

watsons

Türkiye

2025 Sustainability Report



WATSONS TÜRKİYE

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WATSONS TÜRKİYE

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About Our Report

About This Report

This report covers the activities and sustainability performance of Watsons Türkiye in Türkiye for the period from January 1, 2025 to December 31, 2025. Through our third Sustainability Report, we aim to transparently share our environmental and social impacts, material topics, and performance outcomes with our stakeholders. The report is structured under the Planet, People, and Products pillars in alignment with the AS Watson Group sustainability framework.

Reporting Standards and Alignment

This report has been prepared with reference to the GRI Standards. The reporting boundary, content selection, and performance indicators have been determined in accordance with this framework. The GRI Content Index is presented in the relevant section of the report. Watsons Türkiye conducts its operations in alignment with the principles of the United Nations Global Compact relating to human rights, labor standards, environmental responsibility, and business ethics.

Reporting Scope

The reporting boundary covers the activities of Watsons Türkiye's head office, distribution center, and stores under its operational control. Environmental performance data have been assessed based on impacts arising directly from our operations. Value chain impacts have been addressed under the relevant categories in line with data availability. Scope 1 and Scope 2 emissions cover impacts arising directly from our operations, while Scope 3 emissions have been reported based on the categories identified within the scope of available data.

Methodology

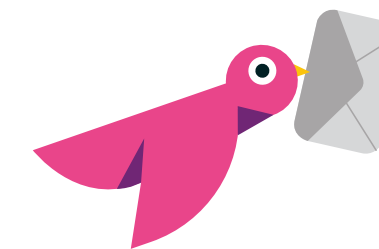
The scope and content of this report were determined based on the results of the sustainability priorities assessment conducted in 2025. In presenting performance indicators, comparability across reporting periods was taken into consideration. In addition to absolute figures, intensity-based metrics reflecting operational scale were also used.

Greenhouse gas emissions were calculated in accordance with the GHG Protocol methodology. Data relating to energy consumption, waste management, and other environmental indicators were collected through existing measurement and monitoring systems.

Reported data underwent a centralized consolidation process and were assessed for accuracy and consistency within the scope of internal control mechanisms.

Contact

You may share your feedback and suggestions regarding our report with us via
kurumsaliletisimvesurdurulebilirlik@watsons.com.tr



Message from Management



Mete Yurddaş
Managing Director of Watsons
Türkiye & GCC Development



**Together with our
stakeholders, we continue
to take meaningful steps
toward a *sustainable*
future, believing that
building a sustainable
world is a shared
responsibility that belongs
to us all.**



Dear Stakeholders,

Sustainability is no longer an area managed solely by organizations; it is a transformation process that requires collective action from all stakeholders across society. In this transformation, the retail sector plays a critical role through its direct engagement with consumers.

At Watsons Türkiye, we are fully aware of this responsibility. As a brand that engages with millions of customers at the point of decision-making every day, we position sustainability not only as an operational priority but also as a responsibility that influences customer choices. In line with this approach, 2025 was a year in which we advanced our sustainability efforts beyond operational practices. Through our energy management initiatives and renewable energy investments, we began sourcing all electricity used across our operations from renewable sources. This transition delivered a significant reduction in our carbon emissions.

At the same time, we expanded energy efficiency practices across our store operations and enhanced our waste management processes, directing all operational waste to recovery streams.

Through Watsons Goodness Movement, which we launched in 2019, we continue to engage our employees, customers, and business partners in our sustainability journey. This platform remains one of our most effective tools for increasing our positive social impact.

Yours sincerely,

About Us / AS Watson Group

31 Markets

12 Retail
Brands

Presence in 50+
Countries and Territories

17,000+
Stores

130,000+
Employees
Worldwide

Founded in 1841, AS Watson Group is one of the world's longest-established and leading retail companies, with roots in Asia. Today, the Group operates more than 17,000 stores across 31 markets under 12 retail brands and provides employment to over 130,000 people worldwide. This scale positions AS Watson Group among the world's largest international health and beauty retailers.

AS Watson Group recorded revenue of more than \$26 billion in the 2025 financial year. The Group's technology-enabled O+O (Offline plus Online) platforms seamlessly integrate physical and digital retail experiences, serving more than 6 billion customers annually. In addition, the Group supports more than 180 charities and non-governmental organizations each year across the markets in which it operates and contributes to the lives of more than 370,000 people in need through over 40,000 hours of volunteer service.

AS Watson Group is also a member of CK Hutchison Holdings Limited, a renowned multinational conglomerate with four core businesses: ports and related services, retail, infrastructure, and telecommunications, operating in more than 50 countries.

For more information, please visit
www.aswatson.com/our-company/o-and-o-strategy/

AS Watson Group Sustainability Framework

AS Watson Group structures its sustainability approach around three key focus areas: Planet, People, and Products. This framework aims to integrate sustainability commitments across all operations, ranging from reducing environmental impacts and developing responsible products to supporting employee well-being and contributing to society.

Sustainability Focus Areas

PLANET



- Achieving Greener Stores
- Climate Action
- Zero Waste to Landfill

PEOPLE



- Respecting Human Rights
- Employee Well-being and Development
- Community Engagement

PRODUCTS



- Offering more Sustainable Products
- Product Quality and Safety

About Us / Watsons Türkiye

At Watsons Türkiye, we have been operating as one of Türkiye's leading beauty and personal care retail chains for 20 years, with more than 450 stores across 66 provinces. Supported by a team of over 3,500 employees, we continuously enhance the quality of service and the broad product portfolio we offer to our customers.

At Watsons Türkiye, we conduct our sustainability efforts in alignment with the global sustainability strategy established by AS Watson Group. While progressing in line with the priority impact areas and targets defined by the Group, we also shape our practices by considering the needs and local priorities of our operations in Türkiye.

We manage our sustainability practices across our operations in Türkiye through a comprehensive approach that encompasses all operational activities. Energy and waste management, employee experience, and initiatives carried out with local stakeholders constitute the core focus areas within this scope.

We monitor our sustainability performance through the Sustainability Committee established within our organization. Through this Committee, we regularly assess priority topics and performance indicators while implementing Group-level policies and targets in consideration of operational needs in Türkiye and applicable local regulations.

The performance data presented in this report cover activities under our operational control. We address value chain impacts in line with data availability and our sphere of influence, while adopting the policies and standards established at Group level as guiding principles for our supply chain practices.

Our Business Model

Our business model is based on delivering an extensive beauty and personal care product portfolio to customers through a multi-channel retail approach. We connect customers with products sourced from international and local suppliers through an extensive store network and digital sales channels.

Within this model, supply chain management, logistics operations, store management, and customer experience constitute the key components of our operational structure.

While providing customers with high-quality and reliable products at accessible prices, we continuously strengthen our operations in areas such as product safety, responsible sourcing practices, and sustainable packaging solutions. Through this approach, we reinforce both the customer experience and the resilience of our sustainable business model.



**With every step we
take today toward**

a better future

**our respect for nature
adds value to people's
lives; together, as
Watsons Türkiye, we are
building a sustainable
future.**



About Us / Watsons Türkiye

Our Economic Impacts

At Watsons Türkiye, we remain a significant contributor to employment within Türkiye's retail sector through our extensive store network. Through our annual store investments, we contribute to the creation of employment opportunities in the cities where we operate.

With the launch of our second distribution center in 2025, we expanded our logistics operational capacity while making a direct contribution to employment in the surrounding region. This growth strategy supports the creation of additional employment opportunities across a broad range of functions, including store operations, logistics, and support services.

Our Direct Economic Contribution

While maintaining our presence within Türkiye's retail sector through our extensive store network, we continue to strengthen our employment capacity. Through new store investments, we support commercial activity in the regions where

we operate and create career opportunities across a wide range of functions, from store operations to logistics.

Our Supply Chain Contribution

Through the strong partnerships we have established with international and local brands, we collaborate with a diverse supplier ecosystem. By expanding our product portfolio and increasing brand diversity, we enable new suppliers to participate in our retail ecosystem and create sustainable growth opportunities for our business partners.

Our Local Economic Impact

Through new store investments, we contribute to increased commercial activity in the cities where we operate. In addition to creating direct employment through our store operations, we support the development of indirect economic activity through our logistics network, service providers, and local business stakeholders.

450+
Stores

427
Brands

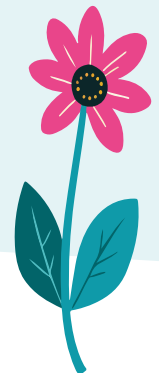
Operations Across
66 Provinces

10,000+
Products

3,500+
Employees

2
Distribution
Centers

Approximately 90% of purchases were sourced from local suppliers, demonstrating our commitment to supporting local economies and creating shared value.



About Us / Vision & Mission

Our Vision

To be customers' first choice and a world-leading destination for health, beauty, and lifestyle products and services.

Our Mission

To help our customers look good, feel good, and do good through the quality services and accessible products offered across our O+O (Offline plus Online) retail platforms.

Our Corporate DNA

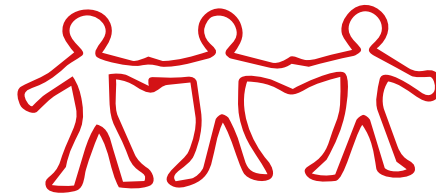
The AS Watson DNA defines the core behavioral standards that guide the way we work across our daily operations. These standards shape what we do, how we do it, and why we do it.



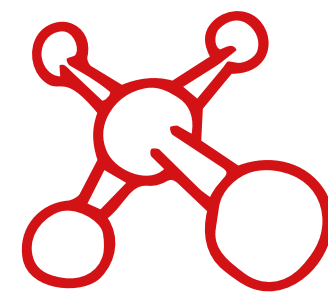
passion



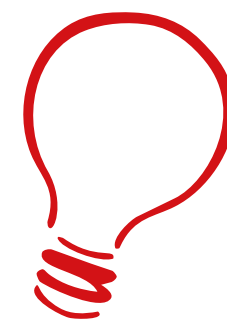
commitment



teamwork



science



innovation

Purpose:

To put a **Smile** on our customers' faces
today and tomorrow

Driven by our passion and commitment, we aim to create value for society and contribute to a healthier and more sustainable future. In line with this ambition, we structure our sustainability efforts around three core focus areas:

Planet, People and Products.



2025 by the Numbers

A Year of Stronger Performance!

At Watsons Türkiye, we concluded 2025 as a year in which we strengthened our sustainability performance measurement capabilities and advanced the implementation of our strategies. Throughout the year, we enhanced our data infrastructure for energy, emissions, and waste management, establishing a framework that enables the systematic monitoring of performance. While continuing to expand our operations, we maintained effective control over our environmental impacts. We committed to sourcing 100% renewable electricity and further extended energy efficiency practices across our operations. As a result of this transition, we achieved a significant reduction in emissions compared with 2023 and 2024.

While directing all waste to recovery processes, we continued to expand our sustainable product portfolio. Through packaging transformation initiatives and refill applications, we focused on reducing the environmental impact of our products. During this period, we maintained strong female representation across the organization. We continued to regard our inclusive workforce structure, reflected in our women employee and women leadership ratios, as a core component of our sustainability approach.

Through Watsons Goodness Movement, we adopted a holistic approach to sustainability and implemented projects across diverse focus areas. Through initiatives supporting women's employment, our afforestation project, our sustainable living products, and our animal welfare practices, we generated measurable social, environmental, and economic value.

450,000
Trees
Planted

Corporate
Donor
of HAÇIKO

Stores
Featuring
Sustainable
Living
Corners

161

150
Million

People Reached
Through the Watsons
Goodness Movement
Initiative

SÜRDÜRÜLEBİLİR
YAŞAM

1,000+

Sustainable
Living Products

2025 by the Numbers

12
Million
Customers



741,000
Online
Channel
Customers

Customer
Satisfaction
Score (CLS):

90

3,772

Total
Employees

82%

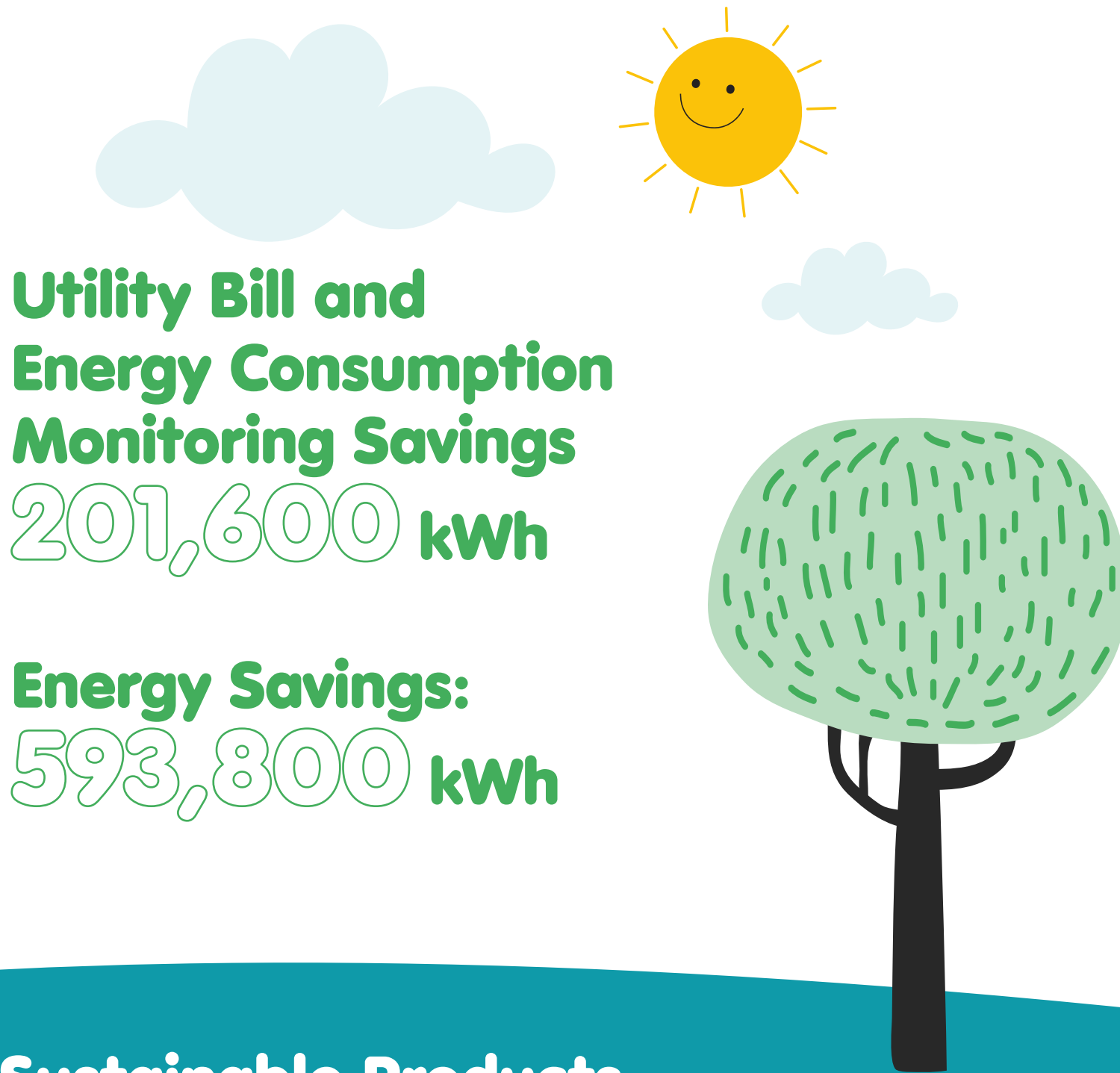
Women
Workforce

Employee
Satisfaction
Score:

84%

67%

Women
Representation
in Management



Utility Bill and
Energy Consumption
Monitoring Savings
201,600 kWh

Energy Savings:
593,800 kWh

Sustainable Products
Accounted for
14.3%
of Total Sales

Awards We Received in 2025

**Marketing
Türkiye**

for the fourth time

Marketing Türkiye The ONE Awards

Recognized as the “Most Reputable Brand of the Year” in the Personal Care and Cosmetics Store category



TEMA Foundation

Honored with the Top Donor Brands Award in 2024.



for five consecutive years

Şikayetvar.com - A.C.E. Awards

Awarded the Diamond Award in the Cosmetics Retail Chain category



Gigi Awards

Marketing Communications Association

Received the Silver Award in the Social Responsibility and Sustainability category for Employee Engagement in Achieving Sustainability Goals.



for the second time

Stevie Awards

Received the Gold Award in the Fashion and Beauty category for its mobile application



Soysal Retail Days

Received the Sustainability Achievement Award

**Marketing
Türkiye**

Brandverse Awards,

SocialBrands Data Analytics Awards
Received the Bronze Award in



w3 Awards

Received the Silver Award in the Mobile Apps & Sites – Augmented Reality category.



Awards We Received in 2025

**Marketing
Türkiye**

Marketing Türkiye

The Techx Awards/
Customer Experience Brands



**6th E-Commerce Awards –
Marketing Türkiye**

- Silver Award for “Most Impactful Sustainability Project of the Year” at the Climate and Sustainability Awards with WIH
- Gold Award for “Best Integrated E-Commerce Website with Physical Stores”
- Gold Award for “Personal Care Website of the Year”
- Silver Award for “Best Customer Service Integration”
- Bronze Award for “Best Mobile E-Commerce Experience”



**For the 7th Time
AYD**

No. 1 Brands Awards
First Place Award in the “Personal Care
& Cosmetics” category

ASW

ASW - People Summit

- First Place Award in the “Best Sustainability Practice” category for the Digitalization of Recruitment Documents
- First Place Award in the “Best Youth Development/ Employment Practice” category for the W-Generation Development Program
- First Place Award in the “Best Use of Technology/Data” category for ATS, W-PLAN and the Digital Learning Catalog
- Second Place Award in the “Best Learning Impact” category for the DM Academy Employee Development Program

GM Global One Order Meeting 2025

- The Best One Order Participating Business Unit (Asia) RISING STAR
- The Best One Order Sales Growth Business Unit (Asia)

AYD

No. 1 Brands Awards
First Place Award in the “Personal
Care & Cosmetics” category



Our Corporate Memberships

- Shopping Centers and Investors Association (AYD)
- United Brands Association (BMD)
- Training and Development Platform Association (TEGEP)
- Cosmetics Manufacturers and Researchers Association (KÜAD)
- LEAD Network
- Sales Network
- People Management Association of Türkiye (PERYÖN)
- Advertisers Association (RVD)
- International Investors Association (YASED)
- Chain Stores Association (ZMD)



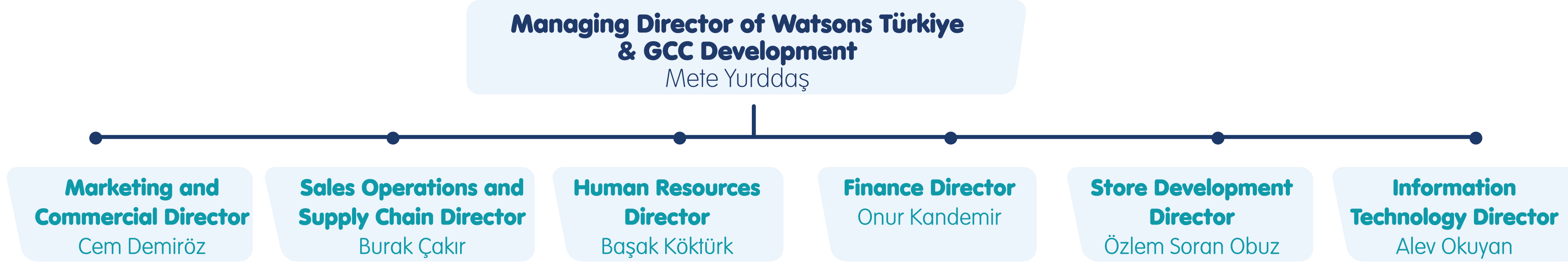
OUR GOVERNANCE STRUCTURE

Management Structure
Sustainability Governance Structure
Risk Management
Business Ethics and Compliance Processes
Digital Transformation

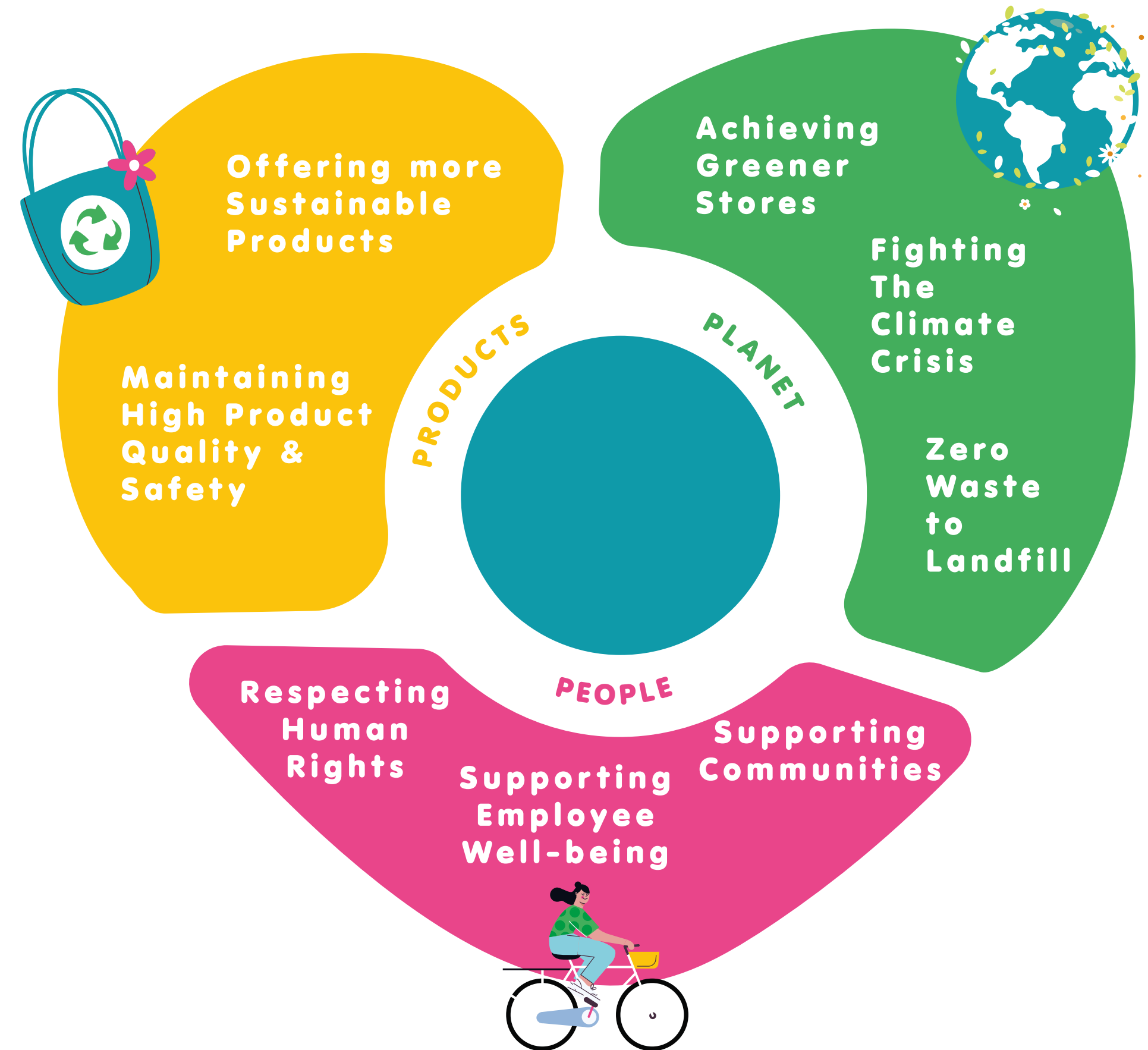
Board of Directors (DMA)

We structure our governance model in full alignment with the global governance framework of AS Watson Group, of which we are a part. Our Board of Directors consists of Dominic Kai Ming Lai, Edith Shih, Malina Man Lin Ngai, Scott John Blakemore, and Muharrem Mete Yurddaş. Our Board does not include independent members, and no distinction is made between executive and non-executive directors.

We operate our governance structure under the leadership of our Managing Director and organize our operations through the Marketing and Commercial, Sales Operations and Supply Chain, Human Resources, Finance, Store Development, and Information Technology functions. This structure enables us to manage operational decisions effectively while integrating our sustainability objectives across all functions.



Sustainability Governance Structure



3
Strategic Pillars

8
Focus Areas

Sustainability Governance Structure

We manage our sustainability approach in alignment with the global strategy established by AS Watson Group while placing the needs of our local operations at the center of implementation. We directly integrate the Group's targets and priorities into our operations and business processes in Türkiye.

We regard sustainability not as the responsibility of a single function but as a management approach embedded across the organization. Together with our Marketing and Commercial, Sales Operations and Supply Chain, Human Resources, Finance, Store Development, and Information Technology teams, we play an active role in achieving our sustainability objectives. This enables us not only to establish our targets at a strategic level but also to integrate them into day-to-day operational decision-making processes.

In 2024, we restructured our sustainability governance model, further strengthening its integration into our operational processes. Under this model, overall responsibility for sustainability is led by our Managing Director. Reporting directly to the Managing Director, our management team consists of directors responsible for Information Technology, Human Resources, Sales Operations and Supply Chain, Commercial Marketing, Finance, and Store Development. The direction of our sustainability strategy, the determination of priorities, and the monitoring of performance are managed through this structure.

Our Coordination and Monitoring Mechanism

We ensure internal alignment through our Sustainability Management Committee. The Committee supports the implementation of our sustainability strategy, strengthens collaboration across business units, and monitors performance indicators. We structure our sustainability approach around three key impact areas: Planet, Community, and Products. For each area, designated business representatives are responsible for integrating sustainability practices into relevant business processes and monitoring departmental targets.

Our monitoring and governance mechanism operates according to the following schedule:

Monthly: Sustainability Committee meetings

Quarterly: Management team briefings

Annually: Strategy and target reviews

We regularly monitor sustainability performance through indicators including energy consumption, emissions, waste management, employee development, supply chain practices, and data security. Within this framework, each team contributes through its area of expertise. Our product management teams focus on the sustainable product portfolio, our supply chain teams on responsible sourcing practices, our human resources team on employee development and social impact, our operations and store teams on implementation in the field, and our information technology team on digitalization and efficiency. We use the data generated through these processes to identify opportunities for continuous improvement.



We manage our sustainability approach in alignment with the global strategy established by AS Watson Group while placing the needs of our local operations at the center of implementation.



Risk Management

At Watsons Türkiye, we base our sustainability approach on ethical management, strong corporate governance, and transparent business practices. In our decision-making processes, we adopt a holistic perspective that considers long-term value creation, stakeholder expectations, and operational responsibilities.

We conduct our operations in full compliance with applicable legal requirements, AS Watson Group policies and standards, and internationally recognized principles of business ethics. We address sustainability-related risks not only at the operational level but also as an integral component of our strategic decision-making processes.

Within this framework, we assess **environmental, social, and governance-related** risks by considering their potential impacts on business continuity, cost structures, and corporate reputation. In addition, we evaluate operational, financial, legal, and reputational risks through an integrated risk management approach and monitor these risks regularly through the relevant functions based on their assessed likelihood and impact.

We assess sustainability-related risks within our corporate risk management system and monitor them across the organization through the relevant business units.

“ We base our *sustainability* approach on ethical management, strong corporate governance, and transparent business practices. ”



Risk Management

Disaster and Operational Continuity

We address risks related to disasters and emergencies from the perspective of operational continuity and employee safety. Physical risks such as earthquakes, floods, and similar events are assessed on a location-specific basis.

We regularly update our Emergency Action Plans. Through drills and education programs, we continuously assess our organizational preparedness level.

To strengthen business continuity, we increased our operational capacity and enhanced resilience against potential disruptions through the commissioning of our second distribution center in Ankara in 2025.

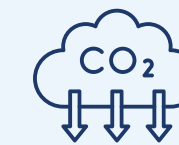
Supply Chain and Resilience

We manage supply chain risks not only from a cost perspective but also from the perspective of continuity and reliability. In this context, we prioritize critical product groups, maintain regular communication with our suppliers, and adopt a flexible planning approach. Through this approach, we ensure that our supply chain becomes more resilient to changing conditions.

Our Sustainability Risks and Opportunities

At Watsons Türkiye, we approach sustainability not only as a performance area but also from a strategic risk and opportunity perspective.

Key risk areas:



Management of Scope 3 emissions arising from the supply chain



Limited preference for sustainable products due to price perception



Increasing regulatory and compliance requirements

Key opportunities:



Growth potential in sustainable product categories



Long-term customer loyalty driven by changing consumer behavior



Cost optimization through operational efficiency

Business Ethics and Compliance Processes

We define our ethical principles and implementation guidelines in detail through our comprehensive W-Book document, which has been specifically developed for Watsons Türkiye, and we ensure its rigorous implementation across the organization.

We operate an independent ethics reporting hotline for the reporting of ethical breaches. In 2025, we received 135 reports through this channel. Of these, 134 were concluded within an average of 21 days, while 1 report remains under review. To maintain and strengthen our ethical culture, we provide regular Code of Conduct and ABAC(Anti-Bribery and Anti-Corruption) education to our employees.

Corporate Framework

The W-Book ethical principles define the common behavioral standards for all our employees.

99% Resolution Rate

Nearly all 135 ethics reports were resolved.

Supply Chain

Compliance clauses have been integrated into all business partner agreements.

Continuous Audit

Internal control and risk oversight processes were maintained without interruption.

Code of Conduct Education

2,366

Education Participants

607

Person-Hours of Education

ABAC Anti-Bribery and Anti-Corruption

457

Education Participants

872

Person-Hours of Education



Business Ethics and Compliance Processes

Anti-Corruption, Data Security and Compliance

According to our 2025 data, no incidents of corruption, competition law violations, or data breaches occurred within our operations.

We support our compliance practices through supplier contracts, education programs, and internal control mechanisms. In the field of information security, we safeguard stakeholder data through the use of access control systems, data protection protocols, and cybersecurity infrastructure.

Internal Control and Regulatory Compliance

Ensuring full compliance of our operations with applicable legislation is an integral component of our internal control and audit processes. During official store inspections in 2025, we incurred a limited number of administrative fines due to certain operational shortcomings identified. The increase in these generally low-value fines is largely attributable to inflationary effects.

In these processes, we manage compliance through settlement mechanisms; apart from this, we were not subject to any other administrative sanctions.

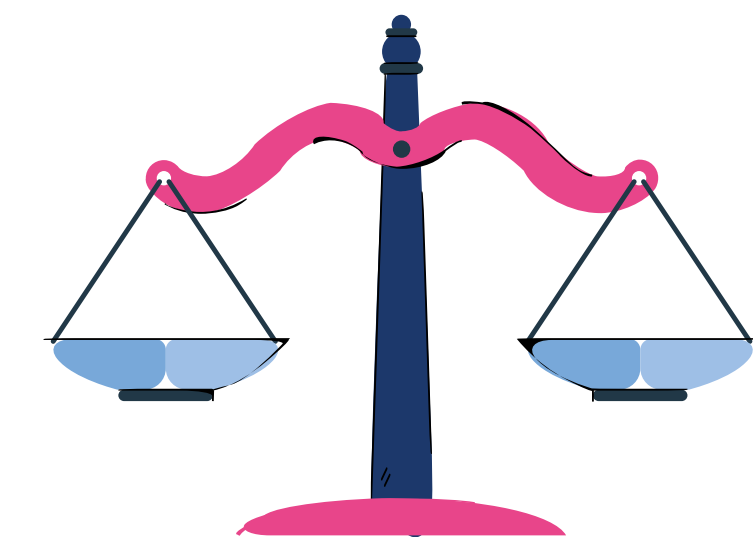
During the same period, we did not receive any non-compliance findings or penalties under product and service delivery or environmental legislation. We ensure compliance with environmental regulations by regularly monitoring legal requirements and integrating them into our processes. Through our internal audit processes, we continue to periodically assess operational procedures, ethical compliance, and control mechanisms.

Competition Law and Data Security

In 2025, there were no lawsuits or investigations initiated against us regarding anti-competitive behavior or practices restricting competition. Similarly, no legal cases were brought against us concerning the loss or disclosure of customer data.

Information Security and Data Protection

We consider information security and data protection a critical component of our corporate risk management framework. To ensure data privacy and cybersecurity, we implement preventive controls such as multi-factor authentication, firewalls, and endpoint protection. In addition, we enhance employee awareness through our “Cyber Ready” campaigns and phishing simulations. With our Security Operations Center and threat detection systems, we safeguard operational integrity and manage stakeholder data in line with the highest security standards.



Business Ethics and Compliance Processes

Cybersecurity and Data Protection

As digitalization advances, risks increase at the same pace. For this reason, cybersecurity is not a separate topic for us but an integral component of our business. Protecting customer data, ensuring system continuity, and maintaining trust are essential priorities. Our focus is to protect information without compromising accessibility and to maintain balance across the system.

While establishing this balance, we invest in technology but do not limit our approach to technical solutions alone. We shape each decision by considering risks and operate in alignment with global standards and local requirements. At the same time, we simplify processes, clarify responsibilities, and strengthen awareness to ensure digital security functions as a living system.

Our approach to cyber threats is based on a layered security model. We significantly reduce the risk of unauthorized access through the use of multi-factor authentication (MFA) for access to critical systems and applications. Network traffic is continuously monitored through firewalls, and suspicious connections are blocked instantly. Segmentation and rule-

based access controls further strengthen protection against external threats. Advanced solutions across servers and endpoints enable real-time detection and prevention of malware and ransomware. In this way, we protect digital assets while ensuring uninterrupted operations.

We recognize that cybersecurity is not solely technology-driven and place human factors at the center of our approach. Through our “Cyber Ready” initiative, we continuously maintain and strengthen employee awareness.

In addition to regular education programs, we conduct phishing simulations to assess employees’ ability to identify suspicious emails and respond appropriately. Based on the results, we identify risk areas and provide targeted education. This enables us to build a strong security culture across the organization and reduce social engineering risks.

We maintain continuously active security monitoring and incident management processes to detect cyber threats early and respond rapidly. Our systems and network infrastructure are monitored 24/7 through centralized solutions; potential breaches are identified using anomaly-based and signature-

based methods. Detected incidents are addressed promptly in line with predefined procedures, minimizing their impact.

This approach enhances operational resilience and reduces the risk of business disruption. Email security remains a priority area as it is one of the most common entry points for cyberattacks. Advanced email security solutions filter malicious content, phishing attempts, and fraudulent emails. Authentication protocols such as DMARC, SPF, and DKIM reduce the risk of domain spoofing and brand impersonation. Email traffic is continuously monitored, and suspicious activities are blocked promptly. In this way, we protect both employees and stakeholders.

Keeping information systems up to date and secure is another key element of our approach. We regularly monitor and prioritise server, operating system, and application patches based on risk levels. Vulnerabilities are tracked through centralized processes and resolved promptly. We assess infrastructure components throughout their lifecycle and plan the renewal of systems that have reached end-of-support. This reduces technical debt and supports the development of a more robust digital infrastructure in the long term.

Digital Transformation

At Watsons Türkiye, we view digitalization not only as a tool for improving operational processes but also as a key enabler supporting our sustainability objectives. We integrate digital solutions as a natural component of our processes to make our way of doing business more efficient, traceable, and less resource-intensive.

In line with this approach, we focus on initiatives that reduce resource consumption, simplify processes, and support data-driven decision-making. Reducing paper consumption, transitioning operational processes to digital environments, and improving energy efficiency are among the key areas of our digital transformation efforts.

As of 2025, we shifted our focus towards making this transformation more systematic and scalable. While expanding the paperless working model across corporate

processes, we transitioned document management, human resources, operational processes, and approval mechanisms to digital platforms. This transformation has not only increased operational speed but also enabled more controlled and measurable resource use.

On the infrastructure side, we improved system performance and resource utilization through centralized monitoring, automation, and data analytics solutions. Through consolidation and optimization activities in our data center infrastructure, we progressed towards a more efficient, scalable, and sustainable IT architecture.

These initiatives demonstrate that digitalization and sustainability progress in parallel, while also enabling measurable improvements in operational performance.

“ At Watsons Türkiye we view digitalization not only as a tool for improving operational processes **but also as a key enabler supporting our sustainability objectives.** ”



Digital Transformation

Business Areas	ESG Impact	2023 Results	2024 Results	2025 Results
Digitization of corporate documents	Reducing paper usage and accelerating access to information	50,400 sheets of paper were saved.	52,220 pages of paper were saved.	In 2025, the adoption of digital document management was expanded, continuing the reduction of paper use in operational processes. Compared to previous years, the process was standardized and digital access was accelerated. Approximately 54,105 pages of paper were saved.
Optimization of data center infrastructure	Operational efficiency, cost optimization, and sustainable infrastructure management	In 2023, the process of migrating to the UK data center was initiated. This resulted in a 20% reduction in data center costs. By optimizing energy and infrastructure usage, a more sustainable and scalable IT infrastructure was established.		
Strengthening data security and cybersecurity infrastructure	Enhancing corporate data security and reducing cyber risks	A project to develop security protocols was launched, resulting in a 20% reduction in data security breaches.	The implementation of new security protocols resulted in a 40% reduction in data breaches and strengthened compliance standards.	The EMS (Access Management System) was fully commissioned. Access permissions were restricted on a role-based basis, and authorization processes were tightened, significantly enhancing system security.



Digital Transformation

Business Areas	ESG Impact	2023 Results	2024 Results	2025 Results
Secure Print application	Preventing unnecessary printouts and reducing paper consumption by controlling printing processes	Unnecessary paper usage was prevented by automatically canceling print requests not picked up within 24 hours.	The initiative continued to help keep paper consumption under control.	A total of 130,053 pages were printed in 2025. As part of the Secure Print application, users must swipe their card at the printer to complete the printing process. This ensures that documents sent by mistake, forgotten, or printed unnecessarily are held in the system rather than being printed. Throughout 2025, the number of print jobs sent to the printer by users but not collected, and subsequently automatically deleted by the system after 24 hours, totaled 16,828 pages. This figure represents approximately 12.94% of the total print volume.As a result, the secure printing application prevented approximately 13% of unnecessary printing; this not only saved on paper, toner, and printer supplies but also contributed to environmental sustainability.
IoT-based energy management	Monitoring energy consumption in real time and improving operational efficiency	IoT-based monitoring systems have been integrated into operational processes to monitor energy consumption in real time; based on the data collected, initiatives aimed at improving operational efficiency and energy performance have been implemented, and energy efficiency efforts have been consistently pursued.		
Digital meal card application	Growth is occurring in proportion to the number of employees. Physical meal cards are not used.			



Digital Transformation

Business Areas	ESG Impact	2023 Results	2024 Results	2025 Results
Digitization of human resources processes	Reducing paper usage by transitioning salary, payroll, and benefits notifications to a digital platform	7,500 pages of paper were saved.	7,500 pages of paper were saved.	7,500 pages of paper were saved.
W-Book digital document management	Improving operational efficiency and reducing paper usage by managing payroll and employee notifications digitally	415,800 pages of paper were saved.	422,982 pages of paper were saved.	480,000 pages of paper were saved.
Digital service of process and litigation management	Reducing paper and shipping usage by utilizing digital communication methods in legal processes	By conducting correspondence related to wage garnishments and litigation processes digitally, an average of 2,000–3,000 pages of paper were saved annually.	By continuing to implement digital processes, the gains achieved in previous years were sustained.	By continuing to implement digital processes, the gains achieved in previous years were sustained.



Digital Transformation

Business Areas	ESG Impact	2023 Results	2024 Results	2025 Results
Digital litigation and service of process management	Operational efficiency has been improved and shipping-related costs and resource consumption have been reduced by transitioning legal processes to a digital platform.	By using the digital notification system, approximately ₺50,000 in annual shipping costs were avoided.	The implementation continued, and digital process management was maintained.	The implementation continued, and digital process management was maintained.
Online permission management system	Reducing paper consumption through the digitization of human resources processes	11,367 pages of paper were saved.	12,661 pages of paper were saved.	12,180 pages of paper were saved.
Supply Chain Portal	Increasing process transparency and operational efficiency by moving supplier communication to a digital platform	The portal infrastructure was upgraded, and the PIF module was implemented.	Operational efficiency was improved by conducting supplier communication processes via a digital platform.	Operational efficiency was improved by conducting supplier communication processes via a digital platform.

OUR SUSTAINABILITY STRATEGY

Our Sustainability Vision and Manifesto
Stakeholder Relations
Our Priority Topics
Watsons Goodness Movement
Sustainability Communications

Our Sustainability Vision and Manifesto

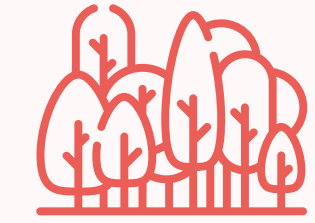
In our sustainability journey, we are guided by the approach of AS Watson Group, of which we are a part. AS Watson Group pursues a comprehensive and long-term strategy that addresses the environmental, social, and economic impacts of its operations across the entire value chain.

As Watsons Türkiye, we have defined our own sustainability strategy in alignment with the AS Watson strategy, while tailoring it to our local needs and requirements. In line with our strategy, we have set clear environmental, social, and economic targets and made commitments in these areas.

Through our six projects under our sustainability strategy, Watsons Goodness Movement, we communicate our sustainability approach to all our stakeholders and, with your support, continue to expand the impact of “good”. We integrate our commitments regarding our Planet, People, and Products into our corporate culture through our Watsons Goodness Movement projects and invite all our stakeholders to support our sustainability journey.



1. Watsons Goodness Movement
**Calls you for
a Better Future**



2. Watsons Goodness Movement
**Calls you to Grow
Our Forests**



3. Watsons Goodness Movement
**Calls you to Grow Love
for Animal**



4. Watsons Goodness Movement
**Calls you to Support
Women's Labor**



5. Watsons Goodness Movement
**Calls you to Increase Women
Employment**



6. Watsons Goodness Movement
**Calls you to Prefer Sustainable
Living Products**

Our Sustainability Vision and Manifesto



We reduce our environmental impact

We aim to reduce greenhouse gas emissions across our own operations and supply chain by 2030 and target to achieve 100% in renewable energy investments.

At Watsons Türkiye, we prioritize the use of recycled materials and equipment and aim for all our waste to be recycled or reused.



We support the well-being of our employees and society

We take steps to ensure the well-being of our employees and society. We encourage our suppliers to comply with social requirements and subject them to social compliance audits.

At Watsons Türkiye, we establish long-term partnerships with non-governmental organizations to support society, and we encourage our employees, customers, and suppliers to contribute to social development.



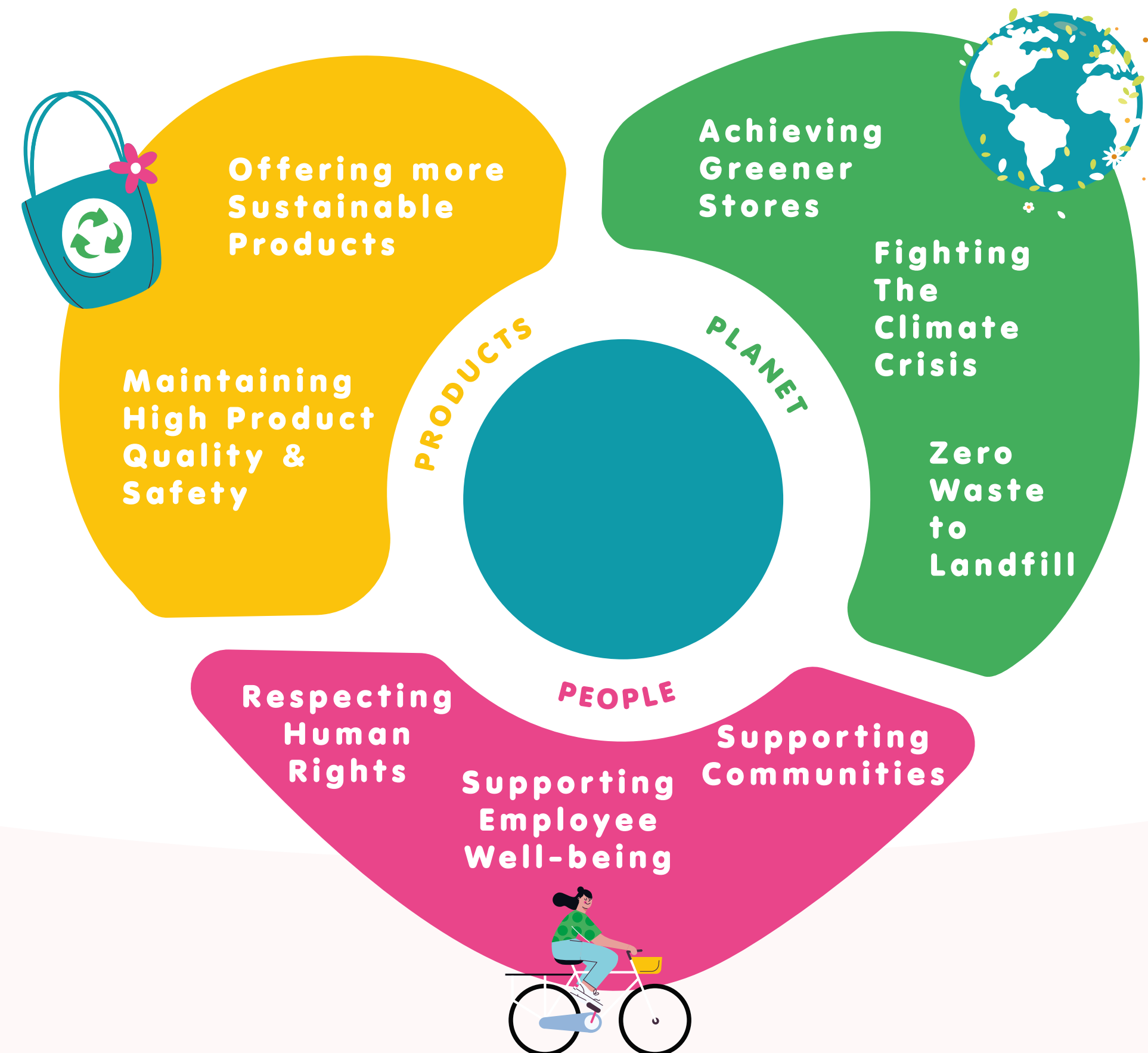
We support sustainable development

We aim to provide safe, high-quality, and sustainable products. We contribute to the local economy.

At Watsons Türkiye, we commit to continuously improving all our sustainability-related efforts, ensuring the continuity and expansion of our sustainability approach.

Our Sustainability Vision and Manifesto

In 2023, our group updated its sustainability approach to align with the United Nations Sustainable Development Goals, structuring it around three key focus areas: Planet, People, and Products.



3
Strategic Pillars

8
Focus Areas



Stakeholder Relations

At Watsons Türkiye, we base our sustainability approach on continuous engagement with stakeholders who both influence and are influenced by our operations.

We maintain communication with our stakeholders through regular feedback mechanisms, operational touchpoints, and structured assessment processes.

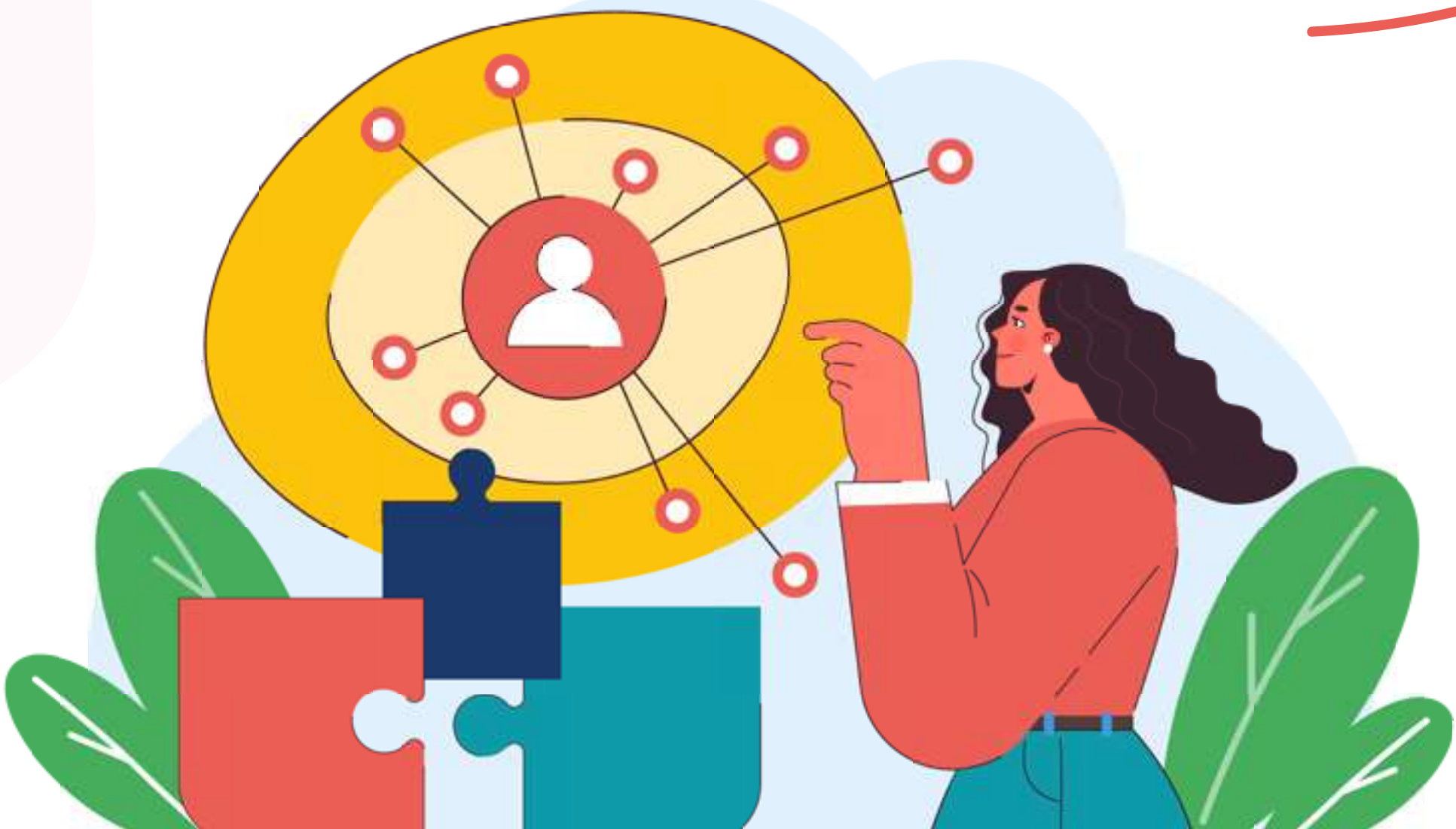
The objectives of these processes are to:

- Understand stakeholder expectations
- Assess operational impacts
- Inform and strengthen sustainability priorities

Our main stakeholder groups:

Stakeholder Group	Key Areas of Focus
Employees	Employee experience, development, and well-being
Customers	Product quality, satisfaction, and sustainability
Suppliers	Product safety, social responsibility, and sustainable production
Government agencies	Regulatory compliance
NGOs	Social impact

Together,
we aim to build a more sustainable future through ongoing engagement with our stakeholders.



Our Priority Topics

Watsons Türkiye evaluates the environmental and social impacts arising from its operations, stakeholder expectations, and sector developments collectively when determining sustainability priorities.

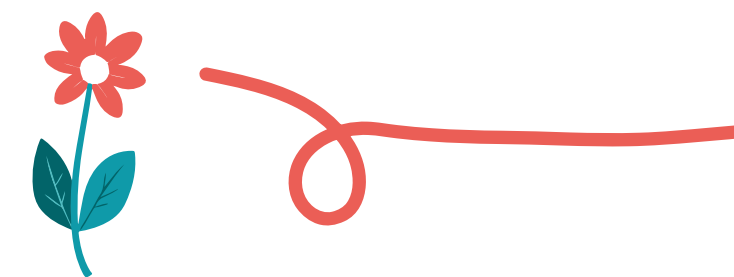
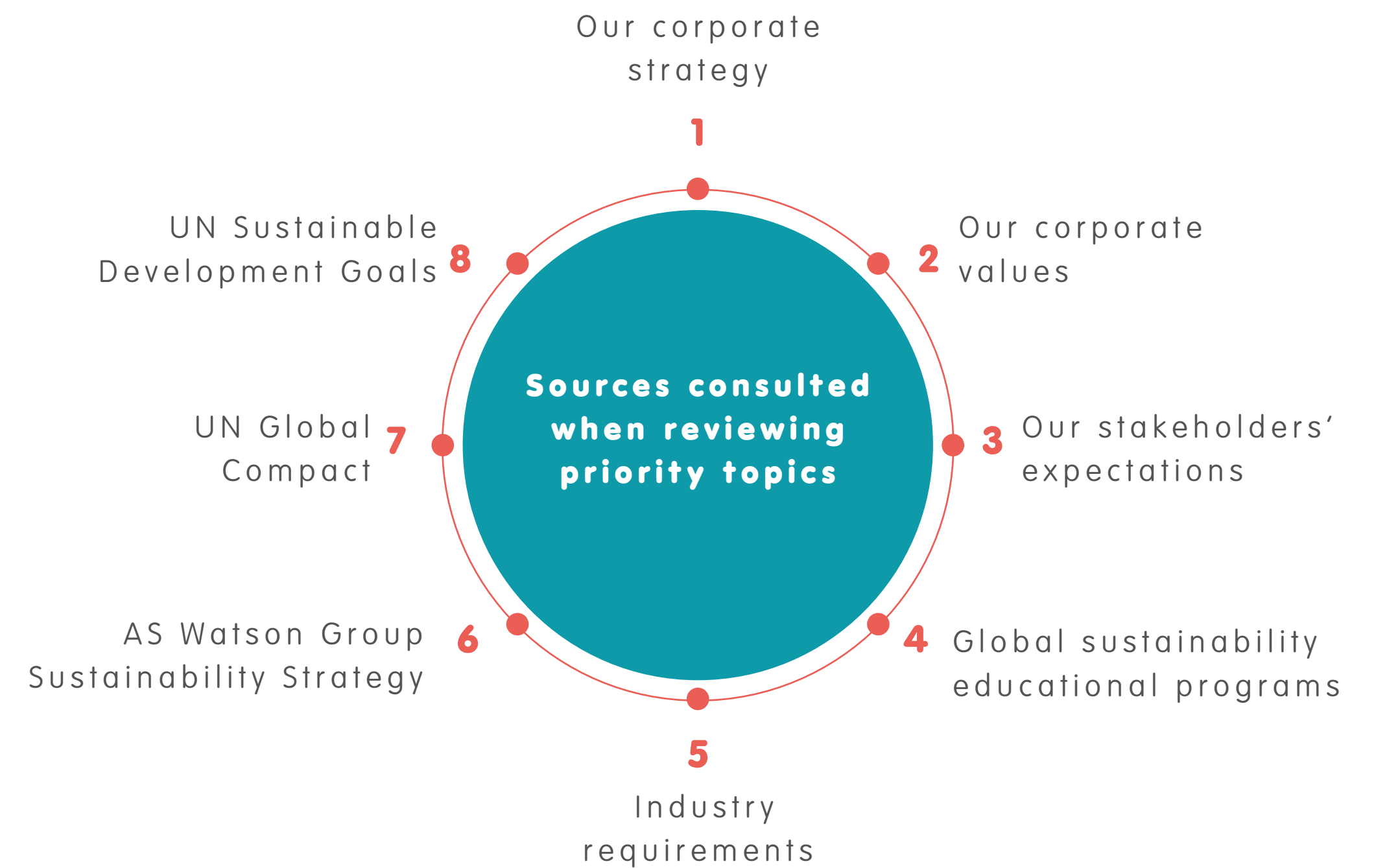
This process is managed by the Sustainability Committee, which includes representatives from different functions across the organization. Within this framework, surveys and assessment studies serve as the basis of the prioritization process.

The priority topics identified through the prioritization assessment conducted in 2022 are reviewed regularly. In 2023, no additional priority topic was identified, reflecting the comprehensive structure of the eight focus areas defined by AS Watson Group under the themes of Planet, People, and Products. The existing framework continued to be monitored through annual review processes.

Priority topics were reassessed by considering both the outputs of previous assessments and the eight key priority areas defined by AS Watson Group. They were subsequently updated in line with evolving stakeholder expectations, operational priorities, and sector developments.

The Committee is responsible for identifying priority topics, monitoring performance indicators, and overseeing action plans. This structure supports the integration of the sustainability approach into business processes and its consistent implementation across operations.

Watsons Türkiye not only defines its sustainability priorities but also manages performance in these areas through measurable indicators and a clear accountability framework. The KPIs established for the Planet, People, and Products focus areas are monitored regularly by the relevant business units, and performance outcomes are reported to senior management.



Our Priority Topics



PLANET

Priority Topic	Core Interaction Area
Fighting The Climate Crisis	- Emissions Monitoring - Renewable Energy Investments - Data Monitoring and Quality Improvement
Achieving Greener Stores	Increasing the number of stores that meet the Greener Store criteria
Zero Waste to Landfill	Waste management in all operational processes



PEOPLE

Priority Topic	Core Interaction Area
Respecting Human Rights	Strict enforcement of social compliance audits
Caring for our People	Widespread implementation of wellbeing and inclusion initiatives
Supporting Communities	Long-term partnerships with civil society organizations



PRODUCTS

Priority Topic	Core Interaction Area
Product Quality and Safety	- Customer Feedback - Quality Control Processes
Sustainable Products	Increasing the number of sustainable products

Watsons Goodness Movement

Watsons Goodness Movement:

Through Watsons Goodness Movement, launched in 2019 to promote sustainable living and raise awareness of responsible consumption, we encourage employees, customers, suppliers, and manufacturers to contribute to building a *better future*

for our industry.

Sustainability in Action

Watsons Türkiye approaches sustainability not only through operational practices but also as an impact area strengthened through stakeholder engagement. Launched in 2019, Watsons Goodness Movement represents the practical implementation of this approach.

The program brings together customers, employees, suppliers, and business partners within a shared sphere of impact, positioning sustainability as a collective responsibility.

Through this structure, sustainability extends beyond a company-led initiative and becomes embedded in customer decision-making, the in-store experience, and broader societal impact.



1. Watsons Goodness Movement **Calls you for a Better Future**
2. Watsons Goodness Movement **Calls you to Grow Our Forests**
3. Watsons Goodness Movement **Calls you to Grow Love for Animal**
4. Watsons Goodness Movement **Calls you to Support Women's Labor**
5. Watsons Goodness Movement **Calls you to Increase Women Employment**
6. Watsons Goodness Movement **Calls you to Prefer Sustainable Living Products**

Watsons Goodness Movement / Impact in Three Key Areas: The Planet

- 1. Watsons Goodness Movement:** *Calls you for a Better Future*
- 2. Watsons Goodness Movement:** *Calls you to Grow Our Forests*

As Watsons Türkiye, we address our efforts to reduce our environmental impact through a focus on climate action, carbon emissions management, energy and resource efficiency, waste management, and nature-based solutions. Through Watsons Goodness Movement, under which we implement our global sustainability approach in line with local needs and priorities, we carry out our planet-focused projects and initiatives with the objective of creating sustainable impact.

To date, we have planted over

450,000
saplings.

2030 goal:
1 Million
saplings



This initiative will contribute to the
reforestation of an area equivalent to

840
soccer fields.

Watsons Goodness Movement / Impact in Three Key Areas: The People

3. Watsons Goodness Movement: *Calls you to Grow Love for Animal*

4. Watsons Goodness Movement: *Calls you to Support Women's Labor*

5. Watsons Goodness Movement: *Calls you to Increase Women Employment*

As Watsons Türkiye, through Watsons Goodness Movement, we structure our social impact initiatives around supporting women's work and promoting inclusive economic models. This approach aims to position sustainability not merely as a corporate social responsibility activity, but as an impact area integrated into our business model.

In this context, in collaboration with the Foundation for the Support of Women's Work (KEDV), we bring products made by women's cooperatives together with our customers through our stores and online sales channels. The model we implement is based on generating direct income for cooperatives on a not-for-profit basis. Within the scope of the program, we work with approximately 200 women producers across four cooperatives, and this number can reach 300 depending on order volumes.

Since 2020:

- 150,000 products have been sold.
- Approximately ₺11 million in economic value has been created.

As of today, these products are available to customers through dedicated point-of-sale displays located near checkout areas in 198 stores. A total of 14 products are actively offered across various categories, including soap varieties, wallets and phone straps.

While this model supports women producers in generating sustainable income, it also enables customers to create direct social impact through their purchasing decisions. In this way, sustainability becomes a shared impact model that engages all stakeholders across the value chain.

As part of the program, we are working with approximately

200 women producers
across

a total of 4 cooperatives.

Depending on order volume, this number

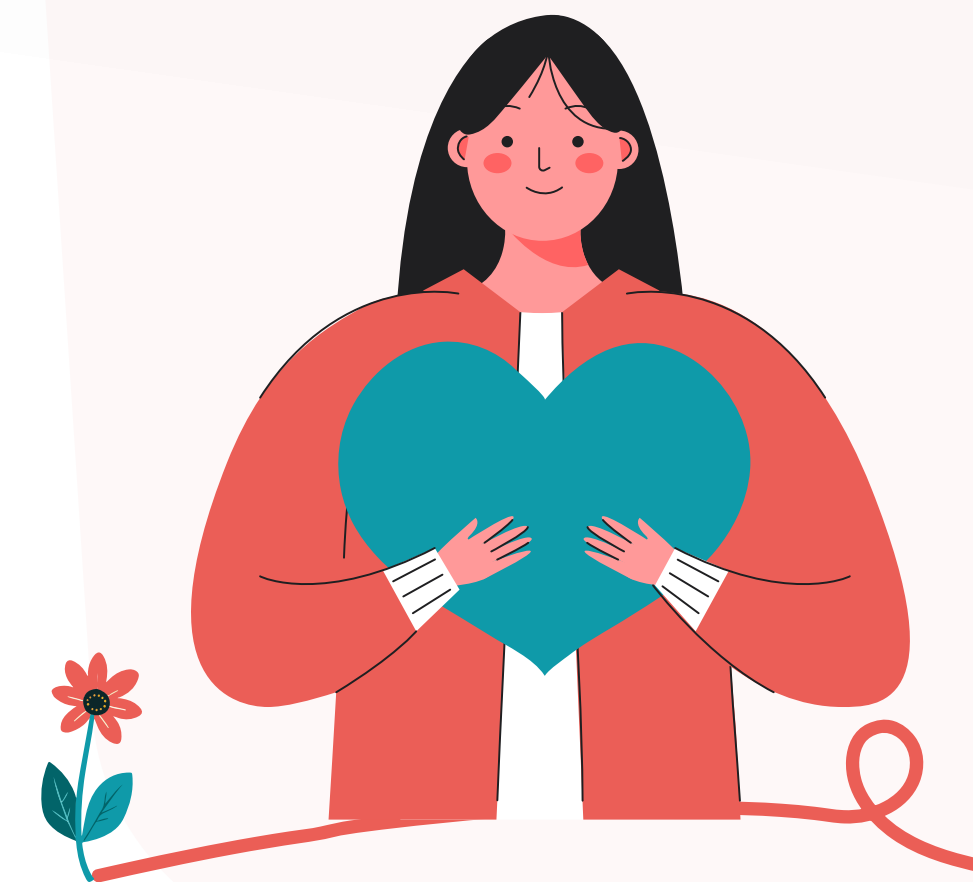
can reach up to 300.

Since 2020, we have sold

150,000

products,
generating approximately

₺ 11 million
in economic value.



Watsons Goodness Movement / Impact in Three Key Areas: The People

Promoting Women's Employment in Business

While setting an example through our high proportion of women employees within the sector, we also aim to extend this impact across our business partners. In our supplier selection processes, we emphasize the proportion of women employees as a key criterion and encourage our manufacturing partners to increase women's employment.

In addition, through the Watsons Beauty and Personal Care Awards, which we organize annually, we recognize business partners with a women employee ratio of 65% or above, helping to raise strong awareness of this topic across the industry.



By transforming women's work into economic value, we champion gender equality not only within our offices but across a broad ecosystem extending from our business partners to cooperatives.

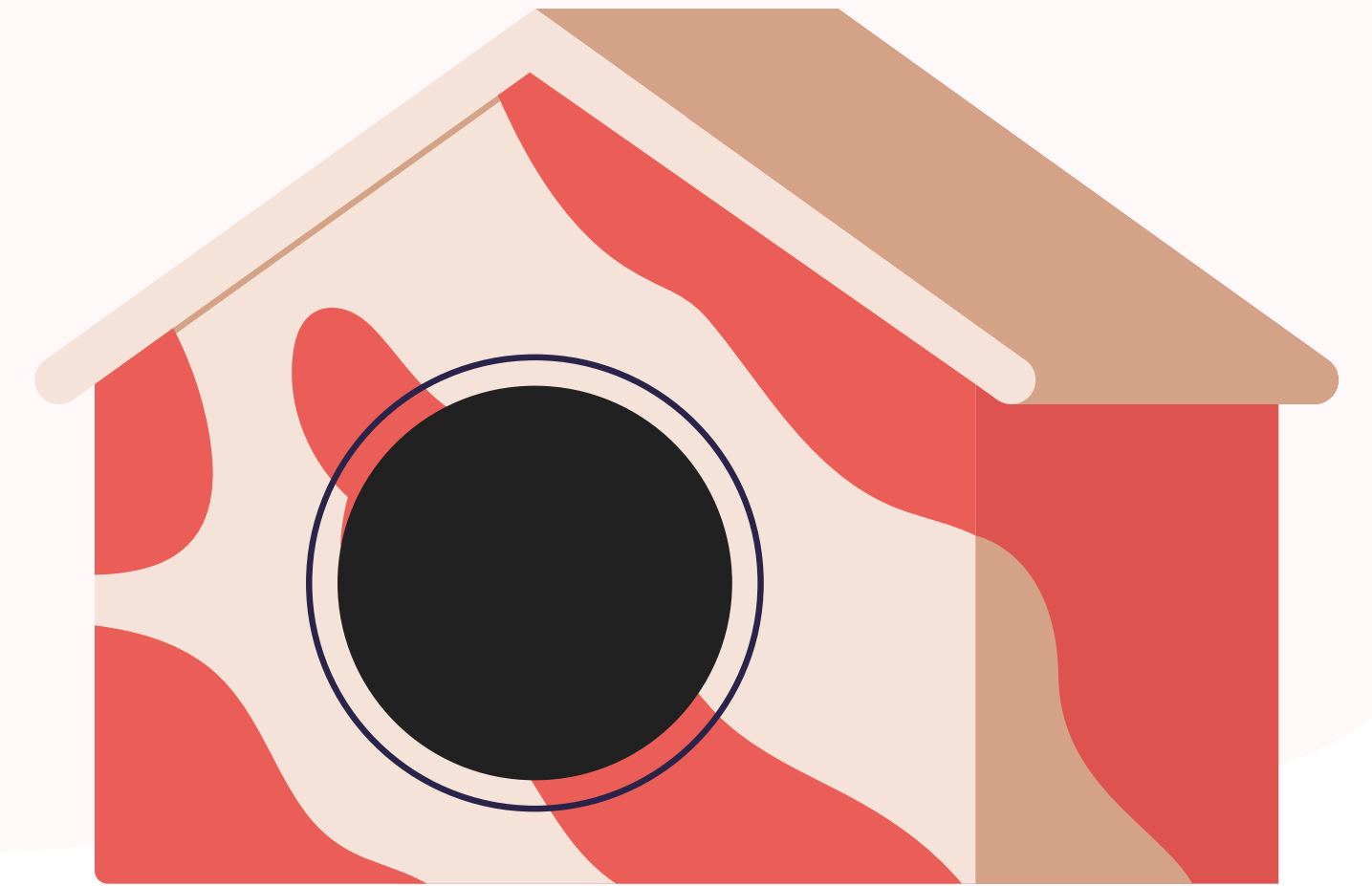
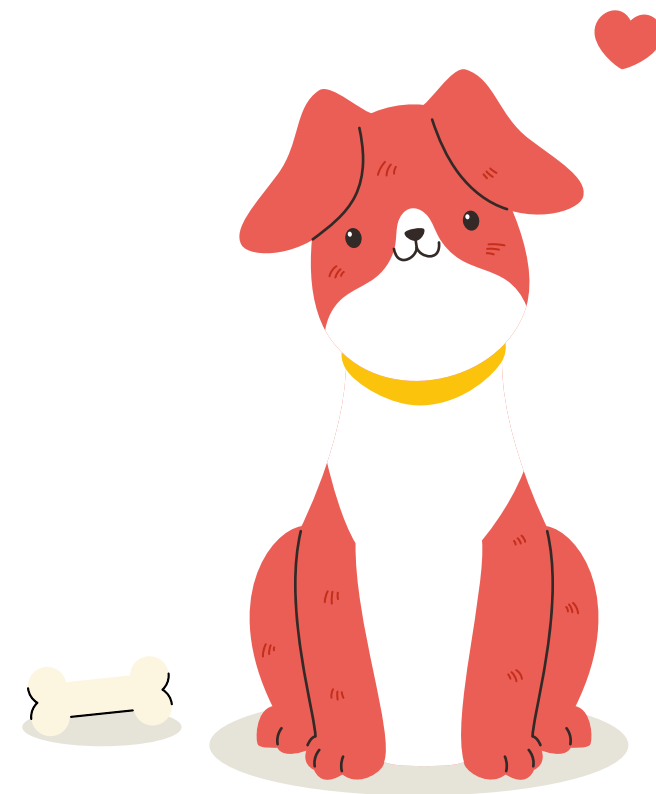
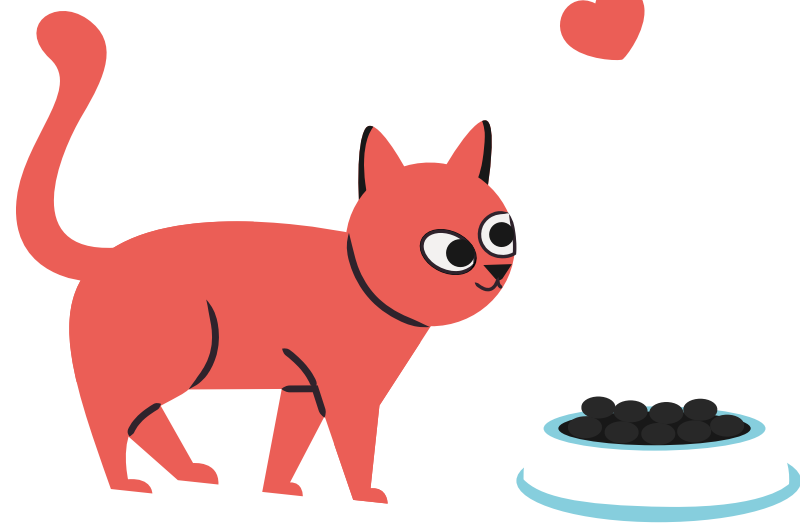


Watsons Goodness Movement / Impact in Three Key Areas: The People

As Watsons Türkiye, we implement initiatives that support raising public awareness of animal welfare and improving the living conditions of stray animals. In this context, through initiatives carried out in collaboration with HAÇİKO, we contribute to promoting compassion for animals and creating sustainable social value.

As part of our collaboration with HAÇİKO, we support the treatment processes of animals through organized activities and aim to strengthen solidarity for the needs of stray animals through annual shelter visits carried out with the voluntary participation of our employees. As of 2025, we continue our contribution in this field as a Gold Category Corporate Donor of HAÇİKO.

We are
a Gold
Category
Corporate
Donor of
HAÇİKO.



Watsons Goodness Movement / Impact in Three Key Areas: The People

As Watsons Türkiye, we create dedicated in-store spaces for sustainable products to raise customer awareness of sustainable consumption choices.

By offering sustainable product alternatives to our customers, we support the transformation of consumption habits. This approach aims to position sustainability not only as a product attribute but also as a factor influencing customer purchasing decisions.

What Makes the Approach Different

The initiatives carried out under Watsons Goodness Movement:

- Are based on a principle of continuity,
- Incorporate different collaboration and contribution models,
- Encourage the active participation of customers, employees and business partners.

**Sustainable living products available
in every store,**

**Dedicated Sustainable Living Corners
in 161 stores,**

**More than 1,000
sustainable living products,**

**2030 target:
2,000 sustainable products.**



Sustainability Communications

By sharing **Sustainability Bulletins** covering topics such as renewable energy practices, recycling systems, employee wellbeing programs, and the global climate agenda, **we reached**

1,500
employees.



At Watsons Türkiye, we carry out communication and awareness initiatives for both our internal teams and customers to enhance the impact of our sustainability efforts. Throughout 2025, the sustainability bulletins shared with our employees featured key sustainability developments from Türkiye and around the world, Watsons Türkiye's practices, and significant milestones in the sustainability journey of AS Watson Group. Reaching approximately 1,500 employees, these bulletins contributed to keeping sustainability at the forefront across the organization.

As of January 2025, we began sharing monthly sustainability content with our customers. Through these communications, we provide information that supports conscious consumption choices and contributes to the adoption of sustainable lifestyle habits. In line with this approach, we view sustainability not merely as an area limited to operational practices, but as a holistic process supported by communication, awareness-building, and behavioral change.

Alignment with the Global Framework

We implement our sustainability approach in alignment with the global framework established by AS Watson Group. Within this scope, we integrate the principles of the United Nations Global Compact relating to human rights, labor standards, the environment, and business ethics into our operations, while continuously strengthening our sustainability performance accordingly.

The Transformative Role of Retail

We believe that sustainability is shaped not only by production processes but also by consumption decisions. Therefore, at Watsons Türkiye, we regard sustainability as a strategic area of influence that shapes customer decision-making.

Through our product portfolio, pricing approach, in-store guidance, and communication channels, we enhance the visibility and accessibility of sustainable alternatives.

Sustainability Communications / From Perception to Behavior

Through the research we conduct at Watsons Türkiye, we aim to gain a deeper understanding of consumers' sustainability perspectives and use these insights to inform both our own initiatives and our stakeholders.

In this context, the WISE (Watsons Insights on Shoppers Experience) study reveals that consumers demonstrate a high level of awareness regarding sustainability; however, this awareness is not reflected in purchasing behavior to the same extent.

78% of consumers state that they support sustainability, while 32% consider sustainability in their purchasing decisions.

This gap highlights the key barriers to sustainable consumption.

Perception–Behavior Gap

While consumers express support for sustainability, different factors come into play at the point of purchase:



Price perception



Product availability



Difficulty in identifying the right product



Brand trust

For this reason, advancing sustainability requires not only raising awareness but also implementing solutions that support decision-making at the point of purchase.

Implementation Approach

Watsons Türkiye develops initiatives aimed at narrowing this gap.

At Watsons Türkiye, we focus on practices that help transform sustainability awareness into everyday consumption choices. We address this approach under three key pillars.

Accessibility

At Watsons Türkiye, our initiatives to improve access to sustainable product alternatives can be summarized as follows:

- Expanding the product portfolio
- Increasing the availability of refill solutions
- Offering options across different price segments

Clarity

Our communication efforts that help customers make informed product choices include:

- Clear and straightforward product information
- In-store guidance
- Simplified digital content

Trust

Our transparency and accountability approach that supports trust in sustainability practices includes:

- Transparent reporting
- Clear disclosure of product ingredients



Performance Summary and Progress Toward the 2030 Goals

Throughout 2025, our sustainability efforts continued to advance across both operational practices and areas of social impact.

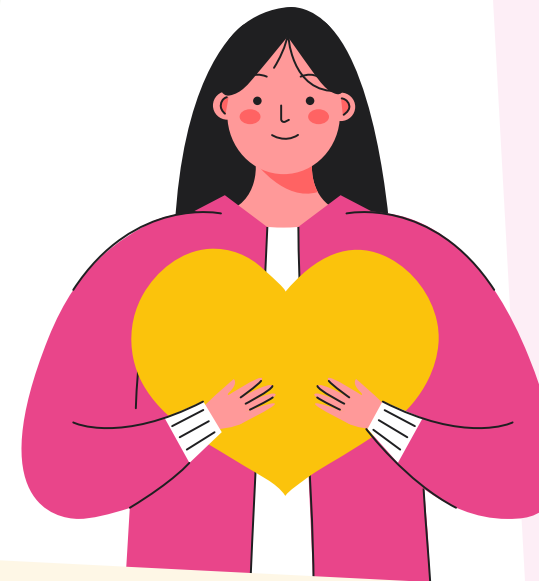
Through our operations spanning more than 400 stores across 66 provinces, the impact of our sustainability initiatives reaches a broad customer base.

We contributed to afforestation efforts through the planting of more than

450,000 saplings.

We support the creation of green spaces equivalent to

840 football fields.



More than **1,000** sustainable living products were included in our product portfolio.

We established Sustainable Living Corners in **161** stores.



To date, we have sold

150,000

cooperative products, contributing to the economic empowerment of more than

1,000 women.

Through our collaboration with HAÇIKO, we supported the treatment and rehabilitation of animals through various initiatives and events.

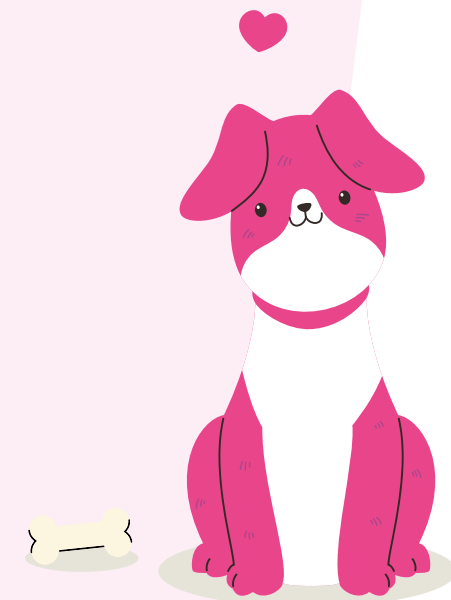
During the 2025–2026 period, we provided donations totaling **₺275,000**, supporting the following activities:

Neutering: A total of 13 dogs and 4 cats were neutered.

Treatment: Medical treatment was provided for 4 dogs and 4 cats (including hip surgery, parvovirus, FIP, respiratory tract infections, and other conditions).

Feeding: Eight forest feeding activities were carried out using 250 kg of pet food.

Vaccination: Combination vaccinations were completed for 30 dogs.





PLANET

Fighting The Climate Crisis
Achieving Greener Stores
Zero Waste to Landfill

Planet

Our Planet roadmap is shaped by a holistic approach that aims to reduce our environmental impact, use resources more efficiently and expand our value-driven sustainability transformation alongside our growing store network. We assess our environmental performance not only through our operational results, but also through our broader sphere of influence, ranging from our stores and supply chain to energy consumption and waste management.

Our roadmap is built around three key priorities. First, through our Climate Action approach, we focus on improving energy efficiency, expanding the use of renewable energy and reducing our emissions. Through improvements across our operations, we aim to minimize energy-related environmental impacts while encouraging our business partners to become part of this transformation.

Second, through our Greener Stores approach, we promote standardized sustainability solutions that optimize resource use, reduce environmental impacts and support sustainable practices across our stores, warehouses

and offices. From energy-efficient applications to sustainable material choices, this approach not only improves our environmental performance but also enhances the customer experience.

Third, in line with our Zero Waste to Landfills approach, we focus on reducing waste at its source, increasing recovery rates and embedding circular economy principles into our operations. We view waste management not merely as a compliance process, but as a strategic area of work that improves resource efficiency and reduces our environmental footprint.

These three interconnected focus areas form the foundation of our sustainable business model by helping us reduce environmental impacts, improve operational efficiency, strengthen our relationships with customers and engage our business partners in the transformation journey. The climate action, greener stores and zero waste targets defined under our Planet roadmap represent the concrete milestones of this transformation.



Planet

2030 Sustainability Roadmap

Material Topic	Group Target	Watsons Türkiye Target	Contributed SDGs
Climate Action 	Reduce Scopes 1 and 2 greenhouse gas emissions by 50.4% by 2030 compared to the 2018 baseline year.	Support the Group target locally by reducing emissions in line with the Group's 50.4% reduction target by 2030.	
	Achieve 100% renewable electricity by 2030. Reduce energy intensity by 30% kWh/m² by 2030.	Support the Group target by investing in 100% renewable electricity at the local level and implementing energy efficiency initiatives across all operations.	
	Pledge that 33% of its suppliers by emissions covering purchased goods and services, upstream transportation and distribution will have science based targets (SBTs) by 2027.	Support the Group target by encouraging selected local suppliers each year to set Science Based Targets (SBTs).	

Planet

2030 Sustainability Roadmap



Material Topic	Group Target	Watsons Türkiye Target	Contributed SDGs
Greener Stores	Strengthen the Greener Stores initiative by implementing the Greener Stores Framework, fulfilling the environmental requirements defined within the framework and increasing the number of stores that meet these standards.	Follow, localize and expand the implementation of the Greener Stores Framework established by the Group. Ensure full compliance with the standards set out in the Framework and design all newly opened stores in accordance with these requirements. Utilize electricity monitoring devices within electrical panels to support energy management and efficiency, and implement recyclable collection bins and equipment made entirely from recycled materials across all Greener Stores.	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS

Planet

2030 Sustainability Roadmap

Material Topic	Group Target	Watsons Türkiye Target	Contributed SDGs
Zero operational waste to landfill	Divert 100% of operational waste generated from warehouses, stores and offices from landfill by 2030.	In line with the Group target, increase the segregation of operational waste at source across the head office, distribution center and stores, and ensure that all waste is sent to licensed recycling facilities for recovery and recycling.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS



Planet / Fighting The Climate Crisis

Climate change is among the most significant environmental challenges facing the retail sector, with direct implications for energy consumption, supply chains, and store operations. As our operational footprint and store network continue to expand, the effective management of energy use and associated emissions has become increasingly critical.

By integrating AS Watson Group's climate action approach across all operations, we continue to advance in alignment with science-based targets. The reduction of Scope 1 and Scope 2 emissions, the expansion of renewable energy investments, and the management of value chain-related Scope 3 emissions remain key priorities. In this context, we are establishing a more sustainable operating model by standardizing energy, material, and waste management practices across our store network in line with the "Greener Stores Framework" developed by the Group.

At Watsons Türkiye, we systematically monitor and evaluate environmental performance across our stores, distribution center, and head office operations. While our operational footprint continued to expand during the reporting period, we achieved a substantial reduction in carbon emissions.

This progress demonstrates a clear decoupling of operational growth from environmental impact.

The improvements recorded in our energy and emissions intensity indicators during the reporting period also reflect enhanced operational efficiency. As part of the renewable energy investments implemented in 2024, all electricity consumed across our operations is sourced from renewable energy. This transition has played a pivotal role in reducing energy-related emissions while supporting our transition to a low-carbon operating model.

Our environmental and climate approach extends beyond the monitoring of operational performance. We further strengthen this approach through employee engagement. Through foundational sustainability education provided to employees across our store operations, we enhance awareness of waste management practices and the implementation of environmental responsibilities within operational processes. In doing so, we aim to integrate environmental practices into day-to-day operations and further embed our sustainability approach throughout the organization.



Retail Sun

**"Sustainability
Achievement Award"**

In collaboration with the TEMA Foundation,

**"Top Donating Brand of
2024" Award.**

**At the Climate and Sustainability Awards with
the Watsons Goodness Movement**

**"Most Impactful
Sustainability Project of
the Year"**

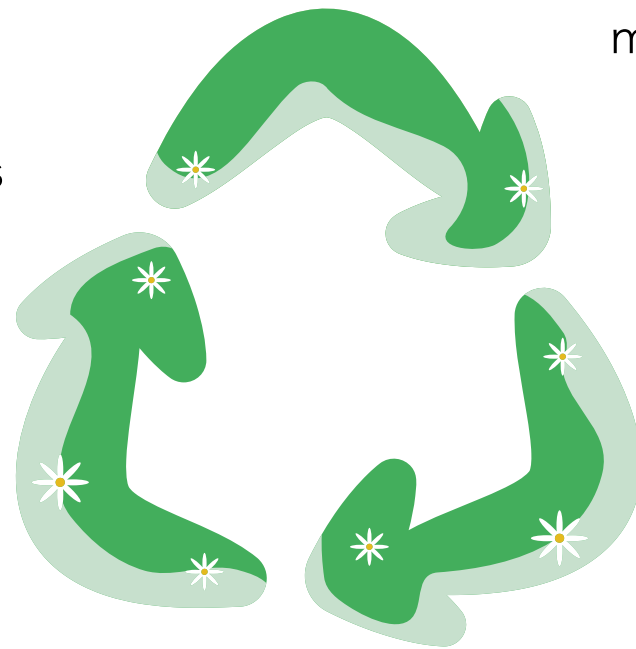
Planet / Fighting The Climate Crisis

Energy use influences a broad range of activities, from store operations to logistics processes. As a result, understanding where and how energy is consumed has become an integral component of day-to-day operations.

Store-level energy consumption is monitored regularly, enabling deviations to be identified promptly and addressed through corrective measures implemented on site.

As our operational footprint expands, an increase in total energy consumption is inevitable.

Nevertheless, the more controlled progression of energy consumption on a per-square-metre basis demonstrates the effectiveness of the improvements implemented across our operations. For this reason, evaluating consumption through intensity indicators, rather than absolute figures alone, provides a more meaningful assessment of performance.



Our approach to energy management extends beyond reducing consumption. As visibility into energy distribution, peak demand periods, and equipment-related loads increases, performance can be evaluated more effectively. This level of visibility also creates opportunities for cost efficiencies that are directly reflected in energy expenditures.

Through the monitoring infrastructure established across our operations, consumption can be tracked in real time, enabling timely intervention through automated alerts when required.

A similar trend can be observed in our emissions performance. Improvements in energy management are directly reflected in emissions intensity. The fact that emissions do not increase at the same rate as operational growth demonstrates a more balanced and efficient performance trajectory.

Through energy efficiency initiatives, we saved a total of

963,745 kWh
of energy throughout the year.

We installed energy monitoring systems in

50 stores to track energy consumption more closely.

In 2025, we met our entire electricity consumption of

20 million kWh
from renewable sources.

Despite growth in our operational footprint, we reduced energy consumption per square meter by approximately

1%.



Planet / Fighting The Climate Crisis

Investing in Renewable Electricity

The transformation achieved in electricity sourcing represents one of the most significant milestones in this journey. By meeting all electricity demand through renewable sources, we have substantially reduced energy-related emissions. This transition has delivered a measurable impact not only on our emissions profile but also on the overall characteristics of our energy consumption.

As of 2024, all electricity consumed across our operations is sourced from renewable energy. In this context, renewable electricity consumption is certified through International Renewable Energy Certificates (I-REC). Each I-REC purchase verifies that a specific volume of electricity has been generated from renewable sources and supplied to the grid through a recognized certification system. As the transition to renewable energy advances, reliance on fossil fuels declines and energy-related emissions are reduced accordingly. By sourcing 100% of our electricity consumption from renewable energy, Scope 2 emissions have been reduced to zero.

We also recognize that a substantial share of Scope 3 emissions arises from purchased goods, services, and logistics activities. For this reason, suppliers are positioned not solely as data-providing stakeholders, but as active participants in the low-carbon transition, supporting the enhancement of environment.

	2023	2024	2025	Unit
Scope 1	421.5	415.7	2,542.4	ton CO ₂ e
Scope 2	7,560.5	0.0	0,0	ton CO ₂ e
Scope 3	213,480.0	156,861.8	191,717.0	ton CO ₂ e
Total Energy Consumption	20,772,453	19,751,759	31,102,060	kWh
Energy Intensity	268	239.7	357.1	kWh/m ²
Natural Gas	216,752	153,120	207,995	kWh
Diesel	1,521,462	1,544,363	7,956,749	kWh
Electricity	18,984,240	18,054,276	20,854,782	kWh
Total Renewable Energy Consumption	1,030,000	18,054,276	20,854,782	kWh
Renewable Energy Share	5	100	100	Percentage
Total Emissions	221,462	157,277	194,259.4	ton CO ₂ e
Emissions Intensity	2.864	1.908	2.230	ton CO ₂ e/m ²

“
Investing in
Renewable
Electricity

As part of our renewable energy transition, which began in 2024, we target to source 100% of our electricity consumption from I-REC-certified renewable energy sources in 2024 and 2025, thereby reducing our energy-related emissions to zero.

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Planet / Achieving Greener Stores

The Greener Store Guide developed by AS Watson Group provides a comprehensive transformation framework designed to standardize sustainability practices across store operations and reduce the environmental impact of stores. The Guide is structured around three core focus areas: energy efficiency, materials and waste management, and sustainability awareness. A broad range of operational elements, from in-store equipment and lighting systems to material selection and communication practices, is assessed within this framework.

Under the Greener Store Guide, stores are evaluated across three development levels: Basic, Standard, and Best Practice. This structure is intended to support a progressive and continuously evolving sustainability approach rather than relying on one-off initiatives.

Beginning with lighting systems, key consumption points across stores are being upgraded with more efficient alternatives. While LED lighting has become the standard across all stores, high-energy-consuming equipment is being progressively replaced with more

efficient solutions. This transformation extends beyond equipment upgrades, with in-store operating practices also evolving in alignment with this approach.

To enhance visibility into energy consumption, store-level monitoring systems have been implemented. These systems provide deeper insights into peak consumption periods, the equipment responsible for the highest energy loads, and performance variations across stores. The resulting data is translated into actions that can be implemented directly on site, enabling stores to operate more efficiently and consistently.

One of the most tangible outcomes of this approach is the use of timer-controlled equipment. Systems introduced to prevent unnecessary energy consumption, particularly during non-operating hours, create substantial opportunities for energy savings without disrupting day-to-day operations. While this may appear to be a relatively minor adjustment, it delivers a measurable impact on overall consumption when considered across the store network.



“Our Istanbul Emaar Square store became our 450th store to be opened under the Greener Store concept.”

“In our store designs and installations, we have opted for certified materials such as FSC, EPD, and Greenguard.”



Planet / Achieving Greener Stores



“We use timer-controlled outlets for beverage refrigerators in 234 stores. This ensures that the refrigerators do not run when the store is closed, thereby reducing energy waste.”

Our stores are designed to reflect this approach not only operationally but also through their design principles and material selection. We prioritize more sustainable alternatives for materials used in store opening and refurbishment projects.

In this context, priority is given to products Forest Stewardship Council (FSC)- and Turkish Standards Institution (TSE)-certified, compliant with Formaldehyde E0, EMICODE EC1 and EC1 PLUS standards, and supported by Environmental Product Declarations (EPD) or Greenguard certification. Through these choices, indoor air quality is managed while the environmental impacts associated with construction and fit-out materials are reduced. Resource efficiency is also supported through maintenance and reuse practices that extend the lifespan of equipment.

A similar transformation is underway in our in-store communications. Through the use of

digital screens and QR code solutions, reliance on printed materials is reduced, creating a more streamlined structure that enables customers to access information directly. This approach not only reduces waste generation but also enhances the in-store experience by making it more dynamic and responsive.

One of the clearest examples of this approach in practice is our İstanbul Emaar Square store. Opened as Watsons Türkiye's 450th store, this location was developed in line with the green store concept. From the materials used throughout the store to the communication tools implemented, numerous elements were redesigned to minimize environmental impact.

Recycling practices, digital solutions, and energy-efficient systems were integrated within a single framework, creating a more sustainable and enhanced store experience.

Planet / Zero Waste to Landfill

Environmental impacts in the retail sector arise not only from operational activities but also from a broader value chain extending from product delivery to stores through to customer use and end-of-life stages. As a business operating in product categories characterized by high packaging intensity, reducing waste generation at source and simplifying material flows from the outset has become increasingly critical.

At Watsons Türkiye, our zero waste approach extends beyond the proper collection of waste. Establishing operating practices that generate less waste at source, retaining materials within the system for as long as possible, and encouraging customers to participate in this circular model have become integral components of day-to-day operations. Data generated through our activities provides greater visibility into waste streams, enabling a clearer understanding of where waste is generated and how it can be reduced through practical measures implemented on site. This approach enables resource recovery to become an integrated component of business operations rather than a standalone process.

We structure our operations in line with the Greener Store Guide developed by AS Watson Group. This framework is designed to standardize sustainability practices across store operations and establish a consistent approach throughout all business functions.

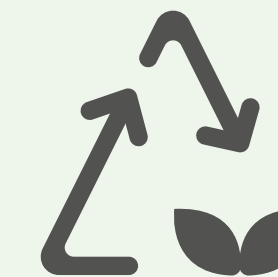
Within the scope of the Guide, the following core implementation areas have been defined:

- Source separation of waste
- Expansion of recycling and reuse practices
- Reassessment and reuse of store equipment
- Development of initiatives that support customer participation

At Watsons Türkiye, waste management is implemented through an end-to-end framework based on the principles of reduction, segregation, and resource recovery.

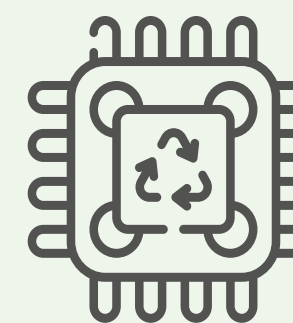


In 2025, our total operational waste volume reached
506 tons



Through the in-store recycling system we implemented,
547 customer packaging containers were directed directly into recycling processes.*

*The waste amounts presented below represent the waste collected through the recycling unit located in our first Greener Store at Emaar AVM.



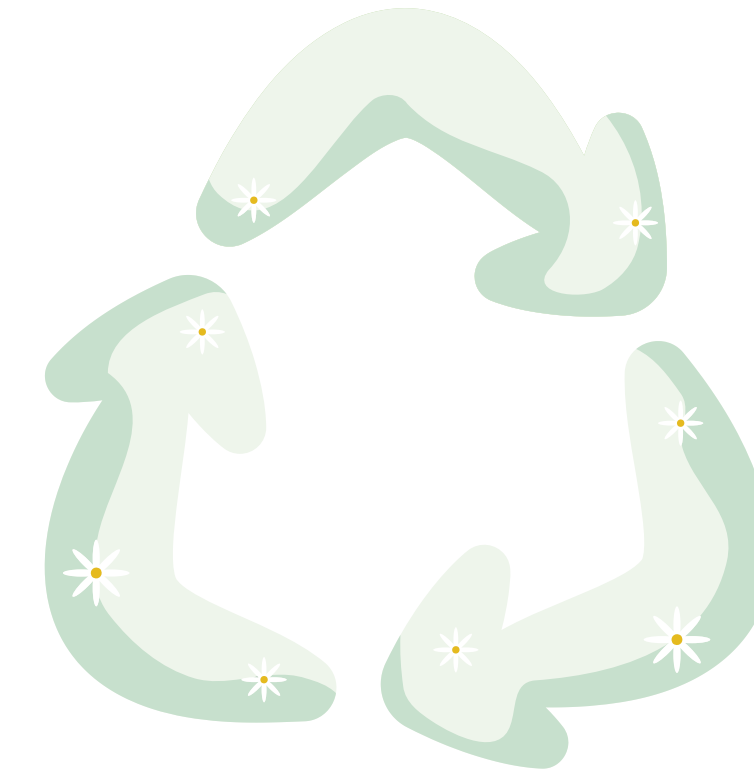
We sent
3,603 kg of IT-related electronic waste to recovery processes via licensed companies.

Planet / Zero Waste to Landfill

Under the Zero Waste Management System implemented across our high street stores, waste streams are monitored regularly, while processes at the distribution center are managed in compliance with applicable regulations with the support of environmental consultants. All hazardous and non-hazardous waste is directed to licensed facilities and tracked through digital monitoring systems.

In recent years, while our operational footprint has continued to expand, waste intensity has not increased at the same rate, indicating a more balanced operational performance. Understanding where waste is generated, taking targeted action, and streamlining processes have become integral components of day-to-day operations. Recyclable waste generated in our high street stores is directed to recycling processes through local authority collection systems, while waste generated in shopping mall stores is managed in accordance with the practices established by mall managements.

Store teams, head office employees, and distribution center employees are supported through regular awareness initiatives and education programs focused on the correct segregation of waste. Recycling bins located throughout the head office and distribution center enable operational waste to be collected separately and managed effectively.



Planet / Zero Waste to Landfill

Recycling Initiative at Our Emaar Square Store

We do not limit our zero waste to landfill approach to operational processes alone; we integrate it directly into the in-store customer experience. In this context, the initiative implemented at our İstanbul Emaar Square store represents one of the most tangible examples of this transformation at Watsons Türkiye.

Through the recycling machine installed in the store, we enable customers to contribute plastic, metal, and glass empty containers to recycling streams. Customers who deposit empty containers through the machine earn Watsons Club points, making participation in recycling activities more visible and encouraging greater engagement. In the same store, digital screens and QR code solutions help reduce the use of printed materials, preventing waste generation at source.

As part of our pilot program between April and December 2025:



535
plastic
containers



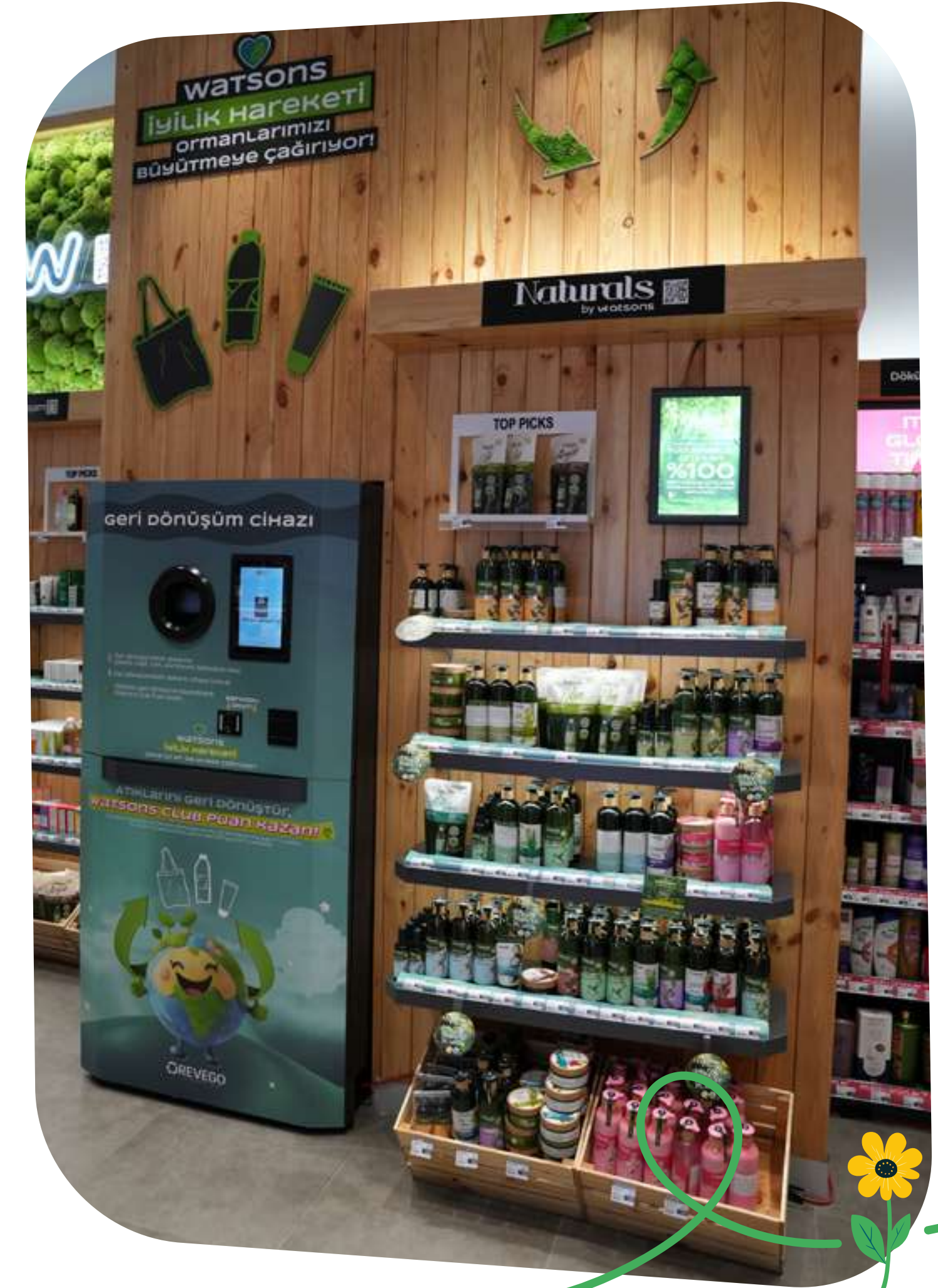
8
metal
containers



4
glass
containers

A total of 547 packaging items were diverted into recycling processes.

These results demonstrate that in-store initiatives not only raise awareness but also generate measurable outcomes. Based on the data obtained, we aim to expand this model to additional stores in the future.



Planet / Zero Waste to Landfill

Management of Electronic Waste

Information technology equipment is not removed from the system once it reaches the end of its useful life. Electronic equipment generated through store and operational activities is regularly monitored, transferred to authorized and licensed recovery companies, and incorporated into resource recovery processes.

Within this framework, electronic waste is managed not only to reduce environmental impacts but also to create economic value through the recovery of valuable materials and components. Through these recycling processes, we improve resource efficiency while generating measurable economic returns for the business.

During 2025, a total of
3,603 kg of electronic waste was diverted to recovery and recycling processes.

	2023	2024	2025	Unit
Total Amount of Hazardous Waste	8.6	10.7	16.5	ton
Total Amount of Non-Hazardous Waste	503.3	496.6	489.7	ton
Waste Intensity	0.007	0.006	0.005	ton/m2



PEOPLE

Caring for our People
Respecting Human Rights
Supporting Communities



People

Our People roadmap is shaped by our commitment to creating sustainable value across a broad sphere of influence, extending from our employees and business partners to our customers and the communities in which we operate. Through an approach that is grounded in respect for human rights, supports employee development and well-being, and views social impact as an integral part of our business model, we work towards a more inclusive and sustainable future.

Our roadmap is built around three key priorities. First, through our Respecting Human Rights approach, we support fair, ethical and safe working conditions for our employees, business partners and suppliers. In line with our responsible supply chain approach, we promote social compliance and human rights practices throughout our value chain.

Second, through our Caring for our People approach, we aim to strengthen diversity, equity and inclusion, enhance the employee experience and contribute to the career development of young people. Our women's empowerment initiatives, employee well-being programs, learning and development activities, and efforts to provide a safe working environment form the foundation of this approach.

Third, through our Supporting Communities approach, we contribute to the expansion of social impact by developing collaborations with civil society organizations, entrepreneurs, young people and local stakeholders. Through initiatives ranging from projects that support women's participation in economic life and programs that raise sustainability awareness to volunteer activities and long-term social impact programs, we contribute to building a more inclusive and resilient society.

These three complementary focus areas form the foundation of our sustainability approach by strengthening respect for human rights, supporting the development of our employees and expanding our social impact. The targets we have established under our Our People roadmap for respect for human rights, supporting employee well-being and supporting communities represent the concrete roadmap of this approach.



People

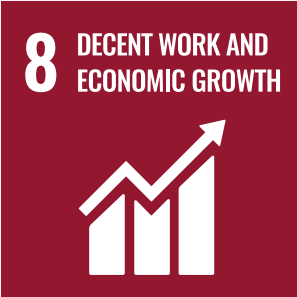
2030 Sustainability Roadmap

Material Topic	Initiative	Group Target	Watsons Türkiye Target	Contributed SDGs
Respecting Human Rights 	Support human rights and monitor the compliance performance of our suppliers.	Achieve a social compliance audit pass rate of at least 90% for private label products. This rate should not fall below 90%.	In line with the Group target, maintain a social compliance audit pass rate of at least 90% for private label product suppliers. Performance against this target will be closely monitored.	5 GENDER EQUALITY  8 DECENT WORK AND ECONOMIC GROWTH  10 REDUCED INEQUALITIES  16 PEACE, JUSTICE AND STRONG INSTITUTIONS  17 PARTNERSHIPS FOR THE GOALS 



People

2030 Sustainability Roadmap

Material Topic	Initiative	Group Target	Watsons Türkiye Target	Contributed SDGs
Supporting Employee Well-being 	Foster diversity, equity and inclusion, and create a working environment where everyone feels they can thrive.	Ensure the implementation of a meaningful Diversity, Equity and Inclusion (DEI) program across all local business units.	Develop a guideline on Diversity, Equity and Inclusion in line with local needs and support its adoption across the company.	     
	Support employees' health and well-being.	Ensure that all local business units have a meaningful Employee Well-being program in place.	Follow global best practices and implement well-being initiatives that respond to local needs.	
	Support career development for young people.	Include sustainability KPIs in existing performance evaluations.	Ensure the integration of sustainability KPIs into performance evaluation systems.	
		Contribute to young people's career development and create job opportunities for them.	Support young people's career development and create opportunities for them. Further develop the W-Generation internship program launched this year and increase the number of young people benefiting from the program each year.	

People

2030 Sustainability Roadmap

Material Topic	Initiative	Group Target	Watsons Türkiye Target	Contributed SDGs
Supporting Communities 	Support communities and foster a culture of volunteering.	Establish long-term partnerships with high-impact Non-Governmental Organizations (NGOs).	Establish long-term collaborations with NGOs and continue discussions for new partnerships.	1NO POVERTY  2ZERO HUNGER  3GOOD HEALTH AND WELL-BEING  4QUALITY EDUCATION  5GENDER EQUALITY  6CLEAN WATER AND SANITATION  10REDUCED INEQUALITIES  17PARTNERSHIPS FOR THE GOALS 
	Encourage long-term collaboration with NGOs.	Provide customers with both online and offline donation options and opportunities to participate in volunteering activities.	Promote a culture of volunteering by directing customers to the webpages of partner NGOs through our website. Extend these initiatives to offline channels in the coming years.	
		Inviting our suppliers to participate in sustainability activities.	Recognize suppliers that actively contribute to sustainability initiatives. Invite suppliers to participate in sustainability activities organized with Watsons volunteers.	
		Encourage local business units to develop empowerment campaigns and participate in these initiatives.	Develop and support empowerment initiatives that address local needs.	

People /

Caring for our People

At Watsons Türkiye, we believe that a sustainable future and long-term social success are achieved through a workforce that feels supported, healthy, and secure.

Guided by this belief, we place our people-centered corporate culture at the core of our business approach. To support the physical, mental, and social well-being of all employees, we provide a holistic well-being framework and prioritize inclusive and flexible practices that support employees throughout their professional journey.

From ensuring equal opportunity in the workplace to creating opportunities for continuous learning and development, we take deliberate steps to help employees realize their full potential. By fostering a safe, fair, and engaging work environment, we contribute not only to today's workplace culture but also to the development of an inclusive well-being environment for the future through continued investment in our people.

Employee Data

Total Number of Employees:

3,772

Headquarters Employees:

323

Store and Field Employees:

3,449

Number of Employees with Disabilities:

82

Gender Distribution

Percentage of Women Employees:

82%

Percentage of Women Managers:

71%

Education Data

Number of Employees Who Received Education:

3,513

Total Education Hours:

43,538

Participants in Ethics Education:

2,366

Anti-Bribery Education:

457

Generation W Data

Generation W Skills:

3.45

Generation W Employment Transition:

25%



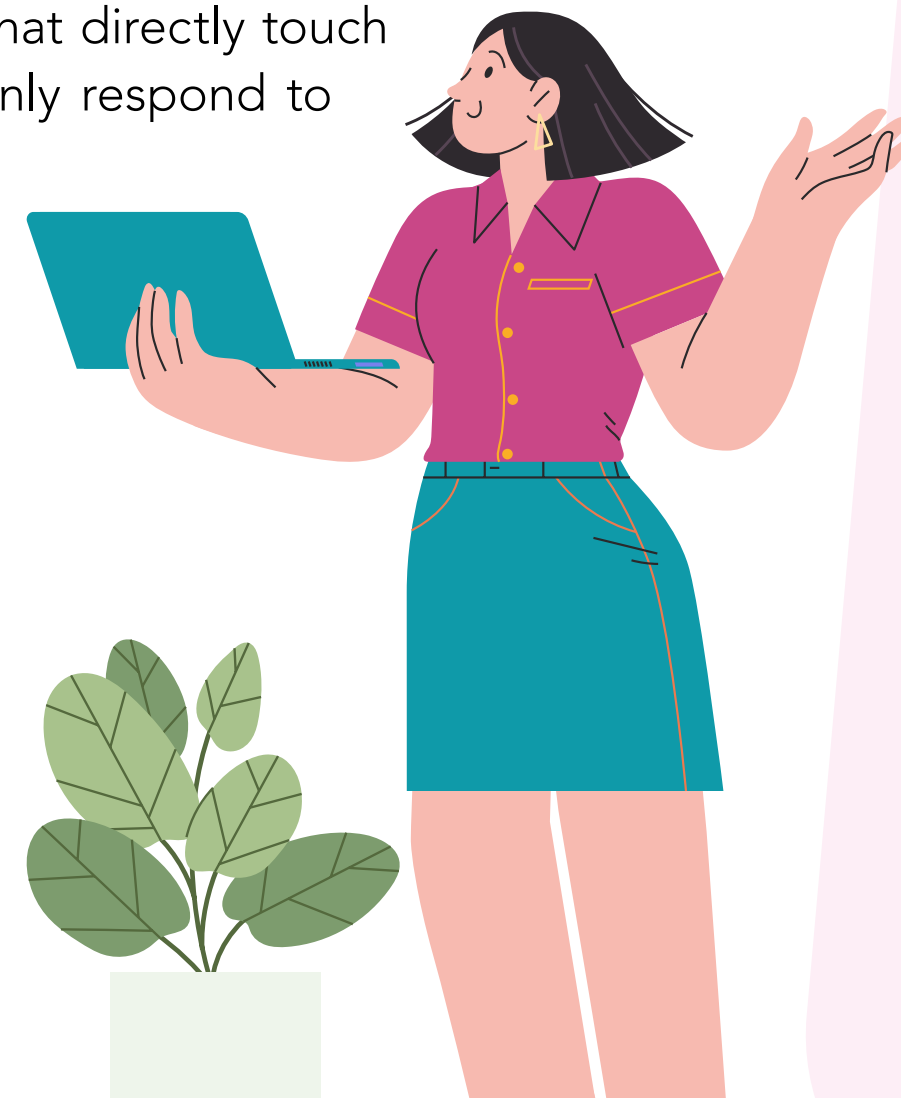
People / Caring for our People

Leveraging our influence from the local to the global level, we are working together to build a more inclusive and sustainable future.

At Watsons Türkiye, inspired by our global strength, we position social sustainability as an integral part of the way we do business. By closely monitoring the needs of the communities in which we operate, we combine local priorities with the reach and influence of our international network.

With the ambition of creating a healthier, more inclusive world that supports well-being, we focus on developing accessible and sustainable solutions that create shared value together with all our stakeholders.

Through social responsibility initiatives that directly touch different segments of society, we not only respond to today's needs but also move forward with determination through meaningful and lasting actions aimed at leaving a more livable future for generations to come.



Gigi Awards

Received the Silver Award in the Social Responsibility and Sustainability category for Employee Engagement in Achieving Sustainability Goals.

ASW - People Summit

First Place Award in the "Best Sustainability Practice" category for the Digitalization of Recruitment Documents

First Place Award in the "Best Youth Development/ Employment Practice" category for the W-Generation Development Program

First Place Award in the "Best Use of Technology/Data" category for ATS, W-PLAN, and the Digital Learning Catalog

Second Place Award in the "Best Learning Impact" category for the DM Academy Employee Development Program

People / Caring for our People

At Watsons Türkiye, we view people not merely as part of an operational management process or workforce resource, but as the most valuable foundation and primary source of inspiration for our sustainable future. Across every aspect of our retail ecosystem, from our stores and headquarters to our supply chain and customers, we embrace a holistic approach that prioritizes human dignity.

By combining our global values with local dynamics, we aim to support not only individuals' current potential but also their long-term professional and personal development, as well as their social and economic resilience. Guided by this vision, we focus on a broad sphere of impact, ranging from identifying and nurturing young talent to ensuring the fair representation of women in the workforce and leadership roles, and providing a safe, equitable, and inclusive environment for all.

By placing this people-centered philosophy at the heart of our corporate culture, we remain committed to creating value for every life we touch and to being an integral part of social well-being and a fairer future beyond the boundaries of our business.



We position our people-centric approach not merely as a focus on today's performance, but as a strategy that adds value to our employees' long-term development and well-being.



People / Caring for our People

At Watsons Türkiye, we believe that the well-being, trust, and sense of belonging of our employees form the foundation of our success. With this understanding, we go beyond providing a professional working environment by fostering an inclusive workplace ecosystem that supports both the professional and personal lives of employees through social benefits, employee benefits, development opportunities, and engagement-focused initiatives.

Creating an employee experience in which every individual feels valued, heard, and supported is an integral component of our corporate culture. Guided by this vision, we continuously enhance the opportunities we provide and maintain an approach that places employee engagement at its core.

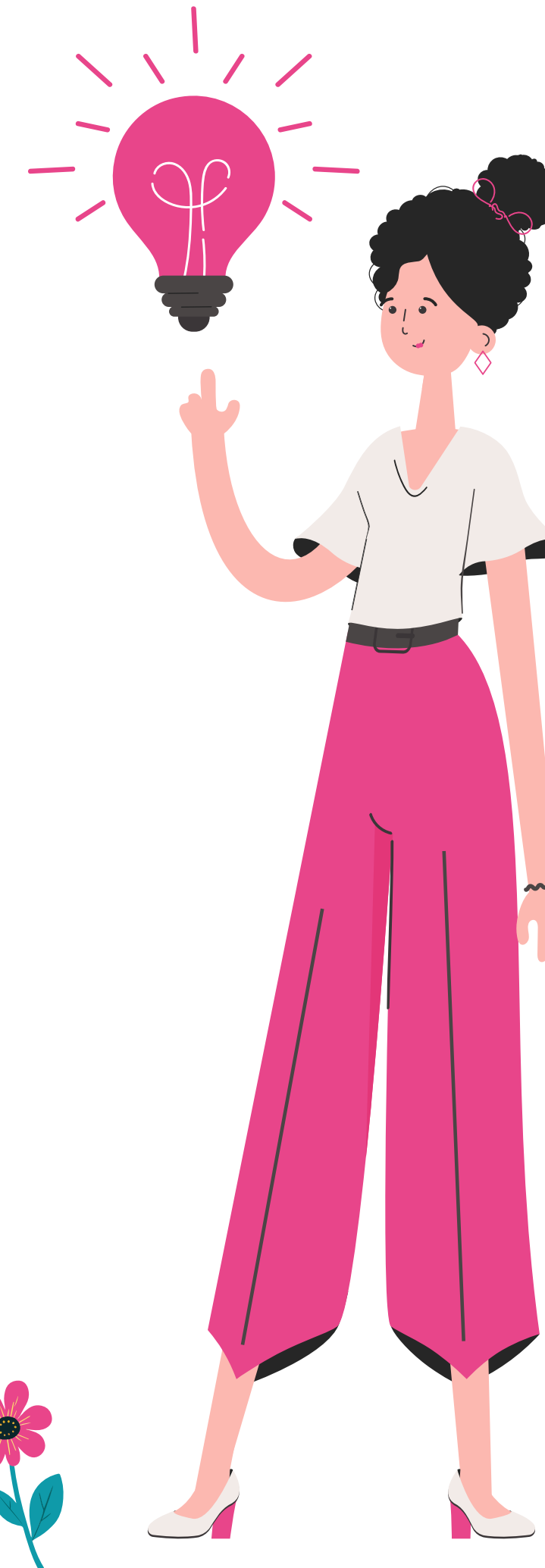
As a reflection of this approach, we place significant emphasis on incorporating employee feedback and suggestions into our decision-making processes. Through the suggestion system we have implemented, ideas submitted by employees are evaluated on a regular basis.

As of 2025, the number of suggestions received remained lower than in previous years. Nevertheless, our focus has been on evaluating suggestions with strong applicability and tangible benefits rather than the volume of submissions.

Accordingly, the lower number of implemented suggestions reflects the high feasibility of the selected proposals and their ability to introduce innovative ideas that had not previously been tested.

We aim to achieve more sustainable and efficient outcomes by assessing employee contributions not only in terms of quantity but also through the impact they generate and their level of applicability.

We also recognize the development of young talent as an integral component of this approach and aim to build a long-term talent pipeline through internship and development initiatives.



“

*At Watsons
Türkiye*

**we believe that the well-being,
trust, and sense of belonging
of our employees
form the foundation
of our success.**

”

People / Caring for our People

Continuously Enhancing Our Working Conditions

At Watsons Türkiye, we take a holistic approach to employee well-being, extending beyond business performance to support physical, mental, social, and financial wellness. By extending the employee experience beyond the workplace, we aim to enhance the quality of life of both employees and their families.

24/7 Support and a Culture of Well-Being

Through the Avita Employee Assistance Program, access to 24/7 psychological, legal, and financial counselling services is provided, ensuring support is available whenever required.

- **Prioritizing Mental Well-Being:**

In 2025, 216 employees benefited from our psychological support initiative, with a total of 808 counselling sessions delivered.

- **Comprehensive Health Support:**

Healthy lifestyle habits are encouraged through corporate dietitian services, weekly health bulletins, and workplace physician support. Through the Multisport program, access to sports and physical activity is also enhanced for employees.

Work-Life Balance and Flexibility

We recognize the value of providing greater flexibility in time management and adapting collaboration practices to an increasingly digital working environment. Through our Flexible Working Model, introduced during the pandemic and subsequently adopted as a permanent practice, we support work-life balance by offering head office employees a hybrid arrangement consisting of four days in the office and one day of remote working per week.

A Safe, Fair, and Respectful Workplace

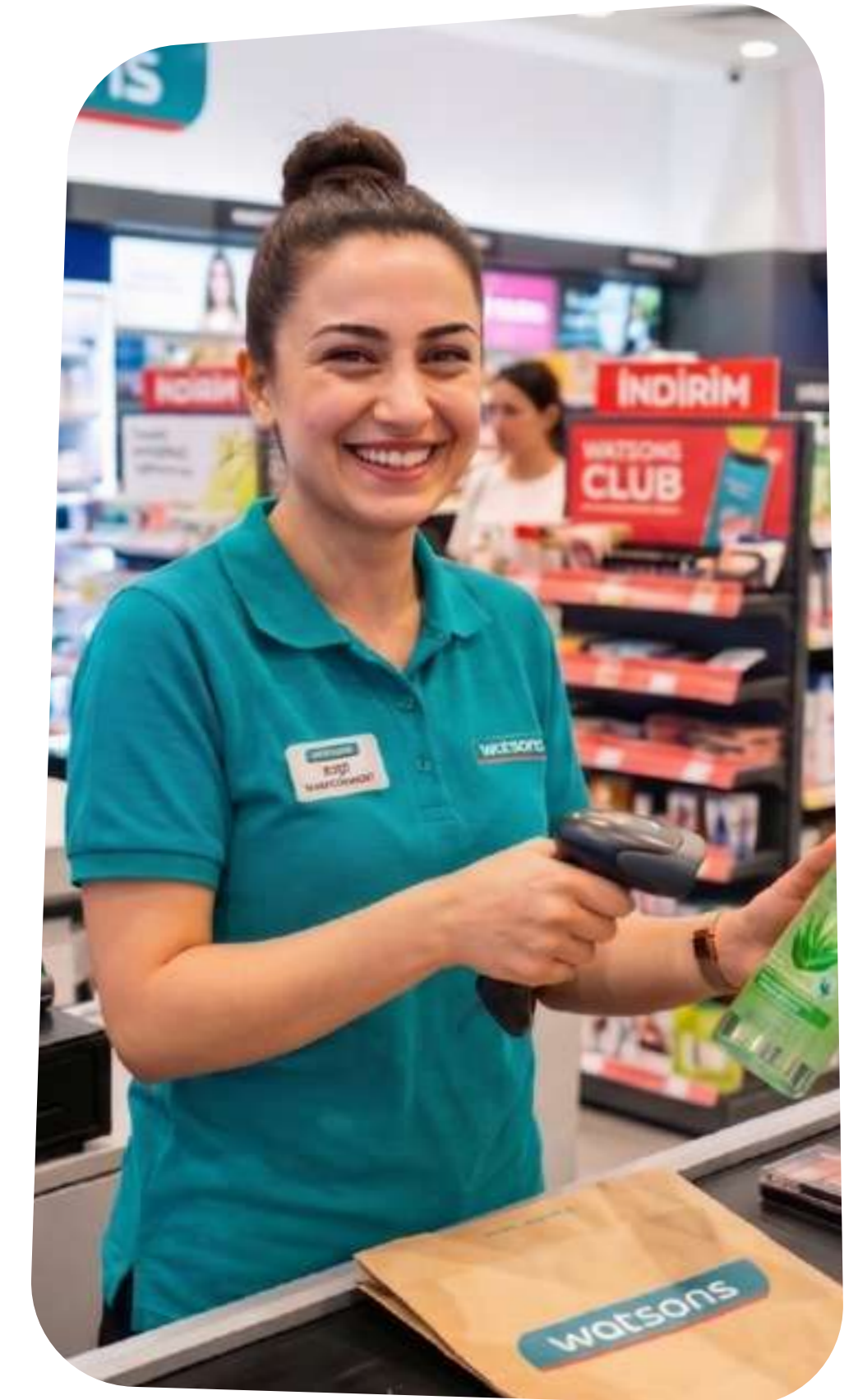
We maintain a zero-tolerance approach towards all forms of discrimination, harassment, bullying, and violence in the workplace. Creating a working environment in which employees feel safe remains one of our core priorities.

- **Equal Pay for Equal Work:**

Our remuneration policy is structured independently of age, gender, or similar characteristics and is based solely on role responsibilities, market benchmarking, and merit.

- **Awareness and Oversight:**

In 2025, 19 managers participated in awareness and education initiatives covering these topics. In line with our commitment to ethical values, every concern and piece of feedback submitted is reviewed with due diligence. During the year, 37 reports were assessed and resolved in accordance with our commitment to transparency.



People / Caring for our People

We Are Part of a Continuous Learning and Development Ecosystem Through Watsons Academy!

At Watsons Türkiye, we regard learning and development as a core component of the employee experience. Through Watsons Academy, we have established a corporate learning platform designed to support the professional and personal development of employees across all functions, from store teams to head office staff.

Through the education programs delivered within the Academy, capabilities are continuously strengthened in areas such as product knowledge, customer experience management, operational processes, and leadership development. In this process, we adopt a multi-channel learning approach that integrates classroom-based education, in-store practical learning, and digital learning modules.

Through this approach, we aim to strengthen capabilities through programs that support professional development and enhance long-term career resilience. Watsons Academy provides a dynamic development environment where different generations work together, fostering knowledge sharing and cross-functional learning.

To ensure employees can access the knowledge and skills they need throughout their career journeys, learning programs are regularly updated. Supported by this strong foundation, learning is not viewed as a series of education activities delivered at specific intervals. Instead, it is embraced as a continuous learning ecosystem that supports career development and strengthens knowledge sharing across the organization.



People / Caring for our People



At Watsons Türkiye, women's leadership is reflected not just in the numbers but in our leadership roles: with 82% of our workforce and 71% of our managers being women, we continue to lead the way in equal opportunity in retail.



With the belief that the strength of human capital stems from the convergence of diverse perspectives and experiences, we place diversity and inclusion at the core of our corporate culture. We recognize that differences are not merely individual attributes, but a source of innovation and collective insight that enables sustainable progress. Creating a workplace where everyone can realize their full potential through equal and fair opportunities is a fundamental responsibility. Guided by this vision, Watsons Türkiye prioritizes equal opportunity at every stage, from recruitment to career development, fostering a professional environment that is free from discrimination and grounded in merit and competence.

Through education programs, regular engagement initiatives, and internal communication activities, we continue to strengthen the integration of our inclusive approach across the organization. We regard diversity and inclusion not only as a human resources priority, but also as a key driver supporting the sustainable development of our corporate culture.

We view women's employment and leadership as a reflection of organizational capability. By supporting the career development of our women employees through strategic development programs and practices that promote work-life balance, we continue to enhance their representation across leadership and management levels.



People / Caring for our People

We're Measuring the Impact of Learning!

At Watsons Türkiye, we regard employee development as a key driver of the sustainability of our retail operations. Through our education programs, we focus on strengthening the capabilities of our store and field teams, particularly in customer experience, product knowledge, and operational excellence.

A substantial proportion of our education activities is dedicated to store and field employees who interact directly with customers. Through these programs, we aim to enhance operational capability and further elevate the quality of the customer experience.

In 2025, a total of 3,513 employees participated in our education programs, and 43,538 person-hours of education were delivered throughout the year. In comparison, 40,253 person-hours of education were provided to 3,450 employees in 2024. As a result, 2025 recorded a 1.8% increase in employee participation and an 8.2% increase in total education hours delivered. On average, 11.5 hours of education were provided per employee during the reporting period.

Our 2025 Development Report Card:

Total Education Volume:

43,538
person-hours

8.2% increase compared to
the 40,253 person-hours of
education in 2024

Number of Participants:

3,513
employees

1.8% increase compared to
the 3,450 employees in
2024

Average Education
Hours Per Employee:

11.5
hours



People / Caring for our People

I Find Myself at Watsons (EVP) and Our Campus Strategy

At Watsons Türkiye, we shape our employer brand by adapting the global “I Find Myself at Watsons” (EVP) framework to our operations in Türkiye.

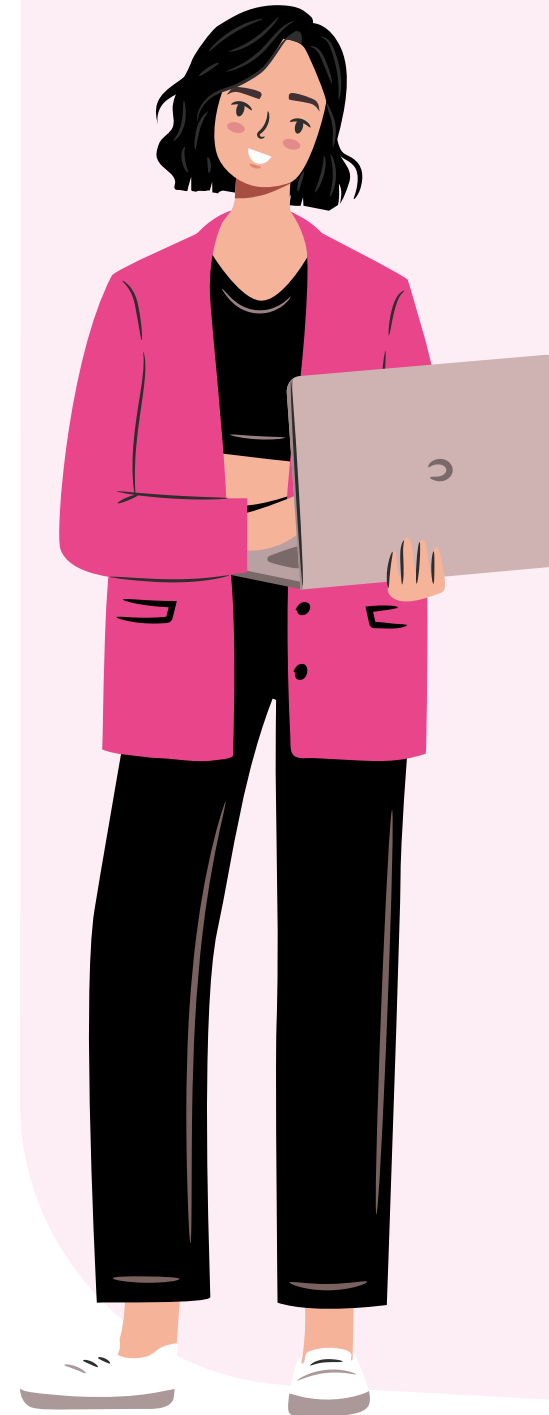
With our “I Find Myself at Watsons” approach, we do not limit employee experience to the recruitment process; we consider it as a structure encompassing the entire development journey of all colleagues within the organization.

Through our university collaborations, which are one of the cornerstones of our strategy, we engage with young talent at the early stages of their careers. In this way, we both reach potential colleagues and aim to build a sustainable talent pipeline for our future.



Through the

W-Generation
program, we open our
doors to approximately
45 future professionals
each year and provide
them with real-world
work experience.



Our W-Generation Program

At Watsons Türkiye, we implement the W-Generation Program to support the transition of young talent into working life. Through this program, we provide future professionals with real work experience by opening our organization to early-career talent.

Within the scope of the program, approximately 45 young talents are integrated into the Watsons Türkiye team each year through a one-year contract. During the program, participants are enabled to gain experience across different business processes and are supported with tailored education content.

At the end of the program, approximately 25% of participants are employed within Watsons Türkiye, contributing to our sustainable talent management approach.

Our W-Generation Program Data:



Annual Participation:

Approximately
45 Young Talents



Program Duration:

1-Year Contract



Employment Rate:

Approximately **25% of Participants**

People / Caring for our People

Our Watsons Hello Orientation Program

At Watsons Türkiye, we implement the Watsons Hello Orientation Program to ensure the rapid integration of new colleagues into our organization. Launched in 2022, the program provides a structured onboarding process covering corporate culture, operational processes, and the fundamentals of the retail business model.

Program Highlights:

- **Launch Year:** 2022
- **Learning Approach:** Blended Learning (Classroom, In-Store, and Digital)
- **Scope:** O+O (Offline plus Online) Retail Approach and Compliance (ABAC etc.)

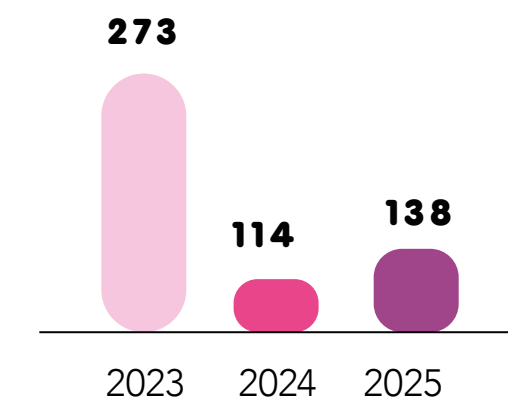
The program is structured around role-based content and delivered through a blended learning model combining in-store education, classroom sessions, and digital learning modules. The process is managed through structured follow-up steps implemented over several weeks. Within the scope of the program, the O+O (Offline plus Online) retail approach is introduced to colleagues, alongside briefings on core compliance topics, particularly ABAC.

In addition, at Watsons Türkiye, comprehensive education is provided to employees on Ethics, Environment, Anti-Bribery, and Anti-Corruption to sustain a transparent and accountable working environment. Through these education programs, business ethics standards, environmental responsibilities, and the zero-tolerance stance against corruption are embedded across all colleagues, ensuring this awareness becomes an integral part of organizational culture.

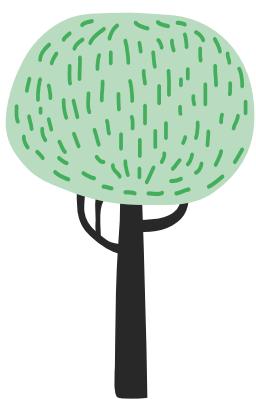
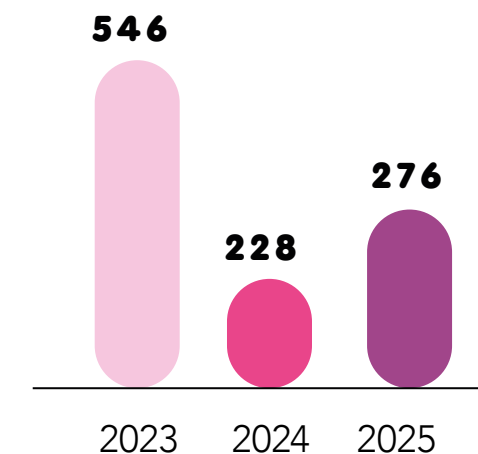
The education volumes delivered this year are presented below. Ethical values remain at the center of every step of the development journey.

Environment Education

Number of Participants
(persons)

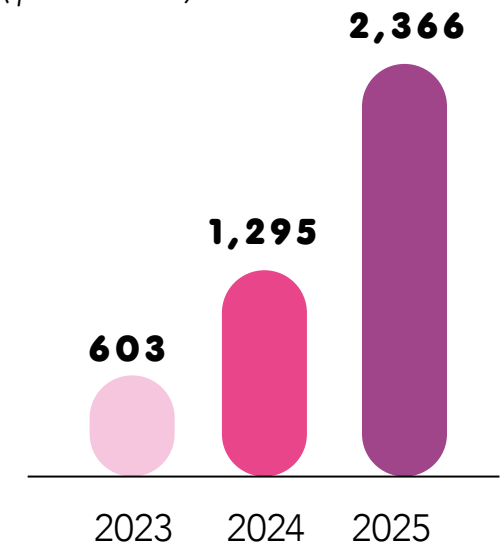


Total Education Hours
(person-hour)

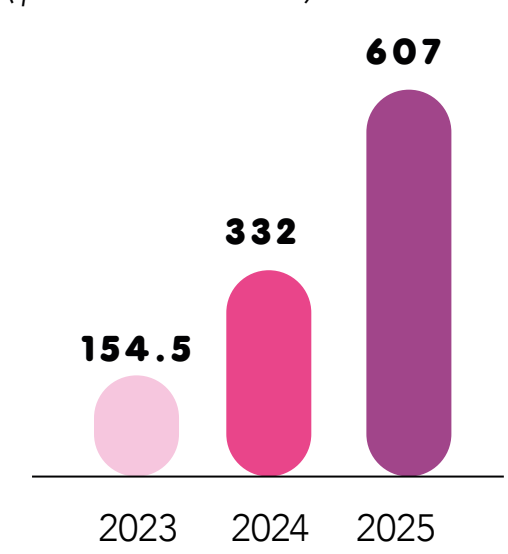


Ethics Education

Number of Participants
(persons)

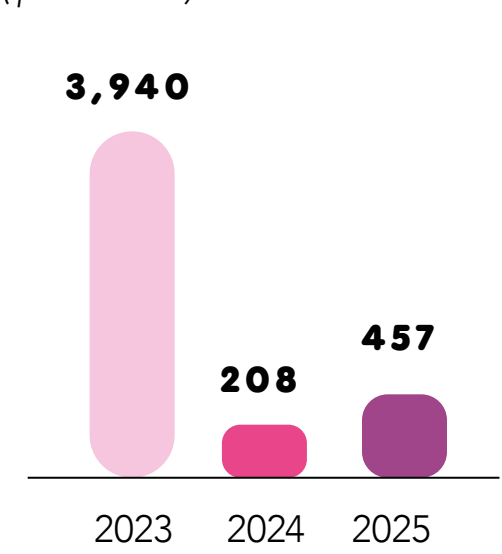


Total Education Hours
(person-hours)

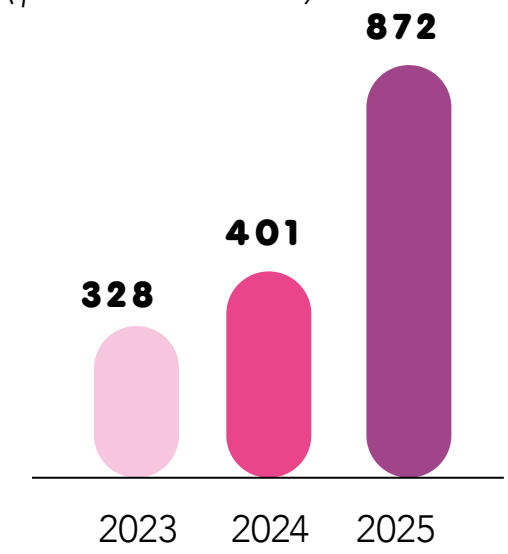


Anti-Bribery and Anti-Corruption Education

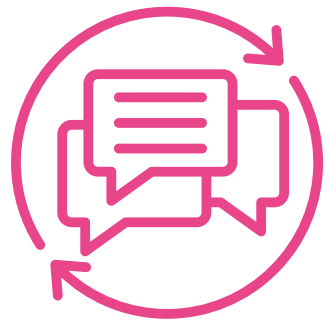
Number of Participants
(persons)



Total Education Hours
(person-hours)



People / Caring for our People



Feedback Mechanisms That Value Employee Voice

We believe that frontline experience is one of the most valuable sources of insight for organizational development. In line with this approach, we actively utilize the Ebiflow platform, through which our store teams can directly share suggestions related to operational processes. Every suggestion submitted is carefully reviewed by the relevant departments under the coordination of the Sales Operations Communication team and incorporated into business processes where applicable.



"I Have an Idea" Suggestion System

We strengthen efficiency and process improvement efforts through the innovative ideas of our employees. Through the "I Have an Idea" system, all employees can directly share suggestions that support the advancement of our operations and actively contribute to the Company's transformation journey.



People / Caring for our People

Watsons Social Clubs: Sharing Experiences Together

We offer a volunteer-based community model that encourages employees to connect through shared interests and fosters interaction across different functions. As of 2025, a total of 100 employees actively participate in seven clubs focused on gastronomy, travel, books, theater, cinema, walking, and running. Organizing their own activities, these clubs represent a living and integral part of our corporate culture.



People / Caring for our People

Through initiatives such as
“Coffee is on the
General Manager”
we provide an open
environment that enables
employees to engage directly
with senior management.

Continuously Improving Our Working Conditions

Employee Communication and Feedback Mechanisms

At Watsons Türkiye, we regard open and consistent communication with employees as a cornerstone of our corporate culture. Through town hall meetings, internal newsletters, and leadership meetings, we communicate our corporate strategy and key priorities across the organization.

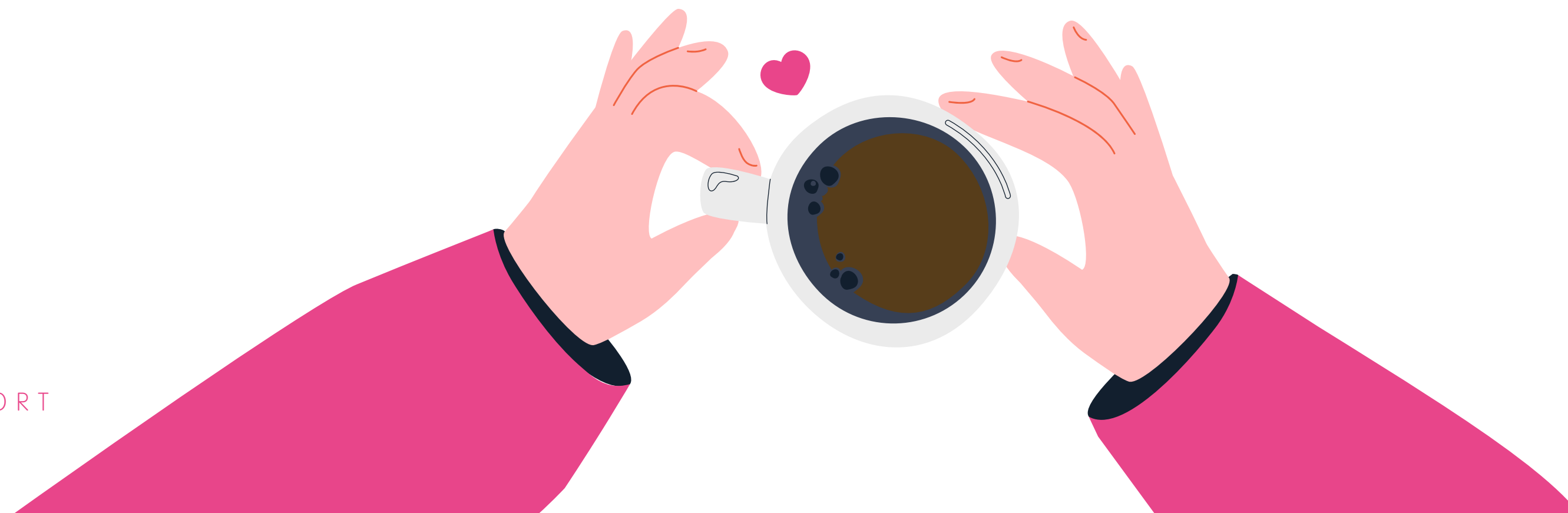
Key Communication and Feedback Highlights:

- **Store Visit Coverage Rate:** All stores were included in regular visit programs in 2023 and 2024.
- **Direct Communication Platform:** “Coffee is on the General Manager” Sessions
- **Accessibility:** Digital Communication Tools and Regular Feedback Mechanisms

Through initiatives such as “Coffee is on the General Manager” we provide platforms that enable employees to engage directly with senior management. These sessions create opportunities for employees to share feedback while strengthening communication across the organization.

In addition, Human Resources teams conduct field visits to gather direct feedback from store employees. Through store visits conducted in 2023 and 2024, we achieved a 100% coverage rate. These visits enable the collection of insights that support the continuous enhancement of the employee experience.

Furthermore, employees can openly share their views and suggestions through digital communication tools and regular feedback mechanisms, supporting a culture of transparent and accessible communication.



People / Caring for our People

Providing Quality Employment and Development Opportunities

At Watsons Türkiye, we regard employee development as an integral component of operational performance and a key element of the employee experience. We deliver our development strategy through Watsons Academy and support the professional and personal competencies of headquarters, store, and distribution center teams through a holistic approach.

Through a model focused on strengthening employee capabilities across functions and organizational levels, we continue to support development journeys in the areas outlined below while investing in both individual and organizational growth.

- **Headquarters and Strategic Development:**

We strengthen strategic capabilities through functional and leadership development programs designed for headquarters employees. Employees included in the talent pool can plan their learning journeys by selecting the programs that best align with their development needs and career aspirations from the annual education catalog.

- **Field Operations and Operational Excellence:**

Education programs for store and field teams focus on enhancing product knowledge, customer experience, and operational effectiveness.

This focused approach, particularly for employees who interact directly with customers, reflects the direct link between development initiatives and customer experience quality. Through this structure, we position learning at Watsons Türkiye not as an activity limited to specific periods, but as a continuous learning ecosystem that promotes knowledge sharing across the organization. Additional education programs within this scope are presented below.

By engaging with **3,513** employees in 2025,
we delivered a total of **43,538** hours of education.
We continue to advance by placing development
at the center of our approach.



People / Respecting Human Rights

“Building Well-Being Together”

At Watsons Türkiye, we do not limit our people-centered approach to employees; we aim to extend this understanding across stakeholders throughout the value chain. We consider the principles of an inclusive, fair, and safe working environment that guide our employee experience approach to be equally fundamental for business partners and suppliers. In line with this holistic perspective, we uphold respect for human rights and ethical labor standards not only within our organization but also throughout the supply chain, managing social and environmental impacts through a responsible sourcing approach.

As Watsons Türkiye, we strive to embed our sustainability approach across the entire value chain rather than limiting it to our own operations. We closely monitor the social compliance and environmental performance of suppliers manufacturing products for our brand and extend our commitment to human rights, ethical working conditions, and environmental responsibility throughout our business relationships.

Accordingly, we maintain zero tolerance for non-compliant practices, including discrimination, forced or compulsory labor, and child labor. Where such practices are identified, business relationships are terminated. The social compliance performance of suppliers is regularly assessed through audits conducted by independent and accredited third-party organizations.

We monitor supplier environmental and social performance through digital platforms and support continuous improvement through self-assessment processes. At the same time, we require internationally recognized certifications in areas such as quality management, product safety, human rights, environmental management, occupational health and safety, and ethics, ensuring the continuity of responsible production practices. As Watsons Türkiye, we aim to create long-term value for all stakeholders through a transparent, ethical, and sustainable supply chain.



“ By placing respect for human rights and environmental responsibility at the core of our supply chain, we continue to expand our sustainable impact together with our business partners. ”

People / Respecting Human Rights

We regard diversity as a source of strength and overcome barriers by embracing our differences. By placing competence at the center of every stage, from recruitment to leadership, we are building an inclusive workplace ecosystem.

By creating supportive environments that encourage the participation of people with disabilities in working life, we consider inclusion an indispensable component of both operational sustainability and social impact. Advancing our diversity and inclusion vision, we reinforce this culture through ethical values and clear implementation principles. In line with this approach, we put our commitment to transparency and fairness into practice through the following core principles.

As Watsons Türkiye, we clearly demonstrate our stance against discrimination and evaluate all candidates and employees solely based on professional experience, knowledge, and competencies.

Guided by our belief that diversity and an equitable workplace are enriched by different perspectives, we regularly monitor the number of employees with disabilities and conduct recruitment processes in close collaboration with İŞKUR. While continuing to strengthen support in this area together with employees, we also integrate international best practices as part of a global group that prioritizes diversity and inclusion.

To raise employee awareness, we conduct regular education programs and maintain a zero-tolerance approach toward discrimination. In the event of misconduct or inappropriate behavior, we implement a thorough and fair review process to uphold professional ethics. As part of our commitment to transparency, employees can anonymously submit concerns, feedback, or reports through the “Ethics Line,” which is managed by a fully impartial and independent external service provider. Accessible directly via telephone, email, and web channels, this mechanism ensures that all submissions are reviewed with the highest level of diligence and that appropriate actions are taken based on the findings.



People / Respecting Human Rights

As of 2025, our latest workforce data related to diversity and inclusion is presented below:

Total Workforce:

3,772

Head Office Functions:

323

**Store and Field
Operations:**

3,449

Women Employees:

82%

Women in Management:

71%

**Women in Middle
Management:**

60%

Women Employees in Stores:

87%

Women Store Managers:

70%

**Employees Completing
Ethics Education:**

2,366

Employees with Disabilities:

82

**Women Employees with
Disabilities:**

41

**Men Employees with
Disabilities:**

41



People / Respecting Human Rights

“Growing Stronger Through Equality”

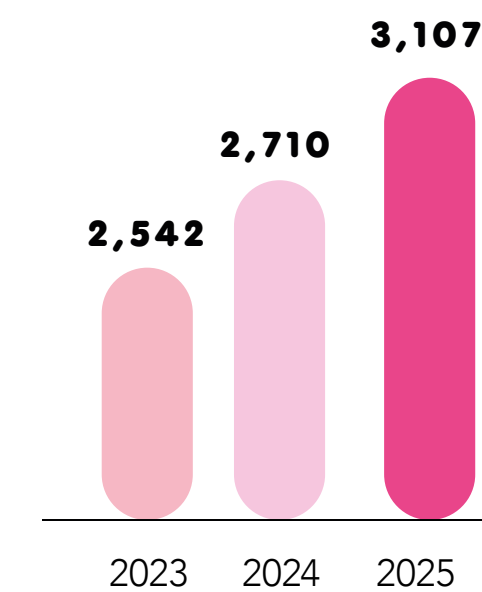
Gender equality is not only a fundamental human right but also a significant driver of sustainable development and long-term business success.

Research conducted globally demonstrates that diversity and an inclusive workplace culture foster innovation, enrich decision-making processes, and strengthen organizational resilience. Across our operations in Türkiye, we regard gender equality not only as an ethical responsibility but also as a strategic value that supports future growth. We believe that creating an environment where women can fully realize their talents and potential is essential to both industry-wide and societal transformation.

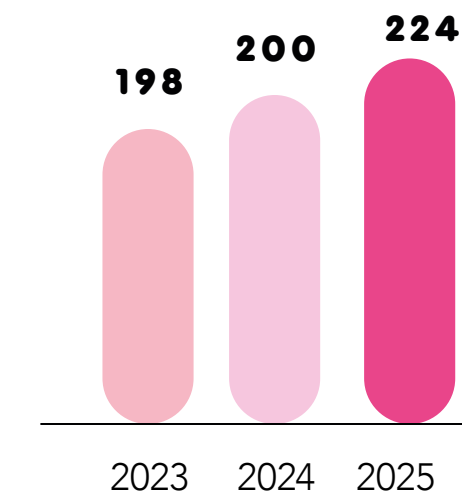
In line with this vision, we prioritize promoting women’s participation in the workforce, particularly in decision-making roles, as one of our highest priorities.

We recognize the empathy-driven leadership approach, agility, and forward-looking perspective that women leaders bring to our organization as key contributors to our success. The data we share clearly reflects our commitment in this area and the consistent progress we achieve year after year.

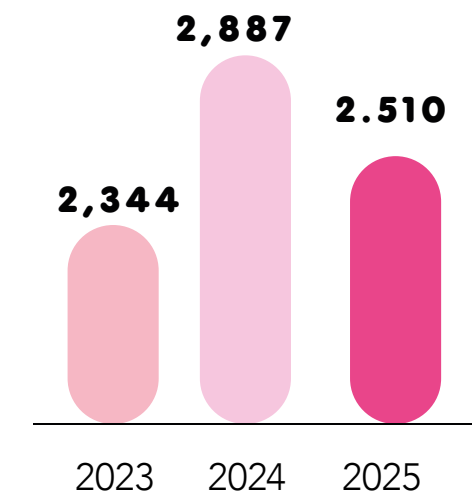
Our commitment to equality and inclusion extends beyond representation and we embed it throughout the employee experience. We uphold the principle of equal pay for equal work and place strong emphasis on providing employees with a fair, safe, and supportive working environment through health insurance and the benefits we offer. By maintaining this commitment at every stage, from decision-making processes to implementation, we embed equality into everyday practice across the organization.



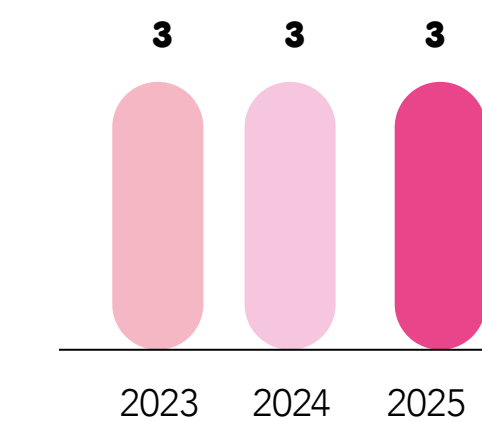
Change in the Number of Women Employees:
565



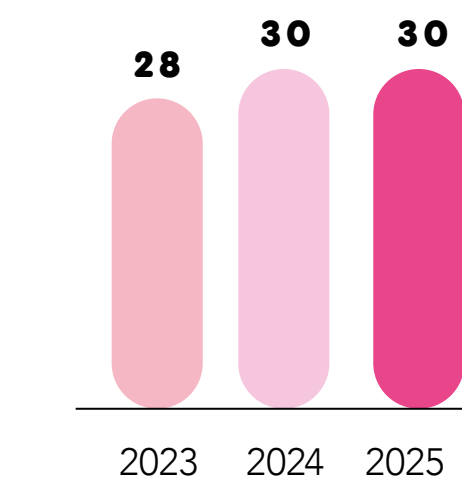
Change in the Number of Women Employees in Head Office Functions:
26



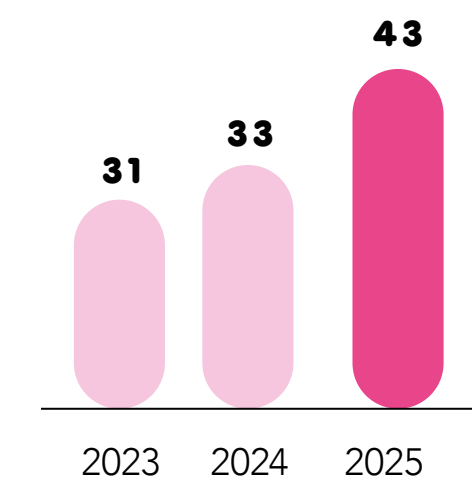
Change in the Number of Women Employees in Field Operations:
166



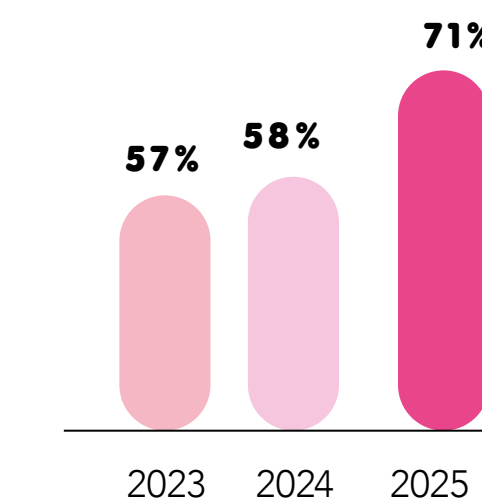
Change in Women Representation in Senior Management:
0



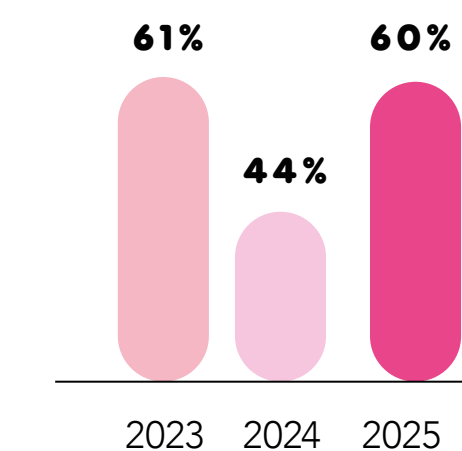
Change in the Number of Women in Middle Management:
2



Change in the Total Number of Women:
12



Change in the Women Manager Rate:
+14 percentage points



Change in the Women Middle Management Rate:
-1 percentage points



People / Respecting Human Rights

The increase in the number of women managers from 2024 to 2025, together with the rise in the proportion of women managers to 71%, demonstrates the significant role women play within our organization, not only in operational functions but also in leadership positions. In addition, the proportion of women among our store employees increased from 84% in 2024 to 87% in 2025, while the proportion of women among our store managers rose from 67% to 70% over the same period.

In particular, the 16-percentage-point increase in the representation of women in middle management reflects our success in developing the senior leaders of the future today.

With every step we take to strengthen women's leadership and representation in the workforce, we contribute not only to our own growth but also to the advancement of equality across society.



People / Respecting Human Rights

Occupational Health and Safety

At Watsons Türkiye, we manage financial investments and education activities through a strategic and integrated approach to ensure a sustainable and safe working environment.

We regard employee safety as a cornerstone of operational sustainability, and we strengthen a proactive safety culture while continuously enhancing our technological infrastructure.

In 2025, we invested a total of ₺7,728,000 in occupational health and safety initiatives. Through these investments, we implement preventive measures and prioritize risk mitigation across all locations. We monitor performance through internationally recognized indicators and advance occupational health and safety performance through a data-driven approach.

We deliver education programs through a blended model combining online and in-person formats.

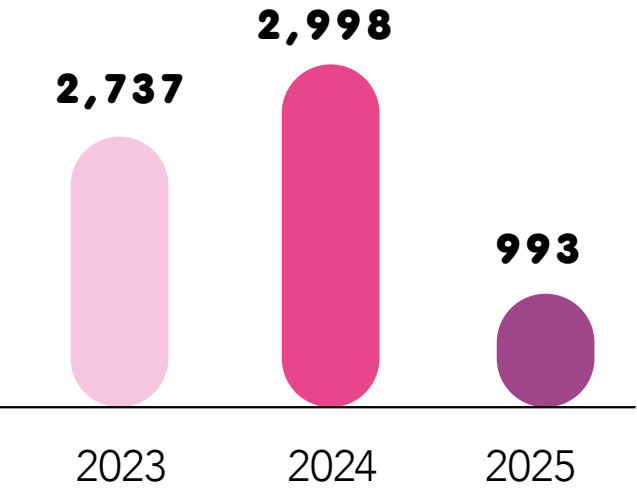
Employees at headquarters and stores receive 3 hours of occupational health and safety education annually, while distribution center employees receive 6 hours annually.

To support business continuity, we make emergency procedures and evacuation routes easily accessible to employees across stores, the distribution center, and headquarters.

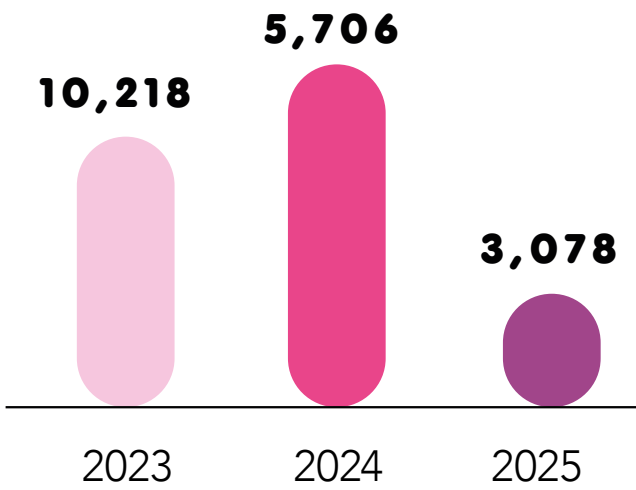
We conduct regular emergency drills at headquarters and the distribution center, and we support firefighting teams through professional education programs. Through disaster and emergency preparedness education, including practical applications, we equip employees to identify risks, respond in a timely and coordinated manner, and implement appropriate response procedures during crisis situations. The number of employees who received education within this scope is presented below.

Occupational Health and Safety (OHS) Education

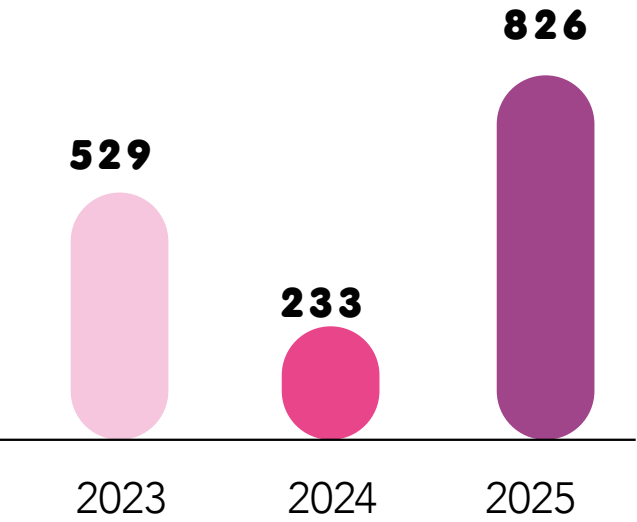
OHS Education Provided to Employees – Number of Participants



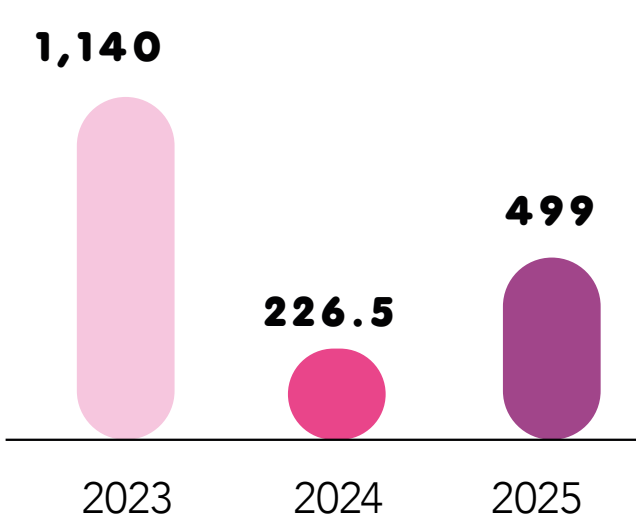
OHS Education Provided to Employees – Total Education Hours (person-hours)



Disaster and Emergency Preparedness Education – Number of Participants



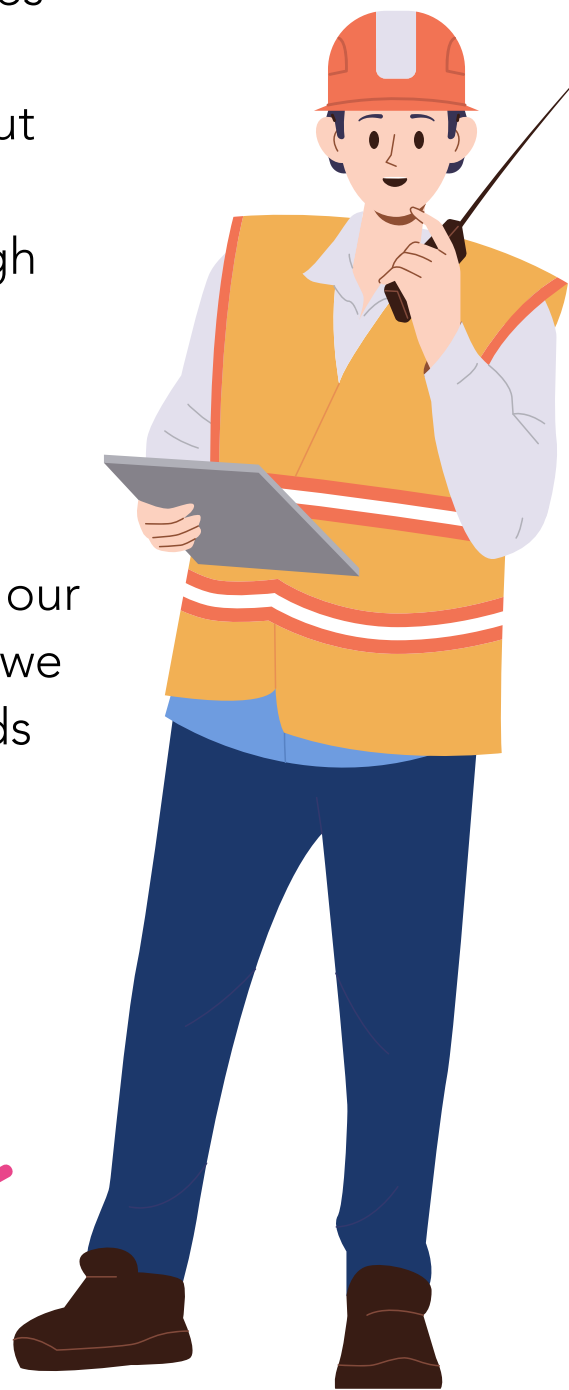
Disaster and Emergency Preparedness Education – Total Education Hours (person-hours)



People / Respecting Human Rights

As Watsons Türkiye, we approach occupational health and safety practices not only as a matter of regulatory compliance but also as a systematic and preventive culture through which we manage operational risks.

We consider employee safety an integral part of our business processes, and we implement high standards across all locations.



Occupational Health and Safety

Core Elements of Our OHS Management Strategy:

- **Comprehensive Risk Management:** We conduct regular risk assessments across stores, distribution centers, and headquarters. We manage each identified risk through preventive action plans that we develop with a proactive approach.
- **Continuous Improvement and Monitoring:** We evaluate OHS performance systematically through regular Occupational Health and Safety Committee meetings. We track the implementation of defined improvement actions to continuously enhance safety standards.
- **Data-Driven Analysis:** We fully record all potential occupational accidents and conduct in-depth root cause analyses. Based on these analyses, we promptly implement corrective actions to prevent recurrence.

In addition to technical measures, we also prioritize employee awareness to sustain a safe working environment.

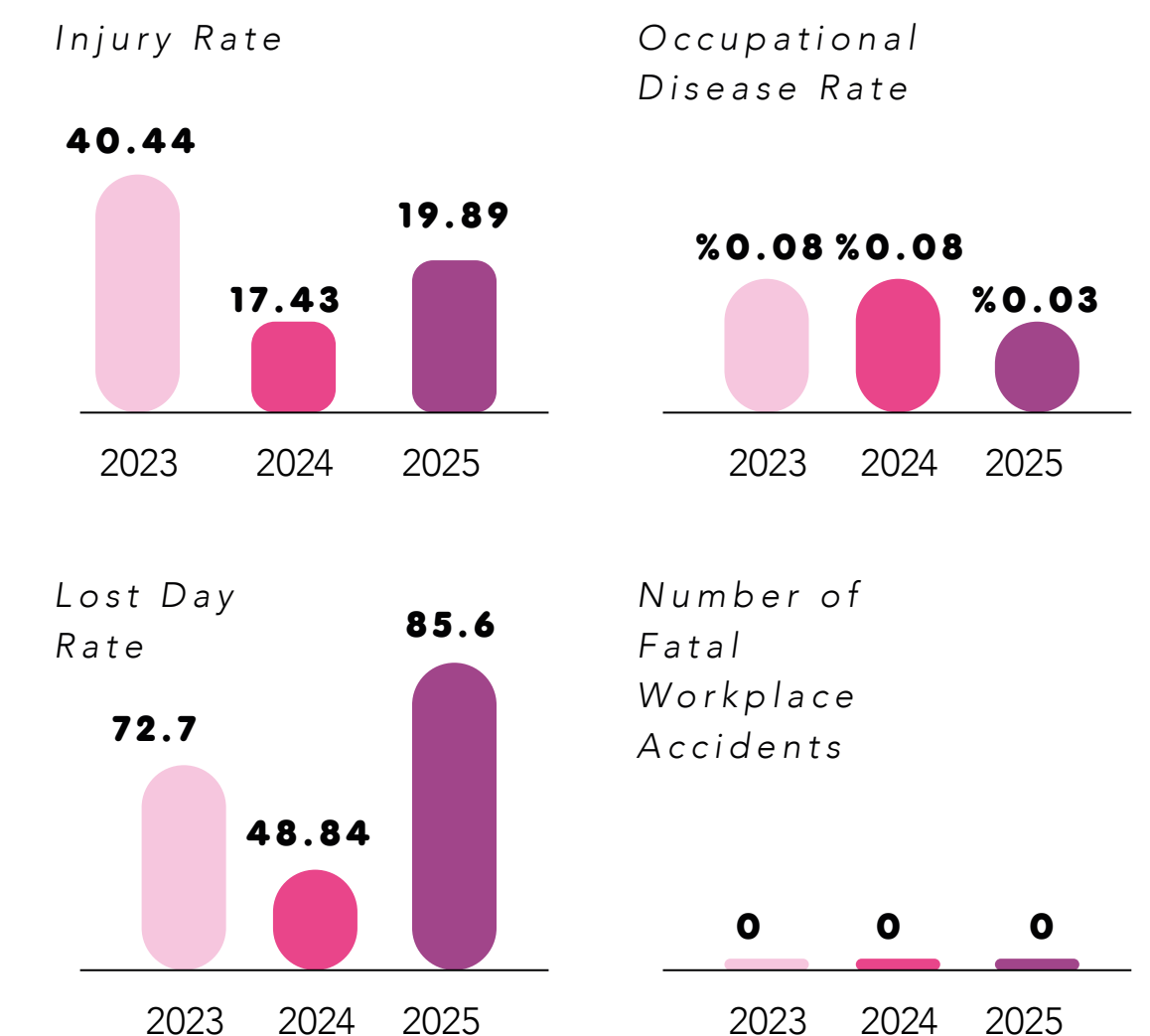
In line with our “zero accident” objective, we promote safe behavior models and embed OHS culture across the organization through education and awareness initiatives. The greatest achievement for us is ensuring that every employee completes the working day in good health and safety.

In this context, we closely monitor OHS performance through standard indicators aligned with international reporting practices. We consider employee safety one of the most fundamental elements of operational sustainability, and we continuously enhance standards in this area. Accordingly, we present the 2025 data below.

OHS Investment Amount:

₺7,728,000

Occupational Health and Safety



The total hours worked used in the calculations were obtained by converting the total number of working days provided by the payroll department into person-hours, assuming 7.5 working hours per day. Injury rate and lost day rate calculations were performed based on 1,000,000 person-hours worked.

People / Supporting Communities

At Watsons Türkiye, we place the economic empowerment of women and the support of local production at the center of our social impact strategy. Through the initiatives we carry out under Watsons Goodness Movement, we regard sustainability not merely as a social responsibility project but as an inclusive business model integrated into every stage of the value chain.

Solidarity and Economic Value Created with Women's Cooperatives

Within the scope of our collaboration we initiated in 2020 with the Foundation for the Support of Women's Work (KEDV), we offer handcrafted products of women's cooperatives to customers without pursuing profit. Through this model, we enable women producers to generate direct income while supporting the sustainability of local production.

Access and Impact: As of today, we showcase 14 different products, ranging from soaps to wallets produced by women, in dedicated checkout areas across 198 stores.

Value Created: Since 2020, with **150,000** units sold, we have generated approximately **₺11 million** in economic value, positively impacting the lives of women.

Producer Network: Within the scope of the program, approximately 200 women producers are actively involved across 4 cooperatives, increasing to 300 during peak periods.



By 2030, we aim to directly impact the lives of more than 1,000 women through the Foundation for the Support of Women's Work (KEDV) and to support and scale products of local women entrepreneurs across our stores and online platforms.



People / Supporting Communities



We support economic participation, prepare young people for the future, and expand our social impact to increasingly broader audiences through civil society partnerships. Through

Watsons Goodness Movement, **we build**

social well-being collectively.



At Watsons Türkiye, we regard social sustainability and social responsibility as a natural extension of our business model, and we expand our impact in line with the “Supporting Communities” vision to reach wider communities each day.

We do not limit our contribution to society to short-term donation mechanisms; instead, we establish a long-term structure that supports local economic participation, prepares young people for working life, and creates strong synergies with civil society organizations.

Through strategic partnerships, we prioritize the economic and social empowerment of women, support for local production, and the advancement of environmental sustainability. In this context, we bring the efforts of women’s cooperatives to customers in collaboration with the Foundation for the Support of Women’s Work (KEDV), we support green spaces through reforestation projects with TEMA Foundation, and we improve living conditions for stray animals through our partnership with HAÇIKO.

Across these initiatives we carry out with a belief in the power of civil society, we consider tangible impact, social development, and lasting positive change in the lives of beneficiaries as primary success criteria, beyond the number of activities.

Our Partnerships

At Watsons Türkiye, we approach social impact initiatives as a natural extension of our business model and shape them through employee well-being, youth employability, and civil society partnerships. We do not limit social contribution to donation and support mechanisms; instead, we evaluate it within a structure that promotes economic participation and aims to create long-term value.

In this context, we structure our social impact approach around three core focus areas: supporting economic participation, preparing young people for working life, and expanding social benefit through civil society partnerships. Through the initiatives we develop, we prioritize the economic empowerment of women and the support of local production, and we integrate social impact into our operational processes.

People / Supporting Communities

Through strategic partnerships, we implement projects that support the economic and social development of women, environmental sustainability, and animal welfare. In this regard, we bring products of women's cooperatives to customers in collaboration with the Foundation for the Support of Women's Work (KEDV), we support ecosystems through reforestation projects with TEMA Foundation, and we improve living conditions for stray animals through collaboration with HAÇIKO.

In these collaborations, we consider not only the number of activities but also the tangible impact created, the economic contribution, and the lasting value in the lives of beneficiaries as core success criteria.



People / Supporting Communities



Sustainability Ambassadors

We embed our sustainability vision not only within strategies but also in the daily operations of each store. To ensure strong integration into store operations, Sustainability Ambassadors voluntarily assume roles in each store. This employee-driven role is a key building block in internalizing and scaling sustainability at field level.

Sustainability Ambassadors continuously enhance their knowledge and awareness of sustainability by participating in education programs and webinars, and they contribute to expanding awareness by sharing the insights they gain with store teams. They also identify sustainability opportunities in stores and lead initiatives to improve the efficient use of resources such as energy, water, and paper.

By establishing a strong communication bridge between headquarters and stores, ambassadors regularly share feedback and improvement suggestions from the field with central teams. We submit these proposals through the "I Have an Idea" application in Ebiflow, contributing to more efficient and sustainable operations. In this way,

we position sustainability not as a top-down structure but as a continuously evolving process supported by field-level input.

Another key dimension of the program is customer engagement. Sustainability Ambassadors inform customers about sustainable living categories and products, supporting more informed purchasing decisions. This engagement increases the share of sustainable products in sales and contributes to the development of sustainability awareness among customers.

With the program launch in 2025, we further clarified the roles and responsibilities of ambassadors, and we implemented a comprehensive education program. With this development, we expanded the scope of the program, enabling the sustainability approach to be implemented more strongly and systematically at store level.

People / Supporting Communities



Watsons Sustainability Summit

As a company positioned at the heart of the sector, we see bringing together all our stakeholders around a shared vision for the future and supporting transformation as one of our most important responsibilities. With this perspective, we decided to make the Watsons Sustainability and Innovation Summit, first held in 2023 at Eskişehir Technical University, a recurring event within our ecosystem and organized its second edition in 2025 under the theme of Sustainability and Entrepreneurship at Eskişehir Technical University.

The Summit was opened by a video message from Mete Yurddaş, Watsons Türkiye and GCC (Gulf Cooperation Council Countries) Managing Director, titled "The CEO's Perspective: Sustainability and Entrepreneurship." In his speech, he shared valuable insights on sustainability, entrepreneurship, transformation in the retail sector, technology, innovation, social impact and youth-oriented initiatives, creating a strong platform for collective thinking that brought together all stakeholders to generate value for the future.

Training Program and Participation Success

Prior to the Summit, a five-week online training program on sustainability and entrepreneurship was organized in collaboration with Eskişehir Technical University. Participants who successfully completed the program and certification exam earned the opportunity to attend the Summit. Certificates were presented to participants on stage during the award ceremony held at the end of the event.

Panels and Speakers

The Summit featured a panel session with influencers, academics, entrepreneurs and industry experts who place sustainability at the center of their work. Discussions covered topics such as the world of sustainable transformation, consumer behavior and future generations. Held with the participation of Eskişehir Technical University students, the Summit provided attendees with the opportunity to closely explore current sustainability practices, best practice examples and experiences from different sectors.



People / Supporting Communities

Watsons Sustainability Summit

Our Civil Society Partnerships

Within the scope of Watsons Goodness Movement, we highlighted our collaborations with TEMA Foundation, the Foundation for the Support of Women's Work (KEDV), and HAÇİKO at the summit. In the panel we organized in this context, we emphasized that stronger collaboration between civil society organizations and the private sector can contribute to a more sustainable and livable future.

Youth and Entrepreneurship

At the summit, we supported the active participation of young people and entrepreneurs. With the participation of Aslı Dede, Founder of the Sustainable Living School and podcaster, environmental engineer and content creator Cemre Sıla Atılğan Otar, and Eskişehir Technical University students Şükran Tuğçe Uslu and Batuhan Yılmaz, we focused discussions on how individual journeys can evolve into collective impact. We also evaluated sustainable entrepreneurship and value creation with Plastic Move Founder Büşra Köksal and Nivo Brand and Communications Manager Onur Bulakbaşı.

Women's Leadership

On the second day of the summit, within the panel "Women Leaders of Watsons Türkiye and the Sustainability Journey," we brought together women leaders under the moderation of Marketing and Sustainability Group Manager Betül Karahan. In this session, we shared sustainability strategies, our inclusive leadership approach, and our experiences regarding the empowerment of women in business life.

Lasting Contribution

With the aim of creating a lasting impact at Eskişehir Technical University, where the summit was held, we established a study room for students within the Faculty of Science. We inaugurated the study room together with the Rector of Eskişehir Technical University, Prof. Dr. Adnan Özcan, and made it available for student use.





PRODUCTS

Offering more Sustainable Products
Maintaining High Product Quality & Safety

Products

Our Products roadmap is shaped by an approach that considers environmental and social impacts throughout every stage of the product life cycle while providing our customers with reliable, high-quality and more sustainable choices. We view sustainability as an integral part of our product portfolio through a holistic approach that extends from product development and supply chain processes to packaging design and customer experience.

Our roadmap is built around two key priorities. First, through our Offering more Sustainable Products approach, we support our customers in making more informed choices. We aim to make the products we offer more sustainable by improving packaging and material use. We reduce plastic consumption, increase the recycled content of packaging and gradually eliminate unnecessary packaging. While expanding the use of alternative materials across our e-commerce and warehouse operations, we also increase the recyclability of product packaging and prioritize materials sourced from sustainable resources. By integrating this approach into our supply chain and product development processes, we continuously enhance our sustainable product portfolio.



Second, through our Product Quality and Safety approach, we prioritize maintaining our customers' trust. Product safety, quality management, regulatory compliance, supplier audits and the effective evaluation of customer feedback form the foundation of this approach. From product ingredients, materials, and packaging structures to manufacturing processes, we implement quality and safety standards across every stage of the value chain. By regularly monitoring customer expectations and experiences, we aim to continuously improve our products and services.

These two complementary focus areas form the foundation of our sustainable product approach by addressing customer needs while prioritizing environmental and social impacts, quality and safety. The targets we have established under our Product roadmap for sustainable living products and product quality and safety represent the concrete roadmap of this approach.



We do not treat product quality, safety, and sustainability as separate dimensions; instead, we regard them as integrated components of a single process.



Products

2030 Sustainability Roadmap

Material Topic	Initiative	Group Target	Watsons Türkiye Target	Contributed SDGs
Maintaining High Product Quality & Safety 	Provide safe and high-quality products.	Prioritize product quality and safety and reduce complaints.	Work with manufacturers to ensure products are produced in compliance with all relevant regulations and standards for quality and safety.	  
	Regularly collect customer feedback through surveys	Conduct annual Customer Love Score (CLS) and Social Listening (SL) assessments to understand customers' perceptions of product quality, safety and the overall online and offline shopping experience.	Achieve the minimum required score in ROS QA assessments, demonstrating compliance with fundamental requirements. Regularly report and improve complaints related to products and services.	
			Conduct regular CLS assessments and achieve a score higher than the 2018 baseline. Conduct weekly social listening activities to reduce negative impacts and identify areas for improvement.	



Products

2030 Sustainability Roadmap

Material Topic	Initiative	Group Target	Watsons Türkiye Target	Contributed SDGs
Offering more Sustainable Products 	Encourage customers to adopt more sustainable lifestyles by offering a broader range of products with more sustainable ingredients and packaging, both online and offline. Develop packaging containing less or better plastic. Increase responsible sourcing as part of efforts to combat deforestation.	Expand the range of products with more sustainable ingredients and packaging. Provide customers (online and offline) with products in the following formats: Refill products for home use and reusable and refillable products.	Increase the number of more sustainable products. Support the achievement of Group targets in line with applicable local regulations.	   
		Collaborate with suppliers on customer-focused environmental awareness initiatives.	The Group target applies and is monitored at the local level.	
		Eliminate problematic or unnecessary plastic packaging.		
		Promote the use of packaging with reduced plastic content for private label products and reduce the use of plastic carrier bags in stores.	The Group target applies. To support progress toward this target, actions are implemented in the following areas: reducing plastic use, increasing the use of recycled plastics, reducing plastic in packaging assessments and expanding the use of reusable shopping bags as alternatives to plastic shopping bags.	
		Ensure that 100% of paper packaging used for private label products is sourced from sustainable paper.	The Group target applies and is monitored at the local level.	
		Ensure that 100% of the palm oil content used in private label products is RSPO (Roundtable on Sustainable Palm Oil) certified by 2030.	The Group target applies and is monitored at the local level.	

Products/ Offering more Sustainable Products

Sustainable Product Portfolio and Packaging Transformation

As of 2025, approximately 1,200 products in our portfolio meet our Sustainable Choices Campaign criteria. In the previous year, this figure stood at approximately 1,000. At Watsons Türkiye, we aim to increase this number to 2,000 by 2030*. We define sustainable products by considering packaging structure, content characteristics, and post-use impact.

Key criteria in this assessment include reduced plastic usage, refill applications, and responsible raw material sourcing.

Our packaging approach is not limited to material substitution. We consider the entire life cycle from design to post-use, prioritizing the reduction of unnecessary packaging and improving material efficiency.

As of 2025, the recyclability rate of packaging in our local own-brand products reaches 99%, and we achieve a significant reduction in plastic usage. Our refill applications also begin to expand across selected categories.

In the previous reporting period, we communicate the 2030 target as 3,000 sustainable products. However, due to longer-than-expected transformation timelines for products meeting sustainable criteria, particularly in the makeup category, we reassess and update the target to 2,000 products.

Packaging Evaluation Criteria



Reducing PVC and
problematic plastics



Eliminating
unnecessary
packaging



Use of post-
consumer recycled
(PCR) content

Number of sustainable
products by 2025:

1,200 products

Our goal for 2030:

2,000 products



Products/ Offering more Sustainable Products

Sustainable Product Portfolio and Packaging Transformation



Refill / Reuse / Replace

These products are designed to be refilled, reused, or repurposed by reusing the original packaging or a component of the product to reduce waste generation. By choosing these products, our customers contribute to reducing packaging waste.



Better Ingredients & Materials

These products contain ingredients or materials that are sourced more sustainably. This includes certified, responsibly sourced, or lower-impact ingredients and materials. By choosing these products, our customers support the use of more sustainably sourced ingredients and materials.



Better Packaging

These products use packaging materials that help reduce environmental impact. This includes solutions such as FSC or PEFC certified paper, recycled content, or plastic-free packaging designs. By choosing these products, our customers support the use of responsibly sourced and recycled packaging materials.



Products/ Offering more Sustainable Products

Sustainable Product Portfolio and Packaging Transformation

In all new projects, we use the Sustainable Choices Guide shared by AS Watson Group as a reference, subject to cost feasibility, to assess which components of a product can be made more sustainable. For existing projects, we monitor the transition toward more sustainable products through a structured transformation plan.

Within this scope:

- For products containing palm oil, we provide guidance and follow-up to support the sourcing of RSPO-certified raw materials.
- For packaging materials such as bottles, aluminum, and tin containers, we support the use of Post-Consumer Recycled (PCR) materials (minimum 20%) where this option is available and does not pose any product safety risks.
- For paper-based products, we prioritize the use of FSC-certified, PEFC-certified, or recycled paper.
- Where secondary packaging or primary carton packaging is required, we seek to ensure that these materials are FSC- or PEFC-certified.
- We evaluate product designs with the objective of minimizing or eliminating plastic use wherever feasible.
- To improve the recyclability of product packaging, we prioritize the selection of materials that are more readily recyclable or made of mono-material.
- In the coming period, we plan to introduce products that offer at-home refill options.
- We take care to avoid using PVC, PVDC, and Oxo-degradable plastics in our products whenever possible.

To assess and monitor the responsible practices of manufacturers producing on behalf of Watsons Türkiye, we require valid certifications in areas such as quality management systems, product safety, human rights, environmental management, health and safety, and business ethics. We monitor continued compliance with these requirements through on-site audits conducted by our technical team and by reviewing audit reports issued by independent third-party organizations.



Products/ Offering more Sustainable Products

At Watsons Türkiye, we view sustainability not only as an operational responsibility but also as a key consideration in shaping our product portfolio. Guided by our **“Look Good, Do Good, Feel Great”** approach, we aim to increase the share of sustainable alternatives across Watsons-branded products, products exclusive to Watsons, and products offered through our business partners. In doing so, we support our customers in making more informed purchasing decisions.

We recognize that product availability alone does not drive the choice of sustainable products and that affordability, accessibility, and trust also influence purchasing decisions. For this reason, we address sustainability through a holistic approach across every customer touchpoint, not only in product development.

We advance this approach in parallel with our commitments to product quality, product safety, and supply chain management. We regularly test our Exclusive Brands products in accredited laboratories, and as of 2025, more than 250 products have undergone testing procedures.

In this context, the absence of consumer-level product recall cases serves as a tangible indicator of our commitment to product safety.

Within our supply chain, we adopt a model that supports local production. Across our network of 261 suppliers, the share of local suppliers reaches 80%, while we continue to closely monitor the environmental performance of our suppliers.

As part of the amfori BEPI assessment process, we achieve 66% coverage in 2025, strengthening the transparency and traceability of our supply chain’s environmental and social compliance performance.

We continue to strengthen our product portfolio through more sustainable alternatives. The number of products meeting our defined sustainable product criteria increases from approximately **1,000 in 2024 to 1,200 in 2025**. By expanding alternative models such as refill products we prioritize increasing the share of sustainable products within both our portfolio and overall sales.

Marketing Türkiye

“Most Reputable Brand of the Year” in the Personal Care and Cosmetics Store category

A.C.E. Awards

Diamond Award in the Cosmetics Retail Chain category

Brandverse Awards, SocialBrands Data Analytics Awards **Received the Bronze Award** in the Stores category

Stevie Awards

Received the Gold Award in the Fashion and Beauty category for its mobile application

(w3 Awards)

Received the Silver Award in the Mobile Apps & Sites – Augmented Reality category

The Techx Awards

Customer Experience Brands



Products/ Offering more Sustainable Products



On the packaging front, we aim to establish a more efficient and responsible approach. Through our initiatives to reduce plastic use, we have achieved reductions of up to 99%, while increasing the share of recyclable packaging in our own brand products to 99.9%.

We are also implementing measures to reduce plastic consumption per order in our e-commerce operations and have achieved a 74% reduction in plastic bag usage per transaction.

At the same time, expanding the use of recyclable materials in our packaging and increasing the share of packaging containing PCR (post-consumer recycled) materials remain among our key priorities.

Over the long term, we aim to further increase the recyclability of all our packaging and accelerate the transition to more sustainable alternatives.

We consider the use of sustainable raw materials an integral part of our product strategy. In this context, we are undertaking initiatives to increase the use of raw materials and packaging materials certified under internationally recognized certification schemes, such as FSC (Forest Stewardship Council), which supports responsible forest management, and RSPO (Roundtable on Sustainable Palm Oil), which promotes sustainable palm oil production.

As of 2025, 100% FSC-certified content has been achieved in locally produced own brand paper products. In addition, at least 50% of the palm oil and palm-derived ingredients used in 89% of our formulated products were sourced as RSPO-certified materials. Furthermore, FSC-certified materials accounted for 75% of the materials used in paper-based packaging products. In the coming period, we aim to increase the RSPO certification rate to 100%, further strengthening our responsible sourcing approach.

E-Commerce Awards:

Gold Award for “Best Integrated E-Commerce Website with Physical Stores”

Gold Award

for “Personal Care Website of the Year”

Silver Award

for “Best Customer Service Integration”

Bronze Award

for “Best Mobile E-Commerce Experience”

No. 1 Brands Awards

First Place Award in the “Personal Care & Cosmetics” category (AYD)

The Best One Order participating Business Unit (Asia) RISING STAR (GM Global One Order Meeting 2025)

The Best One Order Sales Growth Business Unit (Asia)



Products/ Offering more Sustainable Products

At Watsons Türkiye, we conducted our WISE (Watsons Insights on Shoppers Experience) research covering the 2024–2025 period to better understand our customers' perceptions of sustainability and consumption behaviors.

As part of these studies conducted across different periods, we engaged with a total of 1,428 customers in 2024 and 1,502 customers in 2025.

This extensive dataset has enabled us to shape our sustainability roadmap with actionable insights and gain a clearer understanding of our areas for improvement.

Our research findings indicate that we hold a strong position in the minds of consumers as a brand that offers sustainable product alternatives.

During the same period, we also observed growing recognition among our customers of the active role we play in environmental and social matters.

This demonstrates that our sustainability initiatives are successfully reaching their intended audiences through our communication efforts.

At the same time, we recognize that this positive shift in perception has not yet been reflected in consumer behavior to the same extent.

Our findings show a decline in the adoption of sustainable daily habits, particularly in areas such as using reusable shopping bags, choosing recyclable packaging, and selecting sustainable products.



Through our *responsible production* approach, we continue to create sustainable value for all our stakeholders.



Products/ Offering more Sustainable Products

Consumers support sustainability, yet this support is not reflected to the same extent in their purchasing decisions. This critical gap clearly highlights the barriers that brands and industry players must overcome to drive behavioral change.

78% of consumers state that they support sustainability.

32% consider sustainability in their purchasing decisions.

46% Perception-Behavior Gap

The significant gap between these two figures points to a key opportunity requiring strategic action.

To better understand the disconnect between consumer intent and actual behavior, it is necessary to assess both the barriers that hinder sustainable choices and the factors that build trust.

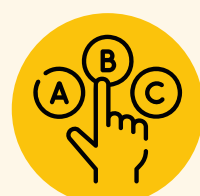
Factors Contributing to the Perception-Behavior Gap



Price Perception: The widespread belief that sustainable products are more expensive raises the threshold for purchase.



Product Availability: Limited shelf presence of sustainable alternatives restricts accessibility.



Difficulty in Choosing the Right Product: Complex certification and labeling systems create confusion and make it more difficult for consumers to make informed choices.



Brand Trust: Concerns about greenwashing and a lack of transparency undermine consumer confidence.

Factors That Strengthen Trust

- **Clear and Understandable Product Information:**

Simple, verifiable product information facilitates consumer decision-making and reinforces trust.

- **Refill Options:**

Practical and cost-effective refill systems help transform sustainable behavior into a lasting habit.

- **Transparent Communication and Reporting:**

Supporting ESG commitments with tangible data strengthens brand credibility over the long term.

Our Future Strategy: From Perception to Behavior

We have also clearly identified the factors that enhance consumer trust. Through transparent product information on our packaging, refill options, and open communication practices, we continue to support these preferences.

Based on these findings, we have identified our key focus for 2025 as enabling the transition “from perception to behavior.” At Watsons Türkiye, we are no longer focused solely on offering sustainable products; we are strengthening the mechanisms that encourage customers to choose them. We are simplifying product information, enhancing in-store guidance, expanding employee education programs, and scaling up our packaging innovations.

Products/ Offering more Sustainable Products

Product and Behavioral Transformation

At Watsons Türkiye, we view sustainability not only as a product development priority but also as a vision that drives positive changes in customer behavior. In 2025, 1,502 customers participated in our research, and the insights gained continue to guide our efforts to enhance our more sustainable product portfolio and customer experience.

7 Out of 10 Notice It

Seven out of every ten customers state that our Sustainable Living aisles attract their attention, demonstrating the strong visibility of these dedicated areas within our stores.

6 Out of 10 Reduce Consumption

Six out of every ten customers report adopting more sustainable habits in their daily lives by reducing their use of single-use plastics and paper products.

2 Out of 5 Are Changing Their Purchasing Habits

Two out of every five customers indicate that they already choose sustainable products or have started purchasing these products more frequently.

60% Trust Our Efforts

Sixty percent of our customers describe our sustainability initiatives as “genuine” or “highly genuine,” reflecting strong trust in our brand.

97% Choose More Sustainable Products

The vast majority of our customers incorporate sustainable products into their lives in at least one product category.



Products / Maintaining High Product Quality & Safety

At Watsons Türkiye, we structure our product management strategy around three core pillars: product safety, responsible sourcing, and sustainable product development.

When building our product portfolio, we consider not only quality standards and regulatory requirements but also the impacts of our products across the supply chain and the social conditions of the employees involved in production processes.

We assess our products through a comprehensive evaluation of their ingredients, packaging characteristics, and post-consumer impacts, integrating sustainability criteria as a natural part of these processes.

Product safety is one of the most fundamental and non-negotiable elements of our product development approach.

At Watsons Türkiye, we introduce our products to customers only after ensuring full compliance with all applicable regulations and requirements.

We are proud to report that no consumer-level product recalls occurred during the reporting period.

At Watsons Türkiye, we continue to monitor our product safety performance regularly through quality testing, consumer feedback, and audit processes.



Through our *responsible production* approach, we continue to create sustainable value for all our stakeholders.

Products /

Maintaining High Product Quality & Safety

Managing Customer Profile, Experience, and Behavior

At Watsons Türkiye, we operate through an omnichannel retail model that integrates our physical stores and digital channels. As of 2025, we have built a large and dynamic community comprising more than 450 stores, 8.1 million active customers, and more than 13 million registered members.

We closely monitor the profile of our customer base. Women account for 84% of our community, while the average customer age is 34. In addition, 72% of our customer base falls within the 21–45 age range. Data obtained through our loyalty program demonstrates that customer behaviors vary by location, directly influencing basket size, shopping frequency, and product preferences.

At Watsons Türkiye, we recognize that a customer base of this scale and diversity cannot be managed through a one-size-fits-all approach. Accordingly, we address customer experience and our sustainability approach through an integrated framework encompassing data analytics, campaign management, pricing strategies, and in-store experience design.

We observe that our customers support sustainability; however, this support is not always reflected to the same extent in purchasing decisions. For us, this represents the key challenge in sustainability: the gap between customer perception and purchasing behavior. The WISE (Watson Insights on Shoppers Experience) research conducted during the 2024–2025 period indicates that our brand enjoys a strong reputation for offering sustainable product alternatives. However, the findings also reveal that this positive perception has not yet fully translated into consumer behavior.

At Watsons Türkiye, we identify the main barriers to sustainable product adoption as price perception, product availability, decision-making complexity, and the need for trust in brand commitments. In light of these findings, we have refined our strategy accordingly: our priority is not only to offer sustainable products, but also to provide the trust and convenience that enable customers to make sustainable choices at the point of purchase.

Customer and Operational Performance Metrics

Customer Scale

More than
450
Stores

8.1 Million
Active Customer

13 Million+
Registered
Customers

Digital Channel Performance

191,527
Elite Customer

852,135
Orders

683 Million+
in Sales Volume

Customer Experience

905,000
Customer Requests
Processed

69 % of requests were handled through digital channels, where customers completed their own transactions.

The average response time was **13.2** hours.

Customer Satisfaction Score (CLS):

89.6

Products /

Maintaining High Product Quality & Safety

Managing Customer Profile, Experience, and Behavior

At Watsons Türkiye, our CRM and data analytics infrastructure enables more accurate analysis and management of customer behavior. Through this system, customer segmentation is refined, campaign effectiveness is measured, and communication strategies are strengthened. This allows us to manage customer experience and commercial performance in an integrated manner.

Creating lasting impact in sustainability requires driving meaningful changes in customer behavior. For this reason, our sustainability approach extends beyond product development and encompasses a holistic framework that covers every customer touchpoint influencing purchasing decisions. This approach demonstrates that sustainability is not only a responsibility but also an integral part of our business model.

Indicator	2023	2024	2025	Description
Product safety inspection frequency	Continuous	Continuous	Continuous	Quality control processes
Customer complaint monitoring	Monthly	Monthly	Monthly	Customer feedback management
Social media monitoring	Weekly	Weekly	Weekly	Reputation and consumer perception monitoring
Supplier social audits	Periodic	Periodic	Periodic	Human rights and working conditions



Products /

Maintaining High Product Quality & Safety

Our Supply Chain and Contributions to the Local Economy

As of 2025, we collaborate with a total of 261 suppliers, of which local suppliers account for a significant 80% of our supplier portfolio. In line with our vision of strengthening the local ecosystem, we have enabled 66% of our local own brand manufacturers to participate in the amfori BEPI (Business Environmental Performance Initiative) process.

We evaluate our suppliers not only based on their commercial capabilities but also against our social compliance and environmental performance criteria on a regular basis.

Whenever non-compliance is identified, we work closely with our business partners to establish corrective action plans and closely monitor progress. Through this approach, we continue to embed our sustainability criteria across every stage of our supply chain.

At the same time, supporting local manufacturers throughout our supply chain remains one of our key responsibilities. While our local supplier ratio stood at 86% in 2024, it reached 80% in 2025 in line with our strategic planning priorities.

During the same period, the proportion of imported suppliers increased from 14% to 20%. This change reflects our efforts to balance our sourcing structure in order to expand product diversity and respond to our customers' expectations with a broader product portfolio.

By maintaining our overall supplier base at a largely stable level, we continue to manage our supply chain structure in a consistent and sustainable manner.

Supplier Structure (2025-24)

Indicator	2023	2024	2025
Total Suppliers	282	263	261
Domestic Suppliers	240	227	208
Imported Suppliers	42	36	53
Domestic Supplier Rate	85%	86%	80%
Imported Supplier Rate	15%	14%	20%

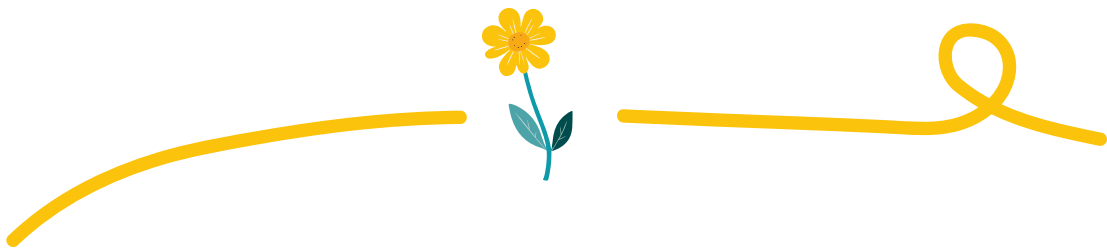
Purchase Breakdown

₺16,810,441,816

Local Suppliers

₺1,961,771,212

Foreign Suppliers



APPENDICES



GRI Standard	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us, 4-7	
		AS Watson Group, 4	
		Watsons Türkiye, 5	
	2-2 Entities included in the organization’s sustainability reporting	About Our Report, 2	
	2-3 Reporting period, frequency and contact point	About Our Report, 2	
	2-4 Restatements of information	-	
	2-5 External assurance	No external audit was conducted as part of this report.	
	2-6 Activities, value chain and other business relationships	About Us, 4-7	
		AS Watson Group, 4	
		Watsons Türkiye, 5	
	2-7 Employees	Respecting Human Rights, 76-82	
		Caring for our People, 62-75	
	2-8 Workers who are not employees	-	
	2-9 Governance structure and composition	Our Governance Structure, 13-26	
		Sustainability Governance Structure ,15-16	

GRI Standard	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	Our Sustainability Vision and Manifesto, 28-30	
		Sustainability Communication, 39-47	
		Our Governance Structure, 13-26	
		Sustainability Governance Structure,15-16	
	2-11 Chair of the highest governance body	Our Governance Structure, 13-26	
		Our Governance Structure, 13-26	
	2-12 Role of the highest governance body in overseeing the management of impacts	Management Structure,	
	Sustainability Governance Structure,	Our Governance Structure, 13-26	
	Risk Management,	Sustainability Governance Structure,	
	Business Ethics and Compliance Processes	Risk Management, 17-18	
	2-13 Delegation of responsibility for managing impacts	Management Structure, 14	
	Sustainability Governance Structure,		
	Risk Management,	Our Governance Structure, 13-26	
	Stakeholder Relations	Sustainability Governance Structure, 15-16	
		Risk Management, 17-18	
		Stakeholder Relations, 31	

GRI Standard	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Our Sustainability Vision and Manifesto, 28-30	
		Sustainability Communications,40-41	
		Our Governance Structure, 13-26	
		Sustainability Governance Structure,15-16	
	2-15 Conflicts of interest	Business Ethics and Compliance Processes, 19-21	
		Our Governance Structure, 13-26	
	2-16 Communication of critical concerns	Management Structure, 14	
		Sustainability Governance Structure, 15-16	
		Risk Management, 17-18	
	2-17 Collective knowledge of the highest governance body	Management Structure, 14	
	2-18 Evaluation of the performance of the highest governance body	Due to the organization's privacy policies, this information is not disclosed.	
	2-19 Remuneration policies	-	
	2-20 Process to determine remuneration	Respecting Human Rights, 76-82	
	2-21 Annual total compensation ratio	Due to the organization's privacy policies, this information is not disclosed.	

GRI Standard	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Our Priority Topics, 32-33	
		Watsons Goodness Movement, 34-39	
		Sustainability Communications, 40-41	
		Our Sustainability Vision and Manifesto, 28-30	
	2-23 Policy commitments	About Our Report, 2	
	2-24 Embedding policy commitments	About Our Report, 2	
	2-25 Processes to remediate negative impacts	Business Ethics and Compliance Processes, 19-21	
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics and Compliance Processes, 19-21	
		Our Governance Structure, 13-26	
	2-27 Compliance with laws and regulations	Business Ethics and Compliance Processes, 19-21	
	2-28 Membership associations	Stakeholder Relations, 31	
		Our Corporate Memberships, 12	
	2-29 Approach to stakeholder engagement	Stakeholder Relations, 31	
	2-30 Collective bargaining agreements	Due to the organization's privacy policies, this information is not disclosed.	
	2-30 Employees Covered by Collective Bargaining Agreements (%)	Due to the organization's privacy policies, this information is not disclosed	

GRI Standard	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 3: Material Topics 2021		
GRI 3: Material Topics 2021	3-1 Process to determine material topics		
	3-2 List of material topics		
	3-3 Management of material topics		

Achieving Greener Stores	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 3: Material Topics 2021		
GRI 3: Material Topics 2021	3-3 Management of material topics	Achieving Greener Stores, 51-52 Offering more Sustainable Products, 93-100 Maintaining High Product Quality & Safety, 101-104 Our Priority Topics, 32-33	
GRI 3: Material Topics 2021	GRI 102: Climate Change 2025		
	3-3 Management of material topics	Our Priority Topics, 32-33 Fighting The Climate Crisis, 48-50 Offering more Sustainable Products, 93-100	
	102-2 Climate change adaptation plan	Fighting The Climate Crisis, 48-50 Offering more Sustainable Products, 93-100	
	102-1Climate change mitigation transition plan	Fighting The Climate Crisis, 48-50 Offering more Sustainable Products, 93-100	

Zero Waste to Landfill	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 3: Material Topics 2021		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Priority Topics, 32-33	
		Zero Waste to Landfill, 53-56	
		Offering more Sustainable Products, 93-100	
GRI 306: Waste 2020	GRI 3: Waste 2020		
	306-1 Waste generation and significant waste-related impacts	Our Priority Topics, 32-33 Zero Waste to Landfill, 53-56 Offering more Sustainable Products, 93-100	
	306-2 Management of significant waste-related impacts	Our Priority Topics, 32-33 Zero Waste to Landfill, 53-56 Offering more Sustainable Products, 93-100	
	306-3 Waste generated	Our Priority Topics, 32-33 Zero Waste to Landfill, 53-56 Offering more Sustainable Products, 93-100	
	306-4 Waste diverted from disposal	Our Priority Topics, 32-33 Zero Waste to Landfill, 53-56 Offering more Sustainable Products, 93-100	

Sustainable Products	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 3: Material Topics 2021		
GRI 3: Material Topics 2021	3-3 Management of material topics	Offering more Sustainable Products, 93-100 Maintaining High Product Quality & Safety, 101-104 Watsons Goodness Movement, 34-39	

Product Quality and Safety	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 3: Material Topics 2021		
GRI 3: Material Topics 2021	3-3 Management of material topics	Maintaining High Product Quality & Safety, 101-104	

Respecting Human Rights	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 3: Material Topics 2021		
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Our Priority Topics 32-33	
	405-1 Diversity of governance bodies and employees	Respecting Human Rights, 76-82 Caring for our People, 62-75	
	405-2 Ratio of basic salary and remuneration of women to men	Respecting Human Rights, 76-82 Caring for our People, 62-75	

Social Impact	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 3: Material Topics 2021		
GRI 3: Material Topics 2021	3-3 Management of material topics	Supporting Communities, 83-88 Watsons Goodness Movement, 34-39	

Caring for our People	Disclosure	Report Chapters and Page Numbers	Exclusions
Statement of use			
GRI 1 used	GRI 3: Material Topics 2021		
GRI 404: Training and Education 2016	3-3 Management of material topics	Caring for our People, 62-75	
	404-1 Average hours of training per year per employee	Caring for our People, 62-75	
	404-2 Programs for upgrading employee skills and transition assistance programs	Caring for our People, 62-75	

Social Performance Indicators

Social Performance Indicators	2023	2024	2025
Total Labor Force (Number)			
Direct Employment	3,145	3,318	3,772
Women	2,542	2,71	3,107
Men	603	608	665
Direct Labor (Number)			
Office Worker	298	300	323
Women	198	200	224
Men	108	110	99
Field Worker	2,839	3,008	3,449
Women	2,344	2,51	2,887
Men	495	498	562

Social Performance Indicators	2023	2024	2025
Direct Labor by Contract Type (Number)			
Employment Contract of Indefinite Duration	3,011	3,233	3,703
Women	2,422	2,638	3,401
Men	589	595	662
Temporary Employment Contract	134	85	69
Women	120	72	66
Men	14	13	3
Direct Labor by Education Level (Number)	3,145	3,318	3,772
No education	21	17	3
Elementary school	84	84	90
High school	1,774	1,941	2,247
College and above	1,266	1,276	1,432

Social Performance Indicators	2023	2024	2025
Direct Labor by Age Group			
Women	2,542	2,71	3,107
18-30	1,681	1,79	2,130
30-45	795	836	878
45+	66	84	99
Men	603	608	
18-30	285	281	318
30-45	274	279	292
45+	44	48	55
Senior Management Structure (Number)			
Women	3	3	3
18-30	0	0	0
30-45	1	1	0
45+	2	2	3
Men	5	4	
18-30	0	0	0
30-45	2	2	2
45+	3	2	2

Social Performance Indicators	2023	2024	2025
Middle Management Structure (Number)			
Women	28	30	30
18-30	0	0	0
30-45	27	27	25
45+	1	3	5
Men	18	38	23
18-30	0	19	0
30-45	15	14	18
45+	3	5	5
Number and Percentage of Managers			
Percentage of Women Mid-Level Managers	61%	44%	60%
Total Number of Managers	54	57	72
Women	31	33	43
Men	23	24	29

Social Performance Indicators	2023	2024	2025
Total Percentage of Women Managers	57%	58%	71%
New Hires (Number)	2,426	2,559	2,703
Women office workers	46	49	78
Men office workers	14	16	23
Women field workers	2,017	2,18	2,293
Men field workers	349	314	309
Employees Who Left the Company (Number)	2,307	2,385	2,704
Women office workers	33	46	78
Men office workers	16	15	23
Women field workers	1,896	2,013	2,294
Men field workers	362	311	309

Social Performance Indicators	2023	2024	2025
Employee Turnover			
Total	2,307	2,385	2,526
Women	1,929	2,059	2,212
Men	378	326	314
Number of Employees on Maternity Leave	67	60	59
Number of Employees Returning from Maternity Leave	35	30	35
Number of Employees Who Have Not Left the Company in the Last 12 Months Since Returning from Maternity Leave	35	30	4
Total number of employees with disabilities	78	80	82
Women	38	40	41
Men	40	40	41

Social Performance Indicators	2023	2024	2025
Labor Force Covered by the Collective Bargaining Agreement (Number)			
Employee Education - Number of Participants (persons)			
Women office workers	192	192	244
Women field workers	2,194	2,31	2,745
Men office workers	108	113	143
Men field workers	373	363	381
Employee Education - Total Hours (person-hours)			
Women office workers	5,975	4,359	4,474
Women field workers	55,127	28,289	31,685
Men office workers	3,618.5	2,214	1,912
Women field workers	8,68	4,096	5,467

Social Performance Indicators	2023	2024	2025
Employee Education on Ethics			
Total Number of Education Participants (persons)	603	1,295	2,366
Total Education Hours (person-hours)	154.5	332	607
Anti-Bribery and Anti-Corruption Education			
Total Number of Education Participants (persons)	3,94	208	457
Total Education Hours (person-hours)	328	401	872
Environmental Education			
Total Number of Education Participants (persons)	273	114	138
Total Education Hours (person-hours)	546	228	276
Injury Rate	40.44	17.43	19.89
Lost-Time Rate	72.7	48.84	85.60
Occupational Disease Rate (%)	0.08%	0.08%	0.03%
Number of Fatal Workplace Accidents	0	0	0

Social Performance Indicators	2023	2024	2025
OSH Education Provided to Employees - Number of Participants	2,737	2,998	993
OSH Education Provided to Employees - Total Hours (person-hours)	10,218	5,706	3,078
Number of Participants in Disaster and Emergency Response Education	529	233	826
Total Hours of Disaster and Emergency Response Education (person-hours)	1,14	226.5	499
Number of Local Suppliers	240	227	208
Number of Overseas Suppliers	42	36	53
Total Number of Suppliers	282	263	261
Local Supplier Rate (%)	85	86	80
Overseas Supplier Rate (%)	15	14	20

Environmental Performance Indicators

ENVIRONMENT	2023	2024	2025
Total Area (m²) (office+stores+warehouse)	77,325	82,415	87,110
Energy Management			
Natural Gas (KWh)	216,752	153,120	207,995
Diesel (KWh)	1,521,462	1,544,363	7,956,749
Electricity (KWh)	18,984,240	18,054,276	20,854,782
Total Energy Consumption (KWh)	20,772,453	19,751,759	31,102,060
Energy Intensity (KWh/m²)	268	239.7	357.1
Total Renewable Energy Consumption (KWh)	1,030,000	18,054,276	20,854,782
Renewable Energy Usage Rate (%)	5	100	100

ENVIRONMENT	2023	2024	2025
Scopes			
Scope 1 (tCO ₂ e)	421.5	415.7	2,542.4
Scope 2 (tCO ₂ e)	7,560.5	0.0	0.0
Scope 3 (tCO ₂ e)	213,480.0	156,861.8	191,717.0
Total Emission Amount (tCO ₂ e)	221,462	157,277	194,259.4
Emission Intensity (tCO ₂ e/m²)	2.864	1.908	2.230
Waste Management			
Hazardous Waste (tons)	8.6	10.7	16.5
Non-Hazardous Waste (tons)	503.3	496.6	489.7
Total Waste Amount (tons)	511.9	507.3	506.2
Waste Intensity (tons/m²)	0.007	0.006	0.005

CONSULTANCY

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GRAPHIC DESIGN

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watsons

Türkiye

2025 Sustainability Report

