yiğit Yakut	Board Member

Early Detection of Risk Committee

Name and Surname	Position
Muhammed Enes Haşim	Chairperson
Emir Feyzi Güçlü	Board Member
Bilsay Bilge	Board Member

Within the scope of the Capital Markets Board's Corporate Governance Communiqué no. II-17.1 and the Corporate Governance Principles, the following committees have been established: the "Audit Committee," the "Corporate Governance Committee," and the "Early Detection of Risk Committee." The duties of the "Nomination Committee" and the "Remuneration Committee" are fulfilled by the "Corporate Governance Committee."

1.6. Organizational Structure

Senior Management

As of 31.12.2023, the management team is as follows.

Name and Surname	Position	Tenure in the Company (Years)
Can Aydemir	General Manager	10
Kerim Aydemir	General Manager	10
Bilsay Bilge	Director, Financial Affairs	5
Burak Öztürk	General Manager – Konfrut AG	3
Sinan Yiğit Yakut	Investors Relations Director	3
Emre Çiftçi	Factory Manager	1



Agricultural Operations Organizational Structure

Konfrut AG – Board of Directors

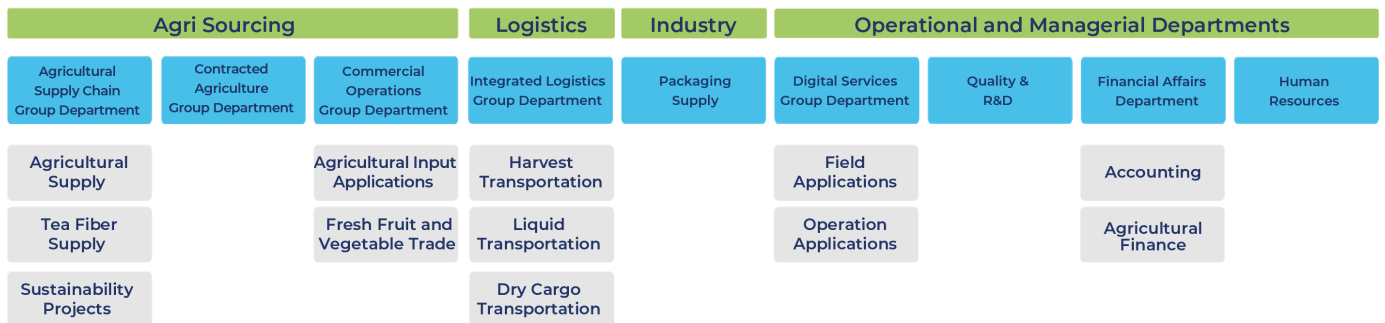
Can Aydemir
Chairman

Kerim Aydemir
Vice Chairman

Bilsay Bilge
Board Member

Board of Directors

Burak Öztürk
General Manager



2. Konfrut and 2023



2.1. Overview of the Agriculture and Food Sector

2023 was a challenging year in which extreme weather events due to the climate crisis have occurred in various countries, accompanied by increased water stress and the devastating effects of natural disasters. All these developments indicate that food safety is at risk. Transforming the agricultural sector, which is at the center of a necessary transformation because it concerns all humanity, in a way that adds more value to society, makes it possible to meet the food needs of the increasing population in the world.

Food Prices

The increasing trend in global food prices, which started with the pandemic causing disruptions in the supply chain and the Russia-Ukraine war, entered a decreasing trend with the start of new harvests in the Southern Hemisphere as of July 2023, after reaching peak levels due to the rise in energy prices. The FAO Food Price Index for 2023 was 124.7 points, 13.7% lower than the 2022 average.

Domestically, the annual inflation in the food and non-alcoholic beverages group at the end of 2023 was 72.1%. Fresh fruit and vegetable prices increased at a high rate in the second and third quarters of the year and decreased slightly in the last quarter. Inflation in the fresh fruit and vegetable group, as corrected in October and November due to vegetable prices, rose significantly in December, led by vegetable prices. Source: CBRT – Inflation Report 2024-I)

Agricultural Production in Turkey

According to the data announced by the Turkish Statistical Institute, 31.8 million tons of vegetables were produced in 2023, with an increase of 0.6% compared to the same period of the previous year. In the vegetable group, an increase occurred in the production of tomatoes, onions and capia peppers, while a decrease was observed in the production of watermelons, melons, and cucumbers. Production of fruits, beverages and spice plants amounted to 27.4 million tons, with an increase of 2.3% compared to the last year. Production in the grain group, which constitutes the largest part of agricultural production in our country, increased by 10.3% compared to 2022, reaching 77.7 million tons.

The sector, experiencing a challenging year due to the earthquake's impact on regions with critical agricultural areas in the country, shrank by 0.2% in 2023 when the Turkish economy grew by 4.5%.

Growth in Turkey's Fresh Fruit and Vegetable Exports

According to data from the Turkish Exporters Assembly, Turkey's fresh fruit and vegetable exports in 2023 were valued at 3 billion 491 million dollars, an increase of 18% from the previous year. On a volume basis, 4.7 million tons of fresh products were exported, with a contraction of 6%.

Tangerines, tomatoes, and lemons were the top three most exported product groups in 2023. Income was obtained for tangerines, which increased 24% to 576 million 686 thousand dollars; tomatoes 43% to 538 million 664 thousand dollars; and lemons 30% to 354 million 819 thousand dollars.

An income of 131 million dollars was obtained from pomegranate exports. In 2023, the highest exports were made to Russia, with a 27% share in terms of turnover, while Germany took the second place with a 10% share.

2.2. Activities and Developments in 2023

Continuing to develop its fresh product operations in domestically and abroad in 2023, Konfrut completed the year with a consolidated turnover of TL 4.3 billion.

Konfrut, which has diversified and expanded its operations, displayed growth in turnover and profitability figures in 2023 compared to the same period in 2022. The following developments throughout the year effectively developed Konfrut, which focuses on its agricultural operations, with the business model it established to create a digital end-to-end supply chain.

Development of the Agricultural Industrial Agri Sourcing organization, which spreads to every region of Turkey, by building on digital infrastructure



Successful field implementation of high-quality product supply projects aligning with export parameters and the increase in tonnage of these projects positively contributing to turnover increase and profitability



Increasing the product range in fresh fruit and vegetable sales and developing sales organizations at home and abroad



Created Wunder Fresh brand to use fresh fruit and vegetable operations



Establishing strategic cooperation with the seedling production facility to integrate agricultural business processes and ensure sustainable growth in the agri sourcing channel.



Increased the capacity of tea fiber storage and pelletizing facility which is located in 7 thousand square area in Iyidere, Rize.



Continuing to invest in logistic vehicles, refrigerated trailers and fiber pools to manage the risks related to the transportation of agri sourcing materials and create a safe logistics network.



Successfully implementing digital transformation projects in all the processes from field to logistics network and developing them with new versions



Expansion of scope and volume growth of fertilizer and other agricultural input sales in parallel with supply projects



2.2. Activities and Developments in 2023

Thanks to the focus on agriculture together with Konfrut AG Tarım A.Ş., a 100% subsidiary, on a consolidated basis in 2023 compared to the previous year:

<p>Sales increased by 5.1% TL 4.3 billion</p>	<p>EBITDA increased by 10.7% TL 271.4 billion</p>	<p>Period Profit increased by 177.1% TL 155.2 billion</p>
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Detailed financial information is included in the Consolidated Financial Report, which is published with the Annual Report.

2.3. Investments

Due to its high growth potential and diversified business volume, 2023 was a year of focus on agricultural supply operations. On a consolidated basis, the total investments in 2023 amounted to TL 108.7 million, while TL 465 thousand of the investments made consisted of incentive investment expenditures.

With the investment of **TL 22 million** made in 2023 for the Integrated Logistics operations, the number of specially designed fiber pools, saving cost and time, was doubled to 210 in the transportation of agricultural raw material products. Continuing its investments in modern agricultural equipment during the year, the Company achieved a capacity increase and modernization in its logistics fleet.

With the new line investment of **TL 11.9 million** to the Tea Fiber Storage and Pelletizing Plant located in the İyidere district of Rize, the plant's capacity was increased accordingly. The new pelletizing line installed before was prepared for the 2023 tea season. It gradually started operating during the tea harvest season, which commenced in June and reached its total capacity in August.

Konfrut AG Izmir Branch was opened in May to support the Konfrut AG's growing trade volume and operational management in the Aegean and Marmara regions.

The investments in software and digital applications, which were initiated with the goal of digitalization in the entire agricultural supply chain, will continue with the new digital projects in 2023 and are constantly being developed with the new versions thereof. Digital application investments, which will have a direct impact on product traceability, cost management, waste reduction, and food safety, will continue in the future, and the positive contribution of the efficiency and sustainability that technology will bring to the agricultural sector will remain effective in the near future.

2.4. Business Units in 2023



Konfrut AG
Continued to grow
by diversifying its
activities in 2023.

AGRI SOURCING
LOGISTICS
INDUSTRY



2.4.1. Agri Sourcing



The first one of Konfrut AG's three main business units, Agri Sourcing Production and Services, supplied 494 thousand tons of agri sourcing in 2023. While 23% of them supplied were used in the fruit and vegetable processing unit, the remaining part was sold. Working with approximately 800 farmers through the contracted agricultural agreements, Konfrut AG provided all the necessary support in agricultural production, from pre-planting preparation of the field to harvesting and transportation with modern methods throughout the year. In 2023, the Company supplied and sold over twenty different fruits and vegetables, especially apples, tomatoes, black carrots, and strawberries, as well as peaches, apricots, watermelons, lemons, pomegranates, pears, and Jerusalem artichokes.

Turkey's largest-scale organic/residue-free strawberry project, implemented by Konfrut AG, continued successfully in its third year. Within the project's scope, 5,170 tons of products were supplied in 2023, within the plans made according to the demand of the sector.

Within the framework of the agreements signed with 58 farmers in 5 different provinces of the country to grow tomatoes with sustainable agricultural practices, Konfrut AG increased its tomato supply volume by 5% compared to the last year in 2023. The volume of black carrots supplied within the scope of agreements made with farmers for black carrot production in Kırıkhan, Hatay, Ereğli and Karapınar in Konya was at similar levels to the last year. Within the scope of the agreements made in 2023, 184 thousand tons of products from tomato, black carrot, and barley production were supplied. The Company continues to work under contract for barley production.

Fresh Fruit and Vegetable Operations Growing with Exports

Focusing on diversifying and increasing its fresh fruit and vegetable operations throughout the year due to its high growth potential, Konfrut AG supplied 10,634 tons of products in 2023. Konfrut AG's fresh product exports, which started with fresh pomegranates in the last months of 2022, gained momentum with different fresh product groups and countries, especially in the second half of 2023. While 54% of total fresh fruit and vegetable sales on a volume basis were exported, the remaining part was sold at home.

Konfrut AG exported 5,781 tons of products in 2023, including fresh pomegranates, watermelons, apples, oranges, lemons, cauliflower and carrots. While 66% of exports were sent to Germany, consumers in 9 different countries in different locations such as the United Arab Emirates, India, England and Malaysia met with fresh products supplied by Konfrut AG. During the year, Konfrut AG's export revenues reached Euro 5 million.

Konfrut AG, which has established connections with retail chain markets operating in the country to supply fresh fruits and vegetables to their stores, signed supplier agreements with three retail chains in this context. As a result of the connections made, it started trading by supplying fresh pomegranates in the first half of the new year.



2.4.1. Agri Sourcing

Agri Input Products Channel

With the awareness that obtaining high-yield, quality products in agricultural production starts with the production of high-quality seedlings, Konfrut AG signed a strategic cooperation agreement with the seedling production plant in Izmir before the 2023 season.

Including the scope of this cooperation, 11 million seedlings were sold in ten different product groups in 2023.

In the agri input products channel, 3 thousand tons of fertilizers were sold.

Tea Fiber Supply

With the operations carried out at Konfrut AG's Tea Fiber Storage and Pelletizing Plant, which is the epicenter of tea purchasing in the region with its annual capacity of 12,500 tons, located in İyidere district of Rize, tea fibers are supplied from tea factories in the region, subjected to the pelletization process and sold as the main raw material to produce tea extract.

The Company sold 7 thousand tons of tea fiber during its operations in 2023.



2.4.2. Logistics



In the field of activities of Integrated Logistics, with the support of the agricultural raw material and industrial transportation service provided throughout 2023, ongoing logistics investments, and the operational efficiency provided by Fiber-K, the innovative transportation model implemented by Konfrut AG, the transportation volume reached 254 thousand tons with an increase of 70% compared to the previous year. 230.2 thousand tons of this transportation were dry cargo, 18.8 thousand tons were cold chain and 5.2 thousand tons were liquid transportation.

In 2023, 62 thousand tons of raw materials and products were transported with fiber pools and refrigerated trailers, specially designed for food transportation and providing cost advantages in product transportation.

Innovative Transportation: Fiber-K

Fiber-K Operations Compatible with Green Logistics

The harvest of agri sourcing products grown with sustainable practices using digital agricultural technologies is carried out with modern machines that reduce product waste compared to traditional methods, are faster, more efficient, and require less labor.

Transportation operations are performed with logistics vehicles with a digital infrastructure exclusively designed to transport food to deliver post-harvest agricultural raw materials to customers healthily and reliably. Products such as tomatoes, black carrots, and apples are transported using Konfrut AG's innovative Fiber-K model. Custom-designed fiber pools suitable for food transportation are used. Products carried in vehicles that are tracked and controlled with a digital system are delivered to the destination on time, in line with customers' demands.

Fiber-K is seen as the model that will bring leadership in Industrial Agri-Hauling Logistics makes it possible for the fiber pools to be modified, can be emptied on vehicles and platforms, reduces the carbon footprint, allows products of different qualities to be blended while being put into production, and is suitable for use in small quantities of products providing safe transportation in accordance with green logistics management.



2.4.3. Industry



Konfrut AG sold 142 thousand pallets on a consolidated basis in 2023, within the scope of **Energy and Industrial Supplies & Services**, which Konfrut AG positions among its three basic business units to integrate the agricultural and industrial sectors, the developments of which are closely related to each other. 31% of the sales were met by production from the tender area received last year to control the cost of pallet production.

Its activities in renewable biomass energy supply continued throughout the year with infrastructure work on the purchasing organization spread throughout the country and field studies on different calorific value fuel trials. With this operation, Konfrut AG aims to supply renewable fuel to biomass power plants by collecting agricultural and forest wastes with high calorific value throughout Turkey.



Regarding the fruit and vegetable processing business, the volume of production in the Akkent - Denizli factory in 2023 was 18,431 tons, and the sales from this production were 27,407 tons.

We will continue to lead the future of agriculture with digital agricultural supply system, together with our business partners.



2.5. Major Financial and Operational Indicators

Balance Sheet Summary (Million TL)	31.12.2022	31.12.2023	Değişim
Total Assets	2,877	2,640	-8.2%
Current Assets	2,256	1,993	-11.6%
Fixed Assets	621	647	4.1%
Short-Term Liabilities	1,658	1,406	-15.2%
Long-Term Liabilities	255	122	-52.0%
Shareholder's Equity	965	1,112	15.2%

Income Statement Summary (Million TL)	2022	2023	Değişim
Net Sales	4,093	4,301	5.1%
Gross Profit	372	403	8.2%
Operating Profit	195	212	8.4%
EBITDA	245	271	10.7%
Profit for the Period	56	155	177.1%

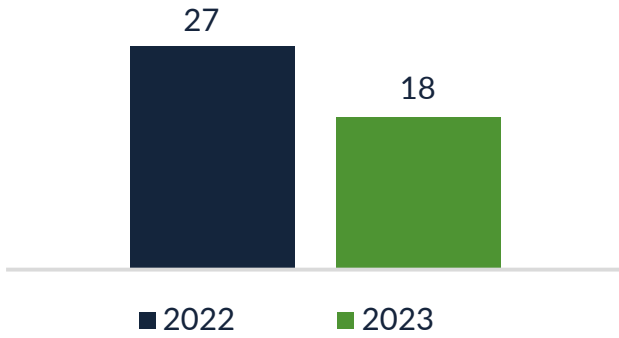
Liquidity Ratios	2022	2023
Current Ratio	1.4	1.4
Acid Test Ratio	0.7	0.7

Financial Ratios	2022	2023
Leverage Ratio	66.5%	57.9%
Equity Ratio	33.5%	42.1%

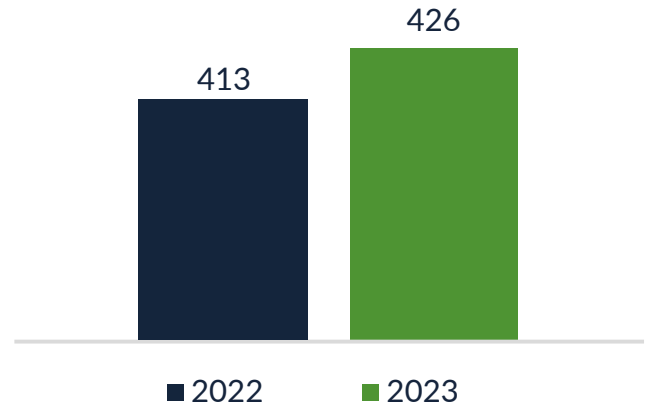
Financial Ratios	2022	2023
Gross Profitability	9.1%	9.4%
Main Operation Profitability	4.8%	4.9%
EBITDA Ratio	6.0%	6.3%
Net Profitability	1.4%	3.6%
Return on Assets	1.9%	5.6%
Return on Equity	5.8%	14.9%

2.5. Major Financial and Operational Indicators

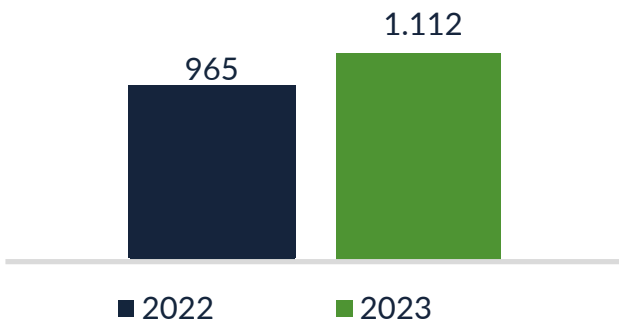
Production (Thousand Tons)



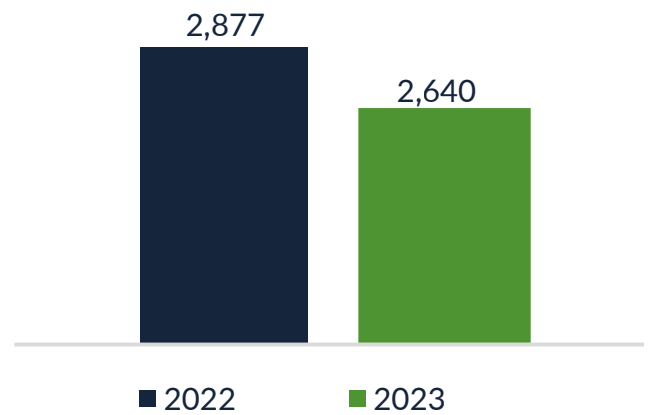
Sales (Thousand Tons)



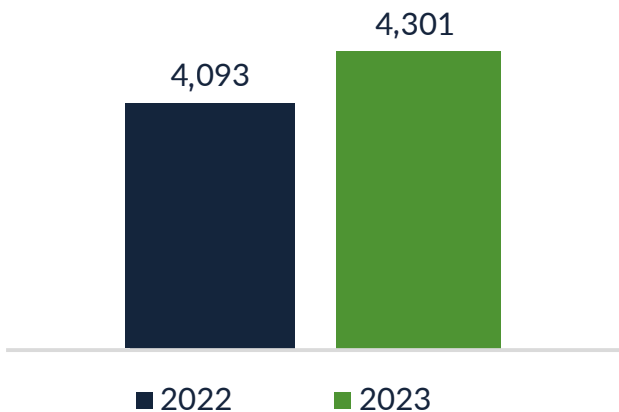
Equity (Million TL)



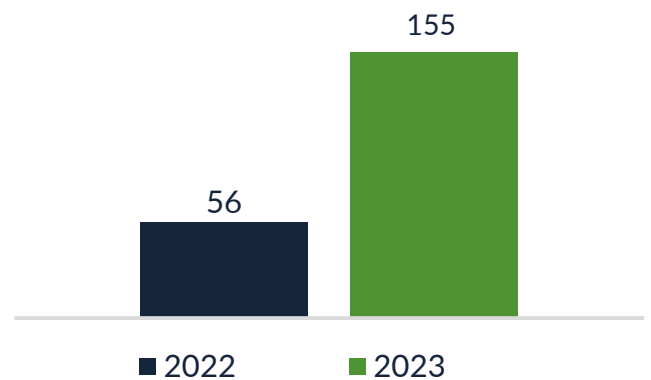
Assets (TL)



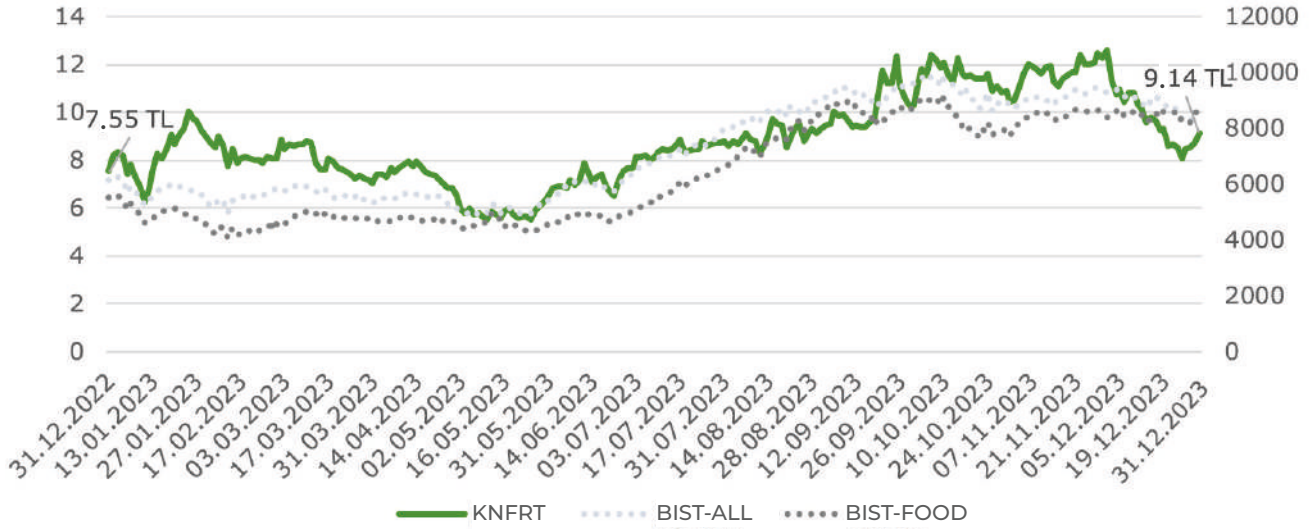
Revenue (Million TL)



Net Profit (Million TL)



2.6. Share Price Development in 2023



The chart has been prepared with adjusted prices.

By the end of 2023, Konfrut's market value, which has strengthened its financial structure with capital increases financed from internal resources in recent years, reached TL 2.4 billion (USD 82 million).

Share Details	
First trading date on the Stock Exchange	10.06.1996
Issued capital	TL 264,000,000
Share code	KNFRT
Actual circulation rate	22,38%
Market where it is traded in the Borsa Istanbul	Main Market
Indices that the Company is included in	BIST – Industrial / BIST – Denizli / BIST Participation / BIST - Food and Beverage

2.7. Investor Relations Department and Its Activities

Konfrut Investor Relations Team report to the Financial Affairs Director. The Department's duties and powers are regulated in Article 11 of the CMB's Corporate Governance Communiqué no. II-17.1. Information requests of the existing and potential investors are fulfilled in accordance with the applicable legislation, articles of association, corporate governance principles and information policy accordingly. The Department Manager is a member of the Company's Corporate Governance Committee.

In 2023, the Konfrut Investor Relations Department started preparing the quarterly investor presentations in Turkish and English and publishing on the corporate website www.konfrut.com.tr following the public disclosure of financial reports. On 26.12.2023, an investor and analyst meeting was held for the first time on the online platform, introducing Konfrut's future vision. In addition, meetings were organized in line with the demands of institutional investors, such as Portfolio Management Companies and Investment Institutions, to get to know Konfrut better.



A one-year Buyback Program was initiated according to the decision of the Konfrut Board of Directors dated 14.02.2023 to prevent fluctuations in the KNFRT share price and contribute to the healthy formation of the real value of the share price and protect its investors.

Konfrut's Information Policy was rearranged in 2023 to comply with the applicable legislation and announced to the public on the Public Disclosure Platform on 13.04.2023 and submitted to the General Assembly accordingly. In addition to certain transactions such as managing the buyback program throughout the year, registered capital ceiling increase, bonus capital increase, etc., the Company held its 2022 Ordinary General Assembly meeting within the framework of the applicable laws and regulations.

Contact Information of the Investor Relations Department

Sinan Yiğit Yakut
Investors Relations Director

Cemre Ekici Bayram
Investors Relations Manager

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E-mail: yatirimci@konfrutag.com.tr

2.8. Marketing Operations

Aiming to offer its customers the highest-quality products and services, Konfrut distinguishes itself in the sector with its “Perfectionism” vision. It produces innovative solutions using technology to offer better services and maximizes the customer satisfaction by prioritizing their needs.

Konfrut AG Communication

Konfrut AG actively used its social media accounts throughout the year to increase interaction and promote agricultural operations.

Konfrut AG reached the semi-finals of the Sustainable Business Awards, where it participated in two categories, with the sustainable agricultural ecosystem it created by adding value to the lives of the farmers it works in cooperation with the project of Organic/Residue-Free Strawberry Products from Field to Table within the Scope of Sustainable Agriculture.

With the strawberry-growing ecosystem created by the project, Konfrut AG won grant support from IDH Global, which supports positive business by bringing together stakeholders in common global markets with the aim of creating better jobs, environment and income for everyone.

Wunder Fresh

To develop fresh fruit and vegetable sales channels in the national and international markets and to increase its competitiveness by ensuring that the products it offers to its customers are distinctive in the eyes of consumers, Konfrut AG created the brand Wunder Fresh and started to use the brand Wunder Fresh in its international operations. The design and brand registration of Wunder Fresh, inspired by the vitality and freshness that consumption of fruits and vegetables brings to the body, started in 2023. Immediately after the domestic registration of the brand, which was completed in the first month of the New Year, Wunder Fresh was launched and all the rights of Wunder Fresh were protected in countries such as the European Union countries, UAE, and India, where the Company holds an active level of fresh fruit and vegetable exports.

Konfrut AG

📷 konfrutag

🌐 Konfrut AG Tarım

Wunder Fresh

📷 wunderfresh

🌐 Wunder Fresh



**Wunder
Fresh**

3. Sustainability



3. Sustainability

Konfrut integrates its understanding of sustainability into all operations and leads sustainable agriculture by cooperating with all stakeholders

3.1. Concept of Sustainability

The roots of the core values adopted by Konfrut, the sustainability approach based on technology and sustainable practices to improve life and protect our planet, are based on the sustainability vision of Döhler, of which it is a member.

Döhler, a manufacturer of technology-focused ingredients and integrated solutions to meet the expectations and needs of each of its customers worldwide, works to better feed the world with innovative and healthier products based on natural ingredients. While working with the motto Good for people – Good for planet adopted throughout the Group, ensuring the welfare of people and our planet comes from the Group's DNA.

The Group acts with leading organizations that are competent in their fields, such as the globally accepted SAI Platform, Sedex etc. The food safety and quality targets of Konfrut are to produce safe and quality products at international standards with its understanding of food safety, quality management, and service, to improve the existing food safety and quality system by ensuring continuity of reliability and development, and to ensure environmental protection by ensuring that employees work in safe conditions, creating a business with high waste value that can positively impact the economy.

Döhler carries out agricultural sustainability projects worldwide by focusing on reducing social and environmental risks in the geography where it operates and improving working conditions for everyone in the entire supply chain. Döhler knows that the future of the food industry will continue with the widespread use of sustainable agricultural practices and an advanced agricultural supply network. This task is assigned to Konfrut AG within the organization executed in Turkey. All the operations of the Company are integrated with sustainable agriculture processes. Various agriculture-based sustainability projects are implemented with fruit and vegetable producers, such as tomatoes, black carrots and strawberries.

Sustainability Policy

- Treat every employee equally and with respect for human rights, without discriminating against race, religion or language,
- Ensure the satisfaction of our employees, who are the fundamental element of our success, and organize practices and training sessions intended to improve their knowledge and skills, and make being environmentally conscious a lifestyle for all our employees,
- Increase the level of customer satisfaction,
- Ensure the health and safety of our employees, interns, service providers serving in our workplace, and visitors in the workplaces and during working hours by fulfilling all the legal responsibilities regarding Occupational Health and Safety (OHS),
- Ensure that the OHS efforts are adopted and implemented by our employees, securing the continuity and continuous improvement of these efforts,
- Ensure that legal requirements regarding environmental protection are complied with and that the requirements we determine are implemented,
- Act environmentally oriented, with an awareness of responsibility toward future generations and society, by protecting natural habitats,
- Use less energy and water, increasing efficiency and recycling rate while reducing waste accordingly,
- Be aware of reducing waste, encouraging the employees accordingly.



3.1. Concept of Sustainability

The sustainability approach is carried out under four main headings, aligning with the United Nations Sustainable Development Goals. These goals are set globally and widely participated in, and the World Economic Forum determines the ESG key success indicators on environmental, social, and corporate governance issues.



	<p>Our Values</p> <p>Respecting the rights of all stakeholders and executing activities with honest and fair practices.</p>	
	<p>Economic Sustainability</p> <p>Producing and sharing common value with all stakeholders in the food and agriculture chain, from farmers to consumers, to create, sustain, and expand the economy.</p>	
	<p>Social Sustainability</p> <p>Offering a unifying working environment free of discriminatory attitudes and practices, respecting human rights and labor in a safe and healthy working environment.</p>	
	<p>Environmental Sustainability</p> <p>Attaching great importance to food safety, optimized production, and minimum waste. Paying attention to sustainable food systems, environmental protection, and efficient use of natural resources to meet global agricultural needs.</p>	

Our Values

Continually meticulously continuing all its operational processes, Konfrut prepared its Manifesto, **“The Power of Perfectionism,”** with its philosophy of doing business based on excellence. In this Manifesto, prepared with the participation of internal and external stakeholders, Konfrut maintains its values in quality, reliability, sustainability, innovation, customer satisfaction, and social responsibility.

3.1. Concept of Sustainability

Sustainability Management

To perfect its operations in accordance with its values, Konfrut also concretizes the goals and commitments in the Manifesto and ensures their implementation within the organization. Conducting all agricultural operations focusing on sustainability, Konfrut prioritizes and implements its projects by considering their benefits and impacts on people, society, and soil. The compliance of the determined priorities with global common goals is evaluated.

Sustainability management is implemented strategically in light of the policies established within the prioritization scope. During the implementation process, sustainability experts assigned within the Group analyze risks and opportunities regarding priority issues and necessary actions are taken accordingly.

Sustainability Subcommittees

To create subject-oriented projects by following the targets stated in the Sustainability Policy, Konfrut AG has the following committees within the organization: Gender Equality Committee, Complaints Committee, Evaluation and Guidance Committee, and Approval and Sanctions Committee.

These committees, which carry out their duties under the supervision of the General Manager, consist of the Agri Sourcing Group Manager, the Raw Material Purchasing and Operations Manager, the Agronomist, the Human Resources Manager, and the employee representatives.

The subcommittees operating in constant interaction and coordination with each other meet periodically, and the outputs on the issues discussed and development suggestions in line with the targets are reported at the level of the Board of Directors.

Manifest: The Power of Perfectionism

1. Quality

Committed to providing customers with the highest quality products, ensuring they are fresh, healthy, and delicious through meticulous work.

2. Reliability

Focused on providing reliable and honest service, always staying true to promised quality and timing standards.

3. Sustainability

Responsible for protecting agricultural resources and leaving a better world for future generations, supporting sustainable agricultural practices, and adopting an environmentally friendly approach.

4. Innovation

Remaining competitive by constantly seeking innovative solutions and improving business processes, using technology and innovations to provide better service.

5. Customer Satisfaction

Prioritizing customers' needs and aiming to maintain their satisfaction at the highest level, constantly improving by considering customer feedback.

6. Social Responsibility

Fulfilling responsibilities toward society and the communities in which operations take place, supporting fair trade practices, and contributing to local economies.

3.2. Sustainable Agriculture

Konfrut has increased its share of agricultural operations in recent years, demonstrating its long-standing knowledge and awareness that the future of the food industry depends on sustainability and efficiency in agriculture. Sustainable agriculture is carried out by collaborating with farmers in the agricultural ecosystem created by Konfrut AG with its vision of end-to-end agri sourcing redefined.

Konfrut AG creates long-term contracts with farmers, a first in this sector, allowing them to produce by minimizing risks. It provides maximum efficiency in all the processes of agricultural production while supporting farmers with the financial support required for pre-season production to harvest.



Preseason

Financial Support for Production

Financial support was provided to **>750** farmers in the 2023 season.



Agricultural Input

Agri Input Support

Support for seed, seedling, fertilizer, and pesticide was provided.



Agronomy

Technical Know-How Support

From preparing the soil to the harvest, Konfrut AG's expert staff is always with the farmers.



IoT

Digital Agriculture Applications

High level of digitalization in all our agricultural operations.



Harvest

Mechanical Harvest Methods

Harvesting is carried out using modern mechanical methods.



Transportation

Innovative Transportation: Fiber K

The harvested products are transported through Fiber K pools designed for food transportation.

3.2.1. Digitalization in Agriculture

Konfrut AG stands out with the digital agriculture practices it adopts to build the future with sustainable agriculture. It protects and uses natural resources effectively and efficiently by digitizing all the operational processes.

It utilizes satellite and sensor technologies, image and signal processing applications, and digital agricultural technologies in agricultural lands to increase product efficiency, reduce input costs, and ensure proper plant care. With the agricultural sensor stations installed on the fields, the structure of the soil, temperature, humidity, and irrigation necessity, which affect plant development, along with recommendations, are made available to both farmers and the expert team from Konfrut AG working in the field via mobile applications. Konfrut AG teams provide the necessary guidance to farmers by providing timely plant data with the satellite plant health monitoring system.

Digital Agriculture Technology Applications

Tracking with Agriculture Stations / Climate Stations

Based on soil temperature and humidity information and weather and climate data, farmers are supported in their irrigation, fertilization and spraying decisions. In 2023, it was used in Marmara, Aegean, and Central Anatolia for organic strawberry, tomato, Jerusalem artichoke, and black carrot products with 22 devices in an area of 1500 decares.



T-WEATHER
AGRO STATION

Digital Irrigation Optimization Stations

Attaching importance to optimum irrigation in the fields to use water efficiently, Konfrut AG is capable of instantly displaying the moisture values of the plant, thanks to the sensors of digital irrigation optimization stations.



T-IRRIGATE
IRRIGATION OPTIMIZATION

Farmers can then determine the irrigation time using the data they provide via the mobile application. In 2023, 24 devices were used in the products of tomato, organic strawberry, black carrot, red pepper, and Jerusalem artichoke in an area of 1500 decares.

Digital Pheromone Systems / Digital Pest Trap Systems

Thanks to the Digital Pest Trap, the type and population density of pests that may cause economic losses in the crops grown on the field are displayed thanks to the integrated cameras and artificial intelligence systems. According to the analyzed data, pests are effectively combated with the pesticide schedule created. In 2023, 20 devices were used in tomato and sugar beet products in an area of 1000 decares.



T-TRAP
PHEROMONE TRAP

3.2.1. High Level of Digitalization in Agriculture

Plant Health Control from Satellite

Satellite imaging monitors the development and health of the crops grown in the field. It allows early detection of underdeveloped areas due to plant nutrient deficiency, irrigation problems, and fungal diseases. The mobile application monitors satellite images. In 2023, it was used in organic strawberries, tomatoes, black carrots, grapefruits, pomegranates, and lemons in an area of 2000 decares.



Agricultural Spraying with Drones

Agricultural spraying with drones, which ensures high efficiency by spraying the lands where agri sourcing products produced effectively and homogeneously, was applied for the first time in the contracted organic strawberry project in the 2023 season. Then, its use has been expanded to other products. Agricultural spraying with drones was used in lands in Çanakkale, Balıkesir and Bursa.

End-to-End Digitalization

Konfrut AG has moved all its operational processes to digital with the vision of “Agri Sourcing Redefined” and has undertaken important digital projects in 2023.

Farmer Balance Information System

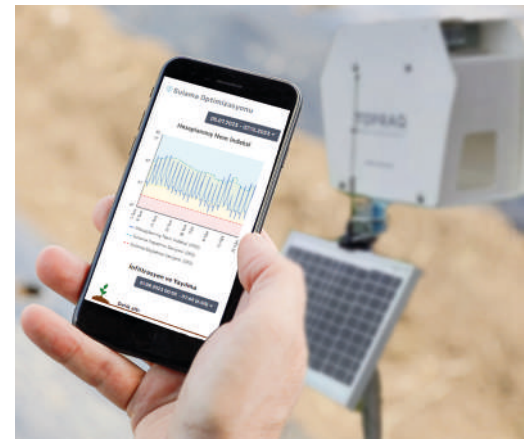
With the system implemented this year, every farmer now can access detailed and up-to-date financial balance information available in our Company with the mobile portal application developed specifically for the needs of all the Konfrut AG farmers.

Farmer Product Delivery Entitlement Information System

Konfrut AG Farmers were able to instantly access all the detailed progress information regarding the arrival of the products sent after harvest to the delivery point on a vehicle basis and were informed simultaneously via SMS.

K-Port Driver Mobile App

The logistics business unit can instantly track the location of the drivers via the mobile application while transporting agricultural raw materials from the field/orchard to the factory where the product will be processed. Drivers can instantly update their load status via the K-Port mobile application, developed specifically for the Konfrut AG logistics operation management processes. With the developed application, the distances of the vehicles to the factory can be monitored, and production processes can be planned accordingly.



3.2.2. Sustainable Agriculture Projects

Organic Strawberry Project from Field to Table

The project “**Organic/Residue-Free Strawberry Products from Field to Table within the Scope of Sustainable Agriculture,**” which Konfrut AG launched on an area of 2,500 decares in Biga and Kalkım, Çanakkale and İvrindi, Balıkesir in 2021, continued to grow with the participation of Köprübaşı and Sarısu, Manisa and Hüyük, Konya in 2022. Within the project scope, Turkey’s largest-scale organic/residue-free strawberry project, long-term contractual agricultural agreements were made with the regional farmers we work with, which is a first in the sector. With the contributions of the project’s sustainable agriculture-oriented business model, Konfrut AG expanded the cultivated area within the project’s scope to 6,400 decares in 2023.

The farmers contracted under the project have received all kinds of support required for strawberry production, such as infrastructure support, including seedlings and irrigation systems, financial support, know-how support, and modern and digital agricultural equipment support. Moreover, an ecosystem has been created where the risks in organic strawberry farming can be managed, and they can do sustainable agriculture.

High-altitude regions where strawberry cultivation was not possible were converted into strawberry farming lands. The employment of women farmers was supported, employment opportunities were offered to the people of the region and a regular source of income was created, ensuring equal opportunities. In 2023, 4,800 tons of residue-free strawberries were supplied within the project’s scope.

Konfrut AG, which has undertaken Turkey’s largest organic/residue-free strawberry project, continues cooperating with farmers in organic pomegranate and sour cherry cultivation.

2023 Farmers’ Meetings

Operating in cooperation with our country’s farmers, Konfrut AG continued its Farmer Meetings in 2023, which it has been holding regularly since 2021. The aim was to disseminate sustainable agricultural practices and ensure that our farmers, who understand the language of the soil, realize sustainable, modern agricultural production consciously and knowledge-based.

With the 2023 Farmers’ Meetings held in Balıkesir on 4-5 May 2023, with the participation of 100 strawberry farmers from Balıkesir and Çanakkale, more than 500 farmers have been reached. During the two-day event, Konfrut AG engineers and sustainable agriculture experts, who are experts in their fields, provided training to the farmers on correct irrigation, fertilization, and plant care. At the meetings where current digital agricultural solutions were introduced, the farmers were also given application and device usage training on the respective digital agricultural technologies.

In addition to the strawberry planting guide, the farmers participating in the training were gifted pens, notebooks, hats, and bags with the Konfrut AG logo.



Please scan the QR code for the short introduction video of the organic strawberry project.

Contribution to Circular Economy with Tea Fiber Pelletizing Operations

The Tea Fiber Storage and Pelletizing Facility was commissioned last year in the İyidere district of Rize and quickly became the epicenter due to its location in the region. Tea fibers supplied from the tea factories in the region are subjected to the pelletization process and supplied to produce tea extract accordingly. Konfrut AG plays a leading role in the domestic production of tea extract used in the tea industry, primarily imported from abroad. It contributes to the national economy by preventing imports of the tea fibers it brings into the economy.

The Company, which also has the Rainforest Alliance “RA” certificate of the Rainforest Alliance, aims to ensure that producers have a fair and safe working environment and manage to protect nature in a sustainable world. It also promotes practices that support human rights and prevent the climate crisis in **more than 70 countries**. Konfrut AG, which included organic black tea and green tea fibers in its purchasing program in the 2023 harvest period, increased the share of **RA-certified tea purchases in the total from 27% last year to 63%**.



3.2.3. Sustainable Environmental Approach

Environmental Management

Conducting all its operations with a responsible producer approach, Konfrut focuses on using resources most efficiently and providing optimum benefits in a world where natural resources are rapidly decreasing due to global climate change, drought, and population growth. Continuing its efforts within the scope of the values and principles it adopts, Konfrut implements methods for the efficient use of natural resources in line with its Environmental Policy and within the scope of the ISO 14001 Environmental Management System and adopts the principle of zero waste.

Environmentally Focused Goals

- Produce safe and quality products by using natural resources effectively and efficiently per national and international standards,
-
- Ensure that wastes generated during and as a result of activities are primarily prevented at their source, separated and recycled with appropriate recycling methods, and secure that wastes that need to be disposed of are disposed of by the law,
-
- Ensure the continuity of energy efficiency and water reduction projects in line with the 2030 sustainability targets,
-
- Improve the existing food safety and quality system by ensuring continuity of reliability and development,
- These constitute the goals of Konfrut Gıda and Konfrut, as with all the companies of the Döhler Group.

Environmental Policy

- Pledging to provide the necessary information and resources to achieve goals and objectives.
- Evaluate environmental impacts, risks, and opportunities in all our investment and procurement processes and choose the best techniques to minimize the dangers that may occur,
- Encourage the protection of natural resources through recovery and recycling methods, which are a part of the circular economy,
- Implement the necessary internal and external communication methods among suppliers, legal institutions, employees, and customers in the best way possible to improve the environmental impacts of our products,
- Implement the necessary internal and external communication methods among suppliers, legal institutions, employees, and customers in the best way possible to improve the environmental impacts of our products,
- Increase our environmental performance to effectively implement our environmental management system and ensure regular review and continuous improvement,
- Ensure the satisfaction of our employees, who are the fundamental element of our success, and organize practices that will improve their knowledge and skills, and environmental awareness training in this context,
- Take the necessary measures regarding the consumption of natural resources,
- Operate, adopt, and act per the “Continuity of Development” and “Continuous Improvement” philosophy.

3.2.3. Sustainable Environmental Approach

Energy Management

Continuing its work with an environmentally friendly approach, Konfrut directs all its stakeholders to act environmentally sensitively within the scope of its Energy Policy.

Efforts carried out in the field of energy efficiency and renewable energy;

- Energy consumption amounts are reduced by choosing machinery and equipment with high energy efficiency, making it possible that less greenhouse gas emissions occur while the use of natural resources is reduced.
-
- In the production of process steam, which is used to meet the thermal energy needs of the Denizli Factory, the amount of direct carbon emissions is reduced by using biomass fuel within the limits allowed by the technical and safety limits of the steam boiler.

Energy Policy

- Pledging to provide the necessary information and resources to achieve our goals.
- Constantly follow the applicable legal conditions and other requirements regarding energy use, consumption, and efficiency and fulfill the requirements,
- Prioritize energy efficiency in purchasing and design activities,
- Establish the necessary internal and external communication chain between suppliers, legal institutions, employees, and customers in the best possible way,
- Ensure the satisfaction of our employees, who are the fundamental element of our success, and organize practices and training sessions intended to improve their knowledge and skills, and make quality and environmentally conscious lifestyle for all our employees,
- Strive to increase our energy performance every year, adopting and acting in line with the “Continuity of Development” and “Continuous Improvement” philosophy.



3.2.3. Sustainable Environmental Approach



Energy Consumption and Greenhouse Gas Emissions

Konfrut carries out improvement efforts for efficient resource use, carbon footprint, and waste management within the scope of “Sustainable Production and Consumption,” one of the Sustainable Development Goals.

Collaborating with the Döhler Group regarding carbon footprint inventory and calculation, Konfrut set the targets for carbon footprint reduction for 2030. It is planned to contribute to the process with new projects in the future.



Water Management

Continuing efficiency efforts to control water consumption in operational processes, Konfrut prioritizes the discharge of wastewater in accordance with the legal limits without harming the environment. By reducing the amount of water generated during the production process in the Denizli factory, the factory’s water usage is continuously improved.



Konfrut's Contribution to the Circular Economy

Playing a leading role in the sector, Konfrut transforms its sustainability goals into commercial business processes with the zero waste principle in its DNA. It implements the concept of industrial symbiosis, where companies and business processes work together in industrial cooperation, meaning that the waste generated from one production process becomes the raw material for the other.

Under this aspect of the goals, Konfrut AG continues its field studies on different calorific value fuel trials for biomass supply in renewable energy, which it started working on in 2022, within the scope of its zero waste target.

With the activities at the Tea Fiber Storage and Pelletizing Plant located in the İyidere district of Rize, the Company prevents imports by creating added value with the tea fibers recycled into the economy.

The Company, which started trading dried apple pomace as of September 2023, purchases, stores, and trades the apple pomace obtained as a by-product in the production of fruit and vegetable processing factories. The Company, which purchased 683 tons of apple pulp in 2023, continues to contribute to the circular economy with this operation.

Waste Management System

Putting into practice the Environmental Management System in its production facility, Konfrut implements the procedures it has prepared for reducing waste at its source, classifying according to its characteristics, collecting and disposing of during the waste management process. Working with the companies authorized by the Ministry of Environment, Urbanization and Climate Change of the Republic of Turkey regarding waste management, the Company monitors the waste disposal process using the Integrated Environmental Information System, which is an application of the Ministry.

Meeting the necessary criteria and physical conditions by the Ministry of Environment, Urbanization, and Climate Change, this plant also has a "Zero Waste Certificate."



3.3. Quality

Because Konfrut believes in the power of perfectionism, food safety is the number one priority. Moreover, its customers' expectations and needs are met with products and services that have high-quality standards and comply with applicable food safety standards. Konfrut AG, Konfrut Gida, and other Group companies cooperate on the path to perfection. **"Manifesto: The Power of Perfectionism"** was prepared to specify Konfrut AG's business method due to the work carried out in 2023.

Konfrut selects its suppliers among those that comply with its sustainability vision and meet its determined quality criteria. Konfrut, which also certifies its high standards, carries out the necessary certification, labeling and purchasing activities for fruits and vegetables grown with correct agricultural practices to make agricultural activities safe and sustainable on a global scale.

Konfrut AG's Certifications

- Organic Strawberry, Pomegranate, Sour Cherry - European Union Organic Agriculture Certificate
- Apple, Apricot, Black Carrot, Grapefruit, Lemon, Peach, Pear, Pomegranate, Strawberry, Tomato, Pepper – FSA Certifications (Mostly Konfrut AG farmers are at the "Gold Level.")
- Peach, Nectarine, Tomato, Broccoli, Cauliflower, Pepper, Carrot, Fig, Watermelon, Melon, Apricot, Lemon, Pomegranate - Global GAP, and Grasp Certificate
- Tea - Rainforest Alliance License
- BRC Certificate for Konfrut AG's cold storage



3.3. Quality

Analysis Laboratory with the State-of-the-Art Technology and Equipment

Konfrut AG conducts studies to ensure optimization and traceability at every step of the chain, from the field to the final product, in line with the customer demands and the applicable food safety requirements.

The suitability of food products such as fruits and vegetables in line with customer demands, certifications, and legal requirements is analyzed and reported in a traceable manner by experienced experts at the Group's DIAL Analytical Laboratory, which is equipped and competent to carry out analysis work at international standards and has the ISO 17025 accreditation certificate issued by TÜRKAK, located in Izmir, in accordance with the applicable American and European norms.

High Level of Customer Satisfaction

Aiming to provide its customers with the highest quality products and services, Konfrut implements the Customer Complaints Procedure, which is tailored to provide rapid solutions to customers' expectations and needs. Requests received by the Customer Services department or marketing team via e-mail or phone are recorded first. Necessary analyses are made for the relevant product and service. Then, the results are examined and reported by the Quality department, and a solution is provided promptly. We are working to resolve the issues received by the unit within the following ten days.

All the customer complaints received by the unit are periodically reported to the senior management on a monthly basis along with the solutions, and necessary actions are taken for improvement.

A yearly survey is sent to customers regarding the products and services they receive, raising customer satisfaction to the highest level. Based on the results, necessary improvements are made.

Konfrut Gıda's Documents and Certificates

TSE FSSC 22000 Food Safety Quality Management System Certificate

TS EN ISO 14001 Environmental Management System Certificate

TS EN ISO 9001 Quality Management System Certificate

TS EN ISO 50001 Energy Management System

ISO 27001 Information Security Management System

Entrepreneur Certificate on Organic Agriculture Principles and Implementation

Zero Waste Certificates

TSE / MUI / Gimdes Halal Conformity Certificate

Badatz Kosher Food Certificate

Sedex Membership

3.4. Human Resources

Konfrut's Human Resources Policy, which sees its employees as values that will carry them into the future, involves increasing their commitment by employing an entrepreneurial, highly motivated, educated and talented workforce, supporting the professional and personal development areas of each workforce.

In the Group, where the culture of appreciation is widespread, everyone is seen as equal, and employees are supported to ensure that they are inspired in everything they do. The combination of individual differences, life experiences, knowledge, and unique skills and abilities forms an important part of the culture within the organization.

Konfrut also has Human Resources Policies and Procedures prepared following the Company's Declaration of Human Rights, which unconditionally complies with the obligations required by the Labor Law and the articles of the ILO conventions accepted by Turkey. The human resources department and senior management jointly manage the implementation and control of these relevant policies and procedures. Care is taken to ensure that all the business partners throughout the value chain respect internationally recognized human rights by the International Declaration of Human Rights and the ILO Declaration of Fundamental Principles and Rights at Work. For this purpose, employees are periodically informed about honesty, avoiding conflict of interest, confidentiality, responsibility, etc., within the Code of Ethics and Working Principles Procedure framework.



Konfrut has such regulations within the framework of the Labor Law and based on issues determined by the human resources department. All the employees are provided with information regarding the Leave Regulation, Disciplinary Regulation, Code of Ethics, Social Compliance Policy, Complaint and Suggestion System Policy, PDPL Information, and Information Security procedures during their on-the-job processes.

In accordance with its ethical policy, the Company complies and acts by the applicable global ethical principles on issues such as career development, remuneration, access to education, and diversity, and does not tolerate forced labor, child labor, or any form of discrimination.

As of the end of 2023, Konfrut's average number of personnel is 299, 55 of whom are temporary.

3.4. Human Resources

Talent Acquisition and Career Management

Konfrut works in harmony with the Döhler Group on attracting talent, performance measurements, career development and rewards, with the awareness that a correctly implemented talent acquisition strategy will ensure the preservation of competitive advantage while also carrying the Company into the future. Interviews are held by selecting from the Group's candidate pool, which is constantly updated through the respective career portals. Appropriate talents who can adapt to the task, corporate culture, and team work are recruited. To facilitate adaptation processes, the corporate structure and team are introduced to the new employees through on-the-job orientation programs. Any candidate, whose application or interview process is ended as negative, will be informed back.

While importance is given to bringing young people into business life as well as an experienced workforce, the companies are promoted by participating in events held by universities throughout the year. In 2023, active participation was ensured in the promotion and career events organized by the Middle East Technical University, Yıldız Technical University, Ege University, and Izmir Institute of Technology, enabling young people to interact with professionals working in the branches of expertise in which they were trained.

In order to strengthen women's participation in business life, care is taken to ensure balance within the organisational structure.

With the rapid growth of agricultural operations in 2023, candidates with different competencies and experience who can adapt to Konfrut's strategy based on talent acquisition and management have joined the Company. The talents assigned to the task were supported by development-oriented orientation processes to ensure rapid adaptation and recognition.

Performance Assessment System

At Konfrut, the Performance Management System helps to increase the performance of teams and individuals and develop their competencies while also supporting the Company to move forward. In addition to the business results, it also provides feedback on the employees' areas for improvement. Within the Performance Management System's scope, the employees who successfully complete their goals in sustainability, employee loyalty, occupational health and safety, profitability and efficiency, are rewarded with a bonus system.

Individual projects and responsibilities achieved by the employees are evaluated by keeping outside of the Performance Management System and are also rewarded within the scope of employee loyalty, supporting teamwork, increasing solidarity, taking good practices as an example and appreciation processes. Relevant awards are made in the form of ceremonies, e-mail notifications or financial support.

Employee Satisfaction Surveys

Employee Satisfaction Surveys are conducted periodically via the online Platform to analyze and evaluate processes. The results are analyzed while ensuring the confidentiality of the participant's information. Apart from improving prevailing processes, works and efforts are planned for future, being shaped by the opinions of employees.

3.4. Human Resources

Training and Development Studies

The training and development processes of all the Konfrut employees are fulfilled in a corporate manner. As online training is available on different subjects within the human resources portal, personnel working at all levels are supported in many training, technical information, and personal development issues. A total of 1,916 hours of training were achieved for the employees of Konfrut Gıda and Konfrut AG in 2023 on different topics such as operational excellence, occupational health and safety, leadership, sustainability, and waste management. Voluntary employees with sufficient technical, professional, personal development, hobby, and foreign language knowledge are offered the opportunity to work as internal trainers within the organization after taking the “Training of the Trainer” course by registering for the Internal Trainer Academy. Thus, while contributing to their own development, they also support the development of their other teammates.

With a mentoring culture that contributes to the young employees’ career and professional development, senior managers deliver their experiences and knowledge to young employees so that have a chance to guide their career and professional development anyway.

Social responsibility projects are arranged throughout the year to promote responsibility as a virtue, considering each employee and supporting their personal areas open to development. Thus, all the collaborative work achieved together with the feeling of “WE” enables them to feel corporate loyalty.

To inform the entire team by raising awareness about the work in the areas of expertise of different departments within the organization, all the departments publish monthly bulletins covering internal developments, sectoral information, and news content on topics from Turkey and the world. Within the scope of the “Leadership Academy,” which has been implemented since 2020, training is provided within a specific program under the main headings of “Management Competencies Development, Management Preparation, Coaching and Effective Feedback” from competent and expert trainers for the employees serving in managerial roles within the current organization. This project, which is seen as one of the biggest investments for the future organizational structure, supports the development of the employees and ensures preparation for higher levels.

Human Resources Business Partner System

Providing a peaceful and safe working environment for its employees with a focus on respect and improving fundamental human rights is a priority for the entire Group. In this context, employee representatives are appointed through the Human Resources Business Partner (HRBP) system to defend the rights of the employees and manage dispute processes within the organization. While the employee representatives in charge of different departments support the departments in their area of responsibility in all matters from recruitment to dismissal processes, the duties of the employee representatives also include mediating and resolving problems, disputes, and legal issues.

Protection of Personal Data and Information Security

The Company regulates data processing processes in all the group companies with its Personal Data Protection and Processing Policy. This policy ensures that the employees’ data are protected and processed under the applicable information security procedures, which are shared with every new employee. The organization attaches importance to law, honesty, and transparency in processing personal data.

3.4. Human Resources

Motivation Boosting Social Activities

Different activities are carried out throughout the Group to increase the loyalty and satisfaction of the employees with an approach that values people and life. In 2023, the social events organized under the umbrella of Döhler Turkey, where the employees from Konfrut also participated, made the employees feel better and happier.

- The “Welcome Day” events and the orientation program that brings together new employees and department leaders continued in 2023. At these events which are organized once every three months, the leaders make presentations to their new colleagues about their teams and their roles in the organization.
- On March 8, International Women’s Day, in cooperation with the Turkish Education Foundation, of 23 female university students’ one-year education expenses were supported on behalf of the female employees so that they could continue their success in their educational lives without financial concerns.
- Iftar (breaking fast) organizations were held in Ramadan in 2023 every year.
- Hello Summer Picnics were organized in June for the employees’ participation in different locations. This event allowed them to refresh themselves before the season and have a good start. The activities organized at such picnics ensured a pleasant day for the employees and their families.
- D-talks are organized to increase the internal communication and to chat about the interests and talents of the employees, their colleagues, and managers, as well as their professional identities. A D-talks event was organized in 2023, in which all the Group Companies’ employees were welcomed the opportunity to participate.
- A New Year’s dinner was organized for the employees to appreciate and give thanks for their overall performance by the year.



3.4. Human Resources

Occupational Health and Safety Practices

Prioritizing the provision of a workplace where all possible risks are reduced to a controllable level, allowing employees to focus on their work safely. Konfrut's primary goal is to achieve a "0" accident target. To support this target, periodic training is provided to employees within the scope of legal occupational health and safety and operational excellence processes. In 2023, Konfrut established the Occupational Health and Safety System, where occupational health and safety engineers working in the field observe employees during their duties and provide instant feedback.

The "Near Miss Project," launched the previous year to increase the knowledge of both blue-collar and white-collar employees, ensure their safety, and raise awareness about the importance of occupational health and safety, continued in 2023 with the active participation of all employees.

Occupational Health and Safety Policy

Based on an understanding of occupational health and safety (OHS), our goal is to produce and develop safety and quality products that consider national and international standards within the scope of the OHS Management System and sustain the job within a safe environment. As the Konfrut family, we pledge that we will:

- Be one of the leading companies in the sector based on our physical facility and business standards,
- Comply with all the applicable legal conditions to which we are subject, especially the legislation regarding occupational health and safety (OHS), the Döhler Group's conditions, customer requirements, and all of the other conditions related to the OHS Management System,
- Determine the needs and expectations of all of our stakeholders and include them in our OHS Management System activities accordingly,
- Be an organization that constantly learns and develops through training, working with our suppliers with a continuous business partnership approach to ensure their compliance with our organization's occupational health and safety culture and their development through performance evaluations,
- Increase the OHS Management System performance to the targeted level with continuous improvement studies; to protect our employees from work accidents and occupational diseases; to evaluate the risks by detecting the hazards that may be encountered in the workplace; to minimize the occupational accidents, occupational diseases and incidents that these hazards may cause; to create a healthy and safe workplace by reducing the risks,
- Take the necessary health and safety measures to protect our stakeholders, who come to our workplace or may be affected by our activities,
- Consult our employees and employee representatives and ensure their participation in the respective OHS processes,
- Consider the OHS criteria in purchasing activities, making the necessary planning and being prepared for emergencies,
- Be in constant cooperation and communication with all of our employees, stakeholders, neighbors, suppliers, visitors, and even with society,

The ISO 45001:2018 Occupational Health and Safety Management system was established and certified in 2023 to achieve these objectives.

4. Corporate Governance



4.1. Statement of Compliance with the Corporate Governance Principles

During the operating period of 1 January - 31 December 2023, Konfrut Gıda Sanayi ve Ticaret A.Ş. ("Company") complies with the mandatory articles of the Corporate Governance Principles included in the annex of the Corporate Governance Communiqué II-17.1 (the "Communiqué") published by the Capital Markets Board (the "CMB"), and the Company also makes maximum efforts to comply with the Corporate Governance Principles, which are not mandatory. The non-mandatory principles that have not yet been implemented, along with their justifications, are as follows:

- Within the scope of principle no. 1.3.11, the Company's articles of association do not provide for the participation of stakeholders and the media in general assembly meetings. The shareholders and independent audit company officials primarily attend the general assembly meeting hall, and the Company has not received any requests regarding the participation of other stakeholders and the media.
- Within the scope of principle no. 4.3.9, neither a target rate has been set nor an established policy regarding the percentage of female members on the Company's board of directors, suggesting that this percentage is at least 25%.
- By principle 4.4.7, there are no restrictions on board members of the Company holding positions outside the Company, as their professional experience and industry expertise significantly contribute to the Board of Directors.
- Within the scope of principle no. 4.5.5., there are two independent members on the Company's Board of Directors, which consists of five members. One board member serves on more than one committee, which increases cooperation and communication between the committees.
- Within the scope of principle no. 4.6.5., the benefits provided to the board members and senior managers are disclosed collectively in the annual activity reports.

It has been determined that failure to fully comply with the principles, which are not mandatory in the current situation, does not cause any conflict of interest in the Company. Konfrut Gıda's 2023 Corporate Governance Compliance Report and Corporate Governance Information Form, prepared by the CMB's decision no. 2/49 and dated 10.01.2019 can be accessed on the corporate website of the Public Disclosure Platform (www.kap.gov.tr). (<https://www.kap.org.tr/tr/cgif/4028e4a140f2ed710140f2fc30bc006e>).

Necessary work will be carried out by following the developments and practices in the legislation regarding compliance with corporate governance principles and reporting in the coming periods.

4.2. Disclosures Regarding Corporate Governance

1. Shareholders

1.1. Investor Relations Department

The Investor Relations Department at Konfrut was established within the Financial Affairs Directorate. Its contact information is as follows.

Sinan Yiğit Yakut - Investor Relations Director

Capital Market Activities Level 3 License, Corporate Governance Rating License

Cemre Ekici Bayram – Investor Relations Manager

Capital Market Activities Level 3 License, Corporate Governance Rating License

Phone: (0216) 545 68 68

E-mail: yatirimci@konfrutag.com.tr

1.2. Voting Rights and Minority Rights

The Company's articles of association do not provide for a privileged voting right, and each share has one voting right.

No method exists for cumulative voting in the Company's articles of association, and minority shares are not represented in the Company's management.

1.3. Dividend Policy

The Company's Profit Distribution Policy for 2013 and the following years, prepared per the Capital Markets Legislation, Capital Markets Board Regulations and Principle Decisions, Tax Legislation, and other relevant legal legislation, was accepted and disclosed to the public at the 2013 Ordinary General Assembly meeting. It was made available in Article 14 of the articles of association of Konfrut Gıda Sanayi ve Ticaret A.Ş.

No privilege exists regarding participation in the Company's profits.

Regarding profit distribution, the Company's long-term strategies, investment and financing policies, profitability and cash position, economic and political developments, and the sector's situation are analyzed. Then, an attempt is made to adopt a consistent policy between the interests of the shareholders and the Company.

1.4. Share Transfers

The Company's articles of association do not include any provision restricting the free transfer of its shares within the framework of the provisions of the Turkish Commercial Code.

1.5. General Assembly Meetings

The Company's Ordinary General Assembly meeting is held every year. Participants can attend the General Assembly meetings physically, by proxy, or electronically. In 2023, the Company's 2022 Ordinary General Assembly meeting was held at the Company's registered office on 25.05.2023.

The General Assembly meeting minutes are available on the Public Disclosure Platform (www.kap.org.tr), the Company's corporate website (www.konfrut.com.tr), and the the Central Registry Agency's electronic general assembly portal.

4.2. Disclosures Regarding Corporate Governance

2. Public Disclosure and Transparency

2.1. Disclosure Policy

The Company's Information Policy is also available on the corporate website (www.konfrut.com.tr).

All developments that may significantly change the Company's financial situation and/or activities and information on all the other issues required by the CMB legislation are disclosed on the Public Disclosure Platform within the framework of the CMB's Special Circumstances Communiqué no. II-15.1 and the other applicable legislations.

2.2. Corporate Website and Its Content

The corporate websites of Konfrut Gıda and its subsidiary Konfrut AG, www.konfrut.com.tr and www.konfrutag.com.tr, are used for public disclosure. Both websites are created in two languages: Turkish and English. An investor relations section has been created on the website to provide comprehensive information flow to existing and potential investors as well as the respective intermediary institutions.. The information stipulated in the CMB Corporate Governance Principles is presented on the website accordingly.

2.3. Annual Report

The Company's annual report is prepared in detail to ensure that the public has access to complete and accurate information about the Company's activities by the applicable provisions of the Turkish Commercial Code and the issues specified in the relevant legislation of the CMB.

3. Stakeholders

3.1. Informing the Stakeholders

The Company considers the stakeholders as the shareholders, employees, customers, suppliers, society. and official institutions. When a request comes from the stakeholders to obtain information, all kinds of information are given to the applicant by the Company, except for information that has not been disclosed to the public and is a trade secret. However, the stakeholders can contact the Corporate Governance Committee or the Audit Committee regarding the Company's illegal or unethical transactions via the e-mail address info@konfrut.com.tr or the Company line at (0216) 545 68 68.

3.2. Participation of the Stakeholders in Management

Participation of the stakeholders and employees in management is carried out through periodic meetings within the Company.

Regulations are made on working conditions and environment, employee rights, and similar issues in accordance with the employees' expectations and needs. Employee Satisfaction Surveys are conducted periodically within the Company. The survey results are evaluated with focus groups, and necessary actions are taken accordingly.

The issues stated in the interviews, surveys, and feedback from other stakeholders (customers, suppliers, and the like) are considered when creating and implementing the Company's policies and processes.

4.2. Disclosures Regarding Corporate Governance

3.3. Human Resources

The Human Resources Department within the Company manages the relations between the employees and the Company.

The Company does not discriminate against its employees based on language, religion, race, or gender. It strives to improve employees' personal rights and working environment and conditions, and provides all kinds of training support for the employees to improve themselves.

New actions are taken every year to improve occupational safety and working conditions.

No complaints about discrimination submitted to our Company by the employees, including 2023 have existed.

3.4. Code of Ethics and Social Responsibility

The Company's Code of Ethics Regulation is published on the website www.konfrut.com.tr.

In brief, the Code of Ethics Regulation determines the responsibilities of all the Company's managers and employees toward the customers, suppliers, public organizations, society, and the environment with which they have business relations at home and abroad.

Konfrut Gıda ensures that all its managers and employees comply with the ethical rules listed below and monitors the process through regular audits.

- Integrity
- Confidentiality
- Responsibilities Toward Employees
- Responsibilities Toward Customers
- Responsibilities Toward Suppliers
- Responsibilities Toward Regulations
- Competition
- Community and Environmental Awareness
- Conflict of Interest

Integrity

- Konfrut Gıda's managers and employees act per the principle of honesty and integrity in all the business processes and activities.
- They do not offer or accept bribes, unofficial kickbacks, or gifts of high value to customers, suppliers, or official institutions within the framework of business relationships..

Confidentiality

- Protecting the private information and confidentiality of employees, customers, suppliers, public departments, and all other individuals and organizations, ensuring it is not shared with others in any way.

4.2. Disclosures Regarding Corporate Governance

Responsibilities Toward Employees

Fully fulfilling legal obligations toward employees:

- Offering a healthy and safe working environment with equal rights.
- Following a personnel management approach that is non-discriminatory and based on fair and honest principles.
- Respecting employees' private information and lives, keeping all information confidential.
- Providing career and training opportunities for employee development.
- Establishing a compensation policy based on Labor Law No. 4857, with severance and notice pay provided accordingly.

Responsibilities Toward Customers

Responding to customers' needs and demands promptly and accurately:

- Prioritizing customer satisfaction and adopting a solution-oriented, honest, and respectful approach to products and services.

Responsibilities Toward Suppliers

- Fulfilling obligations on time and always acting fairly and honestly toward suppliers.

Responsibilities Toward Regulations

- Acting under the laws of the Republic of Turkey and the rules of international law:
- Complying with the requirements of all applicable laws and regulations, keeping accurate, complete, and honest records on all financial and business matters, and making all mandatory legal notifications on time.

Competition

- Avoiding unfair competition, competing only in legal areas, and acting fairly and honestly when competing against competitors.

Community and Environmental Awareness

- Acting sensitively toward society and the environment in all activities, operating with social responsibility awareness, and engaging in activities that benefit society and the environment.

Conflict of Interest

Employees act within the framework of ethical rules and avoid behaviors that may cause conflicts of interest:

- Disallowing any behavior that would benefit the personal interests of employees.

4.2. Disclosures Regarding Corporate Governance

4. Board of Directors

4.1. Structure and Formation of the Board of Directors

Information regarding Konfrut Gıda's Board of Directors as of December 31, 2023, is included in the section titled 'Board of Directors and Committees' in the 2023 Konfrut Gıda Annual Report.

Article 7 of the Company's articles of association, titled Board of Directors and Its Term of Office, contains provisions regarding the structure of the Company's Board of Directors. The Company's Board of Directors was elected for a three-year term of office at the 2020 Ordinary General Assembly meeting on 24.06.2021.

The Board of Directors consists of 5 members, two of whom are independent. The Independent Board Members have submitted their declarations of independence.

The required qualifications of the Company's Board of Directors are sufficient to meet the criteria as set forth under the relevant articles in the Corporate Governance Principles. The minimum qualifications required for the members of the Board of Directors are not included in the articles of association.

4.2. Principles of Activity of the Board of Directors

The working principles of the Board of Directors are regulated in Article 8 of the Company's articles of association, titled Representing and Binding the Company: Duties of the Members of the Board of Directors, Distribution of Duties, Meeting Order, and Quorum.

The Board meetings are held at the Company registered office when deemed necessary. The agenda is created by the Chairman of the Board of Directors meeting with the current Board members. The agenda of the Board of Directors is notified to each member at least ten days before the meeting date. The members take care to attend every meeting and express their opinions.

The Company's Board of Directors held 18 meetings in 2023. When deciding on issues, unanimity was sought and the Corporate Governance Principles were complied with. The meeting and decision quorum of the Board of Directors is subject to the provisions of the Turkish Commercial Code, Capital Markets Law and other relevant legislation.

At the 2023 meetings, no different opinions were expressed against the decisions taken by the members of the Board of Directors. Since the members of the Board of Directors did not have questions on these issues, they were not recorded in the minutes.

The members of the Company's Board of Directors did not carry out any transactions with the Company in 2023 and did not take the initiative to compete in the same fields of activity.

4.3. Number, Structure, and Independence of the Committees Established within the Board of Directors

The following committees have been established within the organization of the Company: Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee. The duties of the "Nomination Committee" and the "Remuneration Committee" are fulfilled by the "Corporate Governance Committee." The Board Committees carry out their efforts according to the duty principles of the committees available on the Company's website, and the Committee members meet at the frequency specified in the principles.

4.2. Disclosures Regarding Corporate Governance

Muhammed Enes Haşim is the Chairman of the Audit Committee, and Emir Feyzi Güçlü is a member of the committee. Both members are independent, non-executive board members. Within the framework of committee activities, the Company oversees the public disclosures of financial information, independent audit selection, and the functioning and effectiveness of the accounting and internal control system.

Muhammed Enes Haşim serves as the Chairman of the Corporate Governance Committee, and Emir Feyzi Güçlü and Sinan Yiğit Yakut continue to serve as members. The Committee determines whether CMB's Corporate Governance Principles are implemented, if not, the reasons and conflicts of interest that arise due to non-compliance with these principles, and offers remedial measures to the Board of Directors accordingly. The Committee also oversees the efforts of the investor relations department.

Within the scope of the duties of the Nomination Committee, the Corporate Governance Committee carries out the efforts of establishing a transparent system regarding the identification, evaluation, training, and rewarding of independent and non-independent candidate members suitable for the Board of Directors and determining the policies and strategies in this regard.

Within the scope of the Remuneration Committee's duties, the Corporate Governance Committee determines the recommendations regarding the remuneration principles of the board members and senior managers, taking into account the Company's vision and goals.

The Early Detection of Risk Committee is responsible for determining the early detection of risks that may endanger the Company's existence, development, and continuity. It also takes the measures regarding the detected risks and ensures their management. The Chairman of the Committee is Board Member Muhammed Enes Haşim, and the Committee Members are Emir Feyzi Güçlü and Bilsay Bilge.

4.4. Strategic Goals of the Company

Senior management prepared the mission, vision, principles, and values of Konfrut Gıda and its 100% subsidiary, Konfrut AG, which are available on their corporate websites.

The strategic goals are created by the Board of Directors based on vision, growth, and profit expectations and are periodically reviewed.

4.5. Risk Management and Internal Control Mechanism

The Early Detection of Risk Committee manages risk management established within the framework of the Turkish Commercial Code No. 6102 provisions and the Capital Markets Legislation.

The Committee meets every three months and reviews the Company's risk management systems at least annually.

The Internal Control Department has not been established as a separate structure within the Company's organization, and the Financial Controller working within the Company's organization carries out internal audit efforts and prepares reports under the supervision of the Audit Committee.

4.3. Legal Disclosures

1. Information about the Extraordinary General Assembly Meeting Held During the Year, If Any

The 2022 Ordinary General Assembly Meeting was held on 25.05.2023, and the decisions were implemented throughout the year. No Extraordinary General Assembly Meeting was held in 2023.

2. Disclosure of the Company's Equity

As of December 31, 2023, the Company's equity level is TL 1,111,902,744. The Company's issued capital is TL 264,000,000, and it has been determined that the existence of the issued capital is highly protected.

3. Amendments to the Articles of Association Made During the Period

The amendment text regarding the increase of the registered capital ceiling of TL 132,000,000 to TL 660,000,000 and the extension of the validity period to cover the years 2023-2027 in the 6th article of the Company's Articles of Association titled "Type of Capital and Shares" was approved in the Capital Markets Board's letter no. E-29833736-110.03.03-35609 dated 04.04.2023. The article amendment, accepted at the Company's 2022 Ordinary General Assembly meeting dated May 25, 2023, was filled with the Istanbul Trade Registry Office on 19.06.2023 and announced in the Turkish Trade Registry Gazette no. 10855 of the same date.

4. Financial Rights Provided to the Board Members and Senior Management

The total of wages and similar payments provided to the Company's Board Members and Senior Managers amounted to TL 1,424,351 in the financial period of 01.01.2023 - 31.12.2023.

5. Donations and Aids Made During the Year

The Company donated TL 15,050 to Çal Vocational and Technical Anatolian High School in the relevant period.

6. Statements on Private Audit and Public Audit

No significant penal notices were notified to our Company during the special and public audits conducted in 2023.

7. Information about Legislative Changes That May Significantly Affect Company's Activities

No incentive, tax, or similar legislative changes exist that could significantly affect the Company's activities and financial results.

8. Information Mandatory to be Provided to the Shareholders Regarding Related Party Transactions and Balances by the Legislation

The explanation on the subject is included in footnote 4 of our financial statements for the period 01.01.2023 - 31.12.2023.

4.3. Legal Disclosures

9. Explanations Regarding Administrative or Judicial Sanctions Imposed on the Company and Members of the Management Bodies Due to Practices Contrary to Legislative Provisions

No significant administrative sanctions or penalties are imposed on the Company or the Members of the Board of Directors.

10. Information on the Company's Own Shares Acquired

A one-year Buyback Program was initiated within the scope of the Board of Directors' decision dated 14.02.2023 to prevent fluctuations in the KNFRT share price, contributing to the healthy formation of the real value of the share price and protecting stock investors. In this context, the shares with a nominal value of TL 78,750 TL were purchased at an average price of TL 12.63 per unit, and all of them were sold at a price of TL 19.83 per unit within the Program, resulting in a profit of TL 566,830. The Company, which has completed the first Share Buyback Program, may initiate the Share Buyback Program again if market conditions require.

Following the purchase and sale transactions carried out within the scope of the Buyback Program, the Company's paid-in capital of TL 132 million was increased by 100% free of charge to TL 264 million, and the share price was corrected as of 29.01.2024.

11. Other Legal Disclosures

The Company has no cross-participation, with a direct participation rate in the capital exceeding 51%. No lawsuits were filed against the Company that could hinder the Company's financial situation and activities.

Permission is obtained from the General Assembly within the framework of articles 395 and 396 of the Turkish Commercial Code regarding the ability of the members of the Board of Directors, Senior Managers, and their spouses and relatives by blood and marriage up to the second degree to compete and conduct transactions that may cause a conflict of interest with the Company or its subsidiaries in the Döhler Group, which includes the Company.

12. Developments after the Period

The issued certificate prepared to increase the Company's issued capital of TL 132,000,000 by 100% free of charge to TL 264,000,000 within the registered capital ceiling of TL 660,000,000 was publicized and entirely covered by the internal resources. In this context, the amendment to article 6 of the Company's Articles of Association "Capital and Type of Shares" being approved by the Capital Markets Board (the "CMB") was notified in the CMB bulletin no. 2024/04, dated January 18, 2024. Furthermore, the draft amendment made in this context was announced in the Turkish Trade Registry Gazette no. 11014 dated 02.02.2024.

The Company's Board of Directors decided on 18 December 2023 about the sales of the real estate owned by the Company with an area of 48,459.43 m², registered under block no. 312 and parcel no. 53, located in Akkent village/neighborhood, Çal district, Denizli province. The concentrated fruit and vegetable juice factory (the "Factory") is situated at the following address: Atatürk Boulevard, Number 74, including all the machines available within the Factory (together with the "Movables") as well as the personnel employed thereby to Döhler Gıda Sanayi A.Ş., the majority shareholder with a 77.61% share in the Company's capital.

4.3. Legal Disclosures

The fact that the growth potential of agriculture and agriculture-based activities in the medium and long term is above the potential of the Factory subject to sale has been compelling.

Following the sale, the Company plans to focus entirely on agricultural operations and make its investments in this field.

The Board of Directors has determined the price of the Transaction as a total amount of TL 433,680,000 TL (TL 519,370,975 including VAT) based on the valuation reports issued by TSKB Gayrimenkul Değerleme A.Ş. ("TSKB").

According to TSKB's machinery and equipment valuation report no. 2023MAKA202 dated 21.11.2023 and real estate valuation report no. 2023REVC238, dated the same date, the value of the Movables determined in the valuation report is TL 256,950,000 (TL 308,340,000 including VAT), and the value of the real estate determined in the valuation report is TL 176,730,000 (TL 211,030,975 including VAT).

The Transaction was evaluated within the scope of the Capital Markets Law article 23 and article 24 and the provisions of Communiqué no. II-23.3 on Significant Transactions and Exit Rights (the "Communiqué"), and the Transaction remained below the rates envisaged for significant transactions. When the activity of the asset subject to the Transaction is evaluated, although the activity of the Factory does not constitute the entire activity of the Company, within the framework of the possibility, the Transaction can be handled within the scope of the last sentence of Article 6/6 of the Communiqué no. No. II-23.3 on Significant Transactions and Exit Right. Then, necessary procedures were followed to submit the Transaction to the General Assembly to provide the respective shareholders the right to exit within the scope of the Communiqué no. No. II-23.3 on Significant Transactions and Exit Right.

At the meeting held at the Company's registered office on March 12, 2024, the agenda item regarding the sale of the Factory was accepted by majority vote with 1,133,729,100 positive votes. Döhler Gıda did not vote on the relevant article as it is considered a related party under Article 9 of the CMB's Corporate Governance Communiqué no. II-17.1. On April 19, 2024, a contract was signed between Konfrut Gıda and Döhler Gıda regarding the sales transaction, and the transfer process was initiated.

4.4. Statement of Compliance with the Sustainability Principles

Konfrut always follows good practices in sustainability, including those specified in the Capital Markets Board (“CMB”) Sustainability Principles Compliance Framework, and continues its operations by prioritizing a positive impact for everyone and the environment throughout the value chain. Operating with the vision of improving people’s lives through technology and sustainable practices and leading agricultural transformation by helping to protect the planet, Konfrut’s operations also serve the United Nations Development Goals. Aiming to pioneer green transformation with the principle of zero waste, the Company complies with the principles of equality, transparency, accountability, and responsibility with its sustainability approach.

With the publication of the CMB’s Communiqué No. II-17.1 (II-17.1.a) on Amendments to the Corporate Governance on October 2, 2020, the reporting of sustainability principles was included within the scope of the legislation, and the principle decision no. 34/977, dated June 23, 2022. The Company reports its activities’ environmental impacts and sustainability efforts and discloses them through the Public Disclosure Platform. The 2023 Sustainability Compliance Report is also included in the Konfrut 2023 Annual Report, and the Company will closely follow the developments and practices in the legislation and carry out the necessary work regarding compliance with sustainability principles and reporting in the future.



4.5. Sustainability Compliance Report

		STATUS OF COMPLIANCE				REMARKS	REPORT DETAILS ON PUBLICLY DISCLOSED INFORMATION
		Yes	Partial	No	Not applicable		
A. General Information							
A1. Strategies, Policies and Goals							
A1.1	The Company's Board of Directors has determined priority environmental, social, and corporate governance (ESG) issues, risks, and opportunities.	✓				Konfrut continues its sustainability efforts within the framework of the Sustainability Policy of Döhler Group, of which it is a member. The Company's agricultural operations aim at sustainable agriculture. Priority issues are determined by analyzing the sector, and process-based risk analyses are conducted within the Company.	Konfrut AG website: https://konfrutag.com.tr/etik-degerlerimiz Döhler's website: https://www.doehler.com/tr/suerdueruelebirlilik.html Konfrut 2023 annual report, section: "Sustainability Management," page 35
	ESG policies (e.g., Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) were formed and issued by the Board of Directors and disclosed to the public.	✓				Policies have been established within the Döhler Group, which includes Konfrut.	Konfrut 2023 annual report, section: "Sustainability," pages 31 -51 Occupational Health and Safety Policy: https://www.konfrut.com.tr/files/i_sg_politikasi.pdf Disclosure Policy: https://www.konfrut.com.tr/files/pdf/duyurular/knfrt_bilgilendirme_politikasi.pdf
A1.2	Short and long-term targets determined within the scope of ESG policies have been disclosed to the public.		✓			Short and long-term targets exist regarding quality, food safety, energy efficiency, and operational processes, and partial information about their content is provided.	Konfrut 2023 annual report, section: "Sustainability," pages 31 -51
A2. Practice/Monitoring							
A2.1	The committees and/or units responsible for executing the ESG policies, as well as the senior responsible persons and their duties in the Company regarding the ESG issues, have been determined and disclosed to the public.	✓				Within the Döhler Group, a working group carries out Sustainability efforts, including the employees of Konfrut. In addition, Konfrut AG has subcommittees focused on sustainability.	Konfrut 2023 annual report, section: "Board of Directors and Committees," page 14; and section: "Sustainability," pages 31-51
	The activities carried out by the responsible committee and/or unit within the scope of the policies have been reported to the board of directors at least once during the year.	✓					Konfrut 2023 annual report, section: "Sustainability," pages 31 -51
A2.2	Practice and action plans have been created per the ESG targets and disclosed to the public.		✓			There are targets and action plans for improvement and development on the ESG issues, but they have not been disclosed to the public.	

4.5. Sustainability Compliance Report

		STATUS OF COMPLIANCE				REMARKS	REPORT DETAILS ON PUBLICLY DISCLOSED INFORMATION
		Yes	Partial	No	Not applicable		
A2.3	ESG Key Performance Indicators (KPI) and the level of achievement of these indicators every year have been disclosed to the public.		✓			Key performance indicators determined annually are available but have not been disclosed to the public.	
A2.4	Activities to improve the sustainability performance of the business processes or products and services are disclosed to the public.	✓					Konfrut 2023 annual report, section: "Sustainable Agriculture," pages 36-44 Section: "Quality," pages 45-46
A3. Reporting							
A3.1	The annual reports provide information regarding the Company's sustainability performance, targets, and actions in an understandable, accurate, and sufficient manner.	✓					Konfrut 2023 annual report, section: "Sustainability," pages 31 -51
A3.2	The Company has disclosed to the public information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	✓					Konfrut 2023 annual report, section: "Sustainability," pages 31 -51
A3.3	Lawsuits filed against and/or concluded adversely on the ESG issues that are important in the ESG policies and/or that will significantly affect the activities disclosed to the public.				✓	No lawsuits are filed against our Companies within the relevant scope.	
A.4 Verification							
A4.1	The Company's ESG Key Performance metrics have been verified by an independent third party and publicly disclosed.		✓			Carbon footprint and water footprint calculations are made regularly for the production facility. Third-party verifications are carried out within the framework of the certifications received and food safety standards, but have not been disclosed to the public.	Konfrut 2023 annual report; section: "Sustainable Environmental Approach," pages 42-44

4.5. Sustainability Compliance Report

		STATUS OF COMPLIANCE				REMARKS	REPORT DETAILS ON PUBLICLY DISCLOSED INFORMATION
		Yes	Partial	No	Not applicable		
B. Environmental Principles							
B1	The Company has publicly disclosed its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard), and programs in the field of environmental management.	✓					Konfrut 2023 annual report; section: "Sustainable Environmental Approach," pages 41-44 Section: "Quality", pages 45-46
B2	Regarding the environmental reports prepared to provide information concerning environmental management, the report's scope, reporting period, reporting date, reporting conditions, and restrictions have been disclosed to the public.		✓			The respective efforts in progress.	
B4	Environmental targets included in the reward criteria within the scope of performance incentive systems based on the stakeholders (such as board members, managers, and employees) have been disclosed to the public.	✓					Konfrut 2023 annual report, section: "Human Resources," pages 47-51
B5	It has been publicly disclosed how the environmental issues identified as priorities are integrated into business goals and strategies.	✓					Konfrut 2023 annual report, section: "High Digitalization in Agriculture," pages 37-38; section: "Sustainable Agriculture Projects," pages 39-40; section: "Sustainable Environmental Approach," pages 41-44
B7	It has been disclosed to the public how environmental issues are managed and integrated into business goals and strategies throughout the partnership value chain, including the operational process, covering suppliers and customers.	✓					Konfrut 2023 annual report, section: "Sustainability," pages 31 -51 section: "Sustainable Agriculture Projects," pages 39-40

4.5. Sustainability Compliance Report

		STATUS OF COMPLIANCE				REMARKS	REPORT DETAILS ON PUBLICLY DISCLOSED INFORMATION
		Yes	Partial	No	Not applicable		
B8	Whether the relevant institutions and non-governmental organizations are involved in the policy-making processes regarding the environment and the collaborations with these institutions and organizations, have been disclosed to the public.				✓	It has not been involved in environmental policy-making processes with relevant organizations and non-governmental organizations.	
B9	In light of the respective environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) information regarding the effects thereof have been comparably disclosed to the public periodically			✓		Greenhouse gas emissions Scope-1, Scope-2, water and wastewater, and waste management data are calculated but have not been disclosed to the public.	
B10	Details of the standard, protocol, methodology, and base year used to collect and calculate the data have been disclosed to the public.			✓		The respective efforts are in progress.	
B11	The increase or decrease in environmental indicators for the reporting year compared to previous years has been disclosed to the public.			✓		Measurements are taken regularly but have not been disclosed to the public.	
B12	Short and long-term targets have been determined to reduce environmental impacts, and progress against those set in previous years has been disclosed to the public.		✓			Konfrut's agricultural operations are focused on sustainable agriculture and contribute to our country's agriculture, the environment, and society. The 2023 annual report includes explanations about the environmental impacts and progress of the activities.	Konfrut 2023 annual report, section: Sustainable Agriculture," pages 36-40 section: "Sustainable Environment Approach," pages 41-44
B13	A strategy to combat the climate crisis has been created, and the planned actions have been disclosed to the public.		✓			No strategy exists to combat the climate crisis, but environmentally friendly practices and projects are being carried out (Supporting tea agriculture with RA, contributing to the circular economy with tea fiber pelletizing operation and apple pulp operation, water recovery project, removing biomass from fossil fuel).	Konfrut 2023 annual report, section: Sustainable Agriculture," pages 36-40 section: "Sustainable Environment Approach," pages 41-44

4.5. Sustainability Compliance Report

		STATUS OF COMPLIANCE				REMARKS	REPORT DETAILS ON PUBLICLY DISCLOSED INFORMATION
		Yes	Partial	No	Not applicable		
	Programs or procedures have been established and disclosed to the public to prevent or minimize the potential negative impact of products and/or services on the environment.	✓				Sustainability Policy, Environmental Policy, and Energy Policy have been formed and included in the 2023 Konfrut annual report.	Konfrut 2023 annual report, section: "Sustainability," pages 31 -51
B14	Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g., suppliers, subcontractors, dealers, etc.), and these actions have been disclosed to the public.	✓				Biomass energy supply activities, digital farming practices, and tea farming activities with RA contribute to reducing farmers' greenhouse gas emissions. The Company strengthens its business relationships with environmentally friendly companies and encourages them.	Konfrut 2023 annual report, section: "High Digitalization in Agriculture," pages 37-38; section: "Sustainable Agriculture Projects," pages 39-40; section: "Sustainable Environmental Approach," pages 41-44
B15	The environmental benefits/gains and cost savings provided by initiatives and projects to reduce environmental impacts have been disclosed to the public.		✓			Feasibility studies regarding the environmental benefits provided by the implemented projects have not been disclosed to the public.	
B16	Energy consumption data (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) have been disclosed as Scope-1 and Scope-2.			✓		Some practices improve energy consumption, but data on greenhouse gas emissions Scope-1, Scope-2, and waste management have not been disclosed.	
B17	Public disclosure has been made about the electricity, heat, steam, and cooling produced in the reporting year.		✓			The activities have been mentioned in general terms in the Konfrut 2023 annual report.	Konfrut 2023 annual report; section: "Sustainable Environmental Approach," pages 41-44
B18	Studies have been conducted on increasing the use of renewable energy and switching to zero or low-carbon electricity, and the results have been disclosed to the public.	✓				It has activities in the field of biomass energy supply.	Konfrut 2022 annual report; section: "Sustainable Environmental Approach," pages 37-38 Konfrut 2022 annual report section: "Konfrut's Contribution to the Circular Economy," page 44
B19	Renewable energy production and usage data have been disclosed to the public.			✓		Studies are ongoing and have not been disclosed to the public.	
B20	Energy efficiency projects have been executed, and the amount of energy consumption and emission reduction achieved thanks to energy efficiency projects has been disclosed to the public.		✓			Projects related to energy efficiency have been mentioned in general terms in the Konfrut 2023 annual report. No explanation has been made based on the data.	Konfrut 2023 annual report; section: "Sustainable Environmental Approach," pages 37-38

4.5. Sustainability Compliance Report

		STATUS OF COMPLIANCE				REMARKS	REPORT DETAILS ON PUBLICLY DISCLOSED INFORMATION
		Yes	Partial	No	Not applicable		
B21	Water consumption, if any, amounts of water withdrawn from underground or above ground, recycled and discharged, and their sources and procedures have been disclosed to the public.		✓			General information has been shared under the Water Management subheading, but no data-based explanation has been made.	Konfrut 2023 annual report; section: "Sustainable Environmental Approach," pages 41-44
B22	It has been publicly disclosed whether the operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade, or Carbon Tax).				✓	By the Company's activities, it is not within the scope of the said legislation and initiative.	
B23	Carbon credit information accumulated or purchased during the reporting period has been disclosed to the public.				✓	By the Company's activities, it is not within the scope of the said legislation and initiative.	
B24	The details of whether carbon pricing is applied within the Company have been disclosed to the public.				✓	By the Company's activities, it is not within the scope of the said legislation and initiative.	
B25	The platforms where the partnership discloses its environmental information have been disclosed to the public.				✓	No statement has been made in this context.	
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	Corporate Human Rights and Employee Rights Policy has been formed to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation; those responsible for implementing the policy have been determined, and the policy and those responsible have been disclosed to the public.	✓					Konfrut 2023 annual report, section: "Human Resources," pages 47-51 section: "Disclosures on Corporate Governance/Code of Ethics and Social Responsibility," pages 56-57

4.5. Sustainability Compliance Report

		STATUS OF COMPLIANCE				REMARKS	REPORT DETAILS ON PUBLICLY DISCLOSED INFORMATION
		Yes	Partial	No	Not applicable		
C1.2	Considering supply and value chain impacts, fair labor, improvement of labor standards, women's employment, and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, (such as non-discrimination on issues such as disability, social and cultural differences, etc.) have been included in the policy regarding the employee rights.	✓					Konfrut 2023 annual report, section: "Human Resources," pages 47-51; section: "Corporate Governance Disclosures/Ethical Rules and Social Responsibility," pages 56-57
C1.3	Measures taken throughout the value chain to protect segments sensitive to specific economic, environmental, and social factors (low-income segments, women, etc.) or minority rights/equality of opportunity have been disclosed to the public.	✓				Working in cooperation with farmers supports the employment and education of the local people. Through the Company's ethical understanding and relevant policies, equal opportunities are provided, and no form of discrimination is allowed. Women's employment is supported within the Company. By the legislation, an appropriate number of disabled personnel is employed.	Konfrut 2023 annual report, section: "Human Resources," pages 47-51 section: "Sustainable Agriculture Projects," page 39; section: "Disclosures on Corporate Governance/Code of Ethics and Social Responsibility," Sections 56-57
C1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced labor, and child labor have been disclosed to the public.	✓					Konfrut AG website https://konfrutag.com.tr/etik-our-values Konfrut 2023 annual report, section: "Human Resources," pages 47-51; section: "Corporate Governance Disclosures/Ethical Rules and Social Responsibility," pages 56-57

4.5. Sustainability Compliance Report

		STATUS OF COMPLIANCE				REMARKS	REPORT DETAILS ON PUBLICLY DISCLOSED INFORMATION
		Yes	Partial	No	Not applicable		
C1.5	The employee rights policy includes investment in employees (training, development policies), compensation, fringe benefits, the right to unionize, work/life balance solutions, and talent management-related issues.	✓					Konfrut 2023 annual report, section: "Human Resources," pages 47-51 section: "Disclosures on Corporate Governance/Code of Ethics and Social Responsibility," pages 56-57
	Dispute resolution processes have been determined by establishing mechanisms for resolving employee complaints and disputes.	✓				Disputes are resolved with the human resources business partner system.	Konfrut 2023 annual report, section: "Human Resources Business Partner System," page 49
	Activities carried out during the reported period to ensure employee satisfaction have been disclosed to the public.	✓					Konfrut 2023 annual report, section: "Human Resources," pages 47-51
C1.6	Occupational health and safety policies have been formed and disclosed to the public.	✓				Occupational Health and Safety Policy has been created for the Döhler Group, including Konfrut, and implemented in all Group companies.	Occupational Health and Safety Policy: https://www.konfrut.com.tr/files/i_sg_politikasi.pdf
	Measures taken to prevent occupational accidents and protect health and accident statistics have been disclosed to the public.		✓			Measures taken for occupational health and safety have been disclosed to the public, and accident statistics have not been shared.	Konfrut 2023 annual report, section: "Occupational Health and Safety Practices," page 51
C1.7	Personal data protection and security policies have been created and disclosed to the public.	✓				PDPL Information Notice, Data Security and Consent Notice, and Privacy Policy have been created and disclosed to the public.	It is explained at the bottom of the home page on the corporate website. https://www.konfrut.com.tr/ Konfrut 2023 annual report, section: "Human Resources/Personal Data Protection and Information Security," page 49
C1.8	An ethics policy has been formed and disclosed to the public.	✓					Konfrut AG website https://konfrutag.com.tr/etik-our-values Konfrut 2023 annual report, section: "Corporate Governance Disclosures/Ethical Rules and Social Responsibility", pages 56-57
C1.9	Studies on social investment, social responsibility, financial inclusion, and access to finance have been explained.	✓				A sustainable agricultural ecosystem has been created with the "Organic/Residue-Free Strawberry Project from Field to Table."	Konfrut 2023 annual report, section: "Organic Strawberry from Field to Table Project," page 39
C1.10	Informational meetings and training programs ESG policies and practices have been organized for the employees.	✓				Employees have been informed about the ESG issues through training and events.	Konfrut 2023 annual report, section: "Human Resources," page 47 section: "2023 Farmers' Meetings," page 39

4.5. Sustainability Compliance Report

		STATUS OF COMPLIANCE				REMARKS	REPORT DETAILS ON PUBLICLY DISCLOSED INFORMATION
		Yes	Partial	No	Not applicable		
C2. Stakeholders, International Standards, and Initiatives							
C2.1	A customer satisfaction policy regarding managing and resolving customer complaints has been prepared and disclosed to the public.	✓					Konfrut 2023 annual report, section: "Quality," pages 45 -46
C2.2	Information about the communication carried out with the stakeholders (which stakeholders, subject, and frequency) has been disclosed to the public.	✓				Dialogue platforms have been classified to manage the stakeholder dialogue process effectively.	Konfrut Food Information Policy; https://www.konfrut.com.tr/files/pdf/duyurular/knfrt_bilgilendirme_politikasi.pdf
C2.3	International reporting standards adopted in reporting have been described.	✓				The Company prepares the annual report within the framework of the Turkish Commercial Code and the CMB legislation.	
C2.4	The principles adopted regarding sustainability, the international organizations, committees, and principles of which we are signatories or members have been disclosed to the public.	✓					Konfrut 2023 annual report, section: "Sustainability," pages 31 -51
C2.5	Improvements have been made and efforts have been carried out to include them in the sustainability indices of the Istanbul Stock Exchange and/or the respective international index providers.			✓		In 2023, no work has been carried out on behalf of Konfrut Gıda to include it in the Istanbul Stock Exchange's Sustainability Index.	
D. Corporate Governance Principles							
D1	Stakeholders' opinions have been consulted in determining measures and strategies in the field of sustainability.	✓				Studies in sustainability are determined by consulting the opinions of all the stakeholders (suppliers, customers, employees, investors, etc.).	Konfrut 2023 annual report, section: "Corporate Governance Disclosures/Ethical Rules and Social Responsibility," page 55
D2	Efforts have been made to raise awareness about the issue of sustainability and its importance through social responsibility projects, awareness events, and training.	✓					Konfrut 2023 annual report, section: "Human Resources," pages 47-51; section: "Sustainable Agriculture Projects," page 39

4.6. Statement of Liability

Statement of Liability Pursuant to Article 9 of the Capital Markets Board's Communiqué No. II-14.1 on Principles of Financial Reporting in the Capital Markets

We hereby declare that the consolidated statement of financial status, together with the footnotes, profit or loss and other comprehensive income statement, cash flow statement, statement of changes in equity and Board of Directors annual report, which were prepared by our Company and audited by Rasyonel Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş., an independent audit firm. It was adopted by Konfrut Gıda Sanayi ve Ticaret A.Ş.' Board Resolution no. 2024/4 dated 06.05.2024, for the accounting period of 01.01.2023 - 31.12.2023, by the Capital Market's Board's Communiqué no. II-14.1 ("the Communiqué") and in compliance with the Turkish Accounting Standards/Turkish Financial Reporting Standards (TMS/TFRS).

- We have examined it,
- It does not contain any untrue statements on important matters or any omissions that may result in misleading as of the date the statement was made, within the framework of the information we have in our field of duty and responsibility in our Company,
- It reflects the facts in an honest manner about the assets, liabilities, financial status, and profit and loss of the business, together with such aspects mentioned in the consolidated financial statements prepared pursuant to the Communiqué within the framework of the information we have in our field of duty and responsibility in our company, and that the annual report reflects the facts in an honest manner about the business developments and performances as well as the business' financial condition together with such major risks and uncertainties that our company may be vulnerable to.
- We have examined the corporate governance compliance report, corporate governance information form, and reporting prepared for the relevant accounting period within the scope of CMB's sustainability principles compliance framework. We have found that these reports have been prepared in compliance with the procedures and principles determined by CMB's Corporate Governance Communiqué no. II-17.1 and the relevant legislation.

KONFRUT GIDA SANAYİ VE TİCARET A.Ş.

Muhammed Enes Haşim
Chairman, Audit
Committee

Emir Feyzi Güçlü
Member, Audit
Committee

Bilsay Bilge
Director, Financial
Affairs

Independent Auditor's Report on the Annual Activity Report of the Board of Directors

To the General Assembly of Konfrut Gıda Sanayi ve Ticaret Anonim Şirketi

1) Opinion

We have audited the annual report of Konfrut Gıda Sanayi ve Ticaret Anonim Şirketi (the "Company") and its subsidiary (together referred to as the "Group") for the accounting period of 01 January 2023 - 31 December 2023.

We opine that the analysis made by the Board of Directors using the financial information included in Board of Directors' annual activity report and using the information in the audited financial statements about the Group's situation are consistent, in all material respects, with the audited complete set of consolidated financial statements and the information we obtained during the independent audit is accurate.

2) Basis for Opinion

Our independent audit was conducted under the Independent Auditing Standards ("IAS"), which are part of the Turkish Auditing Standards adopted within the framework of the Capital Markets Board regulations and published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibilities under the IAS are explained in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Annual Report section of our report. We declare that we are independent of the Group by the Ethical Rules for Independent Auditors (Including Independence Standards) ("Ethical Rules") published by the POA and the ethical principles regarding independent auditing in the Capital Markets Board legislation and other relevant legislation. Other ethics-related responsibilities within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the independent auditing evidence we obtained during the performance of the independent audit constitutes a sufficient and appropriate basis for forming our opinion.

3) Our Auditor's Opinion on the Full Set of Financial Statements

In our auditor's report dated May 6, 2024, we expressed a positive opinion on the Group's full set of consolidated financial statements for the accounting period of January 1, 2023, to December 31, 2023.

4) Board of Directors' Responsibility for the Annual Report

The Group management is responsible for the annual report in compliance with the Capital Markets Board's Communique No. II-14.1 on "Financial Reporting in the Capital Markets" and Articles 514 and 516 of the Turkish Commercial Code (TCC) No. 6102 and the Capital Markets Board's Communique No. II-14.1 on "Financial Reporting in the Capital Markets" (the "Communique"):



a) It prepares the annual activity report within the first three months following the balance sheet date and submits it to the general assembly.

b) It prepares the annual activity report in a way that accurately, ultimately, straightforwardly, truthfully, and honestly reflects the flow of the Group's activities and financial situation for that year. This report evaluates the financial situation according to the financial statements. It also clearly indicates the group's development and any risks it may encounter. The board of directors' evaluation of these issues is also included in the report.

c) The annual report also includes the following matters:

- Events of particular importance that occurred in the Company after the end of the operating year
- The Company's research and development activities,
- Financial benefits include wages, premiums, bonuses paid to board members and senior managers, allowances, travel, accommodation and representation expenses, in-kind and cash opportunities, insurance and similar guarantees.

While preparing the annual report, the board of directors also considers the secondary legislation regulations made by the Ministry of Customs and Trade and relevant authorities.

5) Responsibility of the Independent Auditor Regarding the Independent Audit of the Annual Activity Report

We aim to determine whether the financial information included in the annual report within the framework of the provisions of the Communiqué and the Turkish Commercial Code as well as the analysis made by the Board of Directors using the information in the audited financial statements about the Group's situation are consistent with the audited financial statements of the Group and the information we obtained during the independent audit and, whether they reflect the truth, and give an opinion on whether it reflects our opinion and prepare a report containing this opinion.

Our independent audit was conducted under IAS. These standards ensure compliance with the ethical provisions and require that the independent audit is planned and carried out to ensure reasonable assurance is obtained. They also address whether the financial information included in the annual report and the analysis made by the Board of Directors using the information in the audited financial statements about the situation of the Group complies with the financial statements and the information obtained during the audit and whether they reflect the truth.

The responsible auditor who conducted and concluded this independent audit is Halit Özdemir.

Rasyonel Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.

Halit Özdemir, CPA

Responsible Auditor

Istanbul, May 6, 2024

