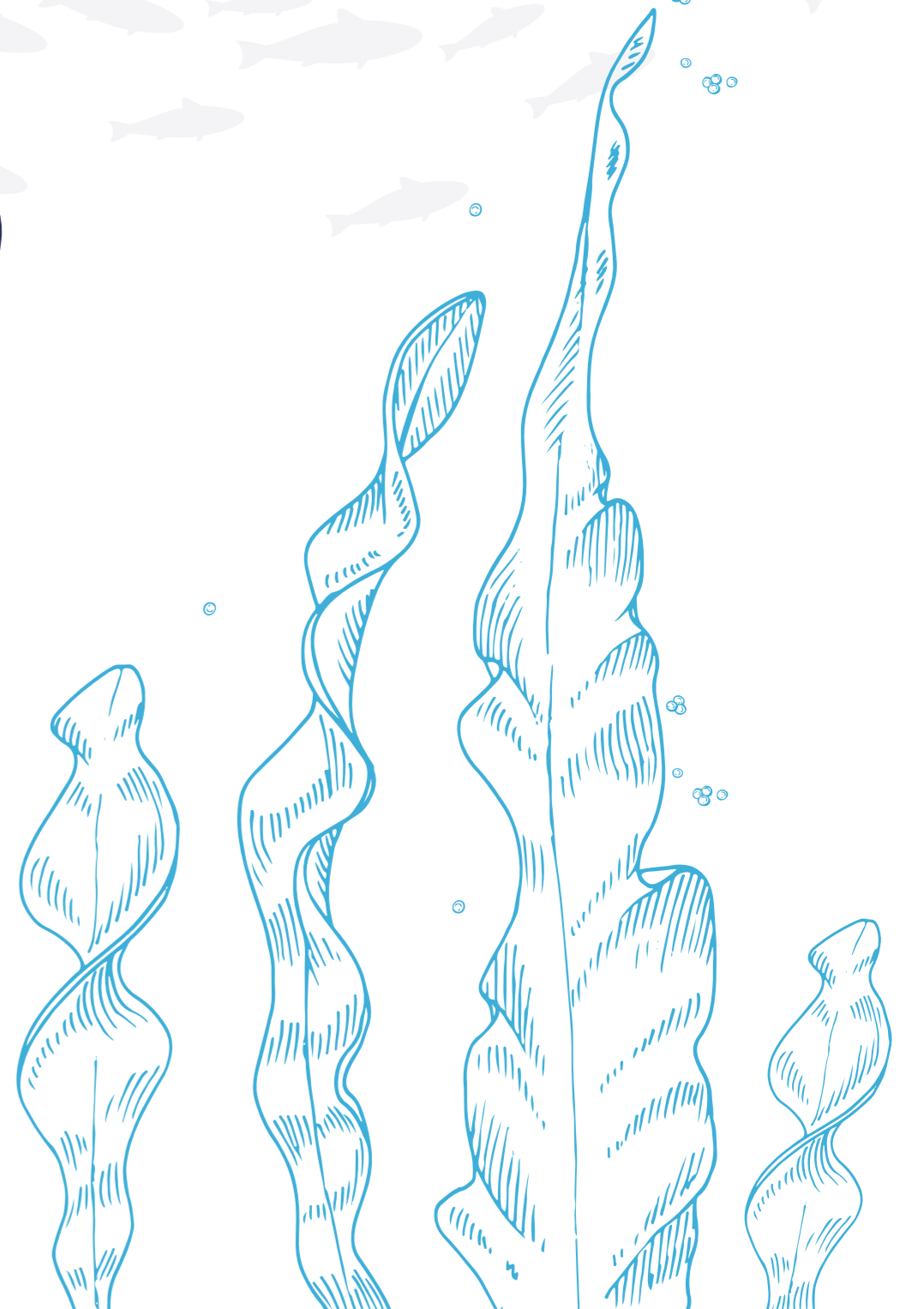
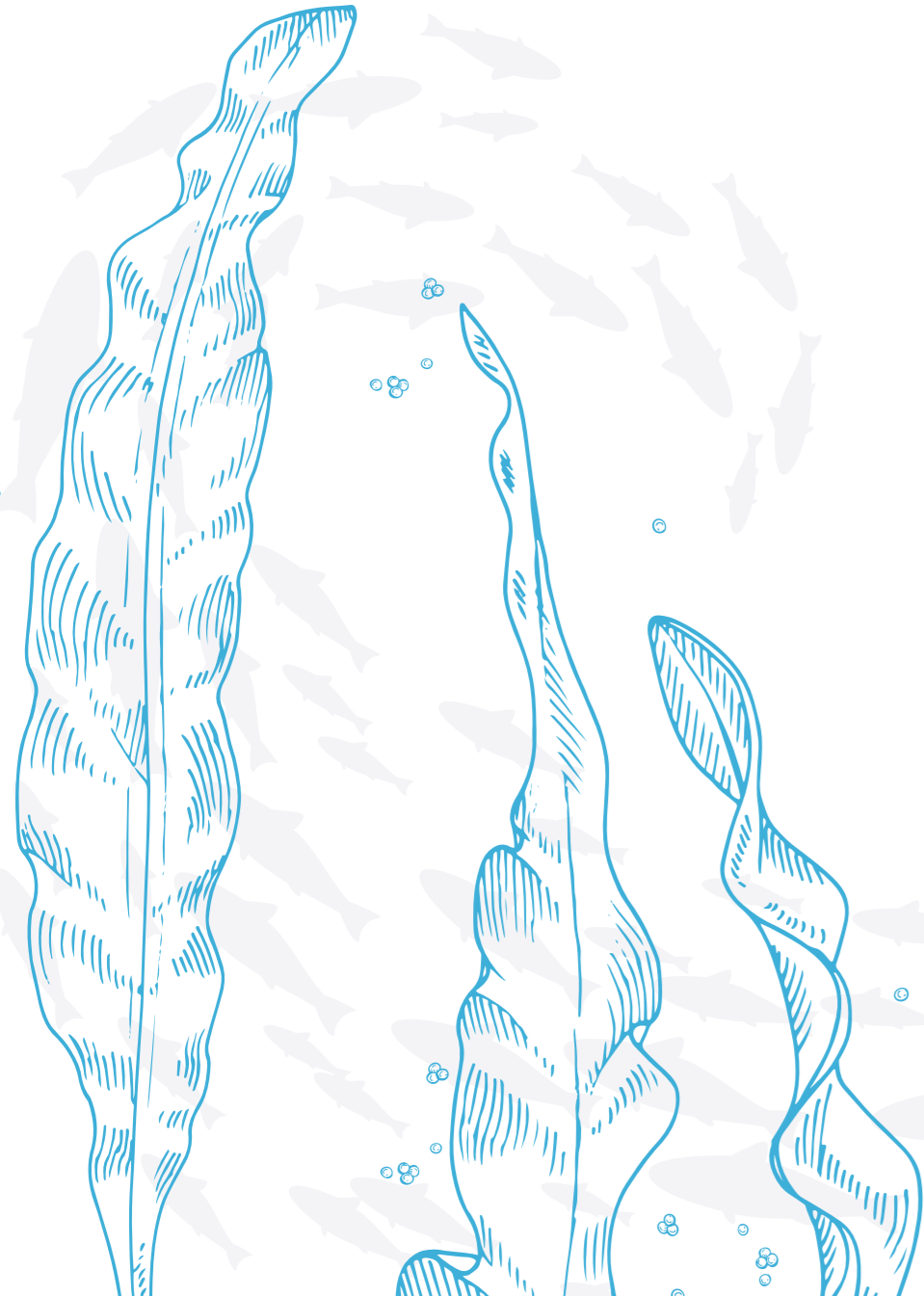
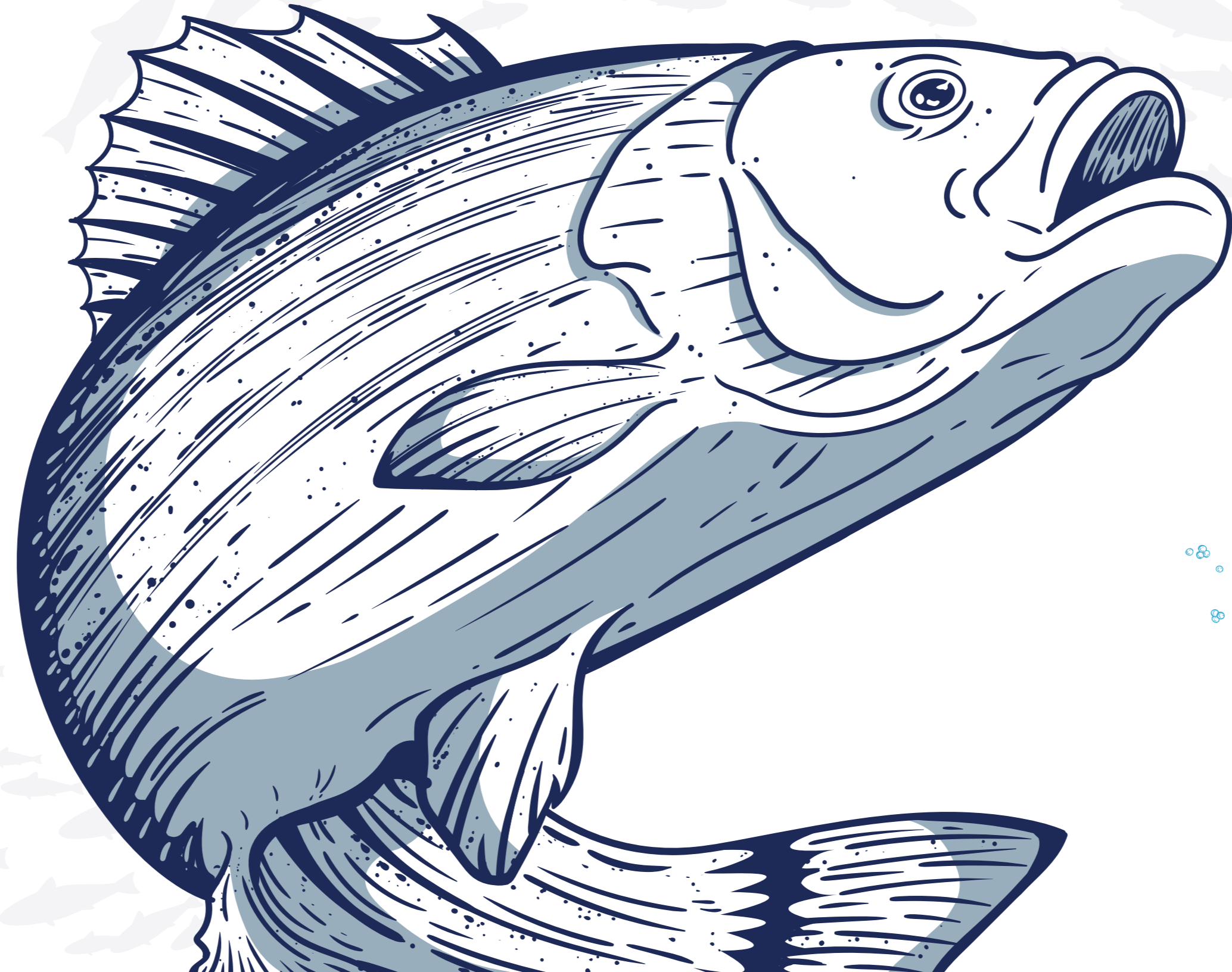


# Kılıç Deniz

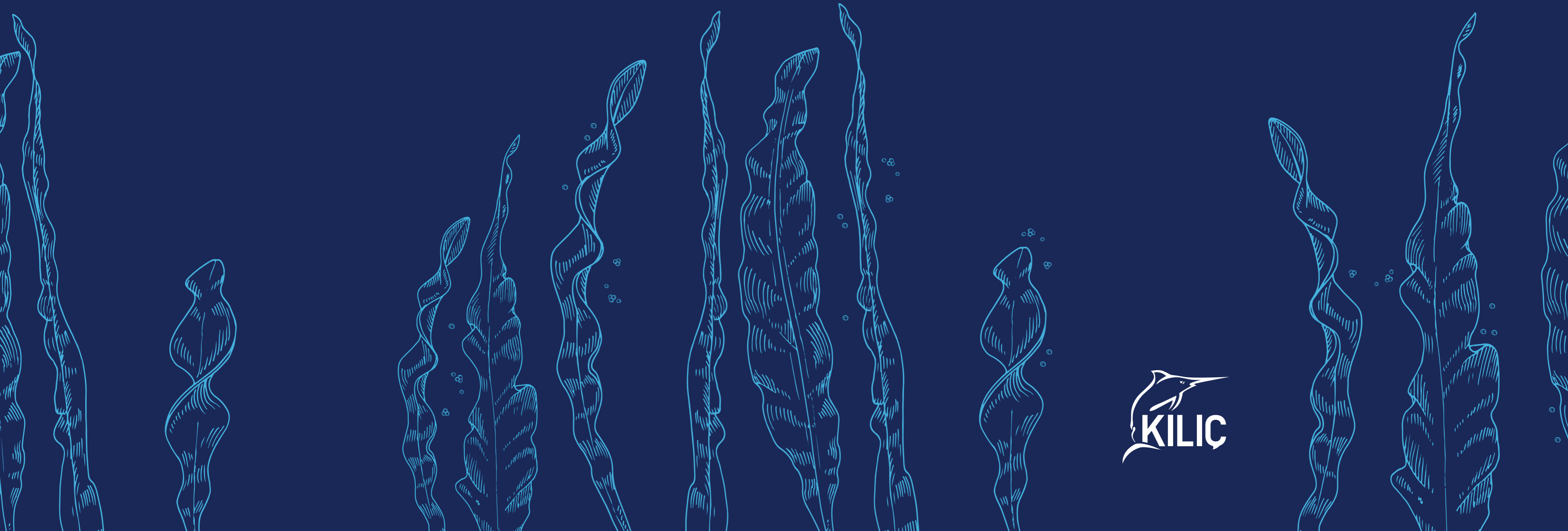
## Sustainability Report

### 2023



# Healthy generations

for the future...



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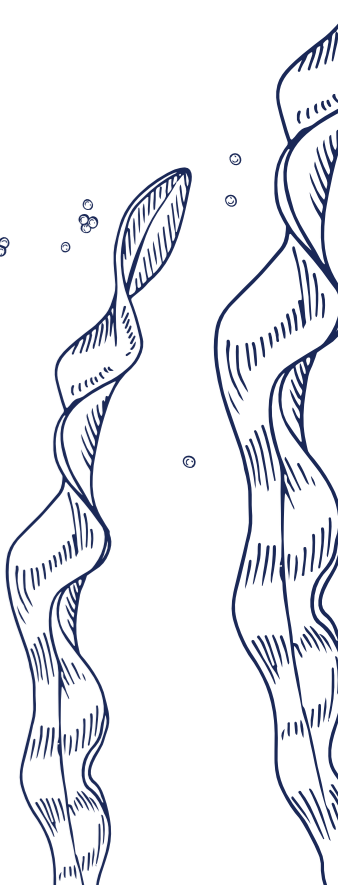
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## About The Report

At Kılıç Deniz we take great pride and joy in leading the sector on the sustainability journey by publishing the first sustainability report in our industry in Türkiye.

We aim to provide our stakeholders with detailed and transparent information regarding the environmental, social and governance performance of our company.

We have identified the key topics for our company and explained our approach to each of these topics in the report by relating them to the United Nations Sustainable Development Goals (SDGs).

With the support of our management, which embraces sustainability efforts, we believe that the policies established, training provided, research conducted and internal interactions up to this point will ensure that the concept of sustainability becomes an integral part of our company culture in the future.

The contributions of our employees, customers, suppliers, local communities and all other stakeholders to our sustainability journey hold significant value for our company in fostering this culture.

**Note:** The Kılıç Deniz Sustainability Report covers the period from **January 1, 2023 to December 31, 2023**. All activities conducted to ensure sustainability are comprehensively presented in the report.

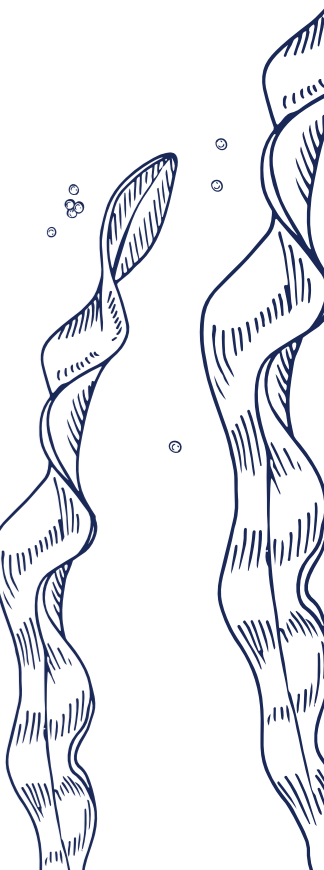
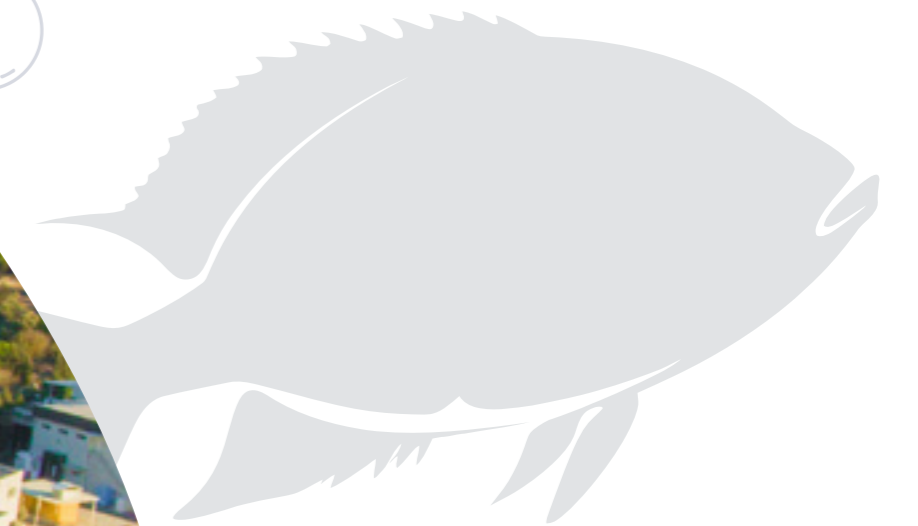


## Our Business

As one of the world's leading aquaculture producers, we are the global leader in seabream and seabass production.

In 2023, we contributed to the national economy with \$253.2 million in seafood exports and over \$400 million in total revenue. With our fully integrated value chain from sea to table we continue to grow using environmentally friendly and sustainable methods maintaining the highest level of quality at every stage of production.

In line with our vision to meet the growing global demand for healthy and safe protein using sustainable production methods for generations, we will continue to carry out our activities in a manner that respects the planet.



## CEO's Message

Dear Stakeholders,

The year 2023 marks a significant milestone in Kılıç Deniz's sustainability journey. We are thrilled to share with you our first Sustainability Report, which takes our integrated structure and industry leadership in the seafood sector one step further. It is important to us that this report is prepared in a way that meets the transparency expectations of our valued stakeholders.

This report reflects Kılıç Deniz's commitment to sustainability and the concrete steps taken in this area. The key pillars of the report **Business, Fish, Nature and People** are the main elements guiding us toward achieving our sustainability goals. The actions we take in these areas are a testament to our responsibility and vision for the future.

We are focusing on critical issues such as the protection of biodiversity and ecosystems, fish health and welfare and climate change to ensure that seafood remains an accessible, healthy and safe food source for everyone. We continue to work toward building a more sustainable future.

At Kılıç Deniz we deeply believe in the importance of being a people-oriented company. Our employees are our most valuable asset. Their happiness, health and development are always among our top priorities. I extend my heartfelt thanks to all our employees, whose dedication, talent and commitment play a crucial role in helping us achieve our sustainability goals. Your contributions allow us to uphold our company's values and build a healthier, more sustainable future. I believe that together we will achieve even greater success.

In our supply chain, we base our relationships with business partners on ethics and sustainability principles. This approach aims to positively impact not only our processes but also our business partners.

Our future strategies focus on strengthening our leadership position in the industry and increasing our positive environmental and social impact. We aim to develop sustainable practices in the seafood sector and collaborate with our stakeholders to achieve even greater success.

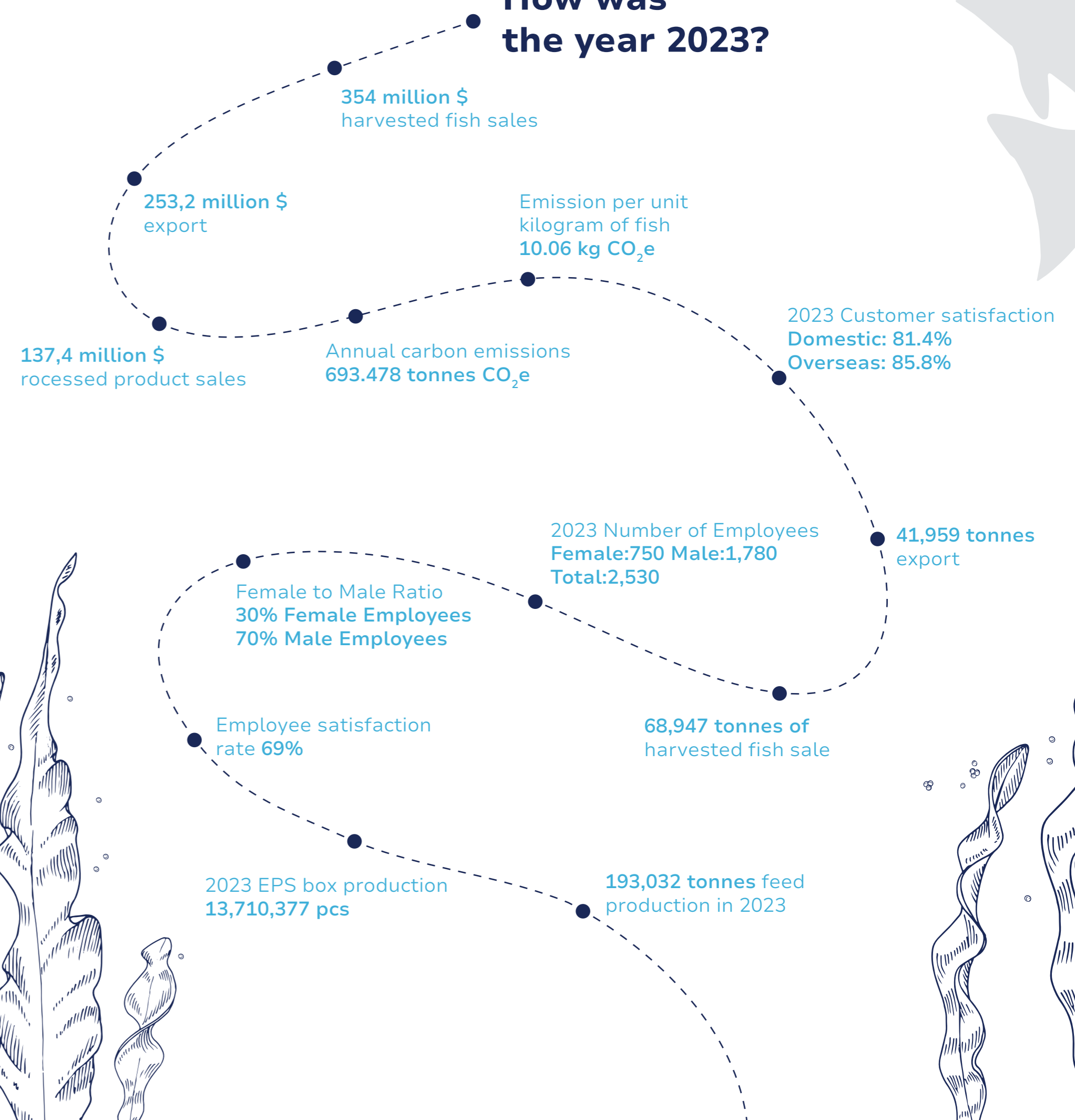
The support of our stakeholders is critical to achieving our goals. We are moving forward with confidence, determined to continue our sustainability efforts and live up to the trust you place in us.

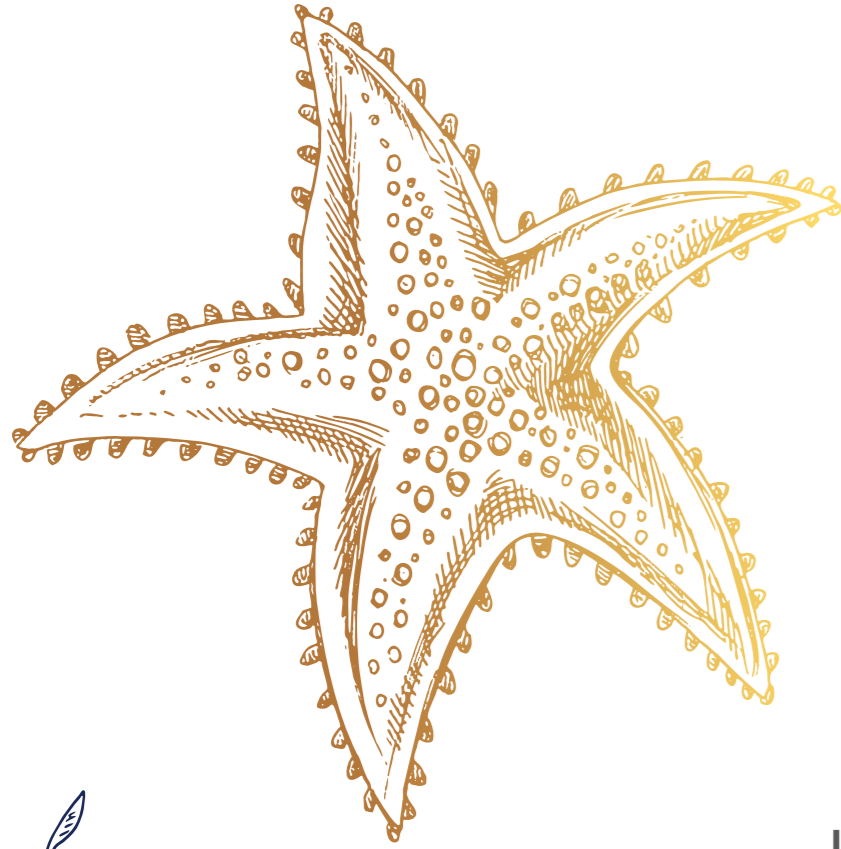
Sincerely,

**Hakan UYANIK**  
CEO  
Kılıç Deniz Ürünleri A.Ş.



## How was the year 2023?





## Our Awards and Achievements

### 2023 Fish Awards

Best Fish Producer of the Year

### Aegean Exporters' Associations

Stars of Export Award

### 2023 International Taste & Quality Institute

Superior Taste Award

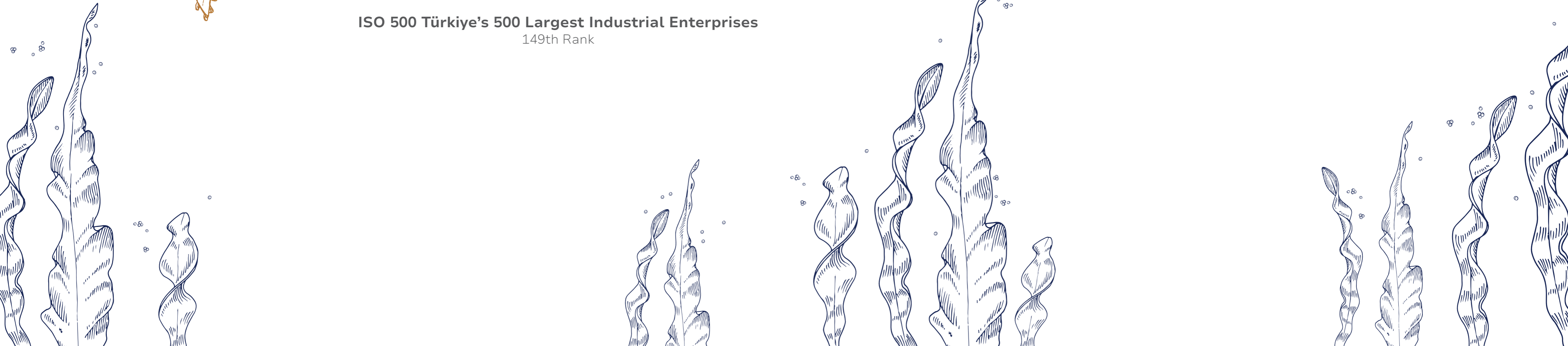
### Türkiye Exporters Assembly

Türkiye's Top 1000 Exporters Research 99th Rank

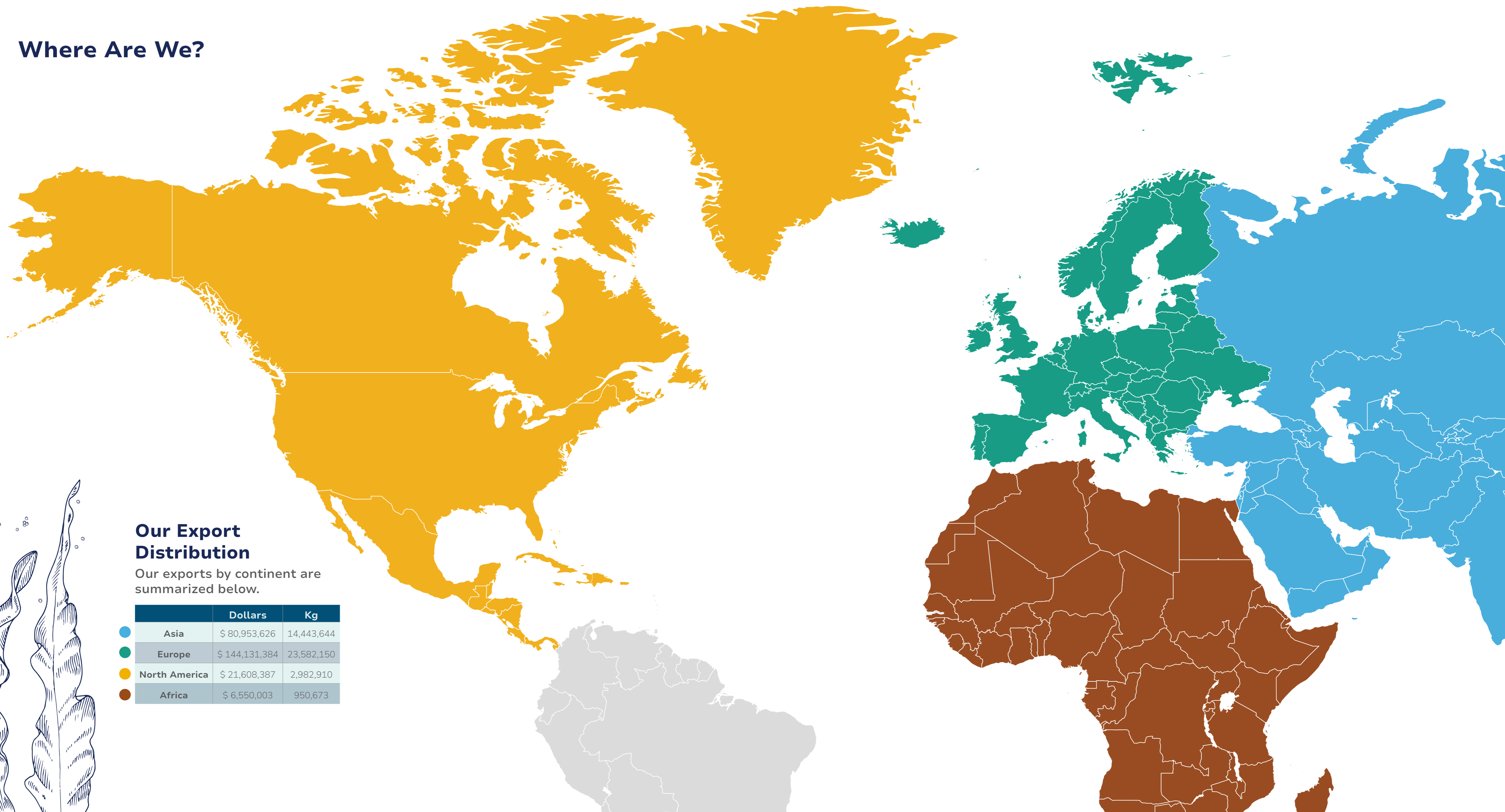
### ISO 500 Türkiye's 500 Largest Industrial Enterprises

149th Rank

“Our Business;  
Fish, Nature, People!”



# Where Are We?



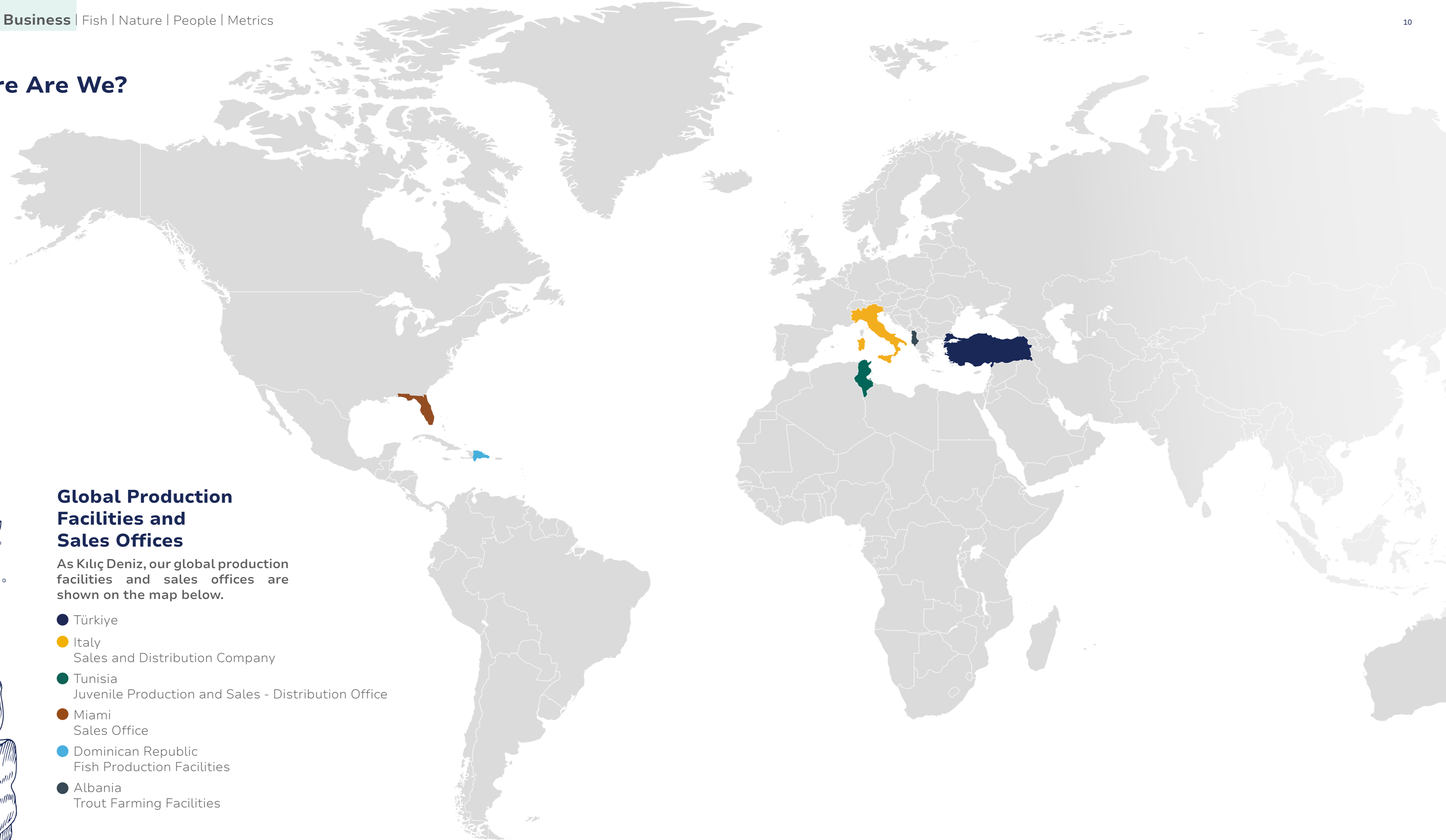
## Our Export Distribution

Our exports by continent are summarized below.

	Dollars	Kg
Asia	\$ 80,953,626	14,443,644
Europe	\$ 144,131,384	23,582,150
North America	\$ 21,608,387	2,982,910
Africa	\$ 6,550,003	950,673



## Where Are We?



### Global Production Facilities and Sales Offices

As Kılıç Deniz, our global production facilities and sales offices are shown on the map below.

- Türkiye
- Italy  
Sales and Distribution Company
- Tunisia  
Juvenile Production and Sales - Distribution Office
- Miami  
Sales Office
- Dominican Republic  
Fish Production Facilities
- Albania  
Trout Farming Facilities

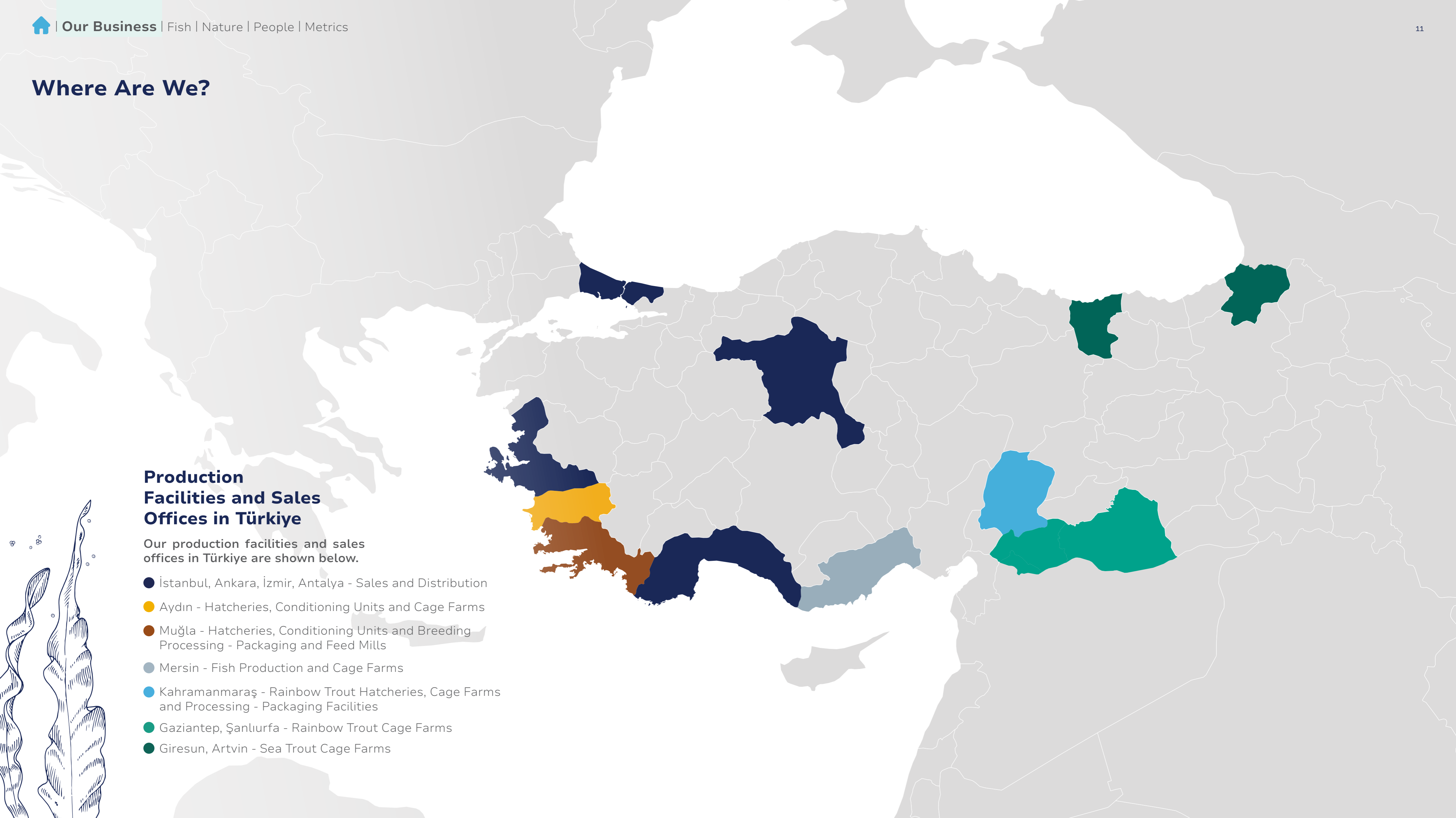


## Where Are We?

### Production Facilities and Sales Offices in Türkiye

Our production facilities and sales offices in Türkiye are shown below.

- İstanbul, Ankara, İzmir, Antalya - Sales and Distribution
- Aydın - Hatcheries, Conditioning Units and Cage Farms
- Muğla - Hatcheries, Conditioning Units and Breeding Processing - Packaging and Feed Mills
- Mersin - Fish Production and Cage Farms
- Kahramanmaraş - Rainbow Trout Hatcheries, Cage Farms and Processing - Packaging Facilities
- Gaziantep, Şanlıurfa - Rainbow Trout Cage Farms
- Giresun, Artvin - Sea Trout Cage Farms



## Value Chain



### Supplier (Raw Materials)

At Kılıç Deniz the efficiency of our supply chain which provides raw materials are evaluated. In this context a risk-based approach is used to identify and address potential environmental and social risks related to our supply chain.

Our marine-based feed raw material suppliers' responsible sourcing certifications are required and the species of fish used in feed ingredients are evaluated based on their Fish Source scores. The status of stocks and whether these species are on the IUCN Red List of endangered species are monitored.

For plant-based feed raw materials one of our main goals is to source products from responsible and sustainable sources. Our organization meets this goal by sourcing sustainable soy.

All purchasing processes at Kılıç Deniz are conducted within the framework of a supply chain policy aimed at protecting resources and production activities are carried out in line with this approach.



### Feed Production

Kılıç Feed Mills with an annual production capacity of 240,000 tons is one of Türkiye's largest extruder fish feed factories.

Our fully automated production facilities are equipped with machines, equipment and projects from European expert companies. Thanks to the ISO 9001 and 22000 Quality and Food Safety Management Systems and Global GAP standards

implemented in our factories we ensure absolute quality, feed control and full traceability at every stage of production.

Our goal is to produce the highest quality feeds continuously provide top-level service to our customers and contribute to the rapid development of the aquaculture sector.



### Hatchery (Broodstock)

Broodstock necessary for the production of seabream and seabass fry are obtained through genetic breeding studies. Ova can be collected throughout the year using photoperiod manipulation ensuring the sustainability of production. In trout fry production, broodstock are continuously monitored and selective breeding is applied to ensure the best quality ova.



### Ova

Seabream and seabass ova are naturally obtained from broodstock genetical breeding through selective breeding. In trout production fry are obtained through the stripping method from high-quality broodstock.

The collected fish ova are transferred to production tanks where water temperature oxygen level and pH are carefully monitored after passing through a quality control process. This process takes place entirely in a dark environment.

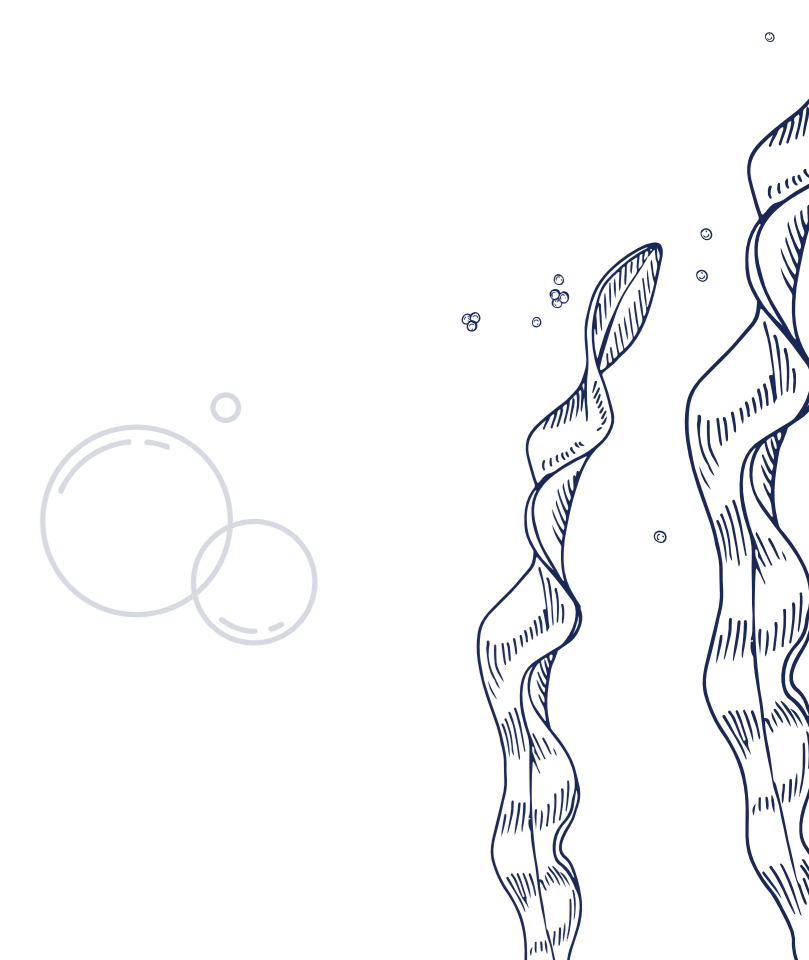


### Fry

Seabream ova hatch into fry within 72 hours. Seabream fry begin feeding after 4 days and seabass fry after 7 days. Trout ova hatch into fry after 28 days.

The fry that emerges from ova after completing the incubation period are transferred to fry tanks. In these tanks optimal conditions for temperature, oxygen, light and water exchange are provided to ensure healthy fry growth. In the live feed stage rotifer and artemia prepared as live feed meet all the nutritional needs of the fry. Trout fry is weaned onto feed in polyester tanks and after 30-45 days, they are transferred to pre-growth ponds.

Throughout the fry stage, fry is continuously monitored and feeding and care programs are updated as necessary. Any fry showing signs of illness are detected early, isolated and necessary measures and regular controls are taken by the fish health department. The fry stage is a critical part of the hatchery process laying the foundation for healthy and productive grow out stages.





### Nursery

After 40-45 days for seabream fry and 30-35 days for seabass fry, they are transferred to nursery stage where they will undergo grading and be fully transitioned to dry feed by gradually reducing live feed. Fish weighing about 150-200 mg separated by grading are sent to conditioning facilities to be prepared for customers. At our trout hatchery facility trout fry undergo a 30-day pre-growth phase before being transferred to growth ponds.



### Conditioning

Juvenile fish produced under special conditions in our hatcheries and fully adapted to consuming dry feed are transferred to conditioning units when they reach an average weight of 200-300 mg. The primary goal in these units is to ensure that juvenile fish are delivered to our customers with minimal loss and high quality. This goal is achieved through the expertise of our staff and the production protocols developed over years of experience. Fish arriving at the facility are fed every 1-2 hours and regular grading is performed weekly to prevent cannibalism. Additionally, juvenile seabasses are vaccinated using the immersion method once they reach 1 gram to protect them from diseases and deformed fish are culled. After undergoing these processes juvenile fish weighing between 2-5 grams are counted using counting machines and delivered to the customer. The delivery process is carried out using our trucks and ships. The process in the conditioning units essentially prepares the juvenile fish for marine conditions. Once the juvenile fish in the growth tanks reach a size of 2-10 grams depending on the needs of the cage facilities, they are transported to net cage farms with the vehicles specifically designed for live fish.



### Cage Farm

When the juvenile fish reach approximately 2-5 grams in weight, they are transferred to the juvenile facilities at our cage farms and placed into 20 m diameter HDPE (High-Density Polyethylene) cages. Depending on the water temperature the juveniles are fed 5-8 times a day. The juveniles carefully tended to are grown to a weight of around 30-40 grams, at which point they are transferred to 30-50 m diameter HDPE cages specially designed for them.

All of our growth facilities are offshore systems equipped with the latest technology, including automatic feeding systems and underwater and surface cameras. For trout production juvenile fish weighing 2-10 grams are placed into 20-meter diameter HDPE cages at our facilities located in dam lakes. In these systems operated by experienced engineers, divers and specialized staff both underwater and surface checks are carried out with great care and attention.



### Harvest

During the harvest process the fish that have been grown are removed from their aquatic environment using specially designed nets, vacuum and pump systems and harvested using modern methods like thermal shock and electrical techniques. The fish are then sent to processing and packaging facilities to be prepared for the market. The use of proper harvesting techniques is considered important for fish welfare.

Seabream and seabass are harvested at sizes ranging from 200 grams to 1,000-1,500 grams. Trout on the other hand is harvested at portion size (300-350 grams) or larger (2,000-3,000 grams). The harvested fish are transported to our processing and packaging facilities in special transport vehicles.



### Processing and Packaging

Once the fish arrive from the farm in tanks they undergo various checks before being sorted by weight and packaged. Filleted products are packed either fresh, chilled, or frozen and prepared for shipment. Additionally, all packaging and processing operations needed by the industry and the consumer are carried out in our facilities, offering fresh, frozen, MAP (Modified Atmosphere Packaging) and boxed options. The freshness and nutritional value of frozen products are preserved using IQF (Individual Quick Freezing) technology. The packaging material used in the facility is EPS (Expanded Polystyrene), which is produced by Kılıç Deniz.



### Sales

Our products including seabream, seabass, meagre, trout, Turkish salmon trout and tuna, are sold in whole, filleted, fresh, frozen, modified atmosphere packaged and marinated forms.

In 2023 we exported \$253.2 million worth of fish to more than 60 countries.

In the domestic market Kılıç Deniz achieved sales of €6,674,558, while €3,341,850 worth of juvenile fish were sold to Tunisia, Oman, Cyprus, Kuwait, the Dominican Republic, Israel and Albania.



### Logistics

To ensure that the cold chain is maintained from production to consumption and that our products retain their safety and quality, we strictly adhere to 'Cold Chain' rules. This process includes shipment, storage and display. 76% of our distribution is carried out by road, 14% by air and 10% by sea.

At Kılıç Deniz delivering our products to customers while ensuring they reach the consumer with the same freshness and taste as when they were harvested and minimizing the carbon footprint of our logistics network, are among our key principles.



# Our Success Journey

## 1991 Establishment

Orhan Kılıç started production on Salih Island with a capacity of 50 tons as a personal business.

## 1991

## 1993 First Export

Kılıç Deniz was established and the first export to Italy was carried out.

## 1994 Production

The Kuyucak facility was established, increasing the production capacity of seabream and seabass.

## 1997 Juvenile Fish Production

The Ören Hatchery Facility was established.

## 1998 Italy

An office was established in Italy.

## 1999 Off Shore

The first offshore facility was established.

## 2000 First Packaging Facility

The first packaging facility was established in Milas.

## 2001 Acquisitions

Barka Su Ürünleri Ltd. Şti. and Çobanoğlu & Birlik Su Ürünleri Ltd. Şti. were acquired.

## 2000

## 2002 Growth

The first Feed Mill was established in Milas.

## 2003 Established, Renovation & Transformation

Kılıç Pellet Feed Mill was established.

The second packaging facility was built and the processing facility was renovated.

Spador SRL, a marketing company distributing to Europe was established in Rimini, Italy.

## 2004

## 2004 Growth

Kılıç Erşen Offshore Facilities and the Kılıç EPS Packaging Factory were established.

Bafa Hatchery Facility was established.

The Göltürkbükü project of Birlik Su Ürünleri was realized and moved to Salih Island. ISO 9001 Quality Management System and HACCP 130001 certification were obtained for the Kılıç Deniz Feed Mill.

## 2005

## 2005 Ören Hatchery

Offshore 2 facilities were established.

Kılıç Extruder Feed Mill was established.

Güvercinlik Hatchery was leased for 20 years.

The first fish market was opened in Milas Kemikler.

The Istanbul Regional Office was established. Güney Ege Su Ürünleri was acquired.

ISO 9001:2000 and HACCP 13001 certificates were obtained for Kılıç Deniz packaging and processing facilities, the Bafa Juvenile Production Co. and the Ören Hatchery.

## 2006

## 2006 10 Million Juvenile Fish Per Year

Kılıç Deniz R&D Hatchery started operations with a capacity of 10 million juveniles per year. The second fish market was opened in Izmir Bostanlı.

The Ankara Regional Office began operations.

Capacity was increased at Güney Ege Su Ürünleri to start producing seabream, seabass and species such as common pandora, striped seabream, shi drum, sharpnout seabream, meagre and dentex.

## 2007

## 2007 Kılıç Holding Established

Orfoz Deniz Ürünleri was acquired.

The old pellet feed mill was converted into an extruder feed mill, increasing the number of feed factories to two.

Trout hatchery and breeding facilities were established in Kahramanmaraş. The capacity for harvestable fish reached 16,000 tons.

The Antalya Regional Office began operations. Investment in the Akarca Hatchery and Conditioning Facility started.

Pul-Rak seabream-seabass project was acquired by Kılıç Deniz.

Two ISO 14001 Environmental Management System certificates were obtained for Güney Ege and Bafa (Tekeburnu Facility) operations.

## 2009

## 2009 New Markets

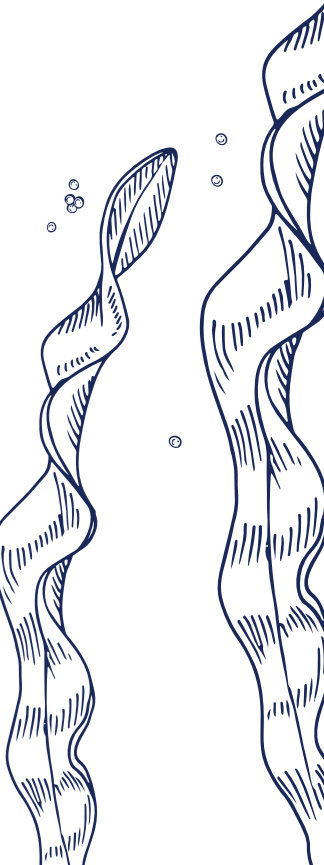
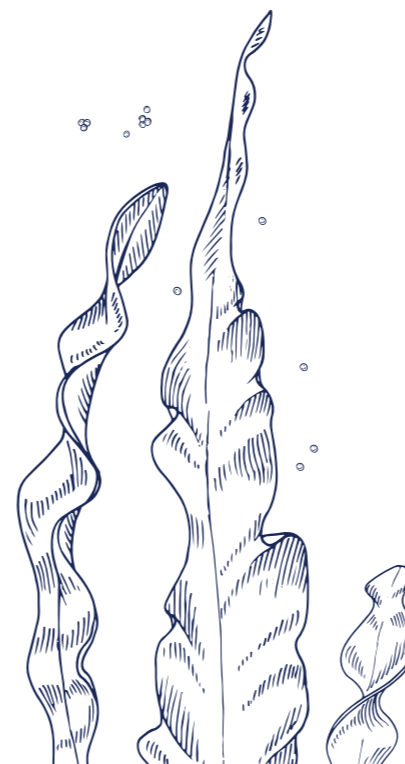
Kılıç Deniz ranked 473rd in the Istanbul Chamber of Industry 500 list.

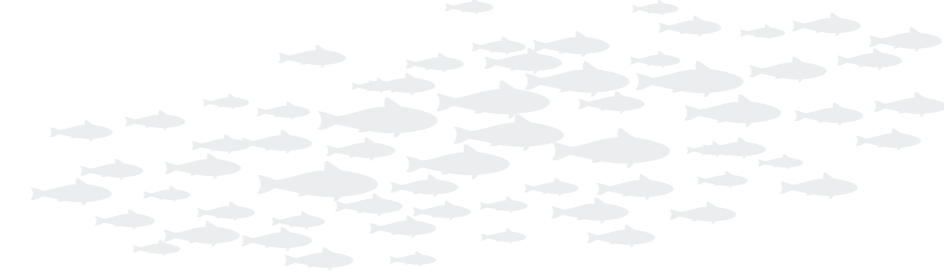
Trout production started at Kayseri Bahçecik Dam.

The first turbot was produced and presented to the market.

The Milas Packaging and Processing Facility obtained the BRC certification for fresh and frozen products.

Trout exports began.





**2010**

**2010 Export Champion**

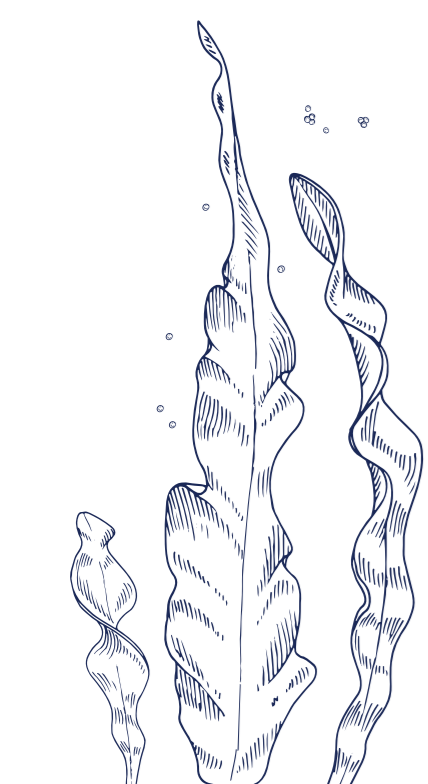
Kılıç Deniz ranked 301st in the Fortune 500 list.

Smoked trout production and sales began.

The Kahramanmaraş Trout Packaging and Processing Facility obtained ISO 9001, ISO 22000, BRC and IFS certifications.

The annual production capacity reached 25,000 tons.

The entire trout production chain, from hatchery to processing, obtained the Global GAP certification.



**2012**

**2012 Export Champion and One of the Most Valuable 100 Brands**

Kılıç Deniz Feed Mill obtained the Global GAP certification.

KLC Gıda Ürünleri A.Ş. was ranked 287th among the top exporters in Türkiye.

Kılıç Deniz ranked 271st in the ISO 500 list and was among Türkiye's 100 most valuable brands.

**2013**

**2013 Export Champion**

Kılıç Deniz ranked 264th in the ISO 500 list and 205th in the Turkish Exporters Assembly (TİM) list, with \$65.3 million in exports.

The world's largest juvenile seabream-seabass transport ship, Kılıç 1, joined the fleet.

Map products were introduced to the market.

A trout production facility was established in Albania.

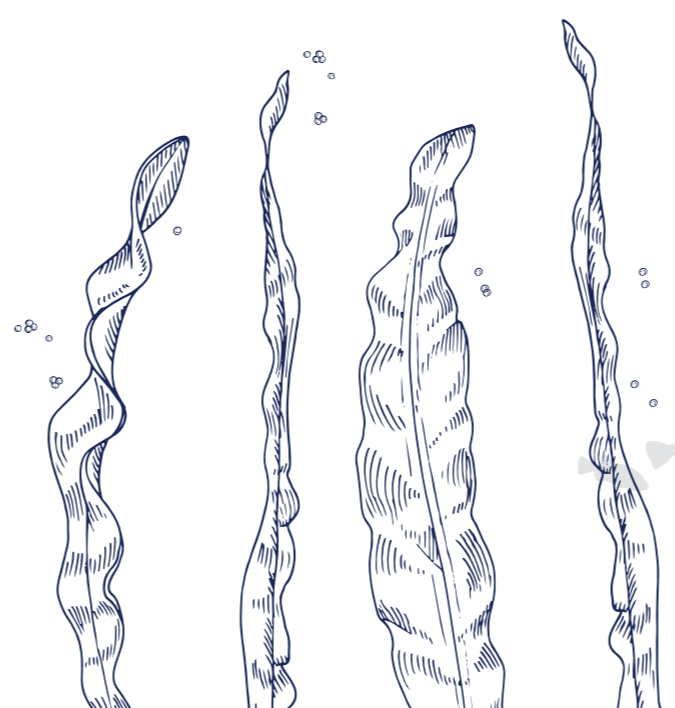
**2014**

**2014 Export Champion**

Kılıç Deniz ranked 315th in the ISO 500 list and 185th in the TİM list with \$84 million in exports.

The company won the export champion award in the Aegean Exporters' Association's seafood category.

A fish meal and fish oil factory started operations in Mauritania.



**2015 Export Champion and 40,000 Tons Production**

Production capacity for seabream, seabass, meagre and trout reached 40,000 tons.

The Milas Value Added Product Facility was established for value-added products.

Kılıç Deniz became the first company in the industry to obtain the Foreign Trade Capital Company status after achieving \$106 million in exports.

**2015**

**2016 Pioneering Production in Türkiye**

Tuna production started.

**2017 Export Champion**

A facility in the Dominican Republic was opened for faster delivery to the U.S.

**2017**

**2018 Export Champion**

Kılıç Deniz seabass and seabream won the Superior Taste Award from the International Taste and Quality Institute.

With the METROCHEF project, Kılıç seabass and seabream were sold with an ear tag system at Metro stores.

The first shipment from the Dominican Republic facility to the U.S. was carried out.

Olive flounder (Hirame) was introduced to the market.

Kılıç Deniz became the export champion with 175 million dollars in the field of Aquaculture and Animal Products organized by the Aegean Exporters' Association.

**2021 Export Champion**

Kılıç seabass, seabream and Turkish salmon trout won the Superior Taste Award.

Our Salmon Trout won the 'Superior Taste Award'.

The company became the industry leader with \$260 million in exports.

**2021**

**2022 Export Champion**

Kılıç Deniz became the seafood industry leader in Türkiye with \$282 million in exports.

**2023 Turkish Salmon Trout Facilities in the Black Sea**

Turkish salmon trout production facilities were established in the Black Sea.

The company exported \$253.2 million worth of fish.

**2023**



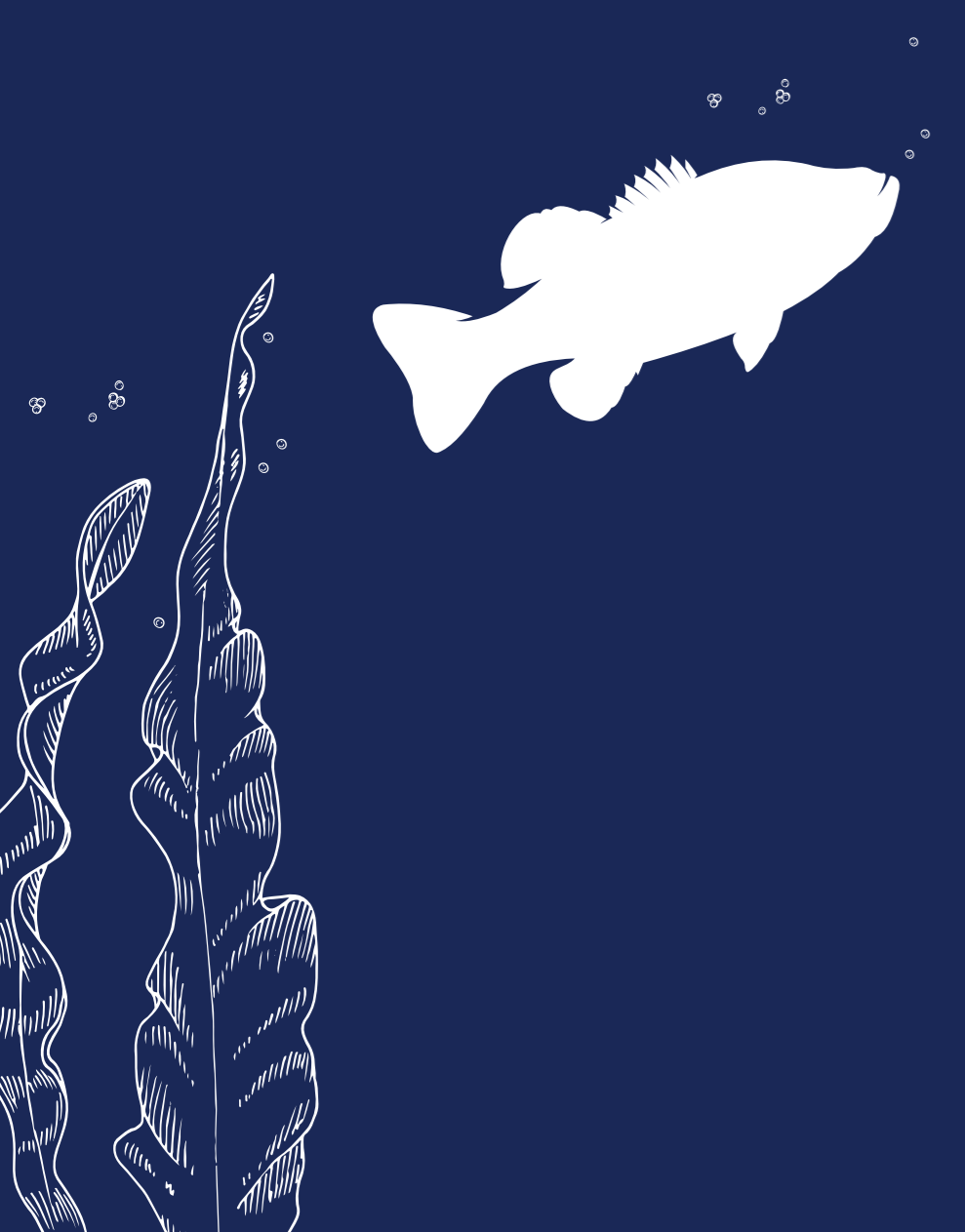


# Certifications

In line with our sustainability commitments our company undergoes various audits at both national and international levels throughout the year. In addition to third-party audits, audits conducted by our customers and internal audits led by our quality team help ensure the continuous monitoring of responsible production and product quality.

**“During 2023, 53 internal audits, 7 customer audits, 47 third-party audits and 48 government audits were conducted.”**

The certifications we hold are proof of our compliance with high standards in environmental sustainability, energy management, animal welfare, food safety, social compliance and occupational health and safety.



## Aquaculture Certifications



**ASC (Aquaculture Stewardship Council)** standard aims to manage critical impacts in aquaculture such as biodiversity, responsible sourcing of raw materials, pollution, disease management, energy consumption, greenhouse gas emissions, occupational health and safety and human rights. Since 2019, 12% of our fish farms have been ASC certified. Our Orfoz, Mavi Sular, Salih Island and Offshore 2 farms in the Muğla, as well as Karkamış 1 farm in the Maraş region hold ASC certification. Additionally, 50% of our packaging and processing facilities have the **ASC CoC (Chain of Custody)** certification ensuring that our products are processed according to traceability and reliability principles.



At Kılıç Deniz, all our facilities have been **Global GAP** certified since 2013, ensuring high environmental and food safety standards are maintained at our sites. Furthermore, our feed mill has held the **Global GAP CFM (Compound Feed Manufacturing)** certification since 2011, guaranteeing quality and safety standards in feed production.



**BAP (Best Aquaculture Practices)** certification sets one of the highest standards for aquaculture globally. As Kılıç Deniz, our Kemikler Packaging and Processing facility received the BAP certification in 2023. This certification not only confirms that our facility meets high standards in crucial areas such as environmental protection, occupational health and safety and social responsibility, but also serves as an indication that we process and package our products in accordance with best practice standards.



**The MSC CoC (Marine Stewardship Council Chain of Custody)** standard aims to ensure that seafood is sourced sustainably and that products can be traced throughout the supply chain. Our Kemikler and Maraş Packaging and Processing facilities have been awarded the MSC CoC certification verifying that our products meet traceability standards and are produced and processed sustainably.

## Food Safety Certifications

At Kılıç Deniz, our food safety commitments are supported by BRCGS, IFS, ISO 22000 and Halal certifications.



**BRCGS (British Retail Consortium Global Standards)** certification ensures that processes from production to packaging meet food safety standards and are of high quality. Since 2009, our Kemikler Packaging and Processing, Mersin Packaging and Processing and Value-Added Product facilities have held the BRCGS certification.



**IFS (International Food Standards)** certification confirms that our production and processing processes meet high safety and quality standards. Our Kemikler, Mersin and Value-Added Product facilities are certified by IFS, verifying the safety and quality of our packaging and processing operations.



Our Kemikler Packaging and Processing and Maraş Packaging and Processing facilities hold **Halal** certification. This certification verifies that our products are produced and processed in accordance with Islamic rules.

## Social Compliance Reports

Since 2016, Kılıç Deniz has implemented a social compliance system. Our social compliance and ethical commitments are supported by Amfori BSCI and Sedex SMETA reports.



**Amfori BSCI** is a social compliance initiative aimed at improving workers' rights and working conditions. Our Kemikler and Maraş Packaging and Processing facilities are compliant with Amfori BSCI standards, which include audits covering labor rights, fair wages, working hours, child labor, forced labor, discrimination, health and safety.



**Sedex SMETA (Sedex Members Ethical Trade Audit)** is an audit methodology that evaluates ethical practices, covering four key areas: social compliance, health and safety, environment and business ethics. Our Kemikler Packaging and Processing facility undergoes annual Sedex SMETA audits and our ethical practices are regularly reported under this framework.

## Management System Certifications



The **ISO 9001 Quality Management System** certification confirms that we provide products that meet customer and regulatory requirements. Our Kemikler, Maraş Packaging and Processing facilities and Feed Mills hold the ISO 9001 certification.



The **ISO 22000 Food Safety Management System** certification demonstrates that we manage food safety risks effectively and maintain sustainable and safe production processes. Our Kemikler Packaging and Processing facility, Maraş Packaging and Processing facility and Feed Mill hold the ISO 22000 certification.



The **ISO 50001 Energy Management System** certification confirms that our energy management processes have been established and that we are aware of our environmental responsibilities concerning energy efficiency. Our Kemikler Packaging and Processing facility and Feed Mill were certified with ISO 50001 in 2023.

## Sustainability Strategy

*“At Kılıç Deniz, we aim to meet the growing global demand for healthy and safe protein through sustainable production methods. In line with this vision, we have made it our mission to contribute to the development of healthy generations.”*

The core of our sustainability strategy is the protection and sustainability of the ecosystem. Accordingly, our priority goals include waste management, strengthening sustainable procurement processes and protecting the marine ecosystem. Additionally, we focus on areas such as climate change, biodiversity, energy efficiency, carbon footprint, emissions management and responsible sourcing to ensure environmental sustainability at every step.

Our corporate sustainability approach includes strengthening our employment practices and ensuring business continuity. In this context, we aim to increase employee engagement by protecting employee rights. We also manage our purchasing processes in a planned manner to prevent business continuity problems caused by the supply chain.

On the other hand, to maintain our market leadership in the Mediterranean aquaculture industry, we aim for profitable and efficient growth. We strive to differentiate ourselves in the sector through innovative R&D efforts, while our sustainable production methods ensure the provision of healthy seafood, supporting future generations' health and contributing to the protection of ecosystems.

While implementing these strategies, we are guided by Kılıç Deniz's core values of determination, honesty, innovation and responsibility. Our determination has enabled us to build a leading brand in the sector and we continue to grow with this passion. Honesty ensures open and trust-based relationships with our stakeholders. Innovation strengthens our leadership position through digital transformation solutions and R&D projects. Responsibility fosters our commitment to continuously improving social and environmental compliance.

As Kılıç Deniz continues to lead in healthy seafood production, we will keep guiding the sector through our innovative approaches and the steps we take in our sustainability journey.

Vision	Mission
To meet the growing global demand for healthy and safe protein through sustainable production methods for generations to come.	To contribute to the development of healthy generations.

Strategic Objectives	
<b>Objective 1</b> Sustainable Ecosystem	<b>Goal 1</b> - Ensure circularity through waste management. <b>Goal 2</b> - Increase sustainable sourcing. <b>Goal 3</b> - Protect the ecosystem.
<b>Objective 2</b> Robust and Sustainable Corporate Structure	<b>Goal 1</b> - Ensure sustainable human and culture management. <b>Goal 2</b> - Increase the use of new technologies in production. <b>Goal 3</b> - Enhance employer brand reputation. <b>Goal 4</b> - Ensure business continuity. <b>Goal 5</b> - Ensure occupational health and safety.
<b>Objective 3</b> Maintain Market Leadership in the Mediterranean Aquaculture Industry	<b>Goal 1</b> - Produce value-added products. <b>Goal 2</b> - Achieve profitable and efficient growth. <b>Goal 3</b> - Increase capacity and social benefits through new investments.
<b>Objective 4</b> Differentiate Through Product and Process Innovation	<b>Goal 1</b> - Strengthen our competitiveness through innovative R&D efforts.

Values	
<b>Determination</b>	The aquaculture sector in Türkiye has gained a new meaning with Kılıç Deniz and the company has grown with the goal of always providing the highest quality and healthy products to consumers, becoming the market leader. This growth has been driven by a passion for institutionalization.
<b>Honesty</b>	Kılıç Deniz has always adopted a transparent management policy and aimed to be the best in the sector it operates in. The company ensures open and transparent relationships with all stakeholders and protects mutual rights.
<b>Innovation</b>	Kılıç Deniz follows new technologies as a pioneer in its field. Through its digital transformation solutions, the company strengthens its corporate identity and continuously develops innovative projects through its R&D centers enhancing its position in the sector.
<b>Responsibility</b>	Kılıç Deniz is always conscious of its social and environmental responsibilities in its relationships with customers, employees, legal authorities, local communities, non-governmental organizations, suppliers and all other stakeholders. With this awareness, the company prioritizes stakeholder engagement and continuously works to develop these important responsibilities.

## Double Materiality Analysis

While determining important issues that will guide the sustainable growth of our company, sector standards, sectoral risks, trends, best practices and GRI standards have been considered. In addition, compliance with corporate governance principles has been ensured. These important issues have been assessed in order of importance through surveys sent to both our internal and external stakeholders, including domestic and international customers, suppliers, managers and employees, as well as through meetings with our internal and external stakeholders.

In a stakeholder meeting held at our company's headquarters with both internal and external stakeholders, the impacts of Kılıç Deniz's activities on society, the environment and the ecosystem were evaluated. Based on the responses obtained from the meetings and surveys, the goal is to increase stakeholder participation and positively influence the brand perception of Kılıç Deniz.

First initiated in 2022, the double materiality analysis was updated in 2023, taking into account changes in the sustainability agenda. Through this double materiality analysis, we aim to monitor internal and external changes, take timely actions and turn risks into opportunities.

## Double Materiality Analysis Methodology

The methodology applied in the Double Materiality Analysis is provided below.

### Step 1

Identification of issues that may be important from the perspective of our stakeholders and our company.

### Step 2

Evaluation of the impact of the identified important issues from the perspective of our company and our stakeholders.

### Step 3

Communication of important issues to our stakeholders through an independent survey and requesting them to identify issues that are important for our company and themselves.

### Step 4

Stakeholder meeting with local stakeholder representatives, local governments and public institutions, NGOs and our managers.

### Step 6

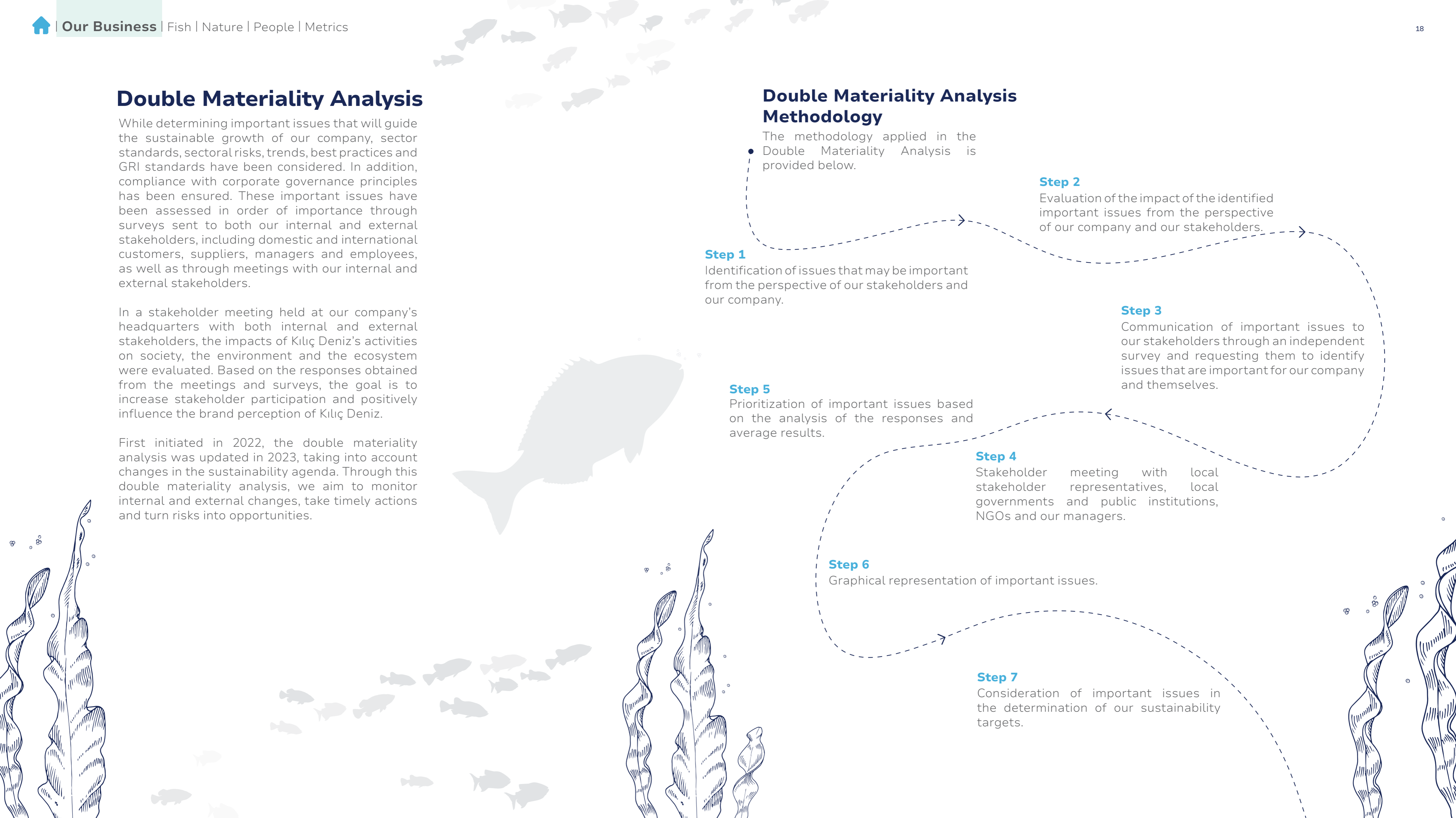
Graphical representation of important issues.

### Step 7

Consideration of important issues in the determination of our sustainability targets.

### Step 5

Prioritization of important issues based on the analysis of the responses and average results.



## Stakeholder Analysis

As part of our sustainability reporting process, a comprehensive stakeholder analysis has been conducted to assess the environmental, social and governance impacts of our activities on both internal and external stakeholders and to gather stakeholder feedback.

Considering our sector and areas of activity, it is important to ensure the participation of external stakeholders, especially local communities, as well as internal stakeholders who play a critical role in the effective and efficient operation of our business processes. In this direction, our stakeholder engagement work has been structured as a continuous and cyclical process, considering legal requirements, sector standards and best practices.

This work, which will be updated annually, will provide valuable contributions to our management and decision-making processes and will serve as an important guide for planning and implementation during our company's growth process.

## Double Materiality Matrix

Surveys covering important topics have been sent to our internal stakeholders, including our management teams and employees and to our external stakeholders, including our domestic and international customers and suppliers. In these surveys, stakeholders were asked to identify the issues that are important to both themselves and Kılıç Deniz. Based on the responses from our stakeholders, topics with a high weight were identified as the key issues for 2023. These key issues have been prioritized based on stakeholder feedback, as shown below.



Double Materiality Matrix

## Corporate Governance and Our Approach to Sustainability

At Kılıç Deniz, we build our corporate governance approach on a solid foundation that ensures long-term success and sustainability.

Our company establishes a strong relationship of trust with our stakeholders in accordance with the principles of ethical values, transparency and accountability. In our management processes, strategies are developed to support sustainable growth, prioritizing environmental protection, social responsibility and the well-being of our employees. In this framework minimizing our environmental impacts, increasing our contributions to society and providing a safe, fair and supportive work environment for our employees are among our most important priorities.

In line with our sustainability approach our sustainability policy which we have developed is open and accessible to all stakeholders. This policy reflects our sustainability goals and commitments in detail. To ensure our stakeholders' access to the policy it has been published on our company's [website](#).



## Board of Directors

The highest management body at Kılıç Deniz is the Board of Directors. The structure of Board of Directors is shown in the table below.

Kılıç Deniz Board of Directors	
Orhan KILIÇ	Chairman of the Board
Ersin KILIÇ KIZILTAN	Vice Chairman of the Board
İhsan BOZAN	Board Member
Ayşen KILIÇ BOZAN	Board Member
Suzan ERGÜN	Board Member
Özlem DÜNDAR ÖZÜNEM	Board Member
Hakan UYANIK	Board Member (CEO)

The bylaws of the Board of Directors specify the roles, responsibilities and requirements related to board composition, including competencies, term of office, candidacy and board composition. All members of the Board of Directors are appointed for a fixed term of three years after which they may be reappointed to the board as specified in the bylaws.

Board of Directors which is composed of seven members elected by the general assembly is responsible for critical matters such as the company's vision, mission, strategic direction, key risk management as well as crisis preparedness and stakeholder relations management. The CEO represents the executive functions within the Board of Directors. In line with corporate governance principles the roles of Chairman of the Board and Chief Executive Officer (CEO) are performed by different individuals.

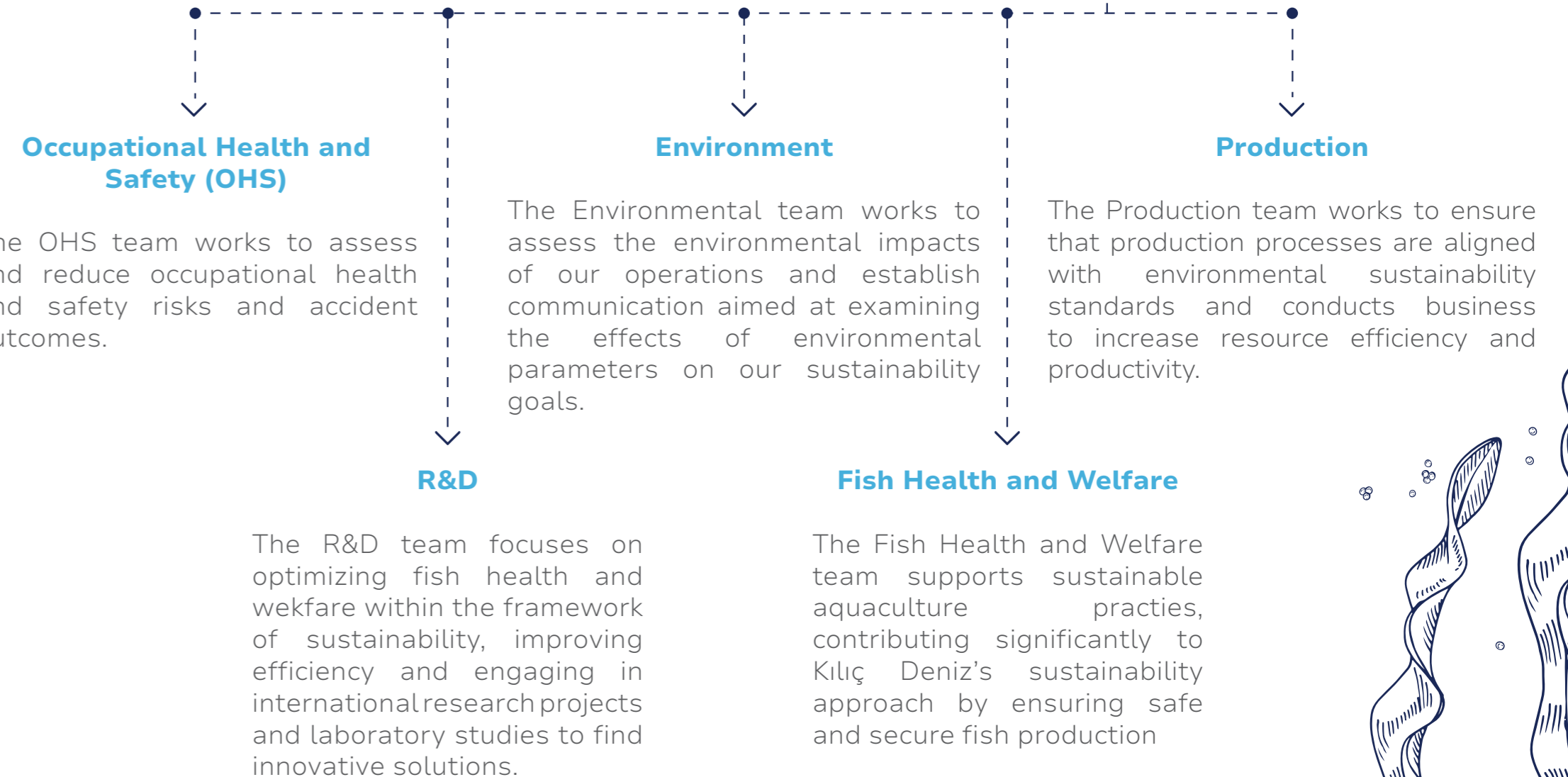
As of 2023, Board of Directors does not include any independent members. Our future plans include the inclusion of two independent members to strengthen compliance with corporate governance principles and to contribute to the diversity and competencies required for the decision-making processes of the Board.

The Board of Directors considers diversity in its composition. Of the seven members of our Board of Directors four are women representing 57% of the board.

The Board of Directors collaborates with the Sustainability Committee to ensure that Kılıç Deniz operates as a seafood company committed to sustainability at every stage of the value chain. The board is responsible for overseeing and approving the company's sustainability reporting. Through site visits and meetings with the Sustainability Committee the board actively monitors the implementation of the company's sustainability principles.

## Sustainability Organization

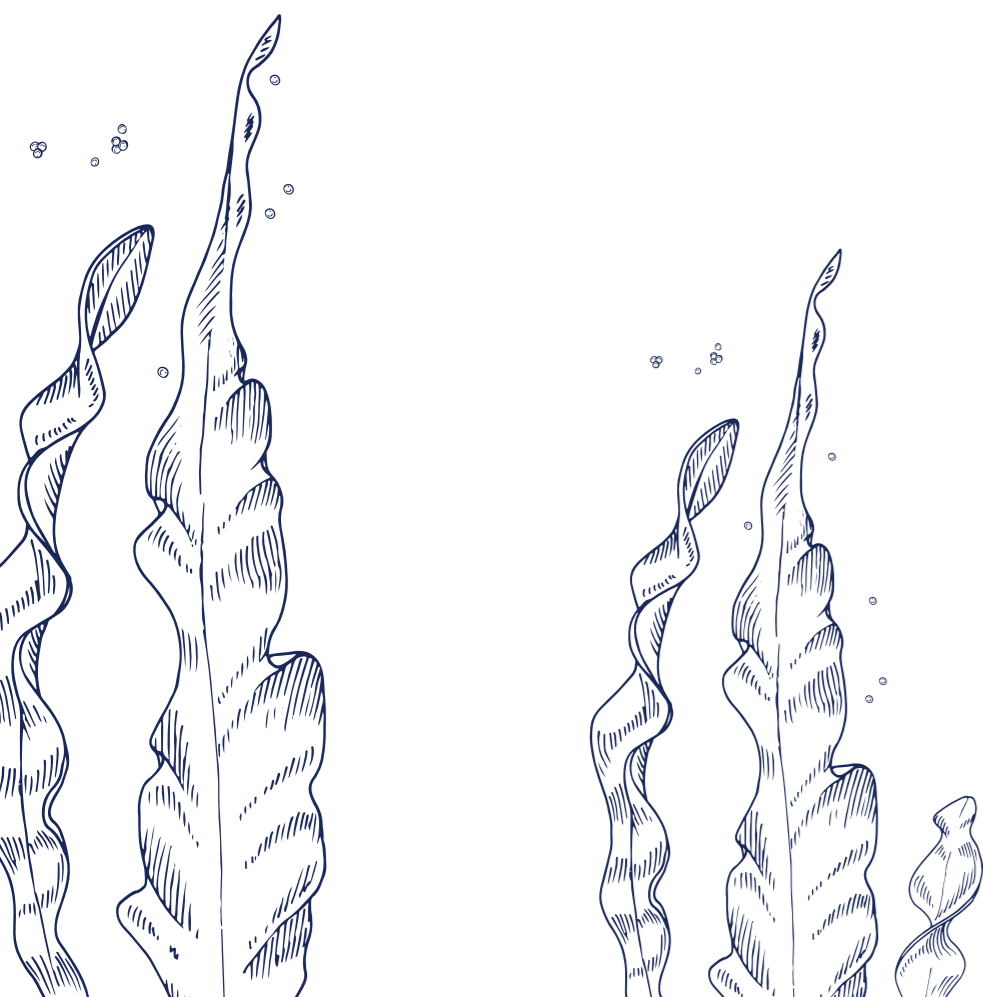
The Sustainability Committee is responsible for identifying the sustainability risks and goals of the company and for fostering a culture of sustainability across the organization. The committee consists of the Vice Chairman of the Board, CEO, CFO, COO, CSO and the Chief Legal Counsel. They meet twice a year to hold sustainability meetings. Additionally, subgroups such as Occupational Health and Safety, R&D, Fish Health, Environment and Production work in collaboration with the Quality Systems Department and report to the Sustainability Committee.



## ESG Risks

Our company faces external factors such as environmental challenges, fluctuations in demand for seafood and climate change. Increased international competition in the seafood sector and changes in legal regulations can negatively impact the company's profitability and sustainability. Internal risks include reduced operational efficiency, labor-related issues and supply chain disruptions. Effectively managing these risks is critical to the long-term success of Kılıç Deniz.

As part of the 2023 sustainability report a risk assessment was conducted to identify risks and their associated levels. The risk levels were calculated based on the probability of occurrence and the potential impact of each risk. Each risk level was determined by multiplying these two factors and classifying the risks on a matrix as low, medium or high. The risk categories were examined under three main headings: environmental, social and governance risks. The key risks their impacts and opportunities for our company are detailed below.



No	Risk Category	Risk Name	Risk Level	Impact	Opportunities
1	Governance	Inability to Attract Qualified Talent	High	<ul style="list-style-type: none"> <li>Increased quality-related costs</li> <li>Operational inefficiency</li> <li>Weakening corporate capacity</li> </ul>	<ul style="list-style-type: none"> <li>Attracting and retaining qualified talent</li> <li>Improved quality-related costs</li> <li>Increased operational efficiency</li> <li>Corporate capacity growth</li> <li>Employee satisfaction</li> <li>Encouragement of innovation and new practices, career development and positive impact on corporate capacity</li> </ul>
2	Governance	Failure to Ensure Product Quality, Safety and Hygiene	Low	<ul style="list-style-type: none"> <li>Loss of customers</li> <li>Export shrinkage</li> <li>Reduced profitability</li> <li>Legal issues</li> <li>Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with quality standards</li> <li>Increased market share and profitability</li> <li>Improved customer satisfaction and loyalty</li> <li>Enhanced competitiveness</li> </ul>
3	Environmental	Risk of Resource Depletion	Medium	<ul style="list-style-type: none"> <li>Reduction of raw material sources due to climate change and biodiversity loss</li> <li>Limited availability of alternative raw materials negatively impacting production quality and activities</li> </ul>	<ul style="list-style-type: none"> <li>Finding alternative raw materials</li> </ul>
4	Environmental	Failure to Ensure Sustainable and Responsible Sourcing	Medium	<ul style="list-style-type: none"> <li>Non-compliance with environmental and social standards by suppliers</li> <li>Negative impact on supplier's reputation and legal situation due to violations of labor rights and ethical issues</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening supplier selection and management processes</li> <li>Compliance with sustainability standards</li> <li>Compliance with legal regulations and internationally accepted standards</li> <li>Enhancing brand reputation</li> <li>Supporting sustainable production</li> <li>Gaining competitive advantage</li> </ul>
5	Environmental	Marine Pollution Risk (caused by tourism and residential areas)	High	<ul style="list-style-type: none"> <li>Negative impact of marine pollution caused by tourism and residential areas on fish health in production areas</li> <li>Misperceptions due to not distinguishing between pollution sources, which negatively affects the industry through misleading speculative behaviors</li> </ul>	<ul style="list-style-type: none"> <li>Expanding collaborations with stakeholders</li> <li>Leading projects to research pollution sources</li> <li>Collaborating in preventative efforts with universities and relevant organizations</li> </ul>
6	Environmental	Climate Change Risk	High	<ul style="list-style-type: none"> <li>Reduced water resources, increased sea temperatures, decreased oxygen levels, failure of current species to adapt to these changes</li> <li>Deterioration of fish health and increased diseases</li> <li>Rise in fish infections due to parasites</li> </ul>	<ul style="list-style-type: none"> <li>Producing climate-resilient species or new potential species, continuing market leadership</li> </ul>
7	Environmental	Loss of Biodiversity and Ecosystem Risk	Medium	<ul style="list-style-type: none"> <li>Decrease and change in marine species</li> <li>Legal problems, fines and penalties</li> <li>Challenges in sourcing raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Positive impact of eco-friendly practices on competitiveness</li> <li>Supporting sustainable production</li> </ul>
8	Governance	Information Security Risk	Medium	<ul style="list-style-type: none"> <li>Increase in cyber risks</li> <li>Theft of employee and customer data</li> <li>Damage to brand reputation</li> <li>Occurrence of legal and financial issues</li> </ul>	<ul style="list-style-type: none"> <li>Continuous improvement of information security risk management practices</li> <li>Implementing disaster recovery tests to ensure minimal loss in the event of a disaster</li> </ul>
9	Environmental	Failure to Protect Fish Health and Welfare	Medium	<ul style="list-style-type: none"> <li>Inability to produce healthy and responsible fish</li> <li>Loss of customers</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with international standards</li> <li>Gaining competitive advantage</li> </ul>
10	Environmental	Inability to Contribute to Energy Efficiency	High	<ul style="list-style-type: none"> <li>Increase in emissions</li> <li>Rise in production costs</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in energy costs</li> <li>Contribution to preventing global warming</li> </ul>
11	Environmental	Inability to Reduce Greenhouse Gas Emissions	High	<ul style="list-style-type: none"> <li>Negative impact on climate change</li> <li>Decline in environmental performance</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in costs through carbon border adjustment and other tax advantages</li> <li>Gaining competitive advantage</li> </ul>
12	Social	Inability to Ensure Stakeholder Engagement	Medium	<ul style="list-style-type: none"> <li>Environmental issues</li> <li>Fish health and welfare</li> <li>Social compliance</li> </ul>	<ul style="list-style-type: none"> <li>Increased awareness and culture in the industry</li> </ul>
13	Governance	Inability to Ensure Customer Satisfaction	Medium	<ul style="list-style-type: none"> <li>Ineffective management of operations and supply systems</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of market share</li> </ul>
14	Social	Inability to Ensure Occupational Health and Safety	Medium	<ul style="list-style-type: none"> <li>Failure to comply with legal obligations</li> <li>Inability to ensure employee well-being</li> </ul>	<ul style="list-style-type: none"> <li>Increase in employee loyalty</li> <li>Enhancement of employer brand value</li> </ul>
15	Environmental	Failure to Ensure Waste Management	Low	<ul style="list-style-type: none"> <li>Non-compliance with standards and customer demands</li> <li>Increased environmental damage</li> </ul>	<ul style="list-style-type: none"> <li>Efficient use of resources</li> <li>Reduction in emissions</li> </ul>

## Ethical Values

At Kılıç Deniz we consider honesty to be the highest value in all our business processes and relationships with stakeholders.

The ethical principles of our company are shared with both internal and external stakeholders and it is believed that the ethical environment at Kılıç Deniz will contribute positively to the corporate governance approach, culture and values of the organization. With this awareness in 2023 our communication platform for reporting complaints and ethical issues was restructured.

As a company managed by responsible and ethical values, we evaluate any legal, ethical or food safety violations reported by our internal and external stakeholders. For these notifications the "Contact Us" page on our website provides the email address etik@kilicdeniz.com.tr and the ethical hotline number 02525011178 which are actively used by our internal and external stakeholders. Regardless of the communication channel, our company commits to processing all notifications and providing an initial response within 48-72 hours.

Ethical notifications are evaluated by the Disciplinary Committee which is structured under the Board of Directors. The committee meets as needed based on incoming notifications and prepares a report every six months to present to the Board of Directors.

The duties and responsibilities of the Disciplinary Committee regarding ethical notifications are as follows:

- To publish and update when necessary an ethical code that all stakeholders can work in harmony with and to oversee the establishment and effective operation of the ethics hotline
- To ensure that the ethical standards become a fundamental part of the company's corporate culture and accepted work norms by all stakeholders
- To serve as the highest body responsible for managing the ethics program effectively



## Share Your Opinion

If you would like to openly share your opinions on any topic, either anonymously or with your identity disclosed, please use the channels below.



Click or Scan QR Code for Food Safety Quality and Environmental Declaration



Click or Scan QR Code for Ethical Violation Report

Ethics Line Brochure



- To oversee the implementation of annual training programs and audits related to ethical standards
- To evaluate received notifications, make decisions and provide the necessary feedback communication

To create and maintain a fair and safe working environment our company operates in full compliance with the employment laws and regulations in place. Our employees, within their scope of responsibility adhere to legal requirements and behave in accordance with the law.

Additionally, Kılıç Deniz does not permit managers to engage in financial relationships such as borrowing or lending with employees. Relationships between employees are conducted with respect, openness, honesty, responsibility and courtesy. All employees' private and family lives are respected and personal spaces are protected. The verbal, written or electronic communications of employees are not recorded, shared or published without permission. Even information recorded lawfully is not used or disseminated beyond its intended purpose.

Personnel records obtained during the course of employment are used solely for related purposes and are not shared with third parties without consent. Additionally any systematic or planned behaviours that fall under the scope of psychological harassment such as targeting employees to reduce performance or force them to resign are not tolerated.

A conflict of interest occurs when personal interests conflict with the interests of the company and managers or employees gain improper personal benefits due to their position or provide benefits to their relatives or third parties. As Kılıç Deniz executives and employees we aim to avoid situations that may create a conflict of interest in work-related activities. When we believe that the interests of the involved parties can be protected through legal and ethical methods we implement these methods. In cases of doubt we consult with managers or the Ethics Committee.



# Sustainable Supply Chain

As part of our 2023 sustainability reporting our key domestic and international suppliers who have a significant impact on our company's operations were identified and they were evaluated under ESG (Environmental, Social, Governance) criteria.

Under the environmental and climate change category the following aspects were evaluated for our suppliers: environmental policies, environmental management systems, biodiversity, climate change mitigation approaches, responsible production and innovative environmental practices. In the social responsibility category aspects such as workers' rights, stakeholder engagement, health and safety and supply chain management were assessed. Under the governance category topics such as board structure, strategic management and sustainability, organization and processes, risk management, compliance and financial sustainability were reviewed. Lastly, in the monitoring and reporting category the evaluation focused on the monitoring and reporting processes of the suppliers.

In the supplier ESG rating process specific questions were prepared for each main category and these questions were assigned specific weight scores.

The overall success ratings for evaluating the ESG performance of our suppliers were classified as follows:

- 90% and above: Excellent
- 70% - 89%: Good
- 50% - 69%: Medium
- 30% - 49%: Poor
- 1% - 29%: Insufficient

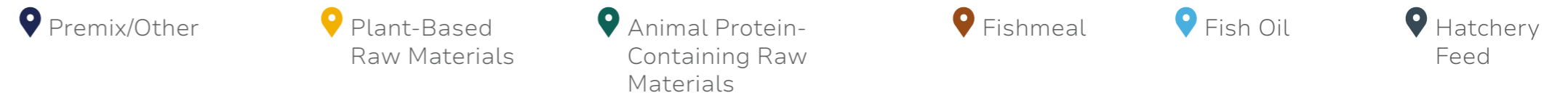
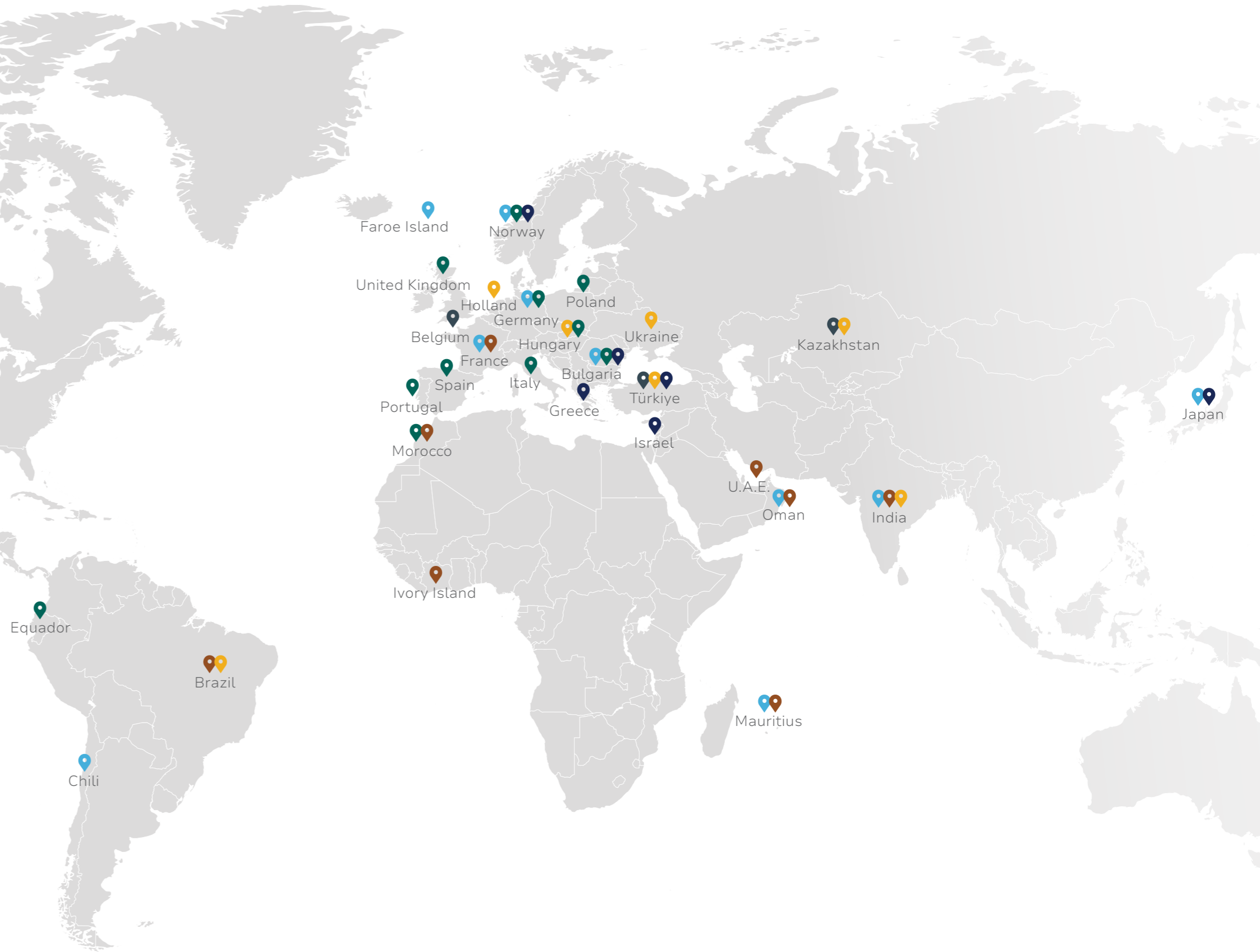
The ESG evaluation results of our suppliers are shown below with scores out of 10.

Based on the results of the supplier ESG evaluation it has been identified that for our international suppliers' improvements are needed in areas such as the establishment of sustainability organizations improvement in social responsibility, effective management of environmental risks and enhancement of monitoring and reporting processes.

For our domestic suppliers it was identified that their corporate structures need strengthening, information security systems should be improved and social compliance issues should be addressed. Additionally, actions need to be taken regarding carbon footprint and sustainability reporting.

This evaluation serves as a guiding study for both our suppliers and our company, enabling our suppliers to clearly identify their areas for improvement.

Supplier	Environment and Climate Change		Social Responsibility		Corporate Governance		Monitoring and Reporting		Sustainability Score	
	Score	% Success	Score	% Success	Score	% Success	Score	% Success	Total Score	% Total Success
International Suppliers	1.8	71%	1.8	71%	1.98	66%	1.5	75%	7.1	72%
Domestic Suppliers	1.92	65%	1.76	71%	2.04	82%	1.09	55%	6.81	68%

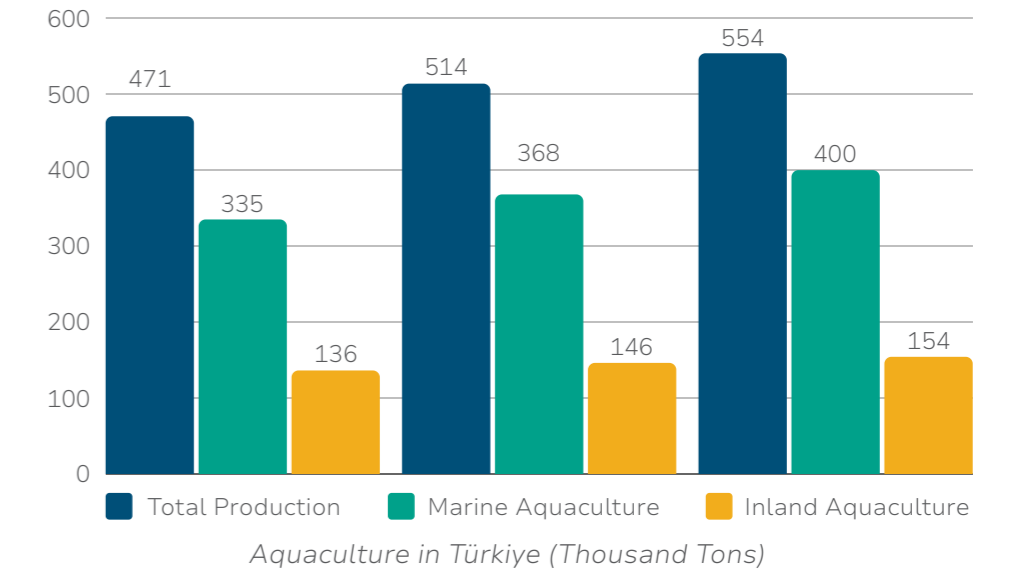


## Our Position in the Industry

In 2023 aquaculture production in Türkiye increased by 7.6%. As of 2023 399,529 tons (72.1%) of the total aquaculture production in the country took place in marine waters while 154,333 tons (27.9%) occurred in inland waters.

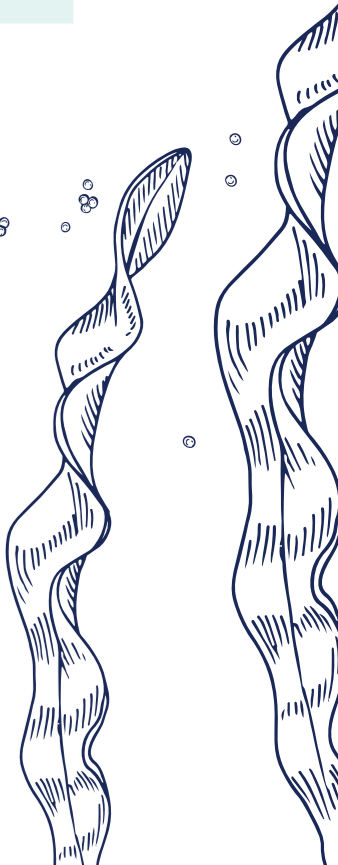
In inland waters the most cultivated species was trout with a production of 154,006 tons while in marine waters the most cultivated species were seabass with 160,802 tons and seabream with 154,011 tons. Of the fish produced through marine aquaculture 40% were seabass and 38% were seabream. In inland waters 76% of the cultivated species consisted of trout.

“In 2023, with a total production of 57,400 tons of seabream and seabass 18% of the 314,813 tons of seabream and seabass produced in Türkiye were produced at Kılıç Deniz facilities.”



	Fish Species	Tons /Year	Tons /Year	Percentage
Marine Waters	Seabass	160,802	399,529	72.10%
	Seabream	154,011		
	Other	84,716		
Inland Waters	Trout	154,006	154,333	27.90%
	Other	327		
Total		553,862		

Aquaculture Production in Türkiye in 2023





## Fish Health and Welfare

Fish health and welfare are among the top priorities of the aquaculture sector and they are at the heart of sustainable production processes.

Fish health and welfare are two closely related but distinct concepts. Fish health encompasses the physiological conditions, disease prevention and biological processes of the fish, while fish welfare involves factors such as living conditions, stress levels, behavioral needs and overall quality of life.

Fish welfare is evaluated according to five fundamental principles:





1. Prevention of hunger and thirst,
2. Living in appropriate environmental conditions,
3. Protection from disease and pain,
4. The ability to express natural behaviors,
5. Freedom from fear and distress.

These principles are an integral part of sustainable and responsible fish farming practices.



To improve fish welfare and produce healthier fish while reducing antibiotic use to minimize harm to the environment, the “Kılıç Deniz Fish Welfare Assurance Procedure” was established in March 2023. This procedure aims to raise awareness among all staff and has been implemented accordingly. Additionally, ‘Fish Health and Welfare’ training is provided to personnel involved in fish farming and management to ensure that all employees understand the importance of fish health and welfare. Personnel who have not completed this training are restricted from handling fish in the field.

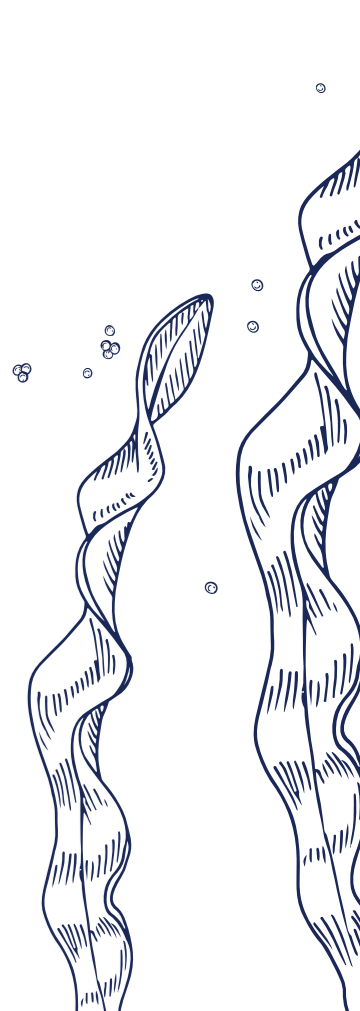
In our Fish Welfare Assurance Procedure the parameters that may affect fish welfare are identified as follows:

-  **Environmental Parameters:** Fish are significantly affected by the conditions of their environment. While environmental parameters are often related to water quality, external factors like local bird populations are also considered.
-  **Management-Dependent Indicators:** Decisions made and processes implemented by production managers and personnel, as well as the results of these processes, fall into this category.
-  **Biosecurity:** The measures taken regarding any product, vehicle, or waste entering or involved in the production process, considering the potential for them to carry pathogens, are evaluated within the scope of biosecurity.
-  **Fish-Related Indicators:** Beyond all other parameters, the physical condition and movements of the fish are also considered indicators of fish welfare.

The environmental parameters that affect fish welfare include seawater temperature, dissolved oxygen levels, salinity, carbon dioxide, pH, total ammonia, nitrate, phosphate and suspended solids. These parameters must be maintained at optimum levels to ensure fish welfare. In addition to regular monitoring of environmental parameters, preventive practices such as vaccinations, cleaning and hygiene efforts, pest control and disease screenings specific to fish are carried out regularly to ensure fish health and welfare. Water currents are also monitored and the Trix parameter is analysed to assess the risk of eutrophication.

Fish health and welfare are guaranteed through the continuous monitoring of necessary farming principles. These principles include the use of production techniques that support health and welfare monitoring, the implementation of area-specific biosecurity plans, the adoption of disease prevention strategies, adherence to welfare-focused practices and the proper use of therapeutic substances when necessary.

“We are aware of our responsibilities towards the fish we raise.”



## Practices in Fish Health and Welfare at Farms

Scientific research worldwide has shown that fish are sensitive to conditions such as pain, fear and stress. Therefore, it is not sufficient to only protect the physical health of fish; it is also important to prevent them from being subjected to pain, fear and stress throughout the production cycle, particularly during the harvest process.

Stunning the fish before harvest is a crucial practice to prevent pain during harvest, ensure rapid loss of consciousness and thus minimize fear, pain and stress.

Accordingly, the fasting period before harvesting our fish is planned not to exceed 72 hours and they are not allowed to be harvested without being stunned first. All these processes are documented. In our ASC-certified facilities, the electric stunning method which is recognized as the most suitable method for fish welfare during harvesting is used ensuring the best conditions for harvesting our fish.

With this method fish experience rapid loss of consciousness in less than a second, preventing fear, pain and stress during the harvesting process. During the electric stunning process factors such as fish density, electric current intensity, voltage, frequency, duration and water conductivity are considered. Escape behaviour, respiratory reflexes, loss of movement, imbalance, lack of response to visual stimuli, pain and other indicators are observed to confirm the effectiveness of stunning.

Additionally, during the harvest net hauling time is kept to less than two hours and care is taken to ensure that nets are always in good condition, clean and free of knots.

Fish health and welfare indicators such as gill health, fin condition and mortality rates are regularly monitored and recorded. Moreover, the quality of the water in which the fish live is continuously monitored.

## Survival Rate

Our production and fish health teams aim to achieve high survival rates and maintain healthy populations throughout the entire cycle starting with the broodstock at our hatcheries. To achieve this, monitoring and biosecurity measures are implemented and vaccinations are carried out to improve survival rates.

The survival rates at our cage farms are shown in the table below:

Facility	Product	Survival Rate
Cage Farms	Seabass	78%
	Seabream	77%
	Meagre	73%
	Trout	90%
	Turkish Salmon Trout	90%

Survival Rates at Cage Farms

## Stocking Density

The stocking density in our facilities is adjusted to protect fish health and welfare considering environmental conditions, the biological needs of the fish and the farming methods used. Specifically water quality, feeding technology and compliance with ASC standards are considered and fish welfare indicators such as water quality parameters, fish physiology, behavior, stress levels, injuries, appetite, growth, mortality rates and disease are used as the basis for stocking density. In this regard, the stock density in our facilities is set at 8-10 kg/m<sup>3</sup>.



## Fish Health and Welfare Practices at Hatcheries

Before fish are transferred to the facilities sampling points are determined according to a detailed plan and necessary materials are prepared. Water quality devices are calibrated. After completing the preparation process the materials are placed in the clean materials cabinet and sampling begins.

A fish health and biosecurity forms are filled out for each facility. During the sampling process, broodstock and ova samples related to fish health are collected as well as water, live feed and moist feed samples. For example, water samples are subjected to bacterial load and specific disease screenings (*Piscicida*, *V. anguillarum*, *V. harveyi*, *A. veronii*, etc.) in the microbiology laboratory and undergo genetic analyses, while chemical parameters of the water (ammonium, phosphate, nitrite, nitrate, etc.) are measured. These analyses provide critical information for identifying potential risks that could threaten fish health and for taking preventive measures.

The results from sample analyses are evaluated for fish health and biosecurity. Disease detection and genetic analysis results provide important information about the health of the fish. If abnormal values are detected during on-site measurements, the situation is immediately reported to the relevant departments and necessary interventions are made.

After completing all processes, the obtained data is carefully recorded, forms are filled out, reports are prepared and submitted to the relevant departments. This approach ensures that the highest standards are applied in the protection of fish health and biosecurity.

At Kılıç Deniz risk analyses are carried out within the framework of the Fish Health and Biosecurity Procedure and all processes related to biosecurity and fish health are meticulously planned and managed based on these analyses. The Biosecurity Plan includes every step from facility entrances to water quality, broodstock procurement to fry feeding. According to this plan, vehicle and personnel movements, pest control and preventive measures against wild animals are strictly implemented at the facilities. Water used for production, rotifer and artemia cultures, fry and fish feeding processes are regularly sampled and analysed in predetermined laboratories.

Samples are taken periodically and analysed according to the parameters specified in the plan. The analysis results are meticulously recorded and reported to the relevant departments. If necessary, improvement and R&D studies are initiated to ensure the highest level of fish health and biosecurity.

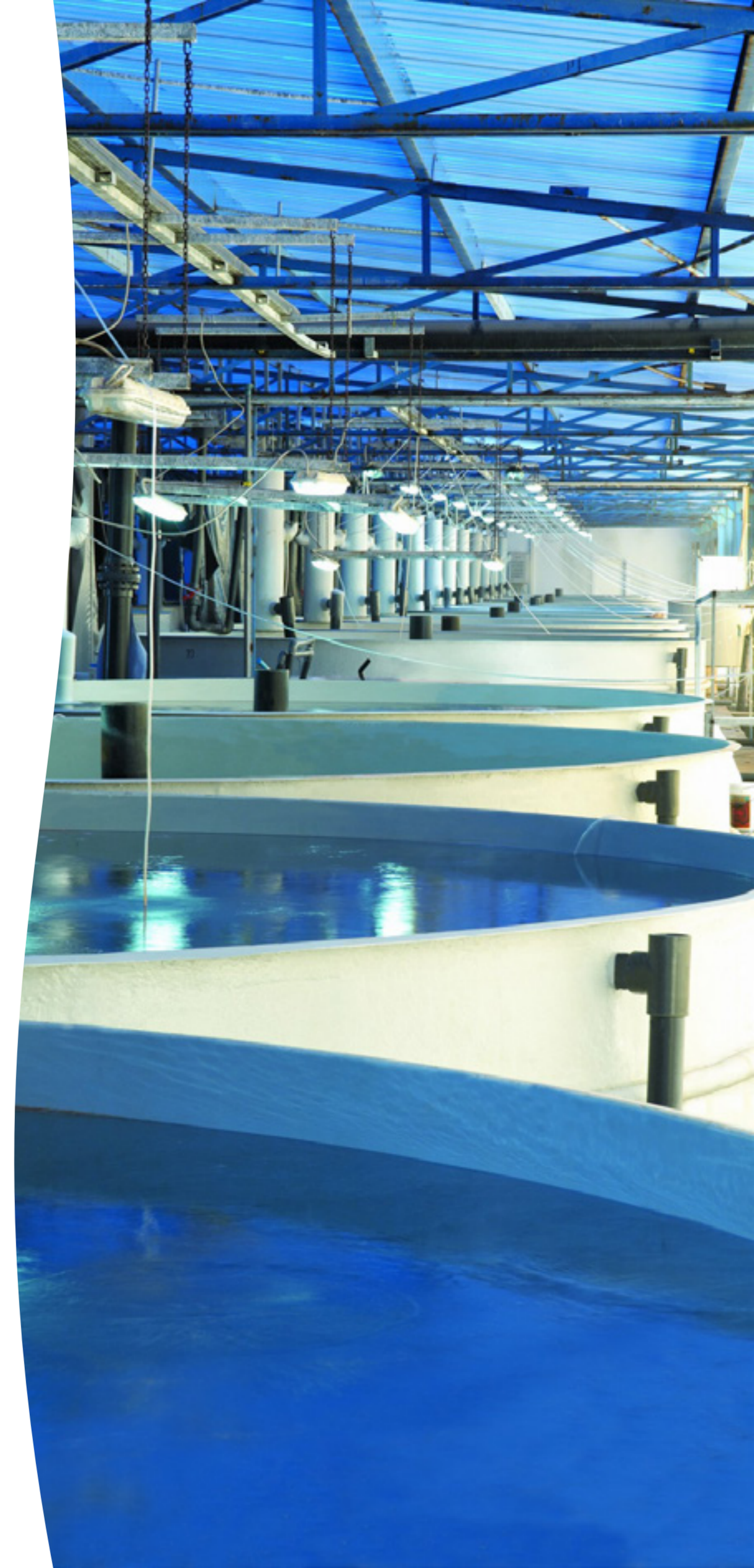
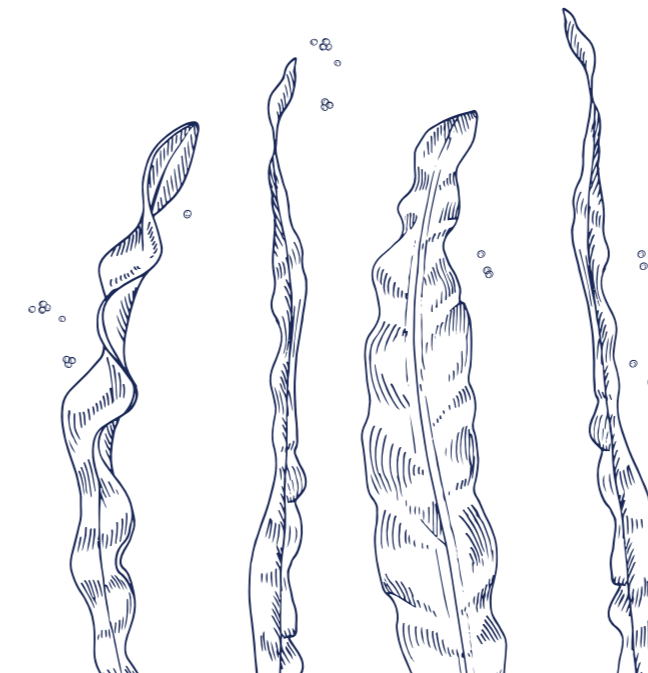
Precautions are taken to minimize stress levels. Since fish grow at different rates they are sorted by size as much as possible and sorting is done in a way that minimizes stress using methods that involve the least manual handling of the fish.

Apart from curative or preventive chemicals whose safety and efficacy have been scientifically proven no chemicals are used. Furthermore, the routine use of medications to mask symptoms of poor welfare such as pain and discomfort or to compensate for poor hygiene or management practices is not permitted.

If fish welfare monitoring relies on automatic or other mechanical systems these systems are checked at least daily to ensure proper operation.

Additionally, to protect fish health, dead fish are collected regularly.

“We take care to maintain the health and welfare of our fish throughout all life stages.”



## Biodiversity and Ecosystem Conservation

At Kılıç Deniz we view the protection of biodiversity and ecosystems as one of our key priorities during our operations. The sustainability of ecosystems and the conservation of biodiversity are crucial for keeping our seas healthy and productive. With this awareness we strive to adopt environmentally friendly methods in all our operations and implement practices that support and protect marine life. Our aim is to maintain ecosystem balance and ensure biodiversity continuity through nature-friendly production methods.

Biodiversity conservation is of critical importance for the sustainability and productivity of marine ecosystems. A healthy ecosystem allows various species of fish and other marine life to coexist in a balanced way which supports both ecological balance and economic sustainability.

We are aware of the potential impacts and risks our activities may pose to biodiversity and ecosystems. Our hatchery, conditioning facilities, feed production and fish farming operations all have potential impacts on biodiversity. The following sections address how we approach these impacts.



## Benthic Biodiversity

Benthic biodiversity refers to the diversity of organisms living in the sediment at the bottom of water bodies. These organisms are an essential part of benthic ecosystems and have a significant impact on the health, function and balance of aquatic ecosystems.

Monitoring and protecting benthic biodiversity is critical for the sustainable management of marine and freshwater ecosystems. At Kılıç Deniz we conduct benthic analyses every two years collecting samples from the seabed in the regions where we operate in compliance with legal requirements. These analyses confirm that our operations do not negatively impact benthic biodiversity. Our compliance with both ASC standards and national regulations is also verified through these analysis results.

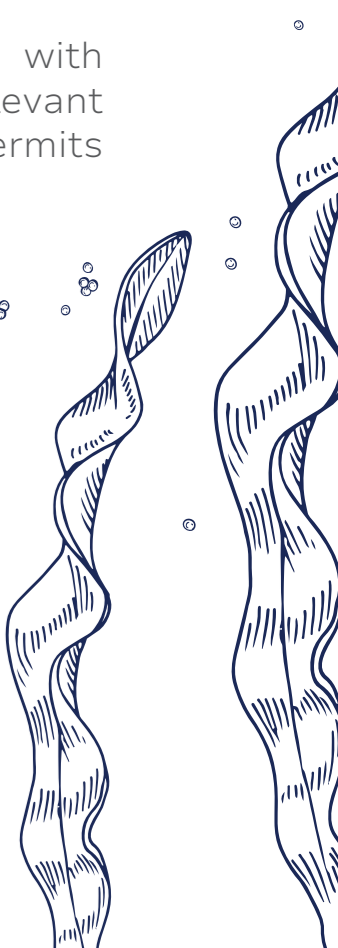
## Trix Index and Environmental Impact Assessment

In local regulations the Trix index is used as an indicator of eutrophication. The results of the Trix index are used to assess the risk of eutrophication and regulations have been established in our country based on these results to determine the quality of seawater. According to the Trix index, conditions are set to limit the establishment of new facilities, reduce production capacity and implement rotation practices in areas with a high risk of eutrophication.

At Kılıç Deniz we conduct annual Trix index analyses to monitor our risk of eutrophication. In 2023 the analyses of all our cage farms indicated that the Trix index remained below 4 confirming that no eutrophication risk exists.

In addition, we calculate the production capacities of our fish farms by considering the carrying capacity of the marine areas where we operate. This capacity is determined through scientific studies conducted before operations begin and the results are presented to the Ministry in our Environmental Impact Assessment (EIA) application. No production beyond the area's assimilation capacity is legally permitted.

Our company ensures full compliance with all environmental criteria as per the relevant regulations and we obtain the necessary permits for our fish farms.



## Interaction with Wildlife

The aquaculture sector in which we operate is at the heart of natural life. Our activities affect ecosystem dynamics, biodiversity and environmental balance. Our fundamental approach is to work harmoniously with marine life and other wildlife contributing to sustainable aquaculture practices.

At Kılıç Deniz we have developed and implemented both a Biodiversity Impact Prevention Plan and a Wildlife Protection Plan to effectively manage our impact on biodiversity and ecosystems. These plans identify our biodiversity risks and the measures we take to mitigate them.

Fish escapes can have a direct impact on marine ecosystems. To prevent such occurrences we regularly inspect and maintain our nets, ensuring their resistance to damage caused by weather conditions or predators. Additionally, our nets are made from Dyneema a highly durable material to prevent fish escapes.

Our operations have no adverse impact on plant life. No seagrass beds are located within 500 meters of the areas where our cages are installed. This is confirmed through pre-installation site surveys conducted in the regions where our cages are located.

Juvenile fish cages are covered with bird protection nets to protect the fish from birds and we take care to avoid any actions that could harm them.

The paints used on our nets are required to comply with both EU and national regulations ensuring they do not harm the physical or chemical properties of the water or negatively affect aquatic life. If necessary we use net paints that comply with these regulations and no harmful residues have been detected in the analyses we have conducted.

## Water Usage

With the increasing population and global warming in our world freshwater reserves are decreasing which is causing water restrictions to increase in the world. Although there is no water scarcity in our areas of activity today we are aware of the importance of protecting and preserving the ecosystems around us and taking care of our underground resources. In this direction we are looking for ways to reduce our water usage.

**“Production in Harmony with the Balance of Nature.”**



## Research and Development

R&D activities are one of the fundamental elements of our sustainability strategies. Our team of expert engineers, biologists and technicians carries out comprehensive studies. The majority of R&D studies are carried out at the Oğuz Uçal R&D Center. In addition, various R&D projects are carried out in our hatcheries and conditioning units and packaging processing facilities.



“\$ 1,504,000  
R&D Budget.”



## Genetic Improvement Studies

Genetic improvement studies are studies conducted to improve the desired characteristics in the genetic structure of fish. These studies aim to obtain more productive, disease-resistant, environmentally compatible and high-quality fish.

## Fish Health and Welfare Studies

Control of live feed flora, development of fish welfare and anaesthesia studies are carried out for fish welfare. In terms of diagnosis focus is on metagenomic analyses and histological studies.

In the field of treatment Kılıç Deniz has carried out a fish health study titled “Isolation, Morphological and Genomic Characterization of Specific Lytic Bacteriophages for Bacterial Pathogens Threatening Fish Health in Aquaculture” with Ege University in 2023.

## Laboratory Studies

Studies are being conducted on the disintegration of seabream fillets in the histology field. While microbiology and molecular biology laboratories are used for disease diagnosis these laboratories are used in TUBITAK projects carried out with Ege University.



## International Cooperation Projects

The TUBITAK project titled “Optimization and Practical Applications of New Methods in Fish Breeding for the Future of Fish Farming” continues with the Hungary-Türkiye Cooperation.

## New Products and Alternative Species

Alternative species produced so far include Sharpsnout Seabream, Common Pandora, Shi Drum, Greater Amberjack, Meagre, Dentex, Tuna, Gray Mullet, Olive Flounder and Bluespotted Seabream.

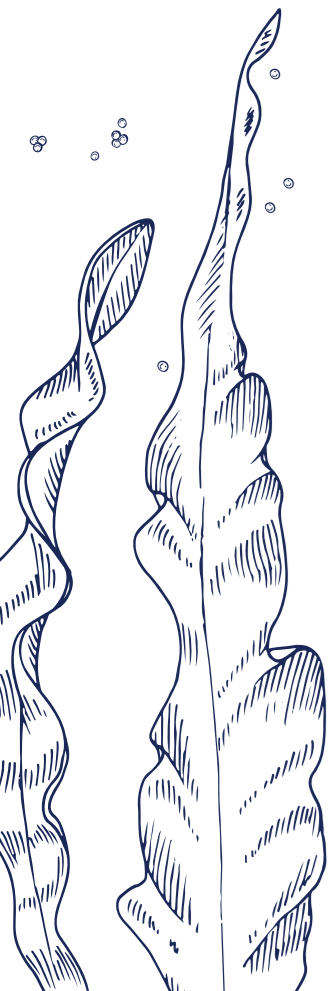


Olive Flounder



Bluespotted Seabream

Our targets for the upcoming period include the production of Turbot and Sole. As of 2023 although sustainable feed production efforts have not yet started within the scope of R&D we plan to undertake special feed production efforts using alternative ingredients to meet the needs of species like Olive Flounder and Meagre.



## Filleting Machine

To optimize our production processes three different brands of filleting machines were comprehensively evaluated. This evaluation was carried out considering criteria such as product performance, service quality, technical support, spare parts availability, hygiene and cleanliness standards, number of personnel, capacity and efficiency.

The first trial was conducted with a filleting machine of American origin but after approximately 20 days of testing the desired efficiency was not achieved and the search for a different machine continued. The second trial was conducted with a filleting machine of Spanish origin. Although this machine offered some advantages it was evaluated negatively due to poor internal equipment quality low efficiency and the high need for trimming.

In the third trial a filleting machine of German origin was evaluated. This machine stood out with its advantages such as providing a suitable environment for R&D work, high efficiency, low trimming requirements and chemical resistance. Therefore, this machine was chosen for filleting operations.



## Food Safety

One of our key priorities at Kılıç Deniz is food safety. In our integrated facilities, food safety standards are applied at every stage of our production processes. Our Food Safety and Quality policy is continuously updated and audited in compliance with national regulations and international standards.

To ensure and manage food safety in our facilities in addition to our policy a series of procedural sets are implemented. In this context, all relevant departments primarily Quality Systems and Quality Assurance continue their work effectively. Our Packaging and Processing Facilities hold food safety certificates approved by GFSI (Global Food Safety Initiative) and operate in accordance with the requirements of these standards. While our Kemikler, Mersin and Maraş Packaging & Processing Facilities as well as our Value Added Product Facility are certified with BRCS and IFS, our Kemikler Packaging & Processing Facility also holds the BAP certificate in addition to these certifications.

(For more information please refer to the Certificates section.)

As Kılıç Deniz we identify the physical, chemical, microbiological, allergen, food defence and fraud-adulteration risks that could jeopardize our products during the production processes. To ensure food safety we carry out inspections covering raw materials, auxiliary products, packaging and the final product and we regularly conduct microbiological analyses to continuously monitor our microbiological risks.

Thanks to the traceability systems in our production facilities all processes are meticulously monitored from raw material intake to final product delivery. The traceability system allows us to track the entire process from the raw materials used in our feed production to the produced feed. In our fish production traceability is ensured from the broodstock to the fish that reaches the consumer. As Kılıç Deniz our traceability system enables us to quickly and effectively intervene if any issues are detected. Additionally, with our risk management programs based on HACCP (Hazard Analysis and Critical Control Points) principles potential hazards are identified in advance and brought under control.

The awareness and knowledge of our staff regarding food safety are continuously enhanced through regular training sessions. All our employees adhere to hygiene rules and food safety procedures ensuring the quality and reliability of our products.

As Kılıç Deniz through our efforts to ensure food safety and provide the community with reliable seafood we not only protect the health of our consumers but also continue our work to make access to reliable food sources possible in the future.



“1,326 hours of Food Safety Training.”

“1,560 hours of Hygiene Training.”





## Climate Change

Climate change is causing numerous environmental challenges including the depletion of natural resources. In 2023 extreme weather events such as floods, forest fires, droughts and heatwaves had significant impacts on human health and ecosystems. The rise in carbon dioxide and methane emissions has further exacerbated the effects of climate change. Our sector faces serious risks, such as rising sea levels, extreme weather events, loss of biodiversity, water scarcity and fish health deterioration.

Fish is not only a nutritious, high-quality food but also plays an important role in combating climate change due to its low carbon footprint. Compared to livestock farming aquaculture is one of the most climate-friendly protein production methods. Opting for fish over land-based animal proteins has a positive impact on mitigating climate change.

At Kılıç Deniz we have developed an efficient and sustainable value chain for seafood. This value chain ensures cost-effectiveness while offering high-quality products, excellent service, traceability and climate-related solutions.

In our operations we focus on combating climate change by using resources efficiently and responsibly reducing our emissions and lowering carbon footprint. We are committed to developing and sustaining management systems and procedures to continuously improve environmental performance. To this end we monitor, evaluate and report the environmental impacts and performance of our operations.

Climate change presents both risks and opportunities for the seafood sector. With the growing importance of food production from the seas as a solution to climate change we are conducting R&D studies to develop new species and adapt existing species to the changing environment. Contributing to climate action by reducing the negative impacts of our operations on the climate, adapting to changing conditions and developing new species will form the foundation of our business continuity.



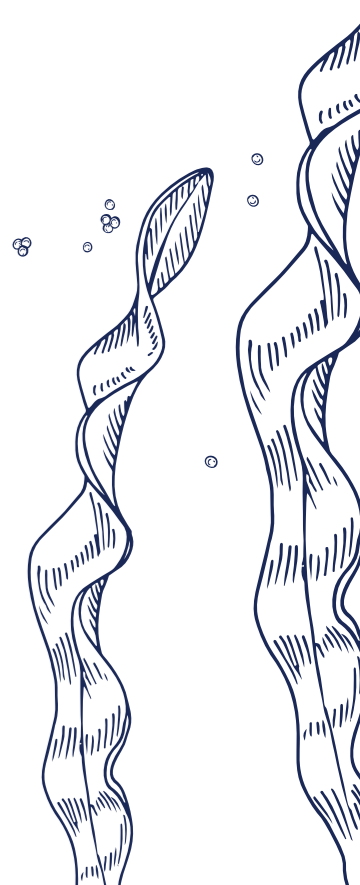
Our climate adaptation goals are outlined as follows:

- + Raise awareness among our employees about climate change and encourage their participation, integrating climate adaptation into our corporate culture.
- + Reduce fossil fuel consumption and improve energy efficiency.
- + Integrate solar energy systems into our facilities and promote the use of renewable energy.
- + Prepare annual sustainability reports, share our performance and progress regularly.
- + Increase transparency by making information about emissions and renewable energy sources publicly available.
- + Collaborate with stakeholders to develop joint solutions for addressing the impacts of climate change.

- + Develop climate policies and collaborate with NGOs and industry stakeholders to implement them.
- + Address the effects of climate change on our operations and infrastructure by contributing to energy efficiency.
- + Provide education and resources to internal and external stakeholders on how to reduce energy consumption.
- + Ensure traceability of water use in all our facilities and reduce the use of natural water resources.
- + Minimize waste with sustainable packaging management.

By taking these steps we aim to minimize our environmental impact and create a sustainable future.

**“Kılıç Deniz aims to inspire you to adopt a healthy and climate-friendly lifestyle.”**



## Greenhouse Gas Emissions

We are aware of the impact of climate change on our operations and are committed to reducing our greenhouse gas emissions throughout our value chain.

The food industry is responsible for about one-third of all greenhouse gas emissions and seafood compared to other animal-based products has one of the lowest carbon footprints.



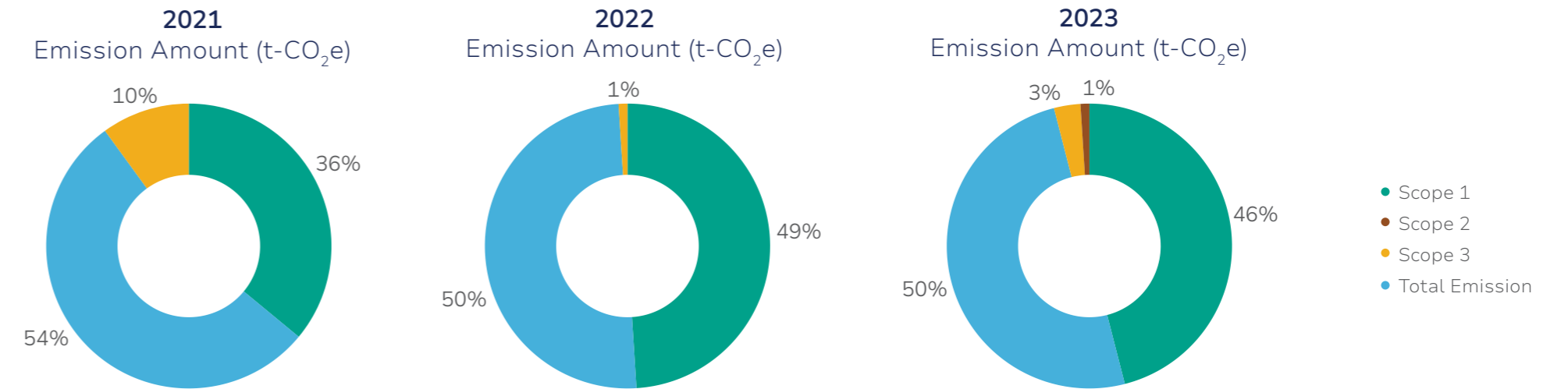
		Carbon Footprint
Aquaculture Fish		24 kg CO <sub>2</sub> e/kg
Chicken		43 kg CO <sub>2</sub> e/kg
Pork		65 kg CO <sub>2</sub> e/kg
Sheep		200 kg CO <sub>2</sub> e/kg
Cattle		238 kg CO <sub>2</sub> e/kg

CO<sub>2</sub> Emissions per Unit Production by Animal Type  
Source: Oceana.org

In compliance with the ISO 14064-1: 2018 Carbon Footprint Standard and the GHG Protocol Kılıç Deniz has been calculating its carbon emissions under Scope 1, Scope 2 and Scope 3 since 2018. We monitor, control and report our emissions across the value chain to manage greenhouse gas emissions and take appropriate measures to reduce them.

Our emissions data for the last three years are as follows:

Scope	2021 Emissions (t-CO <sub>2</sub> e)	2022 Emissions (t-CO <sub>2</sub> e)	2023 Emissions (t-CO <sub>2</sub> e)
Scope 1	27,082.6	17,438.8	44,881.3
Scope 2	0	0	9,842.4
Scope 3	101,891.4	581,452.9	638,754.8
<b>Total</b>	<b>128,974</b>	<b>598,891.7</b>	<b>693,478.4</b>



As of 2022 we have expanded the Scope 3 boundaries of our carbon footprint making our greenhouse gas inventory more comprehensive than in 2020 and 2021. As a result, our total emissions increased from 128,974 tons CO<sub>2</sub>e in 2021 to 598,891 tons CO<sub>2</sub>e in 2022. We continue to improve our data collection system for Scope 3 emissions. For the past three years we have offset our Scope 2 emissions resulting from purchased electricity through I-REC certificates. The primary sources of our total emissions are raw material use and transportation.

In 2023 the total fish production from our processing and packaging plants which are considered final products was 68,947 tons. The production from each facility is listed and the emission intensity for each facility along with the overall emission intensity per kilogram of fish produced by Kılıç Deniz was reported. In 2023 an average of 10.06 kg CO<sub>2</sub>e was emitted per kilogram of fish produced.

Our Mavi Deniz, Feed Mills, Milas EPS Facility and Mersin EPS Facility are subject to environmental permits for emissions and emissions are measured every two years in accordance with the Industrial Air Pollution Control Regulation. Our other facilities do not have emission sources and are exempt from environmental permits for emissions under the Environmental Permit and License Regulation.

Kılıç Deniz regularly monitors energy consumption and greenhouse gas emissions to combat the climate crisis and reduce its carbon footprint. We focus on projects that reduce emissions such as energy efficiency projects using green electricity (via I-REC certificates) and investing in renewable energy.



## Energy Efficiency

As part of our Energy Management Policy Kılıç Deniz applies the ISO 50001 Energy Management System standard. Our main energy management goals include increasing the use of energy-saving technologies and increasing the use of renewable energy in production.

The lighting systems in our production and social areas have been renewed with LED technology. Additionally, a transition to natural lighting in production areas is planned.

The use of pumps and similar equipment in our facilities complies with the necessary regulations. Older air and cooling compressors that cause air pollution are being considered for replacement.

Kılıç Deniz conducts energy audits to evaluate the energy efficiency of our systems and provides recommendations and savings plans. In 2023 energy audits were conducted at the feed mill and the central packaging processing facility.

In the Kemikler Packaging Facility we switched from Freon (R404) gas cooling systems to ammonia-based cooling systems. This change has reduced greenhouse gas emissions and resulted in electricity savings. In our hatchery facilities heat recovery systems have been introduced. These systems allow the water used in cooling processes to be utilized for other purposes.



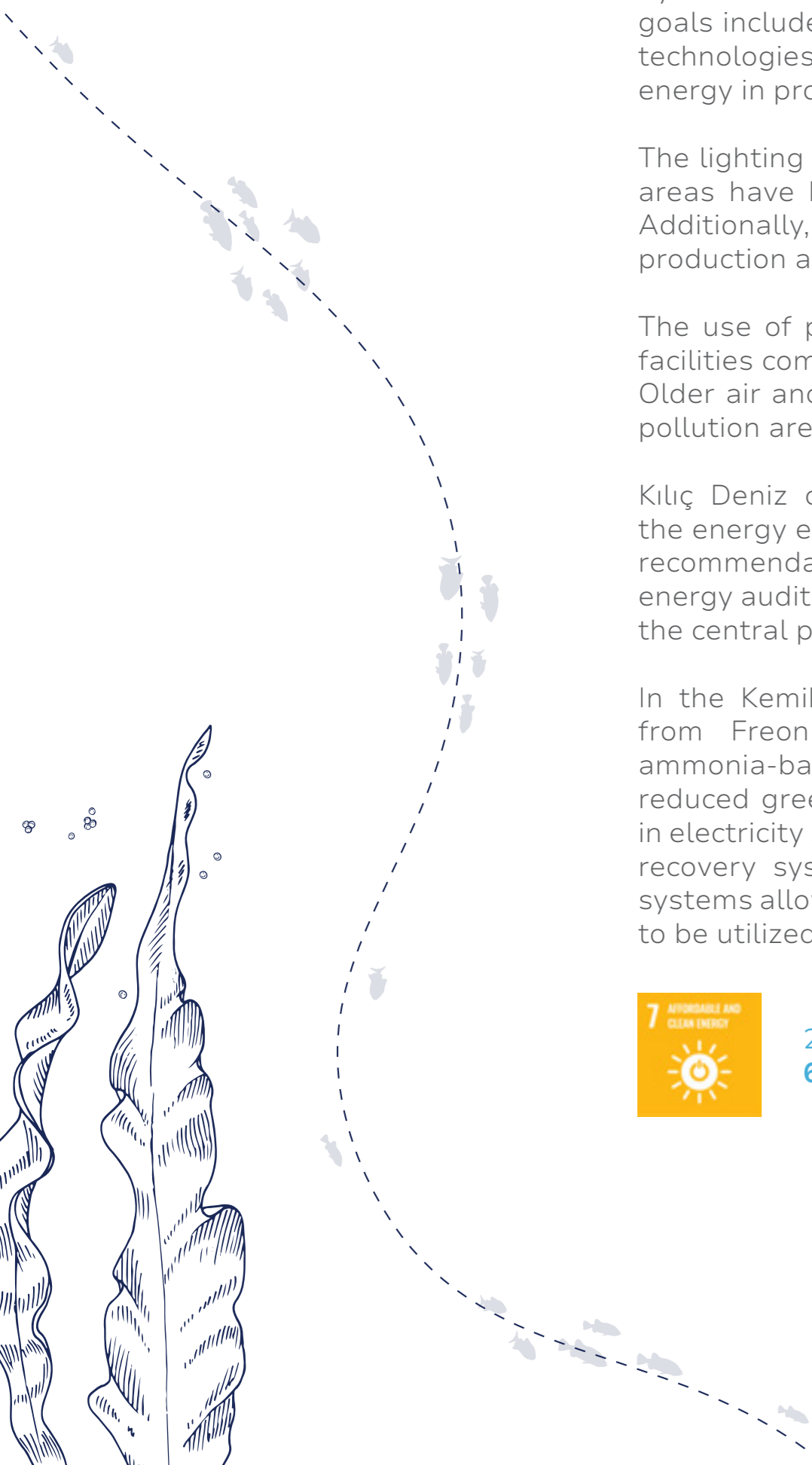
2023 electricity consumption  
**61,941 MWh.**

## Renewable Energy Investments

We currently have some investments in renewable energy production. At our facility on Salih Island there is a Solar Energy Plant with an installed capacity of 106 kWh (0.106 MWh). In 2023, these solar panels produced a total of 52.78 kWh (0.00005278 GWh) of energy and all of this produced energy was consumed. The electricity needs on Salih Island are met by solar panels and generators; 96.97% of the electricity used is provided by the solar panels.

Our goal is to increase the use of renewable energy across all our facilities. To this end installation activities for solar panels with an installed capacity of 1 MWh planned at our Akarca Facility during 2022-2023 are ongoing. The installation is expected to be completed by the end of March 2024. This system is designed to meet 30-40% of the annual electricity consumption of our Akarca Facility.

Our energy usage data is recorded on a facility basis according to the type and source of energy at all our facilities. We are developing projects to reduce fossil fuel-based energy usage and use energy more efficiently. Additionally, we are carrying out infrastructure work to increase the use of renewable energy at our facilities considering that it will positively impact the company's emissions.



## Responsible Sourcing

The sustainability of feed raw materials is one of the key factors in ensuring the continuity of the aquaculture sector.

As Kiliç Deniz we are aware of the risks and the potential environmental and social impacts related to our feed raw materials. In line with this we require our raw material suppliers to adhere to sustainable practices and take care to use responsible sourcing in our feed production.

We have established a system in our feed mill to ensure the traceability and quality control of our feed raw materials. Our raw material procurement is carried out in accordance with a set of requirements. The purchasing process is completed based on the certificates requested from our suppliers and the quality analyses conducted after the raw materials arrive at our feed mill. If any non-compliance is detected the raw materials are not accepted into our feed mill.

Our feed mill holds the Global GAP CFM (Compound Feed Manufacturing) certification. This certification adds value to our feed and fish by meeting quality, safety and sustainability standards.



**Sustainable Resources, Reliable Raw Materials.**

## Plant-Based Raw Materials

The increasingly widespread deforestation policy around the world refers to the destruction of forests or wooded areas converting them into deforested areas such as fields, farms or urban spaces. Today the destruction of the Amazon Rainforest and the commercial production of soy in these regions are among the biggest examples of deforestation. As Kiliç Deniz Feed Mills we ensure that the plant-based feed raw materials we use come from regions where forests are not harmed.

One of our primary goals is to source our plant-based feed raw materials from responsible and sustainable sources. In line with this we use RTRS-certified soy in all the feed used in our ASC-certified farms while for our other farms we utilize RTRS credits in our feed, demonstrating our efforts to prevent deforestation and contributing to sustainable soy consumption.




**We use RTRS-certified soy in 100% of our ASC-certified farms.**

## Marine-Based Raw Materials

The raw materials we use in our feed production have a significant impact on both terrestrial and marine ecosystems. As Kiliç Deniz in order to protect biodiversity we make an effort to ensure that the marine-based feed raw materials we source do not contain endangered species are not caught through illegal means, are not obtained from poaching, are fully traceable and that their stock health meets the specified standards (FishSource Score).

In this regard we inquire about the responsible sourcing certifications of our suppliers such as MSC and MarinTrust review the FishSource scores of the fish species used in the feed ingredients to monitor stock status and check whether these species are listed among endangered species through the IUCN Red List.

Additionally, within the framework of MSC and MarinTrust certification the social compliance of our suppliers is also evaluated.



**In 2023, considering marine-based raw materials 63% certified fishmeal and 82% certified fish oil were procured.**

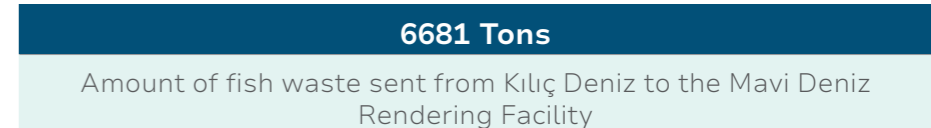
On the other hand FFDR values are calculated annually. FFDR is a metric that measures the sustainability of fishmeal and fish oil used in feed production and refers to the amount of wild-caught fish used to produce a certain amount of feed ingredients. FFDRm represents the FFDR value for fishmeal while FFDRo represents the FFDR value for fish oil. Lower FFDR values indicate that less wild-caught raw material is used in feed production which is an important indicator of sustainable feed production.

The 2023 FFDRm and FFDRo values for our seabream, seabass and meagre species are shown in the table below:

	Seabream	Seabass	Meagre
<b>FFDRm</b>	0.32	0.32	0.63
<b>FFDRo</b>	1.34	1.37	2.66

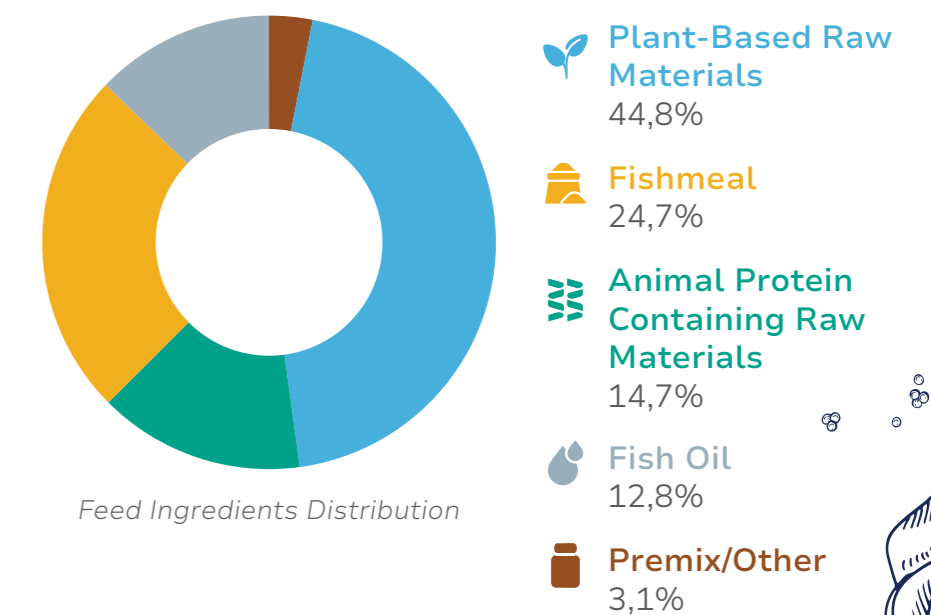
FFDRm and FFDRo

In addition to all this, the seabream and seabass waste from our fish processing process is processed at our Mavi Deniz Rendering facility and contributes to our trout feed as fishmeal and fish oil at our feed mill. This symbiotic approach is an important example of our understanding of circular economy as Kiliç Deniz.



**6681 Tons**  
Amount of fish waste sent from Kiliç Deniz to the Mavi Deniz Rendering Facility

The distribution of feed raw materials in our feed ingredients is shown in the graph below:



## Water Consumption

As Kılıç Deniz, one of our primary goals is to ensure the efficient use of water at our facilities and to lead efforts aimed at reducing the negative impacts of global climate change on water resources.

The water used at our facilities is sourced from seawater with permission from the Ministry of Agriculture and Forestry from the local infrastructure management with permission for mains water and from underground water with permission from the State Hydraulic Works.

Water Supply Method	2023
Municipal Water Usage	7,264
Well Water Usage	3,471,843
Municipal + Well Water Usage	260,793
Spring Water Usage	1,460
Seawater Usage	328,500
<b>Total</b>	<b>4,069,861</b>

Water Supply Methods and Quantities

## Waste Management

As Kılıç Deniz we adopt environmental sustainability as a fundamental principle in waste management and wastewater treatment. While managing our waste through energy production, recycling and proper storage methods we ensure that our water is safely returned to nature through our wastewater treatment facilities.



## Wastewater Management

The wastewater discharged into the receiving environment from our facilities is managed under the wastewater-related environmental permit obtained from the Ministry of Environment, Urbanization and Climate Change.

The treated wastewater from the wastewater treatment plant or sedimentation pool at our facilities is discharged into the receiving environment in accordance with the parameter limit values specified in the Water Pollution Control Regulation and/or the Wastewater Technical Procedures Communiqué. These analyses are carried out by accredited laboratories authorized by the Ministry following the sampling and analysis methods specified in the Water Pollution Control Regulation. The analysis results conducted by laboratories assigned through the Central Laboratory Designation System within the Integrated Environmental Information System are recorded in the Wastewater Information System.

Throughout 2023 all internal monitoring analyses conducted at our facilities remained below the limit values specified in the regulations.

At the Kemikler Facility samples are taken and analysed twice a month from the discharge water. In all hatcheries and conditioning units with sedimentation pools discharge water is analysed four times a year once per season. In the Feed Mills, Akarca and Didim Facilities domestic wastewater is analysed every four months while at the Kahramanmaraş Packaging Facility analyses are conducted monthly.

Regular analyses are conducted at our facilities to ensure environmental compliance and prevent water pollution all necessary measures are taken.

The quantity of wastewater generated at our facilities and the disposal methods are shown in the table below:

	Domestic (m <sup>3</sup> /day)	Procurement	Disposal
<b>Kemikler</b>	65	Well	Treatment
<b>Akarca</b>	10	Municipal	Treatment
<b>Alagün</b>	0.4	Municipal	Sewage Truck
<b>Özbaşer</b>	1.8	Municipal	Sewage Truck
<b>Yaşyer</b>	2	Municipal	Sewage Truck
<b>Salih Island</b>	5	Well	Sewage Truck
<b>Feed Mills</b>	10	Well	Treatment
<b>Didim</b>	17	Well	Treatment
<b>Ören</b>	4	Spring	Sewage Truck
<b>Mavi Deniz</b>	1.3	Well	Treatment
<b>Mavi Buz</b>	1.6	Well	Sewage Truck
<b>Güvercinlik</b>	3.5	Municipal	Sewage Truck
<b>Value Added Product Facility</b>	1.2	Municipal	Sewage
<b>Maraş</b>	23.5	Municipal + Well	Treatment
<b>İzmir</b>	4	Well	Sewage Truck
<b>Artvin</b>	1	Municipal	Sewage Truck
<b>Mersin</b>	48	Municipal + Well	Post-Treatment OIZ Infrastructure
<b>Mersin</b>	48	Şebeke + Kuyu	Aritma Sonrası OSB Altyapısı

Quantity and Disposal Methods of Domestic Wastewater

	Industrial (lt/sec)	Industrial (m <sup>3</sup> /day)	Procurement	Disposal
<b>Kemikler</b>	-	850	Well	Treatment
<b>Akarca</b>	217	17,748	Well	Sedimentation Basin
<b>Alagün</b>	344	29,721	Well	Sedimentation Basin
<b>Özbaşer</b>	145	12,528	Well	Sedimentation Basin
<b>Yaşyer</b>	80	6,912	Well	Sedimentation Basin
<b>Salih Island</b>	-	-	-	-
<b>Feed Mills</b>	-	30	Well	Permitted Discharge
<b>Didim</b>	1,472	127,180	Well	Sedimentation Basin
<b>Ören</b>	250	77,760	Seawater	Sedimentation Basin
<b>Mavi Deniz</b>	-	30	Well	Disposal + Treatment
<b>Mavi Buz</b>	-	-	-	-
<b>Güvercinlik</b>	98	8,467	Well	Sedimentation Basin
<b>Value Added Product Facility</b>	-	-	-	-
<b>Maraş</b>	-	-	Municipal + Well	Treatment
<b>İzmir</b>	-	-	-	-
<b>Artvin</b>	-	-	-	-
<b>Mersin</b>	-	450	Municipal + Well	Post-Treatment OIZ Infrastructure
<b>Mersin</b>	-	450	Şebeke + Kuyu	Aritma Sonrası OSB Altyapısı

Quantity and Disposal Methods of Industrial Wastewater

## Solid Waste Management

As Kılıç Deniz we continuously analyse the environmental impacts of our activities and carry out efforts to reduce waste and emissions based on risk levels. We undertake initiatives to minimize or eliminate the negative effects on soil, air, water and the natural environment.

In all our facilities waste management is implemented in full compliance with relevant laws and regulations in accordance with the Waste Management Procedure. The primary goal is to prevent waste at the source and if prevention is not possible to reduce and separate waste at the source. Subsequently, the most appropriate recycling and recovery methods are employed to return waste to the economy.

Each of our facilities has appropriate temporary storage areas for waste and waste quantities are regularly recorded. The temporary storage areas in our facilities are compliant with the Waste Management Regulation featuring sealed flooring enclosed on three sides with a lockable door and a roof. Necessary measures have been taken against risks of spills and dispersal, identification and warning signs have been placed and security precautions are in place.

All hazardous waste generated in our facilities is managed and recorded through the MOTAT application. By the end of March each year all waste outputs from the previous year are declared through the Waste Declaration System of the Ministry of Environment, Urbanization and Climate Change. Additionally, Waste Management Plans created every three years anticipate the potential quantities of waste and determine the relevant recovery or disposal methods.

The waste generated from our activities is classified as follows:

Activity Areas	Activities / Processes	Generated Hazardous Waste
Production	Machine operations	Motor lubricating oils
Technical Service	Maintenance/ Repair	Oily rags and gloves
		Contaminated packaging
		Empty pressurized containers
		Oil filters (from generator source)
Administrative /Offices	Use of electronic and battery-operated devices	Batteries, accumulators and electronic waste, fluorescent tubes, toner
Cafeteria	Use of electronic and battery-operated devices	Bitkisel Atık Yağ
Infirmary	First aid operations	Medical waste

Hazardous Waste Sources by Type

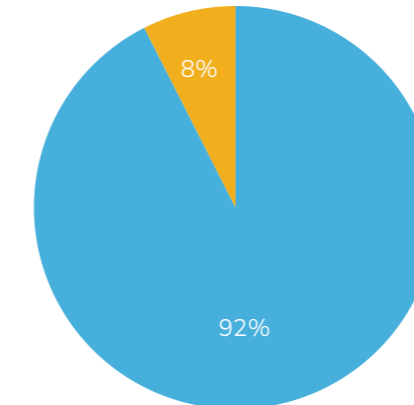
Activity Areas	Activities/ Processes	Generated Hazardous Waste
Technical Service	Maintenance/ Repair	Scrap metals, scrap plastics
Production	Fish Production	Fish scale waste
Production	Fish Production	Dead fish
Cafeteria	Employee sources	Biodegradable kitchen and cafeteria waste
Administrative /Offices	Administrative processes	Packaging waste
Treatment	Wastewater treatment	Treatment sludge

Non-Hazardous Waste Sources by Type

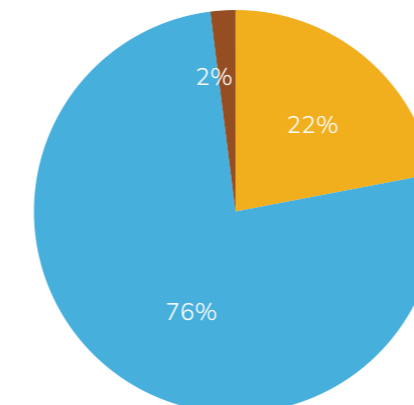
In line with our waste classifications our 2023 waste data is as follows with the percentage of non-hazardous waste being 92%.

Waste Types	Waste Quantity (kg)
	2023
Hazardous Waste	947,846
Non- Hazardous Waste	11,526,846
<b>Total Waste Quantity</b>	<b>12,474,692</b>

2023 Waste Quantities



Waste Quantity



Waste Disposal Methods

- Hazardous Waste Quantity
- Non-Hazardous Waste Quantity

- Recovery and Recycling
- Energy Production (Biogas)
- Disposal and Solid Waste Storage

Energy production (76%) and recycling-recovery (22%) methods are prioritized in waste disposal. Only 2% of the total waste amount has been sent to solid waste storage facilities.

To ensure circularity in waste management we primarily prefer recovery and recycling methods. Additionally, utilizing waste for energy production in biogas facilities thereby contributing to the national economy is among our priorities. Furthermore, our research on the use of recycled packaging is ongoing.





## Occupational Health and Safety

At Kılıç Deniz the safety of our employees is always our top priority. By effectively implementing occupational health and safety regulations, systems and standards we embrace a culture of safety in the workplace. This approach aims to prevent workplace accidents ensure the safety of our employees and strengthen the value of our employer brand. A safe working environment increases employee satisfaction boosts the motivation of our current workforce and attracts new talent to choose our company.

Detailed analyses are conducted by occupational health and safety (OHS) experts in all our facilities within the scope of the Occupational Health and Safety Risk Assessment Regulation. Based on these analyses action plans are created for identified risks and regular field inspections are conducted to monitor the implementation. In this way we ensure that our employees work in a safe environment.

In each of our facilities entry medical examinations and periodic health screenings are conducted by our workplace doctors, regular drills are carried out as part of emergency plans and action plans are developed for necessary precautions. Employee representatives are elected for each facility and during the bi-monthly OHS committee meetings the issues and suggestions of the representatives are evaluated.

OHS (Occupational Health and Safety) training is provided to all employees periodically in accordance with the durations and timelines specified in regulations. Upon hiring employees receive a total of 12 hours of basic OHS training, consisting of 8 hours of basic occupational safety and 4 hours of basic occupational health. Additionally, orientation training of at least 2 hours is provided by the quality and production teams.



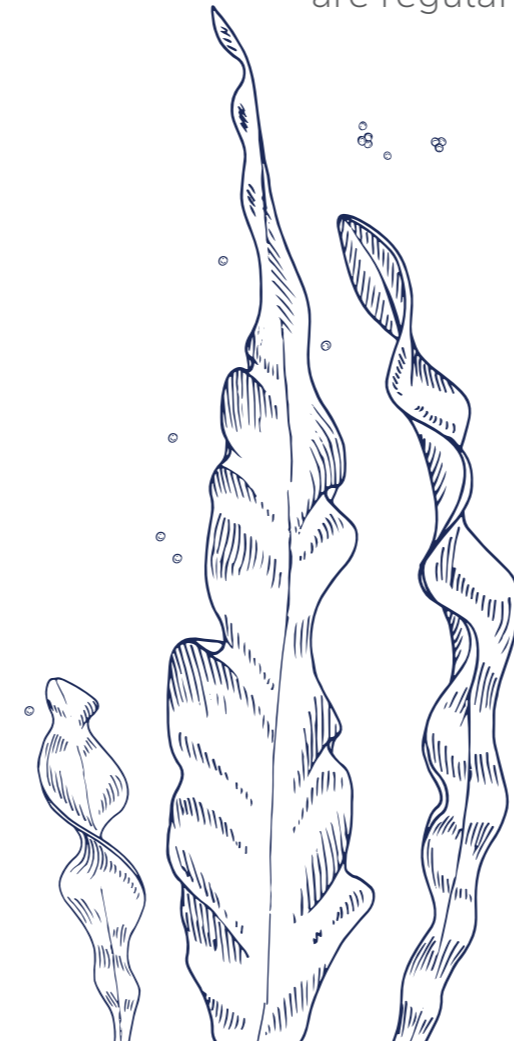
As of 2023 the main causes of workplace accidents include the physical condition of the working environment, lack of attention and awareness, the use of tools and equipment. To reduce accidents training sessions are organized for employees who have experienced workplace accidents to increase their attention and awareness and minimize the frequency of accidents. These trainings cover topics such as root cause analysis of workplace accidents, accident prevention methods, reporting hazardous conditions and safe working practices.

On the other hand, complaints regarding occupational safety are reported directly by employees to OHS experts in person and actions to be taken are determined or improvement efforts are carried out until the specified deadlines. Through the Near Miss Box or the Suggestion-Request-Complaint boxes located in common areas our employees can anonymously submit any complaints or suggestions. These feedbacks are regularly evaluated in the QDMS system.



Workplace Accident Rates and OHS Training Hours

\* Major injuries are those that require emergency or hospital treatment. Minor injuries are situations where employees need to take more than one day off work to recover but the nature of the injury is more temporary (e.g., sprains and cuts)



## Employment Practices

At Kılıç Deniz respect for human rights is a fundamental principle in our business processes. We are committed to providing fair wages and suitable working conditions for all employees preventing any form of discrimination or forced labor. In this context employees are protected from discrimination based on gender, race, religion, age, disability status and other characteristics.

Preventing child labor is one of the cornerstones of Kılıç Deniz's human rights policies. We adopt a zero-tolerance policy towards child labor and no individuals under the age of 18 are permitted to work within Kılıç Deniz. Special arrangements are made to protect young workers such as interns ensuring they continue their education and maintain their health. Additionally, we take a firm stance against forced labor ensuring that no employees are forced to work against their will.

Issues such as child labor, young workers and forced labor are regularly audited as part of social compliance standards. Our suppliers are also subjected to a risk assessment process and based on the results decisions are made to conduct on-site inspections or issue questionnaires. For suppliers that are not members of BSCI (Business Social Compliance Initiative) a Business Partner and Code of Conduct Agreement is obtained and educational documents are shared.

Kılıç Deniz acts with the principle of 'People First' at every stage of production and management. Within the framework of our Social Compliance Policy our principles regarding recruitment,

employee awareness, working hours, wages and payments, compliance with legal and other obligations, anti-discrimination, communication, prevention of harassment and ill-treatment, forced and compulsory labour, anti-bribery and anti-corruption, child labour, supply chain management, freedom of representation, occupational health and safety, education, environment and regular employment are clearly stated and shared on the **website**.

Our Social Compliance Procedure covers fair compensation and working conditions. Our employees are not paid below the minimum wage and overtime wages are paid in accordance with legal regulations. Additionally, we support the freedom of employees to join unions and engage in collective bargaining thus supporting their right to organize. Working hours and leave entitlements are regulated in line with legal frameworks ensuring employees' right to rest is protected.

Moreover, during the recruitment process employees' identity and passports are not confiscated. The personal data of all employees is respected and the security of this data is guaranteed.

Kılıç Deniz fulfils its responsibilities regarding environmental awareness and ethical business practices, adhering to principles of integrity in all business processes. We aim to extend these values not only within our company but also to all partners within our supply chain.



## Our Workforce

At Kılıç Deniz we regard our employees as our most valuable stakeholders recognizing that their satisfaction significantly contributes to our employer brand value and our attractiveness as a preferred employer.

We focus on creating a qualified, productive, value-adding, growth-oriented, entrepreneurial and positive workforce to achieve long-term and sustainable success. In line with this goal we prioritize ensuring that our employees develop a strong sense of belonging within their teams, invest in comprehensive training and skills development programs to improve their adaptability to technological advancements and support them in fulfilling their responsibilities efficiently by providing leadership and motivation.

We work in partnership with Mercer an international human resources consulting firm to offer a fair work environment for our employees. While forming our employee compensation and benefits policy we benefit from Mercer's salary research. The market salary research provided by Mercer enables our company to gain the most up-to-date information in the sector and use it in strategic HR decisions.

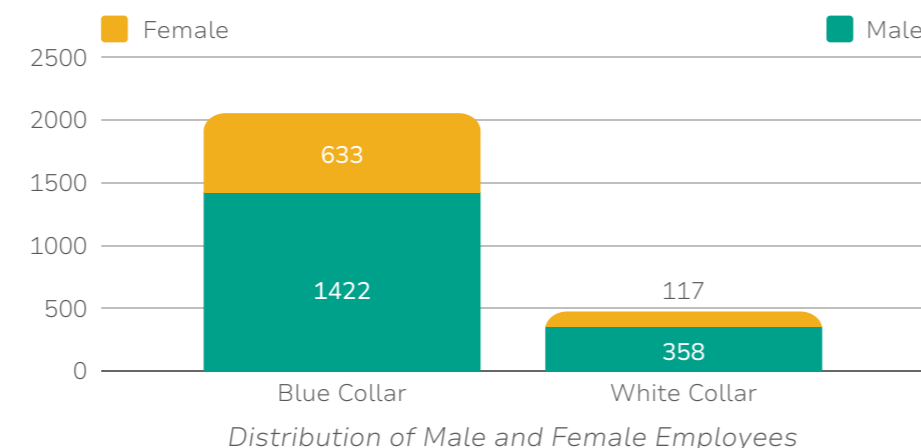
We strive to create a work environment that employees can be proud of fostering a culture that aligns with the company's values and ethical principles. We also aim to promote a high level of environmental awareness and respect for nature among our employees while encouraging respectful communication within corporate interactions.





## Employee Profile

As of the end of 2023 the total number of employees at Kılıç Deniz is 2,530. Approximately 30% of these employees are women.



	Number of people	%
Female (Blue Collar)	633	25.0%
Male (Blue Collar)	1,422	56.2%
Female (White Collar)	117	4.6%
Male (White Collar)	358	14.2%
<b>Total Number of Employees</b>	<b>2,530</b>	<b>100%</b>

Total Number of Employees (2023)

Kılıç Deniz is above both the national and regional averages in terms of the proportion of female employees with 30% female representation.

In line with our targets to promote female employment we will continue to develop and implement inclusive strategies to further increase this ratio.

In addition to the employees we directly employ at Kılıç Deniz we also work with a contractor firm that provides employees. For instance mesh maintenance and juvenile fish vaccination in the cages and hatcheries and some filleting work at the Central Processing Facility are carried out by employees provided by the contractor. We ensure that these workers comply with all social compliance requirements just like our own employees.

## Employee Turnover Rate

The employee turnover rate at Kılıç Deniz was determined to be 70% in 2023. This rate is thoroughly analyzed through exit interviews and the reasons are evaluated. Of this turnover rate 65% consists of blue-collar employees while the rest pertains to white-collar employees.

These analyses allow us to review and improve our corporate strategies and human resources policies.

2021	2022	2023
67%	71%	70%

Employee Turnover Rates for the Last 3 Years

## Training and Development Activities

As Kılıç Deniz we organize training programs aimed at improving the core and technical competencies of our employees.

Our company conducts training programs to enhance the professional qualifications of our employees and to raise their awareness of occupational health and safety. In this context we provide our employees with specific vocational training, such as forklift and welding usage, in addition to awareness training on occupational safety to prevent workplace accidents. Furthermore, we increase our employees' awareness with training on first aid, emergency response, fire safety and handling chemicals, ensuring they work in a safe environment.

On the other hand, training programs on quality standards, such as food safety and hygiene ensure that our employees gain competence in these critical areas. These trainings play an important role in helping our company achieve its sustainability goals and assist all our employees in maintaining the highest quality standards in their daily work processes.

We also organize various trainings on leadership, communication and problem-solving to contribute to the personal and professional development of our managers and employees. These comprehensive training programs contribute positively to both individual performance and the overall efficiency and work quality of our company.

Additionally, social compliance training is provided within Kılıç Deniz aiming to raise employees' awareness of their rights, promote the adoption of ethical standards and ensure compliance with legal regulations.

In the last three years a total of 61,668 hours of training have been provided to our employees with an average of 23.72 training hours per employee in 2023.

Furthermore, we offer daycare services for 136 children aged 0-6 of our employees demonstrating our effort to help them maintain a balance between work and family life.



Training and Development Activities

## Employee Suggestions and Complaints

As Kılıç Deniz we have established various mechanisms to effectively evaluate the suggestions and complaints of our employees. Our employees can submit their suggestions and complaints through "Suggestion and Complaint Boxes" in accordance with the principle of confidentiality. These boxes are regularly opened by our Human Resources department every month and followed up with the relevant facility managers.

Additionally, in all our facilities employee representatives elected by the workforce serve as a channel through which our employees can also convey their suggestions and complaints to upper management.

Since 2017 we have been tracking employee complaints using the QDMS software. As of 2023 36 employee complaints have been submitted to our Human Resources department and 100% of them have been resolved with feedback provided to the employees.

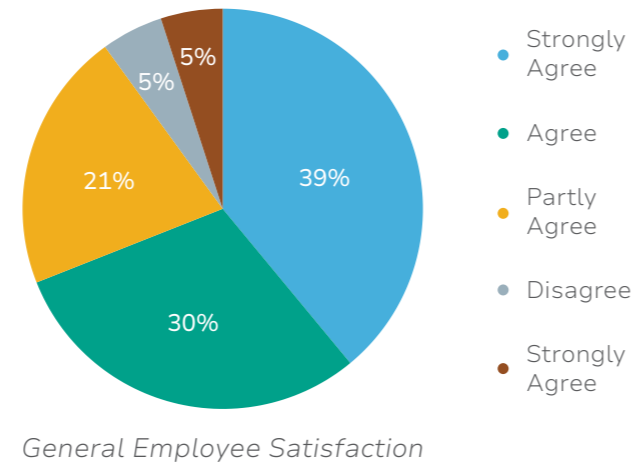
These processes aim to increase employee satisfaction and strengthen our workplace culture.

## Employee Satisfaction Evaluation

As Kılıç Deniz we conduct Employee Satisfaction Surveys to measure employee satisfaction. Based on the feedback obtained through these surveys we plan the necessary actions.

In the employee satisfaction evaluation conducted in 2023 1,620 of our employees were included and 268 responses were received. According to the survey results 30% of the employees stated that they agreed with the positive comments made about the company and 39% stated that they strongly agreed. The average satisfaction rate was determined to be 69%.

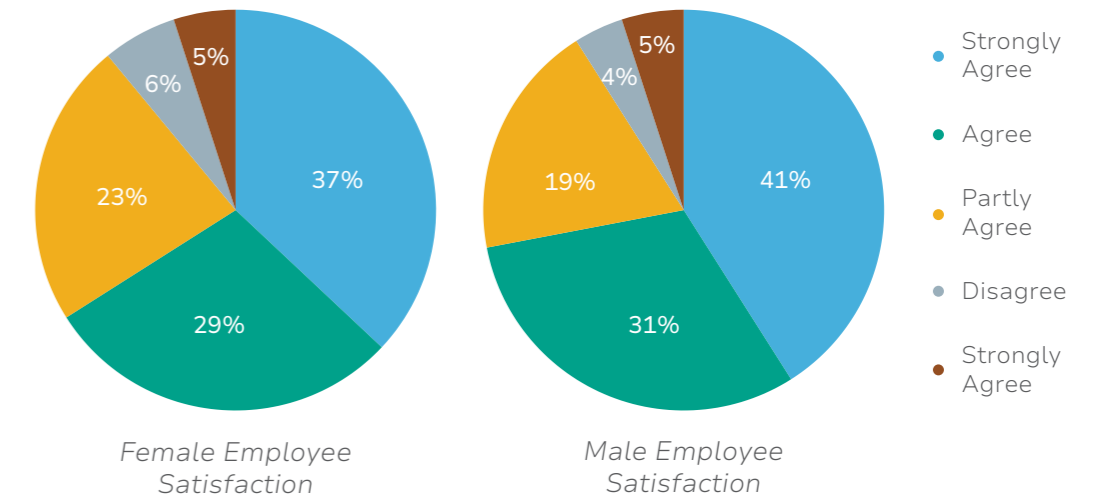
These data allow us to continuously monitor employee satisfaction and guide improvement efforts more effectively.



A survey consisting of 10 parameters was conducted for employees covering the following: Work Environment, Senior Management of the Institution, Department Manager, Organizational Culture, Direct Supervisor, Teamwork, Tasks, Authority and Responsibilities, Information Flow and Communication, Human Resources Systems and General Evaluation.

The satisfaction rates were also analyzed based on gender in the survey results. The satisfaction rate was determined to be 72% for male employees and 66% for female employees.

When analyzed by facility the highest satisfaction rates were 96% in Kemikler Administrative Affairs 92% in Artvin Cage Operations and 91% in Maraş Administrative Affairs.



## Food Security

Food security refers to people's access to sufficient healthy and nutritious food. This means that food products are available in adequate quantities and on a continuous basis.

Among the UN's Sustainable Development Goals is the aim to end hunger by 2030 ensuring that everyone particularly vulnerable groups such as the poor and children has access to safe nutritious and sufficient food throughout the year.

With the increasing population it is predicted that our world will need more food in the future. As Kılıç Deniz we are aware of our responsibilities in this situation and in line with our vision, we continue our production activities with sustainable methods to meet the need for healthy and safe protein for generations to come. In this regard we aim for our products to be in sufficient quantity, nutritious and accessible.

In our packaging and processing facilities our production activities are carefully managed to preserve the quality and nutritional value of

the food. In this process, while ensuring that the food reaches the consumer safely and healthily considerations such as reducing food waste, preventing wastage and minimizing environmental impacts are considered. One of the important activities we carry out to reduce food waste and prevent wastage is converting fish residues generated during our processing activities into fishmeal and fish oil at our Rendering Facility, contributing as raw materials to our feed production.

Another aspect of our feed production is that our feeds are prepared using raw materials obtained from sustainable sources. In our production reducing environmental impacts and prioritizing resource efficiency are key focuses. As Kılıç Deniz through these processes we support the safeguarding of feed raw material resources. On the other hand, by using MAP (Modified Atmosphere Packaging), we extend the shelf life of our products ensuring that our consumers have access to safe food.

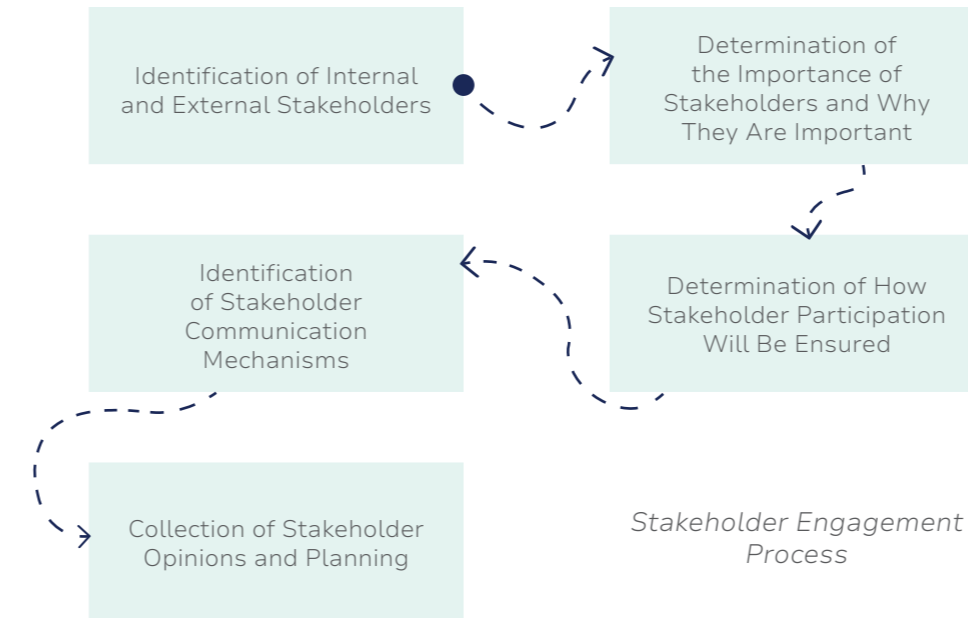
As Kılıç Deniz by adopting sustainability principles in our integrated facilities we aim to ensure food security and provide a reliable food source to society. This approach supports both environmental and economic sustainability enabling us to continue producing healthy and safe seafood in the future.

## Stakeholder Engagement

Stakeholder engagement is an inclusive process that is continuous throughout the life cycle of our company's activities. When designed and implemented correctly this process contributes to the development of strong constructive and responsive relationships necessary for the effective management of environmental and social risks.



Our stakeholder engagement process is carried out as follows:



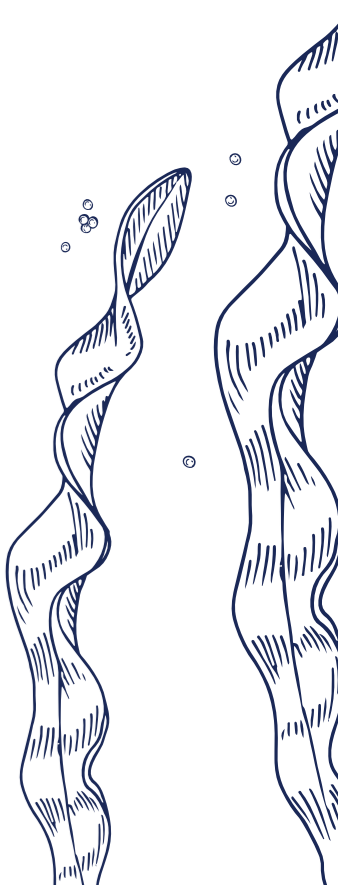
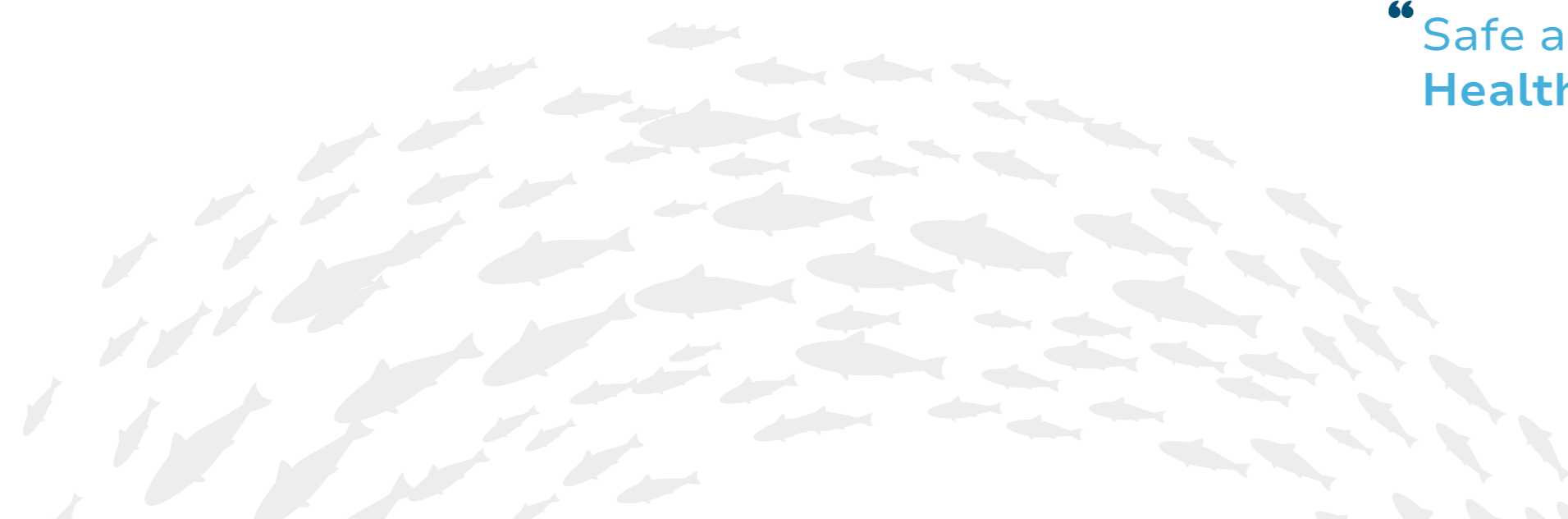
“Safe and Accessible Fish, Health for Everyone!”

The identification of stakeholders is carried out by considering their level of interest and interactions with our company's activities. Through group work conducted with our management teams internal and external stakeholders who influence and direct our activities have been listed. The importance of these stakeholders to Kılıç Deniz and the methods of interaction with them have been determined.

Surveys have been conducted for our domestic and international suppliers, customers and employees. Additionally, stakeholder meetings have been held with civil society organizations representing the local community, village heads, university representatives, local governments and provincial directorates of public institutions as well as representatives from analysis laboratories and environmental inspection organizations. In these meetings participants' opinions and suggestions were gathered.

Furthermore, in 2023 a meeting was held with the Muğla Aquaculture Association Güllük Branch and the head of Güllük neighborhood to discuss environmental issues, pollution, climate change and the impacts of our activities. Throughout the year our Hatchery and Conditioning Unit also engaged with the local community. In the villages where these facilities are located, relationships with the community and village heads were developed, feedback was received regarding the impact of our activities and the following supports were provided based on needs:

- + Upon the request of the head of Avşar village to which our Özbaşer Facility is connected financial support was provided for the installation of security cameras.
- + Financial and technical support was provided for the improvement of dirt roads in Avşar village.
- + Various educational support was provided to local schools in the village where the Ören Facility is located.



Our interaction with stakeholders has been evaluated and their importance to Kılıç Deniz and our methods of interaction are outlined in the table below:

Stakeholders	Importance to Kılıç Deniz	Interaction Method
<b>Board of Directors</b>	The board plays a role in determining company strategies and objectives, monitoring performance and risks, evaluating sustainability performance, making investment decisions, creating resources, increasing profitability and efficiency and developing corporate culture.	Interaction with the board is carried out through the Executive Committee and board reports.
<b>Senior Management Teams</b>	Our senior management teams are critically important as they are responsible for fulfilling legal obligations achieving production and efficiency goals reaching sustainability targets and ensuring employee engagement and satisfaction.	Interaction with senior management occurs through reports presented by unit managers as well as through emails and face-to-face meetings.
<b>Employees</b>	Our employees play a critical role in ensuring that company strategies and goals align with our sustainability policy. By aligning operational processes with risk and performance indicators they enable an efficient and effective production process.	Interaction with employees is ensured through employee satisfaction surveys, face-to-face meetings and internal audit activities. Additionally, feedback and suggestion mechanisms are used to engage with employees.
<b>Customers</b>	Customer satisfaction is a key performance indicator for our company. To meet this satisfaction all our standards and operational processes continue to function.	Interaction with customers is conducted via email, phone and through the customers' own online platforms.
<b>Local Community</b>	The local communities in the regions where we operate are affected by our activities. It is crucial to consider their needs and expectations ensure social harmony and fulfill our environmental responsibilities.	Interaction with the local community occurs during the public participation meetings held during the EIA (Environmental Impact Assessment) process and in the annual stakeholder meetings. In these meetings the suggestions and complaints of the local community are listened to. Communication channels on our website are also used.
<b>Feed Raw Material Suppliers</b>	Feed raw material is critically important in terms of the sustainability of natural resources. Therefore, the supply of quality and standards-compliant raw materials and the sustainability of the supply chain are vital.	Interaction with suppliers is conducted via phone and email during procurement processes. Additionally, important matters are discussed through stakeholder analyses conducted annually and collaborations are sustained accordingly.
<b>Other Suppliers</b> *Service Suppliers *Certification Firms *Feed Suppliers	Suppliers play a significant role in ensuring the continuity of our operational activities.	Interaction with suppliers occurs through email, phone, trade fairs, online and face-to-face meetings.
<b>Non-Governmental Organizations (NGOs)</b> *Aquaculture Associations, Regional NGOs	NGOs are essential stakeholders in following national and international developments in our sector, forming common ground for competitive regulations and in environmental, health and social matters. The collaborations established with NGOs contribute to activities such as marine and coastal cleanups and understanding the needs and expectations of local communities.	Annual stakeholder meetings are held where significant matters are discussed.
<b>Regulatory Authorities</b> *Republic of Türkiye, Ministry of Agriculture and Forestry - Milas District Directorate of Agriculture *Republic of Türkiye Ministry of Trade *Republic of Türkiye Ministry of Environment, Urbanization and Climate Change - Directorate of Natural Assets Conservation, Provincial Directorate of Environment and Urbanization * Republic of Türkiye Ministry of Energy and Natural Resources * Republic of Türkiye Ministry of Labor and Social Security * Republic of Türkiye Ministry of Transport and Infrastructure - Çeşme Port Authority, Giresun Port Authority, Güllük Port Authority, Hopa Port Authority, Taşucu Port Authority	Regulatory authorities play a critical role in obtaining permits related to our activities protecting production areas for the health of the sea and people and preventing marine pollution. Working in compliance with these authorities supports our operational, societal and environmental responsibilities.	Regulatory authorities are engaged through audit processes, requested notifications and periodic visits.
<b>Other Firms in the Industry</b>	Our interaction with other firms is important as we share the same area at sea. Examples of our cooperation include obtaining joint Environmental Impact Assessment (EIA) reports conducting TRIX analyses in collaboration and carrying out analyses based on jointly approved plans as required by regulations.	Communication with other firms is established through email, phone and face-to-face meetings.
<b>Aquaculture Stewardship Council</b>	The Aquaculture Stewardship Council (ASC) is a globally renowned organization that publishes and audits aquaculture technical standards. The ASC standards applied at our five farms cover areas such as legal compliance, risk assessments, biodiversity, pollution, diseases, greenhouse gas emissions, social responsibility and stakeholder engagement. By constantly improving based on these standards we continue to enhance our operational processes and make significant progress in our sustainability journey.	Interaction with ASC occurs through repeated annual audits and detailed surveys during standard updates.
<b>Global GAP</b>	Global GAP is an aquaculture technical standard in areas such as occupational safety and health, food safety, animal welfare, biodiversity and environmental concerns. This standard helps improve the knowledge and skills of our personnel in these critical areas playing an important role in raising the quality and safety levels of our operations.	Interaction with Global GAP occurs through annual audits and webinars organized by Global GAP.
<b>BSCI</b>	BSCI focuses on employee rights, occupational health and safety (OHS) and environmental concerns forming part of a social compliance standard. This certification supports our alignment with the Amfori Code of Conduct promoting social compliance and ethical business practices in our operations.	Interaction with BSCI occurs through on-site and online Amfori BSCI training and annual social compliance audits. Interaction is also conducted via the Amfori BSCI Platform.
<b>Sedex</b>	Sedex reports are particularly important for our customers in the United Kingdom. Employee rights are monitored based on the ETI Base Code.	Kılıç Deniz is a Sedex member and interaction is maintained through the Sedex Advance Platform.
<b>Creditors</b>	The cooperation we have maintained with our creditors since 2019 with green financing support is of great importance to our company. Within the scope of the financing provided we carry out a long-term capacity development project in line with the expectations of our stakeholders in environmental and social areas under IFC Performance Standards.	Communication with creditors is maintained through email, phone, online meetings and on-site visits. Monitoring is carried out via the annual Environmental and Social Compliance Report.
<b>Universities</b>	Our collaboration with universities is important for conducting joint studies in TÜBİTAK projects carrying out reports and research required by regulations and developing joint R&D projects.	Interaction with universities is established through project-based collaborations and communication via phone and email.
<b>Consumers</b>	Consumers being the final purchasers of the products are of critical importance. In this context consumer satisfaction and trust have a direct impact on the success of Kılıç Deniz.	Interaction with consumers is maintained through the Kılıç Deniz website, email and phone. Their feedback and demands are also considered.

## Relations with Local Communities

At Kiliç Deniz we prioritize the active participation and feedback of local communities in our sustainability processes.

In this context we collect feedback from local communities and their representatives through annual stakeholder meetings and action plans are developed based on this feedback. This approach allows us to better understand the needs and expectations of local communities.

Additionally to contribute to the development of our sector and strengthen our interaction with local communities we are members of industry associations such as the Muğla Aquaculture Association, Mersin Aquaculture Association, Aegean Exporters' Association and the Central Union of Aquaculture Producers. Through collaboration with these associations we contribute to industry developments and provide support to local communities.

In 2023 as part of a collaboration with the Provincial Directorate of Environment, Urbanization and Climate Change and the Muğla Aquaculture Association we carried out seabed and coastal cleaning activities on Salih Island within the boundaries of the Güllük Port Authority. This activity was implemented as part of our environmental responsibilities to contribute to the protection of the marine ecosystem.

Additionally every year similar cleaning activities are organized in designated farm areas with the Muğla Aquaculture Association and actions are taken to ensure the cleanliness and protection of our seas and coasts. During the spring and summer months the cleaning of swimming areas is carried out as part of joint efforts with the association.

Moreover various projects that include the local community are implemented with a sense of social responsibility strengthening our ties with society. In 2023 a total budget of 4,933,901 TL was allocated for activities such as earthquake relief, scholarship support and sponsorships for local sports clubs as part of our social responsibility projects. These contributions reflect our aim to address various needs in society and support local development.

In line with our sustainability goals we aim to add value to both the environment and society through such activities.

Social Responsibility Activities and Expenditures		
Activity	Description	Budget(TL)
Aid to Kahramanmaraş earthquake victims	Following the Kahramanmaraş earthquake in February 2023 shelter, fuel, clothing and food support were provided to the disaster region.	600,994
Education support	Scholarships were provided to students for the 2023-2024 academic year.	440,179
Support to Civil Society Organizations (e.g., Darüşşafaka, TEV)	Financial support was provided to various organizations operating in the social sector such as Darüşşafaka and TEV.	2,010,025
Support for SMA patients	Support was provided for the treatment of babies with SMA.	
Support to Civil Society Organizations (Seafood Associations)	Financial support was provided in 2023 to civil society organizations in our operating regions such as the Muğla Aquaculture Association, İzmir Aquaculture Breeders Association, Bodrum Milas Aquaculture Breeders Association, Mersin Aquaculture Association and the Kahramanmaraş Inland Seafood Union.	857,548
Sponsorships to local sports clubs	Sponsorship expenses were made to support local sports clubs in regions where our facilities are located.	240,200
Expenses for employee training	Expenses were made for foreign language training, vocational training and awareness training for our employees.	811,286
<b>Total Social Responsibility Budget</b>		<b>4,960,232</b>

Social Responsibility Activities



## Customer Satisfaction

At Kılıç Deniz meeting the needs and expectations of our customers in the best way possible is at the heart of our operations. Our primary goal in this regard is to maintain a high level of customer satisfaction continuously improve our operations and competencies and grow our business sustainably.

In line with this goal customer feedback is effectively evaluated and addressed through the Customer Complaints module in the QDMS system a software we have been using since 2015 which provides an opportunity to embed our quality management processes into our corporate memory. Complaints which are swiftly reviewed by our relevant departments are responded to within 24 hours and necessary actions are taken to communicate with the customer. In 2023 a total of 252 customer complaints were received all of which were reviewed responded to and resolved. These complaints mostly stemmed from issues related to products and operational processes.

In 2023 our customers were included in the double materiality analysis we conducted and the topics they prioritize in our business processes were identified. Based on surveys sent to our domestic and international customers the three most important topics identified by our customers were biodiversity, fish health and welfare and climate change.

In addition annual surveys are conducted regularly to measure customer satisfaction. These surveys collect feedback in various areas such as product quality, transportation processes, pricing and customer service. Based on the survey results collected from 18 domestic customers and 11 international customers in 2023 domestic customer satisfaction was rated 4.07 out of 5 while international customer satisfaction was rated 4.23. We continue to work on areas identified for improvement based on this feedback.



## Events

### ASC Visit and Facility Introduction

In September 2023, a three-day visit was organized by ASC (Aquaculture Stewardship Council) representatives and our customers from different parts of the world to observe our production processes and compliance with ASC standards. During this visit, our stakeholders were introduced to our cage operations and information was provided about our electrical stunning practices.



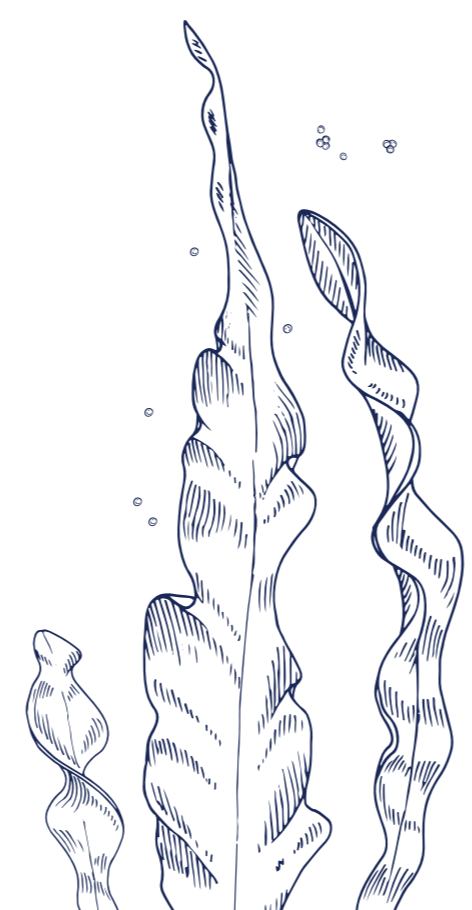
Additionally, comprehensive information about our activities was presented during visits to our hatchery and processing & packaging facilities.



This visit enabled us to exchange ideas on sustainability and better introduce our business processes to our stakeholders.

### TÜBİTAK Project

A meeting was held in Hungary with MATE University for a TÜBİTAK project on “Optimization and Practical Applications of New Methods in Fish Breeding for the Future of Aquaculture.”





# Our Business

## Facility Production Quantities

Facility	Product	Production (2022)	Production (2023)	Unit
Kemikler Processing and Packaging Facility	Processed and Packaged Fish	34,399	36,875	Tons
Kemikler EPS Packing Facility	Styrofoam Box	7,899,938	8,455,204	Units
Mersin Processing and Packaging Facility	Processed and Packaged Fish	24,763.3	21,251.8	Tons
Mersin EPS Packing Facility	Styrofoam Box	6,330,688	5,255,173	Units
Maraş Processing and Packaging Facility	Processed and Packaged Fish	8,455	9,165	Tons
Mavi Deniz Rendering Facility	Fishmeal	2,214.9	1,913.8	Tons
Mavi Deniz Rendering Facility	Fish Oil	1,791.2	1,633.6	Tons
Feed Mills	Extruder Fish Feed	158,862.5	193,032	Tons
Mavi Buz Facility	Ice	17,692.4	22,914.8	Tons
Value Added Product Facility	Value Added Fish	1,759.1	4,866.2	Tons
Güvercinlik Hatchery	Fish	36,235,000	35,170,000	Units
Özbaşer Conditioning Unit	Fish Conditioning	19,884,122	18,264,000	Units
Yaşyer Conditioning Unit	Fish Conditioning	27,374,774	26,325,000	Units
Alagün Earthen Pond	Fish Farming	9,400,000	4,100,000	Units
Akarca Hatchery	Fish	65,031,997	59,947,714	Units
Ören Hatchery	Fish	66,941,492	75,840,000	Units
Didim Hatchery	Fish	126,207,221	109,965,692	Units

## Audits

	2023
Internal Audit	53
Customer Audit	7
Third-Party Audit	47
Legal Audit	48

## R&D and Social Responsibility Budget (2023)

Category	Amount	Unit
R&D	1,504,000	Dollars
Donations	4,933,901	TL
Education	811,286	TL

## Total Harvest Quantities

Product	2022	2023	Unit
Seabass	22,047,988	26,541,849	Kg
Seabream	22,642,134	30,869,483	Kg
Meagre	1,735,185	1,390,053	Kg
Trout	8,455,000	9,165,000	Kg
Turkish Salmon Trout	0	3,095,902	Kg
Bluefin Tuna	1,514,379	1,300,739	Kg
<b>Total</b>	<b>56,394,686</b>	<b>68,947,111</b>	<b>Kg</b>

## Customer Satisfaction (2023)

Criteria	Score	Percentage
Domestic Market Customer Satisfaction Rate	4,07	71%
International Market Customer Satisfaction Rate	4,23	85%
Customer Complaint Resolution Rate	-	100%

## Sales (2023)

Region	Sales Value	Sales Quantity
Asia	\$ 80,953,626	14,443,644 Kg
Europe	\$ 144,131,384	23,582,150 Kg
North America	\$ 21,608,387	2,982,910 Kg
Africa	\$ 6,550,003	950,673 Kg
Total Exports	\$ 253,243,400	41,959,377 Kg
Total Harvest Fish Sales	\$ 354,000,000	68,947,111 Kg
Juvenile Fish Sales	€ 10,016,408	57,119,483 Pcs

# Fish

## Antibiotic Usage 2023

Product	Facility	Seabream	Seabass	Trout	Unit
Cages	Cages	0	0	0	Liters
Seabass/Seabream	Hatchery/Conditioning	14.5	32.5	-	Liters
Trout	Hatchery	-	-	15	Kg

## Stock Density

Product	2023	Unit
Seabass	8-10	kg/m <sup>3</sup>
Seabream	8-10	kg/m <sup>3</sup>
Meagre	8-10	kg/m <sup>3</sup>
Trout	8-10	kg/m <sup>3</sup>
Turkish Salmon Trout	8-10	kg/m <sup>3</sup>

## Juvenile Fish Production

Product	2023	Unit
Seabass	94,527,605	Units
Seabream	96,119,801	Units
Meagre	470,000	Units
Trout	13,299,953	Units

## FCR (Feed Conversion Ratio)

Product	2023
Seabass	2.7
Seabream	2.17
Meagre	5.3
Trout	1.1
Turkish Salmon Trout	1.19

## Cage Farms Survival Rate

Product	2023
Seabass	78%
Seabream	77%
Meagre	73%
Trout	90%
Turkish Salmon Trout	90%

## Hatcheries Survival Rate

Product	2023
Seabass	50%
Seabream	40%
Trout	85%

## Conditioning Survival Rate

Product	2023
Seabass	62%
Seabream	65%



# Nature

## Waste Quantities Generated (2023)

Waste Code	Waste	Waste Quantity (kg)	Hazard Status	Disposal Method
02 02 02	Meat, fish and other animal-based preparation and processing waste	261,640	Non-hazardous	Solid Waste Landfill
02020, 020204	Meat, fish and other animal-based preparation and processing waste	9,492,340	Non-hazardous	Energy Recovery (Biogas)
80317	Hazardous ink and toner waste	33	Hazardous	Recycling
120109	Non-halogenated emulsions and solutions	690	Hazardous	Recycling
130110	Mineral-based non-chlorinated hydraulic oils	100	Hazardous	Recycling and Reuse
130113	Other hydraulic oils	580	Hazardous	Recycling and Reuse
130208	Other engine, transmission and lubrication oils	10,882	Hazardous	Recycling and Reuse
130403	Bilge oils from other maritime navigation	7,100	Hazardous	Recycling
150106	Mixed packaging	1,473,614	Non-hazardous	Recycling
150110	Packaging containing residues of or contaminated by hazardous substances	12,924	Hazardous	Recycling
150111	Metallic packaging containing hazardous porous solid structures (e.g., asbestos), including empty pressurized containers	102	Hazardous	Recycling
150202	Absorbents, filter materials (if not otherwise specified, oil filters), cleaning cloths, protective clothing contaminated with hazardous substances	525	Hazardous	Recycling
160107	Oil filters	440	Hazardous	Recycling
160506	Laboratory chemicals consisting of or containing hazardous substances, including mixtures of laboratory chemicals	300	Hazardous	Recycling
02 01 10	Waste Metal	277,594	Non-hazardous	Recycling
02 01 04	Waste plastics (excluding packaging)	14,760	Non-hazardous	Recycling
180101	Medical Waste - Sharps (excluding 18 01 03)	8	Non-hazardous	Disposal (Physicochemical treatment)
180103	Human-related waste requiring special handling for collection and disposal to prevent infection	233	Hazardous	Disposal (Physicochemical treatment)
180202	Fish-related waste requiring special handling for collection and disposal to prevent infection	1,966	Hazardous	Disposal (Physicochemical treatment)
190810	Oil mixtures and grease resulting from oil and water separation	22,530	Hazardous	Recycling
190813	Sludge containing hazardous substances resulting from the treatment of industrial wastewater by other methods	876,451	Hazardous	Recycling
200121	Fluorescent lamps and other mercury-containing waste	250	Hazardous	Recycling
200126	Liquid and solid oils	12,150	Hazardous	Recycling
200135	Discarded electrical and electronic equipment containing hazardous components	590	Hazardous	Recycling
130402	Bilge oils	2,185 (L)	Hazardous	Recycling

## Amount of Fish Waste Sent from Kılıç Deniz to Mavi Deniz Rendering Facility

Product (2023)	Ton
Fish Waste	6,681

## Solid Waste Management (2023)

Waste Type	Amount	Unit
Hazardous waste mass	947,846	kg
Hazardous waste percentage	8	%
Non-hazardous waste mass	11,526,846	kg
Non-hazardous waste percentage	92	%
Total waste mass	12,474,692	kg
Recovered and recycled waste	22	%
Waste sent to landfills and disposed of	2	%
Waste sent to biogas facilities	76	%

## Product-Based Carbon Footprint Emission 2023

Product	Kg CO <sub>2</sub> e
Fish	10.06

## Certified Raw Material Ratio (%)

Product	2023
Fishmeal	63%
Fish Oil	81%
*Soy	100%

\*ASC-certified farms

## Greenhouse Gas Emissions 2023

Emission Source	Emission Scope	Emission Amount (t-CO <sub>2</sub> e)	Percentage
Direct Emissions	Category 1 - Direct Emissions (6.47%)	44,881.2	6.47%
Indirect Emissions	Category 2 - Indirect Emissions (1.42%)	9,842.4	1.42%
Transportation of Raw Materials to Company	Category 3 - Transportation/ Logistics Emissions (8.63%)	15,360.4	2.21%
Transportation of Products to Customers		42,990.7	6.20%
Employee Shuttle Service		1,326.7	0.19%
Business Travel		158.4	0.02%
Accommodation		10.7	0.00%
Raw Material	Category 4 - Product Usage Emissions (73.35%)	499,423.1	72.02%
Packaging		4,728.2	0.68%
Waste		4,509.8	0.65%
Product Usage Emissions	Category 5 - Usage/Recycle and Regular Disposal Emissions (9.82%)	35,355.5	5.10%
Recycling Emissions		345.4	0.05%
Regular Disposal Emissions		32,412.4	4.67%
Electricity Loss	Category 6 - Other (0.31%)	2,133.4	0.31%
<b>Total</b>	<b>Category 1-2-3-4-5-6</b>	<b>693,478.4</b>	<b>100%</b>

## Trix Analyses 2023

Parameter	Value	Unit
Ammonium Nitrogen	<10	µg/L
Total Phosphorus	<10	µg/L
Trix Index of the Point	3,57	µg/L

## FFDRm and FFDRo Values

Product	FFDRo	FFDRm
Seabass	1.37	0.32
Seabream	1.34	0.32
Meagre	2.66	0.63

## Raw Material Contents

Product	2023
Fishmeal	24,7%
Fish Oil	12,8%
Plant-Based Raw Materials	44,8%
Animal Protein-Based Raw Materials	14,7%
Premixes / Other	3,1%

## Solar Energy Production

	2023	Unit
Installed Capacity	106	KWh
Energy Produced	52.78	KWh

**Electricity Usage (MWH)**

Facility	2023
Mavi Buz Facility	1,306
Mavi Deniz Rendering Facility	510
Kemikler Processing and Packaging Facility	5,470
Kemikler EPS Packing Facility	1,383
Mersin EPS Packing Facility	924
Mersin Processing and Packaging Facility	4,748
Maraş Processing and Packaging Facility	2,365
Ören Hatchery	2,392
Güvercinlik Hatchery	2,471
Özbaşer Conditioning Unit	954
Yaşyer Conditioning Unit	1,199
Alagün Hatchery and Conditioning Unit	1,003
Akarca Hatchery and Conditioning Unit	5,347
Didim Hatchery and Conditioning Unit	8,607
Value Added Product Facility	1,711
Feed Mills	12,360
Maraş Hatchery	111
Mersin Cage Farms	19
Maraş Cage Farms	8,940
İzmir Cage Farms	109
Artvin Cage Farms	12
<b>Total</b>	<b>61,941 MWh</b>

**Quantity and Disposal Methods of Domestic Wastewater (2023)**

Facility	Domestic (m³/day)	Procurement	Disposal
Kemikler Processing and Packaging Facility	65	Well	Treatment
Akarca Hatchery	10	Municipal	Treatment
Alagün Hatchery and Conditioning Unit	0.4	Municipal	Sewage Truck
Özbaşer Conditioning Unit	1.8	Municipal	Sewage Truck
Yaşyer Conditioning Unit	2	Municipal	Sewage Truck
Salih Island	5	Well	Sewage Truck
Feed Mills	10	Well	Treatment
Didim Hatchery	17	Well	Treatment
Ören Hatchery	4	Spring	Sewage Truck
Mavi Deniz Rendering Facility	1.3	Well	Treatment
Mavi Buz Facility	1.6	Well	Sewage Truck
Güvercinlik Hatchery	3.5	Municipal	Sewage Truck
Value Added Product Facility	1.2	Municipal	Sewage
Maraş Processing and Packaging Facility	23.5	Municipal + Well	Treatment
İzmir Cage Farms	4	Well	Sewage Truck
Artvin Cage Farms	1	Municipal	Sewage Truck
Mersin Cage Farms	48	Municipal + Well	Post-Treatment OIZ Infrastructure

**Water Usage (2023)**

Facility	2023	Unit
Packaging	4,063,654	m³
Hatchery and Conditioning Unit	3,517,214	m³
Mains Water Usage	7,264	m³
Well Water Usage	3,471,843	m³
Mains + Well Water Usage	260,793	m³
Spring Water Usage	1,460	m³
Seawater Usage	328,500	m³
<b>Total</b>	<b>4,069,861</b>	<b>m³</b>

**Quantity and Disposal Methods of Industrial Wastewater (2023)**

Facility	Industrial (lt/sec)	Industrial (m³/day)	Procurement	Disposal
Kemikler Processing and Packaging Facility	-	850	Well	Treatment
Akarca Hatchery	217	17,748	Well	Sedimentation Basin
Alagün Hatchery and Conditioning Unit	344	29,721	Well	Sedimentation Basin
Özbaşer Conditioning Unit	145	12,528	Well	Sedimentation Basin
Yaşyer Conditioning Unit	80	6,912	Well	Sedimentation Basin
Salih Island	-	-	-	-
Feed Mills	-	14	Well	Permitted Discharge
Didim Hatchery	-	30	Well	Sedimentation Basin
Ören Hatchery	1,472	127,180	Well	Sedimentation Basin
Mavi Deniz Rendering Facility	250	77,760	Seawater	Disposal + Treatment
Mavi Buz Facility	-	30	Well	-
Güvercinlik Hatchery	-	-	-	Sedimentation Basin
Value Added Product Facility	98	8,467	Well	-
Maraş Processing and Packaging Facility	-	-	-	Treatment
İzmir Cage Farms	-	-	Municipal + Well	-
Artvin Cage Farms	-	-	-	-
Mersin Cage Farms	-	-	-	Post-Treatment OIZ Infrastructure

**People**

**Employee Training**

	2023	Unit
Number of Employees Receiving Occupational Health and Safety (OHS) Training	2,344	People
OHS Training	11,848	Hours
Hygiene Training	1,560	Hours
Food Safety Training	1,326	Hours
Training Per Employee	23.72	Hours

**Employee Turnover Rate**

Category	Rate
White Collar	35%
Blue Collar	65%

**Human Resources Data (2023)**

	Value	Unit
Employee satisfaction rate	69	%
Employee turnover rate	70	%
Annual training hours per employee (increasing)	23,72	Hours
Female representation on the board	57	%
Female employee rate	30	%
Employee wage increase rate (as of July 2023 average)	30	%
Number of corruption incidents	0	Count
Number of complaints to the ethics hotline	0	Count
Resolution rate of ethics hotline complaints	0	Count
Number of employee complaints	36	Count
Resolution rate of employee complaints	100	%

**Employee Gender Ratio**

Gender	White Collar	Blue Collar	Total	Unit
Female	117	633	750	30%
Male	358	1,422	1,780	70%
Total	475	2,055	2,530	100%

**OHS Data (2023)**

Condition	2023	Unit
Minor Injuries	211	Cases
Serious Injuries	3	Cases
Percentage of Accidents with Minor Injuries	98.6	%
OHS Training	11,848	Hours

**Accident Frequency and Severity Rates (2023)**

No	Facility	Total Accident Frequency Rate (KSO)*	Total Accident Severity Rate (KAO)**
1	Artvin Cage Farms	84.5	0.08
2	Bodrum Cage Farms	43.3	0.04
3	Didim Cage Farms	64.2	0.06
4	Izmir Cage Farms	43.3	0.04
5	Kahramanmaraş Processing and Packaging***	6.7	0.007
6	Kahramanmaraş Kılavuzlu Cage Farms	15.4	0.015
7	Mersin EPS Packaging	50.9	0.05
8	Mersin Processing and Packaging	198.2	0.19
9	Mersin Cage Farms	148.9	0.15
10	Value Added Product Facility	206	0.21
11	Kemikler EPS Packaging	20.4	0.02
12	Kemikler Processing and Packaging	303.1	0.3
13	Mavi Buz Facility	57.2	0.06
14	Mavi Deniz Rendering Facility	57.7	0.06
15	Feed Mills	63.6	0.06
16	Alagün Hatchery and Conditioning Unit	43.5	0.04
17	Akarca Hatchery and Conditioning Unit	56.7	0.05
18	Didim Hatchery and Conditioning Unit	27.9	0.02
19	Güvercinlik Hatchery and R&D	26.3	0.03
20	Ören Hatchery	8.4	0.008
21	Özbaser Hatchery	15.1	0.01
22	Yaşyer Conditioning Unit	54.7	0.05
<b>Average</b>		<b>69.90</b>	<b>0.07</b>

\*KSO = (Total number of accidents in a year / Total working hours) \* 1,000,000  
 \*\* KAO = (Total lost workdays in a year / Total working hours) \* 1,000,000  
 \*\*\* The low KSO at the Kahramanmaraş Processing and Packaging Facility is due to work stoppage caused by the earthquake.

**Local (Province Where the Facility Is Located) Purchasing Rate**

Province Where the Facility Is Located	2023
Muğla	39%
Mersin	50%
Maraş	40%
Artvin	10%
İzmir	15%
Aydın	32%
<b>Average</b>	<b>31%</b>

**Social Assistance Provided to Our Employees (2023)**

Nursery Support	3,369,472 TL
Food Assistance	3,158,999 TL

**Local Communities (2023)**

Topic	Rate
Employment from the Region	100%
Information Meeting with Local Communities / Year	2
Number of Projects Conducted with Associations	1
Satisfaction of Requests Raised in Meetings with Local Communities	100%
Resolution of Issues Raised through CIMER Complaints	100%



# GRI Content Index

<b>Statement of Use</b>	Kılıç Deniz Ürünleri Üretimi İhracat İthalat ve Ticaret Anonim Şirketi has reported for the period of January 1 - December 31, 2023 with reference to the GRI Standards.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standards</b>	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

GRI 2	Disclosure No.	Disclosure Description	Response / Source
The organization and its reporting practices	2-1	Organizational details	Kılıç Deniz Ürünleri A.Ş. operates as an incorporated company. The company's headquarters is located at Kemikler Mahallesi, Güllük - Güvercinlik Arası - 2 Bulvar, No:15/1 Milas/Muğla/TÜRKİYE
	2-2	Entities included in the organization's sustainability reporting	Kılıç Deniz operates in Türkiye as well as in Italy, Miami, Albania, the Dominican Republic and Tunisia. In Türkiye, it operates in Muğla, İstanbul, İzmir, Ankara, Aydın, Antalya, Mersin, Kahramanmaraş, Gaziantep, Şanlıurfa, Giresun and Artvin.
	2-3	Reporting period, frequency and contact point	The reporting period covers the dates from 01.01.2023 to 31.12.2023. The report's publication date is 18.12.2024. It is planned to be published annually. For communication and more information, you can contact the Kılıç Sustainability Team at kilicsurdurulebilirlik@kilicdeniz.com.tr.
	2-4	Restatements of information	Since this is Kılıç Deniz's first sustainability report, there is no re-expression of information from previous reports.
	2-5	External assurance	Kılıç Deniz has been subject to independent financial auditing. In the coming years, Kılıç Deniz aims to have its Sustainability Report approved through independent external auditing.
Activity and workers	2-6	Activities, value chain and other business relationships	1.11. Our Position in the Industry 1.5. Our Success Journey 1.3. Where Are We? 1.4. Value Chain 1.10. Sustainable Supply Chain
	2-7	Employees	4.3. Our Workforce
	2-8	Workers who are not employees	4.3.1. Employee Profile
Governance	2-9	Governance structure and composition	1.9. Corporate Governance and Our Approach to Sustainability
	2-10	Nomination and selection of the highest governance body	1.9.1. Board of Directors
	2-11	Chair of the highest governance body	1.9.1. Board of Directors
	2-12	Role of the highest governance body in overseeing the management of impacts	1.9.1. Board of Directors
	2-13	Delegation of responsibility for managing impacts	1.9.2. Sustainability Organization
	2-14	Role of the highest governance body in sustainability reporting	1.9.1. Board of Directors
	2-15	Conflicts of interest	1.9.4. Ethical Values
	2-16	Communication of critical concerns	1.9.4. Ethical Values
	2-17	Collective knowledge of the highest governance body	1.9.1. Board of Directors
	2-18	Evaluation of the performance of the highest governance body	1.9.1. Board of Directors
	2-19	Remuneration policies	4.3. Our Workforce
	2-20	Process to determine remuneration	4.3. Our Workforce
	2-21	Annual total compensation ratio	4.3. Our Workforce

GRI 2	Disclosure No.	Disclosure Description	Response / Source
Strategy, policies and practices	2-22	Statement on sustainable development strategy	1.7. Sustainability Strategy 1.9. Corporate Governance and Our Approach to Sustainability
	2-23	Policy commitments	1.9. Corporate Governance and Our Approach to Sustainability 1.10. Sustainable Supply Chain 2.4. Food Safety 3.3. Energy Efficiency 4.2. Employment Practices
	2-24	Embedding policy commitments	1.9. Corporate Governance and Our Approach to Sustainability 1.10. Sustainable Supply Chain 2.4. Food Safety 3.3. Energy Efficiency 4.2. Employment Practices
	2-25	Processes to remediate negative impacts	1.10. Sustainable Supply Chain 3.1. Climate Change 3.2. Greenhouse Gas Emissions 3.3. Energy Efficiency 3.4. Responsible Sourcing
	2-26	Mechanisms for seeking advice and raising concerns	4.1. Occupational Health and Safety 4.3.4. Employee Suggestions and Complaints 4.5 Stakeholder Engagement 4.6. Customer Satisfaction 1.9.4 Ethical Values
	2-27	Compliance with laws and regulations	2.2. Biodiversity and Ecosystem Conservation 3.6.1. Wastewater Management 4.1. Occupational Health and Safety
	2-28	Membership associations	4.5 Stakeholder Engagement
	Stakeholder engagement	2-29	Approach to stakeholder engagement
2-30		Collective bargaining agreements	4.3. Our Workforce

GRI 3	Disclosure No.	Disclosure Description	Response / Source	Reference GRI Sector Standard
Kılıç Deniz's Material Topic	3-1	Process to determine material topics	1.8.1. Double Materiality Analysis Methodology	
	3-2	List of material topics	1.8.3 Double Materiality Matrix	
Climate Change	3-3	Management of material topics	3.1. Climate Change	13.2 Climate Adaptation and Resilience
Fish Health and Welfare	3-3	Management of material topics	2.1. Fish Health and Welfare	13.11 Animal Health and Welfare
Biodiversity and Ecosystem	3-3	Management of material topics	2.2. Biodiversity and Ecosystem Conservation	13.3 Biodiversity
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	2.2. Biodiversity and Ecosystem Conservation	
	304-2	Significant impacts of activities, products and services on biodiversity	2.2. Biodiversity and Ecosystem Conservation	
Energy Efficiency	3-3	Management of material topics	3.3. Energy Efficiency 3.3.1. Renewable Energy Investments	
	302-1	Energy consumption within the organization	3.3. Energy Efficiency	
Carbon Footprint	3-3	Management of material topics	3.2. Greenhouse Gas Emissions	13.1. Emissions
	305-1	Direct (Scope 1) GHG emissions	3.2. Greenhouse Gas Emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	3.2. Greenhouse Gas Emissions	
	305-3	Other indirect (Scope 3) GHG emissions	3.2. Greenhouse Gas Emissions	
	305-4	GHG emissions intensity	3.2. Greenhouse Gas Emissions	
Waste Management	3-3	Management of material topics	3.6. Waste Management	13.7. Water and Effluents 13.8. Waste
	303-4	Water discharge	3.6.1. Wastewater Management	
	303-5	Water consumption	3.6.1. Wastewater Management	
	306-3	Waste generated	3.6.2. Solid Waste Management	
	306-5	Waste directed to disposal	3.6.2. Solid Waste Management	

GRI 3	Disclosure No.	Disclosure Description	Response / Source	Reference GRI Sector Standard
Occupational Health and Safety	3-3	Management of material topics	4.1. Occupational Health and Safety	13.19. Occupational Health and Safety
	403-1	Occupational health and safety management system	4.1. Occupational Health and Safety	
	403-2	Hazard identification, risk assessment and incident investigation	4.1. Occupational Health and Safety	
	403-3	Occupational health services	4.1. Occupational Health and Safety	
	403-4	Worker participation, consultation and communication on occupational health and safety	4.1. Occupational Health and Safety	
	403-5	Worker training on occupational health and safety	4.1. Occupational Health and Safety	
Customer Satisfaction	3-3	Management of material topics	4.6. Customer Satisfaction	13.9. Food Security 13.10. Food Safety
	416-1	Assessment of the health and safety impacts of products and services categories	2.4. Food Safety 4.4. Food Security 4.6. Customer Satisfaction	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.6. Customer Satisfaction	
Employment Practices	3-3	Management of material topics	4.2. Employment Practices	13.15. Non-discrimination and Equal Opportunity 13.20. Employment Practices
Stakeholder Engagement	3-3	Management of material topics	4.5. Stakeholder Engagement	13.12. Local Communities 13.22. Economic Inclusion
	413-1	Operations with local community engagement, impact assessments and development programs	4.5.1. Relations with Local Communities	
Supply Chain Sustainability	3-3	Management of material topics	1.10. Sustainable Supply Chain	13.23. Supply Chain Traceability 13.4 Natural Ecosystem Conversion
	308-1	New suppliers that were screened using environmental criteria	3.4. Responsible Sourcing	
	308-2	Negative environmental impacts in the supply chain and actions taken	3.4. Responsible Sourcing	
	414-1	New suppliers that were screened using social criteria	3.4. Responsible Sourcing	
	414-2	Negative social impacts in the supply chain and actions taken	3.4. Responsible Sourcing	
Food Safety	3-3	Management of material topics	2.4. Food Safety	13.10. Food Safety

Excluded GRI Topics	Explanation
13.5: Soil Health	As a company engaged in aquaculture we do not have a direct impact on soil through our activities so it is not considered a material topic.
13.6: Pesticides Use	No pesticide use is carried out in our operations. Potential pesticide use from plant-based raw materials is part of our supplier evaluation system and is monitored through analyses.
13.13: Land and Resource Rights	Land and resource rights are not considered a material topic. Kılıç Deniz operates in countries where the licenses for aquaculture are foreseeable.
13.14: Rights of Indigenous Peoples	This is not considered a material topic as we do not operate in areas with indigenous peoples.
13.16 Forced or Compulsory Labor	Forced or compulsory labour is not practiced at Kılıç Deniz and is regularly audited within the scope of social audits, so it is not considered a material topic.
13.17 Child Labor	Since no one under the age of 18 is employed, it is not considered a material topic.
13.18: Freedom of Association and Collective Bargaining	There is no unionization in the sector.
13.21: Living Income and Living Wage	The issue of living income and living wage is considered to have low scale and severity and is not regarded as a material topic.
13.24: Public Policy	Public policy is not considered a material topic due to its limited scope.
13.25: Anti-competitive Behaviour	Anti-competitive behaviour is not considered a material topic due to its low risk.
13.26: Anti-corruption	Corruption cases have not occurred, so it is not considered a material topic.



## Tag

### Report Owner



**Kılıç Deniz Ürünleri Üretimi  
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