

2023 Sustainability Report

*We respect every stakeholder,
we are ready for the future...*

divan



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business knowledgeable pioneer

We aim to conduct risk and opportunity analyses correctly and to have a quality and ethical management approach.

Leading

Responsive

responsible for the planet

We carry out our production activities with a climate- and environment-friendly approach and exhibit a sensitive attitude towards our planet.

divan

respectful to people

We strive to create work environments that emphasize equality, inclusion and the health of every individual.

Respectful

Stakeholder

sharing tomorrow

We act with an understanding that supports social development and shares value.

Protecting the natural and cultural richness of these lands, transferring our values to future generations together, and supporting social development and progress, always with a quality service understanding.



From Our
Sustainability Window

Divan Otel İstanbul





From Our Sustainability Window

Our principle of “Respect for Every Stakeholder” has guided us on this journey, which we embarked on in 2022 to fulfill our responsibilities at local and global levels meticulously. Last year, we were delighted to share with you, our esteemed stakeholders, our rich 66-year history, the work we have carried out to date, and our goals for the future through our first sustainability report, which extends until December 31, 2022.

As Divan Group, we are excited to share with you our second Sustainability Report, which includes our activities in 2023. In this report, we cover our activities from January 1, 2023, to December 31, 2023, and detail the critical roles of our business lines (accommodation, food & beverage, retail and production facilities, and our head office) in sustainability.

In the 2023 Sustainability Report, we aim to present our Group's sustainability impacts and opportunities to our stakeholders transparently and in accordance with GRI Standards. In this report, we have included our progress towards the United Nations Global Compact and Women's Empowerment Principles, as well as our developments in line with the World Economic Forum's Stakeholder Capitalism Indicators. You can find detailed information in the “Appendices” section of the report.

As Divan Group, we aim for our stakeholders to get to know us better and support us by openly sharing our commitments and efforts in the field of sustainability. As we move forward on our sustainability journey, we look forward to the achievements we will present to you in our future reports. During the preparation of the report, the collection and analysis of relevant data was carried out under the leadership of the Divan Sustainability Committee and with the contributions of relevant departments. We received support from SUCSR Corporate Sustainability Consultancy throughout this process.

Our report was prepared in Turkish and English and wasn't subjected to external audit. We will continue to report our sustainability efforts on an annual basis in line with the expectations of our stakeholders in the coming years.

For your questions, comments, and suggestions about our report, please contact us at gelecekicindivandayiz@divan.com.tr.

We hope to meet again in our future reports and wish you a pleasant reading.

*We respect every stakeholder,
we are ready for the future...*

Divan Group Sustainability Committee



Dear Business Partners,

Divan is the dear friend of millions of guests from past to present, a part of the most beautiful experiences, a long-term companion who knows each other very well and has trusting relationships. Defying the test of time, and cherished by every generation, Divan is a valuable part of our country, home to unique memories of the past, and an irreplaceable stakeholder full of hopes and dreams for the future.

I'm writing this article to share with you the latest developments in Divan's sustainability journey and to express my deep gratitude for your support in this process. Our determination to implement our Sustainability Strategy in all areas not only contributes to our goal of leaving a more livable world to future generations but also strengthens our relationships with our stakeholders.

Last year, we were proud to share with you our first sustainability report, which detailed the history of Divan, how we got to where we are today, and what it means to people. This report was a journey into the roots of our brand and the value system we have created, and we had the opportunity to explain in depth what Divan stands for. Today, as Divan, we offer Turkey's and the world's diversity-based food and hospitality culture with a production approach that protects environmental assets; respecting human health and dignity, we add value to our society through quality social development and economic growth.

Today, as Divan, we offer Turkey's and the world's diversity-based food and hospitality culture with a production approach that protects environmental assets; respecting human health and dignity, we add value to our society through quality social development and economic growth.



Murat Tomruk

General Manager of Divan Group



Our sustainability projects, which we hinted at in our first report, constitute the main theme of this year's report we share with you. The strategies and practices we have developed stand out as an indicator of the steps taken in line with the targets we have set.

As a structure that pays attention to our environmental impact while producing and providing our services, establishes relationships based on love and respect with all our stakeholders, especially our employees, and shares every element of its development with its society, we are delighted that all our values have become indispensable conditions of modern business understanding.

With 7% growth in F&B-retail, 13% in catering services, 8.3% in hotels, 11.3% in hotel food and beverage (F&B) units, 6.2% in non-community special occasion organizations, and 10.6% in online services, we proved that we successfully respond to the needs and expectations of a wide range of guests and our sustainable growth trend.

Our total number of guests increased by 8% to **a total of 4,772,403 people**. This shows that our services are being widely adopted and our position in the industry is strengthening and reflects the progress we are making in achieving our strategic goals. What I am particularly proud of is not only that we continue to grow, but that we are doing so responsibly and sustainably.

In our reporting period, we were pleased to observe that the number of corporate customers at our Divan Taşdelen Production facility increased by 18% compared to the previous year and that our services and products are increasingly preferred in the corporate sector. In 2023, we grew our business by making major investments and did so in a responsible and sustainable way.

Adopting the Koç Group's motto **"For the Future. Together"** motto of the Koç Group, of which we are a part, and as a member of the Group, we proudly carry our responsibility to lead the construction of a sustainable future by saying "We are at Divan for the Future".

Our work with the principle of **"Respect for Every Stakeholder"** has been the foundation of our remarkable achievements. This principle has had an extraordinary impact on empowering our people, enriching our culture, delivering positive impacts to our communities, and creating more sustainable business units.

We recognize that these actions are critical to the growth of our business and meeting the expectations of our stakeholders. At every step, we shape our sustainable success journey together with the support and importance our stakeholders give us.

At Divan, we believe that growth is intrinsically linked to doing the right thing. We are making significant progress with our efforts to increase gender balance in our leadership team, support underrepresented groups, promote inclusion, and respect human rights. As a testament to this progress, we were named "Turkey's Best Workplace" in our industry as part of the "Best Employers 2023" program organized by Kincentric.

We were also named **"Turkey's Happiest Workplace"** in the hospitality industry as part of the "Happy Place to Work - Turkey's Happiest Workplaces Survey" conducted in collaboration with the Happy Place To Work Consulting Company. We take great pride in these awards and their continuity. As the world is changing rapidly, we are also aware of our responsibility to improve our social and environmental impact as businesses. At Divan, we are proud of the progress we have made and we are constantly improving our operations and targets.



This report highlights our commitments to sustainability, the progress we have made towards our goals, and the dedication of our teams. In particular, we are excited to share the steps we are taking towards achieving **our goal of net zero emissions by 2050.**

Our efforts to reduce the carbon footprint of our hotels and the information services we provide to our guests in this area constitute a concrete reflection of our sustainability commitments.

Our process of how our guests can offset their carbon footprint during their stay starts with the guidance of our reception team. This is a concrete example of how we put our commitment into practice.

The approach we are talking about aims not only to offer our guests a comfortable stay but also to raise environmental awareness and encourage them to take responsibility for a sustainable future.

It is of utmost importance to us that our sustainability efforts are aligned with international standards beyond sectoral boundaries. This alignment fosters alignment and integration across the internal and external structures of our company.

Compliance with international standards means that our business practices are in sync with globally accepted norms and guidelines, making us more effective in achieving our sustainability goals.

Our approach builds trust among all our stakeholders and reinforces the seriousness and determination of our sustainability commitments. It is a great honor for us at Divan to share with you the steps we are taking towards a sustainable future. With our "Respect for Every Stakeholder" commitment, we aim to create a lasting impact by 2030.

We protect our world with our love for it, listen to and understand our stakeholders, love the society we live in, and strive to improve it. Armed with knowledge and maturity, we open our doors daily with the same excitement.

With deep respect for each of our stakeholders, our journey in search of the best continues uninterrupted. I invite you to join this special Divan journey and greet you with my sincerest love and respect.

*"Our goal of net
zero emissions by 2050"*





Dear Teammates and All Our Stakeholders,

Our journey, which started with a dream, continues to grow with faith and the power of working together.

As a Group with a unique integrated structure in Turkey, we broke new ground in 2022 with our first report in the hospitality, food & beverage, and retail sectors. Our report was prepared in accordance with the Global Reporting Initiative (GRI) and in compliance with the United Nations Global Compact (UNGC) and Women's Empowerment Principles (WEPs). I would like to note that our report is the first company report published under the Stakeholder Capitalism Indicators created by the International Business Council (IBC) of the World Economic Forum (WEF).

Beyond our goals, our sustainability report has become a fundamental part of our business. At Divan, we guide our sustainability journey with a pioneering perspective both nationally and internationally.

With the slogan "We're at Divan for the future", we clearly express our commitment to the future as a company. As a reflection of our understanding of sustainability and social contribution, this vision emphasizes our dedication to building a sustainable and inclusive future for the well-being of our employees, guests, and all our stakeholders. We aim to reinforce our pioneering position in our industry and add value to society with a sense of social responsibility. For us, our company's sustainability journey is not just a business strategy, but also a passion.

From past to present, our efforts to shape a sustainable future are of great importance not only for our Group but also for the entire world. Every one of us plays an important role in reducing our carbon footprint and achieving our sustainability goals.

Our journey, which started with a dream, continues to grow with faith and the power of working together.



Özgür Şahin

Divan Group Assistant General Manager
Human Resources



We are particularly proud of the progress we have made in areas such as carbon-neutral accommodation and events. **The Chambers Carbon Accounting Project**, which we started in 2023, reflects a concrete example of our efforts.

As a natural extension of this project, we aim to support our guests to neutralize their carbon footprint. In 2023, we started laying the foundations of our **Carbon Neutral Accommodation Program** and we plan to activate the program in 2024. With the Carbon Neutral Accommodation Program we have prepared for our guests, we will provide detailed information about the carbon emissions they create during their stay and how they can neutralize them.

We will share this information with our guests from the reception and aim to raise their sustainability awareness and offer them an effective way to reduce their environmental impact. The program offers a voluntary, viable solution for our guests to offset their carbon emissions without any added cost. Our 2050 sustainability goals include effectively reducing our water use and comprehensively managing water-related risks. To this end, the water risk mapping project we launched in 2023 is one of the most prominent indicators of our efforts in this area. Within the scope of the project, we analyze the impact of our operations on water and potential risks on water resources in detail.

The analyses enable us to further optimize our water use and protect water resources so that we can proactively manage water risks. This strategic approach ensures that our sustainability vision is integrated into every business process and helps all our team members embrace this important mission.

In 2023, employee engagement and talent acquisition became even more important in our strategic planning. We focused on education future professionals, especially in the food and beverage industry, by establishing partnerships with educational institutions and official bodies across Turkey.

The aim of these collaborations was to strengthen the employment infrastructure in our industry while offering career opportunities to young talents. Throughout the year, we paid particular attention to the professional development of our existing employees, including European Union projects, as well as student and intern education programs, which have made a significant contribution to education talented individuals in specific areas such as cooking, sales, service, and housekeeping. These efforts are among the key elements that support our company's goals of raising employment and productivity standards in the sector.

Our success in the **MESEM “Mesleki Eğitim Merkezi” (Vocational Education Center)** Project proves how accurate our strategic directions are. There is no end to our projects; we move forward with an understanding of continuous development and improvement.

Launched in September 2021, the **Future Fit Project** was a comprehensive and highly important project launched to prepare Divan for the future despite the post-pandemic challenges. In this project, we first re-evaluated our organizational structure and structured our operations in two main business groups, namely Hotels and Banquet Units and Food, Beverage, and Retail Units. Our support functions were structured in accordance with this structure and in agile organizational structures to support these business units.





We also studied the present and future of our processes in detail. In this context, we identified **72 new digital and process** initiatives and took extremely important steps to increase operational efficiency. As part of the third phase of the project, we assessed the competencies that will be needed in the future. The Reskill and Upskill programs we launched to support the personal and professional development of our employees became one of the cornerstones of Future Fit.

Our strategic initiatives are built on the engagement and well-being of our employees to help us achieve sustainable success while reinforcing Divan's leading position in the industry. To support these values that underpin our company, we have developed various programs and initiatives that support the mental health and general well-being of our employees in line with the principles of gender equality and inclusion.

With innovative employment solutions, such as part-time working models, we have both increased our workforce productivity and offered more flexible working opportunities to our employees. In addition to these serious steps, we aim to increase the proportion of women working in our management team to 50% by 2030.

Employee engagement will continue to be at the center of our strategy in the coming period. Our successive ranking among **the happiest workplaces in Turkey** in surveys conducted by "Happy Place to Work" indicates that our efforts towards our employees are appreciated. These achievements are not only a source of honor for us but also increase our motivation for the future.

Our plans for the future are shaped by continuing our company's sustainable performance, further strengthening employee loyalty, producing projects that emphasize inclusiveness, and setting an example in the sector with innovative working models.

Under the slogan "We're at Divan for the future", we stand by our employees, guests, and all our stakeholders with a vision of a sustainable future.

In the coming periods, we will take decisive steps towards maintaining our sustainable performance, reinforcing employee loyalty, realizing projects that support inclusion, and leading the sector with innovative working models.

As Divan, we will continue to build an innovative and inclusive future with our belief in shaping a better future together, with the determination to carry our sustainable achievements and social contributions forward. As those who think not only about today but also about tomorrow, we reinforce our vision of a better world every day.

We hope to write the rest of this beautiful story together...

*We're at Divan
for the future*



Our Story Inspired by the Past, Guiding the Future

As Divan Group, our journey began in 1956 under the leadership of Vehbi Koç and was shaped by the vision of offering Turkish hospitality at international standards. Setting out with the goal of “Respect for Every Stakeholder”, our Group has spread its journey of flavor across a wide geography, from Istanbul's first hotel and patisserie to developments in Erenköy, Bebek, and Ankara.

Since our inception, we have grown with the dream of bringing **Turkish hospitality** together with international quality standards. Each new opening opened the doors to a new story, a new experience for the guests who became a part of this big family. From Erenköy to Bebek, from Ankara to Bodrum, this journey of flavor has made Divan not just a brand, but the hero of a story.

As Divan, we have gone beyond being just a hotel and patisserie chain. Proud to be Turkey's first domestic hotel chain, we have also assumed a pioneering role in quality and service understanding. Being the first hotel and hotel chain with **ISO 9001 certification** is proof of this understanding. We reinforced our success in the sector with our production facility at international standards and embraced diversity and innovation with our integrated brand structure.

Values such as environmental sensitivity and a selfless approach to people formed the basis of our business processes and decisions. Social contribution and respect for the environment manifested itself in our every step.

Over time, we have developed not only physically but also in terms of values and principles. We aim to go a little further every day on this path, which we walk with the responsibility we feel towards our guests and our society, to add value to the future while remaining true to our roots.

Our story paints a picture of a culinary journey from traditional flavors to international culinary diversity, from local hospitality to global standards. Each step reflects our commitment to our guests and the community, our innovative spirit, and our belief in a sustainable future.

*from 1956 to present
Turkish hospitality...*





2023 at a Glance Our Period Performance

Leading Divan

Number of Corporate Customers	17,8%	New Product Concern	234
Food & Beverage - Retail Sector Number of Guests	9,3%	Number of Corporate Customers	639
Catering Services Number of Guests	12,7%	Number of Guests	4,772,403
Number of Hotel Guests	8,4%	Number of Export Countries	16
Hotel Food and Beverage (F&D) Units Number of Guests	11,3%	Local Supplier Ratio	99%
Online Services Number of Customers	10,6%	Design and Box Revision Project Number	28
		Number of P&D Projects	21
		Our New Digital Marketing Project Number	5
		Number of IT and Digital Transformation Projects	11

Responsive Divan

<p>4.7% reduction in the amount of energy required for each kilogram of production.</p>	<p>We aimed to procure all shelled or liquid egg products from non-cage sources by 2025.</p>	<p>We achieved 332,092 kWh of additional savings through strategic improvements.</p>	<p>We collected 518 kg of coffee waste.</p>
<p>We reduced the amount of energy required for each kilogram of production to 3.47 kWh.</p>	<p>In the reporting period, we fulfilled this commitment and received an award from the Turkish-German University.</p>	<p>We made ₺1 million 603 thousand environmental investment.</p>	<p>We ended single-use plastics used by all our employees.</p>
<p>We applied for GES installation with a capacity of 10MWe.</p>	<p>We saved 9.07% during the production phase.</p>	<p>TOTAL (by location) We reduced our emissions from 35,223 tCO₂e in 2022 to 18,726 tCO₂e in 2023.</p>	<p>We achieved our target by reducing water consumption per room by 2%.</p>



2023 at a Glance Our Period Performance

Respectful Divan



We reached 28.5% of our target of at least **30% woman** representation in senior management.



Our total number of employees increased by **9%**.



We achieved a **47%** increase in the number of women among field employees.



We realized 3 transformation projects.



We achieved a **34%** improvement in our accident frequency rate.



We increased our OHS education time by **23%**.



We achieved a **1661%** increase in Worksafe utilization from 2021 to 2023.



We tripled our **OHS investments**.



Employee satisfaction and engagement increased by **80%**



We received our **Happy Place to Work** award.



Performance and career development evaluation: **1828 employees**



We provided a total of **61,274 hours of education** to our employees.



We launched **4 new projects** at Divan Academy.



We published our Divan Academy bulletin.



We launched **72** innovative digital and process initiatives.

Stakeholder Divan



7 CSR projects



We realized **CSR projects worth more than ₺20 million**.



Divan at a Glance



Number of Sectors Operated in: 3



Hospitality



Food & Beverage Retail



Production



Number of Employees 2,163



10 Turkey 1 Abroad 11 Hotels, 2,331 Rooms

- 4 Banquet Units
- 23 Patisseries
- 34 Restaurants
- 180 Opet Ultra market Ovens
- 5 Bakery Cafe
- 6 Cafeterias
- 2 Stadium Operations
- 1 Coffee Shop
- 1 Residence Management

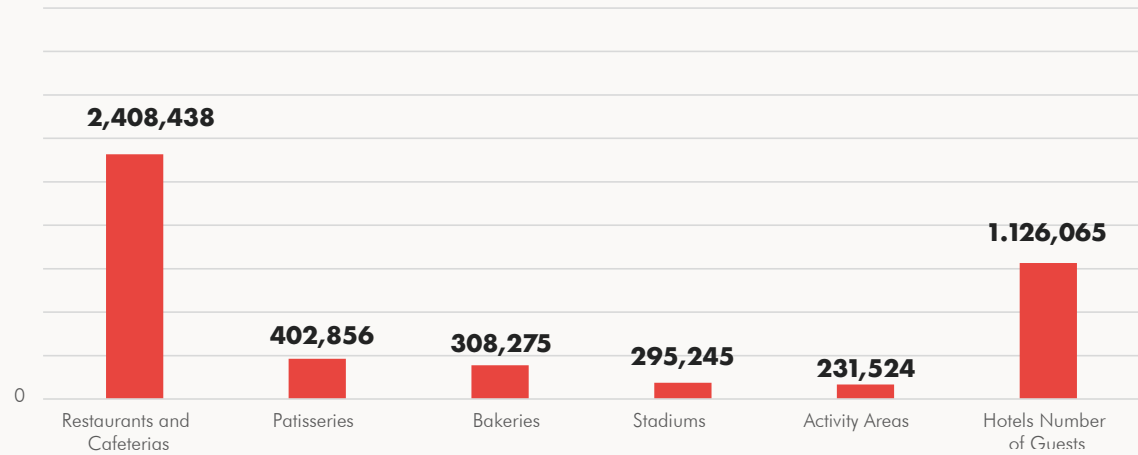


Number of Export Customers: 17

www.divan.com.tr



Total Number of Guests: 4 million 772 thousand 403



Divan Taşdelen Production Facility

305 People
Working in
Production

15,000 m²
Closed Area

234
New Products

Return on R&D
Efficiency Studies:
₺4,400,000,00

639 Corporate
Customers

Exports to **16**
Countries





We are
67 years old:
Our Journey
from Past to Present



Divan Brasserie Fuyage



We are 67 years old: Our Journey from Past to Present

■ 1956

Our adventure as Divan began in 1956 with the opening of Divan Istanbul Hotel and Patisserie.

■ 1964

We opened our second patisserie in Erenköy.

■ 1973

We opened our third bakery in Bebek and offered our traditional flavors to a wider audience.

■ 1987

We increased our operational efficiency with our first warehouse in Kızılay, Ankara.

■ 1991

We expanded to the Aegean coast with Bodrum Divan Palmira.

■ 1996

We continued to expand our innovative gastronomy approach and quality service by opening our fourth patisserie in Ataköy Atrium and our first Brasserie in Bebek.

■ 1999

We opened our first cafeteria in the American Hospital and offered healthy and delicious options to hospital visitors and employees.

■ 2001

We opened Divan's first sushi restaurant Maromi By Divan and our second brasserie Divan Brasserie Kalamış in Kalamış Marina, expanding our service and culinary diversity.

■ 2002

We started offering unique gastronomic experiences for special events at Fenerbahçe Şükrü Saraçoğlu Stadium.

■ 2003

We offered the first pub experience with Ataşehir Divan Pub.

■ 2005

Divan Fenerbahçe Faruk Ilgaz Facility is opened and becomes a new meeting point for sports and social events.





We are 67 years old: Our Journey from Past to Present

■ 2006

We opened Divan Sütlüce Patisserie.

■ 2007

We continued to offer delicious and fresh bakery products with Divan İstinye Bakery.

■ 2008

By opening new locations in Anadolu Hisarı and İstinye and implementing the ISO 14001 Environmental Management System, we expanded to different regions of Istanbul and strengthened our environmental sustainability.

■ 2009

We opened Divan Ataşehir Patisserie.

■ 2010

We added Çukurhan Hotel and other new hospitality and food & beverage venues to our portfolio.

■ 2013

We increased our diversity with new openings at Koç University and Beyoğlu.

■ 2014

We expanded our production capacity and product range by putting our Taşdelen Production Facility into operation.

■ 2015

We certified our quality with the "TSE/-Service Place Qualification Certificate" for our Divan Production Facility and continued our journey of flavor with the opening of Koç Kule Patisserie.

■ 2016

We opened our new brasserie branches at Divan Vodafone Park Event Areas and Safranhan to serve sports fans and gourmets, and raised our product and service quality to international standards with the ISO 9001 Quality Management System.

■ 2017

With the opening of Divan Cafeteria at Koç University Hospital and other new branches, we brought Divan quality to the health sector and management.





We are 67 years old: Our Journey from Past to Present

■ 2018

We strengthened our environmental and product diversity commitments with the opening of Arçelik Cafeteria, ISO 14001 Environmental Management System Certificates and Halal Certificate.

■ 2019-2020

In 2019 and 2020, we focused on sustainability with Pizza Pieza, Divan Cafeteria İzmir Medica-na, Divan Cafeteria Academic Hospital openin-gs, "50001 Energy Management System Certifi-cate" and "Zero Waste Certificate".

■ 2021

We expanded our service network with the opening of our first coffee shop Kokoa and Divan Cafeteria Vadistanbul Liv, Divan Pub Bodrum Marina, Lotus Bistro by Divan, strengthened sustainability management and committed to our environmental responsibilities with the Business Plastics Initiative.

■ 2022

With the openings of Divan Ankara Hotel, Divan Kuruçeşme, Divan Patisserie Galata-port, Divan Galataport Bistro, Divan Brasserie Çankaya, In Bakery by Divan Koçtaş Kartal, Divan Brasserie Foyer, Divan Pub Citys Istanbul, Divan Patisserie Bodrum Marina, Divan Patisserie Tokyo, we have experienced the joy of offering you better quality service in a wide geography.

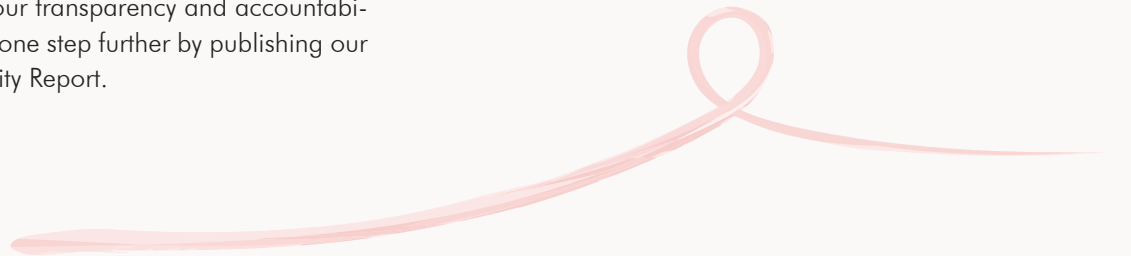
In addition, we completed our applications for the Zero Waste Certificate at Divan Kalamış Brasserie, Divan Akasya Brasserie, Divan Bebek Brasserie, Divan Erenköy Brasserie and Divan American Hospital Cafeteria. At Divan Istanbul Hotel, we proved that we meet international standards in our service quality with the "ISO9001 Quality Management System" and "14001 Environmental Management System Certificate".

Divan Production Facility and Divan Headquar-ters received the "ISO 45001 Occupational Health and Safety Management System Certifi-cate", certifying our commitment to the health and safety of our employees.

In order to do our best in sustainability, we estab-lished 4 "Sub-Committees" and 13 "Working Groups" under the Sustainability Executive Com-mittee. With this structure, we promised to advance our sustainability efforts in a more effective and structured manner. At the same time, we took our transparency and accountabi-lity in this area one step further by publishing our first Sustainability Report.

■ 2023

In 2023, we successfully opened five new venues, inclu-ding Divan Cafeteria Ataköy Medica-na Hospital, Arter Bistro by Divan, Divan Kuruçeşme Bistro, Divan Pub Kanyon and Divan Pub Caddebostan. We also prepared our second Sustainability Report.





Divan Group

Organizational Structure and Workflow

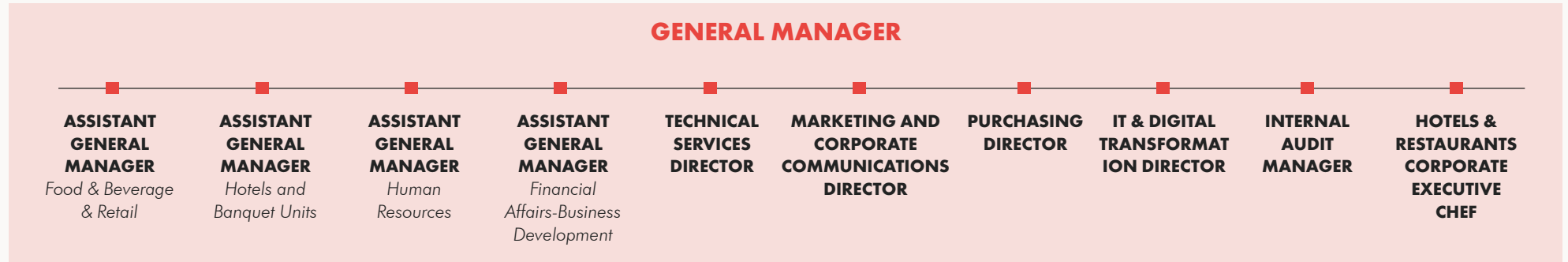
Divan Kuruluşu



Divan Group Organizational Structure and Workflow

Our Organization Chart

Our organization is built on a structure that supports transparency and effective communication. Under the leadership of our General Manager, this structure consists of teams ranging from strategic planning to the management of daily operations. We have enriched the organizational chart with detailed task distribution and responsibilities between departments and teams at each layer.



Senior Management Staff and Their Duties

Name Surname	Duty
Murat TOMRUK	General Manager
Ali Kemal BAK	Assistant General Manager (Financial Affairs-Business Development)
Zeynep ÇALIK	Assistant General Manager (Food & Beverage & Retail)
Özgür ŞAHİN	Assistant General Manager (Human Resources)
Emre ALTUNAL	Assistant General Manager (Hotels and Banquet Units)

By December 31, 2022

Our Board Members

Name Surname	Duties	Date Elected	Duty Term
Semahat Sevim ARSEL	Chairperson of the Board	March 10, 2022	Until the Next G.A.
Mustafa Rahmi KOÇ	Deputy Chairperson of the Board	March 10, 2022	Until the Next G.A.
Mehmet Ömer KOÇ	Board Member	March 10, 2022	Until the Next G.A.
Yıldırım Ali KOÇ	Board Member	March 10, 2022	Until the Next G.A.
Levent ÇAKIROĞLU	Board Member	March 10, 2022	Until the Next G.A.
Özgür Burak AKKOL	Board Member	March 10, 2022	Until the Next G.A.
Emine ALANGOYA	Board Member	March 10, 2022	Until the Next G.A.

Our Board Members were elected to office at the Ordinary General Assembly on March 10, 2022. Their term of office will continue until our next Ordinary General Assembly. Our Board Members have the powers outlined in the relevant articles of the Turkish Commercial Code and Articles 10 and 11 of the Company's Articles of Association.



Our Portfolio

divan

Divan İstanbul
Divan İstanbul City
Divan Ankara
Divan Çukurhan
Divan Bodrum
Divan Bursa
Divan Adana
Divan Çorlu
Divan Gaziantep
Divan Mersin
Divan Erbil

Divan Residence at
Bomonti Plaza

divan brasserie

Divan Brasserie Bebek
Divan Brasserie Kalamış
Divan Brasserie Beyoğlu
Divan Brasserie Akasya
Divan Brasserie Fuaye
Divan Brasserie Çankaya

lokanta by divan

Lokanta by Divan İstanbul
Lokanta by Divan Bodrum

divan

Istanbul 1956

Divan Patisserie Elmadağ
Divan Patisserie Erenköy
Divan Patisserie Bebek
Divan Patisserie Kızılay
Divan Patisserie Ataköy
Divan Patisserie Sötlüce
Divan Patisserie Anadolu Hisarı
Divan Patisserie İstinye
Divan Patisserie Ataşehir
Divan Patisserie Çukurhan
Divan Patisserie Mecidiyeköy
Divan Patisserie Kalamış
Divan Patisserie Köröğlü
Divan Patisserie Koç Kule
Divan Patisserie Bahçeşehir
Divan Patisserie Türkbükü
Divan Patisserie Akasya
Divan Patisserie Akmerkez
Divan Patisserie Vadi İstanbul
Divan Patisserie Galataport
Divan Patisserie Çankaya
Divan Patisserie Mİlta Marina
Divan Patisserie Tokyo

divan pub

Divan Pub Erenköy
Divan Pub Ataşehir
Divan Pub Bodrum
Divan Pub City's İstanbul
Divan Pub Caddebostan
Divan Pub Kanyon
Divan Pub Akaretler

divan cafeteria

Divan Cafeteria Amerikan Hastanesi
Divan Cafeteria Koç Üniversitesi Hastanesi
Divan Cafeteria Academic Hospital
Divan Cafeteria İzmir Medicana Hastanesi
Divan Cafeteria Ataköy Medicana Hastanesi
Divan Cafeteria Zincirlikuyu Medicana Hastanesi*
Divan Cafeteria Liv Hospital

in bakery divan

in bakery by Divan Koç Üniversitesi
in bakery by Divan Arçelik Bağdat Caddesi
in bakery by Divan BJK Tüpraş Stadyumu
in bakery by Divan Topkapı Hastanesi
in bakery by Divan Koçtaş Kartal
in bakery by Divan Çeşme Medicana Hastanesi
in bakery by Divan Koçtaş Bodrum

divan

Istanbul 1956

At the Port

Galataport Bistro

kokoa.

Kokoa by Divan Suadiye



Maromi by Divan Kalamış
Maromi by Divan İstanbul
Maromi by Divan Ankara
Maromi by Divan Bodrum

SAFRANHAN BRASSERIE

Safranhan Brasserie

SUZY'S CAFÉ DU LEVANT

Suzy's Café Du Levant

WHITE PEPPER

White Pepper by Divan

SPORTS CAFE by divan

Sport's Café by Divan

divan

kuruçeşme

Divan Kuruçeşme
Divan Kuruçeşme Bistro



Pizza Pieza by Divan Kalamış

BISTRO by divan

Lotus Bistro by Divan
Arter Bistro by Divan*



Fenerbahçe Faruk Ilgaz
Rahmi M. Koç Müzesi



Halat by Divan

Divan Stadyum Operasyonları
Fenerbahçe Ülker Şükrü
Saraçoğlu Stadyumu
Beşiktaş Tüpraş Stadyumu



Divan Hospitality

Built in 1956 by our founder Vehbi Koç in Taksim, Istanbul with a budget of ₺6 million, Divan Hotel was initially launched with a capacity of 98 rooms. As of 2010, we transformed our hotel into a 191-room structure and expanded it in accordance with modern standards. With the opening of Divan Ankara Hotel in 2022, we reached a total of 17 hotels in our group.

At Divan Hotel, we prioritize the satisfaction of our guests by providing them with high standards of comfort and service right from the entrance.

We recorded annual growth rates of 14.5% from 2021 to 2022 and 8.4% from 2022 to 2023. In the last three years, we hosted a total of 294,375 guests.

Within the scope of our event venues, we hosted 433,825 guests in three years.

At Divan Kuruçeşme, we have welcomed **162,251 guests since its establishment in 2021**. Our facility offers technological equipment and professional services for special events and business meetings, supporting various organizations in 11,600 square meters.

While Fenerbahçe Faruk Ilgaz Facilities hosted 87,814 guests in a two-year period with its magnificent view and impeccable service, we hosted 103,743 guests in two years for meetings and invitations of different sizes in the event areas of Rahmi M. Koç Museum.

www.divan.com.tr/otel



Since 1956, it has combined modern comfort and historical elegance to offer its guests unforgettable moments.





We greet every stakeholder with respect as we shape the future together, and we hope to see you among us on this journey that we join hands for a sustainable world.

I am proud to share with you our sustainability-oriented approach and our progress in this area. We strive to continuously improve ourselves and the services we offer through projects that we have meticulously worked on for a long time. Our main goal is to offer the most harmonious solutions for our valued guests and our planet. In this process, we are highly proud that the **Global Sustainable Tourism Council (GSTC)** has internationally recognized the environmentally friendly policies and sustainable business practices implemented in our hotels and banquet services. GSTC certification is not only related to environmental processes but also covers social benefits. In this context, we carry out various social contribution projects in all our units. For example, at our Bodrum hotel, we cooperate with the local municipality to offer the products of disabled individuals for sale and support them. We also contribute to the economy by preferring local suppliers and increasing employment in the regions where we are located.

We aim to add value to our guests and all our stakeholders with the sustainable steps we have implemented in our hotels and banquet units. We implement special programs to improve energy efficiency, optimize waste management, and protect biodiversity. Our striving to provide the best service and do the best for our planet every step of the way helps us raise sustainability standards and become a leader in the industry.

With our sustainability vision, we prioritize the fight against the climate crisis and aim to increase social awareness. In line with this, the carbon-neutral accommodation processes project we have initiated in our six hotels supports our mission to inform our guests and reduce our environmental impact. In 2024, we plan to expand this project and implement carbon-neutral projects for events and organizations as well as our **carbon-neutral accommodation services**.

As Divan Group, we continue to grow. The investments we will make in our new facilities and existing hotels are strategic steps taken to expand our portfolio and increase our service quality. We maintain our leadership in the market with our banquet units throughout Istanbul and increase the prestige of our brand. I am extremely happy to share with you our achievements in this process and our goals for the future. We salute each of our stakeholders with whom we shape the future together, and we hope to see you among us on this journey where we join hands for a sustainable world.



Emre Altunal

Assistant General Manager /
Hotels and Banquet Units

with Love and Respect



Divan Table

As Divan Group, we have taken our brand identity beyond accommodation services and identified it with our restaurants, bars, patisseries, and chocolates. These elements have increased our recognition as Divan with their unique stories that have developed over the years.

In addition to the rich Turkish culinary culture that you will have the opportunity to rediscover, our cuisine represents a gastronomic journey that offers the opportunity to meet new tastes and enjoy existing flavors. By adding 8 new venues to our kitchen in 2022, we reached 34 restaurants in 2023.

In 2023, our group placed great emphasis on cooperation with local producers, pioneering seasonal production strategies, and **waste reduction and energy efficiency**. Ranging from hotels to bakeries, brasserie to pubs, our operations cater to all tastes with a variety of culinary options.

We offer our gastronomy services by enriching them with various cultural elements. Appreciation of this integration, we promise unforgettable dining experiences to both our local and global guests. Our food and beverage points in cultural areas such as the Rahmi M. Koç Museum are just a few of the elements that strengthen our presence in this area as Divan.

www.divan.com.tr/restoran

We also innovate daily routines with our modern cafe experiences for young and health-conscious consumers.

As Divan Brasserie, we have been serving in 7 different locations since 1999, and as **Divan Pubs**, we have been serving in four different locations since 1966. **Divan Bistro**, which offers the intricacies of French culinary art, and **Maromi** restaurants, bring together the flavors of the Far East with our guests and prioritize quality and a peaceful atmosphere.

With "**Pizza Pieza by Divan**", we present the Italian culinary tradition with a modern interpretation, and we promise a unique experience with **Halat by Divan** and **Suzy's Cafe Du Levant** in the Rahmi M. Koç Museum, which has a panoramic view of the Golden Horn. Serving a wide range of menus in five locations, our **Divan Cafeterias** have been offering breakfast options with In Bakery by Divan at 185 locations since 2012. In addition, our **Kokoa by Divan** brand, which opened its first branch in Suadiye and appeals to the preferences of Generation Z, reveals an innovative concept as a self-service coffee chain.

In the rich and diverse portfolio of our group, we not only offer food but also strengthen our place in the sector by providing customized services that adapt to the lifestyles of our guests.

Divan Group:

*The Meeting Point
of Turkish and
World Cuisines*



Lokanta by Divan



Divan Patisseries

Divan Patisseries, which we established in 1956 on the ground floor of Divan Hotel Elmadağ, has become a favorite of taste lovers with its original chocolate, specially designed cakes, and desserts. Our patisseries have increased the recognition of the Divan brand with their unique recipes.

In the years following the first branch, our patisseries expanded its presence in Istanbul with branches in Erenköy in 1964, Bebek in 1974, Moda in 1981, and Sütlüce in 1984. With our branches opened in Ankara in 1987 and Bodrum in 2022, it has spread throughout Turkey. Today, Divan Patisserie, which provides service in **Istanbul, Ankara, and Bodrum with 23 patisseries**, also reaches our customers through online trading platforms.

Our Divan Patisserie has gained a respectable place not only in Turkey but also in international markets. We are also known in different countries, especially in France, and we compete among the leading brands in the international sector.

Taste from History.

Worldwide Recognition



www.divanpastaneleri.com.tr





With respect to each of our stakeholders, we shape the future by aiming for the best together.

Sustainability and innovation are the cornerstones of our business. We are taking important steps to achieve the goal of zero waste in the food and beverage and retail sectors. As Divan, we measure the amount of waste in joint projects and we are on the way to reducing the amount of waste to zero by using technological innovations. Our effort to reduce our environmental impact while maintaining quality shows that sustainability and quality do not conflict.

Our strategic cooperation with other stakeholders who adopt the same philosophy enables us to take precautions at the source by digitally measuring the food waste generated at Divan locations. This collaboration received an award at the Sustainable Food Awards, highlighting innovative projects and collaborations that inspire the right food systems of the future. While reinforcing our leadership in the sector, these efforts are of great importance as an indicator of the steps taken for a more sustainable world. By proving that quality can be delivered without harming the environment, we adopt a responsible service approach.

We are taking concrete steps by increasing women's representation in the workforce and appointing more women in leadership positions. In addition to increasing productivity and creativity in the workplace, gender equality contributes to a fairer and more equal structure of our society. We aim to create a work environment where all our employees have equal opportunities and diversity and inclusion are embraced.

Moreover, we encourage the use of local raw materials and revive our traditional recipes to protect and promote our cultural heritage. This approach strengthens our commitment to our culture, increases collaboration with local producers, contributes to shortening the supply chain, and reduces environmental impact. By offering consumers an authentic taste experience in the products we offer, we honor and keep alive our cultural richness.

With respect to each of our stakeholders, we shape the future by aiming for the best together.



Zeynep Çalık

Assistant General Manager
Food & Beverage & Retail



Divan Production

The adventure of our Divan Patisserie started in Elmadağ Hotel and continued in Sütlüce as Turkey's first pastry and dessert production factory.

Our facility, which moved to an area of 8 thousand square meters in Ümraniye in 2003, increased its capacity and product range by switching to a modern facility of 15 thousand square meters in Taşdelen in 2015. In 2015, we took this important step by obtaining the **TSE/Service Place Qualification Certificate**, officially registering the superiority of our quality and service standards. In addition, in 2019, we certified our strict standards in energy management with the "50001 Energy Management System Certificate". In 2021, we further strengthened our sustainability commitments with the **Zero Waste Certificate**, reinforcing our sensitivity to the environment and our effective approaches to waste management.

Our Food Safety Policy is based on ensuring customer satisfaction through continuous improvement in our product and service quality, being a leader in the sector in accordance with the prestige of Koç Holding, and developing teamwork and cooperation with our stakeholders. By respecting sustainability and the environment, we prioritize the conservation of global resources, ensure that our suppliers comply with food safety

From raw material procurement to final product sales, we produce reliable products that comply with legal regulations, adopt transparent and effective communication methods to improve food safety and quality culture and focus on continuous improvement processes. Our facility employs 305 employees, serves 639 corporate customers, and exports our products to 16 countries. These countries are Australia, Australia, Palestine, France, Germany, Georgia, Netherlands, Iraq, Japan, Cyprus, Kuwait, Maldives, Norway and Singapore.

Our factory was equipped with high technology and importance given to food hygiene and was built as a semi-industrial but at the same time boutique production. Our production processes are managed by factors such as the temperature of the air, the humidity inside, the care of the employees, and quality control, correct storage, packaging, and packaging processes guarantee the excellence of our products. **With the Paperless Factory Project**, which we started in 2022, we increased our operational efficiency by digitizing maintenance-repair and quality control processes. **In 2023, Divan Taşdelen Production Facility completed our BRCGS V9 Global Food Safety Standard unannounced audit and our grade was renewed from A to A+.**

*Modern Production,
Traditional Taste*

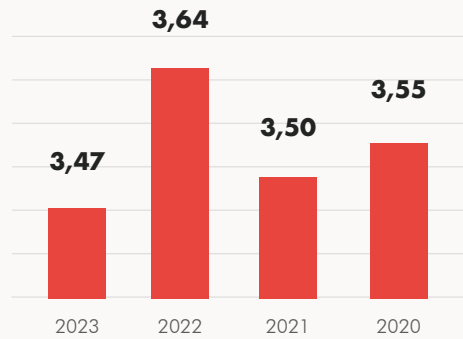




Our Environmental Data

We reduced the amount of energy required for each kilogram of production in our production facility by 4.7% compared to the previous year to 3.47 kWh. While we consumed 3.64 kWh of energy per kilogram in 2022, we improved this figure in 2023, proving that we have optimized our activities in line with our sustainability goals. Our target is **3.35 kWh for every kilogram of production.**

Electricity Consumed for Each Kilogram of Production by Years (kWh)

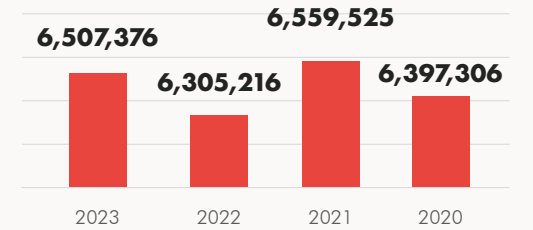


Raporlama dönemindeki tüketim dalgalanmaları, üretim hacmindeki değişiklikler, tesiste gerçekleştirilen iyileştirmeler ve yeni ekipmanların devreye alınması gibi çeşitli faktörlere bağlı olarak ortaya çıkıyor.

The positive results of our energy efficiency efforts, which started in 2022, started to manifest themselves with the decrease in our energy consumption to 272,710 cubic meters. This trend continued to strengthen in 2023, and our consumption decreased to 217,843 cubic meters with a savings of 9.07% compared to the previous year.

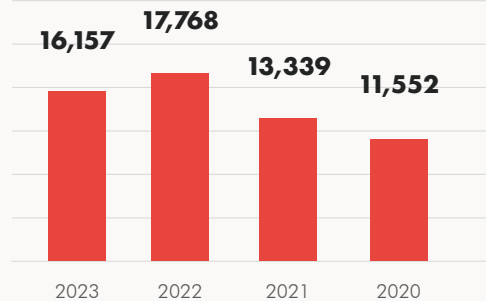
Through the strategic improvements we have made in our factory in 2023, we have achieved significant energy savings. In January, we saved an additional 116,124 kWh with the insulation renewals in our furnaces and oil boilers, 203,280 kWh in February with the relocation of our salt machines and reducing the operating hours of our air handling unit, and 12,688 kWh in April with the deactivation of our unused cold room.

Divan Taşdelen Production Facility Electricity Consumption (kWh)

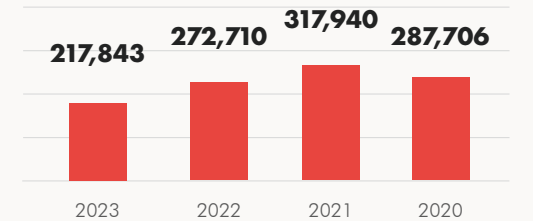


Our increase in water consumption in 2022 is due to the introduction of new product lines and changes to our operational processes. With the effect of our improvement efforts implemented during the reporting period, we achieved a saving of approximately **9.07% in water use in 2023.**

Water Consumption of Divan Taşdelen Production Facility (m³)



Natural Gas Consumption of Divan Taşdelen Production Facility (m³)





Our Environmental Data

As Divan, we follow a route to increase efficiency and continuous improvement by effectively managing our energy use during high-level food production in our facilities. In this journey, investing in innovative and sustainable energy solutions, meticulously complying with energy legislation, supporting the wise use of resources, and spreading energy awareness among all our teams are among our core commitments.

You can find **detailed information here.**

Safe Working Environment and Social Responsibility

The occupational safety and social responsibility activities we carry out in our facility demonstrate our commitment to employee welfare and social contribution. **We trained 257 personnel on basic safety procedures** and emergency management and informed 12 employees about the safety of working at heights. In addition, we have increased our operational safety by certifying 6 of our personnel as manlift operators.

In the blood donation campaign we organized in cooperation with the Kızılay, **we collected 43 blood donations and 5 stem cell samples.** We contributed to the improvement of living conditions in the Container City Project in Hatay. Within the scope of the "Feel Good" Project, we supported the mental and physical health of our employees with the breathing meditation sessions we organized.

Efficiency and Environmental Management

We have taken important steps in our environmental management and operational efficiency strategies, sustainable use of resources, and optimization of our business processes. Through a pallet repair and return-from-customer program, we've reduced material usage, reduced costs, and reduced waste. Thanks to route optimization, we have significantly reduced the number of vehicles in our logistics operations and **thus fuel consumption and carbon emissions.**

We modernized our logistics infrastructure with new vehicle investments and increased shipment efficiency. With optimizations in warehouse addressing and product preparation processes, we have increased our order management efficiency and operational speed. With the purchase of a strapping machine, we accelerated our packaging processes, increased safety, and eased the workload of our employees.



Eco-Friendly Business.

Optimized Operations



Memberships, Awards and Achievements

As Divan Group, we aim to take an active role at the local and international level to support platforms that contribute to the development of the sector in the field of sustainability. To realize this vision, we provide membership to institutions such as associations, institutes, unions, and sectoral organizations and take an active part in their working groups and global collaborations.

To increase the quality of sustainability management, we take care to ensure active participation at the senior management level in the studies carried out on a global and sectoral scale.

Member Institutions and Associations

- Sustainable Development Association
- Sustainable Food Platform



Sürdürülebilir Kalkınma
Derneği



*Kincentric 2023
Best Employer Ödül Töreni*





Memberships, Awards and Achievements

Leading
Divan



Traveller Review Award 2023

At Divan Hotels, we are pleased to have won the Traveller Review Award 2023 Award through the high scores we have obtained as a result of the evaluations made by our guests on Booking.com. We would like to express our gratitude to all our guests for their contributions to this success and congratulate our colleagues who worked in this process.

Divan Mersin received the 9th Golden Palm Awards "City Hotel of the Year" award

At the 9th Golden Palm Awards held within the framework of culture, art, sports, and peace events, Divan Mersin Hotel is proud to have won the "City Hotel of the Year Award"! Behind this success is the great effort of our Divan Mersin team, which works with devotion. We would like to thank the entire Divan Mersin family!

Global Sustainable Tourism Council (GSTC) International Certification

As Divan Hotels, 3th We are pleased to have won the Stage Global Sustainable Tourism Certificate. Within the framework of the international certification criteria determined by the Global Sustainable Tourism Council (GSTC); We are considered as an important balance element in economic development, protection of environmental resources, a healthy culture, and maximum guest satisfaction.

Turkey's 50 Most Competent Corporate Communications Leaders

In the special research "Turkey's 50 Most Competent Corporate Communications Leaders" conducted by Business Life magazine for the 7th time this year, as Divan Group;

- Leader and CEO Communication
- Raising the Sustainability Scorecard
- Press Friendly and Transparent Communication
- Internal Communication

We are delighted to announce that we are among the top 20 companies in Turkey in the fields of Corporate Reputation Protection.

BUSINESS LIFE Magazine Interview with Gönül Gültekin on the Subject of "Women's Power in Management"

Gönül Gültekin, Marketing and Corporate Communications Director of our Group, who was the guest of the April 2023 concern of BUSINESS LIFE magazine under the title of "Women's Power in Management", explained in detail our deep-rooted heritage of 66 years and how this heritage was transferred to our guests. Gültekin also shared her perspectives on the role of women in leadership and management.



Memberships, Awards and Achievements

Responsive
Divan



Divan Bebek Brasserie, Divan Kalamış Brasserie, Divan Erenköy Pub and Divan American Hospital Cafeteria Zero Waste Certificate

Through the effective waste management strategies we have implemented in our Divan Bebek Brasserie, Divan Kalamış Brasserie, Divan Erenköy Pub, and Divan American Hospital Cafeteria units, we show our respect for nature with the Zero Waste Certificate we have received.

Divan Çukurhan Zero Waste Certificate

As a result of the work it has carried out with a deep understanding of the importance of a clean and sustainable future, our Divan Çukurhan brand has been deemed eligible to receive the "Zero Waste Certificate" from the Ministry of Environment, Urbanization, and Climate Change.

Divan Ankara Zero Waste Certificate

We are aware that it is vital for future generations to use resources more efficiently, reduce the amount of waste, and prevent waste. As a result of the work we have carried out with this understanding, our Divan Ankara brand has been deemed appropriate to receive the "Zero Waste Certificate" from the Ministry of Environment, Urbanization, and Climate Change.

Global Sustainable Tourism Council (GSTC) International Certificate Awarded to Divan Hotels

After Divan Istanbul, Divan Ankara, Divan Bodrum and Divan Bursa, our Divan Istanbul City hotel is also in its 3rd year. The stage was entitled to receive the Divan Çukurhan First Stage Global Sustainable Tourism Certificate.

We Received an Award in the "Cooperation for Sustainable Food" Category from the Sustainability Academy

As Divan Group, we won an award in the "Cooperation for Sustainable Food" Category at the award ceremony organized by the Sustainability Academy. We would like to thank all our teammates who acted with a sense of responsibility and made a collective effort in this journey that we started with the aim of creating common values in sustainable food access, waste reduction, and incentives. This success is the result of the joint effort of our team, which produces sustainable works with transparent and traceable methods.

We are delighted that our Divan Istanbul Hotel has been given the Green Key Award for the 4th time this year, and our Divan Istanbul City, Divan Bursa and Divan Çukurhan Hotels have been given the Green Key Award for the 2nd time

We are proud to have won the Green Key Award for the 4th time this year with our Divan Istanbul Hotel and for the 2nd time with our Divan Istanbul City, Divan Bursa, and Divan Çukurhan hotels. Within the scope of the Green Key program, the main topics determined by the Environmental Education Foundation of Turkey such as environmental management, sustainability awareness, staff and guest participation, total water consumption, reduction of environmental footprint, washing and cleaning processes, reuse and recycling of wastes are taken as criteria.

Divan Brasserie Acacia Unit Zero Waste Certificate

Following our Divan Brasserie Bebek, Divan Brasserie Kalamış, Divan Pub Erenköy, and Divan Cafeteria American Hospital units, our Divan Brasserie Acacia unit has now been awarded the Zero Waste Certificate.



Memberships, Awards and Achievements

Respectful
Divan

Happy Place To Work

We are proud to receive the "Turkey's Happiest Workplace and Extraordinary Employee Experience Awards" given by Capital Magazine and Happy Place to Work® Consulting Company, through our Cultural Ambassadors and We Are D-One projects, which came to life with the active participation of our field and office employees.



Customer Review Award Agoda

Our Divan Ankara Hotel has been deemed worthy of the "Customer Review Award" by agoda.com, the world's leading online travel site for hotel reservations. We would like to thank all our guests who have chosen Divan Ankara for their trust and valuable feedback.



Lokanta by Divan Owns 4 Pearls in the 2023 Pearl Gastronomy Guide

Lokanta by Divan, the inheritor of the 67-year-old Divan culture, continues to achieve significant success. Under the leadership of our young chef Volkan Arık, Lokanta by Divan, where we reinterpreted the traditional recipes of Turkish cuisine with a modern perspective while staying true to local values, was deemed worthy of the 4th place in the 2023 Pearl Gastronomy Guide. This stands out as an important achievement that crowns our creativity and quality.



In addition, in Wine Spectator, which evaluates the wine collections and quality of restaurants around the world, Lokanta by Divan's wine cellar won the Awards of Excellence 2023 Award. We are proud to be one of the rare companies in Turkey with this award.



Memberships, Awards and Achievements

Ödüller

Luxury Lifestyle Awards Top 100-TOP 100 Hotels & Resorts of the World 2023

The 100 Best Hotels in the World-TOP 100 Hotel General Managers of the World 2023

Gault & Millau- 3 Awards!

2 hats in the "Chefs Table" category of Lokanta by Divan

1 hat in the Maromi by Divan "Gourmand Table International Cuisine" category

Divan Group also won the best "Outside Catering Award".

Kincentric- "Best Employers 2023"

International Architecture Awards-Kuruçeşme





Sustainability



Divan Bodrum



Dear Stakeholders,

Over the last 4 years, we have taken pioneering steps in the field of sustainability, aimed to reduce our environmental impact, and made many innovations on this path.

Our sustainability and transformation journey is an important cultural transformation that we have carried out as Divan Group. In this role, which I started in 2017, our cultural transformation process, which became evident in 2018, took on a sustainability-oriented structure with the strengthening of legal infrastructures and the establishment of standard processes. With the **Sustainability Committee** we established in 2019, we made an official start to our work in this field. The pandemic process, on the other hand, has brought our sustainability efforts to the fore and accelerated them.

The ability to see holistically enables us to manage complex sustainability challenges. It is my most important duty to see the big picture where each part is united and to turn individual efforts into corporate success.

As Divan Group, our work in line with Koç Holding's principles and our efforts to comply with international standards are the keys to sustainable success.

By focusing on sustainability management and coordination concerns in our industry, we can maintain our business continuity and development.

At Divan Group, we do not see sustainability as just individual achievements, but we put it as our main goal to evaluate it as a corporate success. This vision takes a holistic view of all our business processes, covering a broad spectrum of environmental protection such as environmental protection, energy efficiency, waste reduction, and climate resilience. These initiatives are essential for a low-carbon future and are underpinned by our comprehensive system of metrics and indicators that guide us in achieving our strategic goals.

In line with Koç Group's values, Divan Group pursues a sustainability strategy in line with international standards. Within the framework of this strategy, we constantly review our work in areas such as the **Global Sustainable Tourism Council (GSTC)** and food sustainability. Our innovation and sustainability efforts enable the Divan Group to maintain and expand its leading position in the sector.



Nur Celik

Environment and Sustainability Manager



With our duties of coordinating, managing tracking and reporting, and supporting business continuity and operational excellence, we are on the way to building a sustainable future at the global and local levels. We carry out this process in cooperation with all our stakeholders and aim for sustainable success.

Our report begins with an assessment of the past year and clearly sets out our commitments and goals for the future. Our sustainability goals cover a wide range from environmental protection to energy efficiency, from waste reduction to initiatives to build resilience to climate change.

In this process, we made our supply chain sustainable by making operational improvements and aimed to raise awareness about sustainability for both our guests and society, especially with innovative projects such as carbon-neutral accommodation. Among the challenges we faced during our journey was getting departments to adopt sustainability and making it a part of the company culture. However, the successes we have achieved in this process have made significant contributions to the adoption of sustainability as a way of life.

Sustainability is part of our business and at the heart of our strategic goals for the future. In particular, the projects we have developed in line with the **Carbon Transformation Program** and our efforts to reduce food waste show our progress in this area.

We also shape our company culture with our human resources and social responsibility projects and develop accessibility projects for disadvantaged groups.

In the coming periods, we will carry our sustainability strategies further and continue to work on new projects and initiatives. The contribution of each of our employees in this process is invaluable to us.

I believe that together, we will move towards a greener and more sustainable future. I would like to express my gratitude to all my colleagues, managers, and every member of the Divan Group family who have been with me during this process and have supported me at every step.

Together, we will continue to take pioneering steps in the field of sustainability and reinforce our position in the sector by putting the principle of "Respect for Every Stakeholder" at the center.

Being with you in our work for a sustainable future is our greatest strength as Divan. I believe that we will achieve many more successes together with you on this journey that feeds our hope for the future.

with Love and Respect

*Daha yeşil ve sürdürülebilir
bir geleceğe doğru...*



Divan Group Main Sustainability Policy

- As Divan Group, in order to carry out our activities, we have put the **Only the Best** approach at the center of our sustainable business approach in all matters of the business field,
- As Divan, we have adopted the principle of protecting, producing, and sharing only the best with simplicity for all our stakeholders, especially our planet, our guests, and our employees,
- As a requirement of this focus, we will take care to continuously improve our performance in four areas,
- Under the leadership of a pioneering, quality management in our sector; To create a structure that covers all our stakeholders and can make healthy risk and opportunity analyses while observing the ethical business understanding in our ecosystem,
- Responsibly based on scientific foundations; To mature a production mechanism that protects the resources of our planet, strives to prevent climate change, and is resistant to it,
- With a **respectful** and unconditional approach; To providing a business environment that prioritizes human rights and health, understands and encompasses all kinds of diversity in our stakeholders, and supports their development,
- As a **stakeholder** of the society we live in; To take an active role in environmental, social, and economic development and to be in continuous development so that all humanity can look to the future with more confidence,
- As an important member of our community who is in direct and sincere contact with people, we aim to work together in every field and only the best for a better future.





Sustainability Building Blocks

■ 1999

We established ISO 9001 / Quality Management System.

■ 2015

We received the "TSE / Service Place Qualification Certificate" for our Divan Production Facility.

■ 2016

- We installed "ISO 9001 / Quality Management System" in our Divan Production Facility.
- We installed the "BRC / Global Food Safety System (Class A BRC)" at our Divan Production Facility.

■ 2018

- We installed the "ISO 14001 Environmental Management System" in our Divan Production Facility and Divan Istanbul Hotel.
- We received the "Halal Certificate" for our Divan Production Facility.

■ 2019

We installed "ISO 50001 / Energy Management System" in our Divan Production Facility.

■ 2021

- We established the Sustainability Senior Management.
- We identified our priority matters through a comprehensive stakeholder analysis.
- A commitment was made to the Business Council Plastics Initiative Divan Group.
- We received the "Zero Waste Certificate" for our Divan Istanbul Hotel, Divan Bodrum Hotel and Divan Taşdelen Production Facility.

■ 2022

- We have completed the application process for Divan Kalamış Brasserie, Divan Akasya Brasserie, Divan Kalamış Brasserie, Divan Bebek Brasserie, Divan Erenköy Brasserie, Divan American Hospital Cafeteria, Divan Ankara Hotel and Divan Çukurhan Hotel to receive Zero Waste Certificates within the framework of sustainability steps.
- Our Divan Istanbul Hotel proved that it meets international standards in service quality with its "ISO 9001 Quality Management System" and "14001 Environmental Management System" certificates.
- We established the "ISO 45001 Occupational Health and Safety Management System" at our Divan Production Facility and Divan Headquarters.
- We established the **Sustainability Supreme Committee**, 4 Sub-Committees, and 13 Working Groups affiliated to these committees.
- We prepared the first Sustainability Report.
- We conducted a Double Materiality Analysis. We received the "**Green Key Certificate**" for our Divan Istanbul, Divan Istanbul City, Divan Bursa, and Divan Çukurhan hotels.

■ 2023

Our Divan Cukurhan Hotel received the "First Stage Global Sustainable Tourism Certificate" (GSTC), while our Divan Istanbul, Divan Istanbul City, Divan Bursa, Divan Ankara, and Divan Bodrum hotels received the "Third Stage Global Sustainable Tourism Certificate". Divan Taşdelen By successfully completing our unannounced audit of the Manufacturing Facility BRCGS V9 Global Food Safety. Our grade has been renewed from A to A+. Divan Corporate Purpose and Sustainability Strategy

From the beginning of our establishment until today, we attach great importance to quality standards and certification in the field in which we operate.





Divan Corporate Purpose and Sustainability Strategy

Vision Arising from Corporate Values

As Divan Group, we put our company's deep-rooted values and ethical structure at the center of setting corporate goals while creating our sustainability model.

Our main goal is to ensure that every aspect of our model, from our policies to our strategies, goals, and commitments, is aligned with this corporate purpose.

Mission and Principles of the Divan

We blend the understanding of Turkish hospitality with international service quality, and we aim to offer experiences that add value to each of our guests with all our brands.

As a reliable and leading Turkish brand:

- Under the leadership of Koç Holding and being among the firsts in Turkey, we provide trust and leadership.
- With our superior quality, service, and management approach, we determine the "ISO 9001 Quality Standards" in the sector and create a model that combines boutique and industrial successes.
- We aim to offer the best in every category in an integrated and sustainable way in a wide range of areas from hospitality to retail.

Corporate Purpose of Divan

As Divan Group, we aim to promote and preserve Türkiye's rich food diversity and hospitality on a global scale. We carry out the international recognition of this culture in harmony with the deep-rooted values of our group, within the framework of ethical principles, egalitarian approach, and inclusive principles. We adopt a sustainable production approach, prioritize environmental responsibility, and attach importance to the protection of natural resources in our business models.

As a group, we prioritize policies that respect human health and dignity, aiming to improve the quality of life of each individual and enhance the overall well-being of society. This orientation includes an effort to create added value that takes into account the interests of all our stakeholders while supporting qualified social development and sustainable economic growth.





Divan Sustainability Model

business knowledgeable pioneer

We aim to conduct risk and opportunity analyses correctly and to have a quality and ethical management approach.

Leading

Responsive

responsible for the planet

We carry out our production activities with a climate- and environment-friendly approach and exhibit a sensitive attitude towards our planet.

divan

respectful to people

We strive to create work environments that emphasize equality, inclusion and the health of every individual.

Respectful

Stakeholder

sharing tomorrow

We act with an understanding that supports social development and shares value.

Protecting the natural and cultural richness of these lands, transferring our values to future generations together, and supporting social development and progress, always with a quality service understanding.



Sustainability Management

We have established the Divan Sustainability Committee on a strategic basis with the guidance of our senior management, and our Committee operates under the chairpersonship of our General Manager and with the participation of managers from various business lines and functional units. The committee is responsible for identifying, implementing, and continuously improving our sustainability strategies.

The Divan Sustainability Supreme Committee effectively implements sustainability strategies across the Group with **4 "Sub-Committees" and 12 Working Groups**. Committees meet at least 4 times a year and this number can be increased if necessary. The meeting process is initiated with the call made by the Chairperson of the Committee and the agenda is determined. Decisions are taken by majority vote and strategies are integrated throughout the company.

DIVAN SUSTAINABILITY HIGH COMMITTEE

Leading Committee

- Supply Chain Management
- Strategic Planning R/F Analysis
- Stakeholder Communication

Responsive Committee

- Water Conservation
- Wastes
- Energy / Emissions

Respectful Committee

- OHS
- Talent Management
- Gender Equality Education

Stakeholder Committee

- Quality
- Innovation
- CSR

Sub-Committees and Working Groups

4 Sub-Committees and 12 Working Groups supporting our sustainability strategy have been tasked to implement the Committee's vision and objectives. Each committee and group focuses on specific goals.

Our Leading Committee features dedicated working groups on critical topics such as supply chain management, strategic planning, risk and financial analysis, and stakeholder communication. Each of our groups follows industry best practices and develops strategic initiatives to achieve sustainability goals.

Our Leading Committee has a structure that analyzes risks and opportunities, plays a leading role in supply chain management and strategic planning, and reinforces our company's ethical management approach through stakeholder communication.

Our Responsive Committee leads three key working groups in the area of environmental sustainability: Water Conservation, Waste Management, and Energy/Emission Reduction. These working groups play a critical role in reducing our environmental impact, from protecting our water resources to improving our waste management practices and optimizing our energy consumption.

The "Respectful Committee" coordinates the Occupational Health and Safety (OHS), Talent Management, Gender Equality and Education working groups. These groups develop programs that support the well-being and development of our employees and promote the principles of equality and fairness in the workplace.

Our Stakeholder Committee; Quality, Innovation and Corporate Social Responsibility (CSR) guide the working groups. The committee takes the lead in improving the quality of our products and services, offering innovative solutions, and implementing our social responsibility projects.



Our Sustainability Goals

Target Area: Leading Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
To spread the understanding of quality management in the Divan Group.	Maintaining a diverse and inclusive management approach with sectoral knowledge maturity and diversity in representation.	Maintaining the ratio of women on the board of directors at least 30% at all times.	We are very close to our goal of maintaining women's representation on the Board of Directors at a minimum of 30% on an ongoing basis; we are currently at 28.6%. To achieve this goal, additional initiatives are planned, such as mentoring programs and leadership education specifically designed to support aspiring women leaders. These programs will be completed by the end of 2024 and will be evaluated for their performance and impact on board diversity and business results.
		By the end of 2027, establish a management structure equipped with the principles of diversity and inclusion.	By 2027, we aim to establish a management structure equipped with the principles of diversity and inclusion, and we are effectively implementing our strategic plans to integrate the principles of diversity and inclusion. Within the scope of these plans, various educations, workshops, and mentoring programs are organized, and specific policies are developed to increase the equipping of our management team with these values. Furthermore, the progress achieved in this process is evaluated through performance indicators and regular feedback collection methods, and our management structure is continuously strengthened through improvements made at every stage.
		Implementing a sustainability performance monitoring system.	In 2024, we plan to transition to a digital platform that meets the needs and dynamics of our company to monitor our sustainability performance more effectively. This platform will automate data collection, analysis, and reporting processes, enabling continuous and detailed monitoring of our performance. The digitalization process will consist of multiple stages, firstly, the integration of the existing data structure into the digital platform will be carried out, followed by usage education for our employees.



Our Sustainability Goals

Target Area: Leading Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
To popularize the understanding of Stakeholder Communication, Participation, and Implementation in Divan Group.	Establish an interactive communication mechanism to actively monitor the transformation and development of target stakeholders to establish corporate sustainability.	Organizing educations and awareness-raising programs to raise stakeholders' awareness of sustainability.	In 2024, we will launch special education and awareness programs to raise sustainability awareness, designed to help our stakeholders better understand and implement their environmental responsibilities. These programs will offer content that promotes sustainable business practices and will be customized for various stakeholder groups. The effectiveness of the programs will be measured through participants' feedback and the sustainability measures implemented, and continuous improvement and development activities will be planned with the data obtained from this process.
		Establish a monitoring and evaluation system to regularly monitor the transformation and development of stakeholders.	In order to effectively monitor the transformation and development of our stakeholders, we have successfully implemented a monitoring and evaluation system for our guest stakeholders, which provides critical information that enables us to continuously improve our guests' experiences. This system includes real-time feedback collection, satisfaction surveys, and engagement analytics, and the insights gained from this data are used to make strategic improvements to increase guest satisfaction. By the end of 2024, this system will be extended to all our stakeholder groups with similar features, enabling us to systematically monitor the experiences and satisfaction of all our stakeholders and drive continuous improvement.
		Establishing collaborations and partnerships with other organizations in the sector to share best practices and promote sustainability.	In order to achieve our goals, we have established a strategic partnership with Ecoding. Within the scope of this cooperation, reforestation and biodiversity projects are supported, and the environmental impact of Divan Hotels is increased by scattering seed balls in nature with ecoDrone technology. In addition, to reduce waste and carbon emissions by 50%, Divan Group and Fazla are developing innovative waste management solutions that digitally measure and prevent food waste at source.



Our Sustainability Goals

Target Area: Leading Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
To promote systematic ESG risk practices while supporting Divan Group's corporate sustainability and innovation.	Taking active measures for corporate sustainability and supporting innovation by establishing an effective and systematic ESG risk analysis system.	Raising awareness on ESG risk analysis, identifying risks, procuring and developing necessary software and tools.	In 2025, we aim to complete the software and tools required for our ESG risk analysis processes.
		Conducting risk assessments at regular intervals, creating proactive action plans for identified risks, regular monitoring and reporting.	Thanks to the studies carried out, work will be completed in 2024 to make our risk management processes more systematic and effective.
		Regular communication and cooperation with stakeholders.	Launched in 2023, our education programs aim to strengthen communication with our stakeholders and cover a variety of topics to encourage collaboration and information sharing. These programs focus on sustainability, environmental management, and company policies and aim to increase the knowledge and skills of our stakeholders in these areas. In 2024, the continuation of these educations is planned and the content will be updated and further enriched in line with the feedback of the participants.



Our Sustainability Goals

Target Area: Responsive Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
As Divan Group, we reduce our greenhouse gas emissions in all processes in our entire value chain.	As Divan Group, we aim to reduce our emissions by 20% by 2030 compared to 2020 and to be carbon neutral in the entire value chain by 2050.	Provide awareness to all guests and employees about carbon offsetting arrangements that meet standards and provide data on the use of alternative modes of transportation.	Launched in 2023, carbon-neutral accommodation and carbon-neutral event programs have been developed. In the second quarter of 2024, these programs will be fully operational and both our guests and employees will be informed about carbon offsetting practices and alternative transportation options.
		Increasing RES utilization rate in all locations and increasing the investment amount by 5% each year compared to the base year of 2022.	In 2023, a Solar Energy System (SPP) investment was realized for renewable energy sources. This investment was made in line with our organization's goals to increase the use of sustainable energy and strengthen our renewable energy infrastructure. The long-term goal of these investments is to achieve an 80% reduction in Scope 2 emissions by 2025.
		Location-based energy monitoring and reduction studies.	Launched in 2023, the location-based energy monitoring project includes detailed data collection and analysis processes to manage our energy use more effectively. This project helped us understand the energy consumption patterns of our locations and identify potential areas of savings. In 2024, based on the data gathered, we will implement location-specific adjustments to improve energy efficiency. These will include optimization of automation systems and technological upgrades to lighting and HVAC systems to save energy. The impact of each intervention will be evaluated against predetermined performance indicators (KPIs) and this process will provide valuable feedback for continuous improvement.



Our Sustainability Goals

Target Area: Responsive Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
As Divan Group, we reduce water conservation in our entire value chain.	To minimize our total water consumption in our entire value chain and to actively support the protection of fresh water.	Providing information to visitors about local drinking water quality, encouraging its use as an alternative to bottled water (Tap water).	The project is currently in the project design phase. This involves detailing the scope of the project, its objectives and the strategies to be implemented.
		CEO Water Mandate signatory	In 2025, we plan to formally sign the CEO Water Mandate to reinforce our commitment to sustainable water management.
		Reduce water intensity per room by 2% with a base year of 2022.	In 2023, the target set in 2023 was successfully met. In 2024, this target will be revised. The revision will be carried out to further optimize the reduction in water use and sustain the current achievements.



Our Sustainability Goals

Target Area: Responsive Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
Ensure that the Divan Group is fully aligned with the circular economy.	To ensure full compliance with the circular economy in all Divan Group activities, to disseminate the 3R (Reduce, Reuse, Recycle) principle and to become a zero waste company by 2030.	Achieving zero waste in active waste management.	Zero waste monitoring activities are carried out specifically in restaurant and hotel units. By optimizing waste management processes in these units, a 5% improvement in procurement processes is planned for 2024.
		Zeroing the use of single-use plastics for employees, and working on single-use plastics used in divan branded products.	By the end of 2023, our employees' use of single-use plastics was successfully zeroed.
		Improving stakeholder engagement to achieve the goal.	As part of our 2024 strategic plans, we aim to launch a series of initiatives specific to our hotel operations to increase stakeholder engagement. These initiatives will focus on environmental sustainability and customer satisfaction and aim to achieve the strategic goals set out in our unit-based roadmap. These efforts are designed to improve the operational processes of our hotels while encouraging our employees and guests to participate in sustainable practices. The performance of each unit will be evaluated through KPIs and regular feedback collection mechanisms, thus providing the data required for continuous improvement.



Our Sustainability Goals

Target Area: Respectful Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
As Divan Group, to be the most inclusive and egalitarian company in Turkey.	Developing an equitable and inclusive environment that enables all stakeholders to exist without any element of disadvantage.	Keeping the ratio of women in management at least 37% compared to the base year of 2020.	In 2023, we reached 32.5%, which is significant progress towards the initial target set in 2020 and the result of our strategic initiatives such as diversified recruitment policies and mentoring programs to support women leaders. To fully achieve our targets, we will continue our planned additional measures and development efforts in 2024, during which we aim to implement new policies that will facilitate women employees' access to leadership roles.
		Increasing the proportion of employees with disabilities.	In 2023, Divan Group took important steps to facilitate the daily lives of our employees and guests with disabilities. We have added disability-friendly arrangements to our workspaces, outdoor spaces, and common areas, such as the installation of ramps, widened doorways, and elevators that provide barrier-free access. We also prepared our compliance reports and determined our compliance percentage by identifying all potential barriers and developing Solutions to eliminate these barriers. As of the end of the year, we have a total of 42 disabled employees and we are moving towards our goal of reaching the minimum number of disabled employees of 65, which is the legal requirement.
		Establishing the Diversity, Equality and Inclusion Committee and conducting awareness raising activities for all guests and employees.	Established in 2023, the Diversity, Equality, and Inclusion Committee will organize various educations and webinars in 2024 to raise awareness of diversity and inclusion among our employees and guests. These programs will be designed to support our corporate diversity policies and show participants how these values are integrated into our business and service processes. In addition, participant feedback and post-surveys will be used to evaluate the impact of these educations.



Our Sustainability Goals

Target Area: Respectful Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
As Divan Group, to be the leading company in the sector in terms of Human Health and Safety.	To create an ecosystem where the mental and physical health of all stakeholders in the entire value chain is secured and monitored.	To be an organization with zero accident rate (employees and suppliers)	As Divan Group, occupational accidents decreased by 30% thanks to the continuous awareness and education programs we carried out in 2022-2023. In addition, we have taken important steps to prevent the recurrence of accidents through root-cause analyses and on-site inspections. In this process, personal protective equipment produced specifically for the needs of our employees has significantly increased our occupational safety.
		Increasing "Worksafe", the Occupational Safety Pocket application used by Koç Group companies, by at least 60% by 2023.	Worksafe's usage rate increased from 4.2% in 2022 to 73.8% by the end of 2023. This represents an increase of 69.6%. In 2025, we aim for this rate to be at least 85%, and we continue to make progress in this direction.
		Ensuring the employment of occupational health and safety professionals in all units at the compliance level of Occupational Health and Safety processes and in order to minimize the risk of occupational diseases to reach at least 90% by 2025.	Our occupational health and safety processes, which were carried out with only one specialist at the beginning of 2022, were transformed with the participation of 8 specialists by the end of 2023. This increase has improved compliance in our units' occupational health and safety processes by 40% and we are significantly minimizing the risk of occupational diseases. These developments put us in a strong position to reach our 90% compliance target by 2025. Providing OHS education to internal employees and all external stakeholders in terms of employee health and safety and informing them about emergency situations, increasing by 80% compared to 2022.
			In line with our target of 80% increase in emergency information and OHS education in terms of employee health and safety compared to 2022, our OHS education amount, which was 11,248 hours in 2022, reached 23,850 hours in 2023, making a significant contribution to this target. While we planned to increase our target by 80%, we successfully realized 47.2% of this increase.



Our Sustainability Goals

Target Area: Respectful Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
As Divan Group, to be the leading company in the sector in terms of Talent Management.	To improve the maturity of its existing staff by ensuring their adaptability to global technological developments and digitalization and to train the next generation of leaders.	Increasing the proportion of women working in technology and innovation to 50% by 2030.	From 13.3% of women working in technology and innovation in 2023, we are taking strategic steps to reach our target of 27% by the end of 2024. In this context, we have launched education and mentoring programs specifically designed to enhance the skills of our female employees and expand their career opportunities. These programs focus on developing technical skills and leadership abilities. In addition, we accelerate the acquisition of new female talents through policies that prioritize gender diversity in our recruitment processes and encourage our women employees to assume more visible roles in business and projects.
		Linking the education within the scope of the Academy with the education plans within the scope of talent management (By 2030, the development actions of everyone (100%) included in the scope of the HRP will be determined and linked to the projects within the scope of Divan Academy)	In the field of gastronomy, we cooperate with BAU Tourism and Hotel Management and Boğaziçi University. This cooperation contributes to the enrichment of our executive development and technical operational development programs.
		Implementation of projects that will complete the development opportunities identified in the human resources planning process within the scope of the Academy (Development actions of all employees in the succession plan until 2030 are 100% defined according to the 70-20-10 rule.	Specially designed education for executive development and technical operational development will be designed in 2024. These educations are planned to be fully integrated with talent management processes. In 2024, the integration of talent management processes with the Academy for roles within the scope of HR planning will begin. These steps are critical to support the career development of staff and increase our organizational capacity.



Our Sustainability Goals

Target Area: Respectful Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
As Divan Group, to be the leading company in the sector in terms of Talent Management.	To improve the maturity of its existing staff by ensuring their adaptability to global technological developments and digitalization and to train the next generation of leaders.	Awareness and training projects to increase sustainability awareness within the scope of the “Be the leader of your life” project and Divan Academy (Implementation of at least one training, seminar, or event that raises the awareness of employees in all locations regarding psychological, mental and physical health within the scope of Esenlik activities, vision development and contribution) By 2030, all employees joining Divan (permanent, daily, intern or part-time) must have passed the training program titled “Being Ready to Work at Divan” before starting work.	By 2024, inspiring conversations will be organized every month. These conversations will support employees' holistic well-being and contribute to their personal and professional development. In addition, in 2024, an APP developed for holistic well-being will be launched. This will provide tools to support employees' healthy living habits and general well-being.
		By 2025, make our existing staff 100% compatible with digitalization and technological trends.	As Divan Group, we are taking firm steps towards making all our employees 100% compatible with digitalization and technological trends by 2025. In this process, we organize various trainings and workshops to improve the digital skills of our employees and make system updates and software investments to accelerate the integration of new technologies into our business processes. These activities are critical to ensure that our staff quickly adapt to technological innovations and increase business efficiency. Our progress is measured and managed through regularly assessed performance metrics.



Our Sustainability Goals

Target Area: Stakeholder Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
As Divan Group, to be an active and leading company in the process of protecting Turkey's cultural heritage.	By 2030, to carry out a CSR project (workshop, led by a famous chef, with youth participation) that will enable Turkey's local dishes to be recognized and sustained by younger generations.	To provide activities that will enable the participation of the young population in the Anatolian cuisine culture with nearly 3,000 recipes compiled by Divan.	Launched in 2023 and carried out in cooperation with Divan Library and Divan Academy, the project to introduce Anatolian cuisine culture to the young population started with the compilation of nearly 3,000 recipes. Project planning and initial preparations were completed, detailed studies were carried out in 2024, and various educations and workshops were organized to ensure the participation of young people. In 2024, the project is planned to be completed in the last quarter of 2024. The planning of the remaining activities to achieve the overall objectives of the project is ongoing and the completion of the project is closely monitored.
As Divan Group, to be a leading company in the process of developing Turkey's cultural tourism potential.	Inventory and promote the artifacts of Anatolian civilizations in our regions of activity.	Through this inventory, both to ensure the preservation of the artifact and to educate the people of the region about the economy of cultural tourism. Preparing an inventory. Launching a holistic promotional campaign to promote the works to a wider audience in the national and international arena.	Launched in 2023, the project to inventory and promote the works of Anatolian civilizations will start in 2024 as a result of detailed planning with the relevant committees. It is aimed to complete the work by the end of 2024 and then move on to national and international promotional activities. In addition, the front office education initiated in hotel units will be expanded to all unit employees by the end of 2025, aiming to increase the competencies of the staff in cultural tourism and actively contribute to the regional economy. In this process, providing the necessary resources and education to achieve the objectives of the project is among our prioritized goals.



Our Sustainability Goals

Target Area: Stakeholder Divan

Our Target Sentence	Our Target Strategy	Our Target Actions	Target Progress
As Divan Group, to become a leading company in its sector by actively contributing to the process of increasing Turkey's share in the global tourism market.	To support Turkey's international promotion, to increase its share in the global tourism market, and to develop promotional projects.	Implementing effective promotional projects to make Turkey a more recognizable destination in the international arena and strengthen its position in the global tourism market.	Launched in 2023, our project to strengthen Turkey's international recognition and position in the tourism market has been completed. These include the design of various promotional materials to highlight Turkey's tourism potential and strategic planning to increase engagement in target markets. In 2024, more detailed work will be carried out on these plans through committees and tools will be developed to measure the impact of the project and ensure continuous improvement.
		Develop innovative promotional projects.	Launched in 2023, the project design of our innovative promotional projects has been completed and the committees formed for the comprehensive planning of these projects will start working actively in 2024. These committees will determine the strategic objectives of the projects and coordinate all necessary resources and collaborations to increase the effectiveness of promotional activities.



Materiality Analysis

What is Double Materiality?

In 2022, Divan Group organized a “Sustainability Workshop” to assess global sustainability trends and industry dynamics. In this workshop, we gathered feedback from our internal stakeholders through online surveys and determined the content of the surveys to be conducted with strategic external stakeholders, which was a critical step in clarifying our sustainability vision and goals. Using the Dual Materiality Analysis, we discussed our strategic priorities, global trends, and guest priorities and clearly defined our roadmap until 2030. **We were also among the first companies in Turkey to apply dual materiality analysis.**

602 employees and 114 external stakeholders participated in the survey. We selected our employees from a diverse mix across departments, while external stakeholder feedback came from groups we have close relationships with, such as our guests, suppliers, regulators, and the media. We reviewed our 2022 study in detail during this reporting period, made the necessary corrections, and decided to continue the decision to receive stakeholder feedback every two years. We will implement this process again in 2024.

Double Materiality is a study that analyzes the two-way impact of (internal/external) stakeholder materiality results on the organization's policies, strategies, and performance in ESG areas and on its financial future (external-internal and internal-external).

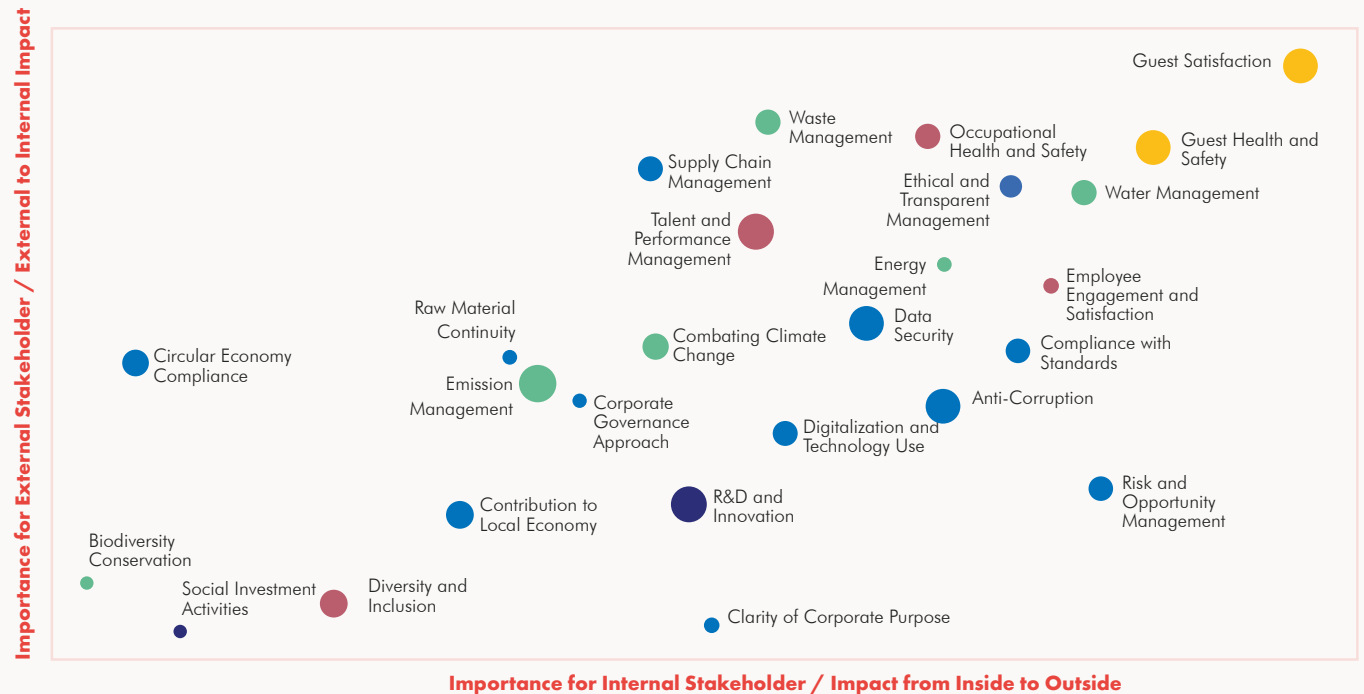
The double significance analysis table includes three dimensions.

Stage 1:

ESG Internal/External Stakeholder Materiality (Dimension 1 and Dimension 2) Colors indicate the ESG scope of the topic and its position in the graph indicates the internal/external stakeholder MATURITY rating

Stage 2:

ESG Internal/External Impact Materiality (Dimension 3) Colors indicate the PROCESS position of the topic for the organization; sizes indicate the degree of IMPORTANCE to external stakeholders.





Prioritization Analysis

Divan Group Double Materiality Strategy Matrix - Leading Divan

Performance Areas	Area	Level
Guest Satisfaction	Compatibility	Large
Guest Health and Safety	Compatibility	Large
Anti-Corruption	Transformation	Large
Data Security	Transformation	Large
Ethical and Transparent Management	Compatibility	Medium
Supply Chain Management	Transformation	Medium
Compliance with Standards	Transformation	Medium
Digitalization, Use of Technology	Transformation	Medium
Risk and Opportunity Management	Continuity	Medium
Contribution to Local Economy	Continuity	Medium
Adapting to the Circular Economy	Continuity	Medium
Corporate Governance Approach	Transformation	Little
Raw Material Continuity	Transformation	Little
Clarity of Corporate Purpose	Transformation	Little

Divan Group Double Materiality Strategy Matrix - Responsive Divan

Performance Areas	Area	Level
Emission Management	Continuity	Large
Waste Management	Compatibility	Medium
Water Management	Compatibility	Medium
Combating Climate Change	Transformation	Medium
Energy Management	Compatibility	Little
Biodiversity Conservation	Continuity	Little

Divan Group Double Materiality Strategy Matrix - Respectful Divan

Performance Areas	Area	Level
Talent and Performance Management	Transformation	Large
Employee Engagement and Satisfaction	Compatibility	Little
Occupational Health and Safety	Compatibility	Medium
Diversity and Inclusion	Continuity	Medium

Divan Group Double Materiality Strategy Matrix - Stakeholder Divan

Performance Areas	Area	Level
R&D and Innovation	Continuity	Large
Social Investment Activities	Continuity	Little



Business Knowledgeable Pioneer

Leading

We aim to analyze risks and opportunities correctly and to have a quality and ethical management approach.



Divan Canyon Pub



Dear Stakeholders,

As Divan Group, we would like to share the excitement of presenting our second sustainability report. The great determination we have shown to reach the targets we set last year and the successes we have achieved in this process shows how far we have come in our journey of sustainable growth. This report presents our past achievements and our strategies and targets for the future in detail.

Integrating Sustainability and Financial Success

Sustainability has now become an integral part of our financial success. By placing our ESG strategies at the center of our business model, we have adopted a pioneering approach in these areas. In response to the growing interest of our guests and business partners in this area, we aim to present sustainability-related data in our reports that demonstrate our strong financial structure.

Strategic Steps and Financial Vision

In 2023, the strategic and proactive steps we took strengthened our financial performance and supported our sustainable growth. Despite global and local economic fluctuations, these steps will carry us into a solid future. In addition to the actions we have taken in financial management, we continue to grow at full speed with unit openings and continue our operations without compromising on service and product quality. As a result, we are pleased to see our revenues increase along with our guest numbers, reinforcing our leading position in the sector and our solid financial structure.



Ali Kemal Bak

Assistant Manager /
Financial Affairs-Business Development



We are pleased to see the increase in our revenues along with our guest numbers, reinforcing our pioneering position in the sector and our solid financial structure.

Our Environmental Commitments and Operational Improvements

Environmental sustainability is at the center of our strategies. Our innovative digital transformation projects, IT initiatives, and investments in energy-efficient technologies in our newly opened properties are concrete steps in reducing our environmental impact. This process directly influences the decisions of our guests and business partners and brings Divan's market adaptability to the level of 'leading the way.

Sustainable Future with Our Guests and Business Partners

Recent reports show that sustainability practices have a significant impact on companies' financial results. Accordingly, we will continue to communicate transparently with our guests and business partners, informing them about sustainable financing and investments and sharing the contribution of our ESG performance to our financial health.

I see this report as an opportunity to transparently share how these practices contribute to the long-term financial health of our company, while firmly maintaining our sustainability commitments. We are more ready for the future than ever before. Each step we take on this path together with you is driven by the respect we have for every one of our stakeholders and the love we feel.

with Love and Respect





Economic Indicators

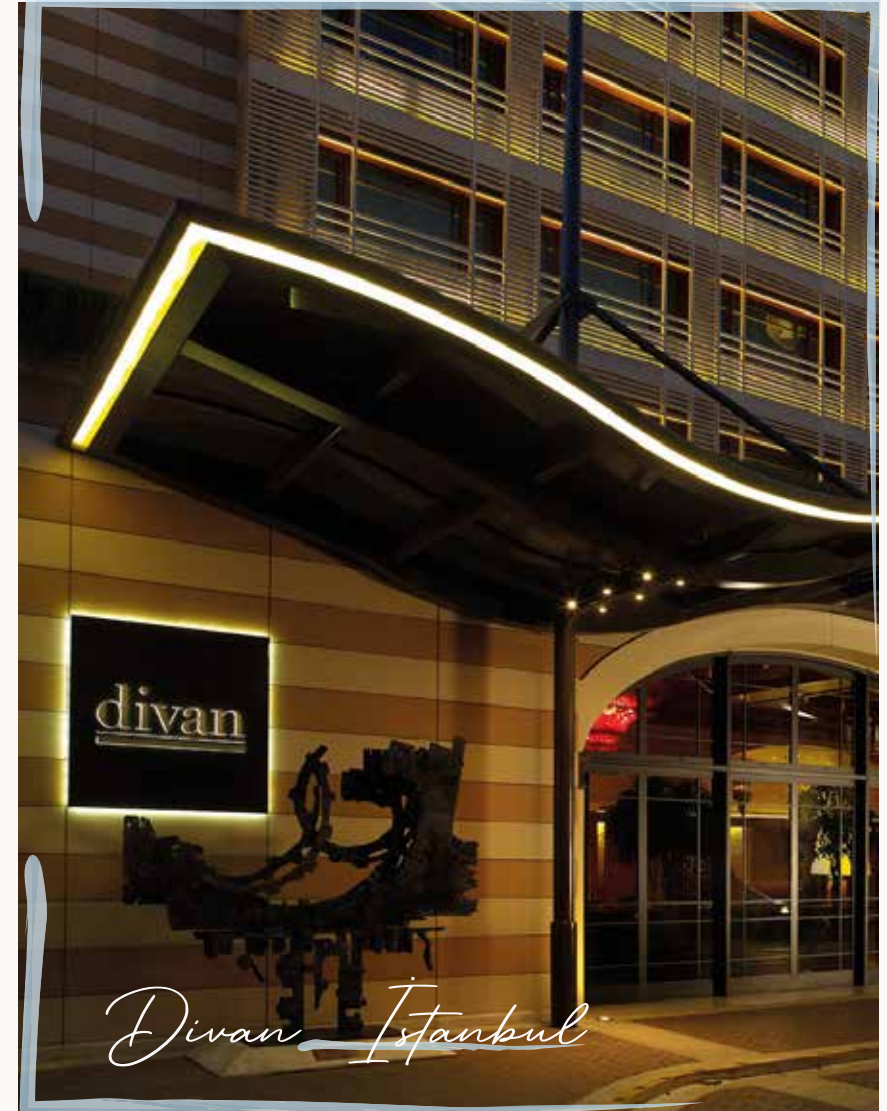
As Divan Group, we act in full compliance with the relevant laws and regulations while carrying out our activities and adopt an ethical, transparent, fair, accountable, and responsible management approach in this process.

We prioritize this approach in all business processes and decision-making mechanisms of our company.

As Divan Group, we aim not only to comply with the legislation but also to build high standards of responsibility and trust towards all our stakeholders.

We consider this understanding as one of the cornerstones of our group's long-term success and sustainability and it is internalized by our employees at all levels.

*Ethical management,
transparent business processes*



Divan Istanbul



Online Sales and Service Revenues

As a successful result of our Group's digitalization strategy, revenues from our online sales and service platforms are increasing every year. The share of this revenue stream in our company's total revenues reflects the changing shopping and service usage preferences of our customers. We are reaping the fruits of our digital transformation efforts in recent years with an increasing revenue stream through online channels.

Our innovative and dynamic product strategy was strengthened with the launch of **23 new products**, which responded to customer needs and generated a total turnover of **₺19.4 million**. These products offered new ways to increase customer satisfaction and add value to our portfolio.

In the past year, we **exported to 16 different countries**, proving once again that we are a strong player in the global market. This growth rate is a concrete indicator of our aggressive and innovative approach in the sector, as well as how much our quality products and services are appreciated by our international corporate customers.

Among the countries we export to are the USA, Germany, Australia, UAE, Palestine, France, Georgia, the Netherlands, Iraq, the UK, Japan, Cyprus, Kuwait, Maldives, Norway and Singapore.

	2023	2022	2021
Online Patisseries	18,233,014.26₺	12,833,482.53 ₺	6,018,998.32 ₺
Delivery Restaurant	7,165,037.13₺	7,616,363.05 ₺	2,597,395.93 ₺
Online New Year Sale	1,823,400.00₺	909,265.00 ₺	864,725.00 ₺
Online Hotels	172,830,765.00₺	58,993,619.63 ₺	
TOTAL	200,052,216.39₺	80,352,730.21₺	9,481,119 ₺





Management Systems and Policies

Our Management Systems

We have crowned our commitment to quality management and sustainability with a series of nationally and internationally recognized awards and certificates. As Divan Group, we are proud to have been awarded prestigious certifications such as “Integrated Management System Certification” in “ISO 9001”, “ISO 14001” and “ISO 45001” standards; “BRCGS Global Food Safety Standard Certification” and “V-Label Certification”. Moreover, we reinforce our leadership and commitment to quality and sustainability by obtaining “Halal Certification”, “ISO 50001 Energy Management System Certification”, “TSE-Service Place Qualification Certificate”, “Zero Waste Certificate” and “GSTC Certificate”.

Standard/Certificate name	Year of receipt		
ISO 9001 / Quality Management System	2016 - 2022	Divan Production Facility	Divan Istanbul Hotel
ISO 14001 / Environmental Management System	2018	Divan Production Facility	Divan Istanbul Hotel
ISO 45001 / Occupational Health and Safety Management System	2022	Divan Production Facility	Divan General Directorate
BRCGS/ Global Food Safety System	2016	Divan Production Facility	
ISO 50001/ Energy Maangement System	2019	Divan Production Facility	
Helal	2018	Divan Production Facility	
TSE/ Service Place Qualification Certificate	2015	Divan Production Facility	
Zero Waste Certificate	2020 - 2023	Divan Kalamış Brasserie	Divan Istanbul Hotel
		Divan Bebek Brasserie	Divan Production Facility
		Divan Akasya Brasserie	Divan Bursa Hotel
		Divan American Hospital Kaf.	Divan Bodrum Hotel
		Divan Ankara Hotel	Divan Erenkoy Pub
		Divan City Hotel	Divan Atasehir Pub
		Divan Cukurhan Hotel	Divan Kuruçeşme Facility
GTSC /Sustainable Tourism Certificate	2023	Divan Istanbul Hotel	Divan Bursa Hotel
		Divan Ankara Hotel	Divan City Hotel
		Divan Çukurhan Hotel	Divan Bodrum Hotel
V-label Product Certification	2023	Divan Production Facility	
TSE COVID 19 Safe Production Certificate	2020 - 2021	Divan Divan Production Facility	
TSE COVID 19 Safe Production Certificate	2021 - 2022	Tesis	Divan Akasya Brasserie
		Divan Kalamış Brasserie	Divan Erenköy Pub
		Divan Bebek Brasserie	Divan Ataşehir Pub
Gren Key	2021 - 2022 - 2023	Divan Beyoğlu Brasserie	Divan Bursa Hotel
		Divan Istanbul Hotel	Divan City Hotel
		Divan Ankara Hotel	Divan Bodrum Hotel
		Divan Çukurhan Hotel	



Our Policies

Prohibited Product Management and Compliance Policies

As Divan Group, when we enter a market, we produce by the specific food legislation and export procedures of that market. Below, we provide detailed information about our policies and practices regarding prohibited products in various markets.

Food Legislation Compliance and Product Revision

Specific to the Japanese market, we are making revisions outside of our existing product recipes to ensure that banned ingredients such as sorbitol are not used.

Titanium Dioxide Usage

By the end of 2023, we have already stopped the use of titanium dioxide additive, which is banned under the Turkish Food Codex and banned in the European Union due to its harm to human health.

Alcoholic Product Management

We make sure that all alcoholic products we sell are banderoled. We are aware that products without banderoles are prohibited due to tax evasion and their effects on human health.

RASFF and Global Food News Tracker

We closely follow the RASFF System and global food news such as "Consumer Reports" to respond quickly to risks identified by the European Union.

Supplier Assessment and Control of Raw Materials

We evaluate all risks related to our suppliers, including the Ministry of Agriculture and Forestry's counterfeit and adulteration lists, and carry out final product controls according to TSE Standards.

Restrictions on the Use of Food Additives

Considering the effects on children's health, we limit the use of e-coded colorants. In addition, in line with our health and well-being approach, Divan Group has initiated the process of creating clean recipes that do not contain glucose syrup, hydrogenated vegetable oils, preservatives, and additives in our products.

Policies	Description
Quality, Environment, Energy and Food Safety Policy	Divan Production Facility
Occupational Health and Safety Policy	Divan Headquarters and Divan Production Facility
Personal Data Protection Policy	Divan General
Code of Ethics	Divan General
Compliance Policy	Divan General
Human Rights Policy	Divan General
Supply Chain Compliance Policy	Divan General
Social Investment Policy	Divan General
Sanctions and Export Controls Policy	Divan General
Competition Law Compliance Policy	Divan General
Whistleblowing Policy	Divan General
Discipline Policy	Divan General
Divan Sustainability Policy	Divan General

*We will review policies when relevant regulations change.

Divan Grubu'nun tüm politikalarına
www.divan.com.tr/politikalarimiz
www.divan.com.tr/bilgi-toplumu-hizmetleri
 linklerinden ulaşabilirsiniz.



These policies and practices position the Group as a trusted manufacturer in the global market and underline our commitment to protecting the health and well-being of our customers.



Ethical Compliance and Risk Management

At Divan Group, ethical compliance and risk management are at the core of our business strategy and we extend our commitment to conduct business in compliance with ethical principles beyond legal obligations. Our Compliance Policy contains the basic principles that determine the behavior in our internal and external relations and ensures that all our transactions are carried out with integrity, honesty, and ethical standards. Our procedures in areas such as anti-corruption, fair competition, and data privacy support the adoption of ethical values and the development of a transparent business culture.

We reinforced our strict commitment to ethical values with 5,100 hours of ethics education provided by Divan Academy. We adopted a Zero Tolerance Policy against violations of laws and ethical principles in the fight against bribery.

During the reporting period, we provided anti-bribery and anti-corruption education to our employees for an average of 3 hours, totaling 612 hours. The online and face-to-face education we organize for our employees to fully understand and implement the policies ensures that everyone is informed about the Ethical Principles and Compliance Policies.

6-monthly reports provide the opportunity to analyze our performance and clarify our future goals. Our whistleblowing and disciplinary processes include the evaluation of all reports reflected in the Navex Whistleblowing System and received by the company by the Divan Group Whistleblowing and Disciplinary Policy, which allows us to develop proactive measures to prevent future risks and violations.

Strong business strategies shaped by ethical principles

We have also reinforced our compliance with competition law through the Competition Law On-Site Review Procedure, which ensures that we act in compliance with competition legislation and cooperate effectively.

Education Name	Department	Completion Rate
Ethical Principles	All employees	58.9
KVKK	All employees (except Production)	55.4
Competition Law	Office worker	52.5
Laundering Proceeds of Crime	Excluding security personnel, cleaning staff, bellboys, cooks, chefs, busboys, waiters, waitresses, assistants and factory workers in production	49.4
Preventing Bribery and Corruption	Finance, accounting, HR, sales, procurement, marketing, technical services	57.1
Trade Sanctions	Finance, accounting, HR, sales, procurement, marketing, technical services	55.7



Ethical Compliance and Risk Management

Human Rights Centered, Sustainable Business Practices

At Divan Group, we take the United Nations' 2030 Agenda for Sustainable Development as a basis and adopt respect for human rights as a central principle. This approach supports us in achieving the **Sustainable Development Goals** by analyzing potential negative impacts in our value chain and taking effective measures. Our policies and practices, shaped in line with international standards and initiatives, prioritize respect for human rights in all our activities.

With our stance, we emphasize that respect for human rights should be a fundamental element of the business world and define the responsibilities and roles of companies for a sustainable future. In addition to creating a culture of awareness and compliance within the company, we also aim to have a positive impact on business partners and the supply chain.

Our commitment to human rights aligns our business practices with internationally recognized standards and ensures respect for human rights in all areas, from employee rights to supply chain management and guest relations. This principle is not only an ethical obligation but also serves as a strategic choice in achieving our sustainable development goals, reflects our sense of social responsibility, and strengthens our global reputation.

All our employees and managers are obliged to comply with this policy and we expect the same compliance from our business partners. Our policy is based on the basic principles of the **Koç Group Human Rights Policy** and is updated in line with international standards such as the **UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work.**

Anti-Bribery and Anti-Corruption

As Divan Group, we maintain our zero-tolerance policy on bribery and corruption. Our Group's anti-bribery and anti-corruption approach is clearly defined in the **Divan Group Anti-Bribery and Anti-Corruption Policy.**

In 2023, there were no bribery or corruption-related incidents, disciplinary penalties, or public lawsuits filed against our company.

*Human rights-centered,
sustainable business
practices*





Diversity, Equal Opportunity and Inclusion

As Divan Group, we focus on creating a positive transformation for our guests, our employees, and society. We support this transformation with our commitment to **Diversity, Equal Opportunity, and Inclusion**.

With Diversity, we aim to reflect the diversity of our communities in our workplace; with Equal Opportunity, we strive to offer equal opportunities to everyone in a fair environment; and with Inclusion, we strive to create an environment where every individual is valued.

We attach special importance to the employment of female employees. Accordingly, we have set two main goals: increasing the rate of female employment in new hires and increasing the promotion rate of our female employees.

By strengthening our relations with universities and offering part-time work programs to young talents, we support the participation of our female talents in technical and leadership education and their access to in-house mentoring and global coaching programs. Thus, we strengthen both their personal development and career paths.

Equal treatment and mutual respect are our core corporate values. We strive to become the employer of choice by strengthening diversity, inclusion, and employees' sense of community.

We strive to create a safe working environment with a high sense of belonging, where every employee can fully utilize their potential.

*Equal opportunity for all,
a work environment
enriched by diversity*

In line with our goal of achieving at least 30% female representation in senior management by 2030, we reached 28.5% in this reporting period.





Supply Chain Management and Global Practices

At Divan Group, we attach great importance to global standards and best practices in our supply chain management. In this context, we shape our strategies by benefiting from the analyses and findings of important publications such as the Sustainable Supply Chain Report prepared in collaboration with the **MIT Center for Transportation & Logistics (MIT CTL) and the Council of Supply Chain Management Professionals (CSCMP)**.

We continuously improve our supply chain in line with global trends and best practices. Based on legal compliance and ethical behavior, we strive to establish sustainable and mutually beneficial relationships with our suppliers.

Strategic Procurement Approach

While our Purchasing Directorate coordinates the direct and indirect material and service procurement processes of all our units through a centralized system, our specific needs are purchased independently by our relevant units. In our supplier relations, we follow a procurement policy that prioritizes innovation and cost-effectiveness, as well as compliance with ethical and environmental regulations.

Sustainable Supply Chain Management and Local Sourcing Integration

As Divan Group, we create effective energy in our supplier network through our **Sustainable Resource Management and Increasing Supplier Diversity** programs.

Our collaborations that promote responsible and local sourcing and our partnerships to support diversity and equality strengthen our leading position in the tourism industry.

Our Local and Global Supplier Network

As part of our sustainability mission, we place great importance on local supply chain integration. Our 2030 vision aims to source **99% of the products we purchase from local suppliers**. As of 2023, we are pleased to announce that we have reached this target.

Operational Supply Chain Management

At our Taşdelen Production Facility, our main goal is to ensure continuity in quality and cost advantage by working directly with manufacturers.

We encourage our suppliers to make direct deliveries and manage our purchasing processes centrally and effectively through SAP and SRM systems. With these methods, we optimize our supply chain, make our business processes more efficient, and reduce overall operational costs.

Ethics and Sustainability Standards

As Divan Group, we expect our suppliers to comply with **Koç Group's Business Ethics and Environmental Policies**. Our policy forms the basis of our supplier contracts.

Through our Supplier Code of Conduct, we ensure that our suppliers respect human rights, take an active role in the fight against bribery and corruption, and act sensitively in environmental protection.



Supply Chain Management and Global Practices

Supply Chain Management and Operational Efficiency

In our supply chain management, we apply strategies specific to the Production Facility and Operations units. At Taşdelen Production Facility, we prefer to purchase in high volumes directly from manufacturers, main importers, and main distributors. This approach makes our operations more efficient with point-based purchases made through our central and local contracted companies and direct distributions provided by our suppliers.

We aim for cost advantages and continuity in quality through our long-term centralized purchasing contracts, aiming to deliver consistent quality to all our units.

*Efficiency and quality
continuity in supply chain
and ethical standards...*

New Raw Materials and Packaging Materials Selection Process

Our purchasing department conducts market research for new raw materials and uses a Sample Request Form to bring alternative raw materials to our Production Facility. After examining the quality certificates of these raw materials, our Input Quality Team performs microbial, physical, and chemical controls of the products and gives approval of conformity.

The products are approved by our P&D and Production Department. We audit our non-GFSI-approved suppliers on-site. If they score above 70 points, we add these suppliers to our approved supplier list.



Food & Beverage Supplier/Subcontractor Selection

Our procurement team conducts in-depth research on potential suppliers and processes this information into the Supplier/Contractor Interview and Evaluation Form. After the analysis of the supplier proposals and the approval of the relevant departments, the supplier company is included in our cooperation.

This systematic approach increases the supply chain efficiency of our Taşdelen Production Facility, optimizes our stock inventories, and facilitates product distribution. In addition, through supplier behavior and management systems certifications, we confirm that our suppliers avoid unethical practices such as child labor.





Supply Chain Management and Global Practices

Supplier Management and Performance Evaluation

As Divan Group, we transparently report the sustainability and effective management practices that form the basis of our Supply Chain Management Strategy.

Category	Rating
Total procurement spending from Turkey	1,509,523,036₺
Number of suppliers critical to the continuity of operations	74
Number of direct (Tier1) suppliers	957
Number of critical and direct (Tier1) suppliers	62
Amount paid to critical and direct (Tier1) suppliers	261,460,426₺
Number of critical and indirect (non-Tier1) suppliers	12
Number of direct (Tier1) suppliers worked with in the last 3 years	1516
Number of indirect (non-Tier1) suppliers worked with in the last 3 years	2948
Number of direct suppliers that pose a high risk to sustainability	75
Number of material indirect suppliers that pose a high risk to sustainability	26
Number of direct (Tier1) suppliers assessed based on sustainability risks in the last 3 years	121
Number of suppliers whose contracts were terminated because they failed to pass the audit in the reporting period	3
Number of suppliers audited	121

We manage and audit our supply chain in line with global standards and our sustainability principles. We have designed these processes to ensure that our supplier network meets high standards and to continuously improve our operational efficiency. We regularly evaluate the performance of our suppliers and aim to mitigate sustainability risks by collaborating with internal audits and external audit firms.

In the reporting period, we terminated our contracts with three suppliers based on audit results.

Supply Chain and Local Supplier Integration

We have built our Supply Chain Management Strategy on both increasing global competitiveness and supporting local economies.

Category	2023	2022
Total number of suppliers	2,630	2,878
Total number of local suppliers	2,601	2,852
Total payments to suppliers	1,517,173,913₺	977,426,579₺
Total payments to local suppliers	1,509,523,036₺	975,441,757₺
Total number of new suppliers	933	774
Percentage of payments to local suppliers	99.50%	99.80%

Category	2021	2020
Total number of suppliers	2,104	1,809
Total number of local suppliers	2,079	1,786
Total payments to suppliers	351,287,455₺	186,279,938₺
Total payments to local suppliers	350,666,953₺	185,264,007₺
Total number of new suppliers	295	100
Percentage of payments to local suppliers	99.82%	99.45%



Quality, Innovation, P&D Studies

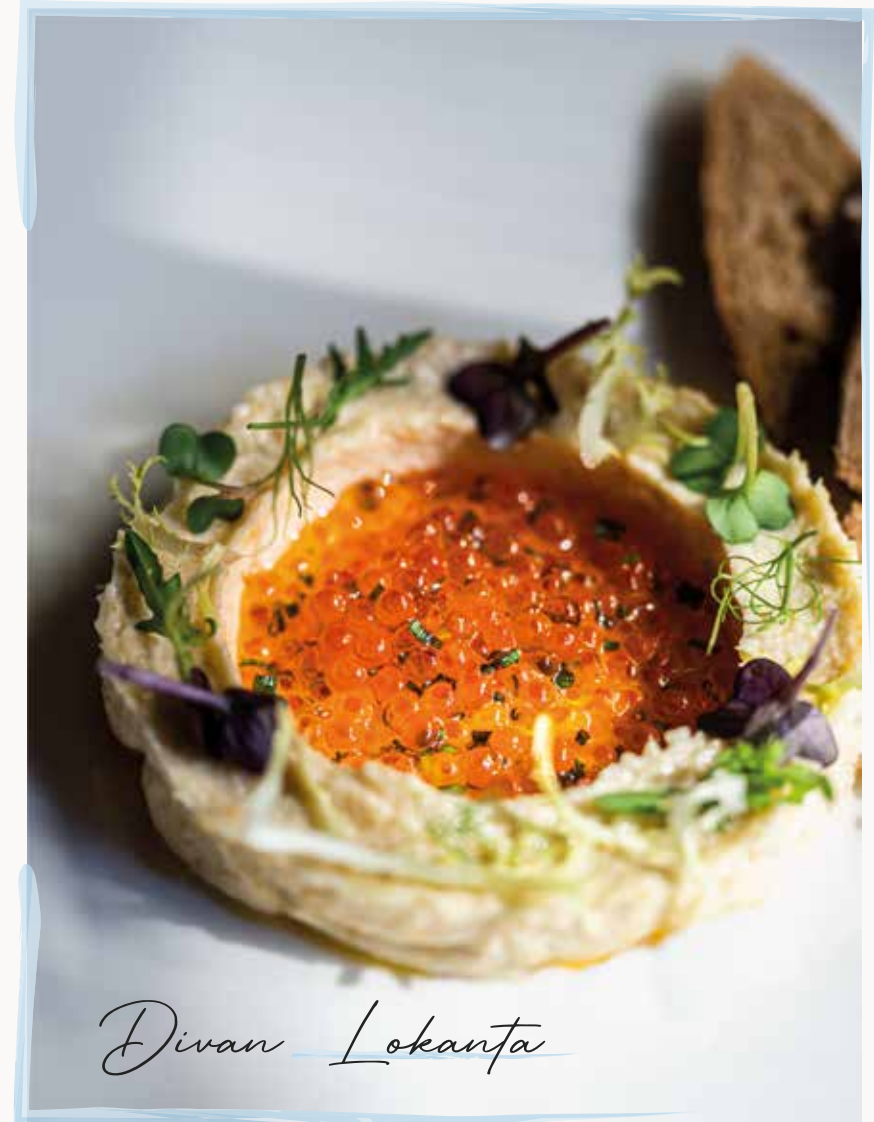
At Divan Group, we believe that all people have the right to access quality and safe products. In line with this belief, we act by national and international quality criteria in every field we operate. Our Quality Policy expresses our commitment to developing the necessary systems for the continuous improvement of our product and service processes and is guided by our quality vision and mission.

We evaluate all our activities from the perspectives of our employees, business partners, guests, and consumers. We adopt the basic approach of identifying potential negative situations at an early stage, minimizing and preventing their impact. With our high-quality standards, we always aim to offer the best to all our stakeholders and never compromise on quality and safety.

We implement strict quality control and assurance processes to ensure the excellence of our product and service quality and guarantee guest/customer satisfaction. We share our **Quality Standards (SOPs)** with all our teams and update them in line with industry developments and legal requirements.

For an effective quality control process, we use a variety of tools such as our internal audit teams, third-party audit firms, mystery shopper reports, and customer feedback. In addition, we identify potential areas of improvement with quality and food safety checks in our monthly food and beverage units and take quick action. In terms of food safety, we use accredited external laboratory services by conducting risk-based analyses and ensuring the impartiality of the process.

*"We start a new story
with every new product."*



Divan Lokanta



Quality, Innovation, P&D Studies

Risk Management and Supply Chain Management

We effectively identify the risks we encounter in our quality management processes at the risk assessment meetings we organize with the participation of our employees and develop comprehensive strategies for the management of these risks. To maintain and ensure quality standards in our supply chain, we carry out activities such as routine supplier audits, regular control of specifications and quality documents, and supplier evaluations.

We integrate Quality and Sustainability Standards in cooperation with our suppliers. In this context, we include environmental criteria such as carbon and water footprint in our supplier selection processes and prefer approved alternatives instead of companies that do not have **GFSI approval**. In addition, we identify supplier location as an important selection criterion to optimize logistics efficiency and environmental impact.

Education and Awareness Programs

We carry out regular education programs on basic topics such as **Quality Management, Food Safety, and Allergen Awareness**. In addition, we organize performance evaluation exams to measure the effectiveness of this education.

P&D

In 2023, as our Product Development (P&D) department, we prioritized sustainability principles and successfully carried out several innovative product development activities. We have meticulously evaluated compliance with sustainability criteria at every stage of our products, and we have emphasized sustainable production, especially in packaging and raw material selections. We worked closely with our Procurement and Quality departments on supply chain continuity and regulatory compliance of raw materials.

Based on **the European Environment Agency's (EEA)** global studies such as "Sustainable by Design Report" and "The Circular Economy and Sustainable Development Goals Report", we have developed sustainable and innovative products with a focus on market success and fulfilling our environmental responsibilities.

Our P&D process uses creativity and technological advancement for sustainable development, strengthening our innovation in the sector and our leadership in the market. This process supports our long-term success by meeting customer expectations and reducing environmental impact.

Our process, which starts with the Product Request Form, continues with the analysis of compliance with customer needs and design and functionality studies during the Product Development phase. While testing the compliance of our products with quality standards during the Product Quality Control phase, we ensure competitive pricing and profitability optimization with Cost Management.

Our marketing team reaches target audiences by promoting our products effectively. The series production process ensures that we can respond quickly and effectively to the high demands of the market.

*Leading the market
with environmentally
friendly products*



Quality, Innovation, P&D Studies

P&D

In 2023, in line with our understanding of sustainability and innovation, we launched new products with various features in line with the changing needs and preferences of our consumers. These products, which are in the category of snacks using plant-based ingredients, have enabled us to express our position in the market more clearly.

The performance we have achieved in Product Development (P&D) in the last four years demonstrates the success of our innovative strategies. Thanks to the projects we have carried out, we have supported our sustainable growth and reinforced our company's leading position in the sector. These projects have increased our competitiveness in the market and customer satisfaction by including our innovative product development, cost optimization, and efficiency efforts.

As a result of the work we carried out on 258 products in 2022, we successfully **launched 88 products**. In 2023, we focused on 793 products and succeeded in **launching 234 products**.

These developments reflect our Department's innovative approach and ability to adapt quickly to the dynamics in the market. In addition, thanks to the prescription revisions we carried out in 2023, we achieved an efficiency of approximately **₺4 million 400 thousand**.

Project Title	2023 Return (₺)	2022 Return (₺)	2021 Return (₺)	2020 Return (₺)
R&D Brings New Products	150,826,867.00₺	45,097,622.40₺	7,003,414.20₺	4,368,343.65₺
R&D Efficiency Studies	4,400,000.00₺	459,107.37₺		





Our Sustainable Production Practices, Innovations

Our Bakeries and Kokoa

In 2023, under the theme of **“Feel-Good Flavors”**, 5 new products were added to our list, Baklava Cheesecake, a special product for Ramadan, and 2 new cake varieties, 2 new varieties and whole wheat flour croissants were added to our Petit Four Series. In our chocolate segment, we introduced 3 new slate varieties and 2 hot chocolate varieties. We presented our sets and baskets containing 17 different SKUs for special occasions and special products such as praline boxes special to the 100th anniversary of our Republic.



Our Cafes & Restaurants

In 2023, we have enriched our menu with various innovations. We have added 5 new options to our dessert options. In the cake and cheesecake category, we presented 4 new product types to our guests.



Our Restaurant Menu

In 2023, we enriched our breakfast and snack alternatives by adding new options to the bakery products on our menu. With these innovations, we are expanding the range of products we offer in our cafes and restaurants and aim to offer our guests delicious alternatives prepared with sustainable production methods and in line with modern and conscious consumer expectations.

In addition, we have made significant innovations in our corporate sales and packaged product segments. These innovations are designed to meet the changing needs and preferences of our customers. While adapting to trends, we aim not to compromise on our taste and quality standards.



Innovations in Our Retail Chains

Through our leading retail chains, we have re-launched 2 types of cakes and cookies, the designs of which have been renewed. We have specifically redesigned these products to meet modern consumer expectations.





Our Sustainable Production Practices, Innovations

A Modern Touch to Traditional Turkish Desserts

Through a brand where we add a modern twist to our traditional Turkish desserts, we introduced **6 new products**, including 60 g and 250 g mixed Turkish delights. Orange-flavored milky and dark madeleines and cinnamon-flavored milky and dark madeleines stand out among these innovative flavors.



Taste Journey in the Airline Industry

We have enriched the taste journey of our passengers with our choco fresh strawberry, vegetable bistro, and plain cristate glass products offered in the airline industry.



Fuel Station Chain

For our customers in the chain of fuel stations, we offer new products that are ideal for customers who are looking for tasty and practical solutions on the road. In this product range, there are 3 types of glass cookies and two different types of toast, cheddar and sausage & cheddar.

Our Collaborations with Corporate Cafe Chains

In 2023, we achieved significant increases in our brand awareness with various new products we launched thanks to our strengthened relationships with corporate café chains.

We have enriched our thematic product range prepared 22 new products specially designed for leading café chains and special occasions and presented them to consumers.

Our Snack Series

With our plain cristate and 3 types of bistros (cereals, vegetables, special vegetables) products, we offer delicious options for nutritionally conscious consumers. In addition, our innovative alternatives to meet the need for dessert with **4 types of dragee 2 types of choco fresh**, and 2 types of chocolate flavored with orange and apricot are among the new and attractive flavors we offer to dessert lovers. With this wide and diverse product range, we bring our customers together with delicious and quality options, while prioritizing our sustainable production principles.





Our Sustainable Production Practices, Innovations

Our Innovative Vegan Products and Sugar-Free Bars

In 2023, we launched **3 types of vegan products and 2 types of refined sugar-free date bars** to adapt to the changing preferences of our customers, highlighting sustainability and consumer awareness.

Our vegan products include Coconut Bar, Banana Bread, and Vegan Wet Cake. In addition, we prepare our refined sugar-free date bars covered with coconut and almond flour from dates as a natural sweetener. We offer these products as environmentally friendly and conscious consumption options.



Special for Our Children

With Teddy Bear Marshmallow, which is included in our sustainable product range, we also think about our smallest guests. We produce this special product, which is **100% handmade**, by adhering to the traditional French recipe. We prepare these marshmallows, where we bring together the art of French pastry with the colorful world of children, using ingredients that do not contain preservatives or chemicals.



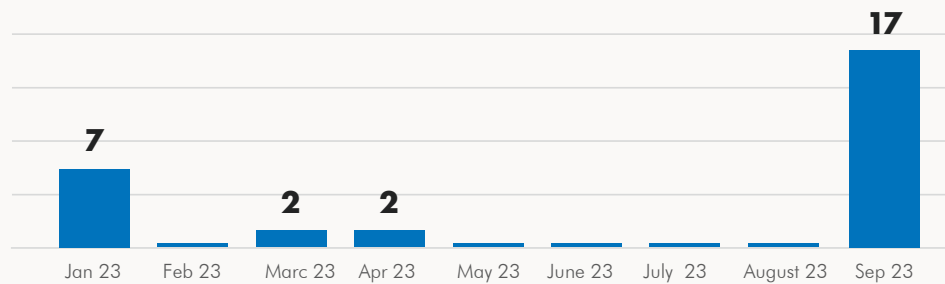


Our Sustainable Production Practices, Innovations

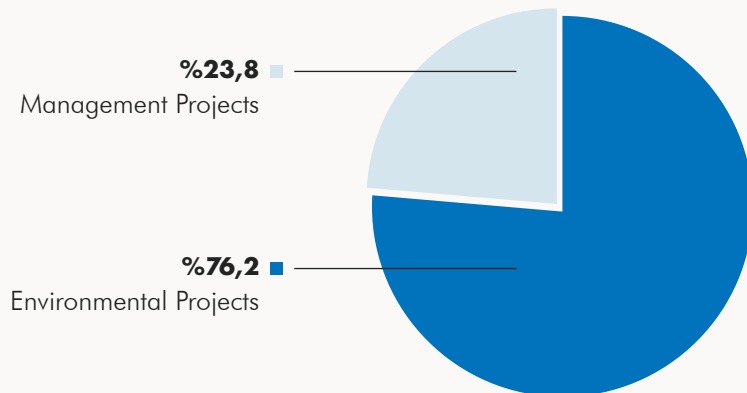
Design and Box Revision

In 2023, we carried out 28 separate design and box revision projects to better meet consumer expectations visually and functionally. While these efforts strengthen the image of our brand, they increase the attractiveness of our products in the market.

Number of Projects (Piece)



Project Distributions



In 2023, the efficiency of ₺2 million 898 thousand we achieved thanks to our 21 projects designed by focusing on sustainability principles was a concrete indicator of our commitment to the Sustainable Development Goals and our efforts. These projects include 17 projects aiming to reduce the use of natural resources, 2 projects aiming to ensure production continuity, and 2 projects aiming to reduce the waste load.

While our initiatives support our vision of a sustainable future, they also demonstrate our strategic approaches to efficient use of resources and increasing operational efficiency.

During the reporting period, we stand out with our sustainability initiatives, which focus on the categories of environment and management. While attracting attention with a total of 16 projects in the field of environment, we aim to further improve our operational processes with **5 unique initiatives** in the management category.

Attractiveness and brand power increase in the market with renewed designs





Our Sustainable Production Practices, Innovations

Key Features of Our Projects

In our Taşdelen Production Facility, we reduced the amount of waste by reducing the use of plastic in our packaging materials and aimed to minimize our environmental impact. By increasing the durability of the products through changes in glove types, we have reduced waste and saved costs.

We have achieved energy savings by refurbishing our lighting systems with LED lamps and improving insulation. Through the purchase of new machinery and the optimization of capacity utilization of existing equipment, we have increased our production efficiency.

Through our waste reduction efforts, we have both saved costs and reduced our environmental impact. With the improvements we have made at various stages of the production process, we have increased the efficiency of our workflow by optimizing the use of time and resources.

We designed these projects to achieve our goals of adapting to our company's sustainability strategies, reducing costs, optimizing resource use, and reducing our environmental footprint.

We reduce environmental footprint with innovation in sustainable production





Guest-Oriented Approach

Guest Relations and Feedback Management

As Divan Group, we manage our guest relations and continuous improvement efforts based on guest feedback. From 2021 to 2023, the number of our guests increased every year and reached 4 million 700 thousand, the number of active online service users increased to 51,482, and we successfully resolved 931 of the 1,088 complaints received by our guest contact center.

These statistics show that we are constantly improving the quality of our guest services and guest satisfaction. Our Quality Unit continues to develop strategies to maximize guest satisfaction in line with the results we have achieved.

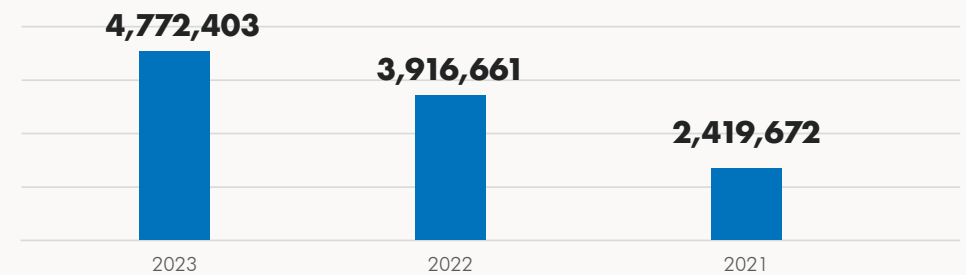
Guest/Customers	2023	2022	2021
Total Number of Guests	4,772,403	3,870,650	2,381,339
Number of guests actively using online services / electronic sales platforms	51,482	46,011	38,333
Number of complaints submitted to the customer contact center (via calls, e-mails, etc.)	1,088	1,098	807
Number of complaints answered by the customer contact center	1,065	1,076	790
Number of complaints resolved by the customer contact center	931	940	691

Guest Experience Rating

From 2021 to 2023, the number of guests of our Group increased from 2 million 420 thousand to 4 million 700 thousand, demonstrating our success in guest satisfaction and market growth. While this increase reflects our service diversity and effectiveness in guest relations management, it has increased guest satisfaction with our hotel management, food and beverage and retail services, strengthened our brand value and contributed to achieving our strategic growth targets.

*Continuous improvement and growth
by increasing guest satisfaction*

Number of Customers



Number of customers in 2023: **4,772,403**



Guest-Oriented Approach

Guest Complaint Management and Satisfaction Policies

As Divan Group, increasing guest satisfaction and continuously improving our service quality are our priorities. We monitor guest orientation with mystery guest performance evaluations and record every feedback with our digital monitoring infrastructure and analyze it quickly.

In 2022 and 2023, **we successfully resolved 89% and 89.7%** of incoming complaints, respectively, demonstrating our effectiveness in complaint management and guest relations. We strengthen our education to solve complaints and develop innovative solutions for continuous improvement.

We effectively manage the feedback from our guests by collecting them in our Next4Biz System and responding to all feedback within 24 hours during working days. We act with a special and friendly service approach to strengthen our national and global leadership position that supports our vision. **The ReviewPro System** plays a critical role in collecting guest feedback in our hotels and monitoring our service scores instantly.

As Divan, we strictly adhere to the Personal Data Protection and Compliance Policy regarding guest information privacy. We maintain the trust of our guests with low complaint rates about guest information privacy violations and data loss. Our leading position in the patisserie category in the last decade demonstrates our ability to meet guest expectations and our service quality.

*We maximize guest satisfaction
with our fast feedback.*





Stakeholder Communication

Stakeholder Communication Working Group

With our **Leading Committee Stakeholder Communication Working Group**, which started its activities in January 2023, we aim to create an impact in the field of sustainability by communicating strategically and efficiently.

Our team of 4 people engages with Divan's internal and external stakeholders, ensuring a broad impact. Our team's activities include **digital content creation and management, social media strategies, website content refresh, event coordination, and marketing of new products.**

Member selection involves the meticulous selection of people who will strengthen the organization's information flow and strategic planning. In this process, the willingness of the candidates, their abilities, and the fairness of the distribution of duties are important criteria. Members increase their competencies through the education offered, which increases the overall efficiency of our Committee. Time management is a major challenge for our Group. Our members aim to use their time more efficiently with effective planning.

Through our committee, we aim to convey sustainability messages and strategies to wider audiences through digital channels in the future. These goals are in line with the overall goals of our organization.

Stakeholder Identification and Prioritization

As Divan Group, we adopt the principles of sustainability and innovation and lead the changes in the business world.

As the World Economic Forum emphasizes, stakeholder engagement and digital marketing methods are critical to achieving sustainable development goals. In this context, we have identified Divan Group's Stakeholder Communication and Digital Marketing operations as strategic focal points.

Transparency and accountability are the cornerstones of engagement with guests, suppliers, employees, and local communities. Through digital platforms, we spread our sustainability vision to large audiences and mobilize communities through content marketing, social media, and interactive platforms.

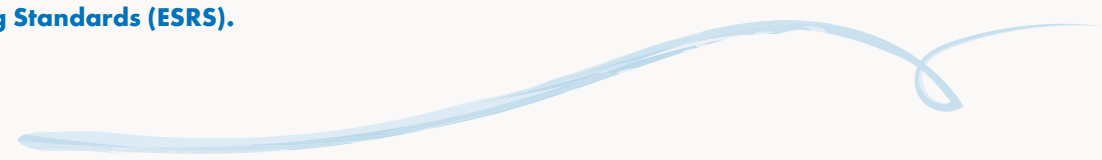
As Divan Group, we base our achievements in the field of sustainability on effective stakeholder management strategies and report transparently in line with regulations such as the **Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS).**

By managing our stakeholder identification and prioritization processes within a strategic framework, we ensure that groups that will contribute to our sustainability goals are effectively included.

We interact with a wide range of stakeholders such as employees, guests, suppliers, and local communities, knowing that each of these groups has a significant impact on our sustainability goals.

In this context, we support stakeholder engagement through various channels such as regular meetings, surveys, and social media.

We adopt **a more open and transparent management approach** and ensure that our organization's decisions reflect the needs and expectations of a wide range of stakeholders.





Stakeholder Communication

Understanding Stakeholder Expectations and Communication Strategies

We use a variety of digital and physical channels to communicate effectively with our stakeholders.

- Digital Channels
- Complaint Platforms
- Contact and Feedback Forms
- Social Media App Inboxes
- Polls and Suggestion Boxes
- Regular Meetings

We collect feedback from our stakeholders through channels such as surveys, meetings, social media, and customer service and process it with an analytical approach. We evaluate the feedback in terms of alignment with corporate goals and respond quickly by taking appropriate actions.

In case of problems or disagreements, we put in place defined procedures, get to the root of the problem, and seek solutions by interacting with our stakeholders.

We are in constant interaction with a wide range of stakeholders. We take their thoughts through various communication channels and use this information in strategic planning. We evaluate tools such as social media, email newsletters, and webinars to increase stakeholder engagement.

We measure stakeholder communication strategies and activities according to targets and performance indicators with the OKR System; This increases our organization's awareness and participation for a sustainable future.

By constantly updating communication strategies, we ensure effective responses in crises and prioritize stakeholder security and data privacy.

We turn stakeholder feedback into strategic actions.





Stakeholder Communication

Platforms and Techniques Used to Interact with Stakeholders

We use diversified platforms and techniques to communicate effectively with our stakeholders, thus increasing the achievement of sustainability goals.

Stakeholder Groups	Contact Method	Channels For Stakeholders To Reach Out	Purpose Of Communication-Subject	Frequency
Employees	D-news, Employee satisfaction survey, Koç dialogue, Koçhub, Social events, One-to-one interviews, Internal stakeholder e-mail groups	Mail etikuyum@divan.com.tr, koc.com.tr/ihbar notice phone, In-house digital channels, one-on-one interview, feedback boxes, Social Media	Internal communication, Internal information, Internal commitment	Continuous
Customer-End Consumer	Koçhub, Website, Social media accounts, Guest satisfaction survey, Printed publications, Outdoor-Radio-TV	Mail, info@divan.com.tr, info@divanpastaneleri.com.tr, info@kokoa.com.tr, Divanlifeapp, phone, one-on-one interview, feedback boxes, Social Media	Brand awareness, Campaign information, Interaction	Continuous
Suppliers-Subcontractors	Supplier visits, For my country, In-house digital channels, Printed publications, Outdoor-Radio-TV	Mail, info@divan.com.tr, isgelistirme@divan.com.tr, satinalma@divan.com.tr, Phone, Social media, See Face to Face in Supplier Visits.	Information Order Follow-up Strategic Decision	Continuous
Media	Digital media, Printed publications, Outdoor-Radio-TV, Advertisements, Press releases, Interviews, Corporate website	info@divan.com.tr	Brand awareness, Campaign information, Interaction	Continuous
Local Community	Press releases, Digital media, Social projects	Mail, Phone, Face-to-face meeting,	Brand awareness, Campaign information,	Continuous
Universities	University trips, meeting with young talents with the D-One Stars program	Mail, Phone,	Brand awareness, Employment, Interaction	At least 3 times a year
Shareholder-Board Of Directors	Telephone, E-mail, Face-to-face meeting, Internal digital channels,	Phone, Email, Face-to-face meeting,	Information, Strategic Decision, Follow-up	Continuous
State Public Institutions-Regulatory Authorities	Phone, Email, Mail	Mail, Phone, Email,	Information Follow-up	Continuous
Financing Institutions-Banks	Phone, Email, Mail	Mail, Phone, Email,	Information Campaign, Joint Campaign	Continuous
Civil Society Organizations	Vehbi Koç Foundation, Koç University, Koç Schools, TEV (Turkish Education Foundation), TEGV (Turkish Educational Volunteers Foundation), Rahmi M. Koç Museums in Istanbul and Ankara.	Mail, Phone, Email, Face-to-face meeting,	Information, Strategic decision	Continuous
Corporate Memberships	Phone, Email, Mail, Face-to-face meeting, Digital contact channels,	Mail, Phone, Email,	Information Follow-up	Continuous



Digital Marketing

As Divan Group, we attach great importance to our **Stakeholder Communication and Digital Marketing strategies**, which play a critical role in the field of sustainability. With these strategies, we reflect our company's values and commitments to our stakeholders, shape our efforts toward a sustainable future, and encourage our stakeholders' active participation in the process by promoting our sustainable products and services through digital marketing tools.

Through our digital channels such as social media, blogs and websites, we deliver our sustainability messages to large audiences and contribute to the creation of a community that supports sustainable change by increasing awareness and understanding. We aim to create a positive impact on society by informing consumers about energy efficiency while directing consumers to sustainable options with the promotion of environmentally friendly products and social responsibility projects.

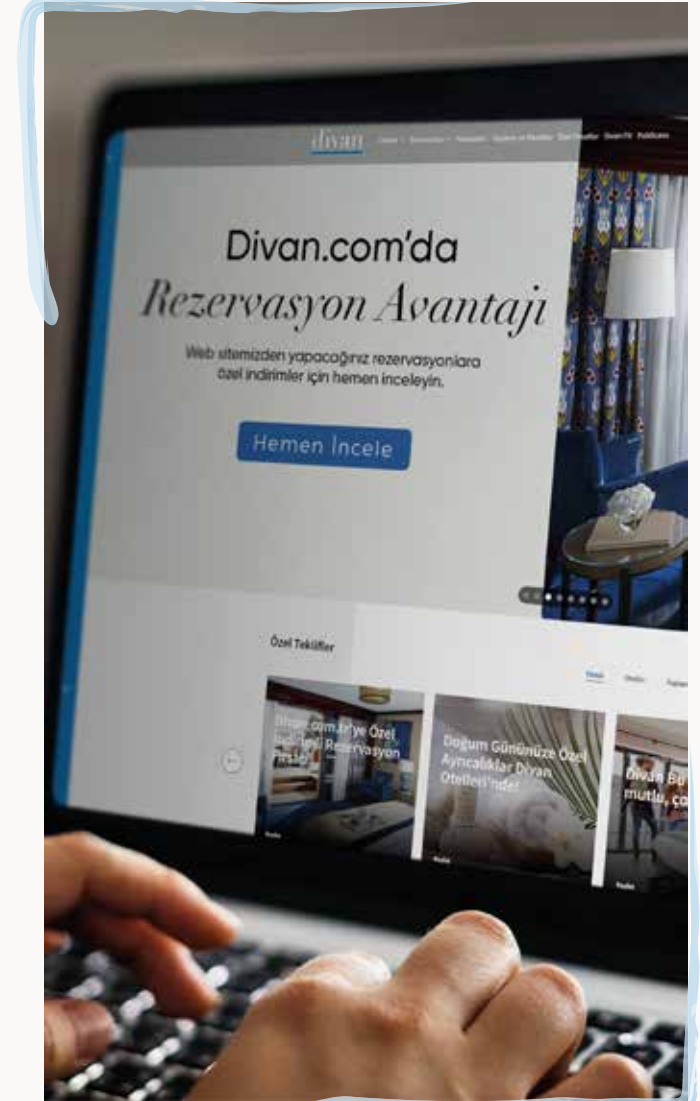
Sustainability, as one of our core values, is an extension of our digital strategies to the business strategy. In this context, we aim to effectively connect with our stakeholders using various digital platforms and tools.

- Our Email Marketing Tools
- Search Engine Optimization (SEO)
- Our Paid Search Engine Visibility

- Our Content Marketing Activities
- Online Communities and Forums
- Digital Launches & Live Events
- Our Websites
- Applications
- Cross Marketing Projects

As Divan Group, we produce and manage various types of content to effectively communicate our sustainability messages and campaigns to our target audience in our content management process. These contents serve the purposes of providing general information, raising awareness of reducing environmental impacts, and sustainability education. Our content planning process consists of target audience analysis, message identification, selection of content formats, and creating distribution strategies.

In particular, we document our efforts and achievements by regularly publishing exclusive content, such as sustainability reports, on our platforms. On the other hand, while our digital marketing efforts target large audiences in Turkey and abroad, we define more specific target audiences according to certain types of services. This process allows us to analyze web traffic and user interactions in depth using analytical tools such as **Google Analytics, Meta Pixel, Hotjar, and Google Search Console.**





Digital Marketing

Our 2023 Projects

5 projects we realized in 2023:

Experience-Oriented Re-Creation of Social Media Content Project:

With this project, we aim to provide our followers with clearer and clearer information about the experiences offered in our restaurants, patisseries, hotels, and banquet centers. At the same time, by accelerating and facilitating the decision-making processes of our guests, we aim to shape the preferences of our new guests towards Divan with examples of the experiences they expect, thus positively impacting turnover and growth.

The numerical results of the project show that we have achieved significant successes such as 160 million total reach and a 50% increase in engagement on our social media accounts. These results prove that the project achieved its goals and made a significant contribution to strengthening the digital presence of our Divan brand.

160 million total reach and a 50% increase in engagement on our social media accounts.

Divan Patisseries Website Renewal Project

It was initiated in January 2023 and is scheduled to be completed in January 2024. This comprehensive update includes a complete redesign of the front and back of our website at divanpastaneleri.com.tr.

Modern and contemporary design features, in-store pick-up, and integration with Divan Life highlight the renewed face of our website. These innovations serve our goal of improving guest satisfaction and the shopping experience.

Google Analytics 4 Migration Project

We developed it to target the transition to the latest version of Analytics and to ensure that first-party data is shared correctly with Google. Correct processing of personal data and recording user data by cookie permissions are the main goals of our project.

We realized the project in partnership with Anatomi, Divan IT, and Divan Pazarlama and financed it with our capital resources.

Listing of Divan Units on Tripadvisor Project

In this project, we aim to define Divan locations on Tripadvisor and to be owned by the Divan Digital Marketing account. We are advancing our project, which started in December 2023, in line with our goals of increasing global awareness and generating organic traffic.

Thanks to the project, we have ensured that 59 locations including Brasserie, Pub, Cafeteria, and Patisseries are listed and verified on Tripadvisor.

Moving the Communication Process with the Agent to an Online Platform

With the project, we aim to reduce the heavy e-mail traffic and overcrowded computer memory during daily content sharing. In the project, which we launched in October 2023, we digitized business processes by moving all photos, documents, and content to an online platform. With our innovative approach, we increase collaboration while optimizing our security and data management.



Digital Transformation

I believe that individuals having the right values, being aware of these values, and protecting these values will carry individuals, and therefore our organization, on a sustainable journey of success.

If the first thing that comes to mind when you think of Information Technology is technology, systems, and machines, it's time to share our perspective. For us, the real transformation realized through all these technological tools is people-centered. With our Digital Transformation process, we aim to transform the way of doing business, the mindset, and even the emotional approach of our employees and guests, rather than renewing our technological infrastructures. Therefore, we place people at the center of our strategy and operations. I believe that individuals having the right values, being aware of these values, and protecting these values will carry individuals, and therefore our organization, on a sustainable journey of success.

It all starts with respect. Beyond all expectations, the deep respect we show to each individual and our environment fosters free thinking and innovative movements.

*Values, principles,
thoughts and actions*

We know that this environment of respect is critical to the quality and efficiency of our work, and our mental health and strengthens our sense of social responsibility. This mutual respect between people and the environment paves the way for a liberated environment and a growing awareness of social responsibility. In an environment that respects, values, and encourages free thought, individuals are mentally healthier, physically more motivated and focused, and more committed to their work and society.

As the IT and Digital Transformation Leader, my main task is to ensure that the speed of technology serves not only our business goals but also our social responsibilities and environmental sustainability.

Then, honesty and sincerity. It takes us one step further. Sincere behavior creates an environment where ideas can be shared on an equal footing. Only a person who feels truly free and equal can realize their full potential.



Turgut Kiroğlular

IT & Digital Transformation Director



Digital Transformation

Sincere communication builds a natural bridge between equality and respect; these values feed each other and form the basis for freedom in general. This kind of solidarity increases our collective strength and makes us stronger.

And tolerance. We need to accept that error is an inevitable human condition. As part of the entire Divan, not just the IT Department, we aim to offer an open helping hand to everyone. We encompass a vision of a larger, integrated Divan that embraces everyone and transcends interdepartmental barriers. We know that collaboration and community spirit are critical to realizing this vision.

Transparency, questioning, and agility are our core principles for success.

By aligning our values with our strategic principles, we can steer our business and culture in the right direction and proactively solve existing problems. Our three core principles are transparency, inquiry, and agility. Transparency makes us aware of facts and illusions.

The process of questioning allows us to understand and improve the situation more deeply. An agile culture and mindset show us how to deal with the unknown by supporting each other. These principles allow us to act together and adapt quickly, supporting us to thrive in an ever-changing world.

Combining innovation with sustainability is one of the most important tasks of Information Technologies and Digital Transformation. Developing and applying new technologies in a way that will improve not only today's world but also the world of tomorrow is part of our vision.

Just as important as our core values and principles are our strategic thinking that we build on these foundations.

Our Transformation Journey: Principles and Strategic Focus

Our principles of transparency, inquiry, and agility guide us every step of the way and pave the way for us to quickly adapt to ever-changing conditions. In light of these principles, we focus on **operational excellence, guest satisfaction, and data analytics**, laying a solid foundation for sustainable success and growth. These 3 pillars, in alignment with our values and principles, create a solid foundation for sustainable success and growth. Our approach fosters a culture where each of us plays a critical role in Divan's future success. While our values shape an ideal working environment, our principles guide us to transform the ideas that flourish in this environment into action. Thus, we successfully realize the needed transformation by shifting from theory to practice. In our journey of Information Technologies and Digital Transformation, we see ourselves as caterpillars; we always have the potential to renew and develop. However, we know that not all caterpillars have the chance to turn into butterflies. We realize that transformation depends on the presence of 'disturbed cells' inside the caterpillar.

These are cells that are not satisfied with the status quo and desire change.

We are like caterpillars with these disturbed cells. We are not satisfied with just staying in our current state. We have a dream to transform into butterflies and that is why we are ready to tear our cocoon and embrace change. Our Information Technologies and Digital Transformation Projects are the concrete expression of these "disturbed cells". They prevent us from being limited to our current way of doing business and encourage us to transform and grow.

Just as a caterpillar needs the right conditions to turn into a butterfly, we need the right strategy, resources, management support, and team cohesion to succeed. Our IT and Digital Transformation Projects may face challenges such as changing market conditions, technological innovations, budget limitations, and talent management. But we can overcome these challenges through sound planning, adaptability, and continuous learning.

As a result, with our well-managed and supported Information Technologies and Digital Transformation Projects, we can transform our organization and move it towards a digital future, just as a caterpillar successfully passes the pupation stage and turns into a butterfly. And let's not forget that each transformation step is a learning opportunity that moves us forward in our digital vision.



Digital Transformation

Governments, businesses, and civil society around the world are putting digital transformation at the center of achieving the goals set by international commitments such as the Paris Agreement and the Sustainable Development Goals. These commitments show that digitalization triggers not only a technological transformation but also a socio-economic evolution. At Divan Group, our digitalization-focused strategy plays a critical role in achieving our sustainability goals.

Digital technologies provide sustainability gains in many areas from energy efficiency to resource management, from improving guest experience to optimizing business processes. In particular, 5G networks are 90% more energy efficient per traffic unit compared to 4G networks, and digitalization leads to major environmental gains in other sectors as well.

In our Group's digitalization operations, we prioritize environmentally friendly practices and focus on energy efficiency projects, waste management, and the use of renewable energy sources. Our approach reinforces our Group's leadership in this area. By deepening digital transformation processes, we are taking important steps to achieve **operational efficiency, guest experience, and environmental sustainability goals.**

Our Information Technologies and Digital Transformation Team strengthens diversity and inclusion with its innovative structure and advances by making significant progress. In the reporting period, we plan to increase our female employee ratio from 13.3% to our 2024 target of 27%. This shows our progress in gender diversity. With our team of 15 people, we provide a versatile approach to our projects with various roles and areas of expertise; we aim to increase our team to 25 people in 2024.

With an average age of 36.5, our team shows that experienced and new employees cooperate harmoniously. Experienced employees make up 41.9% of our staff, while those who started working in the last two years make up 34.5%. This demographic structure creates a rich and dynamic working environment.

Our education and development programs designed for our employees are at the heart of our human resources strategy. These programs contribute to the success of our company by supporting technical and personal development. In addition to technical skills, our team receives education on leadership and management skills, constantly following innovations in the sector and renewing themselves.

High motivation and the desire to achieve common goals are the cornerstones of our Team's success. Regular exchange of information and mutual support between team members enables us to work effectively on various projects. This holistic approach preserves the dynamism and innovative spirit of our Team while promoting diversity and inclusion and contributing significantly to the development of our company.

*Digitalization and sustainability: at the
forefront of global developments*





Ready for the Future

As Divan, we adopt the principle of **continuous transformation and adaptation** and move forward on our journey to become a future-ready organization. As a first step, we aim to achieve operational excellence through our stable and predictable business processes. By integrating guest and employee experiences, we seek to increase the efficiency and effectiveness of our business processes and maximize guest/customer satisfaction.

We invest in automation, standardization, and continuous improvement of our business processes to increase operational efficiency. This approach makes our processes more effective and efficient, facilitating the integration of guest and employee experiences. In the final phase, we aim to achieve a leading position in the sector and sustainable growth by transforming our technology and business models. This strategic transformation sets out the steps and priorities that will determine Divan's future success.

We focus on continuous improvement of our business processes and guest/customer services at every stage, from operational efficiency to integrated experiences, and technological and business model transformation. To be "Future Ready", we not only adopt technological tools but also reshape our internal culture and ways of doing business, encouraging adaptation and innovation at all levels.



IT Demand Management (ITDG) Process

At Divan, we adopt the **IT Demand Management (ITDG)** process to direct our technology investments with a strategic perspective and to utilize Information Technologies (IT) resources most effectively.

Definition, Management, and Optimization of IT Projects

We initiate our new IT projects by identifying the needs of our business units and including them in the formal IT demand management process. We prioritize projects according to company goals and resource availability. We create detailed plans by allocating the necessary personnel resources for approved projects. This planning ensures that projects are managed effectively concerning resources, timelines, and budgets.

Our IT Demand Management (ITDG) approach guarantees the correct prioritization of projects, efficient resource allocation, and on-time and on-budget completion. This process increases the efficiency and success rate of our projects and contributes to achieving our company goals.

Divan IT and Digital Transformation Roadmap

At Divan, we have focused our IT and Digital Transformation Strategy on **3 main areas** to support the company's sustainable growth and competitiveness goals:

Operational Excellence and Institutionalization, Guest/Customer Experience, and Advanced Analytics and Decision Making.

These strategic areas are aligned with our commitment to sustainability and continued industry leadership.



Operational Excellence and Institutionalization

Future Fit Projects

D – Sight Desktop

At Divan, we attach great importance to financial sustainability and analysis of our business units. In this context, we developed the D – Sight Desktop Platform to monitor financial data and profitability. With this platform, we provide easy access to hard-to-digitize data through both mobile and desktop applications and improve financial monitoring and budget management. At the same time, we bring transparency to internal decision-making mechanisms. I

n addition to being in line with the Sustainable Development Goals, D – Sight Desktop promotes our financial discipline and efficient use of resources and strengthens our long-term sustainability strategies. This project, which started in June 2023 and was completed in December 2023, provides a clear picture of the financial performance of our business units and strengthens our company's foundations of profitability and efficiency.



B2B Supplier Portal Project (Price Tracking)

In 2023, we successfully launched a supplier portal and price tracking system to increase the efficiency of our supply chain and optimize our cost management. These systems enabled us to manage our supplier transactions more transparently and effectively, allowing us to closely monitor costs. We also modernized the SAP Portal interface to enable field personnel to use SAP ERP applications. This update made it faster and easier to use and made it easier and more efficient for field operations by entering goods by barcode. The project will continue in 2024.

The B2B Supplier Portal Project is a two-phase initiative in which Divan Group aims to digitalize our supply chain and procurement processes.

In the first phase, we focused on optimizing the purchase and distribution of fresh products, especially those with a short shelf life, by facilitating direct purchasing transactions with suppliers.

In the second phase, we aim to speed up the purchasing request and goods acceptance processes and improve the user experience for business units and field employees. We plan to improve barcode goods entry, user-friendly interfaces, and technological infrastructure.

With the project, we will make processes more transparent and streamlined, increase operational efficiency, and improve user experience. With modern technological infrastructure, we will create a solid foundation for future digital transformation projects.

We have planned the start date of the project as June 2023 and the end date as December 2024. The project, which we want to commission with full operational capacity in May 2024, will be the beginning of a new era in supply chain management for our Group.

The project will also support environmental sustainability by reducing the use of paper and e-mail traffic at the material entry and supplier price management stages.



Operational Excellence and Institutionalization

HR Portal, HR Plus Time Management

With the Divan HR Plus-Time Management Project, we, as Divan Group, enable our employees to manage their human resources processes in a digital environment. With this platform, we automate manual HR processes and provide accessibility both on mobile and web.

We have successfully implemented the first phase of the project with a web platform and mobile application that provides instant access to important information such as leaves, payroll envelopes, and personal information.

As part of our digital transformation strategy, this project contributes to the digitalization of HR processes and minimizes time loss by reducing physical processes. **The prominent features of the project include the ability of users to update their data, shift planning through the portal, and automatic compensation for under/overtime.**

Our project, which started in September 2023, will be ready for use with all its functions in June 2024. With the project, we aim to digitalize HR processes, automate manual HR processes, enable employees to update their master data and integrate systematic shift planning and scorecards directly into the SAP System.

We are carrying out the project in cooperation with **KOÇ SİSTEM and HRSP**. In this way, nearly 2000 employees can easily observe and update their personal information without going to the HR Department. We also perform our shift planning and scorecard processes more accurately and efficiently, spending less time.

With the second phase, which will start in March 2024, we will systematically measure overtime and calculate payroll more accurately, increase operational efficiency, and improve employee satisfaction.

With this project, we are taking an important step in our digital transformation journey to modernize our HR operations and aim to improve our employee experience.

Continuous Inventory Tracking

Through our integration with MICROS, we have strengthened our inventory management and ensured continuity and accuracy in our processes.

This integration has enabled us to track our inventory instantly, resulting in greater accuracy and efficiency in our inventory management and demand forecasts. We will continue the project in 2024.





Operational Excellence and Institutionalization

Paperless Factory Project

Within the framework of the Paperless Factory Project, we successfully commissioned processes that reduce paper use in 2023 to increase our operational efficiency and support our environmental sustainability goals.

IoT Energy Monitoring Project

As Divan Group, we launched the Energy Monitoring Project to instantly monitor and analyze electricity consumption and compensation data in our hotels, banquet centers, restaurants, patisseries, and stadiums.

With this project, we integrate energy data with other business data using IoT sensors, develop new business metrics such as kilowatt hours per square meter, and prevent quality problems by monitoring the humidity of +18-degree cabinets in patisseries. Through a centralized dashboard, we control our energy consumption in detail by providing consumption analyses integrated with sales and location data.

Our project, which contributes to the Sustainable Development Goals (SDGs), also draws attention to awareness-raising efforts to reduce energy consumption.

Currently, we only monitor electricity consumption, and we plan to add water and natural gas monitoring after the energy audit in 2024. This first phase lays the foundation for the project to proceed more comprehensively and strategically.

The project, which we launched in September 2022, reached an important stage with the completion of technical requirements in March 2023. We completed the corrections in our patisseries in the third quarter of 2023.

We will expand this work, which we are carrying out in cooperation with Koç Digital, by eliminating the deficiencies in newly opened locations until the last quarter of 2024. We will carry out the second phase in 2024, planning to receive detailed printouts on a room and production basis.





Guest/Customer Experience

Divan Life Projects

The projects we have undertaken/are undertaking to improve the guest experience are based on strategies that enable us to better understand our guests' expectations and respond to them most appropriately. These projects include:

CRM and Loyalty Management

At Divan, we have built our guest perception on quality and trust. We focus on getting to know our guests better to enrich their experiences. The Loyalty Management Project we developed in this direction stands out as one of our most important initiatives.

We offer special services to our guests and make these services accessible through our online platforms such as Divan.com.tr and DivanPastaneleri.com.tr, as well as through our on-site restaurants, patisseries, and hotels.

With Divan Life, our guests can earn points and participate in various campaigns. We manage this process through a centralized Loyalty Platform integrated into all our channels. Within the scope of our project, we aim to increase guest loyalty by renewing our guest relations and loyalty programs.

This project, which we launched in 2023 and designed to reinforce our guests' loyalty to our brand, will continue in 2024.

With our innovative CRM and loyalty management strategies, we will offer effective solutions to our guests' expectations and build long-term relationships with personalized offers. We will activate this system, which is currently not in live use, with Divan Life and make it fully operational.

Divan Life Mobile App

With the Divan Life Mobile App Project, we aim to offer our guests an enriched experience on mobile. Launched in 2023, we will continue our development process in 2024. We designed this app with a user-friendly interface and customized content tailored to the needs of our guests.

With this app, we aim to facilitate and enrich our guests' interaction with our brand. Our Divan Life app represents an important step in taking the guest experience to a new level in the mobile space, increasing guest satisfaction and strengthening brand loyalty.





Guest/ Customer Experience

Online Reputation Management

As part of the Online Reputation Management Project, we collaborated with **ReviewPro** to manage our brand's online reputation and proactively respond to guest feedback.

The project enabled us to effectively monitor and analyze comments and reviews about our brand on online platforms and respond to guest feedback in a timely and appropriate manner.

The project is strategically important in strengthening our brand's online reputation and increasing guest satisfaction. In addition, we have the opportunity to continuously improve our service quality and further enrich the guest experience with the insights we gain from guest feedback.



Guest Feedback Management

Within the scope of the Guest Feedback Management Project, we successfully achieved our goal of effectively managing feedback and maintaining guest satisfaction in 2023.

This project is an important step that allows us to listen more closely to the voices of our guests and respond quickly and accurately to their needs.

Feedback provides critical information for us to improve our services and products in line with guest expectations.





Our 5-Year Plan (2024-2028)

Operational Excellence and Institutionalization

The integration of digitalization has become one of the cornerstones of operational excellence and institutionalization. At this point, as Divan, we have made significant progress in reducing costs and achieving sustainability goals by increasing our efficiency in operational processes. By adopting digital tools and systems, we have automated workflows, improved data management, and optimized resource utilization.

Our efforts allow for strengthening corporate governance and accelerating decision-making processes across the Council. In addition, we are further strengthening our institutionalization process by increasing the **digital competencies of our employees and promoting digital culture**. This approach strengthens our competitive position in the sector and at the same time increases our capacity for sustainable growth and innovation.

Agile Transformation and Leanness

Within our 2024-2028 5-Year Plan, we prioritize **Agile Transformation and Mobility** projects as key initiatives to support operational excellence and institutionalization. Through these projects, we aim to increase Divan's capacity to respond quickly and flexibly to market changes, make our business processes more efficient and effective, and ensure a higher level of job satisfaction and performance by meeting the mobility needs of our employees.

We consider the Agile Transformation and Leanness Project not only as a project but as an approach. Our belief in fostering rapid and sustainable transformation through the principles of agility and lean design lies in a comprehensive transformation that breaks down business silos, especially through teamwork and the creation of cross-functional teams.

Value Stream Mapping and Lean Processes

With **Divan's Value Stream Map and Lean Processes Initiative**, we aim to redesign and improve processes to reduce costs, shorten processing times, and meet guest expectations. With this approach, we seek to create value and reduce waste at all product and service stages. With our analysis, we identify unnecessary steps and errors and make processes more fluid and efficient.

At the same time, with the simplification of processes, we gain a flexible and guest-oriented structure, thus offering the opportunity to quickly adapt to market changes and respond quickly to guest needs. This strategy reinforces our culture of continuous improvement and contributes to our sustainable success in the market by increasing our competitive advantage.





Our 5-Year Plan (2024-2028)

Mobility Field Operations, Field Sales, and Day Workers

With our Mobility Strategy, we aim to increase the efficiency and effectiveness of our field operations and sales activities. We seek to maximize the efficiency and flexibility of working processes by enabling our employees to access workflows from anywhere via mobile devices.

This access allows field teams to instantly exchange information, easily access guest information, and strengthen on-site decision-making competence. This speeds up our field operations and increases guest satisfaction. In addition, the use of mobile devices reduces unnecessary paperwork and the need for physical documents, reducing the environmental impact of our business processes and contributing to our sustainability goals. This strategy plays a critical role in our company's digital transformation journey, helping us strengthen our competitive advantage and improve our market position.

This strategy plays a critical role in our company's digital transformation journey, helping us to strengthen our competitive advantage and improve our market position.

Efficient Pos Usage

Our Token POS Usage Project includes the use of Android-based Beko 400TR POS devices in our restaurants and patisseries and their integration with our existing cash systems while supporting cash transactions and the use of TokenFlex cards by enabling the use of these devices without integration in stadium operations.

In the project, we alleviated the workload of our financial affairs department and increased the efficiency of workflows by digitizing the processing processes of diplomatic and withheld invoices.

This initiative contributes to our goals of increasing payment diversification and maximizing transaction speed, accelerating the digital transformation of Divan's financial processes, and reducing the use of cash in stadium operations. In addition, with the project's contribution to the Sustainable Development Goals (SDGs), the digitalization of stadium operations reduced environmental impacts and increased operational efficiency.

Our project, which started in June 2022 and was completed in August 2023, aims to increase the widespread use of POS devices in Divan restaurants and patisseries and to accelerate transactions in Beşiktaş and Fenerbahçe stadiums.





Our 5-Year Plan (2024-2028)

4ME ITSM Information Technology Service Management

With our 4ME ITSM (Information Technology Service Management) Project, we aimed to ensure the effective and efficient management of our company's information technology services, their integration with business processes, and their continuous improvement. We designed this strategic approach to extend IT processes by improving **service delivery, troubleshooting, change, and configuration management.**

In line with Divan's overall business strategy, our project includes innovative features such as increasing service quality and guest satisfaction, strengthening business continuity and risk management, optimizing technological infrastructure, controlling costs, managing change, and encouraging innovation. We've also made significant strides in compliance and security.

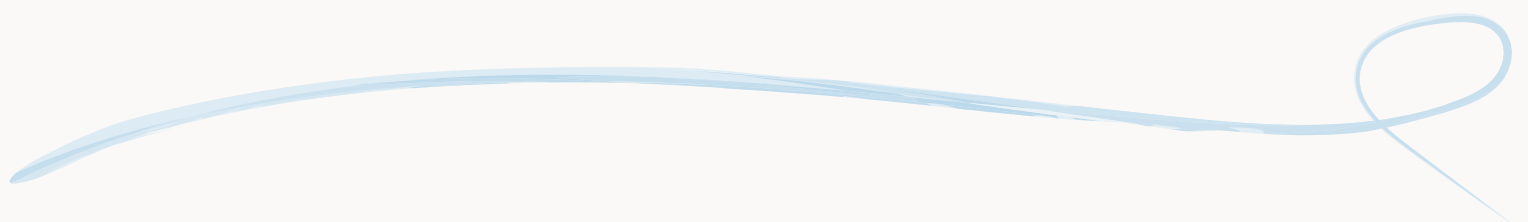
This project, which started in July 2023 and was completed in October 2023, includes detailed reviews such as case and problem management, service asset and configuration management, service level management, change and information management, service desk functions, demand and supplier management, service catalog, incident management and periodic processes, which support the integration and sustainable growth of our Group.

In the second phase, we will focus on improving IT processes in business applications. We are planning this phase in 2024 and aim to make the processes even more efficient.

Inflation Accounting

With the Inflation Accounting Project, we aim to ensure that financial statements are corrected by taking into account the effects of inflation by using SAP applications.

This transaction, which we carry out by the requirements of the Tax Procedure Law, involves the recalculation of the money in terms of the current purchasing power as of the correction date if the financial statements do not reflect their actual value due to changes in purchasing power.





Our 5-Year Plan (2024-2028)

Hotel Dashboard

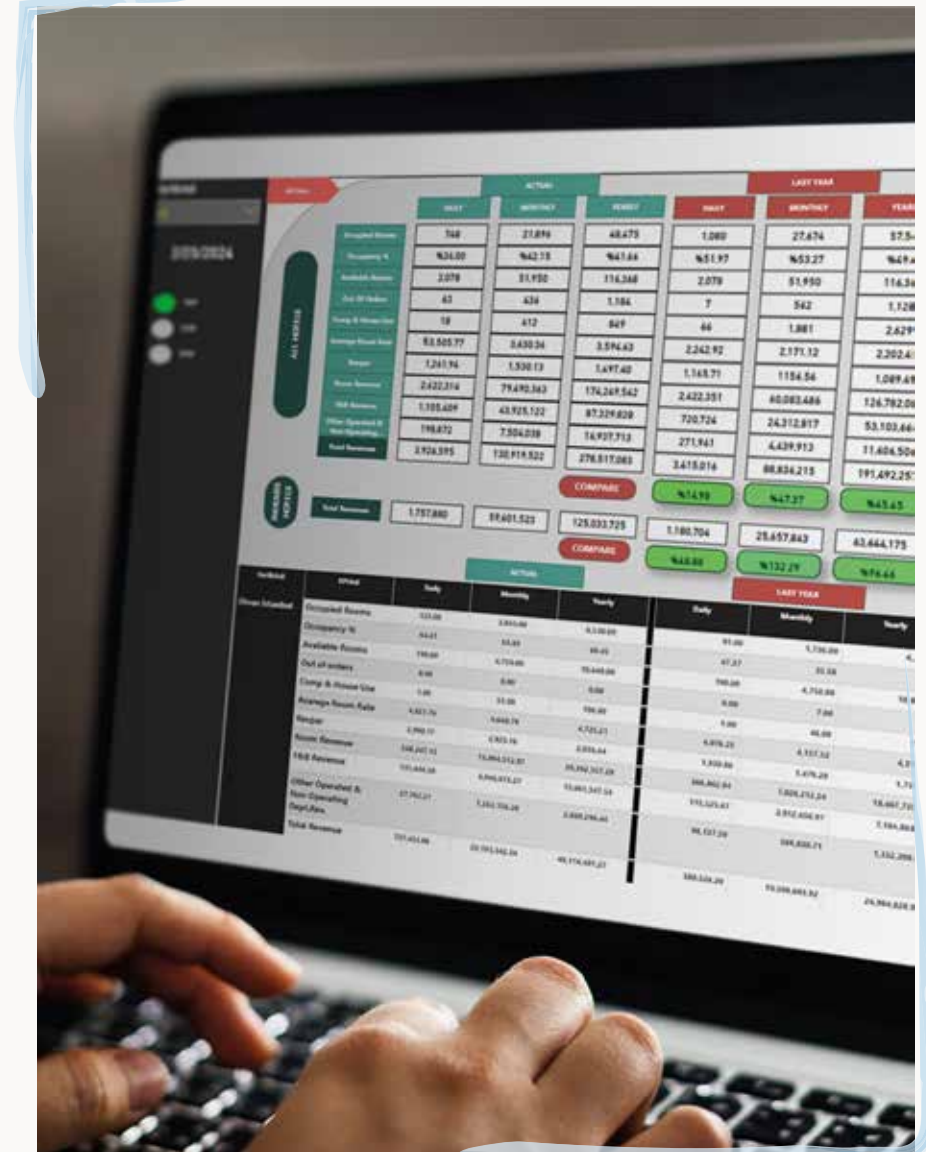
With our "Hotel Dashboard" Project, we aim to reduce the manual workload by automating the **Consolidated Daily Turnover Reports** prepared by the revenue management team daily. This automation frees our employees from time-consuming data copying and pasting, allowing them to focus on report analysis. With the project, we aim to improve the quality of life of workers and support economic growth in line with the **Sustainable Development Goals (SDGs)**.

With full automation, data analytics, and advanced algorithms, we reduce human error and facilitate in-depth analysis and strategic decisions. Through the project, which started in June 2023 and was completed in December 2023, we aim to increase the competitiveness of businesses and use resources efficiently by saving costs and time.

Incoming e-invoice automation

We implemented the project with the special integrator method in SAP Systems to improve the management of e-invoices and to ensure their integration with the purchasing process. With the project, we enable the creation of an approval hierarchy by offering automatic accounting and increasing the efficiency and accuracy of processes by ensuring that e-invoices are tracked and accounted for quickly and easily through SAP Reports. Our innovative project, which started in January 2023 and was completed in March 2023, offers features such as full integration with SAP, automatic invoice data transfer, instant cockpit screen display, current-based approval hierarchy, and customizable setup of the internal approval process.

With the project, where we reduce manual processes and digitize e-invoice tracking and approval processes, we modernize document management and approval processes. The numerical outputs we have achieved include more effective budget tracking with the integration of procurement and financial affairs, automatic completion of 65% of incoming e-invoice processes, and significant time savings every month. This automation saves an average of **14 people/day each month**.





2024 Targeted Projects

Project Name: Onboarding / Quitting Processes

With the project, we strive to reduce productivity losses and errors caused by manual management of entry and exit processes.

Digitizing data, preventing repetitive processes, and automating regulations are among our main goals with this project. In addition, optimizing workforce management processes and reducing data management errors are among our strategic goals. In this way, we will increase efficiency in recruitment and dismissal processes and improve the automation of HR processes.

Project Name: S/4HANA Concept Design

The S/4HANA Concept Design Project, in which we aim to migrate the existing SAP ERP business processes to the S/4HANA Platform, stands out as a major digital transformation project. We will carry out the project in two phases to cover basic functions from financial affairs to warehouse management.

By keeping the design phase separate from the application, we aim to take into account the effects on the process and organization. In the project, we strive to support efficiency and healthy growth for Divan by aiming for a standard and simple design as much as possible.

Project Name: Divan Extra

With the Divan Extra Project, we aim to speed up the payroll and insurance procedures of the personnel in the banquet centers. In the first phase, we will develop an application that will facilitate the process, and in the following phases, we will also create a mobile version.

Strategically in the project, we aim to accelerate the processes by digitizing them and making them a manageable product in the long term. This innovative solution aims to provide a competitive advantage by increasing our service efficiency and is an important part of the digital transformation in business processes.

Project Name: Inventory Improvement and Optimization Project

The Master Data and Continuous Inventory Tracking Project is a critical project that we plan to carry out before the S/4HANA transformation. In the project, we aim to **optimize stock and cost tracking by improving complex structures**, especially material master data. In our project, which will start with cleaning and integration steps, we will implement solutions based on the results of the analysis and continue in an integrated manner with the S/4HANA Project. With this strategy, we aim for a smooth transition of existing systems and the uninterrupted continuation of data management processes.

Project Name: Divan Data Warehouse

With the Divan Data Warehouse Project, we aim to create a comprehensive data warehouse for collecting, analyzing, and reporting data from all processes by expanding existing data analysis processes. With our project, we aim to contribute to data-based decision-making processes and increase our analytical capabilities.

In the first phase, we will start with a specific area, set up the **DWH infrastructure**, and make initial reports, and then we will officially start according to the progress of other projects. This infrastructure will form the basis of our strategic data management and analytics capabilities and provide an important prerequisite for future data-driven projects.

With our project, we aim to contribute to data-based decision-making processes and increase our analytical capabilities.





2024 Targeted Projects

Project Name: Smart Shift Plan

With the Shift Optimization Project, **we aim to optimize the shift planning of our employees in restaurants by using artificial intelligence technology.** With this project, we will analyze various data such as weather and the expected number of guests with artificial intelligence algorithms and prepare the resulting shift plans. We will put the plans into action with the approval of the shift planner.

AI algorithms will evaluate variables such as weather and the expected number of guests, and as a result of these analyses, they will provide us with suggestions for the most appropriate shift distribution. We will give the proposed shift plans to the planner and implement them once approved.

With the project, we also aim to establish a mechanism that will measure the quality of planning and ensure continuous improvements. With this system, we will continuously increase the efficiency of shift planning and optimize workforce management.

Project Name: Technical Inventory Tracking

With the Technical Inventory Tracking Project, we aim to effectively manage and track technical inventories in a wide range of areas from hotels to restaurants. Within the scope of the project, we aim to monitor inventory statuses in real-time, manage maintenance and repair operations, perform planned and preventive maintenance, as well as integrate inventory cost management and purchasing processes.

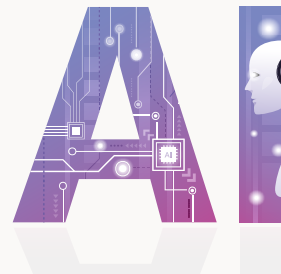
As part of our vision of continuous innovation and sustainability, we attach great importance to the "Producer AI - Gen AI" Project, which we will realize in cooperation with KoçDigital in April 2024. With this project, we aim to discover and maximize the artificial intelligence potential of our business processes. Within the framework of the collaboration, we aim to unlock the potential of artificial intelligence in our production processes and improve selected processes. In our workshop, we will focus on the processes determined to make our business processes more efficient, sustainable, and innovative. We will work on these processes with KoçDigital.

Information and awareness-raising activities will play an important role in our project. Through newsletters, webinars, and other events, we will provide regular information about the objectives, processes, and results of our project. These activities will ensure that our project is better understood and adopted by internal and external stakeholders.

Generative AI – Gen AI Project

The "Generative AI – Gen AI" Project is an indication of how our company can make our business processes more efficient and sustainable by using technology. Our caterpillar-based mascot, which we will introduce as part of this project, showcases the tangible capabilities of AI, adding a unique personality and accessibility to our project.

We will share the story of our mascot through videos, voiceovers, and competitions. Our creative communication strategy will contribute to the interest and wider acceptance of our project by large masses.





Guest Experience

Digital transformation in guest experience enables us to provide fast and personalized service by better understanding guest expectations and needs. Online platforms, mobile apps, and social media increase guest satisfaction and strengthen brand loyalty.

Digital analytics tools allow us to understand guest behavior and personalize the experience, which increases our market share. At the same time, we communicate our environmental and social responsibility by integrating sustainability principles into guest experience strategies.

Hybrid Experience

By focusing on the guest experience, we aim to offer an integrated experience that covers our web, mobile, and physical points. We aim to provide a seamless and seamless experience with our Web-Mobile-On-Site solutions that will be integrated through a single platform.

We plan to maximize guest satisfaction with our innovative services such as **Click&Collect, Delivery & Pay at Door**. We are committed to the same quality service and user experience everywhere.





responsible for the planet

Responsive

We carry out our production activities with a climate- and environment-friendly approach and exhibit a sensitive attitude towards our planet.



Divan Brasserie Terrasse



Responsive Divan

Our story begins with respect for our planet. As Divan Group, we are aware of our responsibility to transfer our planet to future generations in a livable way. Towards 2030, we are taking decisive steps in our emission reduction journey and aim to reach a carbon-neutral structure by 2050. This journey is the embodiment of our commitment to a sustainable future.

To protect every drop of water, we rewrite the story of water and protect our fresh waters with the understanding of **“a treasure for every living thing”**. We take it as our duty to provide a balanced awareness of nature for our employees and guests and to draw the road maps of environmentally friendly transportation. In waste management, we leave the disposable culture behind and choose to write recycling stories and continue on this path.

Our operations, which are shaped around the **3R (Reduce, Reuse, Recycle)** principles, represent the strategic steps taken to increase our sustainability performance. These steps coincide with our corporate goals, which determine our Group's sustainability understanding, strategy, and actions.

Each of our innovative initiatives and policies underlines our corporate mission for a sustainable future and reinforces our leading position in this field.





Our Environmental Management

Environmental, Social, and Governance (ESG) Metrics are the basis of our business approach. By focusing on creating superior value and gaining competitive advantage, we contribute to the sustainable development of both our company and society.

Our Environmental and Social Responsibility Board develops our strategies for environmental sustainability, reviews our policies, and evaluates our performance. Our Environment and Sustainability Department, affiliated with Human Resources, monitors our environmental performance, identifies risks, and develops projects.

Our Environment and Sustainability Manager determines our strategies and oversees our implementations. We have established our Environmental Management Systems according to the **ISO 14001 Standard** and are conducting audits. We publicly emphasize our commitment to reducing environmental impact.

With healthy resource management, we strengthen our supply chain, make resource use sustainable, and aim to leave resources for future generations. By contributing to the circular economy, we reduce waste and resource use and increase our efficiency.

Our environmental risks determined by our company are as follows:

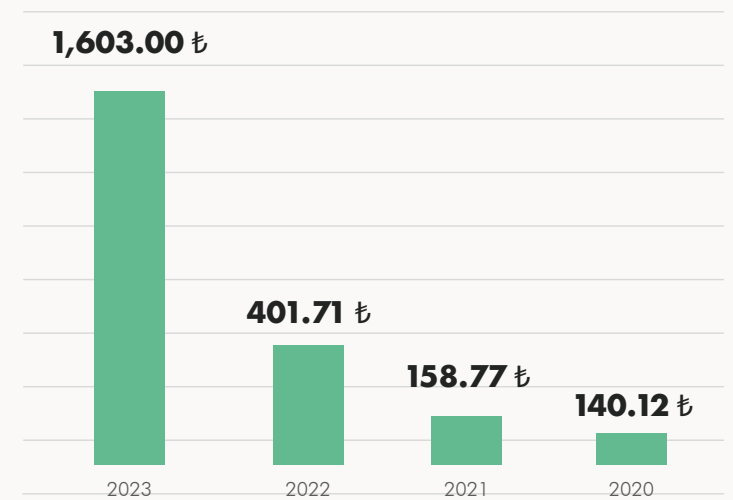
- Carbon Management
- Water Management
- Energy Management
- Waste Management

We have further expanded our environmental responsibilities and increased our expenses in this area.

We continue our continuous efforts to reduce our environmental impact and improve our environmental management practices. As a company, we reinforce our commitment to sustainable environmental practices with our financial decisions and guide our investment plans.

As Divan Group, we consider the reduction of emissions and the protection of water in the entire value chain as a priority focus, and we aim to improve energy management, reduce food waste, zero the use of single-use plastics, and improve food safety and traceability.

Our environmental investments:



[Click here to review our environmental policy.](#)





Our Environmental Studies

As Divan Group, we plan to achieve carbon neutrality by 2050, aim to reduce carbon emissions by 20% by 2030, and leave a more livable world to future generations.

Accordingly, we primarily focused on renewable energy investments and applied for the installation of SPP with a capacity of 10MWe within the reporting period.

As of 2024, we will offer free carbon-neutral accommodation to our guests in our hotels, and we will also provide a carbon-neutral option for events.

We aim to fulfill our responsibility to nature by adopting circular economy principles in all our business processes and making the **Reduce, Reuse, Recycle (3R) Principles** an integral part of the company culture.

In this context, we aim to reduce the amount of waste by 50% and carbon emissions by 10% with the **Telve Duo Coffee Machine Project**, which we developed in cooperation with Arçelik and made from coffee waste.

In line with the targets we set in 2022, we took steps to protect water resources by reducing water consumption per room by 2%.



*Towards the 2050 carbon neutral target,
we are building a sustainable
and responsible future*



Climate Action and the Transition to a Low-Carbon Economy

As Divan, we take seriously our contribution to the decarbonization of the global economy and the fight against climate change, and we make commitments in this regard. We take decisive steps to reduce our direct and indirect environmental impacts and aim to reduce greenhouse gas emissions to the lowest possible level.

We carry out various studies focused on reducing energy consumption and carbon emissions. By prioritizing energy efficiency projects, we turn to renewable energy sources and processes that provide low carbon emissions.

We minimize our impact on nature by using waste management and recycling programs. By separating wastes at their source, we participate in the recycling process. We use sustainable materials and eco-friendly products to reduce our environmental impact. In our supply chain, we cooperate with suppliers that are environmentally friendly and comply with sustainability principles.

We raise awareness of our employees, suppliers, and guests on environmental matters and encourage their participation. We aim to achieve our sustainability goals by collaborating with other stakeholders in the industry. Koç Group's "To the Future. Together" and "Respect for Every Stakeholder" we fully fulfill our commitments to achieve our Divan 2030 goals.

Through our carbon-neutral efforts, we aim for net-zero carbon emissions in all our operations. We seek to reduce the carbon emissions of our cooperating suppliers by 50% and to reduce the amount of waste going to landfills directly in our operations to zero.

By maintaining these commitments, we will continue to reduce our negative impacts on the environment and climate and contribute to the decarbonization of the global economy.

We seek to reduce the carbon emissions of our cooperating suppliers by 50% and to reduce the amount of waste going to landfills directly in our operations to zero.





Circular Economy and Waste Management

As Divan Group, we started mass production of the Coffee Waste Grounds Duo product, which we developed in cooperation with Arçelik, in April 2021.

This collaboration has led to the creation of the eco-friendly **Coffee Waste Grounds Duo**, which has contributed to our aim to reduce food waste. In line with our goals, we collect coffee waste and use it as a biocomposite material in the lower parts of the Telve Duo machine.

According to the results of our pilot project, we have successfully ensured that coffee waste is collected at the source in Divan. While achieving this goal in the short term, we plan to reduce the amount of waste from coffee waste by 50% and prevent 10% of the carbon emission level of coffee waste within a year, together with the measures we take in the long term. While we advanced our project with 3 units in 2022, we increased the number to 8 in 2023.

By the end of 2023, we aimed to prevent more than 500 kg of coffee waste in 8 locations. At the end of the year, we collected 518 kg of coffee waste. We will continue our project in 2024.

Through our waste reduction programs and initiatives, we collaborate with our hotels, guests, corporate guests, and local and global organizations.

Fiscal Year 2023	Amount of Waste (Tons)	Waste Processing Method Type	Disposal / Recovery Gain (₺)
Non-Hazardous Waste	227,059	Recovery	73,055
Hazardous Waste	532,023	Recovery	843,107

We aim to achieve our environmental goals by making efforts in areas such as single-use plastics, disposable products and reducing food waste.

We received the **Zero Waste Certificate** as an indicator of sustainable waste management. This document shows that our waste management is in line with the principles of sustainability and that we are working effectively on waste reduction, recycling, and resource efficiency. At the same time, it confirms that our waste management is up to standard and that we have taken effective measures to minimize environmental impacts. We are proud to receive this certification and continue to be on track to achieve our sustainability goals.

Through the education we provided, we ensured that our employees were aware of waste management; By encouraging the correct separation of waste at the source, we have allowed the recyclables to be evaluated through recycling technologies. We have adopted a sustainable environmental management approach by ensuring that wastes not technologically suitable for recycling are evaluated in licensed facilities.

We achieved an efficiency of ₺843,107 in the recovery of 532,023 tons of hazardous waste collected during the reporting period.

Our non-hazardous wastes; are biodegradable waste, such as kitchen waste; glass, paper and cardboard, metallic, plastic packaging; metals, and various plastics; It consists of textiles and other substances that are not suitable for consumption or processing.

During the reporting period, the amount of non-hazardous waste was 227,059 tons. We ensured the recycling of our non-hazardous wastes and achieved an efficiency of ₺73,055.





Circular Economy and Waste Management

Waste Management

Project Name	Waste reduction (ton) 2023	Waste reduction (ton) 2023
Amount of Waste Recovered	65	24
Vegetable Waste Oil (Biodiesel)	40.81	37.12
Financial savings achieved with the project (₺)		87,217.94

Amount of Hazardous Waste	2023	2022	2021	2020	Unit
Electronic waste	4.83	5.57	1.78	472	Ton

Amount of Non-Hazardous Waste	2023	2022	2021	2020	Unit
*Heading to landfill/landfill	173.603	128.260	129.510	0	Ton
Recycled	217.274	151.949	126.978	135.708	Ton
Recovered for energy purposes	10.045	38.21	24	3.53	Ton
Other		16.558	898	0	Ton

Waste Reduction Strategy

With the Waste Reduction Strategy we have adopted, we aim to prevent the generation of waste first and then to ensure the disposal of waste in an environmentally sustainable and cost-effective manner. To manage the Zero Waste Principle correctly, we send the food waste collected at the Divan Istanbul Hotel and Divan City Hotel to the biogas plant. In 2023, Divan Group focused on waste management trends to guide Divan Hotels on appropriate waste routing options.

Reducing Waste Impacts

We continue to collaborate with local tools, resources, and community companies to support our efforts to reduce waste. With the paperless factory application we passed in 2022 at our Divan Taşdelen Production Facility, we continue our process of giving food wastes generated from production to the animal feed operation.

Gradual Removal of Single-Use Plastics

As of the beginning of 2023, we have ended the single-use plastics used by all our employees. As Divan Group, we are constantly making improvements in operational management, standardization, sustainability practices, and employee education in the rooms department.

To equalize the service and equipment standards in all our hotels, we carry out various projects such as the standardization of the materials used in the rooms. In sustainability, we are taking important steps towards reducing our environmental impact by gradually transitioning to single-use eco-friendly dispenser systems. We carry out our education and development activities through the Divan Academy, which ensures that all our staff learn and apply operational standards, and thus we continuously improve our service quality. As a signatory of the Business Council Plastics Initiative, we are proud to fulfill all of our commitments.

You can visit the link for details of the commitment we have made to the Business Council Plastics Initiative as Divan Group.

Segregating and Managing Food Waste

We separate food waste with the digital manual sorting method, which we laid the foundations of in 2022. In 2023, we continue to work on setting the goal of reducing food waste per unit and managing food waste with digital programs.



Circular Economy and Waste Management

Dönem	2023	2022	2021
Direct GHG emissions and extractions	4,794	4,689 tCO ₂ e	3,090 tCO ₂ e
INDIRECT GHG EMISSIONS: 2. Indirect GHG emissions from imported energy	8,012	7,520 tCO ₂ e	4,892 tCO ₂ e
Indirect GHG emissions from transport	572	481 tCO ₂ e	629 tCO ₂ e
Indirect GHG emissions from products used by the organization	1,783	20,152 tCO ₂ e	1,514 tCO ₂ e
Indirect GHG emissions from products sold by the organization	3,525	2,271 tCO ₂ e	3 tCO ₂ e
Indirect GHG emissions from other sources	43	109 tCO ₂ e	36 tCO ₂ e
TOTAL (Based on location)	18,726 tCO₂e	35,223 tCO₂e	10,164 tCO₂e

Scope (1-2-3)

Divan Production Facility, Divan Istanbul Hotel, Divan City Hotel, Divan Ankara Hotel, Divan Cukurhan Hotel, Divan Bursa Hotel and Divan Bodrum Hotel

Divan Production Facility and Divan Istanbul Hotel

*In 2024, verification will be made for the data in the table.

Energy Efficiency and Emission Reduction

As part of the Energy Monitoring Project that we launched in the second quarter of 2023, we will monitor and optimize energy consumption on a location-by-location basis. Through this project, we also monitor the temperature and humidity data in the patisserie cabinets within the scope of the project. By transferring the energy consumption data to the Divan database, we started to evaluate it with 10 different criteria such as turnover, cover, area, and weather and to raise awareness in the field with this evaluation process.

Greenhouse Gas

As Divan Group, we play a leading role in our sector in the fight against climate change by minimizing our energy consumption and greenhouse gas emissions. We shape our sustainability strategy under the leadership of the Supreme Committee and with the support of a dedicated working group. We develop concrete action plans to achieve the goals we have set. We continue our practices in various areas such as energy efficiency improvement projects, transition to renewable energy sources, waste management and recycling initiatives, greenhouse gas monitoring and reporting.

Our efforts to reduce our environmental footprint are strengthened by the involvement of all our employees and our supply chain. With these approaches, we aim to reduce our ecological impact and adopt sustainable business practices. By carefully measuring the carbon emissions resulting from our business processes, we strive to understand our environmental impact and develop effective strategies in this direction. Our comprehensive data collection and analysis studies carried out under the guidance of the **Greenhouse Gas Protocol**, enable us to determine our Scope 1, 2, and 3 emission values and define our greenhouse gas emission categories. This process supports our goal of improving our environmental performance and creating a sustainable future as part of our strategic steps to reduce greenhouse gas emissions.

In 2023, the total of direct and indirect greenhouse gas emissions was recorded as 18,726 tCO₂e. In this process, direct greenhouse gas emissions increased compared to the previous year, while indirect emissions were on a downward trend. Based on 2020, we aim to reduce our emissions by 20% by 2030 and achieve carbon neutrality across our entire value chain by 2050. This process plays an important role in raising awareness of our guests and employees about carbon offset arrangements and providing data on alternative modes of transportation.



Energy Efficiency and Emission Reduction

Energy Audit Study

As Divan Group, we plan to carry out energy audit engineering studies in our hotels, food and beverage units, and banquet units in 2024. We will conduct these audits by the international ASHRAE Level 2 Standards. In the first stage, we planned the Energy Audit study that we will carry out within Divan Hotels in 3 main stages.

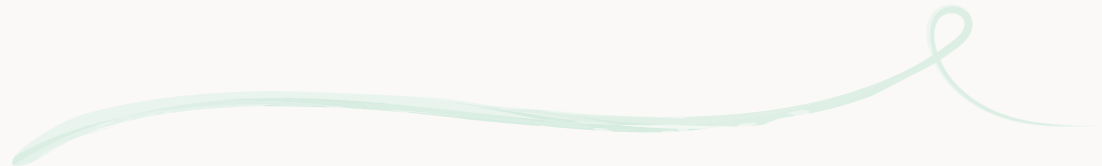
Our initial phase involves documenting all the hotel's systems in summary form and collecting the relevant data. In addition, we aim to create survey questions to support the next audit stages and to obtain this information from the technical department managers of the hotels. This study creates a roadmap to examine energy consumption and systems, while at the same time allowing us to identify our potential energy-saving projects.

- We will discuss with the hotel's technical department about the systems and operation and identify possible efficiency problems.
- We will examine the energy consumption data of the past five years and make comparisons with similar structures.
- We will create energy use diagrams by evaluating energy use with monthly regression analysis.
- For a detailed analysis of the systems in the hotel, we will examine the as-built drawings and equipment lists.
- Our technical team will inspect the systems on-site and then we will receive information from the facility manager.
- We will create a summary list of potential projects with low and high costs to increase energy efficiency.
- We will analyze the estimated energy savings and returns of the determined projects.

In the measurement phase, we aim to determine the current energy consumption trend. This phase will involve testing sub-areas to identify areas that consume large amounts of energy, and we will do the following detailed studies:

- We will examine the MEP design and investigate the installed conditions, maintenance operation practices, and methods.
- Based on the actual energy consumption of the building, we will decompose the estimated energy consumption according to its use.
- For a more detailed engineering analysis, we will measure basic parameters such as temperature, humidity, etc., using data loggers.
- We will make energy calculations using methodologies defined by the industry. For example, equivalent full load hours (EFLH) or building method.

We will present the energy-saving methods and recommendations we have obtained as a result of the calculations, including OPEX and CAPEX costs, in a written report. We will financially evaluate selected building energy improvement management principles and report separately on elements such as estimated cost of capital, estimated annual savings, return on return, return on investment (ROI), net present value (NPV), and internal rate return (IRR).





Water Management

As Divan Group, we adopt a responsible water management approach in line with our goal of minimizing environmental impact and continue our activities by adhering to these principles. Water resources are located at a critical intersection between the social, governance, and environmental components of sustainability, and are listed in the 17th century. It interacts with the Sustainable Development Goals.

Therefore, we aim to develop more effective policy instruments, strategies, and incentive systems for the protection of water resources. The protection of freshwater resources, which are limited worldwide and only 2.5% suitable for human use, is a critical factor for continuity.

Our water strategy includes customized programs and initiatives specific to each hotel's characteristics, size, and location. Divan Hotels and Factories aims to manage water-related risks from design to development and operation.

*We shape the future
by protecting
water resources.*

Launched in 2022, we continue to set water reduction targets per hotel by 2025 for all managed hotels to effectively manage the water footprint of our portfolio. In 2023, we completed our water risk assessment using the World Resources Institute's (WRI) Aqueduct Water Risk Atlas, which we set as our target in the previous year.

As a key component of our Environmental Sustainability Strategy, we attach great importance to water conservation efforts. We aim to minimize water consumption and actively support the conservation of freshwater resources along our entire value chain. In this context, we inform our visitors about the local drinking water quality. In addition, we will complete our work in 2024 to encourage the use of tap water instead of bottled water.

2030 Water Reduction Target

We are aware that water consumption has an important place among our sustainability priorities and we are taking important steps in this area. We aim to promote water conservation by using water efficiently, which is one of our limited resources. In this direction, we take various measures to ensure the efficient use of water. For example, we reduce water consumption using water-efficient technologies such as tap systems with contact sensors.

At the same time, we encourage the effective use of water and raise awareness on this concern with the education we provide to our personnel.

As part of our 2030 Sustainability Target, we aim to reduce water density per room by 2% by 2030, based on 2022. Taking the 93 thousand m³ water consumption we recorded in 2022 as a reference, we will continue to develop more effective water management strategies and increase water savings.

Within the scope of the Sustainability Goals we set in 2022, we have clarified our long-term water consumption reduction targets for 2030. To achieve these goals, we take various measures such as improving water efficiency, monitoring systems, water recovery, and rainwater harvesting.

We aim to provide our guests with detailed information about local drinking water quality and to encourage tap water as an alternative by reducing the use of bottled water through this awareness process.

With our approach, we will reduce the amount of plastic waste and support the use of sustainable water resources.

We started working on CDP Reporting in 2023 and will publish our first report in 2024.



Biodiversity

We believe that by protecting, restoring, and enhancing the ecosystems where our facilities are located, we increase the sustainability and resilience of the communities where we do business.

Our 2024 goals include establishing a team specialized in biodiversity matters. This team will develop a biodiversity guide in 2025 by researching best practices on biodiversity matters, taking into account local and international standards.

We aimed to procure our shelled or liquid egg products from non-cage sources by 2025. In the reporting period, we received **an award from the Turkish - German University** for fulfilling this commitment.

We take measures to minimize our environmental impact in the regions where we operate to protect natural habitats and support biodiversity. In our supply chain, we cooperate with suppliers who care about biodiversity protection, comply with sustainability principles, and minimize environmental impacts.

We organize education and information activities to raise awareness among our employees, suppliers, and guests about biodiversity and to raise awareness on environmental sustainability. We continue to fulfill our responsibilities to ensure environmental sustainability by protecting natural life and supporting biodiversity.

Our operations have no negative impact on areas of high biodiversity and habitats included in the IUCN Red List.





respectful to people

We strive to create work environments that emphasize equality, inclusion and the health of every individual.

Respectful



Galataport



Respectful Divan

As Divan Group, our story is like a happy and peaceful family picture. Each of our employees has a different sparkle. Whether between the keys of the keyboard in the office, in the steam of the pot in the kitchen, or outdoors under the sun, there is an opportunity for each of us. Diversity is everywhere, whether it's female managers walking the corridors or our disabled colleagues taking their first steps into the workplace. We not only look at safety and health as a responsibility but also as a way of doing business and internalizing it.

As Divan, we are a constantly learning and developing structure that successfully continues our digital transformation. In this journey, our employees are trained as experts who can be in touch with the best technology.

Divan Academy, the gateway to the joyful and colorful world of education, serves as a platform that supports the development of every employee. Here, everyone is encouraged to learn and share what they have learned. Feedback plays an important role in this journey and provides opportunities for continuous improvement. Together, we appreciate each success and celebrate these achievements together.

*Divan is more than just
a job; it is a way of life.
a passion...*





Labor Force Distribution and Outlook

At Divan, we continuously invest in the personal and professional development of our employees. We encourage participation in the Employee Support Program through various education and learning platforms and offer extensive learning opportunities that support work-life balance.

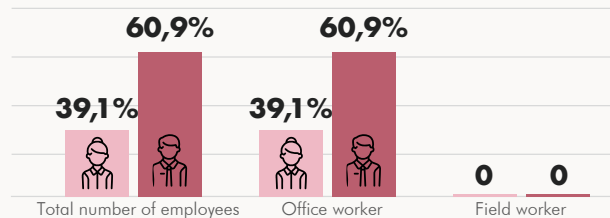
We take need-oriented measures to increase employee loyalty. In addition, we focus intensively on occupational health and safety, organizing site visits and constantly updating our education content to achieve our zero accident target.

Workforce Distribution

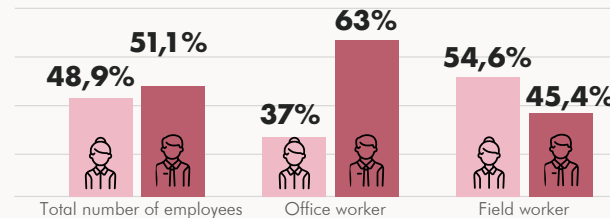
In the reporting period, the total number of employees increased by 9% compared to the previous year. There was a 47% increase in the number of female field employees.

Total number of employees	2023			2022		
	Woman	Man	Total	Woman	Man	Total
Office worker	164	347	511	252	1,057	562
Field worker	528	1,124	1,652	360	310	1,417
Total number of employees	692	1,471	2,163	619	1,360	1,979

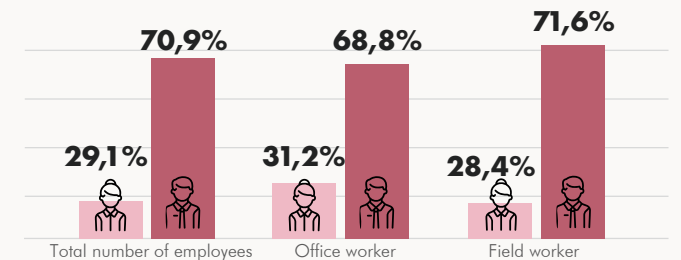
2023 Central Employee Distribution (%)



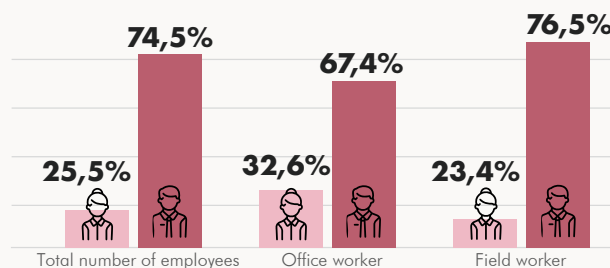
2023 Production Facility Employee Distribution (%)



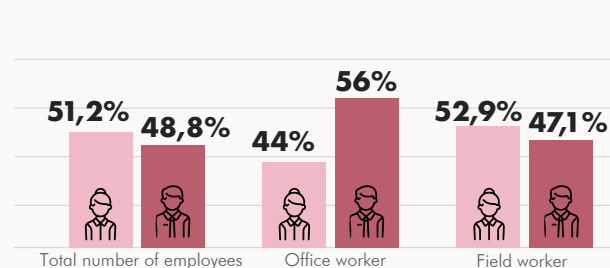
2023 Hotel Employee Distribution (%)



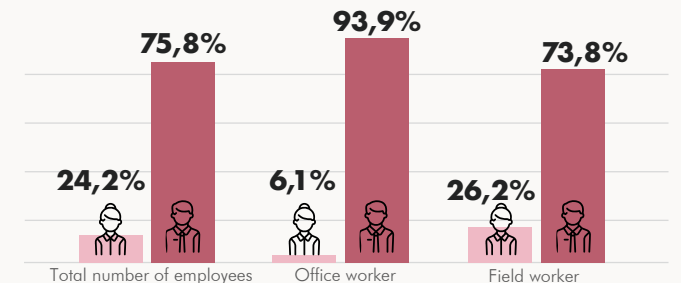
2023 Banquet Unit Employee Distribution (%)



2023 Bakery Employee Distribution (%)



2023 Restaurants and Stadiums Employee Distribution (%)





Prominent Developments in Human Resources in 2023

2023 was an important year for Divan in terms of transformation and innovation.

FutureFit Project:

As Divan, we modernized our way of doing business with FutureFit, which shapes our future. Through our redesigned roadmap, we defined our organizational structure and the competencies we will need in the future. Under the leadership of digital transformation, we implemented projects to increase efficiency in every unit. We also organized education programs that will contribute to the development of our employees to adapt to the rapidly changing sectoral requirements.

Digitalization of HR Processes:

We moved our HR processes to the **Divan iK Plus Digital Platform**, which is easily accessible by all our employees. Through this Platform, our employees can easily access data such as personal information, payrolls, working hours, shifts, and annual leaves, and make change requests. Our employees can access this information on any mobile device.

Divan Academy:

Supporting continuous learning and development, our Academy enables our employees to expand their professional skills.





Prominent Developments in Human Resources in 2023

Employee Satisfaction and Loyalty

At Divan, we prioritize increasing employee loyalty and deepening employee trust. By setting customized goals for different employee categories, we maximize the potential of each individual. In collaboration with OKR Methodology, we take steps to improve the employee experience and create synergy across the organization. We positively impact business results by supporting the continuous development and career journeys of our employees.

2023 brought significant gains for our company in terms of employee satisfaction and loyalty. Our 70% score in the satisfaction survey, in which **1564 employees participated, and our employee engagement rate, which increased to 80% compared to the previous year, underline our principle of "valuing people"**. 90% of employees actively participated in these processes and expressed their trust in our company policies.

The 79 points we received from the Happy Place to Work assessment shows the quality of our working environment. In line with these achievements, we will continue our strategies to increase employee satisfaction and loyalty and our investments in employee development.

Assessing Employee Performance and Career Development

We view performance and career development evaluations as a factor that plays a critical role in the professional development of our employees. In 2023, we applied these evaluations to a total of 335 employees (125 women and 210 men) in the office environment, and a total of 1828 employees (567 women and 1261 men) in the field.

This process not only clarifies our employees' competencies, performance, and career paths but also helps us support and develop them in line with our company's overall goals.

Employee Turnover Rates and Turnover Statistics

We regularly review our employee structure and human resources strategies and aim to improve them. In the last reporting period, we observed a 6.22% decrease in employee departures compared to the previous year. In 2023, the rate of those who left their jobs voluntarily dropped to 21%, signaling that loyalty to our company and working conditions have improved. Our Board of Directors continues to pursue strategies to increase employee satisfaction and we strengthen education programs to support employees' career and professional development.

Employee Turnover	2023			2022			2021		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Total number of employees who quit their jobs	336	765	1,101	376	798	1,174	204	301	505
Number of employees under 30 who quit their jobs	176	332	508	177	475	652	93	158	251
Number of employees between 30 and 50 years of age who quit their jobs (including 30 and 50 year olds)	146	377	523	190	279	469	95	127	222
Number of employees over 50 who quit their jobs	14	56	70	9	44	53	16	16	32
Please share the employee turnover rate calculated by including employees who voluntarily quit their jobs.	20%	22%	21%	27%	41%	37%	19%	15%	16%
Number of positions filled with internal candidates			221						
Number of all open positions			1,092						



Remuneration and Benefits

Human Resources and Wage Policy

As Divan, we base our wage policy for all our employees on the principles of equality and justice. We offer a fair wage structure to each of our employees, regardless of title or grade. We provide employees with a gross bonus of 4 salaries per year and calculate this amount in proportion to monthly salaries. An important indicator of the fair and competitive nature of our salary scale and wage policies is the wage relationship between the highest-paid individual and all other employees.

The wage ratio shows that the total annual wage of the highest-paid individual is 14.92 times the median wages of all employees. The wage increase rate, on the other hand, states that the increase in the annual total wage of the highest-paid individual is 0.89 times the median wage increase rate of all other employees.

Our company is driven by a commitment to implementing fair compensation policies for all employees and strives to ensure that all employees receive the value they deserve.

Notice Periods and Enforcement

The notice periods of the employees in our company are managed in full compliance with the Turkish Labor Law. The deadlines specified in the Labor Law No. 4857 are meticulously followed and these processes are implemented fairly and transparently for all our colleagues.

Termination Procedures and Termination

We do not have an additional payment policy for dismissal and termination other than the provisions in Labor Law No. 4857. We generally do not prefer to rehire employees who have left their jobs. This shows the importance it attaches to recruitment standards and continuity.

Fair and competitive remuneration policies for all employees





Employee Diversity and Inclusion

Recruitment and Employment Diversity

New hires in our company are constantly evolving as part of the Employment Strategy, which is getting stronger every year. In 2022, 651 people joined our team, while in 2023, this number increased by 67.7% to 1092.

The proportion of young talents in the under-30 category increased from 271 in 2022 to 610 in 2023, emphasizing our goal of creating a young and dynamic workforce.

At the same time, the number of professionals between the ages of 30 and 50 increased from 342 in 2022 to 443 in 2023, and we have expanded our experienced and expert staff.

In the over-50 category, we increased the number of recruits from 38 in 2022 to 39 in 2023, demonstrating that experienced employees also maintain and increase their place in our team.

Number of new employees hired during the year	2022			2023		
	Woman	Man	Total	Woman	Man	Total
Under 30 years old	99	172	271	209	401	610
30 – 50 years old	106	236	342	146	297	443
Over 50 years old	6	32	38	11	28	39
Total	211	440	651	366	726	1.092

Distribution of Managers by Gender and Age	2022			2023		
	Woman	Man	Total	Woman	Man	Total
30-50 years old (including 30 and 50 years old)	37	71	108	33	63	96
Over 50 years old	4	0	4	5	16	21
Board Structure	2	5	7	2	5	7
Total	41	71	112	38	79	117

Number of Disabled and Foreign National Employees

In the reporting period, we successfully progressed in line with our targets to increase the presence and contribution of disabled individuals in our workforce.

In 2023, we included 42 disabled employees, 8 women and 34 men, in our team. We are taking firm steps towards our target of employing **65 disabled individuals** who constitute 3% of our total employees. In addition, by adopting a global vision, we recruited 18 foreign nationals, **14 women and 4 men from different cultures**. We consider this step as an important development in supporting diversity and inclusion.

Our diversity not only gives us different perspectives and skills but also becomes part of our social responsibility by reflecting the diversity of our society in our workplace.

Gender and Age Distribution in Executive Positions

The gender and age distribution of our company's executive staff changed between 2022 and 2023. While 41 women and 71 men executives in 2022, these numbers were recorded as 38 women and 79 men in 2023, respectively. While there was a decrease in the number of young leaders between the ages of 30 and 50, there was an increase in the number of experienced leaders in the over-50 category. The composition of our Board of Directors remained stable, with a team of 7 members - 2 women and 5 men - making strategic decisions in both years.



Employee Wellbeing and Support Policies

Social Benefits and Employee Assistance Programs

Social Benefits and Other Ancillary Benefits

As Divan, we offer various social benefits and fringe benefits to increase the well-being and motivation of our employees. We have designed these benefits to meet the current social and economic needs of our employees as well as to ensure their future financial security.

Housing Financing:

We offer our employees housing financing options on favorable terms.

- Holiday Allowance
- Educational Support
- Child Benefits

Pension Plans and Koç Foundation Membership

All of our employees are considered members of the Koç Foundation as part of the Koç Family. As a company, we support our employees' financial contributions to the foundation and thus make a tangible contribution to their pension plans.

Our practice underscores the value we place on the long-term financial security and well-being of our employees.

- Pension and Disability Compensation
- Death Compensation
- Private Health Insurance
- Lump Sum Financing Assistance





Organizational Development and Strategic Initiatives

Our **Innovation and Digitalization Department**, which consisted of 4 women and 1 man in 2022, reached 6 employees in the reporting period. This statistic demonstrates our commitment to innovation and digital transformation processes and emphasizes that a competent and diverse team structure maintains our competitive advantage. We develop policies that ensure a balanced growth between male and female employees and enable the development of experts of both genders.

Total employees	2023			2022		
	Woman	Man	Total	Woman	Man	Total
Number of employees in P&D, Innovation and Digitalization departments	4	2	6	4	1	5

Divan's Strategic Transformation Processes and Future Preparation Activities

Divan's Transformation Journey in the Process of Adaptation to the Future

Launched in 2021, the Divan Future Fit Project focuses on initiatives to adapt to the new post-pandemic world order and changing business dynamics. These efforts, which have gained momentum with the energy of all our employees and the contributions of Koç Group Human Resources, are moving forward with the aim of shaping Divan's future and preparing the company for the future.

Bringing Productivity and Innovation to the Future at Divan

The impacts of the Divan Future Fit Project within our company are significant and varied. First of all, our analysis of the roles of office employees led to significant gains in terms of efficiency by identifying important initiatives in 10% of them and effectively implementing these changes. In total, we identified 104 digital and process initiatives, and by implementing them, we targeted to increase our operational efficiency and improve our processes.

Especially during the second phase, we implemented **72 innovative digital and process** initiatives to reduce time loss in business processes. The development of these initiatives significantly increased the efficiency of our company's working processes and provided a more dynamic working environment for our employees.

Also, the marketing structure we restructured to support our growth strategy within the framework of the Future Fit Project has accelerated our company's progress. The special initiatives we developed for restaurants operating in the food, beverage, and retail sectors further emphasized our service and quality approach. We developed a new application to enable instant monitoring of our restaurants on digital platforms and made every stage of our businesses more traceable in more detail.

Finally, through innovative approaches such as smart shift systems supported by AI, we manage employees more effectively. These developments have enabled us to become more prepared for the future by increasing our efficiency in business processes with Divan's Future Fit Project.





Divan's Strategic Transformation Processes and Future Preparation Activities

Developing Employee Skills: “Hackyour Job” Event

With the “Hackyour Job” event, we aimed to increase the analytical skills and operational efficiency of our field employees. During this event, we guided our employees and the improvements that would make their work more efficient in a way that they could make on their own without IT support.

As a result, we directly contributed to the development of our colleagues enabling us to improve our overall business performance.

The Impact of Organizational Transformation on Business Results at Divan Group

In 2023, restructuring our core business groups into Hotels & Banquets and Food & Beverage & Retail units was an extremely important step. These structural changes provide an important foundation for the future **Agile Organization** and contribute to achieving our strategic goals.

Especially our transition to the **Cluster Model** in our hotels and the adoption of the positive results of this model for our hotels in Istanbul constitute an important step towards making the business structure more effective and efficient.

Increasing the functionality of the marketing organization and providing more support to the field and business units strengthens our guest-focused approach, while the transition to a category-based structure in your purchasing organization reflects an important development in resource management and collaboration.

A Look at New Roles in Our Vision for the Future

Within the scope of the Future Fit Project, Divan has identified **10 new roles** that will further increase our operational effectiveness and efficiency and create a bridge between our future and current situation. We designed these roles by taking into account our dynamic structure and future positioning strategy.

The new roles include SAP Analyst, Group Agency Cluster Sales (Divan Istanbul-City), Sales Analytics, Corporate Cluster Sales (Divan Istanbul-City), HR Digital Transformation Manager, Purchasing - Category Specialist, Banquet Sales and Social Events (CV), Performance Marketing, Graphic Designer/UX/UI and Digital Marketing & Content Management.





Occupational Health and Safety

At Divan Group, we fully embrace the central importance of sustainable development and corporate responsibility in the business world. We see our Occupational Health and Safety (OHS) practices as a vital strategy to improve the well-being of our employees and safety standards in our workplaces.

According to the International Labor Organization (ILO), 2.3 million people die annually due to work-related health problems, highlighting that OHS is more than a legal obligation, but a profound ethical responsibility. In the post-pandemic era, we better understand that healthy and safe work environments are fundamental to corporate resilience and sustainability.

Climate change, technological advances, and global health crises increase the importance of OHS practices, necessitating the development of new safety protocols and effective risk assessments with technological innovations. **European Union OHS Regulations and United Nations Sustainable Development Goals** guide us in creating safe and healthy working environments.

While OHS measures play a critical role in improving the well-being and safety standards of our employees, we have built our sustainability strategy on becoming a preferred brand in the sector, strengthening the sense of belonging of employees, and implementing effective risk management in our business processes.

Our Occupational Health and Safety Policy



With our OHS practices, we aim for continuous improvement for the health and safety of our employees.

Our OHS unit keeps the health and safety of our employees at the highest level with 10 doctors and many experts.

Our company continuously invests in OHS. While our OHS budget was ₺327.25 in 2020, we increased this amount to ₺622.62 in 2021. We further increased our investments to ₺1,334.70 in 2022 to improve the quality and safety of our working environment. Continuing this development, we tripled our OHS investments to ₺3,625.00 in 2023. This increase is considered an indicator of our determination to improve working conditions and support the welfare of our employees. Our investments in this process not only raise the internal standards of our company but also make us a pioneer in following the best practices in the sector.

Our OHS unit keeps the health and safety of our employees at the highest level with 10 doctors and many experts.

Our Occupational Health and Safety (OHS) Unit operates with the mission of prioritizing the health and safety of our employees in all activities of our company. This Unit is managed by 1 manager and 4 directly reporting OHS officers and the specific needs of each unit are supported by our doctors and experts. There is 1 doctor in our factory, 2 doctors in our restaurant and cafeteria areas, and 4 doctors work in Istanbul. There is one specialist and doctor at our locations in Bursa, Bodrum, and Ankara. With 10 doctors and many specialists, we continue our efforts to keep OHS Standards at the highest level and continuously improve them.





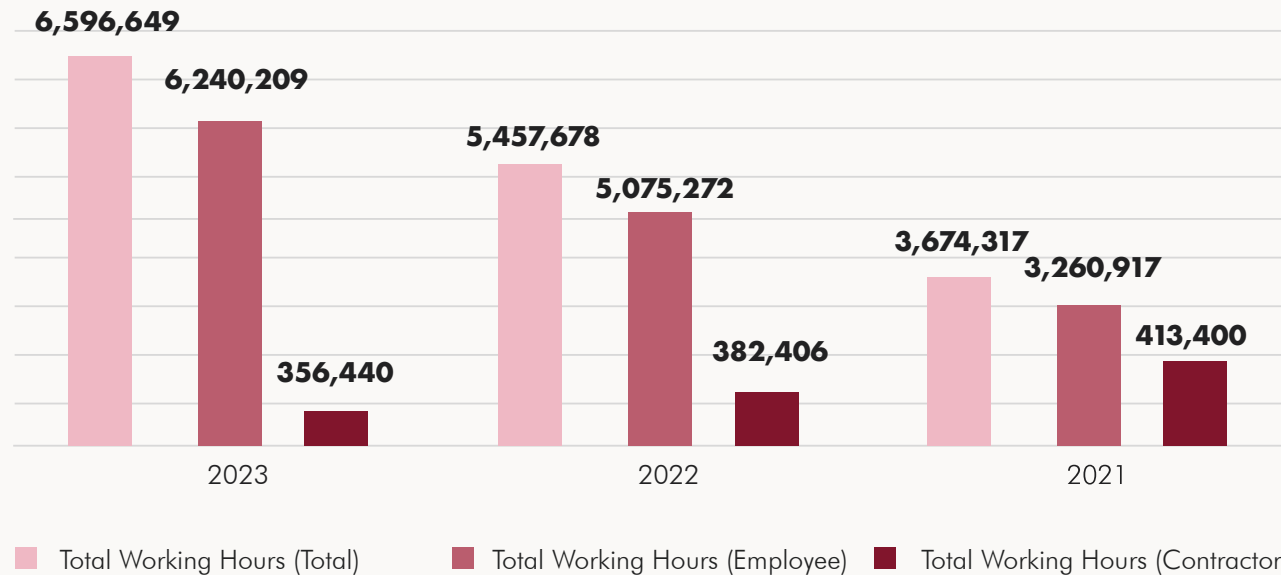
Occupational Health and Safety

OHS Performance, Accident Statistics

Through our practices, we continue to work towards continuously reducing our accident statistics. Our proactive approach and continuous improvement efforts in Occupational Health and Safety are focused **on making our working environment safer and minimizing risks for all employees.** Through the measures we took during our reporting period, we significantly reduced our accident frequency rate.

From 2021 to 2023, the expansion of our business processes, the total working hours of our employees increased and fluctuations in the working hours of our contractors were observed. This shows the increase in the number of employees and contractors with the growth of our business volume and projects. As Divan Group, our Occupational Health and Safety (OHS) Policy, which we carry out with the principle of "Your Health and Safety is Our Priority", ensures the human-oriented organization of our workspaces and encourages continuous improvement and effective risk management.

Working Hours by Year



Your health and safety is our priority



Occupational Health and Safety

OHS Management Structure OHS Structuring and Committees

At Divan Group, we meticulously carry out our occupational health and safety processes in line with international standards and local legal requirements. We currently have **15 OHS committees in operation and a total of 93 members serve on these committees.**

Our OHS committees play a critical role in our company's mission to provide a healthy and safe working environment and encourage our employees to actively participate in occupational health and safety processes. The meetings, which are organized every month in our factories and at least every 3 months in our other business units, stand out as important meetings in which employee representatives also play an active role.

These meetings make valuable contributions to our continuous improvement and development efforts and help us keep the well-being and safety of our employees at the highest level.

In the reporting period, we increased our education time by 23% compared to the previous year.

Education and Culture Development: A Roadmap for a Strong OHS Culture

As Divan Group, we have implemented our Employee Support Program since 2022, which aims to support all our employees and their family members in all their needs, especially in psychosocial matters. The program offers various methods to support the well-being of our employees and their families.

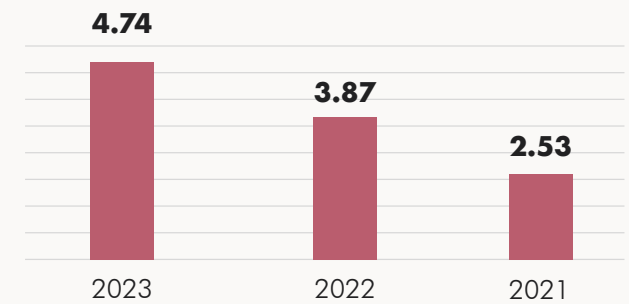
These are as follows:

- Telephone counseling service is available 24/7,
- Face-to-face counseling sessions,
- Seminars supporting personal and professional development,
- Nutrition counseling and dietitian services.
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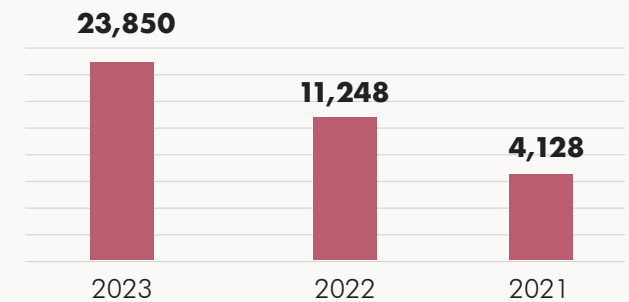
With this program, we aim to prioritize both the physical and mental health of our employees and support them in every sense.

In the reporting period, we increased our education time by 23% compared to the previous year. At Divan Group, we are committed to continuously expanding and deepening our Occupational Health and Safety (OHS) education. In 2021, the average education time given to each of our employees was 2.5 hours, which increased by 55% to 3.87 hours in 2022, and by 23% to 4.74 hours in 2023 compared to 2022.

Average Education Hours per Employee



OHS Education Duration (personxhour)





Occupational Health and Safety

Education Programs and Increasing Employee Awareness: Investing in Safety

We offer comprehensive education to ensure that our employees are aware of a safe working environment. Our education includes "Near Miss" and Hazardous Situation Notification systems, mandatory OHS education, occupational and task-specific education, orientation, first aid, and emergency response programs. These programs aim to help our employees understand the risks in the workplace, approach potential hazards proactively, and act effectively in emergencies. In addition, our **"Near Miss"** and **Hazardous Situation Reporting** systems allow our employees to quickly report any safety threats, enabling us to identify potential hazards and take precautions.

Excellence in OHS Educations: Continuous Improvement and Performance Measurement

We offer diversified and comprehensive education programs to all our employees. These include occupational safety education accessible face-to-face, online, and via digital platforms, and are integrated with the measurement of our employees' knowledge and skills.

Our education content covers topics such as first aid, confined space and working at height safety, emergency response, chemical safety, and ergonomics, providing vital information on preventing occupational diseases and avoiding occupational accidents. We also organize technical and operation-specific education for the unique needs of our teams.

We aim to ensure that our contractors and employees fully comply with our safety standards through periodic OHS education organized in line with set targets. Our employees actively participate in risk assessment processes, prepare field audit reports, and regularly evaluate the measures taken at OHS meetings.

The number of accidents decreased from 16.75 per 1000 employees in 2022 to 11.06 in 2023. Although the number of accidents and lost day rate seem to have increased, there was a 34% improvement in our accident frequency rate due to the increase in the number of employees.

	2023	2022
Number of accidents	65	89
Number of days lost	154	186
Accident frequency rate	16.75	11.06
Accident severity ratio	0.03	0.03





Occupational Health and Safety

OHS Risk Management and Safety Strategies

We conduct all of our company's activities under the guidance of the ISO 45001 Occupational Health and Safety Management System and with a risk-oriented approach.

We carry out our risk assessments meticulously according to the OHS Risk Assessment Regulation and ISO 45001 Standards. By applying appropriate methods for each risk group, we systematically identify potential hazards, determine risk levels, and create appropriate precaution plans.

We evaluate health risks in our working environments and conduct exposure measurements based on dust, noise, volatile organic compounds, and lighting. This process serves our goal of creating a safer and healthier work environment for our employees.

We continuously improve our safety and health management systems in our workplaces by fully complying with **global OHS standards and Turkey's OHS legislation**. We strengthen our OHS practices with innovative solutions through regular education, certification programs, and projects carried out in cooperation with the European Union to increase the OHS awareness of our employees.

Accident and Disease Prevention: Proactive Approaches and Continuous Improvement

We take decisive steps to prevent accidents and occupational diseases. We keep records of accidents and occupational diseases, report this information legally, and take necessary measures to prevent recurrence.

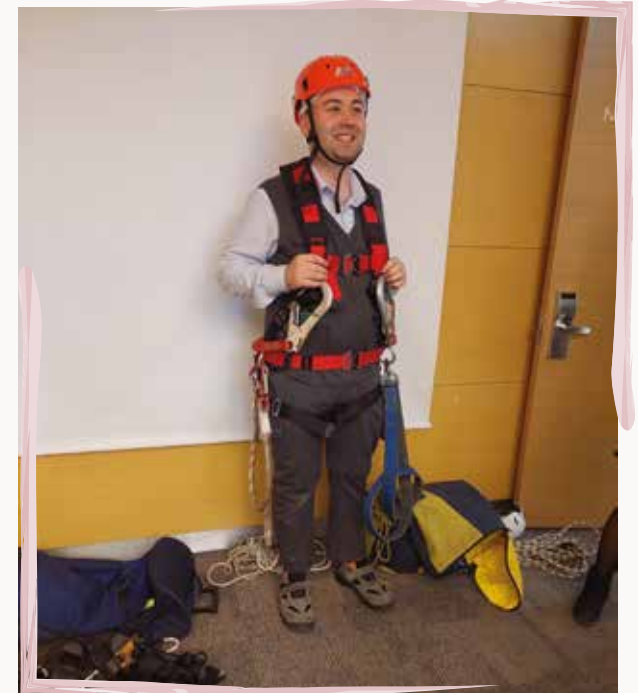
We measure our OHS performance with critical data such as accident frequency, accident severity, injury, and occupational disease rates. This data allows us to assess our current situation and identify areas for improvement.

To achieve our goal of zero occupational accidents and diseases, we aim to minimize all risks in our workplaces and maximize the health and safety of our employees.

With our proactive OHS approach, we take decisive steps toward the goal of zero occupational accidents and occupational diseases.

Process Management and Accident Investigations: Our Comprehensive Approach

When an accident at work occurs, we meticulously manage the process through our accident incident investigation procedure. We aim to create **a safer and healthier working environment for all our employees**. In the development of our occupational health and safety culture, each of our employees stands out as both an active participant and a protector of this culture.





Occupational Health and Safety

Traffic Safety and Vehicular Accident Management: Precautions and Future Plans

Enhanced Driving Safety: Defensive and Anti-Slip Education Programs

Within the scope of the Safe Driving project, which we implemented in 2021, we offer safe driving, defensive driving, and antiskid education to our teams. In the first phase of our project, we monitor driver behavior with the tracking devices we integrate into our company vehicles and make detailed reports on driving dynamics such as excessive acceleration, deceleration, and slope. Based on this data, we customize and update our safe driving education when needed.

In our reporting period, **we recorded a 16% increase** in our kilometers driven compared to 2022 as a result of the expansion of our business's operations and the increase in our activities. This expansion has also led to an increase of approximately 30% in our vehicular accidents, while our total vehicular accident frequency has increased by approximately 11.87%.

Despite the increase, there were no serious vehicular accidents thanks to the measures we took. In response to the increase in accidents, we have increased advanced driving techniques and defensive driving education for drivers, expanded the use of vehicle tracking systems, and continuously monitored driving behavior.

The findings we obtained as a result of detailed analyses of the accidents allowed us to create action plans to reduce potential risks and we made the necessary improvements. In 2024, we plan special education, especially for employees with low safe driving scores, and aim to minimize driving errors by focusing on risky driving behaviors.

	2023	2022
Mileage Driven	2,488,762.00	2,145,382.00
Number of Vehicle Accidents	61	47
Total Vehicle Accident Frequency	24.51	21.91





Occupational Health and Safety

Performance Monitoring and Continuous Improvement

Data Collection and Analysis: Critical Data for Continuous Improvement

We regularly collect critical OH&S Performance Indicators (KPIs) every month in our businesses. These indicators include basic data such as person*hour education, number of work accidents, number of lost days, major-minor day loss accidents, total number of employees, and working hours.

In addition, driving safety data, site inspections, detected findings, and actions taken are an important part of our monthly data set. We make great efforts to prevent possible accidents in our work areas and the field and to minimize risks by learning from accidents.

We act with the awareness that creating a safe working environment is possible by effectively preventing occupational accidents. Incident investigations, which we carry out to determine the main causes of accidents, form the basis of our improvement processes.

By 2024, we plan to implement improvement measures aimed at improving our safety culture and reducing the number of lost days due to accidents.

Our Priorities and Innovative Solutions

With our technological investments and innovative solutions, we take important steps to protect the health and safety of our employees.

The use of wearable technologies and Internet of Things (IoT) devices allows us to monitor potential risks in our workplace in real-time, enabling us to effectively detect hazards in our work environment and take measures quickly.

These innovative solutions offer us new perspectives on reducing risks and maximizing the safety of our employees, making a significant contribution to making our OHS practices more effective and efficient.

**We continuously improve
our occupational health and safety
with innovative technologies.**

Our Projects

Earthquake Preparedness: Risk Assessment and Emergency Drills

In 2023, in cooperation with our Occupational Health and Safety Department, Technical Directorate, and Finance Directorate, we conducted comprehensive research on earthquake resistance and preparedness within our holdings and companies. As a result of the research, we identified the existing deficiencies and made plans to eliminate them.

Thanks to the earthquake drills, we have created a detailed preparedness plan covering critical matters such as earthquake resistance of our buildings and facilities, strength of non-structural elements, crisis communication, and employee safety.

Our project enabled us to take an important step towards earthquake preparedness with action steps and effective follow-up mechanisms determined by international standards.





Occupational Health and Safety

Our Projects

Field Audits: Monitoring and Improvement Actions

Our OHS audits, which we carried out in line with legal regulations, our company targets, and international guidelines, were carried out by independent external auditors.

These audits ensured the legal compliance and continuity of our system, and the audit results were presented to our senior management for improvement and action plans. In our project, we aimed to identify areas of systemic improvement in our work areas with third-party observations. We aim to contribute to the development of our OHS processes with regular independent audits, which we plan to continue in the coming years.

We have prepared detailed guidelines and procedures to ensure safety and conducted site audits to ensure proper practices are followed. **We conducted 95 field inspections in 2022 and 187 during our reporting period.**

In 2023, we completed the feasibility study we started in 2022 and determined our standard compliance reports and compliance percentage. In 2024, we will start the process of obtaining documents.

Global Accessibility: Standards for People with Disabilities

With our Global Accessibility project, which we started in 2022, we prioritized the needs of our disabled employees and guests and carried out feasibility studies by TS-9111 and TS 12460 Standards. By making disabled-friendly mapping in each of our locations, we meticulously carried out the planning according to the requirements.

We completed all our work in 2023 and determined our standard compliance reports and compliance percentage. We will start our certification process in 2024. We made a wide range of assessments, including our work areas, outdoor areas, common areas, and routes. By identifying the potential obstacles that people with disabilities may encounter, we have produced solutions that will facilitate their daily life and work routines.

Within the framework of the Global Accessibility and Disability Standard (GDEI), we have strengthened our infrastructure and determined the necessary actions, taking into account more than 100 action and requirement lists under 12 main headings. We aim to be at least 80% compliant with the roadmap we have created.

Supplier Audit: Education and Implementation Methods

We are committed to ensuring that OHS Standards are meticulously implemented both in our working environment and in our contractor companies.

For this purpose, we implement a comprehensive protocol that sets the standards of OHS education by the legislation for our contractor companies and ensures the continuity of these standards.

With the protocol, we audit our contractors' compliance with specifications, carry out document checks, and evaluate the effectiveness of these processes in regular meetings.

In 2023, 683 of our contractor employees completed basic OHS education, which contributes to our goal of creating a safer and healthier working environment for all our stakeholders.





Occupational Health and Safety

Our Projects

Employee Well-being: Wellbeing and Health Management

To prioritize the physical and mental health of our employees and to increase their happiness and well-being, we launched the Feel Good at Divan Program.

With this program, we aim to create a culture of well-being by strengthening the physical, mental, and emotional health of our employees.

In 2023, we reached 496 employees through mindfulness sessions such as breathing and yoga education. These practices align with our priorities such as improving physical health, stress management, social recognition, and supporting our diversity and inclusion processes.

Support and Development Programs for Employees Programları;

Psychological Health: Support Services and Preparatory Programs

Natural disasters, especially earthquakes, can have a profound impact not only on the physical but also on the psychological and emotional well-being of our employees. For this reason, to support the emotional well-being of our employees, we have sent e-mails with content specially prepared by our expert psychologists.

These communications provide psychological support to our employees by providing practical information and strategies to manage the stress and anxiety caused by the earthquake.

Kızılay Week and Blood Donation

As part of the Red Crescent Week, we organized a blood donation event with the slogan "Saving Lives is in Your Blood!" to increase our awareness of social responsibility. In this special event, we invited Kızılay's mobile blood donation vehicle to our production facility and made a significant contribution with the participation of our volunteer employees.

In addition to making a social contribution, our event also aims to strengthen the spirit of solidarity among our employees.

Health and Well-being: Comprehensive Screening and Programs

By prioritizing the health of our employees, we conduct employment examinations by our workplace physicians during the recruitment process. Once they start work, we continuously monitor their physical and psychosocial well-being through regular health screenings. In addition, we help our employees achieve a higher quality of life in their business and private lives by providing dietitian services, Chronic Treatment Continuity KTSK, and psychological counseling services.





Occupational Health and Safety

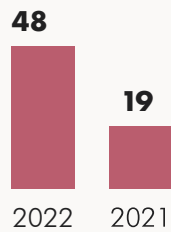
Our Projects

Disaster Preparedness: Emergency Planning and Response Studies

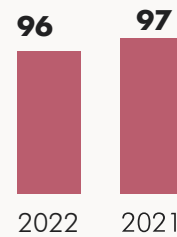
To ensure the sustainability of our operations, it is of great importance to be prepared for disaster and emergency scenarios. Accordingly, we have detailed plans and general procedures for emergencies. Our Crisis Management Teams regularly update these plans according to legal regulations. Our OHS Department establishes and monitors special emergency procedures for each unit, and we also organize periodic education and drills to keep the awareness of disaster preparedness alive in our entire organization.

532 of our employees participated in the 19 Disaster and Emergency Educations we held in 2023, and 1064 person*hours of education were provided within the scope of these educations. These education ensure that our employees are aware and prepared for disasters and emergencies, and increase the safety of our workplace.

Number of Disaster and Emergency Education Trainings



Number of Disaster and Emergency Drills



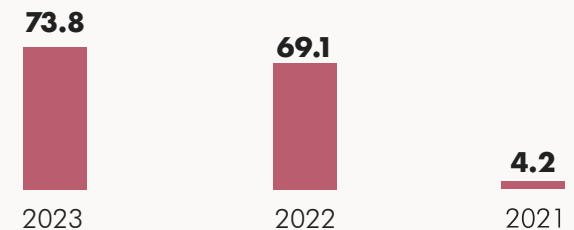
Worksafe: Occupational Safety in Your Pocket

As Divan, we actively encourage the 'Worksafe' Mobile Application to strengthen our occupational health and safety culture and to respond quickly to possible inappropriate situations. This application offers all our employees the opportunity to report near misses, dangerous situations, and work accidents quickly and effectively.

Since 2021, we have continuously increased the usage rate of the 'Work-safe' application, improved our immediate response capacity, and are getting closer to our goal of zero accidents step by step. This application makes significant contributions to the prevention of accidents by accelerating occupational safety notifications. In our orientation and continuing education, we encourage all employees to download and actively use the application, thus ensuring that everyone participates in occupational safety processes.

Worksafe, also known as "Occupational Safety in Pocket", helps maintain a safe working environment as part of our proactive approach. The application enables us to provide the necessary information and interventions more effectively and quickly to ensure the safety of our employees.

Worksafe Usage Percentages by Years





Divan Academy

As a reflection of our company's rich heritage and our leading position in the industry, we have reinforced our vision of carrying this heritage into the future by launching the Divan Academy, which prioritizes knowledge and skill development, in 2023. In addition to being an important guide in the professional development processes of our employees, Divan Academy plays a strategic role in achieving Divan's growth and innovation goals. As Divan, we are deeply committed to the transformative power of learning.

Our academy is dedicated to the development of manpower, which is the most valuable resource of our company. Designed to meet the demands of a dynamic business environment, our education programs aim to provide our employees with up-to-date knowledge and maximize their personal and professional skills.

We see the establishment of Divan Academy as a critical investment in the long-term success of our company, beyond increasing the competencies of our employees. Thus, learning and development cease to be just an activity and become an integral part of our company culture.

This strategic move to improve the quality and access of education enables our Group to move forward with confidence into the future. Through Divan Academy, we offer each of our employees and stakeholders the opportunity to discover and realize their potential.

With the education provided by Divan Academy, we share with you our passion for aiming for excellence and the excitement of embarking on a journey where learning and development are continuous. At Divan Academy, the opportunity to become the leader of the future is at the center of continuous learning.

Welcome to Divan Academy.

*"Learning
never ends"*





Divan Academy

Purpose and Development of the Academy

Since our human resources are our most valuable asset, we support our employees to become leaders in their career and life journeys. Divan Academy raises our service standards by offering learning opportunities based on continuous learning. We contribute to the development of every employee with the First Step, Leadership, and Service programs. With the motto **"We Are D.one"**, we provide a wide range of education, from leadership to dedicated services. Divan Academy manages all learning and development activities with a central system under the supervision of Human Resources.

With our **"Together for the Future"** communication strategy, we integrate internal and external communication activities. We increase transparency and accessibility by managing education digitally through Koç Academy LMS. We reinforce our commitment to continuous learning by tailoring annual education plans to the needs of our employees.

We meticulously prepare our education programs by using various resources by the real needs of our employees and managers. With a proactive approach, we respond quickly to urgent education needs and add them to the education calendar by reporting the needs in detail. With this comprehensive planning, we promote a culture of continuous learning throughout the company and support an employee structure relevant to current and future needs. Divan Academy provides effective content to employees by providing education based on the most up-to-date information. We have designed the First Step program for the smooth integration of new employees into the Divan Group, and with the digital orientation to be completed in May 2024, we will ensure the rapid integration of new employees into the systems.

Our Leadership Programs transform our corporate culture by developing employees' leadership skills. With the Be the Leader of Your Life, Be the Leader of Your Business, and Be the Leader of Your Team programs, we aim to increase the leadership capacity of every employee. In the **"Be the Leader of Your Life"** category, Divan Academy offers learning and development platforms, including well-being projects, to support the holistic health and well-being of employees.

With this program;

With a focus on mental, physical, and psychological health, we aim to reduce stress, create a positive work environment and build healthy relationships. In addition, it includes awareness-raising activities, seminars to strengthen health awareness, OHS and sustainability information, social responsibility projects, and groups to strengthen the interaction of employees.

The **Be a Business Leader** category is supported by Koç Holding's digital education and operational education specific to business units on legal obligations, sustainability, environment, occupational health, and safety. The **'Become the Leader of Your Team'** category includes projects that include competency-based leadership education, coaching and mentoring programs, adaptation to Agile methods, and leadership skills for the future.

With the Service Main Education Programs, we offer education that includes basic service skills and corporate courtesy in areas such as Divan Stage, F&B, Rooms and Services, Factory and Production, and Culinary Arts Education.

As supporting materials, we aim to increase the knowledge and skills of employees with the Digital Education Manual, Glossary of Professional Terms and Positions, Service Academy Education Videos, and Academy Library. With General Education Programs, we support the professional development of employees with conferences, summits, overseas education, and foreign language programs provided by external sources. Professional Journal/Platform Memberships are among our goals for 2024.

We make a difference in business life by investing in the leadership and career development of our employees.



Divan Academy

2023 Educations

The year 2023 is a turning point for Divan Academy, reinforcing our Group's commitment to the principles of sustainability and corporate social responsibility by improving the leadership, communication, sales, and social responsibility skills of our participants through various learning and development programs.

We have specially designed the Become the Leader of Your Team Development Ambassadors Program for our team managers and 24 employees who will lead with the **AGILE Methodology**. During the education, which lasted a total of 384 hours, the participants improved their presentation and information transfer skills. Empathic Communication and Motivation Education were held in 232 hours with the participation of 29 employees.

By focusing on effective communication techniques and motivation strategies, our employees have increased their ability to establish healthy relationships in their business and private lives. Sign Language Education was organized at the **Children's Education Association**, which serves hearing-impaired children; 11 of our employees participated in the education for 176 hours.

We organized Sales Education to refresh reselling and cross-selling skills and to gain new perspectives on sales strategies. We conducted this education with 195 employees for 1094 hours, and participants made significant progress in better understanding guest needs and implementing effective sales methods. The Leadership Development Journeys was a process carried out in cooperation with Enoc-ta-United and consisted of 126 hours of education with 37 managers to improve the personal and business management skills of our Group's managers. With the **'Academy Master Classes'** and 'Academy Inspiring Conversations' launched in 2024, we will encourage our employees to learn continuously.

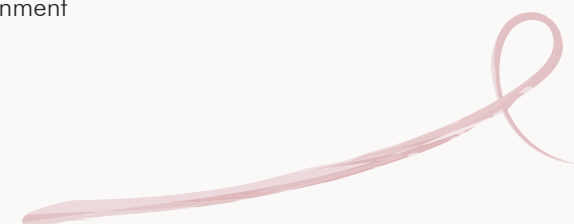
Our education, which focuses on raising awareness and intervention methods against sexual abuse, especially for those working in hotel units, is organized under the leadership of our Legal Compliance Specialist Ms. Serap Yıldırım, and our Environment and Sustainability Manager Ms. Nur Çelik. In this education, we aim to create a safe and sensitive working environment by teaching our employees how to act in cases of sexual abuse.

Education Statistics

During the reporting period, the education programs offered by Divan Academy reached 38,448 hours of education time, excluding OHS Education, and each participant received an average of 12.74 hours of education. With 5,100 hours of education, especially on Ethical Principles, each employee received an average of 4 hours. Anti-bribery and anti-corruption education lasted 612 hours, an average of 3 hours per person.

Sustainability and Environmental Education, on the other hand, were shorter with a total of 385 hours and an average of 1.1 hours per person. Divan Academy's education programs increase the level of awareness and competence of our employees and play a critical role in our company's efforts to fulfill its social and environmental responsibilities.

Education Statistics	2023	Average education hours per person
Total education hours (OHS educations are not included.)	38,448	12.74
Education on ethical principles	5,100	4
Anti-bribery and anti-corruption education	612	3
Education on sustainability and the environment	385	1.1





Divan Academy

Divan Academy's Projects

Glossary of Professional Terms and Positions

The Glossary of Professional Terms and Positions Project, carried out by Divan Academy, is a digital resource designed specifically for company units in the hotel and food and beverage sectors. With this initiative, we enable our new employees to learn about the terms and positions they use in the Divan Group and learn the terms that are suitable for their job descriptions in a practical way.

With our project, which started in August 2023, we aim to support the continuous learning and development of our employees by the sustainable development goals and we expect to complete it in May 2024.

This project reflects Divan Group's commitment to educational technologies and our investment in the professional development of our employees.

The results and impacts of the project will be evaluated at the end of 2024 and will set an example with its contributions to the hotel food and beverage and retail sectors.

Divan Library

The Divan Academy Product Library Project describes our Group's initiative to create a digital resource specially designed for our respective employees in all locations, which we started in September 2023 and plan to complete in May 2024.

This digital booklet aims to enable our employees to quickly and effectively learn the content, story, and other important information about the products they offer. It also aims to ensure that the information is used consistently by all sales staff.

The adoption of the digital format strengthens our sales processes by providing easy access to information and has great potential to enrich our guest experience. With the evaluation to be made at the end of the project, we will demonstrate our commitment to Divan Academy's innovation and quality standards.

We expect this initiative to have the potential to increase guest satisfaction and loyalty, increase our employees' product knowledge and reliability, and have a positive impact on our sales performance and overall business efficiency.

Divan Academy Education Service Videos

The Education Service Videos Project reflects an initiative designed for our Group's newly hired Firstline Workers, which we started in October 2023 and plans to complete in May 2024. With this project, we strive to produce short educational videos for employees to learn our standards by their job descriptions and to keep them constantly up-to-date.

We prepare our education content in cooperation with a leading educational technology partner such as **Enocta** and aim to disseminate standard knowledge and expertise in all units. When the project is completed, we will evaluate the results and their effects with numerical data and we will have taken an important step towards maintaining and improving our Group's expertise and quality standards in the sector.

Our education videos stand out as having the potential to improve guest satisfaction and service quality by enabling our field employees to do their jobs more effectively and efficiently. In addition, it allows our employees to customize and manage their learning processes at their own pace and according to their needs.



Divan Academy

Divan Academy's Projects

Divan Academy Development Ambassadors

Divan Academy's Development Ambassadors Project is an initiative that started on October 16, 2023, and aims to improve the educator skills of our Group's employees. In this project, we aim to save costs by using team managers and employees who are knowledgeable about agile methodology and by using internal education staff.

In our project, which focuses on the professional transfer of in-house expertise, we ensure that internal knowledge and skills are shared and the leadership skills of the participants are developed.

The effectiveness of the project will be evaluated with numerical data at the end of 2024 and we will reflect our Divan Group's commitment to leadership development and efficient use of internal resources. The name of the Divan Academy Development Ambassadors was determined by the suggestions of the participants.

Our Volunteering Activities

At Divan Group, social responsibility and social contribution are at the heart of our activities. In particular, our volunteering activities, which aim to increase the capacity of our employees to communicate effectively with hearing-impaired individuals, are a reflection of this goal.

11 employees from our human resources team contribute to the training processes to communicate more effectively with hearing-impaired children by taking **Turkish Sign Language Training at the Child Education Association**. The participation fees paid by our employees directly contribute to the education expenses of these children.

With the Be the Leader of Your Life Project, which we will launch in the last quarter of 2024, we plan to organize various trainings for our illiterate employees and people with disabilities, develop projects for our female employees, and implement a new volunteering project called Inspiring Conversations.





Divan Academy

Divan Academy's Projects

Sustainable Communication and Employee Development: The Role of Divan Academy Newsletter

We have built our understanding of sustainability on the principles of transparency and proactive communication. In this context, we have made effective use of Divan Academy's bulletin, which is a central part of our communication network and reveals the contribution of our employees to continuous learning and development.

The newsletter includes summaries of our training and development programs, workshops, and social responsibility projects that we carry out throughout the year, and facilitates our employees' access to resources that support their personal and professional development.

In addition to encouraging knowledge sharing, the Divan Academy Bulletin aims to raise awareness of sustainability among our employees. The Bulletin plays an important role in fostering this awareness and understanding our sustainability goals. In addition, the content offered under various headings, allows our corporate culture and sustainability practices to be adopted at all levels.

Our newsletter covers many important topics, from Divan Academy's annual learning and development catalog to sign language training, and strengthens communication within the group. In addition, part of our Sustainability Report highlights how actively our employees participate in our training programs and social responsibility activities, and how these activities contribute to the overall sustainability performance of our Group.





sharing tomorrow

We act with an understanding that supports social development and shares value"

Stakeholder





Stakeholder Divan

The story of the Stakeholder Divan is the story of social responsibility and unity. We base our projects on deeply understanding and responding to societal needs. Each of our activities aims to build tomorrow together and support social progress.

Our vision for 2030 includes preserving our cultural richness and traditional values. We carry out **CSR Projects** to introduce our local flavors to young generations and to carry these flavors to the future. Our projects will come to life in the form of workshops with the participation of young people under the leadership of famous chefs.

We will undertake the task of taking inventory of the rich cultural heritage of Anatolia and promoting it. We will discover historical and cultural artifacts in our areas of activity and introduce them to the world. We will develop projects that will strengthen Turkey's place in international tourism and increase our country's share in the global tourism market.

The Stakeholder Divan aims to increase the welfare of society and create a sustainable future with the projects it carries out to transfer our historical values and social riches to future generations and to contribute to world heritage. Our story is the story of growing and developing through sharing.

Stakeholder Committee

In December 2022, we established the Stakeholder Council Committee within our Group to increase guest satisfaction and community welfare.

Our Committee, which consists of four expert members, undertakes various tasks such as tracking guest numbers online, processing feedback processes quickly, protecting guest information confidentiality, and monitoring prohibited raw materials.

These roles support sustainable service standards by strengthening relationships with internal and external stakeholders. Our committee meets four times a year and the meetings last an average of 45 minutes. We carefully select members based on their experience and role within our Group.

This ensures that the Committee functions effectively and is enriched with multifaceted perspectives. The meetings held in 2023 show that the Committee has taken effective steps towards its objectives.

Corporate Social Responsibility (CSR)

As Divan Group, we have been supporting economic and social development since 1956 in line with the vision of our founder Vehbi Koç. In addition to our economic gains, we contribute to social and ecosystem-wide development.

As Divan Management, we continue our commitment to give back to society by acting with a sense of social responsibility. While we determine our priorities to contribute to the local economy, create employment, and support regional development with our social projects and aid activities, we focus on the development of human resources and increasing the potential of society through educational projects. We engage with local communities through our employees and non-governmental organizations through our disaster relief programs and other social events.

We have directed our investments to various social responsibility projects that have a direct impact on the development of local communities. In addition, our economic contribution increased in the reporting period compared to the previous year and exceeded **₺20 million**. This has allowed for the expansion of new and existing projects in areas such as education, environmental protection, and public health.

In the future, we aim to maximize our societal impact by increasing our contribution to CSR activities. Our commitment to protecting the environment, meeting the needs of society, and caring for people are among the core principles that we will leave to future generations.



Stakeholder Divan

About Our CSR Working Group

As Divan Group, we established a CSR Working Group in March 2023 to increase our positive impact on society and fulfill our social responsibilities. This Group drives our sustainability and social responsibility activities in line with our company strategy.

Our Working Group consists of 5 members from our Food & Hotel, Banquet Units, Marketing, Human Resources, Environmental Engineering, and Operations departments, each member contributes to the Group's work with their expertise and perspectives. Within the organization, the group carries out projects with important objectives such as contributing to the local economy, supporting environmental sustainability, and improving the overall quality of life of the community. The group meets once a month to assess the progress of existing projects and consider current trends for new applications.

Members are supported by programs such as CSR Education, which improves their strategic thinking and project implementation skills and increases Group performance.

In addition, close collaborations are maintained with other units such as the Stakeholder Committee and the Pioneer Committee that Focuses on People, and these collaborations expand the scope of the projects and increase their impact.

The year 2023 demonstrated the Group's ability to act quickly and effectively, especially in emergencies such as earthquakes.

In the future, we plan to ensure the integration of our sustainability and social responsibility projects with the overall goals of the company by prioritizing our new CSR projects, such as improving bills of materials and introducing these improvements to the sector.





Stakeholder Divan

Our Projects

Earthquake Relief Activities: Emergency Response of Divan Hotels and Cuisine

2023 has been a year in which our understanding of social solidarity and social responsibility has been tested most concretely. As Divan Group, we have made a remarkable effort to meet the needs of our society affected by the great earthquake disaster. Our hotels in Gaziantep, Adana, and Diyarbakir opened their doors to earthquake victims and lit a torch of hope beyond offering them a warm home and haven. In this context, we have mobilized our Mersin, Bursa, Çorlu, Ankara, and Istanbul City hotels for this meaningful task.

At the time of the disaster, as Divan Group, we spread our relief efforts over a wide geography. To extend a helping hand to the earthquake victims in Kahramanmaraş, Gaziantep, and Iskenderun, we commissioned **three fully equipped mobile kitchen trucks**, each of which can serve food to 1000 people per hour. These mobile kitchens continued to serve hot food without interruption. We prepared each plate of food with our Group's quality standards and careful presentation approach.

Our approach, which aims for excellence even in times of crisis, was felt in every meal we delivered to our citizens in the disaster area.

As part of our relief operations, we provided hot meals to 116,480 people in the disaster area, as well as providing a warm home to 2,143 citizens. Although the total cost of these efforts has reached **20 million ₺**, the real value of our aid cannot be limited by material metrics. The spirit of solidarity we have created by coming together and our contribution to the healing process of our society has strengthened our company's solid position in our social structure.

Our commitment to sustainability will continue for years to come, and we will continue our mission to support our society moving forward into a sustainable future. Our plans to continuously improve our capacity to be prepared for disasters to respond quickly, and to continue to stand by our society in all kinds of natural disasters and emergencies, are among the cornerstones of our understanding of sustainability.

As Divan Group, we would like to emphasize that we have a sustainability vision that encompasses our environmental and economic responsibilities as well as our ability to respond to social impacts and crises.





Stakeholder Divan

Our Projects

Vehbi Koç Foundation Nursing Fund

As Divan Group, we continued our annual donations to the Vehbi Koç Foundation Nursing Fund, which we have been supporting for 3 years, during this reporting period. Nurses, as the cornerstones of our healthcare system, help people in emergencies.

Through the fund, we contribute to the development of our nurses' professional skills and make them better equipped through continuous education. These donations have a direct impact on how nurse education raises patient care standards and makes health care more accessible.

Turkish Education Foundation Project

In 2023, as Divan Group, we continue our belief in equal opportunities in education and continue our support to the Turkish Education Foundation (TEV) to realize this vision. TEV carries out important activities to ensure equal opportunities in the field of education in Turkey and to contribute to the education of our young people. We support TEV's projects with our annual donations.

These donations contribute to various initiatives such as providing scholarships to students with limited financial means, providing educational materials, and providing resources for programs that will improve the quality of education.

Divan & Tohum Autism Foundation Collaboration: Children's Chocolate Boxes Project

As Divan, we have made a meaningful cooperation with the Tohum Autism Foundation to support the education and development of our young people living with autism. In this context, in 2020, we launched children's chocolate boxes, which we designed inspired by the imaginations of our young people with autism.

Each box is decorated with drawings by Mustafa Birdal, who has autism and contains chocolates, as well as colorful coloring books and crayons. These special products are offered in our Divan Patisserie and each sale provides direct support to our children with autism.

By donating the revenues we earn from the sales of our chocolate boxes to the Tohum Autism Foundation, we create important financial support for the integration of individuals with autism into society and their integration into social life.



For My Country Project: Koç Group's Social Responsibility Initiative

As an initiative launched by Koç Group on its 80th anniversary, the For My Country Project aims to spread awareness of social responsibility among companies, employees, dealers, and suppliers, to take active approaches to social problems, and to raise living standards by supporting local development.

As Divan Group, we actively participate in the project with all our units. With the seminars and meetings we organize, we aim to spread the vision of the project and the sense of social responsibility to our employees. These events encourage our employees to be more aware of social matters and participatory while serving our goal of improving the overall quality of life of the community.

These social responsibility efforts across the country offer practical solutions to the challenges of local communities.





Stakeholder Divan

Our Projects

Ecording Collaboration and Reforestation Initiative

As Divan Group, we have established a strategic partnership with Ecording to reinforce our contribution to environmental sustainability. This cooperation accelerates our reforestation and biodiversity efforts.

On behalf of our guests and business partners, we use ecoDrone technology to release seed balls into nature and turn stays and business relationships into eco-friendly interactions. This innovative approach increases the positive impact of Divan Hotels on the environment.

The project will run for one year and will make a significant contribution to the development of natural habitats. As Divan Group, we emphasize the importance of ecological restoration and protection of biodiversity, and we take concrete steps in these areas.

4 Seasons Divan Project: Sustainable Menus

As Divan Group, we have developed our Farm-to-Table strategy and implemented the 4 Seasons Divan Project. With this project, we offer menus specially designed for each season, based on seasonality.

We prepare our menus using 2 to 3 seasonal ingredients per month and highlight local, geographically marked ingredients. In addition, we convey to our guests that we evaluate every part of the ingredients in our menus and adopt a waste-free kitchen approach.

The gastronomy days to be held throughout the year are designed with themes such as seasonality, locality, and respect for materials, and we consider these events part of our sustainability efforts. The 4 Seasons Divan Project offered us the opportunity to increase awareness of sustainability in the food industry and to carry out pioneering studies.

Each item on our menus supports our efforts to reduce our environmental footprint and protect biodiversity, strengthening our bond with our farmers and our land, while making consumers feel these values.

As Divan Group, we aim to raise awareness about sustainable food consumption and maintain our leadership in the sector with our 4 Seasons Divan Project. In our future sustainability reports, we plan to present in detail the impacts and expanded implementations of this project







I. Economic Indicators

	2023	2022	2021	2020	Unit	Description
ENVIRONMENT	1,603.00	401.71	158.77	140.12	Thousand\$	Consists of environmental expenses.
Specify expenditures for environmental investments.						There is no capitalized investment.
OCCUPATIONAL HEALTH AND SAFETY						
Share the budget/investments allocated to occupational health and safety.	3,625.00	1,334.70	622.62	327.25	Thousand\$	
SOCIAL INVESTMENTS						
Charitable donations	1,160.50	22.81	25.71	52.80	Thousand\$	
Investments in Corporate Social Responsibility	20,000.00			303.83	Thousand\$	
Sponsorships						

Customer/Guest Numbers

Guest/Customers	2023
Restaurants and Cafeterias	2,408,438
Patisseries	402,856
Ovens	308,275
Stadiums	295,245
Event Areas	231,524
Hotels	1,126,065
TOTAL	4,772,403

Restaurants and Cafeterias, Event venues are calculated based on the number of quotas, Hotels are calculated based on the number of guests, and patisseries, bakeries, and stadiums are calculated based on the total receipts.



2. Social Performance Indicators

Employment Data

Total number of employees	2023			2022			2021		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Office worker	164	347	511	252	1,057	562	238	269	507
Field worker	528	1,124	1,652	360	310	1,417	332	904	1,236
Total	692	1,471	2,163	619	1,360	1,979	570	1,173	1,743

Number of employees by working hours	2023			2022			2021		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Office worker	511	0	511	562	0	562	507	0	507
Field worker	1,652	0	1,652	1,417	0	1,417	1,236	0	1,236
Total	2,163	0	2,163	1,979	0	1,979	1,743	0	1,743

Number of employees by age	2023			2022			2021		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Under 30 years old	298	527	825	240	358	598	201	322	523
30-50 years old	346	829	1,175	337	885	1,222	323	762	1,085
Over 50 years old	48	115	163	42	117	159	46	89	135

Number of new employees hired during the year	2023			2022			2021		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Under 30 years old	209	401	610	99	172	271	41	46	87
30-50 years old	146	297	443	106	236	342	24	48	72
Over 50 years old	11	28	39	6	32	38	3	4	7
Total	366	726	1,092	211	440	651	68	98	166

*Management hotel employees and subcontracted employees are not included.



2. Social Performance Indicators

Employment Data

Number of employees in R&D, innovation and digitalization departments	2023			2022			2021		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Total	4	2	6	4	1	5	2	2	4

Employee Turnover	2023			2022			2021		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Number of employees under 30 who quit their jobs	176	332	508	177	475	652	93	158	251
Number of employees aged 30-50 who quit their jobs	146	377	523	190	279	469	95	127	222
Number of employees over 50 who quit their jobs	14	56	70	9	44	53	16	16	32
Employee turnover rate calculated by including employees who leave their jobs voluntarily	20%	22%	37%	27%	41%	37%	19%	15%	16%
Total number of employees who quit their jobs	336	765	1,101	376	798	1,174	204	301	505

According to Years of Seniority	2023			2022			2021		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
0-5 years	418	820	1,238	452	844	1,296	351	596	947
5-10 years	210	437	647	106	259	365	153	338	491
10 years and above	64	214	278	61	257	318	65	240	305

Maternity/Parental Leave	2023			2022			2021		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Number of employees benefiting from maternity/parental leave	-	-	7	7	0	7	10	-	10
Number of employees returning to work after the end of maternity/parental leave	-	-	7	7	0	7	10	-	10

*Management hotel employees and subcontracted employees are not included.



2. Social Performance Indicators

Diversity And Equal Opportunity

Managers by Age Categories	2023			2022		
	Woman	Man	Total	Woman	Man	Total
Under 30 years old	0	0	0	0	0	0
30-50 years old	33	63	96	37	71	108
Over 50 years old	5	16	21	4	0	4
Total	38	79	117	41	71	112

Board of Directors by Gender	2023			2022		
	Woman	Man	Total	Woman	Man	Total
Total	2	5	7	2	5	7

Number of employees by age	2023			2022		
	Woman	Man	Total	Woman	Man	Total
Under 30 years old	298	527	825	240	358	598
30-50 years old	346	829	1,175	337	885	1,222
Over 50 years old	48	115	163	42	117	159

	2023			2022		
	Woman	Man	Total	Woman	Man	Total
	10	33	43	11	33	44
			11			17

*Management hotel employees and subcontracted employees are not included.



3. Environmental Performance Indicators

	2023	2022	2021	2020
Environmental Penalty	0	0	0	0

Water Utilization

	2023	2022	2021	2020
Mains Water	-	105,577m ³	77,898m ³	46,192m ³

*Divan Hotels-6 Hotel and Taşdelen Facility utilization amount.

Water and Wastewater Data 2021

Location	Domestic Water Consumption (m ³)	Industrial (Process) Water Consumption (m ³)	Water Consumption per Product (m ³ /product)	Mains water cost (₺)	Amount of wastewater discharge (m ³)	Total Water Cost per product (₺/product)	Water Sources	Basin Location
Bodrum Palmira	7,365		0.8282	13	7,365	10.766	Municipal	Büyük Menderes
Divan İstanbul Hotel	30,764			15	30,764		Municipal	Marmara
Taşdelen Factory	3,865	9,420	3.02 M ³ /Ton Ürün	13.5	7,600.00	0.043	Municipal	Marmara
Divan İstanbul City	11,824		0.2	159.296	11,824.00	2.78	Municipal	Marmara
Divan Cukurhan Hotel	1,595		0.3504	23.000	1,595	5.053	Municipal	Sakarya
Divan Bursa Hotel	1,336	12,393	0.26	233.393	13,729	4.5	Municipal	Marmara

Water and Wastewater Data 2020

Location	Domestic Water Consumption (m ³)	Industrial (Process) Water Consumption (m ³)	Water Consumption per Product (m ³ /product)	Mains water cost (₺)	Amount of wastewater discharge (m ³)	Total Water Cost per product (₺/product)	Water Sources	Basin Location
Divan Bursa Otel	531	5,061	0.36	15,716	5.67		Municipal	Susurluk
Divan Çukurhan Otel	1,092.00		0.6512	14,000	8.348		Municipal	Konya
Divan Bodrum Otel	21,681		2.4744	12	29.941		Municipal	Batı Akdeniz
Divan İstanbul Otel	18,759		3.32	12	3.645		Municipal	Marmara
Divan İstanbul City Otel	9,142		0.23	103,858	2.61	9,142.00	Municipal	Marmara
Taşdelen Production Facility	3,361	8,191	2.83	13	0.051	6,775.00	Municipal	Marmara



3. Environmental Performance Indicators

Greenhouse Gas Emissions (Hotels)

	Ankara	Bursa	City	İstanbul	Bodrum	Çukurhan	Taşdelen	Total
Category 1	492.24	299.17	122.71	868.19	21.78	76.16	2,913.59	4,793.87
Category 2	1,066.64	741.86	530.42	2,205.37	462.63	185.77	2,818.39	8,011.11
Category 3	0	0	0	0	0	0	571.51	571.51
Category 4	284.20	197.66	141.41	587.62	123.27	448.57	Other raw materials	1,782.75
Category 5	700.91	110.80	218.60	664.31	258.55	317.78	1,253.97	3,524.95
Category 6	19.74	6.27	4.56	9.91	2.97	2.20	8.51	42.01
Total	2,563.75	1,355.77	1,017.73	4,335.42	869.23	1,030.49	7,565.99	
Total	1,8726.23							

Waste Management

Project Name	Waste reduction (tons) 2023	Waste reduction (tons) 2022
Amount of Waste Recovered	65	24
Vegetable Waste Oil (Biodiesel)	40.814	37.12
Financial savings achieved by the project (₺)		87,217.94

Hazardous Waste Amount

	2023	2022	2021	2020	Unit
Electronic waste	4.83	5,572	1,777	472	ton

Amount of Non-Hazardous Waste

	2023	2022	2021	2020	Unit
*To landfill/solid waste site	173.603	128.26	129.51	0	tons
Recycled	217.274	151.949	126.978	135.708	tons
Recovered for energy purposes	10,045	38,205	24	3.53	tons
Other		16,558	898	0	tons



3. Environmental Performance Indicators

Divan Group 2023

Unit	Electric kWh	Natural gas kWh	Water m ³
TASHDELEN FACTORY	6,507,484	3,037,548	16,157
Divan Hotels (5 hotels)	0	7,240,412	63,376
Divan Event Venues (3 venues)	0	1,881,433	24,335
Total	20,755,487	12,159,393	103,868



4. UNGC

UNGC Index

		Page Number
Principle 1: Businesses should uphold and respect proclaimed human rights. Principle 2: Businesses should not be complicit in human rights violations.	Ethical Compliance and Risk Management, Commitment to Human Rights and International Standards, Anti-Bribery and Anti-Corruption, Supply Chain Management and Global Practices	64 62-69
Principle 3: Businesses should support workers' freedom of association and collective bargaining. Principle 4: The use of forced and compulsory labor should be abolished. Principle 5: All forms of child labor should be abolished. Principle 6: End discrimination in recruitment and placement.	Ethical Compliance and Risk Management, Commitment to Human Rights and International Standards, Human Rights, Respectful Court, Employee Diversity and Inclusion	64 65,65 113 118
Principle 7: Businesses should support precautionary approaches to environmental challenges. Principle 8: Businesses should support all activities and organizations that promote environmental responsibility. Principle 9: Businesses should support the development and diffusion of environmentally friendly technologies.	Responsive Divan, Environmental Management, Environmental Studies, Climate Action and Transition to a Low Carbon Economy, Circular Economy and Waste Management, Energy Efficiency and Emission Reduction, Water Management, Biodiversity	101-110, 149-151
Principle 10: Businesses should combat corruption in all its forms, including bribery and extortion:	Anti-Bribery and Anti-Corruption	64-65



5. Stakeholder Capitalism Index

Management Principles

Theme	Key Indicators and Declaration	Description	Reference(s)	Page Number
Management objectives	Identification of purpose	The company's stated purpose is an expression of its means of addressing economic, environmental, and social challenges. The corporate purpose should create value for all stakeholders, including shareholders.	Divan Corporate Purpose and Sustainability Strategy, Divan Sustainability Model	40
	Formation of the governing body			41
Quality of the governing body	Material matters affecting stakeholders	Composition of the highest governing body and its subcommittees (based on their competencies related to economic, environmental, and social matters, whether they are executive or non-executive, their independence, their tenure on the governing body, the nature of each individual's other significant positions and responsibilities, their gender, their membership in social groups with limited representation, and their stakeholder representation)	Divan Group Organizational Structure and Workflow, Sustainability Management,	20
				42
Stakeholder engagement		List key stakeholders and matters of priority for the company, and the methodology used to identify and engage them.	Materiality Analysis	55-56
Ethical behavior	Anti-Corruption	<ol style="list-style-type: none"> Total percentage of members of the governing body, employees, and business partners (including regional breakdown) who have received education on the company's anti-corruption policies and procedures. <ol style="list-style-type: none"> Total number and nature of corruption cases detected in the current year about previous years Total number and nature of corruption cases detected in the current year that are relevant to the current year. Examine initiatives and stakeholder engagement to foster a broader operating environment and culture for anti-corruption. Explanations of internal and external mechanisms: <ol style="list-style-type: none"> Advisory mechanisms on ethical and lawful behavior and corporate integrity Reporting mechanisms for unethical or illegal behavior and lack of corporate integrity. 	Ethical Compliance and Risk Management Anti-Bribery and Anti-Corruption	64
	Ethical advice and reporting mechanisms in place			Ethical Compliance and Risk Management
Managing risks and opportunities	Integrating risks and opportunities into business processes	A description of the company's risk factors and opportunities, clearly indicating the high-priority risks and opportunities facing the company (as opposed to general industry risks), the company's appetite for these risks, how these risks and opportunities have changed over time, and the actions taken to address these changes. These opportunities and risks should include material economic, environmental, and social matters, including climate change and data management.	Ethical Compliance and Risk Management	64



5. Stakeholder Capitalism Index

Gezegen

Theme	Key Indicators and Declaration	Description	Reference(s)	Page Number
Climate change	Greenhouse gas emissions	Report GHG Protocol Scope 1 and Scope 2 emissions in metric tons of carbon dioxide equivalent (tCO2e) for all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases, etc.). Provide estimates and information on baseline emissions related to supply and sales (GHG Protocol Scope 3) where appropriate.	Climate Action and Transition to a Low Carbon Economy, Energy Efficiency and Emission Reduction, Environmental Performance Indicators	105 108
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Where necessary, announce a timetable for full implementation of no more than three years. Disclose whether you have set, or committed to set, greenhouse gas emission targets consistent with the goals of the Paris Agreement, which calls for keeping the increase in global warming well below 2°C above pre-industrial levels, striving to limit warming to 1.5°C, and achieving net zero emissions before 2050.	Climate Action and Transition to a Low Carbon Economy, Energy Efficiency and Emission Reduction	105 108
Access to clean water	Water withdrawal and consumption in water scarce areas	Provide information on megaliters of water withdrawn for operations, megaliters of water consumed, and the percentage of each in areas where baseline water stress is high or extremely high according to the WRI Aqueduct Water Risk Atlas. Where appropriate, provide forecasts and information on the same aspects for the entire value chain (supply and sales).	Water Management, Environmental Performance Indicators	110



5. Stakeholder Capitalism Index

Insan

Theme	Key Indicators and Declaration	Description	Reference(s)	Page Number
Human dignity and equality	Diversity and inclusion	Percentages of employees by employee category by age group, gender, and other diversity indicators (e.g. ethnicity). Basic salary and remuneration rates for each employee category at major locations of operation by material equality matters (women/men, minority/majority ethnic group, or other relevant equality areas).	Labor Force Distribution and Outlook, Social Performance Indicators	114,118 146,148
	Wage equality	Information on activities and suppliers is considered to have a significant risk of incidents of child, forced, or compulsory labor. These risks include: a) type of activity (such as production facility) and type of supplier b) countries or geographic regions where operations and suppliers are at risk.	Wages and Fringe Benefits	117
	Risk of child labor, forced and compulsory labor cases		Supply Chain Management and Global Practices	67
Health and well-being	Health and safety	1. Number and proportion of fatalities from work accidents, severe work accidents (excluding fatalities), work accidents requiring registration, main types of injuries in work accidents, and total hours worked. 2. The facilities provided by the organization to facilitate workers' access to medical and health services in non-work cases and their coverage.	Our OHS Policy and Commitments	122,131
			Our OHS Policy and Commitments	122,131
Skills for the future	Education provided	Average hours of education provided to the organization's employees during the reporting period - by gender and category (total hours of education provided to employees ÷ number of employees). Average education and development expenditure per full-time employee (total cost of education provided to employees ÷ number of employees).	Divan Academy	132



5. Stakeholder Capitalism Index

Refah

Theme	Key Indicators and Declaration	Description	Reference(s)	Page Number
Employment and wealth creation	Number and rate of employment	Total number and rate of new hires during the reporting period, by age group, gender, and other diversity indicators, and on a regional basis. Total number and rate of employee turnover during the reporting period, by age group, gender, and other diversity indicators, and on a regional basis.	Labor Force Distribution and Outlook, Social Performance Indicators	114-118 146-148
	Economic contribution	1. Direct economic value generated and distributed (on an accrual basis and covering the key components of the company's global operations). Ideally, it should include the following breakdowns: - Revenues - Operating costs - Employee wages and benefits - Payments made to shareholders - Payments to the government - Community investment	Economic Data	145
	Financial investment contribution	2. Financial support received from the government: Total monetary value of any financial government support received by the company during the reporting period. Information on activities and suppliers is considered to have a significant risk of incidents of child, forced, or compulsory labor. These risks include: The company's investment strategy and total capital expenditures net of depreciation. The company's return on capital strategy for shareholders, including share buybacks and dividend payments.	This information is not shared due to company confidentiality policies.,	
Innovation for better products and services	Total R&D expenditures	Total R&D expenditures	Quality, Innovation, P&D Studies. Economic Data	69-77 145
Community and social vitality	Total tax paid	Total global taxes borne by the company, including corporate income tax, property tax, VAT and other sales taxes paid, employee insurance premium paid by the employer, and other taxes that cost the company, by tax category.	Economic Data	145



6. Divan Group Sustainability Report 2023

GRI Content Index

GRI 1

For the period of January 1, 2023 to December 31, 2023, Divan Group reported in accordance with the GRI Standards.

GRI Standard	Notification	Description	Page
GRI 1: Basic 202			
GRI 2: General Notifications 2021	2-1 Corporate Profile	Inspired by the Past, Our Story That Shapes the Future,	11,
	2-2 Organizations included in sustainability reporting	Divan at a Glance	14
	2-3 Reporting period, frequency and contact information	From Our Sustainable Window	4
	2-4 Information revised from previous reports	From Our Sustainable Window	4
	2-5 External Audit	There is no revised information.	-
	2-6 Activities, value chain and other business relationships	No external audit services were received within the scope of the report data.	-
	2-7 Employees	Inspired by the Past,	11,
		Our Story That Shapes the Future,	14,
			21,
			67-69
	2-8 Subcontractor employees	Divan at a Glance,	114,
			116,
			118
	2-9 Governance structure	Portfolio	-
	2-10 Process for determining the competencies and competencies of the members of the highest governing body	Supply Chain Management and Global Applications	20
	2-11 Chairperson of the highest governing body	Divan Group Organizational Structure and Workflow	20
	2-12 The role of the highest governance body in managing the impacts of the organization's activities	Sustainability Management	20
	2-13 Willingness to be responsible for managing the effects of the activity	Sustainability Management	42
	2-14 The role of the highest governance body in sustainability reporting	Sustainability Management	42
	2-15 Processes that prevent conflicts of interest	Ethical Compliance and Risk Management	42
	2-16 Process of escalating critical matters to the highest governance body	Sustainability Management,	64-65
	2-17 Competencies of the highest governing body	Prioritization Analysis	42,
			55
	2-18 Evaluation of the performance of the highest governing body	Sustainability Management	43
	2-19 Fee policies	Divan Group Organizational Structure and Workflow,	20,
			43
	2-20 Process for determining wages	Sustainability Management	117
	2-21 Total wage rate per year	Remuneration and Benefits	117
	2-22 Statement on sustainable development strategy	Message from the General Manager of Divan Group,	117
	2-23 Policy commitments	https://www.divan.com.tr/politikalarimiz	5-7,
2-24 Implementation of policy commitments	https://www.divan.com.tr/politikalarimiz		
2-25 Processes for remediating negative effects	Ethical Compliance and Risk Management,		
2-26 Mechanisms for seeking advice and raising concerns on matters related to ethical and legal conduct	Guest-Oriented Approach	64-65,	
		78-79	
2-27 Compliance with legal regulations	Remuneration and Benefits	64-65	
2-28 Corporate memberships	During the reporting period, no violations of laws and regulations were detected.	-	
		30	
2-29 Stakeholder engagement	Memberships, Awards & Achievements	80-82	
2-30 Proportions of employees subject to collective bargaining agreements	Stakeholder Communication	-	



6. Divan Group Sustainability Report 2023 GRI Content Index

GRI Standard	Notification	Description	Page
GR 3: Priority Topics			
GRI 3: Priority Topics 2021	3-1 Process for identifying priority matters	Prioritization Analysis	55-56
	3-2 List of priority matter	Prioritization Analysis	55-56
	3-3 Management of priority matters	Sustainability Management	42

Guest/Customer Satisfaction

GRI Standard	Notification	Description	Page
GRI 3: Priority Topics 2021	3-3 Management of priority matter	Guest-Oriented Approach	78-79

Guest Health and Safety

GRI Standard	Notification	Description	Page
GRI 3: Priority Topics 2021	3-3 Management of priority matter	Guest-Oriented Approach	78-79

Anti-Corruption

GRI Standard	Notification	Description	Page
GRI 3: Priority Topics 2021	3-3 Management of priority matters	Ethical Compliance and Risk Management	64-65
		Ethical Compliance and Risk Management	64-65
GRI 205: Anti-Corruption 2016	205-1 Yolsuzlukla ilgili riskler açısından değerlendirilen faaliyetler	Ethical Compliance and Risk Management	64-65
	205-2 Yolsuzlukla mücadele politika ve prosedürleri hakkında iletişim ve eğitim	Ethical Compliance and Risk Management	-
	205-3 Teyit edilen yolsuzluk vakaları ve alınan önlemler	There were no confirmed cases of corruption during the reporting period.	-



6. Divan Group Sustainability Report 2023

GRI Content Index

Data Security

GRI Standard	Notification	Description	Page
GRI 3: Priority Topics 2021	3-3 Management of priority matters	Digital Transformation	85-87

Emission Management

GRI Standard	Notification	Description	Page
GRI 3: Priority Topics 2021	3-3 Management of priority matters	Energy Efficiency and Emission Reduction	108-109
	305-1 Direct (Scope 1) GHG emissions	Energy Efficiency and Emission Reduction	108-109
GRI 305: Emissions 2016	305-2 Indirect (Scope 2) GHG emissions	Energy Efficiency and Emission Reduction	108-109
	305-3 Other indirect (Scope 3) GHG emissions	Energy Efficiency and Emission Reduction	108-109
	305-4 GHG emission intensity	Energy Efficiency and Emission Reduction	108-109
	305-5 GHG emission reduction	Energy Efficiency and Emission Reduction	108-109

Talent and Performance Management

GRI Standard	Notification	Description	Page
GRI 3: Priority Topics 2021	3-3 Management of priority matters	Prominent Developments in Human Resources in 2023,	115,
		Evaluating Employee Performance and Career Development,	116,
GRI 404: Education and Education 2016	404-1 Average education hours per employee per year	Remuneration and Benefits,	117,
		Divan Academy	132-137
		Divan Academy	133
GRI 405: Diversity and Equal Opportunities 2016	404-2 Programs for employee skills development and transition assistance programs	Prominent Developments in Human Resources in 2023,	115,
		Divan Academy	132-137
		Evaluating Employee Performance and Career Development	116
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and their employees	Labor Force Distribution and Outlook,	114,
		405-2 Ratio of women's basic salaries and wages to men	146-148
		Social Performance Indicators	117
		Remuneration and Benefits	117

R&D and Innovation

GRI Standard	Notification	Description	Page
GRI 3: Priority Topics 2021	3-3 Management of priority matters	Quality, Innovation, P&D Studies	72

divan

Divan Turizm İşletmeleri A.Ş.

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