Transformation for a Sustainable Tomorrow Starts Here!







hepsiburada

2022Sustainability Report Summary

Message from our CEO



Dear Stakeholders.

The year 2022 will be remembered as a year of significant developments in many areas, including sustainable development, combating climate change, sustainable and green financing, and organizational environmental, social, and governance (ESG) reporting. A growing coalition of countries, cities, businesses, and other institutions has committed to achieving net zero emissions.

Following the Glasgow COP26, COP27 was concluded with countries reaffirming their resolve to limit the global temperature rise to 1.5 degrees Celsius above pre-industrial levels.

Environmental reports such as the "Emissions Gap Report," the WMO's "Provisional State of the Global Climate 2022," and the WWF's "Living Planet Report" have emphasized the need for immediate action to ensure the planet's sustainability.

Furthermore, there have been numerous advancements in ESG reporting both globally and in Türkiye. The European Union formally adopted the Corporate Sustainability Reporting Directive, and the International Sustainability Standards Board (ISSB) published its draft recommendations for new sustainability standards. In Türkiye, with the amendment to the Turkish Commercial Code No. 6102 published in the Official Gazette dated June 4, 2022, and numbered 31856, the Public Oversight, Accounting and Auditing Standards Authority was authorized to set the Turkish Sustainability Reporting Standards.

Climate change, and social, digital, and economic inequalities are all on the table today, implying that changes and transformations in the economic and social order are unavoidable. We are on the verge of a significant shift for our planet's and societies' well-being and sustainability. At Hepsiburada, we consider sustainability and social responsibility as the core values of our business culture. We have been committed to creating value for our community and contributing to societal development since our inception, while also leading the digitalization of trade. As a technology company, we focus on the constructive, not destructive, power of technology. On the one hand, we use technology to enhance the superior service we provide to our customers. On the other, we lead the development of the sector and digital transformation with our marketplace model that brings together tens of thousands of businesses, our Smart Operations Center, the largest in Türkiye and the region, and our R&D Center, where we develop technologies that raise the bar for other actors.

In 2022, with the support of all our stakeholders, we increased our total sales volume by 81% compared to 2021, reaching TRY 47.3 billion. The total number of orders placed through the Hepsiburada platform reached 80.4 million with an 50% increase compared to the 2021,. The number of active merchants on the platform increased by 33% to 99.7 thousand and the number of products rose by 81% to around 163 million. We increased our customer base by 8% to 12.2 million in 2022. Hepsipay, our fast and secure next-generation payment method, has hit 11 million users, marking an important milestone in our journey to becoming a top fintech player and making our customers' lives simpler with purchasing power solutions.

During this time, we succeeded in becoming Türkiye's "Most Recommended E-Commerce Brand" based on the independent Net Promoter Score (NPS) used to measure customer loyalty and experience, by continuing to differentiate ourselves with innovative services such as Hepsiburada Premium, Return Pickup, Next Day Delivery, and Buy Now Pay Later.

2022 was a year in which we introduced important innovations. We offered Hepsiburada Premium, the first e-commerce loyalty program planned and implemented in Türkiye, to our customers. We launched Hepsiburada Smart by MIMEX, Türkiye's first smart and cashless store using artificial intelligence and image processing systems. With the support of Hepsiburada, the first "E-Commerce Competence Center" of the TÜBİTAK-BİLGEM Artificial Intelligence Institute was built as part of Türkiye's

National Artificial Intelligence Strategy. Furthermore, we started to work in cooperation with the Turkish Patent and Trademark Office to raise awareness of products with geographical indication through the "HepsiTürkiye'den" program, which aims to help local entrepreneurs use e-commerce to access national and worldwide markets.

For Hepsiburada, it was a year in which we took important steps in our sustainability journey. We participated in the United Nations Global Compact, the world's largest corporate sustainability initiative, and voluntary leadership platform. We have committed to the ten principles of the UN Global Compact in the areas of human rights, labor standards, the environment, and anti-corruption, and we announced to the world that we would work to align our company's strategy and operations with these principles and would report on our progress in these areas on an annual basis. Also, by signing the United Nations Women's Empowerment Principles (WEPs), we have committed to abide by seven principles to create corporate policies that promote gender equality and women's empowerment. In this direction, we were proud to be the only company representing Türkiye in the UNECE Round Table for Gender Equality panel held on 7 April, with Hepsiburada Chief People Officer Esra Beyzadeoğlu.

We acknowledge the critical importance of equality and women's empowerment to a peaceful, prosperous, and sustainable world. We will not relent in our efforts to promote gender equality and women's empowerment for our female employees, who presently account for 46% of all employees. At every opportunity and in every field, we adopt new approaches that make a difference, such as psychological assistance through the employee support program, physical and social opportunities with a focus on sports, nutrition, family and children through well-being programs, emergency aid funds, career-oriented training programs, special collaborations and career camps for newly

graduated female engineers, and we help women to develop themselves with vision, investment, and support. I am pleased to be among the women CEOs, whose number is unfortunately still limited both in Nasdaq, the global technology stock exchange where we are traded as Hepsiburada, and in our country, and I hope that the proportion of women among senior executives will gradually grow both in our country and around the world.

As a company founded by Hanzade Doğan, a female entrepreneur, and supporting women in every aspect of the e-commerce ecosystem, we provide significant support to women, women's employment, and female entrepreneurs, both with our power and funds, and through collaborations with various government agencies, NGOs, and other institutions, particularly financial institutions. Our Technology Power for Women Entrepreneurs initiative has helped over 41,000 female entrepreneurs, nearly 220 women's cooperatives, and 30 nongovernmental organizations since 2017. As a consequence, while women made up 6 percent of Hepsiburada's business partners in 2017, they now make up 24 percent. Even these figures, as well as the upward trend, demonstrate what 'Women Power' can accomplish when given the opportunity to broaden their vision as well as sufficient opportunities and support.

Our nation was shaken at the start of 2023 by an earthquake catastrophe that had its epicenter in Kahramanmaraş and affected the surrounding provinces. From the moment the earthquake struck, we launched a wide-ranging effort with all our stakeholders and employees, in collaboration with public institutions and non-governmental organizations, to heal the disaster's wounds and deliver relief supplies to the region as quickly as possible. At Hepsiburada, in addition to delivering aid to the earthquake zone, we participated in the Earthquake Relief Mobilization organized under the auspices of the Ministry of Trade, which enables our customers to send supplies to the

earthquake zone. Our platform also provided our customers with digital support cards that allowed them to donate to AFAD, the Red Crescent, and non-governmental organizations. We mobilized our logistics power and technological infrastructure to provide support to the area hit by the earthquake. We were on the ground 24 hours a day, seven days a week, with our logistics skills, staff, and volunteer teams, delivering relief supplies to earthquake victims in an organized way. Furthermore, we launched the "Every Order Serves as a Support" application on our platform to assist merchants and producers in the earthquake region, and began transferring the entire sales revenue immediately to our business partners affected by the earthquake without any commission or transaction fee deduction. To support the long-term development of the area through e-commerce, at Hepsiburada we are ready to provide technological, logistical, and human resource support and transfer our experience to our merchants who live in the area. I am confident that with collaboration and solidarity, we will get through these difficult times.

At Türkiye's Hepsiburada, we have a strong sense of responsibility, and we will continue to use technology constructively to fulfill our global responsibilities, including those connected to environmental and social issues. With our vision of leading the digitalization of trade, we aim to transparently share the value we have produced in the journey we have been on for more than 20 years with the spirit of innovation and entrepreneurship. In light of this, I am delighted to share with our valued stakeholders our first sustainability report, which we released under the slogan "Transformation for a Sustainable Tomorrow Starts Here," and wish you a pleasant reading.

Nilhan Onal Gökçetekin

Hepsiburada CEO

About the Report

At Hepsiburada¹, we believe that focusing on sustainability is crucial to create a better livable future for our planet, our country, our industry, our customers, our business partners, and our society and that the efforts put forth in this direction deliver unequivocal benefits and gains for everyone. We act with the responsibility of being an e-commerce platform that is a reliable, innovative, and earnest companion in our customers' daily lives with more than 12 million visitors per day, has over 145 thousand stores on its platform, and delivers 80 million package a day, and we continue our vision of generating value with our stakeholders and growing hand in hand with the retail industry.

We are happy to share with our valued stakeholders our sustainability approach, material issues and overall environmental, social, and economic performance with our first sustainability report: Hepsiburada 2022 Sustainability Report (the "Report") under the title "Transformation for a Sustainable Future Starts Here."

We transparently share how our sustainability approach shapes our Company's mission, vision, and activities; our environmental, social, and economic performance; the activities we carry out in relation to our material issues, the innovations we have developed, and the challenges we face in this report covering the period 1 January 2022-31 December 2022. The material topics, which are the intersection of the valuable opinions of our stakeholders, that are an integral part of our business, and the important topics for us as the Hepsiburada ecosystem, played an important role in the creation of the content of our report. This report is written in accordance with the Global Reporting Initiative (GRI) Standards, also includes our contribution to the United Nations Sustainable Development Goals (SDGs), UN Women's Empowerment Principles (WEPs), and is also progress statement for the United Nations Global Compact (UNGC), which we signed in 2022.

OUR BRANDS INCLUDED IN THE REPORT

hepsiburada

hepsilojistik

hepsiburada seyahat

hepsipay

hepsiburada market

hepsiJET

hepsiburada iş trtağım

hepsiburada global

hepsiAd



You may access detailed financial statements and financial report from our corporate website.



For additional information about the Hepsiburada Sustainability Report and to share your thoughts and comments, get in touch with us at crsustainability@hepsiburada.com

¹ Hepsiburada refers to D-Market Elektronik Hizmetler ve Ticaret A.Ş., Doğan Portal ve Elektronik Ticaret A.Ş., D Fast Dağıtım Hizmetleri ve Lojistik A.Ş., D Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş collectively. Our report does not cover our international activities and operations.

2022 at a Glance

We were chosen as the most recommended e-commerce brand in Türkiye based on the independent organization FutureBrights' E-commerce NPS (Net Promoter Score) Research.

The first "E-Commerce Competence Center" of TÜBİTAK-BİLGEM Artificial Intelligence Institute, which was opened within the scope of Turkey's "National Artificial Intelligence Strategy", was established with the support of Hepsiburada.

We introduced **Hepsiburada Premium**, a brand-new monthly paid subscription service, the first of its kind in the Turkish ecommerce market

We launched Hepsiburada Smart by MIMEX, our new generation smart physical store with the first 'pick & go' concept based on artificial intelligence, with the support of approximately **2.2 million euros** from the European Commission within the scope of Horizon 2020, one of the world's largest R&D and innovation programs.

We started to work in cooperation with the Turkish Patent and Trademark Office to raise awareness of geographically indicated products through the "HepsiTürkiye'den Local Products" program, which aims to help local entrepreneurs use e-commerce and access national and worldwide markets.

With Hepsipay, the "shopping companion" that enables fast, secure, and easy payments, Buy Now Pay Later, immediate one-click payment, and frictionless return, and Hepsipay Papel campaigns, we continued to provide our users with a whole new and innovative payment and online shopping experience.

We launched the SanatBurada platform to support art and artists with our technology and allow artists to share their work with a larger audience. The opening selection of SanatBurada offered 157 works by 27 young artists for sale. Our customers can follow Türkiye's contemporary artists and their works on SanatBurada and purchase the works of their choice.

WE SIGNED THE UNITED NATIONS GLOBAL COMPACT

With the signing ceremony held following network of UN Global Compact, held in Istanbul on March 25, 2022, Türkiye's Hepsiburada became a member of the **UN Global Compact (United Nations** Global Compact) platform, the world's largest corporate sustainability initiative and voluntary leadership platform. By becoming a signatory, we have committed to adopting UNGC principles which outline the basic responsibilities of the global business community to the issues of human rights, labor rights, the environment and anti-corruption, and to aligning the company's strategy and operations with these principles.

STRATEGIC ASSETS

hepsiburada market

Our service, where we deliver our customers' needs such as groceries, food, water and flowers at the time they want.

hepsipay

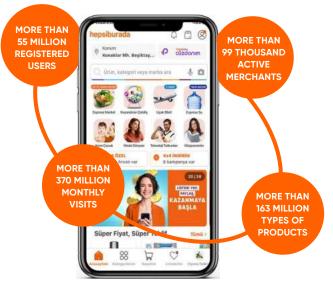
Our application where we offer quick and practical payment solutions for our customers' online shopping experiences

hepsiburada global

Our application, where we offer businesses an opportunity to sell products abroad

hepsiburada seyahat

Flight ticket sales application that allows our customers to easily buy domestic and international flight tickets with a few clicks



VALUE ADDED SERVICES

For our customers

- · Tomorrow at your door
- Return Pick-up
- · Refurbish the Old
- · 2-Man Handling Service

One Click Payment, Card Splitting, Card Installments, Store Credit (BNPL), Instant Credit, Instant Refund to Wallet, billing with telecom partner

Premium membership advantages

For our merchants

Access to Finance for Suppliers and Merchants

hepsiAd

Next generation advertising technologies and solutions

LOGISTICS INFRASTRUCTURE

hepsilojistik

STRATEGICALLY LOCATED FULLFILMENT **CENTERS ACROSS TÜRKİYE** WITH A TOTAL AREA OF MORE THAN

204 THOUSAND **SQUARE METERS**

7/24 fullfilment operations

Seamless access to our integrated logistics infrastructure

Fast, reliable and cost-effective fullfilment solutions

Increased quality standards

Pre-sale and after sales services

FBM MODEL **MARKETPLACE** MODEL

HEPSILOJISTIK MODEL

hepsiJET^{*}

WIDE **DISTRIBUTION NETWORK CONSISTING**

OF 18 TRANSFER CENTERS, AND

192 BRANCHES IN

81 PROVINCES



Same Day Delivery





Next Day Delivery



2-hour Delivery



Delivery by Appointment



Return pickup at the customer's address



Affordable delivery fees



Excellent customer experience



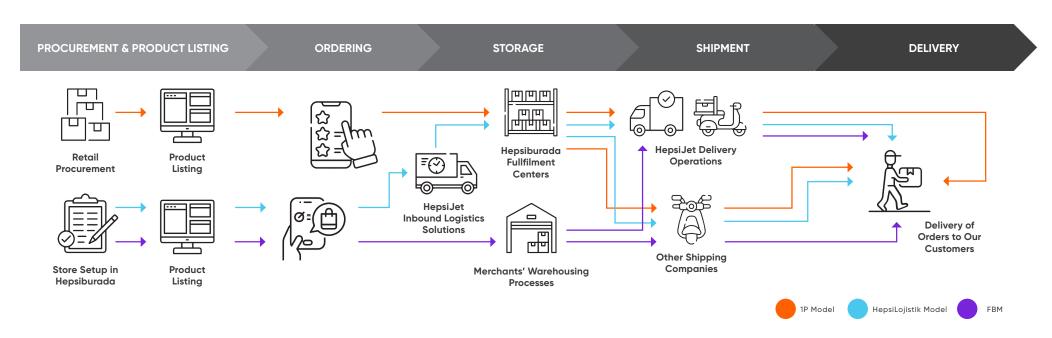


Value Chain Model

At Türkiye's Hepsiburada, we aim to become more than an e-commerce platform that connects tens of thousands of businesses and facilitates people's lives by connecting customers with more than 163 million types of products in 30 categories: our goal is to transform into a massive ecosystem where we create value with all of our stakeholders through the integrated services we provide.

We work with a hybrid business model which combines 3P and 1P models. Our core business, sales of products on our online platform, is primarily run on the marketplace model, which we refer to as "3P" or "third party". Alongside the marketplace model, we list and sell products on our platform where "Hepsiburada" is the seller, the Direct Sales model, also known as "1P" or "first party" model, where suppliers (vendors) directly sell products to us on a wholesale basis, and we then store and sell such products to the customers.

OUR BUSINESS MODEL



Sustainability Approach

At Hepsiburada, we incorporate sustainability into our business practices with the aim of being a part of the transformation and we carry out our activities to create value in collaboration with all our stakeholders. In this context, we shape our sustainability strategy, which we established within the framework of our vision, purpose, and corporate values, around four focus areas. These are: The Environment, which encompasses innovation, efficiency and protection, our People and the Community, which include the human and social dimensions of sustainability, and Governance, which is built upon integrity, transparency and accountability. "Transformation for a Sustainable Tomorrow Starts Here" is our motto in the first sustainability report of Türkiye's Hepsiburada.

Environment



We are aware of our obligation as part of the transformation to leave a habitable planet for future generations and to build a sustainable today and tomorrow.

We respect the environment in our operations with innovative solutions, concentrating on protecting natural resources and decreasing our environmento impact on our planet with limited resources, as a firm that focuses on the constructive power of technology.

Community



We see social responsibility as a core pillar of our business, and we conduct all of our operations with the intention of creating a positive impact for our stakeholders and promoting societal advancement.

In line with our responsible brand approach, we sought to make a difference in our society through collaboration with public and non-governmental organizations to serve various parts of society and create social value through the projects we implement.

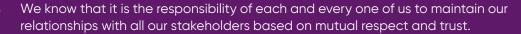
Employees



We consider it one of our most important obligations to establish an inclusive work environment where everyone has equal opportunities and respects differences among our employees, who are the key to our success.

We work hard to keep our employees healthy, happy, and motivated by providing a safe workplace that prioritizes physical and mental health and encourages personal development.

Governance



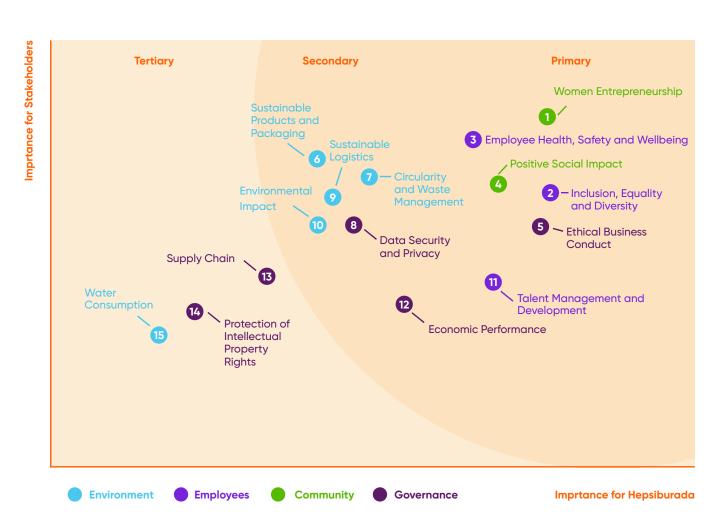


For more than 20 years, we have been acting according to the highest ethical standards in line with our principles of integrity, transparency and accountability, and we conduct our operations in compliance with all applicable international and national laws.

Materiality Assessment

At Hepsiburada, we care that our efforts in our sustainability journey focus on contributing to and creating meaningful impact for the entire value chain. To this end, we conducted a materiality assessment to guide us in prioritizing sustainability issues, to help us understand the expectations of our stakeholders and to direct our efforts to the areas where we can create the most value.

This matrix, which includes the materiality assessment results, guides us at Hepsiburada in our sustainability journey in terms of how we should use our resources, where we should focus on improving ourselves, and how we can create value for our stakeholders.



Our Contribution to Sustainable Development Goals

We contribute to the Sustainable Development Goals (SDGs), consisting of 17 goals and 169 targets accepted by 193 United Nations (UN) member countries, which were put forward with the slogan "Leave no one behind". We prioritize serving these goals at Hepsiburada to leave a more sustainable and habitable planet for future generations, and we directly and indirectly support 12 SDGs through the actions we carry out within the scope of our material issues.



Environmentally Responsible Operations Through Innovative Solutions Start Here









ENVIRONMENTAL IMPACT

Knowing that precisely measuring the greenhouse gas emissions resulting from our activities is the first step in assessing our environmental impact and developing action plans, we calculated our carbon footprint during the reporting period. In line with the measurement guidelines of the Greenhouse Gas Protocol (GHG) standard developed jointly by the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI), we have calculated our Scope 1, 2 and 3 emissions after an intensive data collection and calculation process for the past three years, including the reporting year of 2022.

SUSTAINABLE PRODUCT AND PACKAGING

At Hepsiburada, we focus on conserving natural resources and reducing our environmental impact on a planet with limited resources. We make use of old electronic products through our Refurbish the Old Project, support the local economy through the HepsiTürkiye'den program, while encouraging the consumption of local products. We produce solutions that optimize the use of materials with our responsible packing and packaging practices, and we reduce our environmental impact by adopting more efficient and innovative management methods for existing resources.



CIRCULARITY AND WASTE MANAGEMENT

At Hepsiburada, to reduce the environmental impact of waste from our operations, we study ways to reduce the use of resources, separate the waste at the source and return it to the economy through reuse and recycling, and we consider sending waste to landfill as a last resort. On the other hand, we take care to separate other waste generated in our offices and fulfillment centers at the source by using separate waste bins. Furthermore, waste from excess inventory, such as overstocked, returned, damaged, or expired products, is carefully managed.

SUSTAINABLE LOGISTICS

We take a responsible approach to the environmental impact of our extensive logistics, distribution, and delivery network, utilize the power of our technology to be a part of the sustainable transformation, and continue our efforts to reduce our environmental impact by improving our operational efficiency and effectiveness through innovative approaches.

TURKPATENT registered HepsiJet's unique "Multi-Vehicle Route Optimization" technology, which provides high efficiency in delivery of cargo orders.

Equal and Inclusive Corporate Culture Starts Here













INCLUSION, EQUALITY AND DIVERSITY

With the vision of a future where everyone is equal, we are working hard at Hepsiburada to make our human-centered corporate culture more inclusive and equitable. We are creating a workplace where social inequities are removed and every employee can showcase their talents while being treated fairly thanks to our inclusive and egalitarian attitude.

- By signing the United Nations Women's Empowerment Principles (WEPs), we have committed to abide by seven principles to create corporate policies that promote gender equality and women's empowerment.
- We increased the female employee ratio from 41% in 2020 to 46% in 2022, and the female executive ratio (manager and above) from 31% in 2020 to 34% in 2022.

TALENT MANAGEMENT AND DEVELOPMENT

We are committed to multifaceted technical and social skill development for our employees, who represent the most valuable asset at Hepsiburada, and to advancing their competencies through our belief in continuous improvement. In this regard, we provide our employees with the opportunity to grow in all areas through our 360-degree performance management system, which recognizes success and focuses on areas that need improvement. We also provide training

opportunities that are in line with the competencies and career goals of our employees.

- · The ratio of employees evaluated within the scope of our Performance Management System: 84%
- A total of 144,340 training hours with our Hepsinstitute corporate academy

EMPLOYEE HEALTH, SAFETY AND WELLBEING

Employee health, safety, and wellbeing are among our top corporate priorities because we believe that the health, happiness, and motivation of our employees is the primary driving force behind our success.

- · OHS Training: 72.980 total person*hour
- Average per capita: 11.3 hours
- Employee Engagement Pulse Survey Satisfaction Score: 65%



Social Good Starts Here Positive Social Impact

















POSITIVE SOCIAL IMPACT

At Hepsiburada, we conduct all our operations with the goal of contributing to our stakeholders and growing with them. We support women, children, disadvantaged individuals, street animals, nature, science, culture, education, sports, and the arts through our activities in these domains. We have always sought to create a difference in terms of our social responsibility using our own resources and power as well as our collaborations with governmental and non-governmental groups since the day we were created.

As a company with a high sense of responsibility, we see social good as a part of our business and say: "All for a more habitable world!"

- · We conduct our volunteering work with our employees under "Hepsigönülden", and we invite our customers and business partners using our platform to support our collaboration with NGOs under "Hepsiyürekten".
- Under Hepsigönülden: 250+ volunteers. 400+ hours of active volunteering.
- · On April 23rd National Sovereignty and Children's Day, we launched the "A Smile is Enough" project together with AÇEV, İhtiyaç Haritası and Yarına Umut Ol Association inspired by children's smiles and reached 32 thousand children from 202 schools.

WOMEN ENTREPRENEURSHIP

As one of the world's few technology companies founded by a woman, we feel that women's participation and contributions to the business world are critical. We believe that women's employment opportunities should steadily expand, not just to help them and their families, but also to enhance and strengthen our national economy. Therefore, Hepsiburada carries out projects that support women entrepreneurs.

Our "Technology Power for Women Entrepreneurs" program, launched in 2017, encourages women entrepreneurs in 81 provinces of Türkiye to participate in business life and enables them to join the digital economy through training and opportunities on our platform. We help women who wish to start their own business and thrive in the e-commerce sector to make use of Hepsiburada's technology and marketing capabilities. We have supported more than 41 thousand women entrepreneurs under the program.

HEPSİGÖNÜLDEN 250+ VOLUNTEERS **400+ HOURS OF ACTIVE VOLUNTEERING**



Ethical and Transparent Governance Starts Here









ETHICAL BUSINESS CONDUCT

With our dynamic, innovative and reliable identity, we touch every moment of our customers' daily lives and aim to make every stakeholder in our ecosystem think: "I am so happy I have Hepsiburada". We draw strength from our transparent and ethical business practices and act according to the highest ethical standards in line with our principles of integrity, transparency and accountability.

Our Code of Ethics guides us on many issues, including complying with legal requirements, regulations, internal and external standards, being respectful and fair to others, providing a safe and healthy environment, fulfilling our commitment against bribery and corruption, avoiding conflict of interest, establishing rules on gifts, promoting fair competition in the market, restricting politically motivated activities and contributions, and complying with obligations regarding the environment.

ECONOMIC PERFORMANCE

With our motto "Transformation for a Sustainable Future Starts Here" and our holistic perspective, we aim to position ourselves as the leading company in Türkiye and in our sector. Through our Hepsiburada platform, visited by 12 million visitors daily and 370 million monthly, our brands-each of which, thanks to the investments we have made, brings an innovative perspective to its field-3,806 employees, more than 99 thousand active

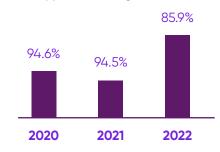


merchants, almost 5,000 suppliers, and the thousands of women entrepreneurs and cooperatives we support, we add value for the national economy and all our stakeholders.

SUPPLY CHAIN

Together with our 4,759 suppliers, the initial link in our supply chain, Türkiye's Hepsiburada expands the positive impact we produce in our value chain. We prioritize fundamental human rights at every stage of the value creation process, and we share the responsibilities of this task with our suppliers.







D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.

Kuştepe Mahallesi Mecidiyeköy Yolu Caddesi Trump Towers Kule 2 Kat:2 No:12 34387 Şişli / İstanbul

TELEPHONE

0850 252 40 00 (Call Center)

For more detailed information about the Hepsiburada Sustainability Report and to submit your comments and suggestions: crsustainability@hepsiburada.com

REPORT DESIGN

ROUNDABOUT & FM İLETİŞİM www.icerikvetasarim.com

