



HARMONY WITH NATURE

RESPECT FOR OUR ROOTS

A Future Vision in Pursuit of Sustainability



SUNEL T.T.A.S.

2024 TSRS Aligned Sustainability Report

About the Report



As Sunel Ticaret Türk A.Ş., in our Sustainability Report, we present our business model, sustainability strategy, and the environmental, social, and governance (ESG) targets we have set for 2024, while transparently sharing our performance with the public.

This report covers the 12-month reporting period from January 1 to December 31, 2024. The content of the report focuses on the activities carried out at Sunel's headquarters and production facility located in İzmir.

The report reflects our contributions to the United Nations 2030 Agenda and its Sustainable Development Goals (SDGs), and has been prepared in accordance with the GRI Sustainability Reporting Standards. In addition, for the first time this year, we have voluntarily aligned our reporting with the Türkiye Sürdürülebilirlik Raporlama Standartları (TSRS) issued by the Public Oversight Accounting and Auditing Standards Authority (KGK). Within this framework, climate-related risks have been examined in detail in line with the relevant Communiqué and TSRS requirements.

In order to review our strategy, assess risks and opportunities, and plan future actions, a materiality analysis was conducted with input from our stakeholders. Accordingly, our key environmental, social, and governance topics were identified.

Under the leadership of our Sustainability Committee, we remain committed to advancing our efforts in line with our strategic sustainability goals extending into 2025.

Table of Contents

4 About the Company

- 5 About Us
- 6 Message from the Chairman of the Board
- 7 General Manager's Message
- 8 Overview of 2024
- 9 Türkiye Tobacco Map
- 10 Products
- 11 Memberships and Partnerships

12 Corporate Governance

- 13 Our Vision, Mission and Core Values
- 14 Board of Directors
- 15 Executive Management
- 16 Sustainability Approach
- 19 Sustainability Governance
- 21 Materiality Analysis
- 22 Materiality Matrix
- 23 Sustainability Targets
- 28 Corporate Risk Management
- 28 Business Ethics
- 29 Data Privacy and Information Security
- 30 Stakeholder Engagement

34 Environmental Sustainability

- 35 Our Environmental Management Approach
- 36 Emission Management
- 36 Climate Change
- 37 Energy Efficiency
- 38 Waste Management
- 39 Water and Wastewater Management
- 40 Our Water Risks
- 41 Biodiversity

42 Sustainable Product Management

- 43 Our Approach to Sustainable Product Management
- 44 Organic and Innovative Production
- 45 Sustainable Supply Chain

48 Social Sustainability

- 49 Our Approach to Social Sustainability
- 49 Occupational Health and Safety
- 50 Emergency Preparedness and Response
- 51 OHS Trainings
- 52 OHS Practices and Personal Protective Equipment
- 53 Our Approach to Human Rights
- 54 Our Commitment Against Child Labor
- 54 Human Resources Practices
- 55 Training
- 55 Inclusion
- 56 Empowering Women
- 56 Women's Empowerment and Participation
- 59 Employee Rights
- 59 Farmers Advantage Card (ÇAK)

61 Performance Indicators

- 62 Performance Indicators

68 GRI Content Index

- 69 GRI Content Index

74 TSRS

- 75 Introduction
- 77 Governance
- 80 Risk Management
- 82 Strategy
- 87 Metrics and Targets

01

A Journey Bridging Tradition and **the Future**

About the Company



About Us

Our History: From 1939 to the Present

Founded in 1939, Sunel Ticaret Türk A.Ş. is one of the oldest companies in the tobacco sector, with deep-rooted traditions. However, the true foundations of our company and the beginning of its current enterprise date even further back. In a unique twist of fate, the history of our company is closely intertwined with that of the Republic of Türkiye.

As is known, following the collapse of the Ottoman Empire, countries around the world were struggling to overcome the Great Depression in the early 1930s and seeking mutual solutions to economic challenges. At that time, the Ottoman Empire's significant debt to the United Kingdom was assumed by the newly founded Republic of Türkiye.

In an effort to repay this debt, the Republic of Türkiye began to explore alternative methods. As a result of negotiations between the British Foreign Office, the Trade Board, and the Turkish Government, and upon the specific instructions of the Turkish Ministry of Foreign Affairs, it was decided to establish a company: Sunel.

It was mutually agreed that Türkiye's debt would be repaid through tobacco exports, with the value of the exported tobacco deducted from the outstanding debt. Thus, the establishment and development of the company marked a significant economic milestone in the history of the Republic of Türkiye.

With a history spanning over 85 years, Sunel Ticaret Türk A.Ş. has grown into one of Türkiye's largest private tobacco companies. The company operates with 100,000 square meters of enclosed operational space, state-of-the-art processing and storage facilities, modern laboratories, and a reputation for superior product quality.

Sunel is owned by the Gürel family and remains one of the oldest leaf tobacco suppliers in Türkiye.

Our Potential

At Sunel Ticaret Türk A.Ş., we collaborate with approximately 10,000 farmers and have a procurement capacity of 15,000 tons of unprocessed tobacco. With our innovative approach, we prioritize traceability through our internal digital systems. This traceability framework enables us to closely monitor the entire process from seed to packaging.

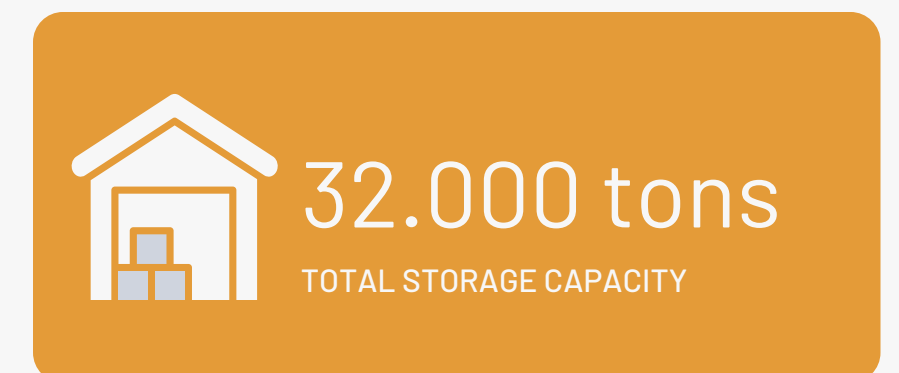
Our warehouses have a total storage capacity of 10,000 tons of green tobacco, with an additional 10,000 tons of extended capacity. Our Armutlu facility in İzmir is located 35 kilometers from our main storage hub.



Processed tobacco is packaged into C48 cartons and stored in both our central and Armutlu warehouses, which have a total storage capacity of 32,000 tons. To diversify our tobacco portfolio, we have expanded our operations from Türkiye to Albania. Furthermore, we play a pioneering and leading role in the cultivation of organic İzmir tobacco. As a fully Turkish-owned company, we maintain close and socially engaged relationships with our farmers.

The scale of operations under the Gürel Group has enabled the company to establish strong ties across all levels of public institutions. We hold an influential position within the Chamber of Commerce, the Aegean Exporters' Association, and the Turkish Exporters Assembly. Our operations are led by professional managers, fostering trust in our corporate structure. As a result, Sunel Ticaret Türk A.Ş. has been recognized as a premium supplier and strategic partner by leading global tobacco companies.

With our integrated facility operating under one roof, technical expertise, cutting-edge processing machinery, modern laboratories, and comprehensive quality control systems, we are positioned as a leader in the domestic tobacco industry. Offering pioneering innovations in tobacco processing and enhancement, our facility has a daily green tobacco processing capacity of 240 tons and the ability to handle two different grades simultaneously. To eliminate non-tobacco related materials (NTRM), we implement 100% NTRM scanning across our operations.



Message from the Chairman of the Board



Kazım Gürel
Chairman of the Board

With roots dating back to 1939, Sunel has always been more than a tobacco company—it is a symbol of Türkiye’s economic history and a testament to the power of adaptation over generations.

Today, we stand at a pivotal moment in our journey. Sustainability is no longer a separate agenda; it is the foundation of how we do business. We recognize that our success is inseparable from the well-being of the environment, the communities we work with, and the trust of our stakeholders. This report demonstrates how we are integrating environmental, social, and governance principles into every facet of our operations and decision-making processes.

Throughout 2024, we took important steps to enhance our resilience against climate change, to engage more closely with our farmers and suppliers, and to further embed sustainability into our culture. These efforts are not just about meeting regulatory requirements—they are about safeguarding the future of our company and the generations to come.

I would like to emphasize that none of these achievements would be possible without the dedication of our employees, the collaboration of our suppliers, and the confidence of our partners and customers. Together, we are creating long-term value, not only for our business but also for the broader ecosystem in which we operate.

Looking ahead, we remain steadfast in our vision: to continue evolving as a company that respects the environment, supports its people, and contributes positively to society. With the strength of our legacy and the clarity of our purpose, we will keep moving forward on our sustainability journey with determination and optimism.

Thank you for being part of this journey.

Kazım Gürel

Dear Stakeholders,

As Sunel Ticaret Türk A.Ş., we are proud to share with you our Sustainability Report, which reflects not only our operational performance but also our enduring commitment to building a responsible and resilient future.

General Manager's Message



Serdar Büyüksaraç
General Manager

Dear Stakeholders,

It is with great pride that I present Sunel Ticaret Türk A.Ş.'s Sustainability Report for 2024—our first report fully aligned with the Türkiye Sustainability Reporting Standards (TSRS) and international best practices. This year marked an important milestone in our journey as we advanced our commitments, strengthened our governance mechanisms, and set clearer ambitions for the future.

Sustainability is at the heart of our strategy. In 2024, we took concrete steps to embed environmental and social responsibility into our operations and value chain. One of our key achievements was becoming a signatory to the Women's Empowerment Principles (WEPs), underscoring our dedication to diversity, equality, and inclusion across every level of our organization. We are determined to foster a workplace where all voices are heard and valued, and this membership reflects that long-term vision.

Equally significant was our progress in climate action. We have initiated comprehensive efforts to define carbon reduction targets in line with the Science Based Targets initiative (SBTi) 1.5°C trajectory, and we are moving forward with confidence on this path. These targets are not merely aspirational statements; they serve as guiding principles that shape our investment decisions, drive operational improvements, and strengthen our engagement with all stakeholders.

This year, we also deepened our understanding of climate-related and water-related risks. With the support of external experts, we completed comprehensive climate scenario analyses and water risk assessments across our facilities and key supplier regions. These studies give us valuable insights into vulnerabilities such as water scarcity, flooding, and temperature extremes, enabling us to proactively plan and build resilience into our supply chain.

Transparency remains a cornerstone of our sustainability agenda. Same as last year, we reported to the Carbon Disclosure Project (CDP), demonstrating our commitment to accountability and continuous improvement. This step not only enhances our global visibility but also challenges us to perform better year after year.

All these initiatives reflect our conviction that sustainability is not a parallel track but an integral part of our core business. As we celebrate these achievements, I want to express my deepest gratitude to our employees, farmers, suppliers, and partners whose dedication and collaboration made this progress possible.

Looking ahead, we will continue to push boundaries, strengthen our governance, and drive transformative actions that create long-term value for all our stakeholders. Together, we will ensure that Sunel's legacy of over eight decades continues with an even stronger, more sustainable vision for the future.

Thank you for your trust and support.

Serdar Büyüksaraç

Overview of 2024

General Volume (Ton) – Türkiye Tobacco Crop 2021–2024

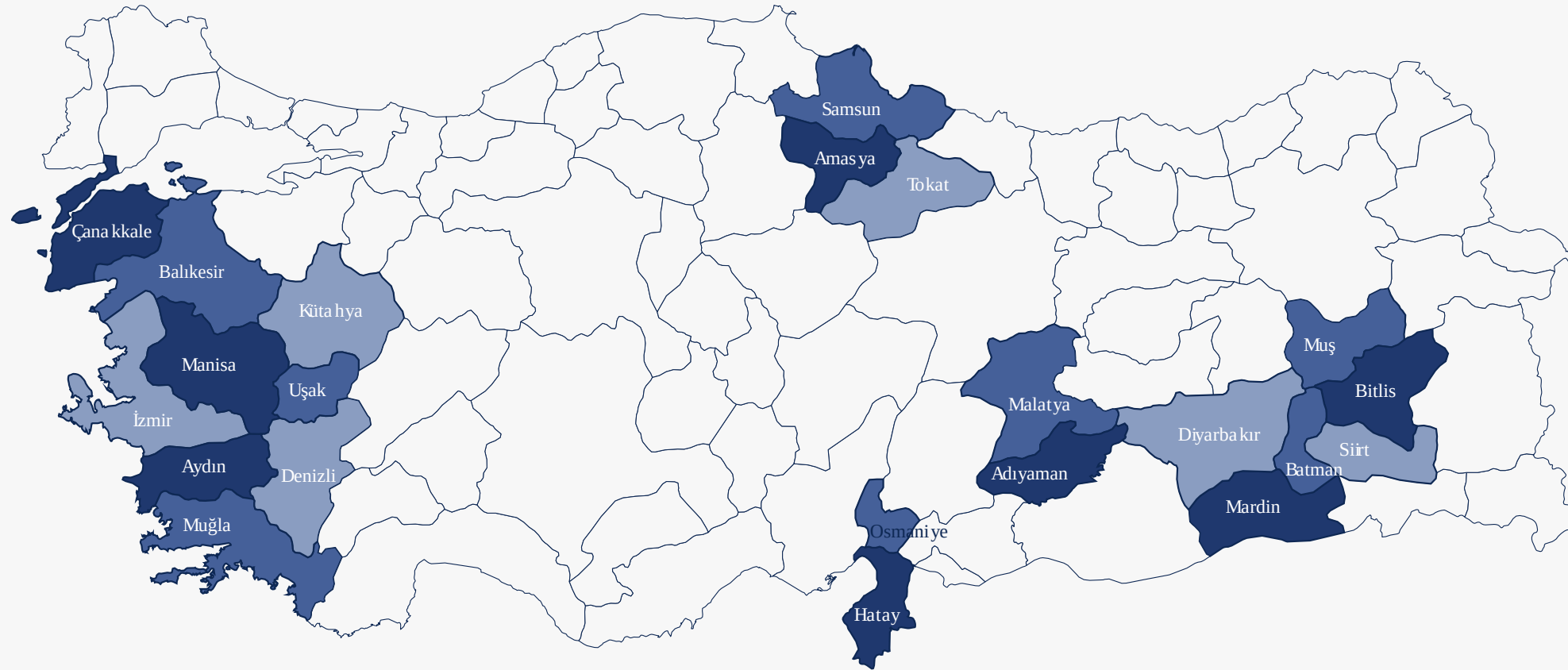
Tobacco Variety	2021	2022	2023	2024
İzmir	33,000	37,400	41,100	35,120
Samsun	4,100	3,565	2,755	3,680
Basma	2,800	1,625	1,103	1,500
İzmir Adıyaman	10,800	6,520	6,234	6,400
SCV-FCV	5,100	5,950	16,488	24,350
Prilep	710	510	2,300	3,280
Talgar-Burley	230	550	1,100	1,790
Other*	1,495	2,725	4,934	1,860
Total	58,235	58,845	76,014	77,980

*Other: Local Varieties, Yayladağı, Muş, Bitlis, Adıyaman, Silvan, Hasankeyf

General Volume (Ton) – Balkans Tobacco Crop 2021–2024

Country	Tobacco Variety	2021	2022	2023	2024
Bulgaria	Krumovgrad	4,000	3,500	3,000	3,000
	Katerini	500	300	100	100
Greece	Basma	7,000	5,000	3,500	3,000
	Katerini	4,000	3,000	1,000	2,000
The Republic of North Macedonia	Prilep	21,500	20,800	20,000	24,300
	Yaka	250	-	-	-
Albania	Katerini	325	550	600	95
	İzmir	130	100	-	700

Türkiye Tobacco Map



- Çanakkale (Basma)
- Balıkesir (İzmir)
- Kütahya (İzmir)
- Manisa (İzmir + SCV + FCV)
- İzmir (İzmir + SCV)
- Aydın (İzmir + SCV)
- Uşak (İzmir)
- Denizli (İzmir)
- Muğla (İzmir)

- Samsun (Samsun + Burley)
- Amasya (Burley + Basma)
- Tokat (Basma + Talgar + Burley)
- Osmaniye (Yayladağ Basma)
- Hatay (Burley + Prilep + Yayladağ Basma)

- Malatya (Adıyaman)
- Adıyaman (Adıyaman + İzmir Doğu + SCV)
- Diyarbakır (Silvan + SCV)
- Batman (SCV + Silvan)
- Siirt (SCV + Silvan)
- Bitlis (Bitlis)
- Muş (Muş + Talgar)
- Mardin (SCV)

2024 Product Distribution (tons)




Product	Share (%)	Quantity (ton)
İzmir	%	45.04%
SCV-FCV	%	31.23%
İzmir- Adıyaman	%	8.21%
Samsun	%	4.72%
Prilep	%	4.21%
Others	%	2.39%
Talgar-Burley	%	2.30%
Basma	%	1.92%

Products

Izmir

This variety is cultivated in the Aegean Region on sandy, volcanic terrain known as calcareous or limestone soils, which are unique to the region.




Izmir tobacco features small-sized, firm-textured, and flexible leaves in shades of yellow, greenish-yellow, and reddish hues. It is preferred for its slow and smooth smoking quality, and is known to enhance blends with its excellent burnability and aromatic structure.

-  Nicotine: **0.90%**
-  Sugar: **15–16%**
-  Chloride: **0.50%**

Samsun

This variety is cultivated in the hilly areas inland from the Black Sea coast, primarily on forest-rich brown soils.


Samsun tobacco features small, thin-textured, rippled leaves with a velvety feel, high hygroscopicity, and flexible structure. It displays bright hues of red and reddish tones. Known for its high burnability, Samsun offers a rich, aromatic smoking experience.

-  Nicotine: **1.2%**
-  Sugar: **8–9%**
-  Chloride: **0.60%**

Basma

Grown in the inland valleys of the Black Sea region, Basma thrives on moderately strong, reddish-brown or light brown clay-limestone soils.




It has small, thin-textured, highly hygroscopic leaves with shades of yellow and orange. Basma is favored for its good burnability and distinct, mild aroma, contributing positively to blend enhancements.

-  Nicotine: **1.2%**
-  Sugar: **10.2%**
-  Chloride: **1.0%**

Virginia

Primarily grown in Southeastern Anatolia, Virginia tobacco is cultivated in weak to moderately fertile, neutral to slightly acidic, light-colored sandy soils with deep profiles and irrigation capacity.

Comprising nearly 75% of global tobacco production, Virginia tobacco generally consists of medium to large leaves. In Turkey, the curing process is typically done via sun-curing (SCV) or curing in barns (FCV). Leaf colors range from orange to bright yellow, and the shape is broad-bodied with a pointed tip. Leaves are thick-veined and flexible in texture. Virginia is appreciated for its excellent burning and filling characteristics, enhancing blend flavor and structure, and is also suitable for standalone consumption.

-  Nicotine: **1.5–2.0%**
-  Sugar: **10–12%**
-  Chloride: **1.3%**

Yearly Production Capacity



28,641,600 kg

Processed Leaf Tobacco (Izmir, Samsun, Basma, Virginia, Prilep, etc.)

Memberships and Partnerships

Strong Collaborations and Active Memberships

At Sunel Ticaret Türk A.Ş., we extend our sustainability efforts beyond our operational boundaries by engaging in impactful collaborations and strategic memberships. We actively participate in leading sectoral organizations such as the İzmir Chamber of Commerce (İZTO), Aegean Region Chamber of Industry (EBSO), Aegean Exporters' Associations (EİB), and the Turkish Exporters Assembly (TİM).



Through these memberships, we contribute to the development of the industry, gain access to best practices, and build collaborative initiatives that foster innovation, sustainability, and economic growth. These platforms also provide opportunities to communicate and expand our sustainable development goals to broader audiences.

Throughout 2024, we actively contributed to joint initiatives under the Aegean Tobacco Exporters' Association (ATEA), including the disposal of **CPA (Crop Protection Agents)** waste, activities of the **NTRM (Non-Tobacco Related Materials)** elimination working group, and the **Farmers' Club**.



Additionally, in collaboration with our sister company Kütaş, we engage in regular information exchange on human rights, child labor, and field practices. Our synergy meetings help disseminate best practices across operations.

These partnerships and participations reflect our commitment to achieving sustainable development goals at both the local and national levels.

Awards

We achieved a significant improvement in our export performance, ranking 549th in the Turkish Exporters Assembly (TİM) Top 1000 Exporters List for 2024, up from 896th place in 2023. This progress reflects our continued commitment to expanding our global presence and delivering sustainable growth in international markets.



Women's Empowerment: WEPs Signatory

Thanks to our initiatives supporting the economic and social empowerment of women employees and farmers, we officially became a signatory to the United Nations Women's Empowerment Principles (WEPs) as of 2024.

This membership formally recognizes our commitment to gender equality on an international level. We continue to advocate for women's rights in the workplace, in the field, and in social life—implementing practices that support equal pay for equal work, leadership opportunities, and gender-responsive processes.

02

Growing Trust with Transparency

Corporate Governance



Our Vision, Mission and Core Values

Our vision, mission, and core values, shaped around a sustainability focus and guide all our activities. We pursue our goal of maintaining a leadership position in the tobacco industry with a holistic approach that prioritizes both people and the environment.

Our Vision

To be a pioneering and guiding force in the tobacco industry by advancing sustainable production practices.

Our Mission

To promote sustainable tobacco exports through environmentally and socially responsible production methods, while building long-term and robust commercial partnerships with national and international stakeholders.

Our Corporate Governance Approach

We continuously strengthen our corporate governance framework by embedding sustainability and ethical values into all our business processes. We believe our success stems from fostering trust-based relationships built on transparency and accountability.

Our governance model extends beyond internal structures to include our relationships across the entire supply chain. We promote a governance culture based on ethical and environmental responsibility, respect for human rights, and ongoing education that enables conscious decision-making at all levels.

Moreover, we align with national and international regulations to uphold our commitments to human rights, ethical business conduct, environmental sustainability, and corporate transparency. Through this approach, we aim to build a trustworthy and responsible business model—both within our operations and across our value chain.



Board of Directors

Our Board of Directors is composed of seven members with extensive experience and expertise across various disciplines. Each member serves with the objective of supporting Sunel Ticaret Türk A.Ş.'s sustainable growth, executing strategic goals, and ensuring the effective management of our operations.

Our Chairman of the Board brings over 50 years of industry experience, offering strategic leadership to the company. Other board members contribute to and oversee our activities across key areas such as finance, technical operations, information systems, and organizational coordination.

As the Board of Directors, we are committed to ensuring the company's long-term corporate success and sustainability through transparency, ethical conduct, and a strong sense of accountability

Board Member	Position	Education	Sectoral Experience
Kazım İter Gürel	Chairman of the Board	Master's Degree	35 years
Halil İstemi Gürel	Board Member	Bachelor's Degree	60 years
İlgi Fehmi Gürel	Board Member Responsible for Technical Affairs	Bachelor's Degree	36 years
Mehmet Gürel Kapani	Board Member Responsible for Financial and Legal Affairs	Master's Degree	29 years
Mahru Gürel Ağdanlı	Board Member Responsible for Coordination	Bachelor's Degree	14 years
İstemi Kazım Gürel	Board Member Responsible for Information Systems	Master's Degree	13 years


Work Experience



More than 25 years:
4 members

Less than 15 years:
2 members

Education Statue



Master's Degree:
3 members

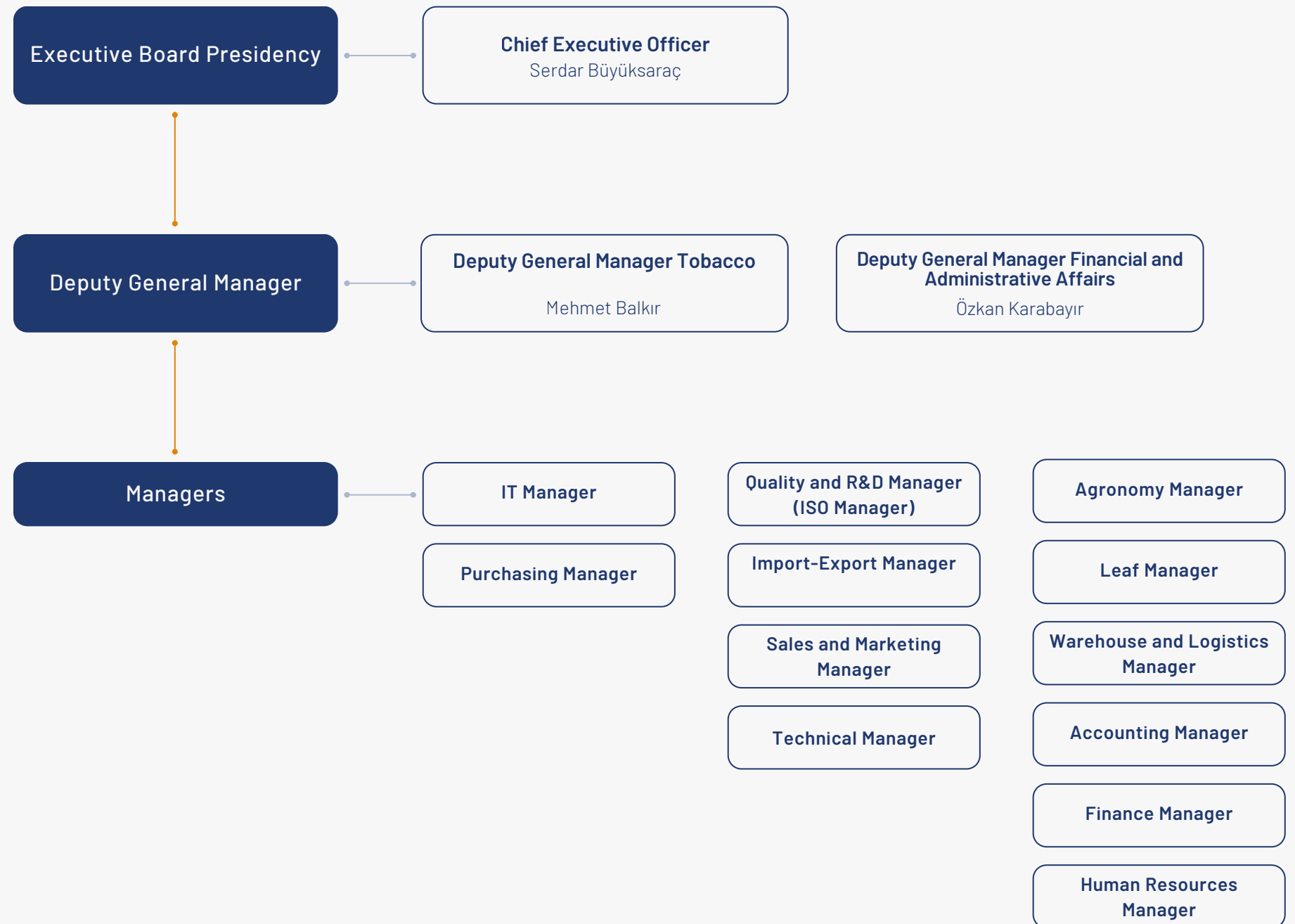
Bachelor's Degree:
3 members

Executive Management

Our executive management team provides strategic direction aligned with our sustainable growth objectives and oversees all corporate activities. While our Chief Executive Officer leads the overall management of the company, our Deputy General Managers ensure the effective planning, execution, and coordination of operational processes.

Department heads lead their respective areas, contributing to the efficient, agile, and sustainable implementation of our operations. Each executive plays a critical role in achieving our strategic goals through their expertise and experience in their field.

Thanks to our flexible organizational structure, we swiftly adapt to changing market conditions and continuously improve our operational efficiency through innovative decision-making processes.



Sustainability Approach

At Sunel Türk Ticaret A.Ş., our sustainability governance is fundamentally anchored in the United Nations Sustainable Development Goals (SDGs). These globally recognized targets define our environmental, social, and governance responsibilities and directly inform both our strategic roadmap and daily operational decisions.

As a company operating within a highly interconnected and multi-stakeholder sector, we take action across a wide range of sustainability areas—including human rights, climate action, responsible production, and gender equality—ensuring full alignment with the SDGs. Our sustainability strategy goes beyond internal corporate goals; we structure it to generate tangible contributions to the global sustainability agenda.

In this context, we evaluate each SDG separately and provide a transparent account of how our 2024 activities have supported these global goals:



No Poverty

Through the Farmers Club, we offer special discounts to 47,000 farmers, facilitating access to agricultural inputs and essential goods.



Zero Hunger

By promoting rural development and sustainable farming practices, we support income security for growers and contribute to reducing poverty and hunger.



Good Health and Well-being

5,500 sets of personal protective equipment (masks, goggles, gloves, overalls) were distributed in 2024 to mitigate CPA exposure; 6,600 sets are planned for 2025.

- A Green Tobacco Sickness (GTS) risk study was completed, determining a 4.67% risk rate and resulting in a scientific publication.
- 100 first aid kits were distributed to farmers in 2024.
- Check-up packages and breast cancer screenings were offered to women farmers through hospital partnerships in Denizli, Akhisar, Samsun, and Batman.



Quality Education

Special training programs were organized for women farmers on medical care, pest and disease management, and labor rights.

- A project was implemented in cooperation with EYKA to combat child labor, and a social action plan is under development.
- All newly contracted farmers received brochures outlining sustainable tobacco production principles.
- Behavioral Science Project was conducted in collaboration with Izmir University of Economics to promote occupational health awareness.



Gender Equality

- In 2024, six more female forklift operators were certified, bringing the total to 21.
- Brochures on women’s rights and combating gender-based violence were distributed.
- Free health screenings and check-ups were organized via KETEM for female farmers.
- "Pink Collar" representatives were appointed to focus on women's rights.
- As of 2024, Sunel Türk Ticaret A.Ş. became an official signatory of the UN Women’s Empowerment Principles (WEPs).

Sustainability Approach



Clean Water and Sanitation

A river clean-up event was planned in 2024 along the Gediz River in cooperation with the Manisa Governor's Office and Municipality, involving Sunel Türk Ticaret A.Ş. employees and environmental volunteers.



Affordable and Clean Energy

- A rooftop solar power plant (GES) is planned for 2025 to meet 70% of energy needs at our processing and storage facilities.
- In 2024, 15% of total energy was certified as renewable through I-REC; the target is 100% by 2025.



Decent Work and Economic Growth

- The Farmers Club program, covering 47,000 farmers, provides economic support and special discounts.
- A certification program for CPA applicators was launched in cooperation with the Tavas District Directorate of Agriculture.
- The child labor elimination program continues in partnership with EYKA and ECLT (Eliminating Child Labour in Tobacco Growing Foundation).
- Employee training, monitoring, and field guidance on occupational health and safety were enhanced.



Industry, Innovation and Infrastructure

- A solar energy investment (GES) is planned for 2025 to transform our energy infrastructure.
- The IMECE Mobile system supports agricultural decision-making by analyzing satellite-supported data such as crop history, water, and nitrogen levels.



Reduced Inequalities

Equal opportunities were promoted for vulnerable groups through tailored education and health programs for women farmers, inclusive work models for refugee workers, and economic support via the Farmers Club.



Sustainable Cities and Communities

Social support mechanisms and climate risk awareness trainings for rural growers strengthened both community resilience and regional adaptation capacity.



Responsible Consumption and Production

- Organic production is supported through organic fertilizers and NOP-certified crop protection products.
- Sunel Türk Ticaret A.Ş. maintains a pioneering role in Organic İzmir Tobacco cultivation in Türkiye.
- In 2024, 1.1 tons of CPA packaging waste were disposed of, and six new collection points were established.
- 100% NTRM scanning and targeted training were carried out to prevent non-tobacco material contamination.
- The third phase of Life Cycle Assessment (LCA) projects was initiated for the 2024 crop.



Climate Action

- Climate scenario analysis was conducted with EcoAct using RCP and SSP pathways.
- ISO 14064 (GHG Emissions) and ISO 14046 (Water Footprint) certifications were maintained.



Life Below Water

By planning the project of conducting a clean-up along the Gediz River in 2024, we contributed to the preservation of aquatic ecosystems.

Sustainability Approach



Life on Land

- 100% of tobacco production areas are monitored via GPS; deforestation risks and field history are analyzed through IMECE Mobile.
- Awareness training is delivered to farmers on avoiding production in forest areas.
- In 2024, 2,000 pine saplings were planted in Akhisar with the coordination of Aegean Forest Foundation.



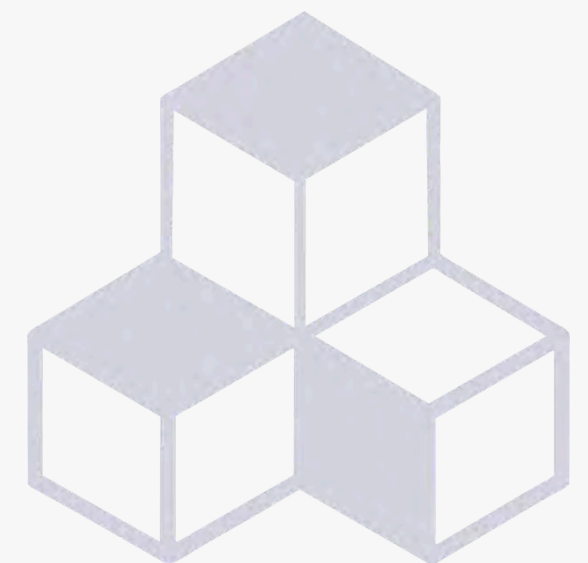
Peace, Justice and Strong Institutions

- A two-way grievance mechanism is in place via phone, email, QR code, and suggestion/complaint boxes, supporting rights-based governance.
- The Sunel Handbook was distributed to all employees, outlining internal policies and ethical principles.
- The ISO 27001 process was initiated in 2025 to enhance information security.



Partnerships for the Goals

- Collaborative projects were carried out with EYKA , ECLT (Eliminating Child Labour in Tobacco Growing Foundation), agricultural directorates, ATEA (Aegean Tobacco Exporters' Association), Kütas, and Coresta.
- Regular knowledge sharing with Kütas Food covers human rights, child labor, and field practices.
- The 2024 strategic sustainability project was presented sector-wide at the CORESTA (Cooperation Centre for Scientific Research Relative to Tobacco) Congress in Edinburgh, Scotland.
- Good practices are disseminated via the turkishtobacco.org platform.



Sustainability Governance

At Sunel Türk Ticaret A.Ş., we integrate our sustainability approach with our overall corporate strategy and operate under a strong and structured governance model to continuously improve our environmental, social, and governance (ESG) performance. This model is anchored by a Sustainability Committee operating under the supervision of senior management, supported by specialized working groups.

The Sustainability Committee provides guidance in strategic decision-making processes to ensure the company's sustainability goals are achieved and facilitates coordination across all departments. Comprising managers specialized in ESG areas, the committee adopts a holistic approach to enhance the company's long-term sustainability performance.

The working groups under the committee develop and propose projects in their focus areas, ensure these are incorporated into the committee agenda, and regularly monitor the implementation of approved actions. This structure enables our sustainability strategies to be grounded in measurable targets and ensures progress is made in line with defined performance indicators.

Working Groups

Our sustainability efforts are carried out by working groups specialized in four thematic areas. Each group is tasked with effectively implementing the company's responsibilities in the respective fields:



Environmental Sustainability Working Group:

Develops projects in areas such as energy efficiency, carbon footprint reduction, waste, and water management to promote environmentally friendly practices across the organization.



Corporate Governance Working Group:

Strengthens the corporate governance culture by promoting ethical conduct, transparency, and accountability. Supports the alignment of internal audit and risk management processes with sustainability objectives.



Social Sustainability Working Group:

Designs responsibility projects and implements practices to enhance our social impact, particularly in the areas of employee rights, gender equality, inclusivity, and local development.



Climate Change Working Group:

Focuses on identifying climate-related risks, conducting scenario analyses, and developing emission reduction strategies. Continuously improves our emission reduction and climate risk management processes in alignment with national and international climate regulations.

Sustainability Governance

2024 Committee Activities

Our Sustainability Committee forms a key component of our strategic governance structure, operating to ensure the effective management, monitoring, and continuous improvement of our corporate sustainability goals. With the participation of senior management, the committee convenes regularly throughout the year to guide decision-making processes in environmental, social, and governance (ESG) areas and serves as a vital coordination platform for strengthening sustainability awareness across the organization.

In 2024, the committee held a total of 13 meetings. During these sessions, significant evaluations were conducted and implementation decisions were made on the following topics:



In the area of environmental sustainability: carbon and water footprint assessments, renewable energy investments, and waste management;



In sustainable agriculture and supply chain responsibility: advancing sustainable farming practices and supplier accountability;



In the area of social sustainability: occupational health and safety, women's empowerment, training initiatives, and community engagement projects;



Under climate change: identifying climate risks and integrating them into the corporate risk management system.



Under corporate sustainability: strengthening governance structures, enhancing internal communication, and promoting ethical practices;

Through these committee meetings, our sustainability strategies are effectively disseminated across the company, interdepartmental collaboration is fostered, and our performance is managed with a holistic perspective.

Materiality Analysis

At Sunel Ticaret Türk A.Ş., we conducted an updated materiality analysis in 2024 as part of our efforts to shape our sustainability strategy in line with stakeholder expectations, sectoral priorities, and global trends. This comprehensive assessment allowed us to better understand our environmental, social, and governance (ESG) impacts, strengthen our strategic decision-making processes, and take concrete steps toward achieving our sustainability goals.

This process was carried out with a transparent and methodological approach, involving both internal and external stakeholders:

Participants:

A total of 41 employees and 52 external stakeholders participated in the 2024 survey process. Participants responded to a questionnaire designed to evaluate sustainability priorities.

Survey Scope:

The survey covered a wide range of sustainability topics, including energy efficiency, product design, life cycle management, occupational health and safety, human rights, diversity, and inclusion. This allowed for a holistic assessment of our sustainability approach.

Data Analysis:

The collected data were analyzed and benchmarked against global standards such as Refinitiv, the World Economic Forum (WEF), SASB, and S&P Global.

Based on the results, we redefined the high-priority and priority topics that form the foundation of our sustainability strategy. These priorities were integrated into our strategic decision-making processes to help minimize environmental and social impacts while enabling the development of measurable and traceable targets.

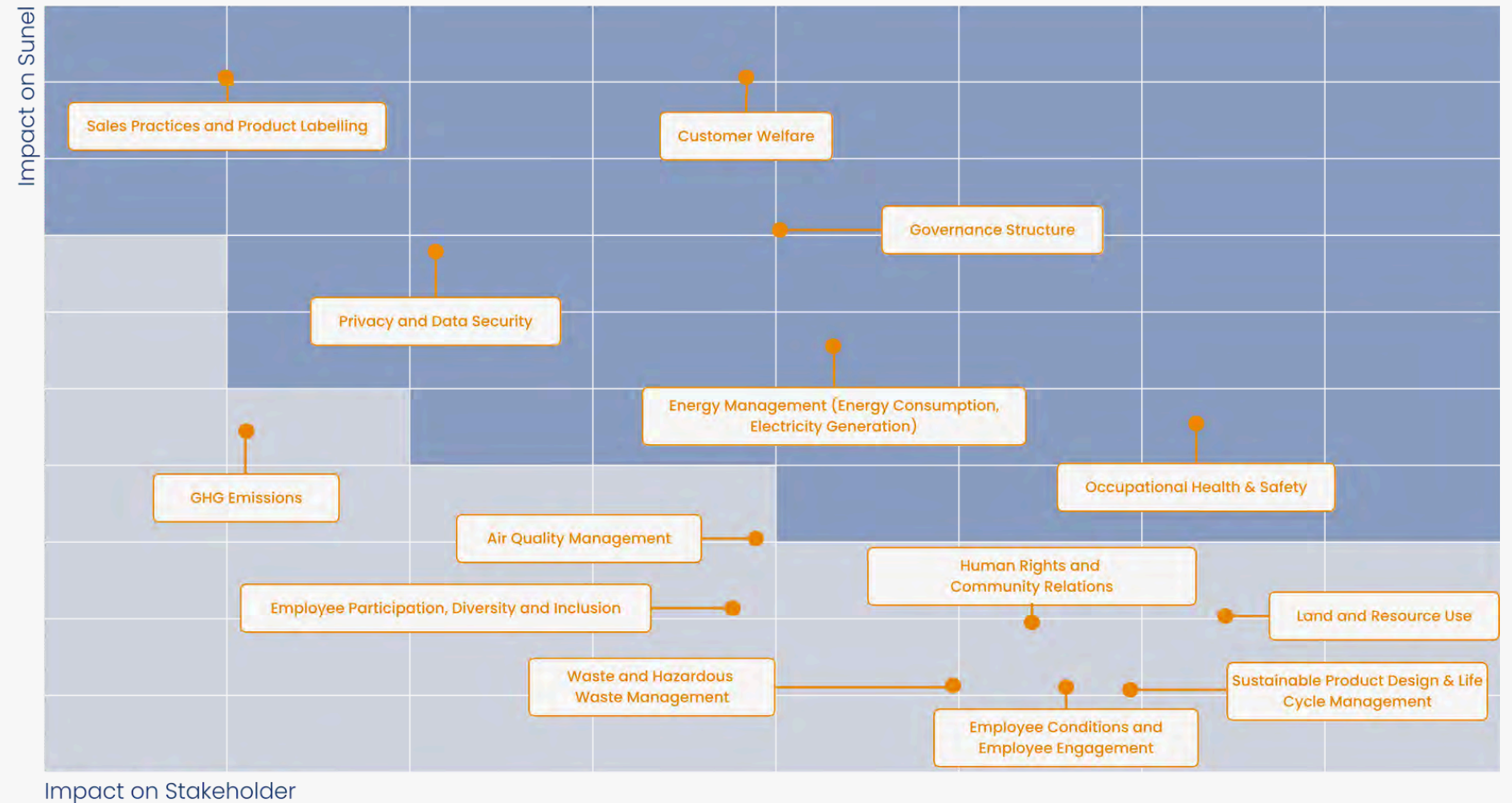
This study marks a key milestone in our sustainability journey and stands as a testament to our commitment to advancing our environmental and social responsibility. Through this transparent and inclusive process with our stakeholders, we remain dedicated to continuously enhancing our forward-looking strategies.

Materiality Matrix

Following a comprehensive assessment involving our stakeholders and a through analysis of our environmental, social, and governance (ESG) impacts, we have updated our materiality matrix. This matrix classifies topics into “very high” and “high” priority categories and serves as a guiding framework for our sustainability strategy.

The X-axis of the matrix represents the impact of each topic on stakeholders, while the Y-axis reflects their impact on our company’s operations. The priority areas defined in 2023 continued to shape our strategic decision-making processes throughout 2024 and remained at the core of our sustainability objectives.

Through this prioritization framework, we have continued to carry out our efforts in a systematic and focused manner—aimed at minimizing environmental and social impacts, meeting stakeholder expectations, and fulfilling our corporate responsibilities. The insights derived from the matrix have played a key role in guiding our strategic direction and strengthening our sustainability performance.



High Material Topics

- Customer Welfare
- Sales Practices and Product Labelling
- Governance Structure
- Privacy and Data Security
- Occupational Health and Safety
- Energy Management (Energy Consumption, Electricity Generation)

Material Topics

- Greenhouse Gas Emissions
- Air Quality Management
- Land and Resource Use
- Human Rights and Community Relations
- Employee Participation, Diversity and Inclusion
- Sustainable Product Design & Life Cycle Management
- Employee Conditions and Employee Engagement
- Waste and Hazardous Waste Management








Sustainability Targets

Environmental Targets

Topic Titles	Related SDG	Target Subject	Metric	Target	Base Year	Target Year	Progress
GHG and Energy Management		Increasing the global share of renewable energy	MWh	50%	2023	2025	15%
		Increasing the share of renewable energy use	MWh	100%	2023	2030	15%
		Improving energy intensity	Non-measurable data	Conducting an energy audit	2023	2025	Not Completed
		Establishing an energy management system	-	Obtaining ISO 50001 Certification	2023	2026	Not Completed
GHG Risk Management		Reducing Scope 1 and 2 emissions	t-CO2e	42% reduction	2023	2030	%0
		Reducing Scope 3 emissions	t-CO2e	10% reduction	2023	2030	%0
		Carbon reduction target	Non-measurable data	Setting an SBTi-aligned target	2023	2026	On-going
Water Use and Risk Management		Improving the carbon intensity trend	%t-CO2e / Ton product	10% improvement	2023	2025	4%
		Assessment of climate change risks	Non-measurable data	Conducting analysis aligned with TSRS S2 standard	2023	2025	Completed
		Conducting water risk analysis studies	Non-measurable data	Conducting analysis in line with TSRS S2 standards	2023	2025	Completed
Green Logistics Programs		Increasing water recovery rate	% tons treated	20%	2023	2025	0%
		Improving water intensity trend	% tons / total production	20%	2023	2025	32%
		Sending all European sample shipments under the "Go Green Nötr" program	% Samples	100%	2023	2025	100%





Sustainability Targets

Environmental Targets

Topic Titles	Related SDG	Target Subject	Metric	Target	Base Year	Target Year	Progress
Green Logistics Programs		Reducing logistics-related emissions	t-CO2e reduction	10%	2023	2025	Increased
Green Procurement Policy		Green Procurement	Non-measurable data	Publication of the Green Procurement Policy	2023	2025	Published
Supplier Environmental Program	 	Suppliers with ISO 14001 Certification	% of Certified Suppliers	50%	2023	2030	10%
Non-GHG Air Emission Programs		Exceedance of limit values for air pollutants in stack gas content	Non-measurable data	0% (Zero exceedance)	2023	2025	0%
Waste Management		Increasing the amount of recycled waste	% Recycled Waste Rate	95%	2023	2025	100%
		Increasing the amount of collected medical waste	% kg Waste Amount	10%	2023	2025	24%
Environmental Management		Increasing the use of eco-friendly organic pesticides	% Distributed Organic Pesticides	30%	2023	2025	29%
		Distribution of Certified Seeds	% of Growers Receiving Seeds	60%	2023	2025	100%



Sustainability Targets

Social Targets

Topic Titles	Related SDG	Target Subject	Metric	Target	Base Year	Target Year	Progress
Employee Health & Safety		Increasing the number of white-collar employees with private health insurance	% Employees	100%	2023	2025	100%
		Reducing the number of lost-time accidents	% Lost-Time Accident Rate	50%	2023	2030	35%
		Developing workplace stress and health support projects	% of Employees Benefiting from Projects	25%	2023	2025	50%
		Distribution of reflectors to growers within the scope of OHS	% of Growers Receiving Reflectors	10%	2023	2025	21%
Supplier Health & Safety	  	Suppliers with SA8000 certification	% of Certified Suppliers	50%	2023	2030	10%
Contractor Health & Safety	 	Increasing OHS training hours for contract and subcontracted workers	Training Hours for Subcontractors	10%	2023	2025	10%
Employee Training Support	 	Increasing total training hours provided to employees	Total Training Hours	10%	2023	2025	10%
		Providing awareness training on social sustainability topics	Awareness Training Hours	10%	2023	2025	10%
Employee Health Support	 	Increasing participation of female growers to health training and cancer screening coordinated by Farmers Club	Number of Participants	20%	2023	2025	20%
		Number of hospitals offering check-up services to female growers with Farmer Advantage Card	Number of Hospitals Offering Check-ups	20%	2023	2025	20%
		Participation in breast cancer awareness training	Number of Participating Women	20%	2023	2025	20%










Sustainability Targets

Social Targets

Topic Titles	Related SDG	Target Subject	Metric	Target	Base Year	Target Year	Progress
Employee Turnover		Reducing employee turnover rate	% Employee Turnover Rate	10%	2023	2025	7%
Internal Violence Prevention		Taking preventive measures against mobbing (creation of an ethics hotline)	Non-measurable data - Ethics Hotline	–	2023	2025	Completed
		Establishment of an independent ethics hotline	Non-measurable data	Establishment of an Independent Ethics Hotline	2023	2025	Completed
Social Responsibility Projects	  	Increasing the number of social responsibility projects	Number of Social Responsibility Projects	Min. 3	2023	2025	3%
		Increasing the number of growers participating in the Farmer Advantage Card project (EIB sectoral recommendation)	Number of Participating Growers	47,000	2023	2025	100%
Employee Satisfaction		Increasing employee satisfaction	% Satisfaction Rate	90%	2023	2025	70%
		Increasing participation in employee satisfaction surveys	Number of Employees Participating in Surveys	100%	2023	2025	100%
Diversity Program	 	Establishing a feedback mechanism fed by employee opinions and suggestions	Non-measurable data	Regular sharing on communication boards	2023	2025	Completed
		Ensuring religious, linguistic, and racial diversity within the company	Non-measurable data	Achieving diversity	2023	2025	Completed
Women Employment in Senior Management	 	Increasing the number of female managers and senior executives	Number of Female Managers and Senior Executives	5%	2023	2025	1%
Occupational Health & Safety		Increasing the distribution rate of PPE (Personal Protective Equipment)	% PPE	100%	2023	2025	100%
		Increasing the distribution rate of first aid kits	% First Aid Kits	100%	2023	2025	100%

Sustainability Targets

Governance Targets

Topic Titles	Related SDG	Target Subject	Metric	Target	Base Year	Target Year	Progress
Sustainability Governance	 	Sustainability Reporting	Non-measurable data	Preparing an annual sustainability report in line with GRI standards	2023	2025	Completed
Stakeholder Engagement	 	Establishing collaborations with NGOs on sustainability issues	Number of Collaborations	6	2023	2025	50%
Ethics	  	Establishment of an independent ethics hotline	Non-measurable data	Establishment of an independent ethics hotline	2023	2025	Completed
		Increasing the completion rate of ethics training among employees	% Employees	100%	2023	2025	100%
Digitalization	 	Achieving paper savings through conducting export operations for tobacco growers via the ERP system	% Paper Savings	30%	2023	2025	30%

Sustainable Economy

Topic Titles	Related SDG	Target Subject	Metric	Target	Base Year	Target Year	Progress
Green Procurement	  	Ensuring compliance with sustainability criteria across the supplier chain	% of Suppliers Meeting Sustainability Criteria	50%	2023	2030	10%
Green Investment and Green Finance	  	Increasing the rate of green investments	% Green Investment Rate	25%	2023	2030	5%
Customer Satisfaction	 	Number of customer satisfaction surveys conducted	% Customers Surveyed	100%	2023	2025	100%
		Customer satisfaction rate	% Satisfaction Rate	100%	2023	2025	100%

Corporate Risk Management

At Sunel Türk Ticaret A.Ş., we adopt a systematic and holistic approach to managing the risks that may arise in the process of achieving our sustainability goals. Our risk management strategy, which covers economic, environmental, social, and legal dynamics, enables us to adapt to changing market conditions and regulations while also developing preventive and adaptive strategies in areas such as supply chain vulnerabilities, technological transformation, environmental impacts, and human rights.

In 2024, we systematically identified, assessed, and prioritized our climate change and water-related risks in accordance with the Türkiye Sustainability Reporting Standards (TSRS S2). These risks were integrated into our corporate risk management system, thereby enhancing the environmental sensitivity of our strategic decision-making processes.

Business Ethics

At Sunel Türk Ticaret A.Ş., we uphold ethical values in all our operations and business relationships and combine this approach with a sustainable business model. We act with integrity, honesty, and responsibility, providing an ethical working environment for both our employees and stakeholders. Our ethical principles form the foundation of how we conduct our business and reflect our responsibility to society and the environment. These core values are embraced by all our employees and serve as a guide throughout all aspects of our business conduct.

→ Integrity and Honesty:

We adhere to the principles of integrity and honesty in all our operations. Our company name symbolizes these values, and we expect the same commitment from all employees.

→ Anti-Bribery and Corruption:

We apply a zero-tolerance policy toward bribery and corruption, ensuring full compliance with ethical and legal standards in all our business relations.

→ Compliance with Laws and Regulations:

We fully comply with all national and international laws and regulations. We employ internal audit mechanisms to monitor legal compliance effectively.

→ Prevention of Conflicts of Interest:

We expect our employees to avoid any behavior where personal interests could conflict with company interests.

→ Confidentiality and Information Security:

We safeguard all information and trade secrets obtained internally or externally and ensure the confidentiality of our stakeholders' data.

→ Customer and Supplier Relations:

We maintain a fair, impartial, and objective approach in our interactions with customers and suppliers.

→ Continuous Improvement of Ethical Standards:

We aim to continuously enhance our ethical standards by informing our employees regularly and promoting awareness activities.

Business Ethics

Ethics Activities in 2024

Throughout 2024, various initiatives were implemented to promote an ethical culture. QR codes for ethical communication were installed across our facility, enabling employees to submit their feedback, complaints, and suggestions quickly and directly. In addition, an independent ethics hotline was established to ensure confidentiality and foster trust.

Ethics training sessions were regularly conducted to raise employee awareness, and participation from all staff was ensured. Training on the use of department-based suggestion and complaint boxes was also provided, contributing to more effective feedback mechanisms.

Anti-Corruption Risk Assessment and Awareness Trainings

In line with our ethical governance principles, Sunel Türk Ticaret A.Ş. has conducted a risk assessment in collaboration with United Tobacco, which included evaluating the risks associated with bribery, corruption, and information security within our Business Management System. Based on this assessment, we have developed a set of preventive procedures to manage potential ethical breaches. In addition, we regularly provide training to our employees on anti-bribery and anti-corruption policies to raise awareness and strengthen our zero-tolerance approach. These trainings aim to ensure that all employees understand their ethical responsibilities and can recognize and report unethical behavior through appropriate channels.

Data Privacy and Information Security

Information security and privacy constitute an integral part of our corporate responsibility at Sunel Türk Ticaret A.Ş. Across all business processes, we are committed to protecting the data of our employees, customers, and suppliers in accordance with the highest security standards.

We have initiated the ISO 27001 Information Security Management System certification process to align our data management practices with international standards. Under this system, data access, processing, and storage will be carried out in accordance with the principles of transparency, integrity, and availability.

We organize regular information security and ethics awareness trainings for our employees. All trade secrets and strategic information obtained within the company are protected, and access to such information is restricted to authorized personnel only. The company handbook clearly defines confidentiality obligations, and all employees are expected to act in accordance with these responsibilities.



Our internal audit mechanisms are regularly activated to ensure full compliance with national and international regulations, and our information security policies are continuously updated. Our commitment to information security and confidentiality is of critical importance in today's digital business environment—ensuring both stakeholder trust and the sustainable continuity of our operations.

Stakeholder Engagement





The effectiveness and success of our sustainability strategies are built upon strong and continuous collaborations with our stakeholders. At Sunel Türk Ticaret A.Ş., we maintain an open, transparent, and consistent communication process with our stakeholders in order to better understand and manage the economic, environmental, and social impacts of our operations.

Accordingly, we systematically identify and analyze our stakeholders by considering individuals, institutions, and groups that are either directly or indirectly affected by our activities or have the potential to influence them.




Our stakeholder relations are built on principles of mutual trust, understanding, and continuous dialogue. We carefully evaluate stakeholder expectations and needs, focusing on generating sustainable solutions. Through this approach, we strengthen our stakeholder engagement and add value to our overall sustainability performance.

Stakeholder Groups	Stakeholder Group Selection Process	Relationship with Stakeholders	Important Issues and Our Responsibilities
 <p>Employees</p>	<p>"Employees are the most important stakeholders in ensuring the sustainable success of our company. White-collar and blue-collar employees are selected in line with the importance we give to job security, professional development opportunities and work/life balance. In addition, candidates who are competent enough to fulfill the requirements of their positions and who can adapt to the company's culture are preferred."</p>	<p>"Our relationship with our employees aims to create a mutually respectful, safe and supportive work environment. While we offer professional development opportunities for our white-collar employees, job security, training and protection of union rights are prioritized for our blue-collar employees. The satisfaction and motivation of our employees are factors that directly affect the company's productivity and success."</p>	<p>"Among our most important responsibilities towards our employees are providing professional development opportunities, on-time payment, job security and a healthy work environment. In addition, we follow a fair wage policy according to performance indicators by taking into account demands such as wage increases and job security. Organizing training to prevent work accidents for our blue-collar workers, respecting union rights and maintaining the work/rest balance are also among our responsibilities."</p>
 <p>Customers</p>	<p>"Customers are a stakeholder group that is sensitive to criteria such as high quality, competitive price and on-time delivery, which are among the main goals of our company's activities. Our customers cooperate with us to meet their needs, trusting in the quality of our products and the harmony we provide in processing. In addition, our aim to make our quality and pricing policies more attractive with our advanced laboratory facilities and innovative product trials is also effective in our customers' preferences."</p>	<p>"</p>	<p>"</p>

Stakeholder Engagement

Stakeholder Groups	Stakeholder Group Selection Process	Relationship with Stakeholders	Important Issues and Our Responsibilities
 <p>Suppliers</p>	<p>"Supplier selection is meticulously carried out by evaluating the appropriate price as well as quality compliance, quality documents and delivery criteria."</p>	<p>"We give importance to mutual development by providing feedback in line with the performance evaluations carried out with our suppliers online or face-to-face."</p>	<p>"We prioritize transparency, justice and ethical values in our business processes. While adopting a business partner approach with our suppliers, we base ourselves on the principles of environmental, social and economic sustainability. It is our responsibility to create shared value for all our stakeholders by establishing sustainable cooperation in our supply chain."</p>
 <p>Media</p>	<p>"The media is an important stakeholder group in order to be able to announce our company's activities to a wide audience. This stakeholder group will inform the public about our company's financial structure, global competitiveness, investment plans, employment rates, environmental impacts and social responsibility projects and increase our company's recognition. The media is also selected as a professional source that follows developments in the sector and conveys this information accurately."</p>	<p>"Our relationship with the media is based on transparency and accurate information sharing. We are in constant communication with the media by regularly publishing bulletins and press releases about our company's activities and strategies. This relationship is of great importance in terms of increasing the prestige of our company and ensuring that our customers and growers follow developments."</p>	<p>"In our relationship with the media, it is our fundamental responsibility to transparently share important issues such as our company's financial situation, environmental impacts, social responsibility projects and workforce. At the same time, ensuring that the information provided through the media is accurate, up-to-date and reliable is seen as a primary responsibility in order to inform the society correctly."</p>
 <p>Private Sector</p>	<p>"Our private sector stakeholders are determined as strategic partners who will contribute to our company's sustainable growth and business development goals. In line with our search for reliability, quality and competitiveness in business processes, they are selected according to their product and service provision capacity. In addition, companies that are open to innovative projects and have high environmental and social responsibility awareness are primarily preferred."</p>	<p>"We maintain our relationship with our private sector stakeholders by establishing long-term collaborations based on mutual benefit. In these relationships, elements such as transparency, fair trade, on-time payment, product and service quality are important. In addition, we cooperate to create sustainable business models and contribute to environmentally sensitive production processes."</p>	<p>"Our primary responsibilities for our private sector stakeholders include the supply of quality products, on-time delivery, competitive prices and minimizing environmental impacts. In addition, ensuring full compliance with contracts and legal conditions, creating safe working conditions and continuously offering innovative solutions are also of great importance for the healthy conduct of these relationships."</p>
 <p>Certification Bodies</p>	<p>"They contribute to the correct, transparent, reliable and legal execution of processes. They also play a critical role in increasing reliability and effectively managing risks."</p>	<p>"They contribute to monitoring the correctness, transparency and reliability of the process through audits. Close monitoring of regulations supports the implementation of continuous development-oriented improvements by identifying emerging risks and opportunities."</p>	<p>"To fully meet the expectations of our customers and certification bodies by working in accordance with relevant standards."</p>

Stakeholder Engagement

Stakeholder Groups	Stakeholder Group Selection Process	Relationship with Stakeholders	Important Issues and Our Responsibilities
 <p>Government and Public Institutions</p>	<p>"Legal regulations, permits, economic, environmental and social development strategies are among the basic elements that increase the effectiveness of the company. In this context, cooperation with government and public institutions is of critical importance for the success and sustainability of our company."</p>	<p>"We closely follow the necessary regulations to comply with changing laws and regulations by taking into account the demands of public institutions."</p>	<p>"To ensure full compliance with all laws, laws and regulations; to keep administrative, managerial and financial records meticulously and meticulously."</p>
 <p>Industry and Association Groups</p>	<p>"Our company cooperates with industry and association groups and the aim of these cooperations is to share their experiences and expertise on issues such as climate change, product management, sustainable supply chain and environmental dimensions. With this collective cooperation, we share experiences and refresh our experiences."</p>	<p>"We closely follow the developments with face-to-face and online meetings and periodic sectoral meetings and webinars organized by industry and association groups."</p>	<p>"Continuously developing our perspective on this issue by following sectoral trends, regularly participating in seminars organized by association groups and industry groups and instilling our corporate culture in the participants there."</p>
 <p>Non-Governmental Organizations</p>	<p>"As Sunel, we hope to work with as many civil society organizations as possible and see it as our mission to instill our corporate culture and sustainability vision in them."</p>	<p>"We organize face-to-face and online meetings and sessions where we will receive feedback on the farmer advantage card."</p>	<p>"Sunel Ticaret Türk A.Ş. aims to increase social benefit and raise awareness on important issues related to the sector by cooperating with civil society organizations. In this context, it attaches importance to creating value on a local and national scale by contributing to social responsibility projects. In addition, it pays attention to the compliance of the organizations it cooperates with with ethical and sustainability principles."</p>

Stakeholder Engagement

Stakeholder Groups	Stakeholder Group Selection Process	Relationship with Stakeholders	Important Issues and Our Responsibilities
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Local Communities

"In line with the determination of local needs and social development requirements, communities affected by the company's activities are selected in the regions where they live."

"Discounts were provided to tobacco growers to reduce agricultural and living expenses. Special health screening packages were offered to women growers in cooperation with Denizli Cerrahi Hospital. In Süller Village of Sındırgı, the old pool area was converted into a playground to keep children away from the fields. In addition, computer support was provided to Balkıca Primary School in Tavas and a certificate of appreciation was received from the school administration. First aid and health training were organized for growers in Selendi and Denizli by partner hospitals."

"In order to increase the social and economic well-being of local communities, programs are implemented to increase the income of tobacco growers, health screenings are provided for female growers to facilitate access to health services and to raise awareness about women's health, playgrounds and education support are provided for children to prevent child labor, and children's access to education and play opportunities is supported, and comprehensive solutions are produced by focusing on the needs of local communities in the field of health and education."



Academies and Universities

"Institutions that offer sectoral expertise are selected to increase knowledge sharing in the tobacco industry and support academic research."

"A thesis study prepared within the scope of Aydın Adnan Menderes University Science Institute doctoral study on curing tobacco produced in production areas with different curing methods, determining the quality index, and performing chemical and physical analyses is supported."

"To increase knowledge accumulation in the sector by contributing to academic studies and to bring this knowledge to the sector, to contribute to the dissemination of sustainable agriculture and production methods by increasing knowledge exchange and cooperation between the academy and the sector."

03

Each Green Step, a Future Investment

Environmental Sustainability



Our Environmental Management Approach

At Sunel Türk Ticaret A.Ş., we are reshaping all our environmental, energy, and quality management system activities in line with the Sustainable Development Goals (SDGs).

To reinforce our leading position in the industry, we manage our environmental responsibilities within a framework aligned with the United Nations'



SDG 6 (Clean Water and Sanitation),
SDG 7 (Affordable and Clean Energy),
SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action),
SDG 14 (Life Below Water), and
SDG 15 (Life on Land).

Accordingly, all our environmental decisions and practices are built on responsible production principles that are traceable and sustainable.

Our Environmental Commitments

We are committed to minimizing our environmental impact across all processes and placing sustainability at the core of our operations. We prioritize technologies in our production processes that do not harm human health or the environment and support our growers in adopting environmentally friendly agricultural methods.

We develop continuous improvement-based environmental policies to reduce natural resource use, decrease waste volumes, and prevent environmental pollution. By recovering waste, we contribute to the circular economy and prioritize projects aimed at reducing our carbon footprint. Simultaneously, we implement water management and energy efficiency measures to preserve environmental resources.

We regularly update risk analyses, emergency plans, and awareness training, including topics related to hazardous materials, to prevent potential environmental incidents and carry out activities to raise awareness among employees and stakeholders about environmental regulations and responsibilities.

To promote organic farming practices, we guide our growers in using organic fertilizers and pesticides and encourage sustainable applications that protect soil and water quality. We also prioritize initiatives that contribute to biodiversity conservation and agroecological balance.

While prioritizing customer satisfaction, we continuously improve our supply chain practices to reduce environmental impacts and make decisions based on the principles of transparency and traceability.

In this context, we continuously monitor our environmental performance, set targets for areas of improvement, and strengthen our approach to sustainable environmental management through collaboration with stakeholders.

Emission Management

We are fully aware of our responsibility in combating climate change. By controlling our greenhouse gas (GHG) emissions, we aim to minimize our environmental impacts and develop solutions at both the local and global levels for a sustainable future. All our activities are shaped around this objective, and we take systematic and effective actions against the climate crisis.

We calculate our GHG emissions in accordance with the ISO 14064-1 standard and transparently report them through third-party verification processes. To strengthen our emissions management capabilities, we provide ISO 14064 training to our employees and continuously review and improve all our processes to enhance our environmental performance.

Reducing, monitoring, and systematically managing GHG emissions are among our core environmental responsibilities. In this regard, we plan to set science-based emission reduction targets aligned with SBTi and create a carbon roadmap starting in 2025.

We closely monitor the emission sources at our facilities. Emissions of carbon monoxide (CO), nitrogen oxides (NO_x), sulfur dioxide (SO₂), and dust from stacks are regularly measured and evaluated in accordance with the Regulation on the Control of Industrial Air Pollution (SKHKKY). We also maintain our volatile organic compound (VOC) emissions within legal limits, ensuring that our impact on air quality remains minimal.

Climate Change

Combating climate change is one of the core pillars of our sustainability strategy at Sunel Türk Ticaret A.Ş. In 2024, we consistently implemented emission reduction efforts, the use of sustainable energy, and adaptation-focused transformation initiatives to enhance our resilience to climate change.

Climate Risk Management and Strategic Alignment

To better understand the impacts of climate change on our operations and enhance our preparedness, we conducted a comprehensive climate risk analysis. In line with the TSRS S-2 standard, we identified, assessed, and prioritized both transition and physical climate risks affecting our operations and value chain throughout 2024.

This analysis has been integrated into our strategic decision-making processes and has contributed to the shaping of our sustainability targets. The methodology and details of this study can be found in the "TSRS" appendix in the annex section of our report.

Carbon Disclosure Project

In 2024, we continued to respond to the CDP Climate Change questionnaire and steadily improved our disclosure score. As a result of our consistent efforts, our CDP score rose to B- by the end of 2024.

European Green Deal Compliance Efforts

Throughout 2024, we established an internal working group to ensure alignment with the European Green Deal. This group began developing a strategic roadmap in cooperation with external consultancy firms, focusing particularly on compliance with the Carbon Border Adjustment Mechanism (CBAM).

These efforts support our transformation process through verified carbon footprint assessments, improved energy efficiency, and the development of emission reduction strategies. We aim to achieve full compliance with the Green Deal by 2025.

Energy Efficiency

At Sunel Türk Ticaret A.Ş., energy efficiency is a top priority in achieving our environmental sustainability goals. Across our operations—from production to logistics—we optimize energy consumption, contribute to the conservation of natural resources, and take concrete steps to reduce carbon emissions.

In 2024, we consistently implemented practices focused on transitioning to renewable energy sources, utilizing energy-saving technologies, and enhancing employee awareness.

Use of I-REC Certified Renewable Energy

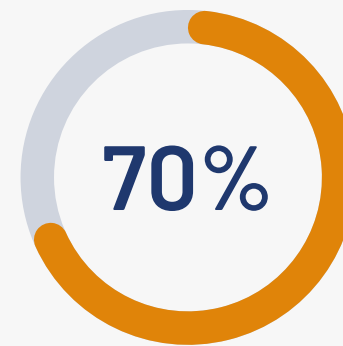
Within the scope of our energy management practices, we certify that



of our total energy consumption comes from renewable sources through I-REC certificates. Our target is to increase this share to 100% by 2025.

Solar Energy Investment (GES)

By 2025, we plan to meet



of our total energy consumption directly from renewable energy generated by solar power plants to be installed on our facility rooftops.

Training and Awareness

We approach energy efficiency not only as a technical issue but as a cultural transformation:

- We conduct training programs for our employees to raise awareness of energy conservation

Energy Performance Monitoring and Analysis

We implement a variety of energy-saving practices in our operations:

- Process improvements in production to enhance energy efficiency
- Transition to low-consumption technologies such as sensor-based lighting systems
- Boiler replacement to prevent energy losses and retaining energy efficiency.

Energy Performance Monitoring and Analysis

We closely monitor and analyze our energy management performance:

- By tracking energy intensity and consumption trends, we identify areas for improvement
- These insights inform energy-efficiency-oriented decision-making processes

Waste Management

We consider waste management a cornerstone of our environmental responsibility and implement systematic, innovative practices aimed at waste reduction, reuse, and recycling in line with our sustainability goals.

We separate organic and inorganic waste at the source during operations, ensure safe disposal methods, and utilize modern technologies and facilities to increase recycling rates.

In 2024, we strengthened our zero-waste management system in accordance with the Zero Waste Certificate issued by the Ministry of Environment, Urbanization, and Climate Change. We expanded source-separation practices across all locations, provided environmental awareness training to employees, and carried out various awareness campaigns to promote recycling.

We classify all waste types—especially hazardous waste—and ensure legal disposal through licensed facilities. We also integrate circular economy practices into our production processes to minimize waste generation, improve material efficiency, and manage resources more sustainably.

The use of equipment such as bulking covers—supporting energy and resource efficiency—helps us reduce both environmental impact and waste generation during production.

We transparently monitor our waste management performance and report in full compliance with national regulations. As part of our sustainable production approach, we continue to enhance our waste management system each year, aiming to minimize our environmental footprint through nature-friendly, resource-efficient, and circular economy-aligned practices.



Green Dot Certification

As part of our commitment to sustainable resource use and waste management, we hold the ÇEVKO Green Dot Certificate, a symbol indicating our financial contribution to the recycling and recovery of packaging waste in Turkey.

Originating in Germany and now used across Europe, the Green Dot system requires companies to pay a licensing fee for the packaging they place on the market.

This fee supports national organizations that manage the collection, sorting, and recycling of packaging waste.

By participating in this system, we demonstrate our responsibility toward circular economy practices and our alignment with national and international environmental standards.

Water and Wastewater Management

At Sunel Türk Ticaret A.Ş., we consider water and wastewater management one of the core pillars of our environmental sustainability approach.

Throughout 2024, we maintained a strong commitment to increasing water efficiency in our operations and preserving natural resources.

To ensure the efficient and planned use of water, we invest in high-efficiency equipment and focus on reducing water consumption through sensor-based systems and process improvements in our production lines. We regularly monitor water consumption data, calculate our blue, grey, and green water footprints in line with ISO 14046 standards, and submit them to independent verification.

Type of Water Footprint	Unit (m ³)
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Blue Water Footprint	14.846
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Grey Water Footprint	503,4
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In 2024

We achieved approximately



3,700 tons

of water savings through process improvements in production.

Water Quality and Discharge Management

To ensure wastewater generated after use is discharged without harming the environment, we operate pre-treatment systems across all our facilities. Wastewater is treated before being discharged into the sewage system. We also monitor all legally required parameters through regular analysis in compliance with the Water Pollution Control Regulation (SKKY). In 2024, we conducted technical assessments to improve our wastewater treatment system.



Conservation of Natural Resources

As part of our efforts to conserve natural resources and explore alternative water sources, we are currently working on the implementation of rainwater harvesting systems. The plan is to repurpose the collected water for secondary uses such as landscape irrigation once these systems are in place. Through these ongoing efforts, we aim to reduce future freshwater consumption and minimize our overall environmental impact.

Our Long-Term Water Strategy

To build resilience against the impacts of climate change on water resources, we continuously evolve our water management strategy. Our production philosophy centers on the conservation of water resources and the integration of practices that reduce environmental risks while contributing to sustainable development goals.

Water Intensity Performance

In 2024, we achieved a significant improvement in our water efficiency. Our water intensity, measured as water withdrawal per ton of product, decreased from 2.81 m³/ton in 2023 to 1.92 m³/ton in 2024. This represents a 32% reduction in water intensity, reflecting our ongoing commitment to responsible water management and sustainable production practices.

Water Intensity (Water Withdrawal/ton product)	
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2023	2,81
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2024	1,92
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Our Water Risks

Water Risk Assessment

Sunel Ticaret Türk A.Ş. conducted a comprehensive water risk assessment in collaboration with Enxion Group, utilizing the World Resources Institute (WRI) Water Stress Framework (WSF Index). This analysis covered key operational and supplier regions, identifying current and projected water-related risks for 2030 and 2050 under optimistic, current trend, and pessimistic scenarios.

Methodology and Scope

The WRI framework evaluates multiple indicators such as water stress, depletion, interannual variability, seasonal variability, groundwater level decline, river flood risk, coastal flood risk, and drought risk. Each location is assigned a risk level from Low (1) to Extremely High (5).

The analysis provides insights into how climate change and increasing water demand could affect agricultural production, supply continuity, and operational resilience. In total, 12 provinces where our key suppliers are located were included in this assessment, ensuring that the analysis covers the regions most critical to Sunel’s supply chain.

Risk Parameter	Very High-Risk Regions	High-Risk Regions
Water Stress	Aydın, Denizli, İzmir, Manisa, Uşak	Balıkesir, Diyarbakır, Samsun
Water Depletion	Manisa	İzmir
Interannual Variability	None	None
Seasonal Variability	None	None
Groundwater Level Decline	None	None
River Flooding	Samsun	İzmir
Coastal Flooding	None	None
Drought	None	Adıyaman, Manisa
Overall Water Risk	None	Aydın, Batman, Denizli, İzmir, Manisa, Samsun, Uşak

Implications for Sunel

Given that many of Sunel’s suppliers operate in these high-risk areas, water scarcity and variability could impact tobacco leaf availability and quality. Proactive water management measures, supplier engagement on sustainable irrigation practices, and ongoing monitoring are therefore critical to ensure supply chain resilience.

Integration into Strategy

- Findings from this analysis feed directly into Sunel’s broader climate risk management framework.
- Priority actions include strengthening supplier collaboration on efficient water use, exploring alternative sourcing regions, and integrating water risk considerations into long-term sustainability planning.

Biodiversity

At Sunel Türk Ticaret A.Ş., we consider the preservation of biodiversity as an integral part of sustainable agriculture. In 2024, we implemented diverse initiatives aimed at the sustainable use of natural assets and the protection of biodiversity from threats.

→ Reforestation and Protection of Native Species

To support ecosystems and contribute to biodiversity, we planted 2,000 pine trees in Akhisar in 2024, creating a new forested area. In addition, we carried out a model project in Çeşme by planting 100 mastic trees (*Pistacia Lentiscus*), a species under threat. These efforts aim to both create carbon sinks to combat climate change and enhance ecosystem diversity.

→ Organic Agriculture and Eco-Friendly Production

We promote organic farming through the use of green manure, NOP-certified fertilizers, and organic pest control methods. This supports both soil health and reduces the environmental impact of agricultural production. As a leading player in organic tobacco production in İzmir, we enhance the positive relationship between organic farming and biodiversity.

→ Satellite-Based Monitoring: IMECE Mobile System

In 2024, we actively utilized the IMECE Mobile application to register 100% of our farmers' agricultural land using GPS coordinates. This system enables the analysis of data from the last three crop cycles, monitoring risks such as deforestation, water stress, and nitrogen levels—key threats to biodiversity. This enables us to promote eco-friendly production and respond quickly to risk areas.

→ Nature-Based Observation and Prevention Mechanisms

We conduct mapping and observation studies to detect potential threats to biodiversity in production areas. Through the distribution of "Sustainable Agriculture Brochures" to farmers, we inform both new contract growers and existing partners, helping to expand biodiversity-friendly farming practices.

→ Farmer Training and Awareness Activities

We provide training programs tailored especially to women farmers, focusing on environmentally friendly pest management techniques, medical response knowledge, and agricultural practices that protect natural ecosystems. Our training materials prioritize sustainable agriculture principles and eco-conscious production models.

→ Reducing Chemical Use

We conduct 100% screening to prevent contamination by non-tobacco related materials (NTRM). Additionally, we minimize the risk of harmful substance exposure through the use of equipment like "bulking covers," thus safeguarding both product integrity and environmental quality.





04

Transparency in Every Step, Balance in Every Product

Sustainable Product Management

Our Approach to Sustainable Product Management

At Sunel Türk Ticaret A.Ş., we prioritize sustainability across every stage of tobacco production by considering our environmental, social, and economic responsibilities. From the field to the end user, we focus on minimizing environmental impact and maximizing societal benefit throughout the entire product journey.

The Supply Chain Due Diligence system we implement within our supply chain enables the cyclical management of product- and raw material-related risks. Through this system, we identify, prioritize, act upon, monitor, and periodically report potential risks. This structure not only enhances our environmental performance but also contributes to our operational efficiency.



Compliance with Quality and Standards

Our sustainable product management approach is not limited to reducing environmental impacts—it also includes compliance with international quality standards. Our ISO 9001 Quality Management System Certificate is a testament to our commitment to maintaining and continuously improving quality standards across all our processes.



Sustainable Tobacco Program

The Sustainable Tobacco Program (STP) is a monitoring and evaluation platform that allows us to structure our production process according to environmental and social standards. In 2024, under the STP assessments conducted in collaboration with our customers, we tracked data across all areas including agricultural production, occupational health and safety, and human rights. We planned improvement steps and systematically reported the results.



Sustainable Tobacco Policy

Through the sustainable agricultural practices we apply in tobacco production, we aim to reduce both environmental and social risks. Our Sustainable Tobacco Policy supports our farmers in adopting environmentally conscious, ethical, and safe farming practices. In line with this policy, we provide technical knowledge, implementation guidance, and training support to our farmers, ensuring both product quality and traceability. This enables us to offer sustainable products to our customers while fulfilling our responsibilities to nature and society.

Organic and Innovative Production

At Sunel Türk Ticaret A.Ş., we enhance organic farming practices with innovative methods that minimize environmental impacts. In cooperation with our farmers, we promote the preservation of natural resources and the adoption of sustainable production methods.

Throughout 2024, we took various steps to strengthen eco-friendly practices in organic tobacco production. As part of our technological transformation, we tested drone-assisted applications that offer more precise and effective solutions in pesticide use. Simultaneously, we worked on innovative irrigation solutions such as natural pond systems to improve water efficiency and ensure the sustainability of natural resources.

Through these efforts, we are improving both product quality and environmental performance, contributing to the transmission of sustainable farming practices to future generations.



Sustainable Supply Chain

As one of the key pillars of our sustainability strategy, we manage our supply chain with a commitment to environmental, social, and economic responsibility. In line with our Sustainable Supply Chain Policy, we aim to create long-term value by building transparent, ethical, and environmentally friendly partnerships with all our suppliers.

We evaluate suppliers based on criteria such as quality, on-time delivery, pricing, and certifications. New supplier candidates are expected to meet specific quality standards and provide required documentation. Performance is regularly assessed, and all order and delivery steps are tracked through our ERP system to enhance traceability.

In 2024, we implemented several new initiatives to improve supplier compliance with sustainability standards. We monitor suppliers using a scoring system that includes environmental criteria such as carbon emissions reduction and efficient use of energy and water, and we collect environmental commitment declarations. We also developed a strategic approach requiring growers to obtain ISO 14001 Environmental Management System certification. This allows us to more systematically measure supplier environmental performance and take proactive measures against high-risk issues.

We also evaluate our suppliers against social sustainability criteria. In this context, we apply strict audit programs aligned with our zero-tolerance policy for child labor and closely monitor field practices. Moreover, we integrate positive discrimination policies that prioritize female growers into our supplier selection processes, enhancing our impact on gender equality. Through this socially responsible approach, we continue to build an inclusive and human rights-respecting supply chain.

→ Training and Awareness Programs

We have organized extensive training sessions on environmental sustainability, climate risk management, and organic production to increase our suppliers' awareness and implementation capacity. Through technical support provided on organic pesticide use and eco-friendly farming practices, we have strengthened sustainable production among our growers.

→ STP Program and Technical Support

As of 2024, we implemented a joint data collection and reporting system with our suppliers under the Sunel Sustainable Tobacco Production (STP) Program. This enhanced traceability and performance monitoring. We also developed incentive mechanisms to promote best agricultural practices such as Global GAP and Integrated Pest Management (IPM) across the field. These efforts contribute to building a more resilient supply chain from both environmental and social perspectives.

→ Green Procurement Policy

As part of our commitment to building a sustainable supply chain, Sunel Ticaret Türk A.Ş. has adopted a formal Green Procurement Policy. This policy reflects our belief that sustainable development can only be achieved by integrating environmental, social, and economic dimensions into strategic decision-making processes. In line with this approach, we work with suppliers and business partners by evaluating them against global sustainability principles as well as our own ethical and environmental criteria. The policy aims to ensure that the products and services we procure are sensitive to environmental and social standards, encouraging the use of recycled and sustainable materials, reducing carbon footprints in logistics, supporting local growers where possible, and fostering responsible practices throughout our supply chain. Aligned with the United Nations Sustainable Development Goals, this policy underlines our commitment to maintaining sustainability principles across all procurement activities.

Sustainable Supply Chain

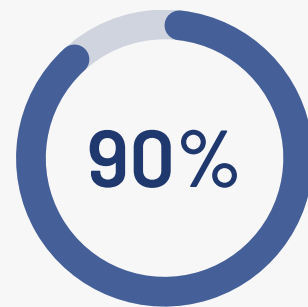
Life Cycle Analysis

In line with our commitment to reducing the environmental impact of our products, we conduct comprehensive Life Cycle Assessment (LCA) studies to measure and manage the carbon footprint of tobacco leaf production. Analyses conducted for the years 2019 and 2022 covered all stages from cultivation to processing and logistics, enabling us to more accurately assess our products' environmental performance.

In 2024, we launched our third LCA project for that year's harvest. This new study examines carbon sources in greater detail across production, processing, and logistics, with LCA results supported by a stronger data infrastructure. Compared to 2022 data, Sunel achieved a notable improvement in carbon intensity in 2024.

Our Emission Intensity

Our emission intensity per ton of leaf remains significantly below the sector average, at 1.29 tCO₂e/t—over



lower than the industry benchmark of **13.56%**. The updated LCA model now includes grower-level carbon data and regional comparisons to identify areas for improvement.

To raise grower awareness, LCA results have been simplified and shared in brochure format during field visits, contributing to capacity-building efforts focused on awareness and performance improvement.

Customer Relations

We view our relationship with customers not merely as a commercial link but as a strategic partnership built on mutual trust and long-term cooperation. Ensuring customer satisfaction and establishing a sustainable customer relationship network are among our strategic priorities.

In 2024, we continued our regular feedback collection processes to improve customer satisfaction. Feedback received from customers was evaluated, leading to targeted improvements. Customer satisfaction surveys were conducted, and requests were logged, addressed quickly, and resolved effectively. Our complaint management system operates under a predefined escalation protocol that ensures timely and effective resolution of all issues.

Under the Customs Trade Partnership Against Terrorism (C-TPAT) program, we maintained 100% safe approval in the 2024 audits. This enabled our containers to be processed without X-Ray scanning in U.S. customs, significantly accelerating clearance times and improving both customer logistics service quality and our operational efficiency.

In addition, thanks to our Authorized Economic Operator Certificate (OKSB), our containers are cleared without documentation or physical inspection requirements, further streamlining customs procedures and enhancing customer satisfaction.

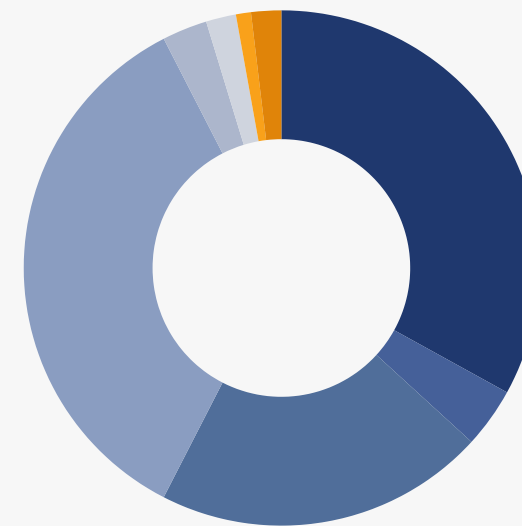
Sustainable Supply Chain

Supplier Diversity and Inclusion

As part of our commitment to responsible and inclusive sourcing, Sunel Türk Ticaret A.Ş. implements a supplier diversity approach that promotes equitable opportunities for suppliers of different sizes, ownership types, and demographic backgrounds. As of 2024, our supplier portfolio included:

- ▶ **35 Family Business**
- ▶ **4 Large-Scale Supplier**
- ▶ **3 Young Entrepreneur**
- ▶ **2 Women Entrepreneur**
- ▶ **2 Public Enterprise**
- ▶ **22 Small-Scale Supplier**
- ▶ **37 Medium-Scale Supplier**
- ▶ **1 Foundation Enterprise**
- ▶ **14 Foreign-Invested Supplier**

Supplier Diversity Chart



- * Family Businesses 35
- * Large Scale Supplier - 4
- * Young Entrepreneurs - 3
- * Women Entrepreneur - 2
- * Public Enterprise - 2
- * Small Scale Supplier - 22
- * Medium Scale Supplier - 37
- * Foundation Enterprise - 1
- * Foreign Capital Suppliers - 14

This diverse base reflects our ongoing efforts to support economic participation and inclusion across various business segments. We prioritize partnerships that contribute to local development, entrepreneurship, and innovation, while maintaining high standards of quality and sustainability.

05

Empowered Communities, Sustainable Transformation

Social Sustainability



Our Approach to Social Sustainability

In 2024, we strengthened our social sustainability approach to improve the quality of life of both our employees and contract farmers and to contribute to overall societal well-being. A key priority was the protection of seasonal workers' rights and improvement of working conditions. We supported employee well-being by ensuring safe and healthy workplaces in compliance with occupational health and safety standards, and we focused on fair wages, regulated working hours, and the right to rest. Awareness training further enhanced the social consciousness of our workforce.

We deepened our collaboration with growers in 2024, implementing programs aimed at supporting their economic and social development. By providing training and technical assistance in sustainable agriculture practices, we not only improved product quality but also helped secure farmers' livelihoods. Guided by the principles of fair trade, we ensured long-term economic stability through fair compensation and long-term contracts—contributing directly to local development.

Our understanding of social sustainability extends beyond our workforce. In 2024, we supported community-wide projects in education, health, and the environment, working with local stakeholders to generate social value and create sustainable social impact across our value chain.

Occupational Health and Safety (OHS)

In 2024, we continued to prioritize occupational health and safety (OHS) principles across all operational processes. We implemented practices that comply with both local and national regulations and OHS standards to ensure safe working environments for our employees, contract farmers, and all stakeholders.

To foster an OHS culture among all employees and suppliers, we updated and disseminated our guidelines and implementation procedures. As of 2024, the OHS guidelines included in our Sunel Handbook—shared with business partners—formed the foundation of a standardized safety culture across our facilities and supply chain. Regular training was provided to employees in line with these guidelines to ensure compliance.

To ensure effective implementation of OHS policies, every new employee received OHS orientation at the start of employment. Instructions were made accessible company-wide, and designated “green collar” OHS personnel were appointed to monitor environmental and occupational health performance in operational areas.

Occupational Health and Safety (OHS)

OHS Risks and Opportunities

We consider risk and opportunity analysis a foundational element of our OHS vision. Through root cause-based risk assessments, we aimed to identify and mitigate workplace accidents and potential hazards by reducing risk levels to acceptable thresholds.

Throughout the year, comprehensive analyses were conducted to evaluate existing and emerging risks. Main risk areas—including hazardous conditions, personal factors, and equipment-related threats—were addressed in compliance with relevant regulations. Risk matrices helped classify risks as high, medium, or low, informing proactive and corrective actions.

In addition, our technical teams collected data and conducted legal compliance checks as part of root cause analyses, enabling a proactive approach to OHS. This allowed us to systematically manage and mitigate potential threats to employee health.

Workforce Health Monitoring

At Sunel Ticaret Türk A.Ş., we conduct regular periodic health checks for employees exposed to occupational risks, in accordance with national regulations. These screenings help detect early signs of health issues and ensure our workforce remains safe and fit for their roles. The results of these checks are used confidentially and shared only with authorized occupational health professionals.

Common types of injuries in our company include slips, trips, falls, and ergonomic injuries resulting from prolonged computer use. These incidents are considered significant risks that must be carefully managed and prevented through occupational health and safety measures. In addition to physical injuries, the impact of psychosocial factors such as stress, workload, and emotional exhaustion on employee health is also taken into account; stress management and psychosocial support services are provided to address these risks.

Emergency Preparedness and Response

Given our geographical location and the nature of our operations, emergency preparedness remained a priority in 2024. As part of our sustainability strategy, we conducted regular training and drills throughout the year to raise awareness among employees, growers, and stakeholders about potential disaster and crisis scenarios.

Led by our OHS committee, specific action plans were developed for each type of emergency across all our facilities. Preventive measures were implemented based on the frequency and severity of potential emergencies to safeguard employees and ensure operational continuity. In line with our corporate vision, we maintained a high level of preparedness for disaster and hazard scenarios.

Our emergency action plans address not only common risks such as fires and earthquakes but also sector-specific risks including confined space work, chemical spills, sabotage, and pandemics. Each employee's roles and responsibilities are clearly defined, and awareness is reinforced through regular hands-on drills.

OHS Trainings

As one of the most essential pillars of our occupational health and safety (OHS) vision, we prioritized training activities in 2024. Our OHS specialists and training staff organized regular sessions throughout the year to enhance the knowledge of our employees, contract farmers, and suppliers.

Basic OHS training was made mandatory during the orientation process for new hires, growers, and interns. These trainings, conducted in line with Law No. 6331, were supported by performance monitoring, and participants who successfully completed the sessions were awarded certificates.

Through these efforts, we aimed not only to fulfill legal obligations but also to ensure that our employees internalize a culture of occupational health and safety.

This orientation training ensures that every new employee is equipped with the essential knowledge to work safely from day one. The content of the training is regularly reviewed and updated, and records of completion are systematically tracked. This approach reinforces our preventive culture and aligns with international best practices in workplace safety.

Promoting Preventive Behavior Among Tobacco Farmers



To enhance the culture of occupational health and safety, we launched the project titled “DEVELOPING AND PROMOTING A PROTECTIVE BEHAVIOR APPROACH AMONG TOBACCO GROWERS” project.



In collaboration with behavioral scientists from İzmir University of Economics, we analyzed the behavioral change processes needed for farmers to adopt the use of personal protective equipment (PPE) and comply with OHS practices.



The project aims to generate behavior-based improvement proposals that address health risks associated with chemical applications and harvesting in Oriental and Sun-Cured Virginia (SCV) tobacco production. Findings from this research were integrated into our field training content.



The updated training modules provide farmers with practical and applicable knowledge to effectively use PPE during their time in the fields—helping protect their health while supporting sustainable agricultural practices.



OHS Practices and Personal Protective Equipment (PPE)

Throughout 2024, we prioritized the use of modern equipment and the complete implementation of PPE across all production and operational activities. Our updated OHS Handbook and training programs emphasized the correct and effective use of PPE. Relevant equipment was distributed to employees, ensuring a safe working environment.

As a company, we remain committed to our zero-accident policy and expect the same level of awareness and responsibility from our employees and grower partners.

PPE usage was also a major focus in training programs delivered to growers throughout the year. In all our projects, compliance with PPE standards was ensured, reinforcing our safety culture across all stakeholders.

Distribution of PPE and First Aid Kits

In 2024, to reduce health risks stemming from agricultural chemical use, we continued to provide growers with protective equipment support. In total, 5,500 PPE sets (masks, gloves, goggles, and coveralls) and 5,500 cotton gloves were distributed.

Our goal is to increase farmers' personal protection levels in the field, reduce chemical exposure, and promote safe working conditions.

Additionally, to ensure quick response to potential hazardous situations in the field, 100 first aid kits were distributed to growers.

These actions are integral to our goal of strengthening OHS culture and promoting sustainable agricultural practices.

Preventing CPA Exposure Among Growers

To minimize the risk of CPA exposure among growers, we conducted satisfaction surveys regarding the use of protective coveralls. The results were shared with the project working group.

Based on the survey feedback, our project partner SUNTEKS initiated the design of a new-generation protective overall. Once completed, the prototype will be reviewed by both the project team and the executive board from multiple perspectives.

This effort reflects our commitment to developing innovative solutions shaped by real field needs and highlights our continuous improvement efforts to safeguard grower health.

CPA Application Project

The health and safety of our employees, growers, and all stakeholders is among our top priorities. To prevent the unconscious use of chemical plant protection products (CPA) and reduce health risks for applicators, we launched a dedicated awareness and certification project in collaboration with the Tavas District Directorate of Agriculture and Forestry.

Under this project, growers attended CPA-related training provided by the District Directorate and were issued official certificates, authorizing only certified individuals to apply CPAs in the field.

This initiative increased oversight of chemical use in agriculture and aimed to reduce health risks for workers and growers. It also helped raise awareness about safe farming practices in rural areas.

Rural Road Safety: Trailer Reflector Distribution

To prevent road accidents in rural areas—especially during evening hours—we distributed reflectors for agricultural trailers. These reflectors improve visibility for agricultural vehicles traveling on village roads, reducing the risk of accidents.

In 2024, a total of 100 reflectors were distributed to growers.

Our Approach to Human Rights

At Sunel Türk Ticaret A.Ş., our approach to human rights is guided by the principles of the United Nations Global Compact (UNGC) and the fundamental conventions of the International Labour Organization (ILO). We are committed to full respect for universal human rights across all our operations, adopting policies aligned with international standards in areas such as non-discrimination, prohibition of forced labor, and zero tolerance for child labor. We pledge to provide all employees and stakeholders with a fair, safe, and dignified working environment. Our approach is fully aligned with the four core principles of the UNGC.

We proactively implement practices to identify and mitigate human rights risks across our operations and supply chain. We regularly audit working conditions, prioritizing compliance with ILO standards for occupational health and safety. We respect the fundamental rights of our employees, including freedom of association, the right to collective bargaining, and freedom of expression, and actively promote the realization of these rights. We also expect our business partners to uphold these values in all third-party relationships.

Throughout 2024, we strengthened the integration of human rights culture into our corporate structure through training and awareness activities. We continuously improve and update our human rights policies based on ILO labor standards, positioning this approach as an integral part of our sustainability transition strategy.

Human Rights Policy

Our Human Rights Policy, developed in accordance with the ILO and UNGC principles, aims to safeguard the rights of our employees and ensure respect for universal human rights throughout all our operations. The policy covers the following areas:

OHS Risks and Opportunities

- Child Labor
- Employment Relationship
- Fair Compensation
- Forced Labor
- Freedom of Association
- Health and Safety
- Migrant Workers
- Harassment
- Discrimination
- Working Conditions
- Rights of Indigenous Peoples
- Human Rights Due Diligence

Fair Wage Principles

At Sunel Ticaret Türk A.Ş., we are committed to paying all employees a fair living wage that ensures a dignified standard of living. Our wage policy exceeds legal requirements by considering local economic conditions and the cost of living, allowing employees and their families to meet essential needs and discretionary expenses.

Our compensation practices are based on equality, transparency, and respect for human dignity. All payments are clearly itemized on payslips and comply with national and international labor standards.

Wage levels are regularly reviewed through employee feedback and internal assessments. Our HR team provides training to help employees understand their wage entitlements.

The “Sunel Family Basket,” based on the average expenses of a family of four, guides our internal fair wage benchmarks and is updated annually—demonstrating our commitment to fair, equitable, and decent working conditions.

In 2024, following the government’s update to the minimum wage, we reviewed our communication processes for both growers and workers. To highlight the principles of equal pay for equal work and gender equality, we added specific clauses to our information forms.

The updated form was published on the Aegean Tobacco Exporters Association (ATEA) website and distributed to growers in the field. This initiative aimed to raise awareness of wage rights and reinforce social equality in agriculture.

Our Commitment Against Child Labor

As part of our human rights approach, we continued our strong stance against child labor throughout 2024. We strictly uphold a zero-tolerance policy against child labor, aligned with international conventions and human rights standards.

Our main goal in this area is to ensure that child labor has no place in our sector or value chain while also raising public awareness on the issue.

Initiative to Prevent Child Labor

As of 2024, we launched a partnership with the civil society organization EYKA to implement the project "The Role of Children in Family-Based Farming" to prevent child labor in family farming.

The project aims to identify the social and psychological factors that lead to child labor in tobacco farming, distinguish between hazardous and non-hazardous tasks, and develop socially grounded action plans to prevent child labor (e.g., specifying acceptable light duties).

Following EYKA's final report, the next step will be to collaborate with ECLT, public institutions, growers, workers, the private sector, and NGOs to develop comprehensive action plans. Under ECLT's leadership, we aim to promote evidence-based policies and practices that ensure children grow up healthy, safe, educated, and able to reach their full potential.

In line with our company policy, we expect all business partners in our supply chain to demonstrate the same sensitivity on this issue. As a member of the Aegean Tobacco Exporters' Association, our goal is to create impact not only within our company but also across the sector and broader society. We are strengthening our commitment to the fight against child labor year by year.

To reinforce our stance and raise public awareness, we published our Corporate Declaration Against Child Labor on June 12, World Day Against Child Labor.

Human Resources Practices

We prioritize social sustainability principles in our work processes and aim to create a safe, peaceful, and motivating work environment for our employees and growers. Our Human Resources department implements strategic initiatives to maximize employee engagement, reduce workplace stress, and minimize turnover.

At Sunel Türk Ticaret A.Ş., we view our employees not only as part of our workforce but as members of a larger family. We strive to instill a strong sense of belonging through this people-centered HR policy that extends from our management team to our growers.

We place great importance on employee feedback and have established an active feedback mechanism to resolve suggestions, requests, and complaints swiftly and effectively. This proactive approach encourages active employee participation and contributes to our organizational development.

Training

Supporting the personal and professional development of our employees is one of our top priorities. Through our training and development programs, we aim to enhance individual competencies and guide our employees along their career paths. We believe that sustainable success can only be achieved through continuous development.

We offer opportunities to help each employee discover and realize their potential. Our training programs are structured under two main categories: Mandatory Training and Personal Development Training. Mandatory training includes occupational health and safety and emergency training, managed by our OHS and HR units. Personal development training is coordinated annually by our HR department with input from relevant units

At the beginning of each year, we design new programs based on current needs, providing an environment for skill-building and personal growth. Through voluntary support mechanisms, we accompany employees on their development journeys and celebrate their achievements.

Grower Trainings

Before each harvest season, we organize training sessions for male and female growers and field experts on sustainable tobacco production. These sessions cover environmentally, socially, and health-focused agricultural methods and are supplemented with brochures and informational materials.



Inclusion

At Sunel Türk Ticaret A.Ş., we conduct our recruitment processes with a transparent, fair, and inclusive approach—offering equal opportunities to candidates regardless of language, religion, race, or gender. We evaluate candidates’ potential using objective criteria, conducting competency-based interviews and assessments to guide our hiring decisions.

We implement a structured orientation process for new hires, covering company culture, core processes, legal obligations, and role-specific details. Additionally, all new employees are required to complete OHS training during the onboarding process.

To support the participation of individuals with disabilities in the workforce, we prioritize inclusive hiring and go beyond legal obligations by aiming to exceed the 3% employment target. We also implement support mechanisms to help them adapt and leverage their skills effectively.

Empowering Women

Increasing women's employment and promoting gender equality are key priorities in Sunel Türk Ticaret A.Ş.'s sustainability strategy. We implement equality-based policies to strengthen women's representation in the workforce and encourage their participation in decision-making processes.

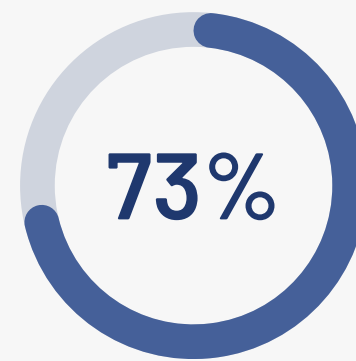
Our equal opportunity policies support women in leadership roles and uphold a zero-tolerance approach to gender-based discrimination in recruitment and promotions. We also aim to empower female growers and promote inclusion across the supply chain.

Our mentorship programs, talent development plans, and dedicated support mechanisms for women have contributed to a steady increase in female employment. Additionally, we monitor gender equality indicators within performance and reporting systems to identify areas for improvement.

Women's Empowerment and Participation

Increasing women's employment and promoting their active participation in business processes are essential components of Sunel Türk Ticaret A.Ş.'s sustainability strategy. In 2024, we continued our projects aimed at increasing female employment. Through the forklift training program we launched last year, 15 female employees graduated as licensed forklift operators and began working actively in warehouse operations.

In addition to supporting women's participation in the workforce, we implement equal opportunity practices that foster their leadership potential. We also initiated the process of joining international platforms such as the Women's Empowerment Principles (WEPs) to support women's empowerment in economic and social life.



As of 2024, 73% of our workforce is composed of women.

To maintain and further increase this ratio, we are steadfastly implementing inclusive and equitable policies throughout 2024.

Full Support for Women

Aligned with our gender equality approach, we encourage the active participation of women in the workforce and in operational roles. At Sunel Türk Ticaret A.Ş., 73% of our employees are women. To ensure this strong representation is reflected in operational processes, we launched a women's empowerment project through which 15 women received forklift operator training in 2022 and 2023. These women now actively contribute to our warehouse operations as licensed forklift drivers.

In 2024, six more women received their forklift licenses and joined the program. Through such examples, we continue to prove that women can succeed in roles traditionally seen as male-dominated.

Women’s Empowerment and Participation

Say No Against Violence

To raise awareness about women’s rights and introduce available support mechanisms in cases of violence, we prepared and distributed informational brochures about legal support hotlines to both our employees and growers.

We also shared our corporate motto, which underscores our firm stance against violence against women, in field practices



Against violence toward women—
on the streets, in the fields, in every aspect of life—
Sunel is always by your side.

These efforts aim to ensure that women feel strong, safe, and supported not only in the workplace but in every area of life.

International Recognition for Women’s Empowerment

Our practices that support women's empowerment in economic and social life continue to be recognized at both national and international levels. Within this scope, our work under the Women’s Empowerment Principles (WEPs) framework was awarded, and we officially became a WEPs signatory.

WEPs, created by UN Women and the UN Global Compact, is a global platform that defines the role the private sector can play in advancing gender equality. Becoming a WEPs signatory affirms our commitment to empowering women in the workplace, marketplace, and community at the international level.

Access to Healthcare for Women

To support our female growers’ right to health, we partnered with four local hospitals in 2024 to offer them discounted check-up packages. This initiative aims to encourage early diagnosis, regular health monitoring, and greater awareness.

The Check-up Services Include

- Mammography
- Chest X-Ray
- Abdominal and thyroid ultrasound
- Breast ultrasound
- Complete blood count
- Cancer screening tests (AFP, CA-19-9, CA-125, CA-15-3, CEA)
- Pap smear test

Partner Hospitals

- Cerrahi Hospital – Denizli
- MediBafra Hospital – Samsun
- Mavi Hospital – Akhisar
- Özet Batman Dünya Hospital – Batman

This support marks a significant step toward empowering women not only economically but also in terms of healthcare access.

Women's Empowerment and Participation

Free Cancer Screenings

In support of our female growers' health, free diagnostic and screening services were provided in collaboration with the Early Diagnosis, Screening, and Training Center (KETEM) as part of a sector-wide initiative.

As part of this effort, 25 female growers underwent comprehensive health screenings at KETEM. These examinations significantly contributed to the protection of women's health through early diagnosis and awareness-raising.

In line with our gender equality approach, we continue to promote not only the economic empowerment of women but also their physical and social well-being.

Training Programs for Female Growers

To improve access to information and empower our female growers in the field, we organized training sessions specifically designed for women. These sessions focused on:

- ✓ Basic health knowledge and medical care
- ✓ Pest and disease management
- ✓ Employee rights and job security

To ensure more effective and inclusive delivery, a team of female trainers was established to communicate more effectively with women participants.

Through these efforts, we aim to enhance both the technical knowledge and the awareness of rights among our female growers, strengthening their role in the production process.



Employee Rights

At Sunel Türk Ticaret A.Ş., we provide all our employees with legal rights in accordance with national labor laws and international labor standards. We embrace a workplace culture grounded in trust, fairness, and respect, and we consider employee satisfaction one of our top priorities.

In this regard, we go beyond legal obligations—particularly in areas such as occupational health and safety, wages, leave, working hours, and social benefits—to offer our employees the best possible conditions. We operate with the understanding that achieving the highest level of performance is only possible through the well-being and satisfaction of our workforce.

Throughout 2024, we enhanced our annual leave planning processes and began evaluating new initiatives to support employees' psychosocial well-being—such as establishing hobby gardens and organizing social activities.

Additionally, we have implemented effective multi-channel communication mechanisms (phone, email, suggestion/complaint boxes, and QR codes) to ensure employees can comfortably share their feedback, suggestions, and complaints. Through this system, issues related to employee rights are swiftly addressed, and necessary actions are taken in a timely manner. All reports are handled with strict confidentiality, and employees are protected from any form of retaliation when raising concerns.

Employee Well-being and Social Support

We provide our employees with festive support during national holidays, including food packages and celebratory gifts. These gestures are part of our broader commitment to employee well-being and help strengthen workplace morale and solidarity during culturally significant times.

Employee Insurance

At Sunel Türk Ticaret A.Ş., we offer supplementary private health insurance for white-collar employees and life insurance for blue-collar workers, going beyond legal requirements to support employee well-being. These benefits are part of our commitment to fostering a secure and supportive work environment for all.

Family-Supportive Programs

We implement family-friendly policies in full compliance with Labor Law No. 4857 and our internal employee handbook. Leave is granted for childbirth, childcare, marriage, and bereavement, ensuring that employees receive the support they need during significant life events.

Farmers Advantage Card

At Sunel Ticaret Türk A.Ş., we are committed to delivering value not only to our employees but also to our contracted growers. As part of this commitment, we introduced the Sunel Farmers' Club in 2019 to advance our social sustainability goals and improve the quality of life for our farmers. The initiative gained momentum with the completion of a comprehensive sector-wide Supply Chain Risk Assessment in 2021, which led to formal recognition by sectoral working groups under the Aegean Exporters' Associations, expanding its reach across the entire tobacco sector.

The program had evolved into the Farmer Advantage Card initiative, encompassing all contracted tobacco growers in Türkiye. The project's progress and impact were showcased at the Coresta Congress in Cancun, Mexico, where we presented the transformation journey from the Farmers' Club to the ÇAK model, at the invitation of one of our key customers.

Farmers Advantage Card

The initiative continued throughout 2024, maintaining strong engagement and expanding its impact across the farming communities.



Beyond providing tangible economic benefits, the ÇAK initiative fosters social cohesion and promotes community spirit among farmers. Aligned with the United Nations Sustainable Development Goals (SDGs), the project contributes to SDGs 1, 3, 4, 7, 8, and 12, emphasizing well-being, education, energy efficiency, decent work, and responsible consumption.

The core aim of the initiative is to improve farmers livelihood and encourage professional motivation. To this end, annual meetings are held with ÇAK cardholders, during which we conduct satisfaction surveys and refine the card's benefits and coverage based on feedback. Our official website serves as an accessible platform for farmers to view exclusive discounts and institutional collaborations, offering real-time updates on available benefits. These services are backed by a dedicated customer service team, available weekdays from 8:00 a.m. to 5:00 p.m., and are further promoted through visual and print media including brochures, posters, and short films to ensure widespread engagement and awareness.

Summary of Farmers' Club Performance

- 47,000** Members
- 100%** Card Delivery to Contracted Growers
- 5% Increase** In Direct Farmer Engagement
- Regularly Conducted** Satisfaction Surveys

Farmers Club Benefits

- Exclusive discount opportunities
- Priority access to services in contracted organizations
- Reduced rates for private healthcare services
- Field visits and remote meetings
- Tailored health screening packages for women growers
- Focused awareness campaigns on cancer prevention

Key Areas of Focus Moving Forward

- Enhanced survey mechanisms and application of farmer feedback
- Expansion of institutional partnerships
- Stronger impact reporting systems
- Increased field-level engagement activities



06

Each Number, One Step Ahead

Performance Indicators

Performance Indicators

Environmental Indicators

EMISSIONS	2021	2022	2023	2024
Scope-1 GHG Emissions (tCO2e)	1,331.8	1,442.3	1,780.2	2,190.9
Scope-2 GHG Emissions (tCO2e)	1,430.0	1,455.5	1,489.5	1,635.2
Scope-3 GHG Emissions (tCO2e)	40,715.0	6,587.9	14,856.7	19,120.4
Total greenhouse gas emission intensity (scope 1+2)(tCO2e/ton product)	-	-	0.52	0.50
Greenhouse gas emission reduction (tCO2e)	-	-	-	309.4

ENERGY	2021	2022	2023	2024	
Energy Consumption in the Organization (GJ)					
Non-Renewable Resources	Natural Gas	-	20,467.08	24,215.64	31,464.29
	Diesel	-	2,054.94	2,247.01	901.73
	Gasoline	-	-	1,457.23	3054.14

	2021	2022	2023	2024
Electricity Consumption (GJ)	-	11,241.98	12,214.50	15,837.99
Energy Intensity (GJ/ton product)	-	2.990	2.970	1.037

Water and Wastewater	2021	2022	2023	2024
Amount of water withdrawn by sources (m3)				
Groundwater	-	-	18,274	14,728
Total amount of water withdrawn	-	-	18,274	14,728
Amount of water discharged by discharge points (m3)				
Groundwater	-	-	5,653	4,509
Total amount of discharge	-	-	5,653	4,509

GRI 305-1, 305-2, 305-3, 305-4, 305-5, 302-1

GRI 302-3, 303-3, 303-4

Performance Indicators

Environmental Indicators

	2021	2022	2023	2024
Recycled packaging materials (kg)				
Plastic	8,200.00	6,580.00	10,560.00	8,150.00
Cardboard	261,660.00	181,640.00	202,907.00	130,413.00
Wood	10,100.00	-	-	1,740.00

Air Pollutant Emissions (kg/hr)	2021	2022	2023	2024
Dust emission amounts	0.43	0.15	0.61	0.89
SOx	-	-	-	-
NOx	1.51	1.78	1.10	1.17
Particulate Matter (PM10)(mg/Nm ³)	0.78	0.84	-	0.79
Toplam				

Hazardous Waste Amounts (tons)	2021	2022	2023	2024
Other* (storage)(Medical Waste)	7.00	-	-	-
Other* (recycling)	2,280.00	860.00	2,100.00	3,802.00
Total (kg)	2,287.00	860.00	2,100.00	3,802.00

Non-Hazardous Waste Amounts (tons)	2021	2022	2023	2024
Other* (recycled)	881,260.00	688,180.00	776,567.00	650,700.00
Total	881,260.00	688,180.00	776,567.00	650,700.00

GRI 301-1, 301-2, 301-3

GRI 305-7, 306-3

Performance Indicators

Social Indicators

Number of employees by work category	2021	2022	2023	2024
Percentage of employees on the board of directors and executive management by gender (%)				
Female	10%	10%	10%	10%
Male	90%	90%	90%	90%
Percentage of employees on the board of directors and executive management by age distribution (%)				
< 30 years	0	0%	0%	0%
30 - 50 years	30%	20%	20%	20%
> 50 years	70%	80%	80%	80%
Percentage of employees in the employee category by gender (%)				
Female	54%	57%	63%	73%
Male	46%	43%	37%	27%
Percentage (%) of employees by age distribution within the employee category				
< 30 years old	10%	30%	10%	10%
30-50 years old	37%	46%	58%	58%
> 50 years old	53%	24%	32%	32%

Number of employees by employment type	2021	2022	2023	2024	
Percentage (%) of employees by employment type within the employee category					
Total	Full-time	37%	35%	32%	37%
	Part-time	63%	65%	68%	63%
Number of contractor (subcontractor) employees	2021	2022	2023	2024	
Number of employees and contractors covered under occupational health and safety					
Those within the scope of occupational health and safety	Personnel	520	530	530	416
	Subcontractor	55	55	55	30
Those within the scope of occupational health and safety that have undergone internal audit	Personnel	520	530	530	416
	Subcontractor	55	55	55	30
Those under occupational health and safety audited or certified by a third party	Personnel	0	0	0	0
	Subcontractor	55	55	55	30

Performance Indicators

Social Indicators

Employees newly hired during the year by gender and age		2024	
Number and percentage (%) of newly hired employees by age and gender		Number	Ratio
< 30 years old	Female	0	0%
	Male	0	0%
30-50 years old	Female	1	50%
	Male	1	50%
> 50 years old	Female	1	100%
	Male	0	0%
Total	Female	2	66%
	Male	1	33%

Number of employees who left the organization by gender and age		2024	
Number of employees and contractors covered by occupational health and safety		Number	Ratio
< 30 years old	Female	5	17%
	Male	1	83%
30-50 years old	Female	5	100%
	Male	0	0%
> 50 years old	Female	3	75%
	Male	1	25%

Maternity leave		2021	2022	2023	2024
Number of employees and contractors covered under occupational health and safety					
Number of employees taking maternity/parental leave	Female	-	-	-	2
	Male	-	-	-	2
Number of employees returning to work after the end of maternity/parental leave	Female	-	-	-	2
	Male	-	-	-	2

Performance Indicators

Social Indicators

Employee training (hours)	2021	2022	2023	2024
Duration of training provided to employees				
Average (employee/hour)	0.10	0.48	0.33	-
Total (hours)	4,045.50	699.00	1,230.00	5,900
Total training hours (excluding OHS trainings)	-	-	-	908
Annual average training duration per employee (hours)	-	-	-	14
OHS training (Occupational Health and Safety training)	-	-	-	4,992
Training duration provided to female employees	-	-	-	
Average (employee/hour)	-	-	-	14
Total (hour)	-	-	-	4,307
Training duration provided to male employees	-	-	-	
Average (employee/hour)	-	-	-	14
Total (hour)	-	-	-	1,593
Training duration by employee category	-	-	-	
Technical	-	-	-	2,520
Administrative	-	-	-	1,380
Production	-	-	-	2,000

GRI 404-1, 412-2, 403-8

Number of managers by gender and year	2021	2022	2023	2024
Percentage (%) of members of the board of directors and senior management by gender				
Female	10%	10%	10%	10%
Male	90%	90%	90%	90%

Percentage (%) of members of the board of directors and senior management by age distribution	2021	2022	2023	2024
< 30 years old	-	-	-	0%
30-50 years old	-	-	-	35%
> 50 years old	-	-	-	65%

Percentage (%) of employees by gender within the employee category	2021	2022	2023	2024
Female	-	-	-	73%
Male	-	-	-	27%

Percentage (%) of employees by age distribution within the employee category	2021	2022	2023	2024
< 30 years old	-	-	-	10%
30-50 years old	-	-	-	78%
> 50 years old	-	-	-	12%

GRI 405-1

Performance Indicators

Occupational health and safety performance

Number and percentage (%) of work-related fatalities	2021		2022		2023		2024	
	Sayısı	Oranı	Sayısı	Oranı	Sayısı	Oranı	Sayısı	Oranı
Number and percentage (%) of newly hired employees by age and gender								
Employee	0	0%	0	0%	0	0%	0	0%
Contractor	0	0%	0	0%	0	0%	0	0%
Number and percentage (%) of work-related severe injuries								
Employee	4	0.67	11	1.83	0	0	20	3.33
Contractor	0	0	0	0	0	0	0	0
Number and percentage (%) of total recordable work-related cases								
Employee	41	6.83	26	4.33	41	6.83	65	
Contractor	0	0	0	0	0	0	0	

	2021	2022	2023	2024
Number of deaths from work-related diseases				
Employee	0	0	0	0
Number of recordable work-related illness cases				
Employee	4	8	6	0
Contractor	0	0	0	0

Occupational health and safety performance (contractor employees)	2021	2022	2023	2024
Number of accidents	41	26	41	65
Number of fatal cases				
Absenteeism (number of lost days)	9,845	9,520	9,635	9,750
Lost Time Injury (LTI) Days Due to Work Accidents	265	63	118	127
Accident Frequency Rate (LTIF)	35.15	22.29	35.15	185.75
Accident Severity Rate (ASR)	0.22	0.05	0.1	0.3
Occupational Disease Rate (ODR)	0	0	0	0
Lost Day Rate (LDR)	0.22	0.05	0.1	0.3
Absenteeism Rate (AR)	5.97	5.77	5.84	5.99

07

Transparency in International Standards

GRI Content Index



GRI Content Index



Sunel türk Ticaret A.Ş. has reported in accordance with the GRI Standards for the period 01.01.2024 - 31.12.2024

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
GRI 1: FOUNDATION 2021		
GENERAL DISCLOSURES		
	2-1 Organizational details	About Us p. 5
	2-2 Entities included in the organization’s sustainability reporting	About the Report p. 2
	2-3 Reporting period, frequency and contact point	About the Report p. 2
	2-4 Restatements of information	There is no restated statement.
	2-5 External assurance	For the reporting period, external assurance has not been conducted.
	2-6 Activities, value chain and other business relationships	Products p. 10
	2-7 Employees	Our Approach to Human Rights p. 53,54 Employee Rights p. 59
	2-8 Workers who are not employees	Our Approach to Human Rights p. 53,54 Employee Rights p. 59
	2-9 Governance structure and composition	Board of Directors p. 14 Executive Management p.15
	2-10 Nomination and selection of the highest governance body	Board of Directors p. 14
	2-11 Chair of the highest governance body	Board of Directors p. 14
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors p. 14 Executive Management p. 15 Sustainability Approach p. 16
	2-13 Delegation of responsibility for managing impacts	Board of Directors p. 14 Executive Management p. 15 Sustainability Approach p. 16
	2-14 Role of the highest governance body in sustainability reporting	Board of Directors p. 14 Executive Management p. 15 Sustainability Approach p. 16
	2-15 Conflicts of interest	Business Ethics p. 29
	2-16 Communication of critical concerns	Board of Directors p. 14 Executive Management p.15
	2-17 Collective knowledge of the highest governance body	Board of Directors p. 14 Executive Management p.15
	2-18 Evaluation of the performance of the highest governance body	Board of Directors p. 14 Executive Management p.15
	2-19 Remuneration policies	Our Approach to Human Rights p. 53,54 Our Approach to Social Sustainability 9. 49
	2-20 Process to determine remuneration	Our Approach to Human Rights p. 53,54 Our Approach to Social Sustainability 9. 49
	2-21 Annual total compensation ratio	Confidentiality Restrictions: The data in question is not disclosed for confidentiality reasons as it contains indicators that may affect competition in the market.
	2-22 Statement on sustainable development strategy	Sustainability Governance p. 19, 20

GRI Content Index

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
GRI 2: General Disclosures 2021	2-23 Policy commitments	Our Environmental Management Approach p. 35
	2-24 Embedding policy commitments	Our Environmental Management Approach p. 35
	2-25 Processes to remediate negative impacts	Biodiversity p. 41 Sustainable Supply Chain p. 46 Our Approach to Social Sustainability p. 49
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Approach p. 16 Business Ethics p. 28
	2-27 Compliance with laws and regulations	No legal non-compliance or penalties occurred during the reporting period.
	2-28 Membership associations	Memberships and Partnerships p. 11
	2-29 Approach to stakeholder engagement	Stakeholder Engagement p. 30
GRI 3: MATERIAL TOPICS 2021	2-30 Collective bargaining agreements	Our Approach to Human Rights p. 53,54
	GRI 3: MATERIAL TOPICS 2021	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis p. 21
	3-2 List of material topics	Materiality Matrix p. 22
CUSTOMER WELFARE		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain p. 46
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Sustainable Supply Chain p. 46
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No non-compliance incidents occurred during the reporting period.
SALES PRACTICES AND PRODUCT LABELLING		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement p. 30
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Our Approach to Sustainable Product Management p. 43
	417-2 Incidents of non-compliance concerning product and service information and labeling	No non-compliance incidents occurred during the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications	No non-compliance incidents occurred during the reporting period.
GOVERNANCE STRUCTURE		
GRI 3: Material Topics 2021	3-3 Management of material topics	Board of Directors p. 14 Executive Management p.15
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Empowering Women p. 56
	405-2 Ratio of basic salary and remuneration of women to men	There is no gender-based salary difference. Equal pay for equal work principle is applied.

GRI Content Index

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period.
PRIVACY AND DATA SECURITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics p. 28
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No non-compliance incidents occurred during the reporting period.
OCCUPATIONAL HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety p. 49
	403-1 Occupational health and safety management system	Occupational Health and Safety p. 49
	403-2 Hazard identification, risk assessment, incident investigation	Occupational Health and Safety p. 49, Emergency Preparedness and Response p. 50
	403-3 Occupational health services	OHS Practices and Personal Protective Equipment p. 52
	403-4 Worker participation, consultation, and communication on occupational health and safety	OHS Practices and Personal Protective Equipment p. 52
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	OHS Trainings p. 51
	403-6 Promotion of worker health	OHS Practices and Personal Protective Equipment p. 52
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety p. 49
	403-8 Workers covered by an occupational health and safety management system	OHS Practices and Personal Protective Equipment p. 52
	403-9 Work-related injuries	Performance Indicators p. 67
	403-10 Work-related ill health	Performance Indicators p. 67
ENERGY MANAGEMENT (ENERGY CONSUMPTION, ELECTRICITY GENERATION)		
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Efficiency p. 37
	302-1 Energy consumption within the organization	Energy Efficiency p. 37, Performance Indicators p. 62
GRI 302: Energy 2016	302-3 Energy intensity	Performance Indicators p. 62
	302-4 Reduction of energy consumption	Energy Efficiency p. 37
	302-5 Reductions in energy requirements of products and services	Energy Efficiency p. 37

GRI Content Index

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
GHG EMISSIONS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Emissions Management p. 36
	305-1 Direct (Scope 1) GHG emissions	Emission Management p. 36 Performance Indicators p. 62
	305-2 Energy indirect (Scope 2) GHG emissions	Emission Management p. 36 Performance Indicators p. 62
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Emission Management p. 36 Performance Indicators p. 62
	305-4 GHG emissions intensity	Emission Management p. 36 Performance Indicators p. 62
	305-5 Reduction of GHG emissions	Emissions Management p. 36
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Emissions Management p. 36
AIR QUALITY MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Emissions Management p. 36
LAND AND RESOURCE USE		
GRI 3: Material Topics 2021	3-3 Management of material topics	Organic and Innovative Production p. 44
	301-1 Materials used by weight or volume	Overview of 2024 p. 8
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	Performance Indicators p. 63
HUMAN RIGHTS AND COMMUNITY RELATIONS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Approach to Human Rights p. 53 Our Commitment Against Child Labor p. 54
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Our Commitment Against Child Labor p. 54 Our Approach to Social Sustainability p.49
EMPLOYEE PARTICIPATION, DIVERSITY AND INCLUSION		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Mission Vision and Core Values p.13
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Empowering Women p. 56
	405-2 Ratio of basic salary and remuneration of women to men	No gender-based salary difference. Equal pay for equal work is applied.
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period.

GRI Content Index

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
SUSTAINABLE PRODUCT DESIGN & LIFE CYCLE MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Governance p. 19 Sustainable Supply Chain p. 46
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Overview of 2023 p. 8
	301-3 Reclaimed products and their packaging materials	Performance Indicators p. 63
EMPLOYEE CONDITIONS AND EMPLOYEE ENGAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Approach to Human Rights p. 53,54 Employee Rights p. 59
GRI 401: EMPLOYMENT 2016		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Farmer Advantage Card (ÇAK) p. 59
WASTE AND HAZARDOUS WASTE MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Management p. 38
	306-1 Waste generation and significant waste-related impacts	Waste Management p. 38
	306-2 Management of significant waste-related impacts	Waste Management p. 38
GRI 306: Waste 2020	306-3 Waste generated	Performance Indicators p. 63
	306-4 Waste diverted from disposal	Performance Indicators p. 63
	306-5 Waste directed to disposal	Performance Indicators p. 63



STRONG NATIONAL ADAPTATION

A SECURE FUTURE

CONTENTS

INTRODUCTION

GOVERNANCE

RISK MANAGEMENT

STRATEGY

METRICS AND TARGETS

S SUNEL T.T.A.Ş.

TSRS Report

Introduction

Report Objective and Scope

Sunel Ticaret Türk A.Ş. has prepared its sustainability-related financial disclosures for the reporting period of 1 January 2024 – 31 December 2024 in compliance with the provisions of Türkiye Sustainability Reporting Standards (TSRS), specifically TSRS 2 Climate-Related Disclosures.

This report forms an integral part of Sunel’s annual activity report and financial statements and fulfills the mandatory disclosure requirements under TSRS 2.

The purpose of this report is to provide investors, lenders, and other capital providers with decision-useful information on sustainability and climate-related risks and opportunities that could affect the Company’s cash flows, access to finance, or cost of capital in the short, medium, and long term.

The report covers all operational facilities of Sunel, while also considering significant environmental impacts arising upstream (raw material supply) and downstream (product use and end-of-life) across the value chain. In line with TSRS 2 Paragraph 3, both physical and transition risks have been addressed in the disclosures.

TSRS Compliance Statement

The purpose of this report is to provide investors, lenders, and other capital providers with decision-useful information on sustainability and climate-related risks and opportunities that could affect the Company’s cash flows, access to finance, or cost of capital in the short, medium, and long term.

The report covers all operational facilities of Sunel, while also considering significant environmental impacts arising upstream (raw material supply) and downstream (product use and end-of-life) across the value chain. In line with TSRS 2 Paragraph 3, both physical and transition risks have been addressed in the disclosures.

Reporting Period, Boundaries, and Measurement Approach

Reporting Period and Frequency:

This TSRS report covers the activity period 1 January 2024 – 31 December 2024 and is prepared annually in alignment with the financial reporting calendar. Any material developments arising during interim periods will be disclosed separately.

Organizational and Operational Boundaries:

Disclosures cover all operational activities of Sunel and are based on the control principle consistent with the financial statements. Environmental impacts and dependencies across the value chain have been considered.

Measurement Approach and Assumptions:

Greenhouse gas emissions have been calculated in accordance with ISO 14064 using the Operational Control approach. Data on energy, water, and waste are provided in the performance indicators section of this sustainability report. Emission factors, methodologies, and key assumptions are detailed in the relevant sections of this report.

Measurement Uncertainty:

For metrics based on estimates, uncertainty ranges and measures to reduce such uncertainties are disclosed in the respective notes.

Introduction

Fair Presentation, Connected Information, and Comparative Data

Sunel is committed to presenting sustainability-related financial information accurately, completely, and impartially; disclosures rely on prudent estimates and verifiable evidence where subject to estimation risk.

As this is Sunel's first report under TSRS, the Company has made use of transitional reliefs under TSRS 1 Appendix C Paragraph C12, and therefore no comparative information for the previous reporting period (2023) is provided. Metrics and monetary amounts related to 2024 are presented as single-period data, with comparative presentation planned starting from the 2025 report.

About Sunel

Founded in 1939, Sunel Ticaret Türk A.Ş. stands as one of the oldest and most deeply rooted companies in Türkiye's tobacco sector. The true foundations of our enterprise, however, date even further back and are closely interwoven with the history of the Republic of Türkiye itself.

Following the dissolution of the Ottoman Empire and the global economic challenges of the early 1930s, the newly established Republic of Türkiye inherited a significant portion of the Ottoman Empire's foreign debt, including obligations to the United Kingdom. To repay this debt through innovative means, negotiations were held between the British Foreign Office, the Trade Board, and the Turkish Government. Acting on the instructions of the Turkish Ministry of Foreign Affairs, it was agreed to establish a dedicated company to facilitate debt repayment through tobacco exports.

Thus, Sunel Ticaret Türk A.Ş. was founded with a historic mission: the value of exported tobacco would be deducted from Türkiye's outstanding debt. This unique story of origin makes Sunel's establishment a remarkable economic milestone in the early years of the Republic.

Today, with a heritage spanning over 85 years, Sunel Ticaret Türk A.Ş. has evolved into one of Türkiye's largest private tobacco companies. The company operates with 100,000 square meters of enclosed operational space, state-of-the-art processing and storage facilities, and modern laboratories, maintaining a long-standing reputation for superior product quality and reliability in global markets.

Owned by the Gürel family, Sunel remains one of the oldest and most trusted leaf tobacco suppliers in Türkiye, carrying forward its legacy while continuously investing in innovation, sustainability, and value creation for future generations.

Governance

Climate Change Governance Mechanism

At Sunel Ticaret Türk A.Ş., the management of climate-related risks and opportunities is overseen by the Sustainability Committee, which is formally authorized by the Board of Directors. The Committee is composed of 12 to 24 members, including at least one board member, and is supported by five thematic Working Groups focusing on environmental sustainability, social sustainability, corporate governance, sustainable product management, and climate change.

Among the five thematic Working Groups that support the Committee, a dedicated Climate Change Working Group plays a crucial role in the governance structure. This group is responsible for conducting in-depth assessments of climate-related risks and opportunities, evaluating emerging regulatory and physical risk drivers, and developing preliminary analyses, recommendations, and mitigation actions. The outcomes of their work are submitted to the Sustainability Committee biannually and serve as a foundation for strategic decision-making related to climate resilience, emissions management, and sustainability integration across business functions.

The Committee convenes at least twice a year under regular circumstances and may also call extraordinary meetings when necessary. All decisions taken during meetings are formally documented and signed by the attendees. Resolutions are passed by absolute majority; in the event of a tie, the Committee Chair's vote determines the outcome.

Key responsibilities of the Committee include setting the climate-related strategies, policies, and targets; monitoring implementation progress; and reporting outcomes to the Board of Directors. The Chair of the Committee is responsible for preparing meeting agendas, ensuring execution of decisions, and overseeing regular reporting. Working Group outputs are presented biannually and are aligned with the United Nations Sustainable Development Goals (SDGs).

The Committee encourages internalization of sustainability principles by all employees and stakeholders and plays a pivotal role in identifying and responding to climate-related risks and opportunities across the business model and value chain. Performance data is tracked via KPIs and transparently disclosed in the company's annual sustainability report. While remuneration is not yet linked to ESG metrics, integration is planned for future reporting cycles.

Committee activities are supported by the executive management team, and additional personnel may be invited to participate in meetings when needed. The Board of Directors ensures the Committee has access to all necessary resources to fulfill its mandate effectively.

To support its responsibilities regarding climate oversight, the Committee implements climate-related risk governance in line with our Climate Risk Management Procedure. Developed in accordance with TSRS-2, IFRS S2, and TCFD recommendations, this procedure ensures that both physical (e.g., floods, droughts, extreme heat) and transition risks (e.g., regulatory changes, carbon pricing, market shifts) are systematically identified, assessed, monitored, and reported.

Our process is fully integrated into the corporate risk management system and executed under the coordination of the Sustainability Committee, in collaboration with working groups and relevant departments. Each year, a climate risk assessment calendar is developed to guide evaluations. Risks are categorized into short-, medium-, and long-term timeframes, and mitigation actions are shaped according to four key approaches: avoidance, reduction, transfer, and acceptance.

Scenario analyses are informed by IPCC's RCP frameworks. Identified risks are recorded in the company's "Risk Inventory" and are subject to financial impact assessments. Results are submitted to the Board annually. Internal controls and the effectiveness of mitigation measures are regularly reviewed, and all data is securely archived to comply with TSRS processes.



Governance



Sunel Climate Change Policy

As part of our governance approach to climate-related issues, Sunel Ticaret Türk A.Ş. has adopted a formal Climate Change Policy that outlines the company's commitments and strategic direction on carbon management, energy efficiency, water resilience, and climate risk mitigation.

Through this policy, the company commits to reducing greenhouse gas emissions, increasing the share of renewable energy in operations, improving energy efficiency, enhancing water use efficiency, and strengthening resilience to both physical and transition climate risks. This policy has been approved by the Board of Directors and is overseen by the Sustainability Committee and its relevant working groups.

The policy is integrated into our organizational decision-making, with defined responsibilities for monitoring targets and implementing action plans.

Sustainability Committee Competence and Oversight Capabilities

The Sustainability Committee at Sunel Ticaret Türk A.Ş. is composed of 13 members with diverse professional backgrounds and extensive experience across sectoral, financial, and sustainability domains. All members hold undergraduate degrees, while several possess over 20 years of combined sectoral and financial expertise. Notably, the Chair and Vice-Chair bring over 20 years of sustainability experience, while other members also demonstrate strong capabilities, with many having between 5 to 21 years of direct involvement in sustainability matters.

To ensure the committee's effectiveness, its members participate in ongoing professional development activities such as sustainability conferences, climate-related workshops, and ESG reporting seminars.

This composition ensures that the committee possesses the necessary authority, qualifications, and practical experience to oversee climate-related risks and opportunities in alignment with the company's long-term strategy. The Committee's multidisciplinary structure, continuous learning culture, and clear delegation of roles contribute to effective governance in line with TSRS and global ESG standards.

Governance

Name	Role in Committee	Sectoral Exp.	Financial Exp.	Sustainability Exp.	Committee Title
Mahru Gürel Ağdanlı	Chair	16	21	10	Chair
Serdar Büyüksaraç	Vice Chair	19	35	20	Vice Chair
Özkan Karabayır	Working Groups Coordinator	8	29	8	Committee Coordinator
Esen Çetintaş	Rapporteur	8	19	8	Rapporteur
Neslihan Akın	Member	25	35	20	Member 1
Gökhan Ergün	Member	1	28	10	Member 2
Güray Gün	Member	27	27	10	Member 3
Aytaç Çoğan	Member	21	21	21	Member 4

Name	Role in Committee	Sectoral Exp.	Financial Exp.	Sustainability Exp.	Committee Title
Bülent Erdi Özgür	Member	11	17	5	Member 5
Ünsal Araz	Member	26	33	7	Member 6
Ömür Erturk	Member	21	29	8	Member 7
Gonca Yalçinkaya	Member	13	21	5	Member 8
Devrim Tuncay	Member	12	26	26	Member 9
Bahar Sözturkun	Member	5	18	5	Member 10
Çağdaş Yöntemer	Member	30	30	5	Member 11

Risk Management

Parameters and Scope of Analysis

In 2024, Sunel Ticaret Türk A.Ş. conducted its first climate risk assessment using scenario analysis to evaluate the exposure of its İzmir-based production facility and three key supplier locations (Adıyaman, Denizli, and Manisa). The study employed meteorological datasets and regional projections under IPCC's RCP scenarios, processed via the Climanalytics Tool.

Scenario Use and Risk Impact Assessment

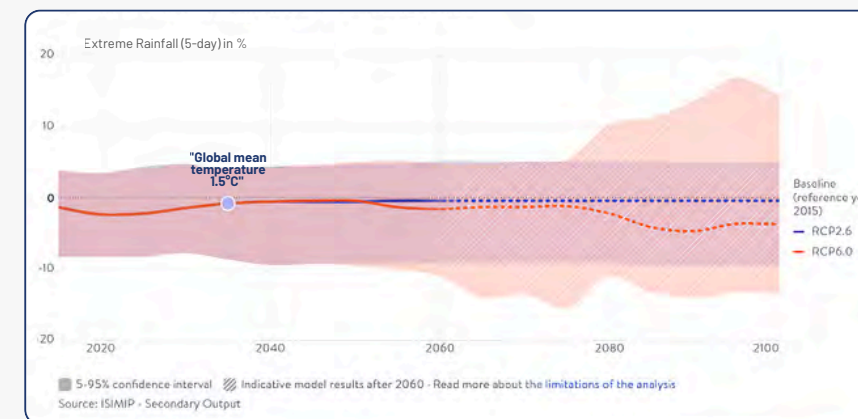
At Sunel Ticaret Türk A.Ş., scenario analysis plays a critical role in evaluating climate-related risks. We utilized IPCC's RCP 2.6 and RCP 6.0 pathways to model future climate conditions in İzmir (headquarters) and three key supplier regions—Adıyaman, Manisa, and Denizli.

Climate parameters such as extreme precipitation, daily maximum air temperature, and heat-induced labor productivity loss were analyzed using specialized tools. Graphical outputs of these parameters under different RCP scenarios were generated and examined in detail. The probability of each risk was assessed based on the degree of change observed in the analyzed parameters and the relative vulnerability of the affected regions. This region-specific approach enabled a more accurate estimation of the probability of occurrence for each climate risk.

Relative change in extreme rainfall (5-day) in İzmir (Turkey)

This graph shows how relative changes in Extreme Rainfall (5-day) (expressed in percent) will play out over time in the province İzmir of Turkey at different global warming levels compared to the reference year 2015, based on the RCP2.6 and RCP6.0 scenarios.

Spatial aggregation method: Area-weighted average
Temporal average: Annual



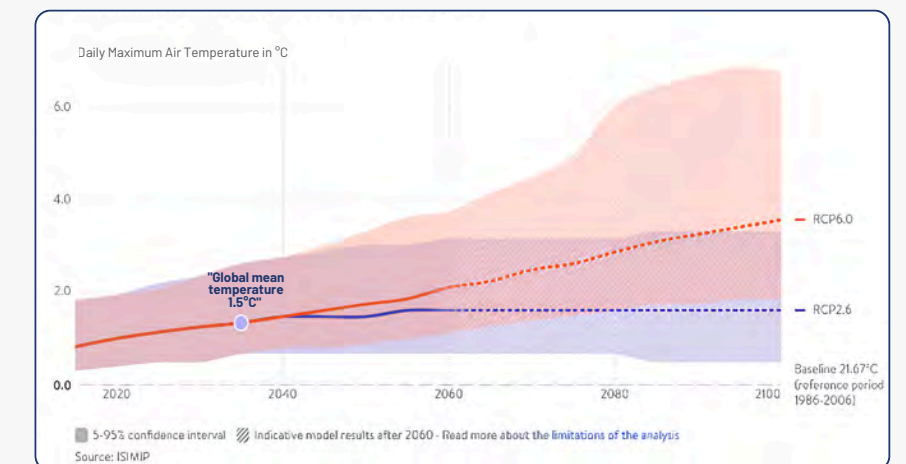
In parallel, financial impact assessments were conducted using a tailored methodology developed specifically for scenario-based quantification. The financial effects of each risk were calculated quantitatively, considering the potential operational, asset-level, or supply chain impacts. These impact values are detailed in our internal climate risk inventory and are used to inform strategic planning and risk response development.

This approach ensures that climate risk assessments at Sunel are both scientifically grounded and financially meaningful.

Absolute change in daily maximum air temperature in İzmir (Turkey)

This graph shows how absolute changes in Daily Maximum Air Temperature (expressed in degrees Celsius) will play out over time in the province İzmir of Turkey at different global warming levels compared to the reference period 1986–2006, based on the RCP2.6 and RCP6.0 scenarios.

Spatial aggregation method: Area-weighted average
Temporal average: Annual



Risk Management

Prioritization of Climate Risks

At Sunel Ticaret Türk A.Ş., climate-related risks are prioritized using a structured approach that evaluates both the probability of occurrence and the magnitude of financial impact. Following the identification and assessment of risks through scenario analyses, each risk is plotted within our internal climate risk matrix to determine its criticality.

This prioritization approach allows us to identify and focus on the most significant climate-related risks by evaluating each risk based on its probability of occurrence and potential financial impact. Risks with higher likelihood and greater financial consequences are prioritized for immediate action, while lower-priority risks are subject to ongoing monitoring. This methodology ensures alignment with our broader enterprise risk management practices.

Risk Monitoring and Updates

Climate-related risks are continuously monitored at Sunel Ticaret Türk A.Ş. through a formalized system coordinated by the Sustainability Committee. The committee meets at least twice annually to review the status of identified risks, supported by biannual reports from relevant working groups.

Key Performance Indicators (KPIs) are used to track the effectiveness of mitigation measures and to ensure alignment with the company's climate objectives. These KPIs are monitored centrally and are reviewed during committee meetings to inform decision-making.

Since this is our first formal climate risk assessment, there is no change compared to previous years. However, beginning in 2024, annual reviews of the climate risk assessment process and methodology will be implemented. Any updates or revisions to assumptions, thresholds, or procedures will be documented and incorporated into future evaluations.

This dynamic monitoring framework ensures that emerging risks are captured promptly and that our risk management practices evolve in response to new climate-related developments.

Integration into Corporate Risk Management System

Climate-related risks and opportunities are fully embedded into the broader enterprise risk management framework. Sunel's Climate Risk Management Procedure complements the general risk procedure by introducing sector-specific methodologies and decision criteria. Risk classification, mitigation strategies, and action plans are harmonized across all organizational functions—from field operations to headquarters assuring consistent risk oversight and escalation protocols.



Strategy

Time Horizon Definitions and Strategic Integration

We define our time horizons as follows:

- **Short-term: 0–3 years**
- **Medium-term: 3–5 years**
- **Long-term: 5–10 years**

These time frames are aligned with Sunel Türk Ticaret A.Ş.'s strategic planning cycles and form the basis for our assessment of climate-related risks and opportunities. By correlating risk and opportunity timeframes with our corporate decision-making processes, we ensure that climate considerations are embedded into operational and investment planning. This alignment enables proactive management actions, especially in evaluating mitigation, adaptation, and transition strategies across all planning horizons.

Climate Risks


Transition Risks

Risk No	Value Chain Segment	Risk Description	Probability	Time Horizon
	Direct Operations	The emergence of policies and regulations due to climate change, along with fluctuations in fuel and energy markets, may lead to increased operational costs.	Medium	Medium
	Direct Operations	Sunel is not currently subject to carbon reporting. However, if regulation expands, the company may become obliged to report emissions in the future.	Low	Long
	Direct Operations	If Turkey implements an Emission Trading System (ETS), Sunel may be included in future phases, potentially increasing carbon-related costs.	Low	Long
	Direct Operations	If climate adaptation technologies fail or underperform, Sunel may face financial losses and reduced competitiveness.	Low	Long
	Upstream	Climate change may negatively impact the agricultural production of tobacco suppliers, increasing production costs and raw material prices.	High	Long
	Downstream	Failure to act on climate change may lead to customer loss and reputational damage.	Low	Long
	Upstream	Inadequate climate action may prevent access to green loans and sustainable finance opportunities.	Medium	Medium

Strategy

Physical Risks

Risk No	Value Chain Segment	Risk Description	Probability	Time Horizon
Physical Risk (Chronic)	Upstream	A decrease in precipitation may disrupt the water cycle and lead to problems in accessing water. This could interrupt High agricultural processes and impact tobacco leaf prices.	High	Long
Physical Risk (Chronic)	Upstream	Long-term decline in soil moisture may lower productivity, increase irrigation needs, and deepen water dependency in drought-prone regions.	Medium	Long
Physical Risk (Chronic)	Upstream	Increase in maximum temperature may cause water loss and plant stress, affecting growth and yield—reflected in raw material prices.	Medium	Long
Physical Risk (Acute)	Upstream	Potential flood disaster may disrupt tobacco supply.	Low	Medium
Physical Risk (Acute)	Direct Operations	Forest fires may physically damage facilities and halt operations.	High	Short
Physical Risk (Acute)	Direct Operations	Potential flood may disrupt operations.	Low	Long
Physical Risk (Chronic)	Direct Operations	High humidity during tobacco processing/storage may cause excess moisture absorption, raise drying costs, and reduce product quality.	Medium	Long
Physical Risk (Chronic)	Direct Operations	Prolonged high temperatures may increase workplace accident risk and reduce productivity.	High	Long

 The financial impact of certain risks has not been calculated to avoid providing misleading information, as the variables involved in the calculation contain significant uncertainties.

Strategy

Risk Priority Assessment

Sunel Türk Ticaret A.Ş. applies both qualitative and quantitative methods when assessing climate-related risks. The assessment process is structured within the company's Climate Risk Management Procedure and is implemented across all production and supply chain operations.

Each risk is first evaluated in terms of its likelihood, supported by field data, historical events, expert analyses, and internationally recognized scientific sources. Likelihood assessments are categorized using a standardized approach as "Low – Medium – High.

In addition, the potential impacts of risks on the company are considered separately and measured through both quantitative and qualitative parameters, considering operational, strategic, and financial implications. Based on these comprehensive assessments, Sunel Türk Ticaret A.Ş. has identified its priority climate risks specific to its activities and has begun planning the necessary actions to address them.

Key Risks

In Sunel's risk assessment, there is one risk has been classified as a critical risk, reported as follows:

Area	Content
Risk Type	Transition Risk (Market)
Sustainability Priority	Greenhouse Gas Emissions and Energy Management
Risk Description & Main Risk Factor	Climate change may significantly affect the agricultural production of Sunel Türk Ticaret A.Ş.'s tobacco suppliers by altering rainfall patterns, increasing drought risk, and triggering more frequent extreme weather events. These conditions can reduce crop yields, lower raw material quality, and drive-up procurement costs, ultimately leading to higher production expenses and potential supply disruptions for the company.
Time Horizon	Long
Point of Impact in the Value Chain	Upstream
Impact	High
Likelihood	High
Combined Magnitude (Likelihood × Impact)	High
Financial Quantification Approach	For the financial quantification approach, an international literature review was conducted to determine how climate change events affect tobacco leaf production and to derive an assumption regarding the percentage impact of these changes on tobacco leaf prices. The resulting percentage was then applied to Sunel Türk Ticaret A.Ş.'s tobacco leaf procurement costs to estimate the potential financial impact.
Risk Management Actions	As a risk management action, Sunel Türk Ticaret A.Ş. has carried out a water risk analysis in the regions where its suppliers are located and identified which suppliers operate in areas with higher water-related risks.

Strategy

Sunel Türk Ticaret A.Ş. not only evaluates the potential risks posed by climate change but also closely monitors the opportunities it creates within its operations and value chain. The company recognizes that transitioning to a low-carbon economy, improving resource efficiency, and adopting innovative technologies can generate competitive advantages, reduce costs, and enhance long-term resilience. By identifying and leveraging these opportunities, Sunel aims to strengthen its sustainability performance while contributing to broader climate goals.

Opportunities

Opportunity	Value Chain Segment	Opportunity Description	Probability	Time Horizon
Opportunity	Value Chain Segment	Opportunity Description	Probability	Time Horizon
Resource Efficiency	Direct Operations	Investing in energy-efficient technologies (e.g., LED lighting, efficient ventilation) may reduce operational energy costs.	High	Short
Renewable Energy Adoption	Direct Operations	Renewable energy investments aimed at climate change adaptation (e.g., SPP) are expected to meet 75% of electricity needs, reducing both emissions and long-term energy costs.	High	Short
Market Differentiation	Upstream & Direct Ops	Climate and sustainability actions can enhance our market positioning, attract new customers, and strengthen stakeholder trust.	High	Long



Strategy

Transition Plan

At Sunel Türk Ticaret A.Ş., climate-related risks and opportunities are primarily concentrated in our production facilities and the tobacco supply chain. Given that our suppliers are in regions particularly sensitive to the physical effects of climate change, assessing climate risks and opportunities has become integral to our business continuity and sustainability planning.

We align our climate strategy with our SBTi-approved 1.5°C emissions reduction pathway. Our target is to reduce absolute Scope 1 and 2 greenhouse gas emissions by 42% and Scope 3 emissions by 10% by 2030, taking 2023 as the base year. These goals drive our long-term strategic planning and investment decisions.

In addition, climate considerations are embedded in procurement through environmental criteria in supplier selection, and we have adopted an internal carbon pricing mechanism to guide investment decisions. This price, set at USD 246 per ton of CO₂, has been calculated using the shadow price method, with further details provided in the Internal Carbon Price section of this report.

In 2024, we conducted a comprehensive climate scenario analysis, covering both physical and transition risks across our İzmir facility and key supplier regions (Adiyaman, Manisa, and Denizli). The analysis, developed with external experts via the Climanalytics tool and based on RCP 2.6 and RCP 6.0 scenarios, informs our climate adaptation priorities. Although no relocations are currently planned, Sunel retains the operational flexibility to repurpose or decommission facilities should risk levels significantly increase in specific locations.

To support these targets, we are undertaking key climate actions, including

- Commissioning a Solar Power Plant (SPP) in 2025, expected to meet 70% of our facility's electricity needs. The project represents an investment of approximately USD 1 million.
- Purchasing I-REC-certified renewable electricity to reduce indirect emissions.
- Implementing energy efficiency projects across our operations.

Emissions Reduction Targets and Progress Monitoring

Progress toward these targets is tracked through a combination of operational measures and verified performance data. All greenhouse gas emissions are measured and independently verified on an annual basis under **ISO 14064** standards, ensuring the robustness and transparency of our reporting.

Performance against these targets is monitored through dedicated **climate-related KPIs**, while detailed emissions data and progress updates are presented in the **Metrics and Targets** section of this report.

Metrics and Targets

GHG Emissions

At Sunel Ticaret Türk A.Ş., greenhouse gas (GHG) emissions are calculated and verified annually in accordance with ISO 14064 standards to ensure transparency and credibility in climate-related disclosures. The verified emissions for the year 2024 are as follows:



GHG Emissions Calculation Methodology

At Sunel Ticaret Türk A.Ş., greenhouse gas (GHG) emissions are calculated annually in accordance with the **ISO 14064-1** standard and verified by an independent third party in line with ISO **14064-3** requirements. The company applies the **operational control approach** to define its organizational boundaries, ensuring that all emissions from operations under its full control are included in the inventory.

The GHG inventory covers **Scope 1 (direct emissions), Scope 2 (indirect emissions from electricity consumption), and Scope 3 (other indirect emissions)**. Scope 2 emissions are calculated using the location-based method, based on national grid emission factors.

Emission factors used in the calculations are sourced from internationally recognized and up-to-date references such as **IPCC Guidelines, Ministry of Energy and Natural Resources of Türkiye, DEFRA**. Activity data used in calculations (e.g., fuel consumption, electricity usage) is based on actual operational records such as invoices, meter readings, and procurement documentation.

This methodological framework ensures the transparency, accuracy, and completeness of Sunel's GHG reporting and supports alignment with TSRS-2 disclosure requirements.

Metrics and Targets

Targets

Sunel Ticaret Türk A.Ş. has established a set of climate-related targets to guide its decarbonization, energy transition, and adaptation strategies. These targets are aligned with international sustainability principles, including the Paris Agreement, and reflect our ambition to reduce greenhouse gas (GHG) emissions, increase renewable energy use, and enhance climate resilience across operations and the value chain.

The table below summarizes Sunel's key climate-related targets, including their purpose, measurement metrics, baseline year, target year, and progress indicators:

Topic	Target Area	Metric	Target	Baseline Year	Target Year	Status
GHG and Energy Management	Increase renewable energy share (short-term)	% of MWh	50%	2023	2025	15%
	Increase renewable energy share (long-term)	% of MWh	100%	2023	2030	15%
	Improve energy intensity	—	Energy audit by 2025	2023	2025	Not Completed
	Improve energy intensity	—	ISO 50001 Certification	2023	2026	Not Completed
	Scope 1+2 GHG emission reduction	% tCO ₂ e	42%	2023	2030	0%
GHG Risk Management	Scope 3 GHG emission reduction	%	10%	2023	2030	0%
	Alignment with SBTi	—	SBTi target definition	2023	2026	On-going
	GHG intensity reduction per product	% tCO ₂ e/Ton product	10%	2023	2025	4% Decreased
	Climate risk assessment alignment	—	Conducted per TSRS S2	2023	2025	Completed

Metrics and Targets

Methodologies and Validation of Targets

Sunel Ticaret Türk A.Ş. establishes its climate-related targets based on internationally recognized methodologies to ensure scientific credibility and strategic alignment:

GHG Emissions Methodology

All emissions are calculated annually in accordance with the ISO 14064 standard using the operational control approach. Emission boundaries include Scope 1, Scope 2, and the relevant Scope 3 categories. Factors such as fuel consumption, electricity usage, and upstream agricultural activities are included in the inventory.

Reduction Target Setting

The emissions reduction targets are aligned with the SBTi 1.5°C trajectory. The absolute reduction approach has been selected to ensure consistency with global climate goals and sector decarbonization pathways.

Validation

Emissions data and calculation methodologies are independently verified each year by third-party auditors, ensuring reliability and compliance with ISO 14064 requirements. Although target validation by external climate bodies such as the SBTi is not yet completed, it is part of the company's 2026 roadmap.

Monitoring and Governance of Climate Targets

At Sunel Ticaret Türk A.Ş., the monitoring and governance of climate-related targets are embedded within the responsibilities of the Sustainability Committee, which is authorized by the Board of Directors. This Committee:

- Reviews the progress of climate targets at least twice a year, based on reports submitted by the relevant working groups.
- Oversees alignment with the corporate strategy, ensuring that climate goals are integrated into capital planning, procurement, and operational decision-making.
- Monitors performance using dedicated climate KPIs, including annual GHG emission trends, renewable energy use, and carbon intensity per ton of product.

Progress is tracked against a 2023 baseline, and each target is supported by interim milestones to ensure transparency and accountability. KPI outcomes are reviewed regularly and disclosed in the annual sustainability report.

Internal audits are conducted to validate the implementation of action plans, and corrective actions are introduced when performance deviates from planned targets.

Metrics and Targets

Emission Targets and Carbon Credits

These targets are classified as gross emission reduction goals; we currently do not apply net emission targets that rely on offsetting mechanisms. However, we monitor the global landscape of carbon markets and remain open to incorporating certified carbon credits in the future.

Currently, Sunel does not rely on carbon credits to meet its climate goals, focusing instead on direct decarbonization efforts through energy efficiency, renewable electricity, and process improvements.



Internal Carbon Price

At Sunel Ticaret Türk A.Ş., we have adopted an internal carbon pricing mechanism as a strategic decision-making tool to evaluate the climate impact and financial viability of our investments. This internal benchmark enables us to assess whether planned investments contribute effectively to our decarbonization objectives by quantifying their emission reduction potential in economic terms.

To establish this internal carbon price, we employed the shadow price methodology, which estimates the implicit cost of carbon required to justify an investment based on its emission savings. Specifically, the internal carbon price was calculated by dividing the total cost of planned climate-related investments by the volume of emissions they are expected to reduce, based on our most recent verified greenhouse gas inventory.

As a result, our current internal carbon price is set at USD 246 per ton of CO₂e. This figure reflects our willingness to invest in projects that yield substantial emission reductions, even in the absence of mandatory carbon pricing mechanisms. It also supports alignment with international carbon cost trajectories and promotes integration of climate impacts into our long-term financial planning.

We apply this internal carbon price during the evaluation of capital investments, especially those involving renewable energy, energy efficiency improvements, and sustainable technologies. By monetizing carbon impacts internally, we strengthen our capacity to prioritize low-carbon alternatives and align operational decisions with our science-based emission reduction targets.

ANNEX 1: ISO 14046:2014 DECLARATION



QSI
CERTIFICATION & INSPECTION

Water Footprint Verification Statement
Su Ayakizi Doğrulama Beyanı

SUNEL TİCARET TÜRK A.Ş.

Organizational Boundaries / Organizasyonel Sınırlar

Kemalpaşa Mahallesi Pınar Caddesi No: 8935060 Pınarbaşı/İzmir

The Water Footprint report has been verified to meet the standard requirements specified below according to ISO 17029:2019 / Su Ayakizi Raporunun, ISO 17029:2019'a göre aşağıda belirlenen standart gerekliliklerini karşıladığı doğrulanmıştır.

ISO 14046:2014

Blue Water Footprint/Mavi Su Ayakizi	14.846,46 m ³
Gray Water Footprint/ Gri Su Ayakizi	503,40 m ³
Green Water Footprint/ Yeşil Su Ayakizi	- m ³

Level of Assurance Güven Seviyesi	: Reasonable / Makul	Verification Report Date Doğrulama Rapor Tarihi	: 03.07.2025
Reporting Period Raporlama Dönemi	: 01.01.2024 - 31.12.2024	Statement No Beyan No	: WP-GNL-297 / 2024

Approved by / Onaylayan
Okay Kayhanlı – Genel Müdür



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ANNEX 2: ISO 14064-1:2018 DECLARATION



Greenhouse Gas Verification Statement
Sera Gazısı Doğrulama Beyanı
SUNEL TİCARET TÜRK A.Ş.

Organizational Boundaries / Organizasyonel Sınırlar
Kemalpaşa Mahallesi Pınar Caddesi. No: 89, 35060 Bornova/İzmir

The Greenhouse Gas emissions inventory has been verified to meet the standard requirements specified below according to ISO 14064-3:2019 / Sera Gazısı emisyonları envanterinin, ISO 14064-3:2019'a göre aşağıda belirtilen standart gerekliliklerini karşıladığı doğrulanmıştır.

ISO 14064-1:2018

Category 1- Direct emissions / Doğrudan emisyonlar	2.190,9	tCO2 eq
Category 2- Purchased energy emissions (Location based) / Satın alınan enerji emisyonları (Lokasyon bazlı)	1.944,6	tCO2 eq
Category 3- Emissions from transportation / Ulaşım kaynaklı emisyonlar	2.094,8	tCO2 eq
Category 4- Emissions from products, service used / Kullanılan ürün - hizmet kaynaklı emisyonlar	16.167,1	tCO2 eq
Category 5- Emissions from associated with the use of the product / Ürün kullanımı kaynaklı em.	700,1	tCO2 eq
Category 6- Other Emissions / Diğer emisyonlar	158,4	tCO2 eq
Total Location Based Emissions / Toplam Lokasyon Bazlı Emisyonlar	23,255,9	tCO2 eq
Total Market Based Emissions / Toplam Pazar Bazlı Emisyonlar	22,946,4	tCO2 eq
Biogenic Emissions / Biyogenik Emisyonlar	-	tCO2 eq
Purchased renewable energy emission allowance / Satın alınan yenilenebilir enerji emisyon karşılığı	309,4	tCO2 eq
Category 2- Purchased energy emissions (Market based) / Satın alınan enerji emisyonları (Pazar bazlı)	1.635,2	tCO2 eq
Renewable energy references / Yenilenebilir enerji referansları: I-REC Reference Number: 5 2 2 7 5 8 1 2		
Credits from GHG Scheme / Satın alınan krediler	-	tCO2 eq
Credits references / Kredi referansları		

Level of Assurance : Reasonable / Makul Verification Report Date : 30.07.2025
Reporting Period : 01.01.2024 - 31.12.2024 Statement No : SG-GNL-297/2024

Approved by / Onaylayan
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