


















2020 SUSTAINABILITY REPORT



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"A satisfactory outcome may only be achieved with a happy team."

Asim Kibar
Founder and Honorary President
Kibar Holding

GRI 102-45, 102-46, 102-49, 102-50, 102-54

Kibar Holding Sustainability Report 2020, the eighth sustainability report of Kibar Holding up to today, was issued with the purpose to provide a summary of sustainability approach and performance of Kibar Holding, being among well-established industrial organizations in Turkey, and its Group companies.

Unless otherwise provided, the information contained in the report for the period between January 1st - December 31st, 2020 includes the consolidated data of Assan Alüminyum, Assan Foods, Assan Hanil, Assan Panel, and Ispak, which are among the companies of Kibar Group and represent the primary activities of Kibar Holding as well as the sustainability approach of Kibar Group. The data contained in the section, "About Kibar Holding" cover all Kibar Holding companies and subsidiaries with a view to providing a general introduction about the Holding.

This report was issued in compliance with the GRI Standards: "comprehensive" option. Therefore, Kibar Group has made a declaration about its goal to improve its commitment for transparency on sustainability. This report also aims to meet the annual Progress Reporting requirements of the United Nations Global Compact, signed by Kibar Holding in 2013. The report includes Kibar Holding's progressive performance towards the Sustainable Development Goals of the United Nations.

You can submit to us any opinions or suggestions about this report via e-mail tokurumsaliletisim@kibar.com.



Dear Stakeholders,

The year 2020 went down as a year during which the entire world fought against a global health crisis. Having various unprecedented social and economic effects on a global scale, the COVID-19 pandemic was not only a threat to human health, but it also caused a severe recession in the world economy.

As Kibar Group, we ensured that our employees' health would be our top priority from the beginning of the COVID-19 pandemic. We have closely followed up the reflections of the pandemic on a global scale and in our country as well as its effects, together with all necessary details, on the business world and especially those related to the industries in which we conduct our business activities. We have taken the necessary measures in a timely manner in various areas such as international relations, market conditions, changing consumer behaviors, customer expectations, market change, socioeconomic transformation, supply chain and inventory management, risk management, crisis management, digitalization, and communications. As Kibar Group, we have provided support to the nation-wide efforts made against the economic and social effects of the pandemic with our 22 companies in line with our sense of responsibility based on our organizational principles.

Once again, the global health crisis has made the whole world realize the importance of ensuring the economic growth without harm to the environment and natural resources and by adopting a comprehensive model taking into account social elements. We believe that progress and development can only be achieved by ensuring a balance among economic, social, and environmental aspects. In line with this belief and awareness of our responsibilities, we take into account sustainability in all practices, activities, and decision-making mechanisms by integrating sustainability into corporate governance principles.

During our history for nearly half century, we continue to contribute to the national economy while preserving natural resources and protecting the environment. We have adopted a sustainable production model based on circular economy and innovation. We contribute to the efforts against climate change. We maintain our economic growth based on a mindset that focuses on human-oriented, integrity, and accountability values, carrying out social responsibility projects to the benefit of the communities.

We continue our activities within the scope of "Kibar Group's Sustainability Strategy 2025" based on transformation to a carbon neutral circular economy. Through Kibar Education and Social Welfare Foundation founded in 1999, we contribute to social welfare of our country by making investments in the areas of education, health, and social life. We make every effort to become an employer brand providing opportunities to young talents and promoting innovation and creativity.

We will continue our efforts to develop sustainability activities with an integrated approach and further improve our compliance with the requirements of the United Nations Global Compact signed by Kibar Holding.

We are greatly proud to present you Kibar Holding Sustainability Report 2020, which includes our economic, environmental, and social performance as a corporation. I would like to thank you as our valuable business partners, stakeholders, customers, and colleagues who contribute to us by supporting our sustainability activities and adopting "Kibar Group's Sustainability Principles", which are based on internationally recognized universal declarations and the UN Global Compact.

Ali Kibar
Chairman of the Executive Board



Dear Stakeholders,

As we all know, this period falls upon a time where we began to experience the devastating outcomes of the climate change in environmental and socioeconomic aspects at an ever-increasing level with every passing day. Having undergone changes for more than 4.5 billion years in the history of the world, the climate also began to change due to human activities such as population growth, industrialization, urbanization, land use, deforestation, and increase in fossil fuel consumption since the mid-19th century in addition to changes due to natural factors. This has also brought about the discussions suggesting that the world has entered into a new proposed geological epoch called the Anthropocene.

Climate change causes a great number of negative impacts such as extreme weather conditions, temperature fluctuations, changes to precipitation regime, glacier melting, rise of sea and ocean levels, increase in forest fires, and air pollution. As a result, the circle of life of the species changes, aquatic resources are damaged, and the exposure of the whole ecosystem to degradation increases.

The only way to stop this negative course of events that our planet faces is promoting sustainable economic growth and development. Defined as the “fulfilment of the requirements of the current generation without endangering the capabilities to meet the requirements of next generations,” sustainability as a concept is the key to our world’s future.

The global health crisis has proved to us once more the importance of sustainability in an environment where protective policies are prominent, vulnerabilities become deeper than ever, and there is less tolerance for everything. Emerging as a health issue, the pandemic also serves as a warning sign for the future of humanity. Revealing the vulnerabilities in the global economy, this period has reflected the significance of concurrent operation of economic, environmental, and social processes.

Having adopted the fundamental ideas of accountability beyond generations since its foundation, our group has implemented a management mindset to prioritize the health of our employees, their families, and our business partners during the pandemic as a general practice. From the first day of the COVID-19 outbreak in our country, we implemented our emergency plans in all of our companies and took the necessary measures in a timely manner. We have sponsored many solidarity campaigns to the benefit of the society during these challenging times.

The Sustainable Development Goals and objectives as defined by the United Nations for Sustainable Development Agenda of 2030 serve as key guidelines for sustainable development on a global scale. We are at critical crossroads where all stakeholders should make more efforts to achieve the objectives of the agenda. In order to achieve success, sustainable development goals and objectives must be addressed by an integrated and systematic approach.

As Kibar Group, we have adopted the United Nations’ Sustainable Development Goals, the United Nations Global Compact, and the United Nations Women’s Empowerment Principles. We provide support to efforts against climate change and adopt an environmentally conscious production model. In order to reduce carbon footprint, which is one of the most crucial elements of ecological footprint, we generate electricity from renewable energy sources and make considerable investments for more efficient use of energy. We believe in the power of digitalization and innovation during transition to a low-carbon economy. We make efforts to increase the number of clean and environmentally conscious innovative products and projects. We provide our employees with a fair workplace that allows for development. We use our best efforts to invest in the projects to offer environmental and social benefits. We continuously deploy systems and implement projects to extend the scope of our sustainability approach throughout our entire value chain.

We manage these activities within the framework of “Kibar Group’s Sustainability Strategy 2025”, which was published during the last year and forms a basis for transition to a carbon neutral circular economy. We follow up our contribution to the United Nations’ Sustainable Development Goals and the targets based on “99 Performance Indicators” for “40 Targets” as identified within the framework of the Group’s “6 Sustainability Principles of the Kibar Group” and “13 Sustainability Priorities”. We report our progress towards our targets, which include our economic, environmental, and social performance, with all our stakeholders in a transparent manner.

In Kibar Group, we believe in the power of a collective mind and action for sustainable development. We would like to thank all of our colleagues, business partners, customers, vendors, and all stakeholders supporting our activities for sustainable development for their valuable contributions, and we are proud to present you our sustainability report for the year 2020.

Haluk Kayabaşı,
CEO



ABOUT KIBAR HOLDING

A

FOUNDED IN **1972**

7 DIFFERENT SECTORS



20+

COMPANIES



5000+
EMPLOYEES



20+

PRODUCTION FACILITIES

2

BILLION USD EXPORT



EXPORT TO MORE THAN
ON **5**

CONTINENTS



TURKEY'S **LEADING**
EXPORTER IN ITS INDUSTRY

100

COUNTRIES



ASSAN ALÜMİNYUM

Tuzla

Since its foundation in 1988, Assan Alüminyum, a global leader in flat-rolled aluminum (FRP) industry, carries out production activities for rolled aluminum. It offers its coil & sheet, foil and pre-painted aluminum



Dilovası

products to a variety of sectors such as packaging, distribution, construction, durable consumer goods, automotive, and HVAC



Chicago

Manufacturing in Istanbul Tuzla and Kocaeli Dilovası plants, the company is a leader in flat aluminum industry in Turkey with its installed sheet/foil



Manavgat

production capacity of 300 thousand tons/year and with aluminum pre-painting capacity of 60 thousand tons/year in its rolled aluminum paint shop. The

company is also one of the 2 largest aluminum foil manufacturers in Europe, with an aluminum foil production capacity of 100 thousand tons. In the

"Turkey's Top 500 Industrial Enterprises 2020" list published by Istanbul Chamber of Industry (ICI), it ranked as the 41st among the top industrial enterprises. The company carries out export

operations in 4 continents, including the Western Europe and North America, to more than 70 countries. Kibar Americas based in Chicago is part

of the company's strategy to achieve its growth targets in North America. Assan Alüminyum is the first and only company in Turkey to be eligible to

receive a provisional Performance Standard Certificate from Aluminium Stewardship Initiative (ASI), which establishes global sustainability standards in the

aluminum industry.

ASSAN FOODS

İzmir

Established in 1998 by Kibar Holding, Assan Foods produces 400 types of products, including high quality tomato and red pepper paste, ketchup, mayonnaise, and various sauces, in its production facilities in



Susurluk

Susurluk and Aegean Free Trade Zone. Assan Foods production plant in Susurluk is among the largest plants with the highest capacity of tomato processing

from a single location in Turkey. Established on a surface area of 200,000 m², the plant has the capacity to process 4,500 tons of fresh tomatoes and produce

4 million packaged products on a daily basis. Assan Foods carries out export operations in 4 continents to nearly 50 countries.

EGE ASSAN

İzmir

Ege Assan was established by Assan Foods in 2010 in the Aegean Free Trade Zone for exportation of tomato paste. Ege Assan plant, with a surface area of 4,500 m² has a capacity for packaging 24,000 tons of tomato

paste on a yearly basis. The products of the company are exported to various countries in North Africa, the Middle East, and the Arabian Peninsula.

ASSAN HANİL

İzmit 1

As one of the investments of Kibar Group in automotive industry, Assan Hanil was established in 1997 in partnership with Seoyon E-Hwa, based in South Korea, and began production operations as a



İzmit 2

parts supplier in automotive industry. In addition to manufacturing of driver and passenger seats, Assan Hanil also manufactures door panels front and rear



Bursa

bumpers, dashboard panels, consoles, mats, heater holders, inflatable parts, glove compartment, ceiling as well as interior and external plastic parts. It is one



Aksaray

of the few automotive companies on a global scale to be capable of carrying out design, development, and manufacturing operations related to air suspension



Gölcük

driver's seat. After having served only as a parts supplier for Hyundai Assan during the first few years since its foundation, Assan Hanil has extended its

customer portfolio over time with Ford Otosan, Isuzu, Honda, Agco, Mercedes-Benz Turkey (MBT), and Turkey's Automobile Joint Venture Group (TOGG), respectively. In 2019 Assan Hanil commissioned its

Aksaray Production Plant to carry out production activities on behalf of Mercedes-Benz Turkey and Gölcük Production Plant to carry out production for Ford Otosan. With a total of 5 different locations, 3 in Kocaeli, 1 in Bursa, and 1 in Aksaray, Assan Hanil carries out automated hi-tech production with its over 1000 employees.

ASSAN PANEL

Tuzla

A leader in the industry of Insulation Panel Solutions and Systems, Assan Panel began its production activities in 1990 in its first production plant in Tuzla



Balıkesir

with a capacity of 4,000,000 m²/year. Assan Panel invested in İskenderun Plant with a capacity of 3,000,000 m²/year in 2004, Balıkesir Plant with a



İskenderun

capacity of 3,000,000 m²/year in 2009, and Jordan Plant with a capacity of 4,500,000 m²/year in 2012, respectively. Assan Panel finalized its investment in



Jordan

the second production line with a capacity of 3,500,000 m²/year in Tuzla İstanbul Plant in 2015 to reach a total production capacity of 18,000,000 m²/

year. As an industry leader, Assan Panel contributes to construction of sustainable and green buildings with a wide range of products from polyurethane (PUR) panels to fire-resistant PIR and rock wool sandwich

panels for cold room, roofing, and exterior wall applications, prefabricated panels ready for assembly in solar systems, project-specific custom accessories, polycarbonate skylights, fittings consisting of a variety

of screws as well as construction chemicals consisting of sealing and filling materials. Playing an active role as a key player in the global market, Assan Panel serves as an integrated solution partner for industrial

buildings with its export operations in 85 countries under the brand names, AssanPU, Assan Demir, AssanWool, and AssanBoard.

İSPAK AMBALAJ

İzmit

Established in 1974, İspak Ambalaj carries out integrated packaging production operations from the supply of raw materials to lacquering, lamination, and extrusion, printing and slicing as well as delivery

of special packaging materials with its expertise for over 45 years and comprehensive R&D activities. With its production plant designed based on Industry

4.0 technology in Asım Kibar Organized Industrial Zone, the production capacity has been increased to 30,000 tons/year. Specifically, with its expertise in

the production of flexible packaging and capabilities to offer various applications, İspak Ambalaj produces packaging materials for a wide variety of areas,

including chocolate products, confectionery, dairy products, beverages, dried foodstuff and snacks, medical device and pharmaceuticals packaging, sanitary products, and pet food. The company also designs packaging applications for tobacco and industrial products and serves as a supplier.

POSCO ASSAN TST

İzmit

Posco Assan was established as a partnership by Kibar Holding, Pohang Iron and Steel Company (POSCO) and POSCO Daewoo in 2011. Having

Turkey's first and only stainless-steel cold rolling facilities, Posco Assan TST began its production in 2013 with a production capacity of 300,000 tons/year.

TSI AIRCRAFT SEAT PRODUCTION

İstanbul

TSI Seats was established in 2012 as a joint venture by Kibar Holding, Turkish Airlines (THY), and THY Teknik A.S. Certified by EASA (European Aviation Safety Agency) and FAA (Federal Aviation



Utah

Administration), TSI manufactures aircraft seats that are then used in aircraft series of A320, A330, A350, B737, B777, and B787. In addition, TSI also manufactures spare parts for aircraft seats with its

PMA (Parts Manufacturing Authority) and provides maintenance & repair services subject to Part 145 certification. Founded by TSI for American aviation

industry, TSI SEATS Inc. carries on its business activities in Salt Lake City Utah, United States. Having a total of 2 production lines, 1 in Istanbul and

another in Seattle, the company carries out design, engineering, production, and R&D activities internally. With its team consisting of 140 team members, TSI carries out its operations in its new production

facilities with a surface area of 3,400 m², located in Sabiha Gökçen Airport in Istanbul with a capacity of 36,000 pax seat production a year.



ASSAN GAYRİMENKUL

Karaköy

Established in 2008 within Kibar Holding, Assan Gayrimenkul provides services in real estate development, investment, and management areas. Among others, the main activities of Assan Gayrimenkul include determination of new investment areas for the Group, acquisition, legislation and legal process follow-up, development and implementation of the final project.



Tuzla

ASSAN YAPI

İstanbul

Established in 2007 within Kibar Group, Assan Yapı carries out operations in all areas included in the building sector. The projects commissioned to and finalized by Assan Yapı include the following: Pendik-Kurtköy Houses, Asım Kibar Vocational and Technical Anatolian High School, Tuzla Municipality Semiha Kibar Recreational Facilities, Tuzla Semiha Kibar Teacher's Lounge, Tuzla Municipality Şelale Park projects. Assan Alüminyum Dilovası plant and paint shop facilities construction, Assan Hanil additional production facilities projects, and İspak Packaging Plant project design were also carried out by Assan Yapı.

KİBAR DIŞ TİCARET

Karaköy

Established in 1985, the company provides export services for many leading companies based in Turkey as well as procurement of raw material requirements of such companies. The company's foreign trade volume has reached as high as 1,500,000 tons/year. Kibar Dış Ticaret is ranked among the top Export Champions list published by Turkish Exporters Assembly every year.

KİBAR ENERJİ

Karaköy

Kibar Enerji was established in 2011 within Kibar Group for import and wholesale of natural gas in Turkish Energy Market. Having taken over a natural gas purchase and sales contract with a yearly volume of 1 billion m3 natural gas within the scope of the Western Pipeline Contract transfer in 2012, Kibar Enerji has engaged in natural gas import and wholesale activities since January 1st, 2013.

KİBAR INTERNATIONAL

Switzerland

Incorporated in Switzerland in 2001, Kibar International S.A. cooperates with Group companies for achieving the targets at all stages from the procurement of raw materials to the sales of semi-finished and finished products, especially ferrous and non-ferrous metals in addition to providing business and financial solutions through local and EU-based financial institutions.

ASSAN BİLİŞİM

Tuzla

Assan Bilişim was established in 2006 with an aim to meet Information Technology (IT) needs of all group companies of Kibar Holding. It is a tech company serving as a business partner of all group companies by providing advanced services and solutions based on state-of-the-art technologies. It develops strategic partnerships with leading global technology companies around the world.

ASSAN LOJİSTİK

Tuzla

Assan Lojistik was established in 1996 to provide logistics services in connection with ports. Providing services such as inland transport around Turkey, warehousing, storage, out of gauge loads transport, and port handling services, Assan Lojistik also engages in intermodal transportation, transport by road, sea, and air as well as projectbased transport operations overseas. Having introduced scheduled partial transportation to West Mediterranean and North African countries as of 2017, Assan Lojistik provides services to many large-scale corporations in addition to its Group companies with its facilities located in Istanbul-Tuzla and Hatay-İskenderun, sales office in Mersin, self-owned semi-trailer truck fleet, and a comprehensive supplier pool.

ASSAN PORT

İskenderun

Having initially served as the first container terminal in the Gulf of İskenderun in 2010, Assan Port has recently become a key alternative for the region. As of the end of 2013, it continues its business activities in partnership with Terminal Investment Limited SA (TIL). Having a capacity of 250,000 TEU container handling on a yearly basis, Assan Port serves for "container, general cargo, project-based cargo, and dry bulk carriers." In addition to providing a great advantage for firms geographically located in the Eastern Mediterranean and Southeastern Anatolia as well as in the south of the Central Anatolia, Assan Port İskenderun is also the closest container terminal for Northern Iraq to access the western trade routes.

İNTERAKTİF ÇEVRE DANIŞMANLIK

İstanbul

Established as a joint venture by Kibar Group and The Heritage Group based in the United States, Interaktif Çevre (Interactive Environment) began its activities in 2016 to offer competitive and innovative solutions for total waste management and environmental consultancy services. Providing its customers with capabilities for online reporting of their wastes on a 24/7 basis with comprehensive data management solutions, Interaktif Çevre serves as a solution partner for their customer in their sustainability journey. In addition to total waste management and environmental services, Interaktif Çevre provides its customers with services in compliance with international standards by providing comprehensive training modules and audit services.

İRB SİGORTA

İstanbul

Having performed insurance activities within Kibar Holding for about 25 years, Kibar Sigorta began providing insurance and risk management services as Istanbul IRB Sigorta ve Reasürans Brokerliği A.Ş. in 2015. With its expert staff, IRB helps its corporate customers in the design of their insurance plans, cost optimization, and risk transfer. It provides consultancy services for mitigation of risk factors to the lowest levels by providing support for determination and implementation of proactive measures through its Risk Engineering Services. The company provides its insurance customers with consultancy services for damages on areas such as compensation of damages in an accurate and timely manner and following up rights and obligations.

The core principles of Kibar Holding's corporate governance approach include keeping up with rapidly changing global economic conditions and efficient use of all natural resources, human resources as well as all technological and intellectual resources. Long-term collaborations are established through effective communication with all stakeholders. While a transparent communication with stakeholders and executive staff in Group companies is ensured, governance elements are prioritized through strategic plans and long-term planning activities.

This governance mindset facilitates the transformation of the Group companies into establishments focusing on innovation in all procedures from product safety to customer satisfaction, developing innovative products, effortlessly adopting new technologies and systems, having a highly competitive power, and aiming for continuous growth on a global scale.

Since its foundation, Kibar Group has adopted an inclusive, innovative, reliable, environmentally conscious, and human-oriented governance approach. This mindset is taken into account in all strategic and operational procedures and decision-making mechanisms together with associated economic, social, and environmental aspects, which constitutes a basis for the sustainability approach of Kibar Group.



Corporate Governance

Due to its ethical and transparent governance approach, Kibar Group has a management structure in line with its corporate governance principles. The Executive Board is the top-level strategic decision-making body within the Group. The Board is responsible for setting corporate objectives, ensuring compliance with corporate governance principles, determination and management of strategic trends as well as complete execution of risk management and control systems.

The Executive Board of Kibar Holding is composed of 6 members. In Kibar Holding, different members perform the roles of the Chairman of the Executive Board and the CEO. The Executive Board of Kibar Holding includes Risk Management Committee, Sustainability Committee, Audit Committee, and Ethical Committee. The main role of the top management under the leadership of the CEO is to ensure the implementation of strategic plan and corporate policies approved by the Executive Board.

For more detailed information on Kibar Holding Executive Board and Top Management, please visit the following links:

<https://www.kibar.com/tr-tr/holding/yonetim-kurulu> and <https://www.kibar.com/tr-tr/holding/ust-yonetim-adreslerinden-ulasabilirsiniz>.

Risk Management

Kibar Holding carries out necessary activities required for identification and effective management of corporate risks to its stakeholders, assets, and operations in line with applicable international standards within the scope of corporate risk management. Risk management activities as part of corporate

governance are carried out within the framework of corporate risk management principles.

The Executive Board of Kibar Holding maintains trade-off between risk, growth, and profit at optimum level in strategic decisions taken and acts based on a risk management approach promoting global developments and current governance elements.

Corporate risk management and business continuity principles are configured in accordance with international standards such as ISO 31000 Risk Management and ISO 22301 Business Continuity Management System as well as company strategies and corporate culture. Annual risk assessment activities are performed by the Risk Management Director, who is responsible for coordination of the risk management activities of Kibar Holding and Group companies, detailed risk maps are created, and applicable risk action plans to be implemented are determined.

In order to ensure effective governance of risk management and internal control systems as well as creating synergy among the Group companies, respective company risk management representatives have been assigned and a sharing platform has been deployed.

Due to its advanced risk management activities, corporate risk management culture, and high level of maturity in its practices, Assan Alüminyum received TSE ISO 31000 Risk Management System Validation Certificate in 2020.

Emergency Preparedness

Dealing with operational risks which may potentially pose a risk to the safety of life and property of the stakeholders or otherwise disrupt the flow of product and service delivery such as natural disasters, epidemics, pandemics, etc. are carried out by central crisis committee within the Group. Decision making processes and actions for prevention of operational risks and minimizing losses are carried out by inclusion and collaboration of all relevant functions. Formed within the insurance and brokerage company of the group, the Risk Engineering department, in coordination with internal and external audit teams, carries out determination and follow-up of findings posing an operational risk in the areas of production of group companies and presents its suggestions for mitigation of such risks to companies. Activities required to be carried out to ensure effective management of operational risks and action plans determined are subject to active and periodic follow-up by all relevant company executives and employees. Relevant policies and procedures for management of such risks at the time of occurrence as well as for business continuity during the subsequent period have been implemented and communicated to all employees.

Companies have been equipped with necessary strategy and tactical competencies to be used in planning and response in order to maintain their operations at a pre-defined acceptable level in case of any incident where operational risks occur or otherwise in case of business interruption and business continuity plans have been created and deployed. Corporate business continuity programs are subject to annual practices and necessary training activities are maintained on a yearly basis. Short-term, medium-term, and long-term planning is carried out for the purpose of extending the scope of such programs throughout the group companies.

Since the first day of the COVID-19 pandemic, protecting and ensuring the health of all employees and stakeholders have become the top priority. Measures taken since the onset of the pandemic as well as communication activities have primarily been relied upon in response to the pandemic. Through the central crisis committee formed, occupational health & safety measures and actions have been taken for employees in particular as well as visitors and business partners while at the same time, corporate emergency action plans for continuity of sales, finance, and supply chain operations have been restructured.

Internal Audit and Control

Audit activities within Kibar Holding are executed by a proactive methodology based on International Internal Audit Standards and Kibar Holding Code of Conduct. Audits conducted by Internal Audit VP are carried out on a risk-based and process-based approach in order to ensure compliance to applicable legislation, corporate policies and principles as well as strategic objectives determined.

Internal audits within Kibar Holding are applicable in a total of 4 areas, consisting of process audit, compliance audit, financial audit, and information technologies (IT) audit. Audit findings identified in relation to the risks determined within the scope of auditing activities are communicated to relevant departments and necessary corrective actions are proposed.

SUSTAINABILITY AT KIBAR GROUP

The foundations of Kibar Group's sustainability approach are based on the integrity and reliability principles, which are defined by Asim Kibar, the founder and honorary president of Kibar Group, as the fundamental values of Kibar Group. Sustainability approach, which is essentially formed based on a well-established corporate governance tradition, innovative perspective, business ethics, social responsibility culture, and the United Nations Global Compact (UNGC) signed by Kibar Group, constitutes the culture of Kibar Group's business manner.

Sustainability activities of the Group are managed within the framework of "Kibar Group's Sustainability Strategy 2025." Based on a low-carbon circular economy with main aspects consisting of economic development, human, environment, innovation, and social welfare, this strategy is subject to regular assessment and applicable to all business processes.

Kibar Holding and its Group companies simultaneously take into consideration economic, environmental, and social aspects in all practices, activities, and decision-making mechanisms as applicable.

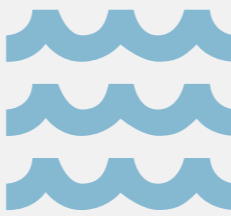
Kibar Group companies are liable for ensuring compliance with the principles of UN Global Compact as well as all policies and strategies determined in line with these principles by Kibar Holding in all operations carried out by the companies.

Human rights within the Group are ensured by the Universal Declaration of Human Rights and UN Global Compact as well as any other applicable provisions contained in national and international legislation. All forms of discrimination, child labor, or forced and involuntary labor practices in any manner whatsoever are prevented. Group companies require similar operational norms/standards from its vendors and business partners and carry out audits on their compliance to such practices as well as contributing to fulfil these conditions.

Kibar Group employees are provided with a workplace environment where human rights are protected, occupational health & safety measures are prioritized, career development is supported, a fair place where equal opportunities are provided.

All necessary precautions are taken to eliminate or minimize the environmental effect of activities at all phases from supply to distribution. Efforts made against Climate Change are maintained in compliance with national and international standards. Potential risks arising from environmental problems are turned into opportunities with environmentally-friendly technologies and products.

There is no tolerance for bribery and corruption activities in any manner. Antibribery and anti-corruption measures and requirements are also applicable to all relevant stakeholders, especially including vendors and business partners, in addition to Group employees.



SUSTAINABILITY MANAGEMENT

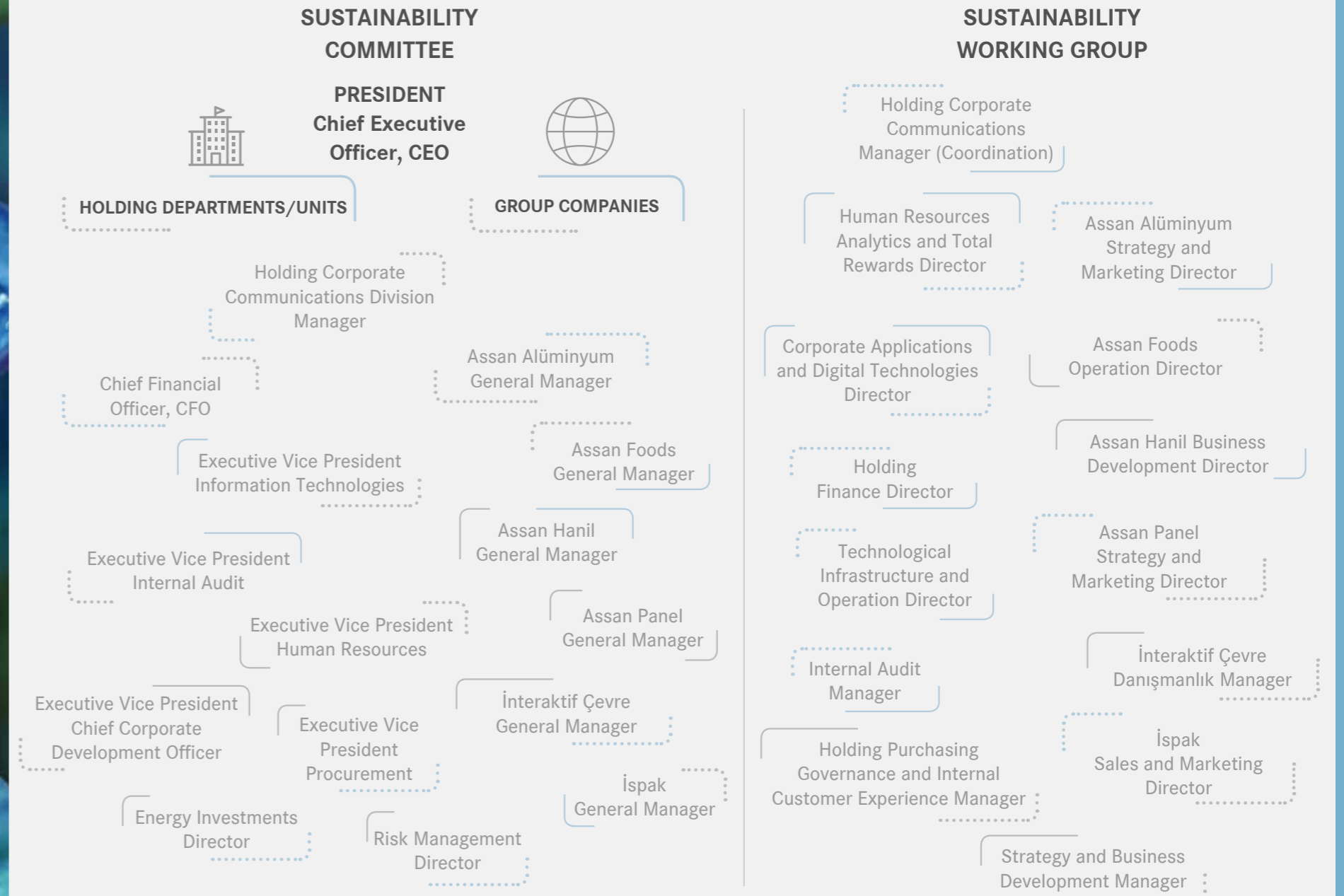
Sustainability management within Kibar Group is designed as a collaborative practice. The Sustainability Committee and the Sustainability Working Group are the main components of sustainability management.

The chairman of the Sustainability Committee is the CEO of Kibar Holding, being the top executive of the Group at the highest level. The Committee members consist of the relevant functional managers of the Holding and general managers of the Group companies. The Sustainability Working Group members include Holding and Group company Human Resources, Financial Affairs, Strategy, Purchasing, Internal Audit, Information Technologies, Corporate Communication, and Sales & Marketing managers.

The Sustainability Committee determines the sustainability approach of the Group, creates the relevant policies and strategies, creates action plans, sets targets, and monitors sustainability performance. The Sustainability Working Group carries out preliminary preparation activities for the decisions of the Committee, taking into consideration international standards in sustainability activities. Practices and action plans are carried out within the scope of the approach determined by the Sustainability Committee. In addition, the members of the Working Group also coordinate the sustainability activities carried out in their own sector and areas as well as sustainability efforts based on the function they represent.



Sustainability Governance Structure



CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goals represent a universal action plan containing a set of goals that are intended to be achieved by the end of 2030 by the United Nations member countries. Sustainable Development Goals primarily consist of “The 17 Goals” in various areas affecting people around the world from efforts made against poverty and hunger, access to quality education and health services to establishing gender equality, peace and justice as well as taking climate action, transition to circular economy, clean products, biodiversity, R&D and innovation to sustainable growth.

Kibar Group acts with a sense of responsibility required to be undertaken in order to achieve the Sustainable Development Goals. Accordingly, Kibar Holding and its Group companies significantly contribute to the following goals of the United Nations Global Compact (UNGC): “Zero Hunger,” “Good Health & Well-Being,” “Quality Education,” “Gender Equality,” “Clean Water and Sanitation,” “Affordable and Clean Energy,” “Decent Work and Economic Growth,” “Industry, Innovation and Infrastructure,” “Reduced Inequalities,” “Responsible Consumption and Production,” “Climate Action,” “Peace, Justice and Strong Institutions,” and “Partnerships for the Goals.”



GOAL 2: Zero Hunger

With Good Agricultural Practices, Smart Agriculture, and training organized for farmers, we increase the agricultural productivity, yield, and income.



GOAL 3: Good Health and Well-Being

We provide support for opportunities to access health services with investments in health sector for social benefit and strive to ensure the best health conditions possible for employees based on occupational health & safety practices.



GOAL 4: Quality Education

We enhance the opportunities for children to access education with our social benefit investments in education. We carry out corporate social responsibility activities for disadvantaged schools, focusing on children and education. We provide access to vocational training and life-long learning opportunities with development activities for Group employees.



GOAL 5: Gender Equality

We continue to implement and deploy practices promoting and empowering women employment. We increase the number of women employees and the rate of women at management levels. We carry out various activities in order to promote and raise awareness the participation of women in the business world.



GOAL 6: Clean Water and Sanitation

We develop sustainable water strategies to protect the ecosystem, reduce our waterintensive consumption and ensure reuse of water by recycling with our investments. We contribute to protecting water resources with our investment in the Wastewater Recycling Plant.



GOAL 7: Affordable and Clean Energy

As a result of group-wide energy efficiency projects implemented and awareness activities carried out, we help reduce energy and emission density. We generate electricity from renewable energy sources. We develop products contributing to lowcarbon economy.



GOAL 8: Decent Work and Economic Growth

We refer to international standards for guidance in order to provide our employees with working conditions they deserve, and we take all necessary measures to prevent child labor and forced labor in our purchasing procedures as well as ensuring fair working conditions. We promote production and economic growth by our investments in R&D and innovation.



GOAL 9: Industry, Innovation and Infrastructure

We encourage innovation and innovative products for sustainable development. Since our foundation, we have significantly contributed to the national economy and social welfare with our innovative investments in various industries, including metal, automotive, packaging, building materials, real estate, logistics, energy, food, and service segments.



GOAL 10: Reduced Inequality

We provide equal opportunities with a performance-based management system. We execute a Kibar Group Framework Agreement with suppliers prior to contract works to ensure that no discriminatory and unfair practices will be applied due to individual traits and personal lifestyle such as language, religion, gender, etc.



GOAL 12: Responsible Consumption and Production

We adopt a production model based on a circular economy, sustainability, and innovation, make efficient use of natural resources, encourage reuse by efficient waste management, and prefer ecofriendly waste disposal methods.



GOAL 13: Climate Action

Within the scope of our efforts made against climate change, we take action to limit the negative impacts of our activities on environment, increase energy efficiency, reduce energy and emission density, and generate electricity from renewable energy sources.



GOAL 16: Peace, Justice and Strong Institutions

We have written rules and procedures in place to define our Group’s standing against bribery and corruption. We require all stakeholders, especially including vendors, suppliers, and business partners in addition to Group employees to comply with our antibribery and anti-corruption policies and principles.



GOAL 17: Partnerships for the Goals

We adopt the principles and goals of the United Nations Global Compact and use our best efforts to extend the scope of its adoption among all stakeholders. We establish collaborations and partnerships in order to contribute to the 2030 Agenda of the United Nations.



SUSTAINABILITY PRIORITIES

Kibar Group determines sustainability priorities in line with global developments and risks, industrial developments, Kibar Holding policies and strategies, Kibar Holding sustainability approach, opinions of the Sustainability Committee and Working Group, the Group’s contribution to the United Nations Sustainable Development Goals, Global Reporting Initiative (GRI) standards, and stakeholder expectations.

Kibar Group’s sustainability approach is based on active participation of Group employees and stakeholders within the entire value chain in sustainability activities. Systematic adjustments of the business model are made, investigations are conducted, workshops and events are organized, and means of communication are diversified in order to ensure such active participation, mutual interaction, and receipt of regular feedback. Expectations, opinions, and suggestions of all stakeholders and employees are carefully and duly evaluated and provide a significant input for activities.

In 2020, Kibar Group conducted surveys with a questionnaire to determine global trends as well as economic, social, and environmental issues, strategic priorities on sustainability, and the United Nations Sustainable Development Goals required to be focused on. A total of 480 participants on behalf of natural persons or legal entities have been included in the questionnaire.

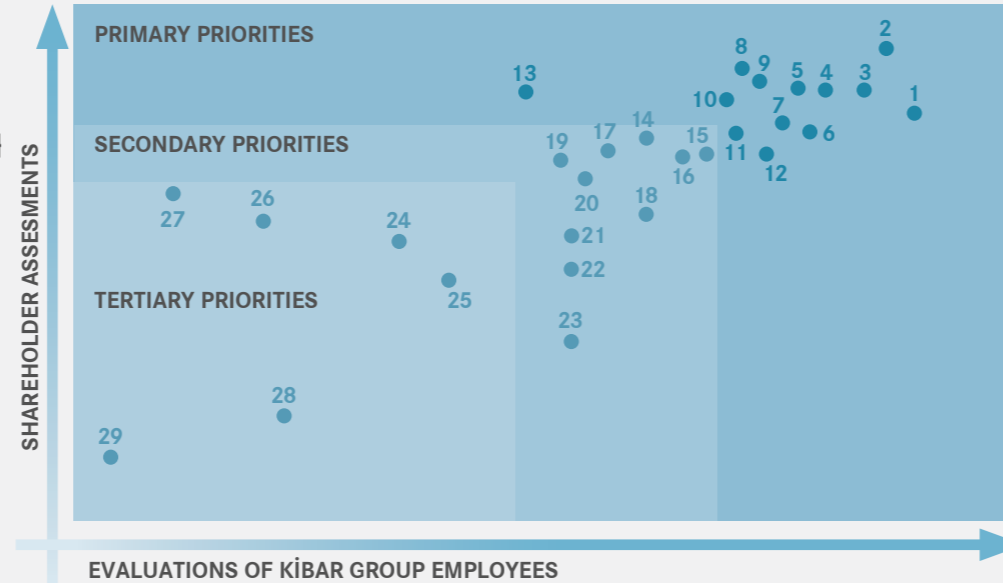
When drafting the 2020 Sustainability Report, priorities have been re-evaluated and updated. Within this scope, questionnaires for internal and external stakeholders have been updated.

Sustainability priorities are classified into three groups using statistical methods: “Primary Priority Issues”, “Secondary Priority Issues” and “Tertiary Priority Issues”.

Kibar Group Sustainability Workshop

During “Kibar Group Sustainability Workshop,” which was held in 2020, sustainability activities, practices, and operations of the Group, its current/future contribution to the Sustainable Development Goals, sustainability priorities, objectives/goals, and strategy were discussed in depth. In addition, sustainability activities undertaken by the business world on a global scale, how sustainability could shape the future as well as various risks, threats, and opportunities were also evaluated during the workshop.

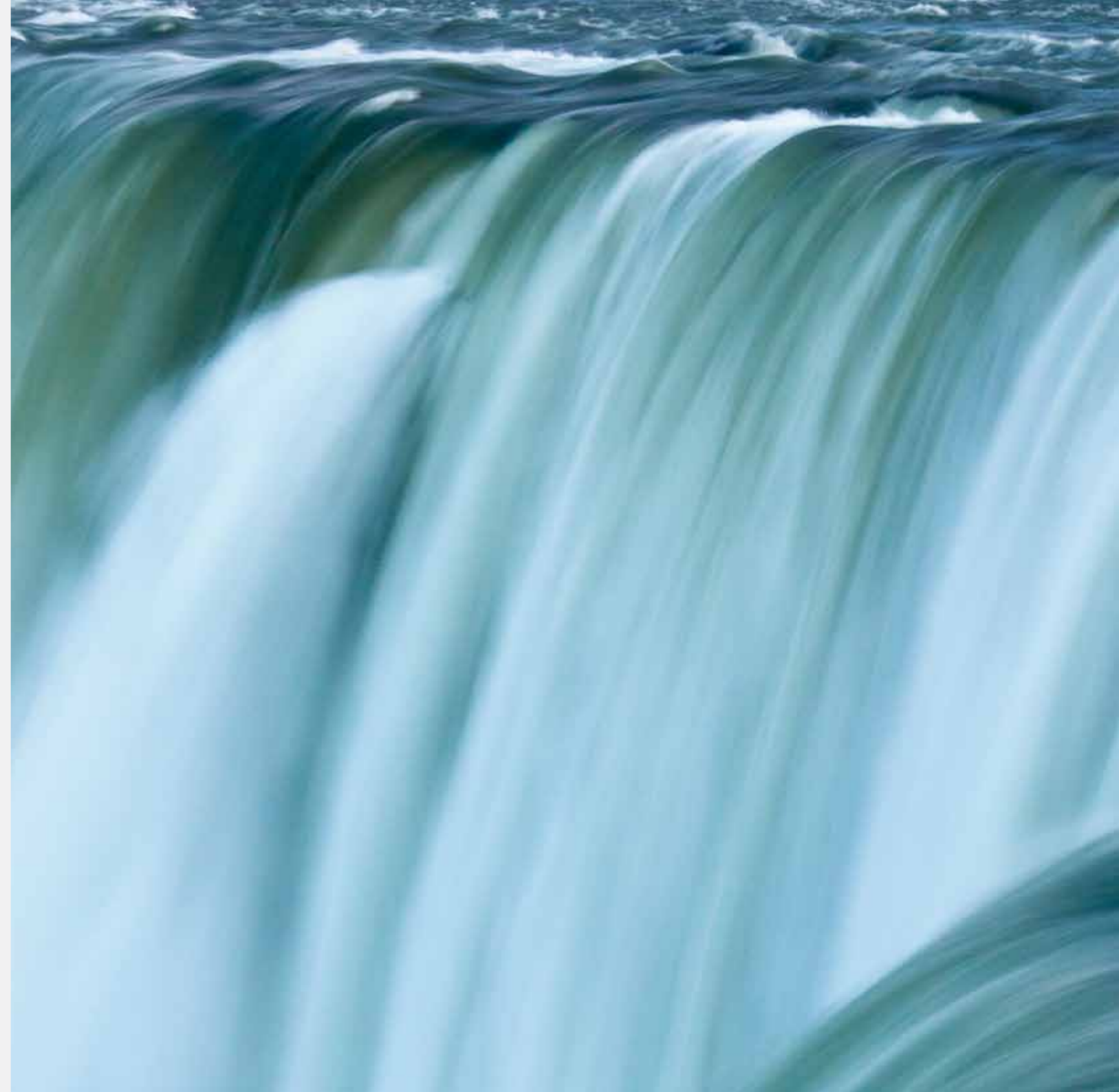
Agenda items discussed during the 2-day workshop held with the participation of the Sustainability Committee and Working Group as well as 15 spokespersons and over 200 employees of Kibar Holding and Group companies include employee engagement and satisfaction, equal opportunities, talent management, work environment, occupational health & safety, product safety, quality and customer satisfaction, supply chain management, risk management, information security, digitalization, innovation and R&D, climate action, low-carbon circular economy, internal audit and control, business ethics, anti-corruption practices and social benefits.



- | | |
|--|--|
| 1. Customer Satisfaction | 17. Use of Renewable Energy Sources (RES) |
| 2. Occupational Health & Safety | 18. Disaster and Emergency Preparedness |
| 3. Product Quality and Safety | 19. Green Products |
| 4. Business Ethics (Code of Conduct) | 20. Product and Process Certification |
| 5. Efficient Use of Resources | 21. Circular Economy |
| 6. R&D, Innovation and Digitalization | 22. Access to Sustainability Financing Instruments |
| 7. Business Continuity | 23. Corporate Governance Practices |
| 8. Consumer Health and Safety | 24. Gender Equality and Equal Opportunities |
| 9. Energy Efficiency | 25. Social Responsibility |
| 10. Working Conditions | 26. Greenhouse Gases (GHG) Reduction |
| 11. Employee Development and Satisfaction | 27. Soil Pollution |
| 12. Data Security | 28. Green IT and Electronic Waste Management |
| 13. Water Efficiency | 29. Green Building Applications and Certification |
| 14. Employee Development and Talent Management | |
| 15. Waste Management | |
| 16. Supply Chain Management | |

The Top Management and the Sustainability Committee has determined Kibar Group’s sustainability priorities by taking into consideration the opinions of stakeholders and employees obtained through various channels in line with the questionnaire results, sustainability meetings and workshop results as well as corporate values and policies. Priorities have been determined with an integrated approach in compliance with the United Nations Global Compact (UNGC) and Global Reporting Initiative (GRI) standards.

- Business Continuity, Corporate Sustainability Management, Occupational Health and Safety, Employee Participation and Satisfaction, Employee Development and Talent Management, Gender and Equal Opportunity, Business Ethics, Customer Satisfaction, R&D Innovation-Digitalization, Circular Economy, Combating Climate Change, Sustainable Procurement Chain and Social Responsibility.



SUSTAINABILITY APPROACH

Having adopted a human-oriented governance approach since its foundation, Kibar Group envisions that its sustainability approach is primarily based on a steady economic growth model taking into account social and environmental aspects, considering sustainability as a business model rather than a compliance obligation and incorporating sustainability into corporate culture, the United Nations Sustainable Development Goals, the UN Global Compact principles, development of sustainability policies and strategies, institutionalization of sustainability activities, incorporating sustainability into all operations and procedures to the greatest extent possible as well as encouraging all stakeholders on sustainability.

“Kibar Group’s Sustainability Principles”, which are determined in reference to the Global Compact’s Sustainable Development Goals and constitutes a basis for Kibar Group’s sustainability strategy, represent the Group’s sustainable growth by taking into account economic, social, and environmental aspects. These principles are defined as “WE GROW with sustainability principles”, “WE EMPOWER people”, “WE INNOVATE for the future”, “WE CARE for next generations”, “WE ENCOURAGE our stakeholders,” and “WE SHARE for the communities”.



WE GROW

with sustainability principles

We continue to grow steadily, add value to the economy and create employment within the framework of sustainability principles through innovative investments.



WE EMPOWER

people

We work like a family united and taking power from each other. We share the future, success and life.



WE INNOVATE

for the future

We consider product quality and customer satisfaction at the highest level, and we see technological development and innovation as the cornerstone of sustainable growth.



WE CARE

for next generations

With the awareness that natural resources are not infinite and unlimited, we act with future generations in mind.



WE ENCOURAGE

our stakeholders

We expect our stakeholders to adopt Sustainable Development Goals.



WE SHARE

for the communities

We continue to serve the society with our social responsibility approach.



KIBAR GROUP'S SUSTAINABILITY STRATEGY 2025

In Kibar Group, corporate sustainability is considered as a governance paradigm. Sustainable governance approach involves combining economic, environmental, and social factors into corporate governance principles for consideration and efficient management of such factors together with the principles in all practices, activities, and decision-making mechanisms. Ensuring full integration of sustainability into corporate governance requires for the development of the sustainability strategy.

Within this scope, "Kibar Group's Sustainability Strategy 2025" was published in 2019 based on the principles, objectives, and goals of the United Nations Global Compact as well as the Global Reporting Initiative (GRI) standards. The 2025 Strategy was created based on "Kibar Group Sustainability Principles" and shaped by "Kibar Group Sustainability Priorities".

As a result of the analyses carried out to determine the contribution made or to be made by Kibar Group to "169 Targets" of the United Nations planned to be achieved by 2030, "40 Targets" have been identified. These targets include tangible objectives such as achieving economic growth within the framework of

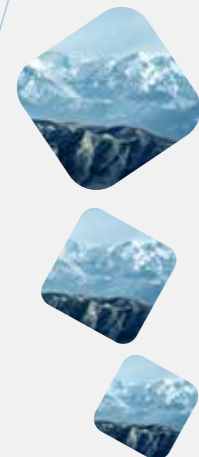
sustainability principles, increasing the number of women employees and the rate of women at management levels., increasing occupational development and engagement, completing digital transformation in all group companies, maintaining the quality of products and services at the highest standards, creating sustainable food production systems, deployment of clean and green technologies and processes, ensuring sustainable management and efficient use of natural resources, increasing engagement in climate action efforts, increasing recycling and reuse, developing global partnerships, ensuring that stakeholders adopt the principles and goals of sustainable development, and enhancing the efforts intended for social responsibility projects.

"99 Performance Indicators" have been defined for monitoring "2025 Targets" determined by efforts with high level of participation, successful performance, and transparent reporting of the outcomes. The sustainability performance of the Group is documented on a yearly basis within the framework of these indicators; the 2020 achievements are shown on the right and below.



RELEVANT SUSTAINABLE DEVELOPMENT GOALS	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2020 PROGRESS*
	Business Continuity	Target B1. Maintaining economic growth.	B1.1. Sales revenues	B1.1. Sales revenues have increased by 122% compared to the baseline year of 2016.
			B1.2. Number of companies in ISO 500 list	B1.2. 4 companies are included in ISO 500 list
			B1.3. Most export companies ranking in Turkey	B1.3. Ranked in the 5th place in the list of top exporters published by Turkish Exporters Assembly (TIM) and ranked 1st in the category of "Ferrous and Non-Ferrous Metals".
		Target B2. To realize new investments within the framework of sustainability principles.	B2.1. Full compliance of the United Nations Global Compact (UNGC) and Kibar Holding Sustainability Principles with investment and decisionmaking processes	B2.1. With investments in unloading/washing and transfer lines, Assan Foods have improved the product quality in production processes and ensured efficient use of water resources.
	Target B3. To increase resource efficiency for the sustainable development, to use clean and environmentally friendly technologies and processes.	B3.1. Number of clean and environmentally friendly new products / projects	B3.1. 11 new projects to contribute to climate action and circular economy have been implemented.	
		B3.2. Full compliance with the national environmental legislation	B3.2. Compliance to the national environmental legislation is ensured in all activities. International Environmental and Energy Management Systems are followed.	
		B3.3. Actions in line with EU regulations on low-carbon circular economy	B3.3. Production and manufacturing methods, business models, operation principles, investment decisions, and growth strategies are developed within the scope of A European Green Deal in compliance with the EU regulations to achieve the 2030 and 2050 targets.	
	Target B4. To be prepared for disasters and emergencies.	B4.1. Disaster and Emergency Action Plan	B4.1. Emergencies have been defined, emergency actions and applicable procedures have been determined.	
	Corporate Sustainability Management	Target B5. Adopting sustainability practices and reporting sustainability performance.	B5.1. "Sustainability Internal Communication Plan"	B5.1. Unlike previous years, communication activities have been developed by a strategy based on circular and target audience. For internal communications, "Kibar Group Sustainability Platform" initiative has been created. The Group's mobile app called Mobiliz was added to the communication channels.
			B5.2. B5.2. UNGC Progress Report in GRI Standards	B5.2. The UN Global Compact Progress Report was issued based on GRI standards.
B5.3. Inclusion of companies in at least one initiative based on sustainability practices			B5.3. Assan Alüminyum received a provisional Performance Standard Certificate for all plants from Aluminium Stewardship Initiative (ASI), which is the only global sustainability initiative in the aluminum industry. Assan Alüminyum is the first and currently the only company in Turkey to have received this certificate.	
B5.4. Inter-functional coordination to ensure that all stages of the sustainability strategy are implemented in harmony and integrity			B5.4. A two-day "Kibar Group Sustainability Workshop" was held with the participation of the Sustainability Committee, Sustainability Working Group, and employees and periodic meetings have been organized.	
B5.5. Establishing project-based sustainability working groups			B5.5. "WE Are Equal Working Group" was formed to raise awareness for gender equality.	

* The baseline year for setting the "2025 Targets" is 2016, which is the first year in which the performance indicators were declared in the first report issued in compliance with the GRI standards.



RELEVANT SUSTAINABLE DEVELOPMENT GOALS	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2020 PROGRESS*
	Occupational Health and Safety	Target G1. To continue to provide occupational health and safety at international standards at workplaces.	G1.1. Occupational health and safety training hours per person G1.2. Accident severity rate	G1.1. increased by 5% G1.2. Accident weight ratio is 0.185.
		Target G2. To prevent the effects of hazardous chemicals and wastes on employee health.	G2.1. Occupational disease rate	G2.1. Occupational disease rate is 0%
	Employee Engagement and Satisfaction	Target G3. To ensure inclusive and participatory decision-making at all levels.	G3.1. Participation rate in Employee Opinion Survey	G3.1. Employee Opinion Questionnaire is conducted every other year and the level of participation to the latest survey, which was conducted in 2019, was 94%.
			G3.2. Spreading the suggestion reward system to all companies	G3.2. "BİZPLUS", an online appreciation, recognition, and reward platform, was introduced. In 2020, Kibar Group employees submitted 4,562 suggestions on the suggestion system and 819 of these suggestions have been implemented.
			G3.3. Employee satisfaction/engagement survey score	G3.3. Employee satisfaction/engagement survey score has increased by 5% compared to the previous survey results.
			G3.4. Performance culture index	G3.4. Talent Focus Index, which evaluates training and development activities, performance management, talent retention, and compensation, began to be monitored.
	Employee Development and Talent Management	Target G4. To ensure that all employees have access to quality technical and vocational training.	G4.1. Participation rate for "Executive Development Program"	G4.1. The Executive Development Program was implemented during the period between 2019 and 2020, during which the participation rate for the program was 90%.
			G4.2. Specialist training hours per person within the scope of the "Specialist Development Program"	G4.2. 14 hours.
			G4.3. "Leadership Development Program" recommendation score	G4.3. In 2020, 'Leadership Development Program' was not organized. In 2019, the recommendation score of the program was measured as 9.1 out of a total score of 10.
			G4.4. Number of Development Ambassadors	G4.4. The number of Development Ambassadors is 37 in total, consisting of 23 internal instructors and 14 internal mentors.
			G5.1. Number of employees receiving technical and vocational training	G5.1. The number of employees receiving technical and vocational training has increased by 2.1 times.
			G5.2. The rate of employees receiving technical and vocational training by age groups	G5.2. Technical and vocational training opportunities are provided for all age groups at all times. Distribution of employees receiving training by age groups is as follows: 18-25 years: 5%, 26-35 years: 46%, 36-45 years: 38%, and 46+ years: 11%.
	Gender and Opportunity Equality	Target G6. To increase employment and employee trainings.	G6.1. Number of employees	G6.1. The number of employees has increased by 8.9%.
			G6.2. Number of students employed from K-Team Young Talent Internship Program	G6.2. The number of students employed from K-Team Young Talent Internship Program is 22.
			G6.3. Training hours for employee development	G6.3. A total of 45,514 hours of training activities have been organized as online classroom training and e-training
	Gender and Opportunity Equality	Target G7. To increase the full and effective participation of women in decision-making processes, to increase the ratio of senior female managers by 35% and the number of white-collar female employees by 28%.	G7.1. Number of senior female manager	G7.1. The number of women senior executives was increased by 24.9%.
			G7.2. The number of white-collar women employees	G7.2. The number of white-collar women employees was increased by 24.1%.
			G8.1. Number of women employees	G8.1. The number of women employees was increased by 8.5%.
			G8.2. Kibar Holding total reward policy	G8.2. Pursuant to wages policy, no discriminatory and unfair treatment is carried out due to personal traits and orientation such as language, religion, race, gender, etc.
	Gender and Opportunity Equality	Target G8. To ensure gender equality in employment and employee income, to increase the number of female employees by 14%.	G9.1. Ratio of women in white-collar recruitment	G9.1. The rate of white-collar women employees as new recruits is 34.5%.
			G9.2. Ranking in the top five among companies employing the highest number of disabled people	G9.2. For the years 2018 and 2019, Assan Hanil was the number one company to employ the highest number of individuals with disabilities. Since the information on company ranking for 2020 is not available, the achievement status could not be reported.
	Business Ethics	Target G9. To ensure equal opportunities increasing the rate of women in white-collar recruitment.	G10.1. Compliance audits for Kibar Holding Code of Ethics	G10.1. Ethics compliance audits are carried out.
			G10.2. Business ethics training	G10.2. Business ethics training is provided to all personnel following recruitment and consultancy training is provided to Code of Conduct Consultants in Kibar Group Companies.
			G10.3. Reporting of notifications received on the ethical line and their results	G10.3. Notifications and results related to ethical concerns are reported to the Chairman of the Executive Board.
			G10.4. Establishing early warning mechanisms with technology support	G10.4. Misconduct risks are investigated within the scope of audit activities.
			G10.5. Obtaining a statement from all employees regarding whether they are in a situation that will cause conflict of interest	G10.5. Circumstances which could cause a conflict of interest are investigated within the scope of audit activities and online ethics trainings will be commenced in 2021 for Assan Alüminyum and in 2022 for the other companies.
			G10.6. Communication of the Code of Ethics Guidebook to all employees	G10.6. The Code of Conduct Guidebook is provided to all employees following recruitment.
			G10.7. Awareness activities for Code of Ethics	G10.7. The project titled "Do You Think it is Ethical?" continues. The Code of Conduct and the list of Code of Conduct Consultants as well as their contact details are published on the Company's Intranet.
			G10.8. A review system to ensure that the Code of Ethics is updated based on requirements and new developments.	G10.8. The Code of Conduct Guidebook is updated.
			G11.1. Sustainability Performance Progress Report	G11.1. Sustainability progress report, which contains detailed information on the sustainability performance of Kibar Group, was published.
			Target G10. Maintaining accountability and transparency at all levels.	
			Target G11. Ensuring public access to information and protecting fundamental freedoms.	

*Institutional memberships and entrepreneurship we support in the field of sustainability have been reported in the basis of the years of 2020 and 2021 where the relevant efforts were launched and completed.



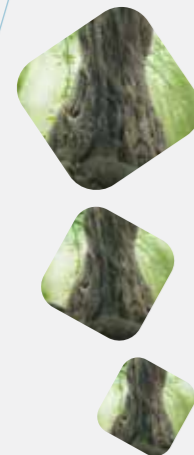
RELEVANT SUSTAINABLE DEVELOPMENT GOALS	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2020 PROGRESS*
	Customer Satisfaction	Target Y1. Leadership in product and service quality.	Y1.1. Management standards, quality and security systems subject to follow-up Y1.2. Product and process certification Y1.3. Customer satisfaction surveys Y1.4. Rate of response to customer requests	Y1.1. Assan Alüminyum has adopted Aluminium Stewardship Initiative (ASI) standard and Assan Foods has adopted ISO-IEC27001 Information Security Management System standard. Y1.2. Assan Alüminyum is awarded with Zero Waste certificate, European Foundation for Quality Management (EFQM) Excellence Model while Assan Alüminyum, Assan Foods, Assan Panel, and İspak have received TSE COVID-19 Safe Production Certificate; İspak, Kosher Food Certificate of Compliance, and Halal Food Product Safety Certification. Y1.3. Customer satisfaction surveys are carried out in all companies on a regular basis and activities for “0” customer complaint are carried on. Y1.4. Customer requests are addressed by dedicated teams working full-time. Feedbacks are provided as soon as possible based on the type of requests.
	R&D, Innovation and Digitalization	Target Y2. Creating sustainable food production systems. To implement agricultural practices that increase production, help protect ecosystems and improve soil quality.	Y2.1. “Smart Agriculture” practices	Y2.1. The scope of Smart Agriculture practice, in which all plant development processes from plantation to harvesting are analyzed, has been extended. Within the scope of this practice, which aims for management of soil and products, more efficient use of resources, and minimizing the negative impacts on the environment, various projects on digitalization and productivity have been implemented and traceability processes have been improved.
Target Y3. To increase added value/economic growth through technological developments, improvements and innovation.		Y3.1. High technology investments	Y3.1. Development of Continuous Casting Technique and High Conductivity Aluminum Sheet Development projects in Assan Alüminyum; Composite Battery Supporting Component and Weight Reduction projects, manufacturing cockpit supporting component with MuCell technology in Assan Hani; investment in new chemical laboratory as well as product development and diversification in Assan Panel have contributed to increasing productivity and reduction of carbon emissions.	
Target Y4. To increase resource efficiency for sustainable development, to apply clean and environmentally friendly technologies and processes.		Y4.1. Innovative improvement investments contributing to circular economy	Y4.1. Recycling Plant Dust Collection Filter Installation, Induction Facility Dust Collection Filter Installation, Development of Recyclable New Alloy, and Wastewater Recovery projects in Assan Alüminyum; investments in unloading/washing and transfer lines in Assan Foods; the project on Reusing Industrial Textile Wastes as Filling Material in Assan Hani; projects on reusing byproducts created during polycarbonate production as an input material, and use of polyurethane byproducts as styrofoam in Assan Panel; and Waste Recycling projects in İspak have also contributed to efficient use of resources and reduction of carbon footprint.	
Target Y5. To increase R&D studies.		Y5.1. R&D Laboratory/Center	Y5.1. All companies have an R&D Laboratory/Center.	
		Y5.2. Collaborations in R&D activities	Y5.2. Collaborations with 4 different universities for R&D activities are maintained.	
		Y5.3. Promoting R&D activities	Y5.3. The 4th “Asim Kibar Mavi Damla Awards” program has been organized.	
		Y5.4. R&D budget	Y5.4. R&D budget is over 60,000,000 TRY.	
		Y5.5. Number of patent applications	Y5.5. The number of patent applications is 4.	
		Y5.6. Number of patents secured	Y5.6. The number of patents secured is 2.	
		Y5.7. Number of utility models	Y5.7. No application is submitted.	
		Y5.8. Number of R&D employees	Y5.8. The number of R&D employees has increased by 35%.	
Target Y6. To complete the infrastructure works and digitalization processes within the scope of the “Digital Transformation Road Map”.		Y6.1. Compliance to the digital transformation roadmap	Y6.1. Activities planned for 2020 have been completed based on the digitalization roadmap, which updated on a yearly basis following review in line with technological developments and business processes. Digital Maturity activity has been performed in Assan Alüminyum. The projects required to be prioritized have been determined following this activity.	
		Y6.2. Corporate data architecture	Y6.2. Corporate data architecture project has been completed.	
	Y6.3. Analytical and Artificial Intelligence Studies	Y6.3. As an output of the Corporate Data Architecture project, a roadmap was created for analytics and artificial intelligence (AI) activities. Analytics organization was designated, and the relevant budget was added. Data Architecture and Advanced Analytics management function was created, and Data Architecture employment was ensured.		
	Y6.4. Robotic process automation (RPA)	Y6.4. In 2021, 25 processes were planned to be deployed and necessary activities were carried out.		
	Y6.5. Industry 4.0	Y6.5. Infrastructure operations for projects on digitalization of the production area, incremental production, digital twin, and IoT technologies continue. The scope of MES (Manufacturing Execution System) practice continues to be extended in Assan Alüminyum. In 2021, pilot application and extending the scope of MES practices will also be carried out in Assan Foods, Assan Panel, and İspak.		
Target Y7. To provide all kinds of transactions and data security in the field of Information Technologies.	Y7.1. Quality and uninterrupted service	Y7.1. There was no unplanned interruption in business to have an impact on production or provision of services. Servers and data storages running critical services of Kibar Holding have been migrated to a hyper-integrated infrastructure to ensure improvement in performance, management, and fully redundant data backup in particular. Service Hierarchy structure has been adopted and all IT components have been associated with an end-to-end hierarchical discipline. This structure features automation capabilities with APIs and RPA, which has allowed for deployment of Virtual Network Operation Center. With the deployment of this structure, services began to be managed proactively and system downtime has been minimized. With SD-WAN structure, which began to be deployed and planned to be extended to all premises, load optimization and redundancy of the lines are ensured.		
	Y7.2. Cybersecurity infrastructure	Y7.2. Collaboration has been initiated for a Security Operations Center (SOC) service provider agreement, in which all Cybersecurity Components are monitored 24/7, detection capabilities are increased by Cyber Threat Intelligence Model, and Cybersecurity maturity level is enhanced by new projects. Data Loss Prevention (DLP) and Data Classification projects have been developed to prevent data leakage on intellectual assets.		
	Y7.3. Standards subject to follow-up	Y7.3. ISO-IEC27001 Information Security Management System is followed.		
	Y7.4. Machine learning-assisted threat hunting and intelligence solutions	Y7.4. With RPA processes defined in SIEM and Service Hierarchy, a cybersecurity model in which Privilege Escalation, Port Scans, and threshold values of IT resources are monitored on a 24/7 basis.		

The baseline year for setting the “2025 Targets” is 2016, which is the first year in which the performance indicators were declared in the first report issued in compliance with the GRI standards. SUSTAINABILITY IN KIBAR GROUP



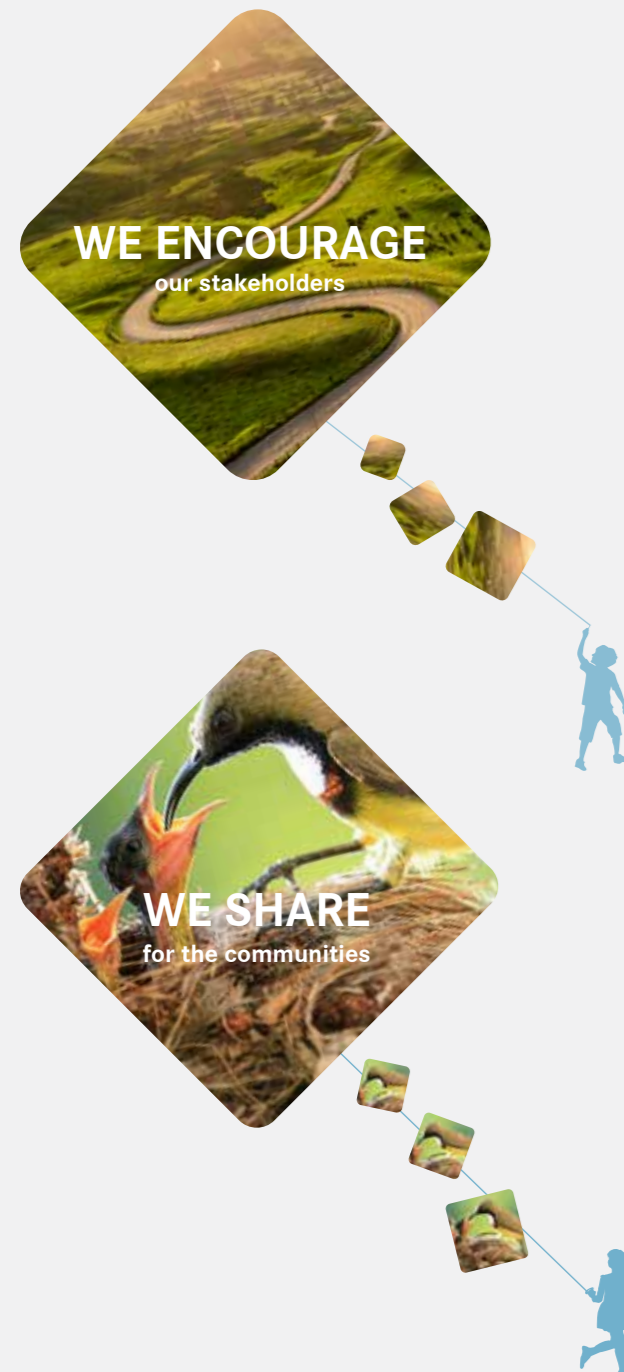


WE CARE
for next generations



RELEVANT SUSTAINABLE DEVELOPMENT GOALS	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2020 PROGRESS*
 	Circular Economy	Target O1. To ensure the sustainable management and efficient use of natural resources.	O1.1. Sustainability Management	O1.1. Sustainability Management consisting of the Sustainability Committee and the Sustainability Working Group constitutes the key element of corporate governance and carries on its activities. Sustainability Management actively participated in Kibar Group Sustainability Workshop. 9 primary meetings and over 30 subject-based meetings were organized with the representatives from the Committee and the Working Group.
		Target O2. To reduce food losses in the production and supply chain.	O1.2. Energy and Environmental Management Systems and compliance with the relevant legislation	O1.2. Within the scope of reporting requirements, 4 companies have ISO14001 Environmental Management System certificates and 1 company has ISO50001 Energy Management System certificate. All companies act in compliance with the applicable legislation.
		Target O3. To minimize the negative effects of wastes on the environment / To reduce waste generation through reduction, recycling and reuse.	O1.3. Measurable targets for sustainability performance	O1.3. In "Kibar Group Sustainability Strategy of 2025," issued in compliance with the UNGC and the GRI standards, the "2025 Targets" were defined and achievements are reported in a transparent manner every year.
		Target O4. To reduce water intensity by 15% on production basis, especially in water-intensive companies.	O2.1. Sustainable production program	O2.1. Assan Foods produces tomatoes used as raw materials by smart agriculture within the framework of Good Agricultural Practices defined by the Food and Agriculture Organization (FAO) of the United Nations.
		Target O5. To increase the amount of recycled and reused water by 35%.	O3.1. Recycled/recovered raw materials quantity	O3.1. The quantity of recycled/recovered raw materials used as input increased by 40.7%.
		Target O6. To reduce energy intensity by 5% on production basis, especially in energy-intensive companies.	O3.2. Amount of reclaimed products and packaging materials sold	O3.2. Measurement in a company could not be performed due to legislative change and therefore, cumulative value could not be calculated, and achievement could not be documented.
		Target O7. To increase the ratio of electricity generation from renewable energy sources to consumption.	O3.3. The quantity of recycled waste	O3.3. The quantity of recycled waste has increase by 41.2%.
	Combating Climate Change	Target O8. Increase the resilience and adaptation to climate-related hazards and natural disasters.	O3.4. Recycling/recovery rate of waste generated	O3.4. Recycling/recovery rate is 96.6%.
		Target O9. To increase the studies for sustainable development and to reduce the negative effects of climate change and to carry out information /awareness raising activities	O3.5. The quantity of plastic reduction	O3.5. Within the scope of the Business World Plastic Initiative protocol signed, activities to create a plastic inventory are carried on.
		Target O10. To develop global collaborations for sustainable development.	O4.1. Water intensity based on production amount	O4.1. Since Kibar Group product portfolio is highly diverse, cumulative water density was calculated based on turnover. Intensive water use was reduced by 58.5% (In Assan Foods, which is among the companies with high water consumption, the intensive water use based on production volume was reduced by as much as 35%.)
		Target O11. To support and encourage public, private sector and NGO partnerships to achieve the targets.	O5.1. The quantity of water reused after recycling	O5.1. Recycled and reused water amount was increased by 61.7%.
		O5.2. Ratio of water reused after recycling to total water consumption	O5.2. The rate of recycled and reused water is 80%.	
		O6.1 Energy intensity on production basis	O6.1. Since Kibar Group product portfolio is highly diverse, cumulative energy density was calculated based on turnover. Energy density was reduced by 52.6%.	
		O7.1. The amount of renewable energy production	O7.1. The rate of electricity generated from renewable energy sources to meet the total electricity consumption is 60%.	
		O8.1. Annual Risk Assessment Activities	O8.1. The Climate Change Risk Assessment report first published in 2017 is revised on a yearly basis.	
		O8.2. Scope 1, Scope 2, and Scope 3 greenhouse gas emissions weights	O8.2. Within the scope of Paris Agreement and A European Green Deal, actions for zero emission target are carried on.	
		O9.1. Internal communication plan for employee awareness/briefing activities	O9.1. Through Kibar Group's Sustainability Platform, employee awareness/briefing activities on sustainability, including climate action, are carried out.	
		O9.2. Measurement of employee awareness levels	O9.2. Surveys are conducted on a yearly basis to measure employee awareness levels using questionnaires. Measurements are based on feedback mechanisms created in various channels such as the Sustainability Platform, workshops, events, and meetings.	
		O9.3. External stakeholder communication	O9.3. The Group's activities and strategy on sustainability are published in detail on its website. In order to raise awareness, Sustainability Kits are prepared and delivered to stakeholders on a yearly basis. Climate action and circular economy topics are given wide coverage in press bulletins and news, social media channels, and organizations/events organized.	
		O10.1. Corporate memberships	O10.1. Partnerships and collaborations have been established with 6 institutions carrying on activities on sustainability in national and international platforms.	
		O11.1. Corporate memberships	O11.1. TUSIAD Climate Change Group; Business World Plastic Initiative founded by UNGC-TR, TUSIAD, and SKD; Women's Empowerment Principles (WEPs) platform by partnership between UN Global Compact and UN Women; UN Global Compact Target Gender Equality; UNGC-TR Sustainable Finance Working Group, Young SDG Innovators, Gender Equality Working Group, Diversity and Inclusivity Working Group; SKD Sustainable Finance and Risk Management Working Group, Transition to Low-Carbon Economy and Efficiency Working Group, Women Employment and Equal Opportunities Working Group, Sustainable Industry and Circular Economy Working Group, Sustainable Agriculture and Access to Food Working Group.	

* The baseline year for setting the "2025 Targets" is 2016, which is the first year in which the performance indicators were declared in the first report issued in compliance with the GRI standards.



RELEVANT SUSTAINABLE DEVELOPMENT GOALS	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2020 PROGRESS*
	Sustainable Supply Chain	Target T1. To ensure that suppliers and stakeholders adopt UNGC principles and objectives	T1.1. Purchasing Code of Ethic	T1.1. All suppliers/vendors are required to implement and comply with Purchasing Code of Conduct. Within the scope of policies and guidelines on Code of Business Conduct Principles, Anti-Corruption and Anti-Bribery, Forced Labor, Child Labor, Harassment, Wages, Working Hours, Non-Discrimination, Local Communities, Occupational Health & Safety, Environment, Biodiversity, Integrity, Quality and Continuous Development, and Information Security, rules and principles required to be followed by all suppliers/vendors are defined in detail.
			T1.2. Kibar Group Framework Agreement	T1.2. A Framework Agreement is signed with vendors/suppliers prior to working to ensure that such vendors/suppliers adopt critical sustainability priorities.
			T1.3. Supplier training hours	T1.3. Efforts have been made to double supplier/vendor training hours.
		Target T2. To define a standard regarding the reduction of environmentally harmful effects to be applied in all suppliers audits.	T2.1. Certifications of suppliers for compliance with environmental legislation and standards	T2.1. In supplier/vendor audits, ISO14001 Environmental Management System certificate is inquired.
	Social Responsibility	Target P1. To contribute to the increase in income of small-scale food producers by providing systematic training on good agricultural practices.	P1.1. Number of farmers provided with training opportunities	P1.1. The number of farmers who are provided with training opportunities is 142. In addition, 264 contracted farmers are continuously provided with necessary information within the scope of Smart Agricultural Practices.
			P1.2. Training hours	P1.2. 33 hours other than continuous information sharing opportunities.
		Target P2. To increase participation of employees in social responsibility activities.	P2.1. Number of Kibar Volunteers	P2.1. 542 Kibar Volunteers
		Target P3. To reach 10,000 disadvantaged children in the scope of social responsibility projects.	P3.1. The number of children reached	P3.1. 4,000 children have been reached out.
		Target P4. To organize trainings for children of primary school age regarding global warming, climate change, environment and children's rights within the scope of social responsibility projects.	P4.1. The number of student participated	P4.1. Activities have been discontinued for the time being as a result of interrupted training opportunities due to the COVID-19 pandemic measures taken in our country.
			P4.2. Training hours scheduled	P4.2. Activities have been discontinued for the time being as a result of interrupted training opportunities due to the COVID-19 pandemic measures taken in our country.

* The baseline year for setting the "2025 Targets" is 2016, which is the first year in which the performance indicators were declared in the first report issued in compliance with the GRI standards.

SUPPORTED SUSTAINABILITY INITIATIVES

The United Nations Global Compact (UNGC)

The United Nations Global Compact platform is the world's greatest corporate sustainability initiative signed by nearly 12,000 organizations from more than 150 countries. Member organizations of the platform have made commitments to follow 10 principles in a total of 4 areas as "Human Rights," "Working Conditions," "Environment," and "Fighting against Corruption." Kibar Holding signed the UN Global Compact in 2013 and submits a progress report on a yearly basis.



United Nations Sustainable Development Goals

In the United Nations Sustainable Development Summit of 2015, the 2030 Agenda was adopted for Sustainable Development as continued efforts of the Millennium Development Goals (MDGS). Within the context of this Agenda, 17 Sustainable Development Goals and 169 Targets have been defined in a wide range of topics, including from efforts against poverty and hunger, access to quality education and health services, gender equality, establishing peace and justice to R&D and innovation, sustainable growth, climate action, and low-carbon circular economy. In a positive manner, Kibar Group significantly contributes to 13 Sustainable Development Goals and 40 Targets.



WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office



United Nations Women's Empowerment Principles (WEPs)

Women's Empowerment Principles (WEPs) platform is one of the key global private sector initiatives, aiming for empowering women to actively participate in all industries and economic life at all levels. By signing the Women's Empowerment Principles, the organizations have made commitments to follow 7 core principles to designate corporate policies to make progress in the efforts towards gender equality. Having signed the Women's Empowerment Principles, Kibar Group has positioned the "Gender Equality and Equal Opportunities" among the priorities of its "2025 Sustainability Strategy." The targets aiming for ensuring women's full and active participation in business life and decision-making processes (i.e., Targets G7-G8-G9) are monitored by 6 performance indicators and reported to all stakeholders in a transparent manner.

UNGC Target Gender Equality Program

The "Target Gender Equality" Program, globally initiated by the UNGC, aims to mobilize the business world by setting ambitious and realistic corporate goals to achieve the targets of women's full and active participation in all decision-making mechanisms at all levels and creating equal opportunities. Organizations participating in this program have the opportunity to facilitate the adoption of the Women's Empowerment Principles. As a member of Target Gender Equality program, Kibar Holding continues to quickly adopt and implement practices to promote employment of women and empower women.

TUSIAD

TUSIAD Environment and Climate Change Working Group

Environment and Climate Change Working Group continues to work on prioritized subjects such as climate action, sustainable financing, waste management, energy and resource efficiency. It supports the activities carried out within TUSIAD as well as other national and international activities on low-carbon sustainable development and action against climate change. By participating in this working group, Kibar Holding contributes to these efforts.



UNGC Turkey Working Groups

Kibar Holding and Group companies participate in Executive Board and Sustainable Finance Working Group, Young SDG Innovators, Gender Equality Working Group, and Diversity & Inclusivity Working Group of the Global Compact Turkey, which is the local network in Turkey of the Global Compact, the world's greatest corporate sustainability initiative.

Sustainable Development Foundation Working Groups

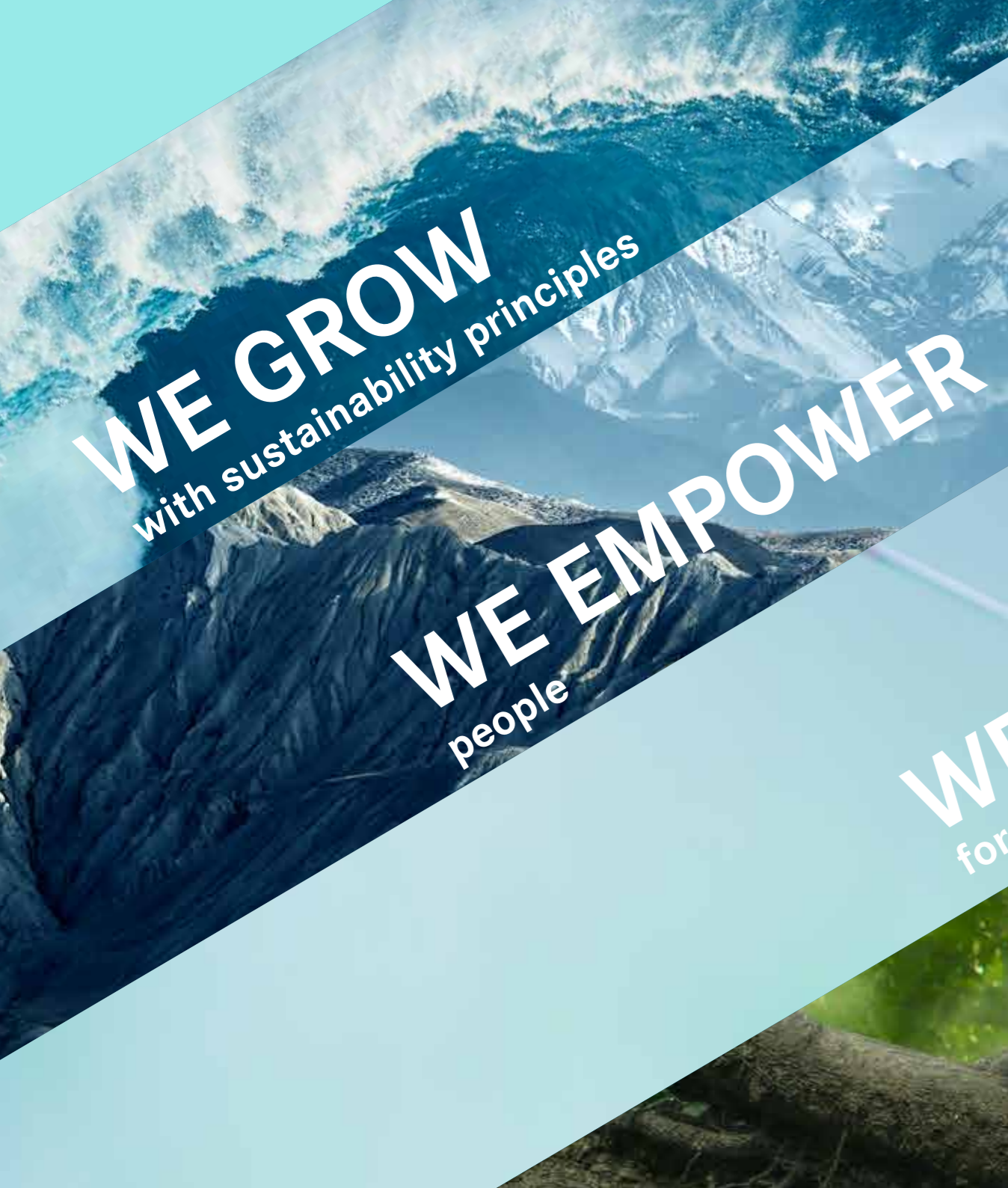
Kibar Holding and Group companies are the members of Executive Board of Sustainable Development Foundation Turkey, the regional network and business partner in Turkey of the World Business Council of Sustainable Development (WBCSD) and serve as the Co-Chairman of the Sustainable Industry and Circular Economy Working Group. In addition, Kibar Holding and Group companies also participate in the working groups of Sustainable Finance and Risk Management, Transition to Low-Carbon Economy and Efficiency, Women's Employment and Equal Opportunities, Sustainable Agriculture, and Access to Food.



İş Dünyası Plastik Girişimi

In order to take action against plastic pollution, Kibar Holding signed the protocol of the İş Dünyası Plastik Girişimi, founded by the Global Compact Turkey, Turkish Industry and Business Association, and Sustainable Development Foundation, on November 20th, 2019 and has undertaken to define the commitments for reduction of plastic use and make public declaration by 2021.





WE GROW
with sustainability principles

WE EMPOWER
people

WE INNOVATE
for next generations



WE CARE
about future generations

WE ENCOURAGE
our stakeholders

WE SHARE
for the communities



WE GROW

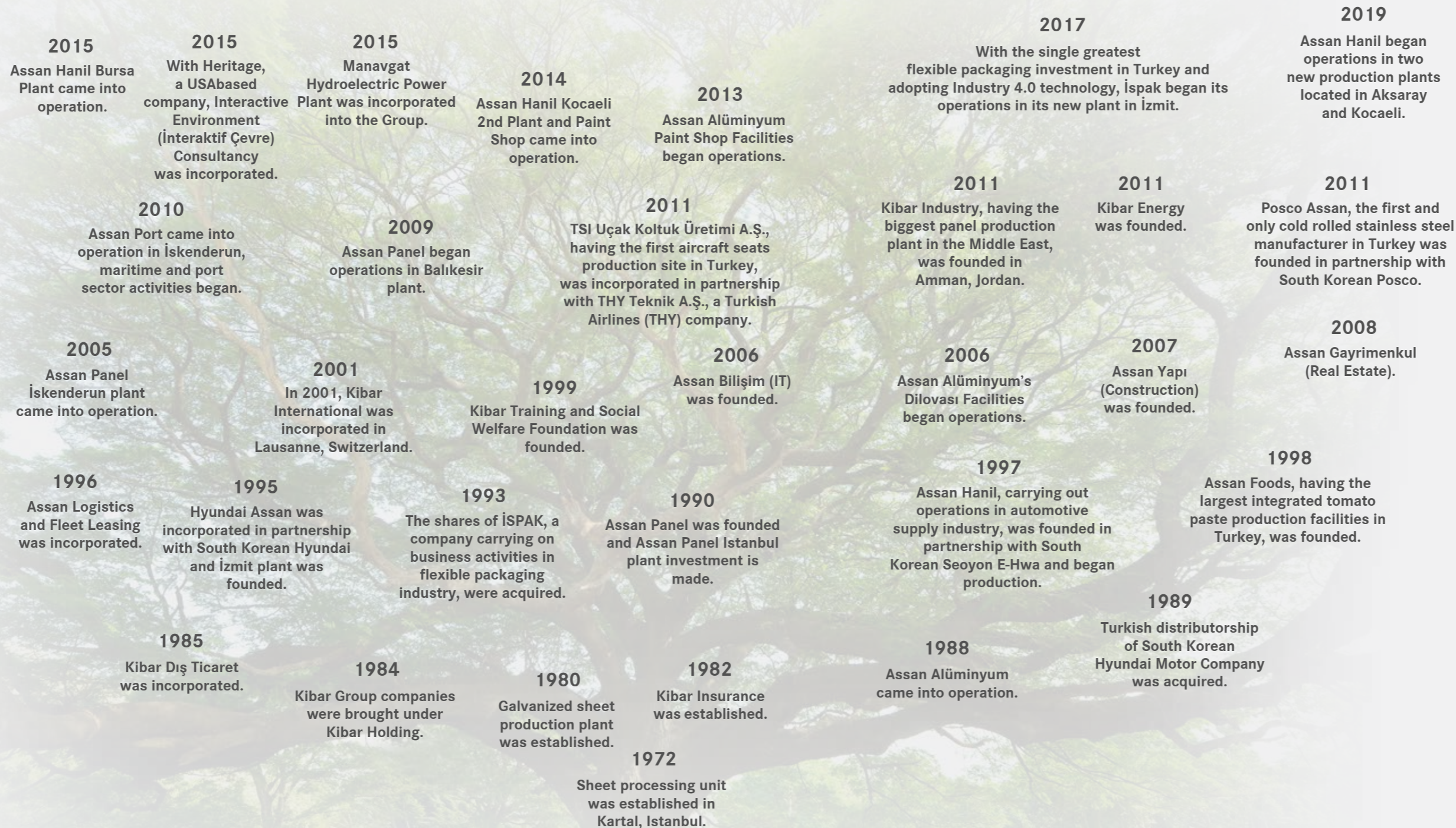
with sustainability principles



We continue to grow steadily, add value to the economy and create employment within the framework of sustainability principles through innovative investments.

WE GROW with sustainability principles

Kibar Group makes significant contributions to the Turkish economy with its industrial facilities providing high production capacity, employment, export volume and social investments.



KİBAR GROUP INVESTMENTS

Having initiated production activities by commissioning a sheet processing unit in Kartal in 1972, Kibar Group today carries on business operations in metal, automotive, packaging, building materials, food, energy, and service industries with more than 20 Group companies and is ranked among the leading group of companies in Turkey.

With its reputation, brand image, strong partnerships as well as extensive knowledge and decades of experience about Turkish markets, the Group has become a prominent force contributing to the development of Turkish economy. Among others, Kibar Group's international business partnerships include Hyundai, THY, Posco, TIL, Seoyon E-Hwa, and Heritage, leading global brands in their industries.

With its various companies carrying out business activities in different sectors, Kibar Holding is individually listed in Turkey's Top 500 Industrial Enterprises list published every year.

Since its foundation, Kibar Group has continued its investments, made a steady growth, and significant contributions to the national economy and social welfare. In addition, it acts with awareness of its ecological, economic, and social responsibilities.

Investment in Quality by Assan Foods

With investments made during 2020, Assan Foods has ensured improvements in dealership, customer, and order systems. Investments on "Fresh Tomatoes Unloading/Washing and Transfer Lines" were made in tomato paste production process with an aim to improve product quality and efficient use of water resources.

Assan Trading Jordan

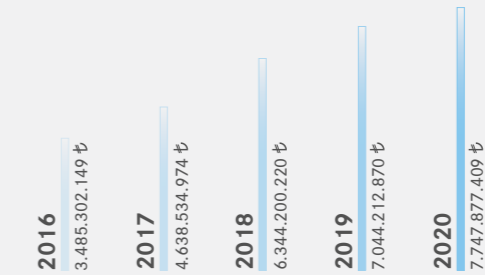
By commissioning Assan Trading in Jordan in 2020, Assan Panel began commercial sales.



ECONOMIC VALUE

Sales revenues of Kibar Group companies subject to reporting have increased by 2.2 times during the last 5 years and by 10% in 2020 as compared to the previous year.

Economic Value Generated



Sales revenues of Kibar Group companies subject to reporting have INCREASED BY

2.2 times
during the last 5 years

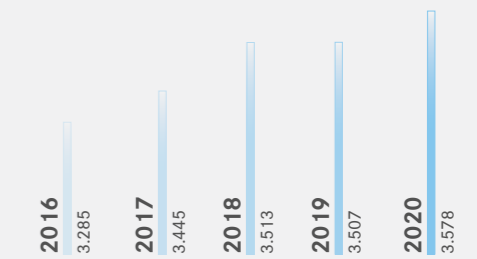
Sales revenues of Kibar Group companies subject to reporting have INCREASED BY

%10
in 2020 as compared to the previous year

HUMAN RESOURCE

The number of employees in Kibar Group companies within the scope of the reporting has increased by 8.9% in the last five years.

Human Resource



The number of employees of Kibar Group companies subject to reporting has INCREASED BY

%8.9
during the last 5 years

EXPORTS

With exports to over 100 countries, Kibar Group is one of the biggest exporters in Turkey. In 2020, the exports reached \$1.96 billion.

Kibar Dış Ticaret (Foreign Trade) was in the 5th place in Turkey and the number one in “Ferrous and Non-Ferrous Metals” category with its export performance during 2020 in the “Top 1000 Exporters” list, which is published by Turkish Exporters Assembly every year.

Kibar Dış Ticaret received the championship (1st place) awards in “Flat Aluminum Products” and “Export Champions” categories in the 2020 Metallic Stars of Export Awards, organized by Istanbul Ferrous and Non-Ferrous Metals Exporters’ Association with its exports of Assan Alüminyum products.

In the Leaders of Steel Export award ceremony organized by the Steel Exporters’ Association, Kibar Dış Ticaret received the 3rd place award for Steel Frame Exports in 2019 and 2nd place award for Steel Frame Exports in 2020.

In the Leaders of Steel Export award ceremony organized by the Steel Exporters’ Association, Posco Assan received Stainless Steel Export champion (1st place) award in 2019 and 2020, and the 2nd place award for Large-Scale Highest Unit Price in 2019 and 2020.

In the 2020 Survey of Turkey’s Top 500 Industrial Enterprises published by Istanbul Chamber of Industry (ISO), Assan Alüminyum, the leader of flat aluminum industry in Turkey and among the Top 3 manufacturers in Europe, was in the 41st place while Posco Assan, having the first and only stainless-steel cold rolling facilities among the steel manufacturers in Turkey, ranked 88, Assan Hanil, carrying on activities as spare parts supplier in automotive industry, ranked 274, and Assan Foods, having the single highest volume of tomato processing capacity in Turkey ranked 490.





WE EMPOWER people



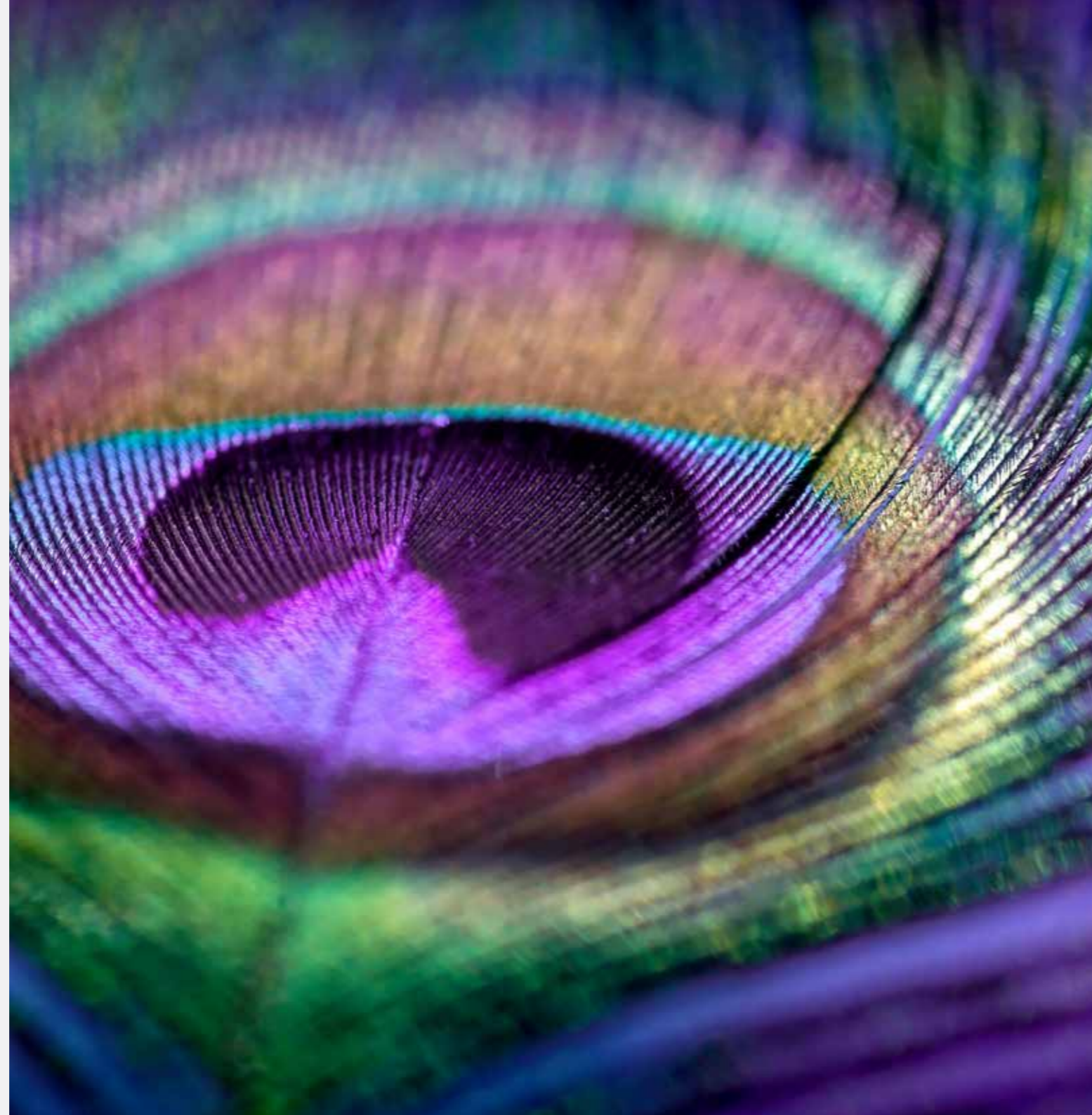
We work like a family united and
taking power from each other.
We share the future, success and life.

WE EMPOWER people

Kibar Group continues its journey of becoming "WE", which it started on the day it was founded, under the themes of "Future", "Success" and "Life". "WE" symbolizes the future, success and the power of sharing life. Kibar Group believes in the importance of creating a sharing-oriented work culture by acting together like a family. Employees at Kibar Holding and its affiliated companies are provided with a work environment based on trust, integrity, diligence, innovation and flexibility and that supports unity and a culture of working together.



STRONGER TOGETHER



DIVERSITY AND INCLUSION

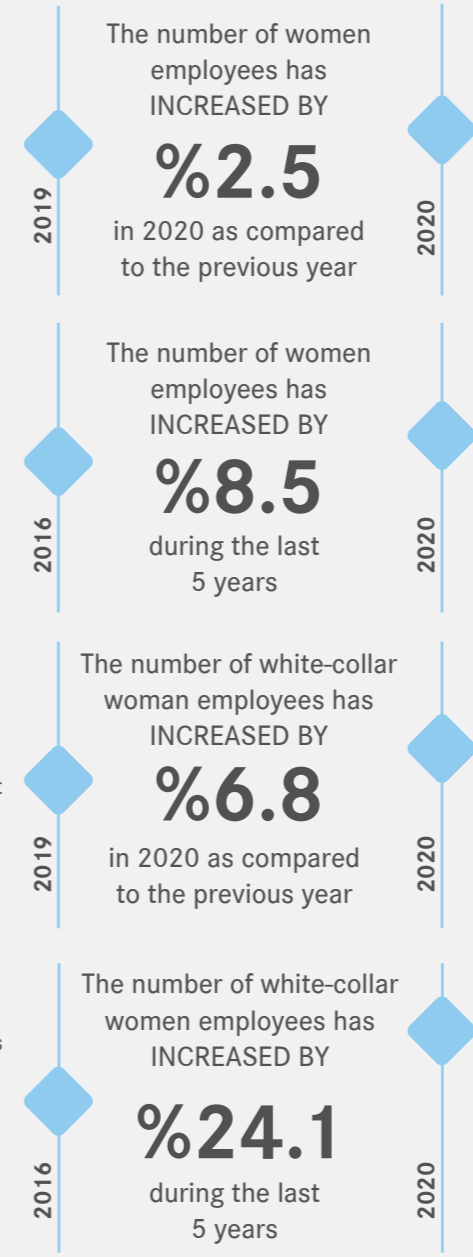
Kibar Group provides its employees with a workplace environment, respecting people, being fair, inclusive, promoting diversity, and placing importance on continuous development. In order to meet these requirements, Kibar Group is guided by international conventions, decisions, and standards such as International Labor Organization (ILO) Conventions and UN Universal Declaration of Human Rights in addition to applicable provisions of Turkish Labor Law as well as developing various systems to protect employees' rights.

Gender Equality

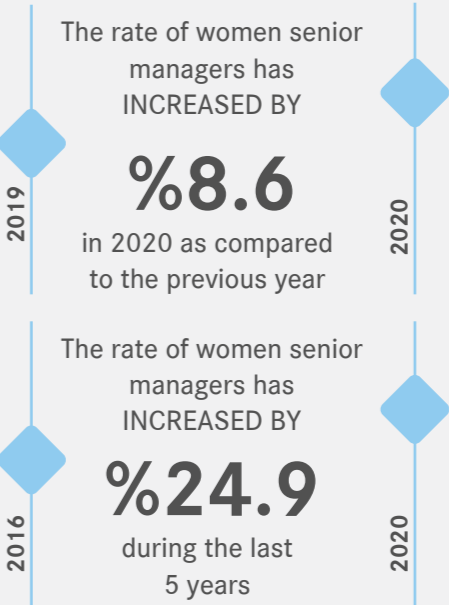
In Kibar Group, practices promoting and empowering women's employment are maintained with an aim to address gender inequalities. Group companies carry out various activities to promote participation of women in business life.

In Kibar Holding and Group companies subject to reporting, 87 women employees were recruited in 2020. The number of women employees has increased by 2.5% in 2020 as compared to the previous year and by 8.5% during the last 5 years.

The number of white-collar women employees has increased by 24.1% during the last 5 years and by 6.8% in 2020 as compared to the previous year. Therefore, the rate of women employees within white-collar employees has increased to 34.8%.



The rate of women senior executives was increased by 9.4% in 2020 as compared to the previous year. Therefore, the rate of women senior executives reached 22.6% in 2020 as compared to 18.1% in 2016.



We Signed Women's Empowerment Principles

The United Nations Women's Empowerment Principles (WEPs) platform is one of the key initiatives aiming for empowering women around the world. By signing the WEPs protocol, organizations are committed to follow 7 core principles for creating corporate policies in order to make progress in gender equality. By signing the Women's Empowerment Principles protocol, Kibar Group has positioned "Gender Equality and Equal Opportunities" among the priorities contained in "Kibar Group 2025 Sustainability Strategy." Tangible targets (Target G7- Target G8-Target G9) have been set to ensure women's full and active participation in the business world and decision-making processes. These targets are monitored by 6 performance indicators and reported to all stakeholders in a transparent manner.

Employee Engagement

Kibar Holding envisions an inclusive business life as a key to both ensuring employee satisfaction and corporate success. In line with this vision, employees are encouraged to participate in decision-making processes, taking into account the expectations and suggestions of employees. Employee Opinion Questionnaires are used to receive the expectations and opinions of employees. Employee opinions have been collected through the Employee Opinion Questionnaire coordinated by an independent institution since 2014. Necessary corrective actions are taken for improvement in line with the feedback following the review of survey results.

In 2020, “BİZPLUS”, an online appreciation, recognition, and reward platform, was deployed for the purpose of recognition and rewarding outstanding efforts and contributions of all company employees in various categories.

In 2020, Kibar Group employees submitted 4,562 suggestions on the suggestion system and 819 of these suggestions have been implemented.

One of the primary objectives of “BİZ,” i.e., the employer brand, is to strengthen the communication between companies and employees within Kibar Holding. By promoting the value of collaboration culture to all employees and regularly sharing information with each other, “BİZ” awareness is intended to be raised throughout the Group. Developments within the Group are shared with employees through various communication platforms. Annual management meeting, internal network called Porttakal, and “Kibarca” bulletin are key communication channels within the Group.

The employer brand and internal communication activities have positively affected employee loyalty and engagement. In the Employee Engagement survey, the rate of employee engagement was found to be 63%, which was 5 points higher than the average score in Turkey. Compared to the previous survey, employee engagement score was increased by 5%. With questions about Engagement, Agility, Talent Focus, and Engaging Leadership Indexes dimensions, opinions of both office and field employees have been collected. In 2020, questions related to the COVID-19 pandemic were also added to the current questions in order to collect employee opinions and comments on the actions and measures taken during the pandemic period.

TALENTS OF THE FUTURE

Kibar Group sees its employees as the key value to carry the Group into future and shapes the employer brand accordingly. Employees are prepared for the future through talent acquisition programs, talent management, continuous development opportunities, efficient performance management.

Talent Acquisition

In Kibar Group, all employee candidates are given equal opportunities during recruitment processes and the entire procedure is carried out in an objective and fair manner. Candidate selection process is performed meticulously in order to fill in the job positions throughout the Group with the right talents. Various tools such as personality inventory, competency-based interviews, and assessment center, etc. are used during the recruitment process and various career portals and databases are used to improve diversity.

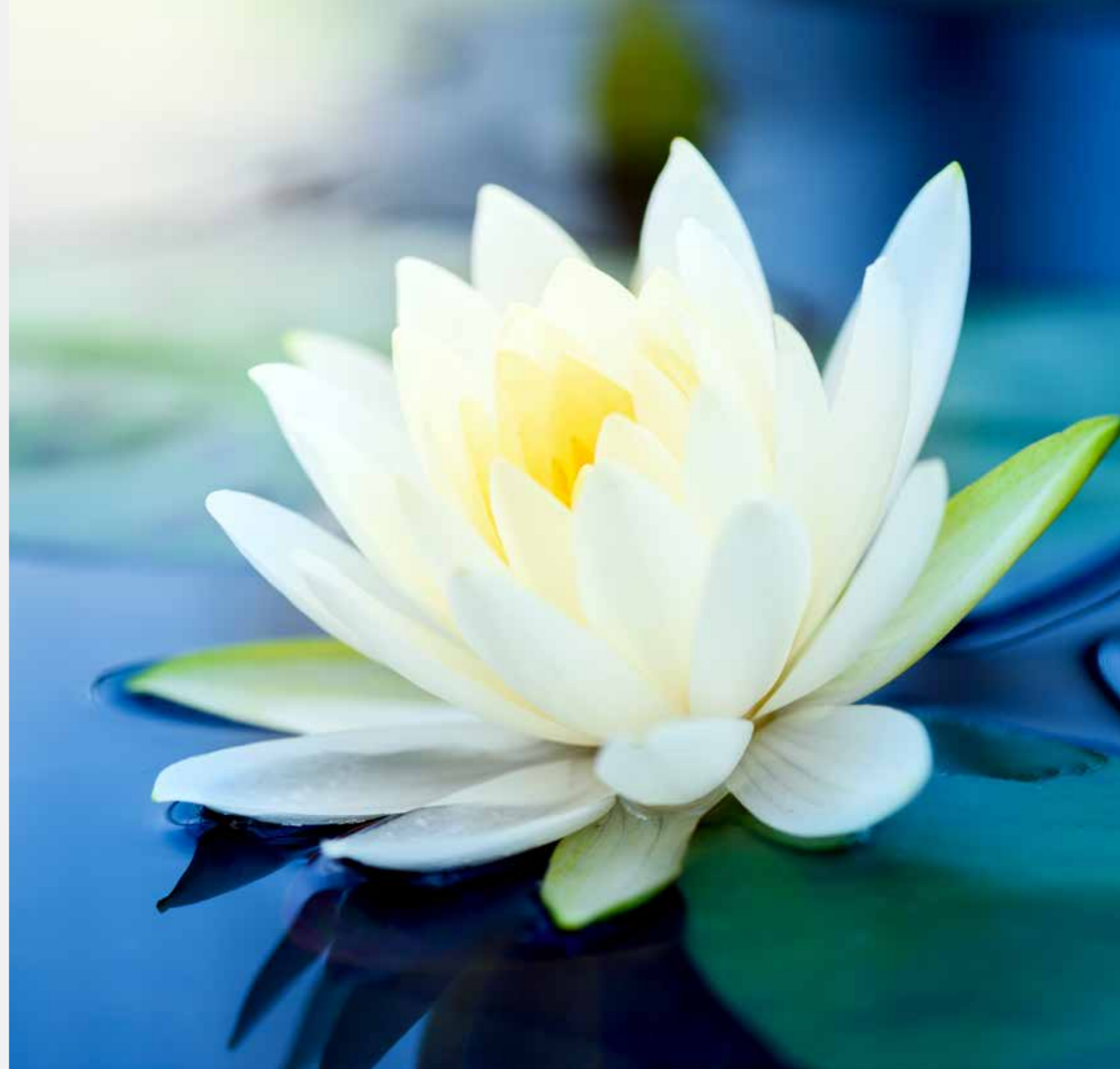
For the purpose of acquisition of young talents and preparing them for the future within the Group, K-Team Young Talent Internship Program, which was introduced in 2014 with the motto, “The real career begins with real internship,” still continues to this day. Since the introduction of the program, 242 young talents have had the opportunity for internship in Group companies and 89 participants have been recruited.

In order to ensure visibility of the internal job positions opened and prioritizing the current employees in career development, “Geleceğimiz İçten” (Our Future is from within) platform was established. Job positions opened in Group companies are posted on this platform to inform employees about new career opportunities. This also allows for familiarity and career mobility among the Group companies.

Talent Management

Within the scope of talent management processes, employees creating a difference with their outstanding performance and potential throughout the group are identified and career development planning is carried out in line with the requirements and objectives of the employees and the organization. With the advantage of being a multi-company group, employees evaluated based on talent sets are encouraged for intercompany rotation and reassignment.

Within the scope of employee development activities, competencies as well as professional knowledge and skills of the employees are reinforced. Employees have an opportunity to discover their strengths as well as areas open for improvement. Within this scope, various methods such as development center practices, internal training to support employees learning from each other, development programs to promote competency and technical development, and distance learning tools are used. The programs designed by taking into consideration the requirements of the employees also contribute to improving interactions between the employees and strengthening the communication between different companies and functions.



Within the scope of the project,

POWER IS WITHIN US

Executive Development Program

POWER IS WITHIN US

Specialist Development Program

POWER IS WITHIN US

Leadership Development Program

POWER IS WITHIN US

Development Ambassadors

(Internal instructors and mentors)

POWER IS WITHIN US

Achieving Together

HR Development Program

POWER IS WITHIN US

Game Changers

POWER IS WITHIN US

Development Center

programs have been implemented

Güç BİZde Development Platform

The “Güç BİZde Development Platform,” through which development journeys of employees are supported, has been launched in 2020. It enables employees to follow up their individual development and to access various sources independent of time and location. In addition, the platform also

- offers customized learning experience,
- provides support for learning analytics by allowing for detailed reporting of training records,
- ensures more efficient management of training activities thanks to learning analytics and reports,
- provides efficiency, automation, and digitalization in training operations,
- contributes to maintaining organizational memory,
- promotes continuous learning,
- facilitates adaptation of employees recently recruited to the working culture of the Group.

With “Güç BİZde Development Platform,” all training processes are managed through a single platform, social learning environments are developed by sharing knowledge, and developmental needs can be defined in a more precise manner.

All employee development activities maintained within the Group are carried out through “Güç Bizde Development Programs.” The scope of continuity of the development process and the culture of learning from each other are intended to be extended by various programs from leadership development to internal instructor and mentor development programs. In addition, efforts to diversify elearning resources are also carried on.

Executive Development Program

The “Executive Development Program” was introduced to promote development of leadership skills and nearly 400 employees have been included in the program. Consisting of a total of two modules, the first 2-day module of the program was completed in 2019. The first module covered various subjects such as establishing a trust relationship, values, efficient feedback, appreciation, and recognition. In addition, experience sharing sessions in which senior executives share their experiences with the participants have been organized. During the training activities carried out in 19 groups, a total of 5,232 training hours have been reached. The objective is to ensure that each executive participating in Kibar Group undergoes this basic development program.

Specialist Development Program

The “Specialist Development Program” has been introduced to ensure competency development of employees working in the expert staff. Within the scope of the program, analyses have been carried out to determine the competency development needs of employees and catalogs in the required areas have been issued. The catalog includes obtaining results by working efficiently, problem solving, creative and innovative thinking, financial modeling, negotiation skills, tax training, and effective presentation techniques.

Leadership Development Program

The “Leadership Development Program” is intended for developmental needs of executives at director level and above. The score of recommendation of this program to

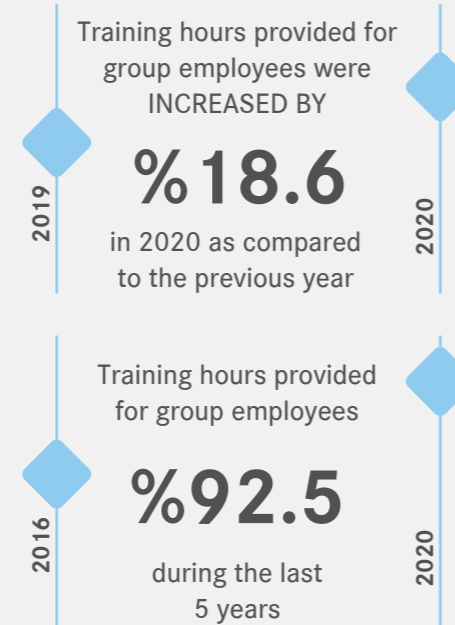
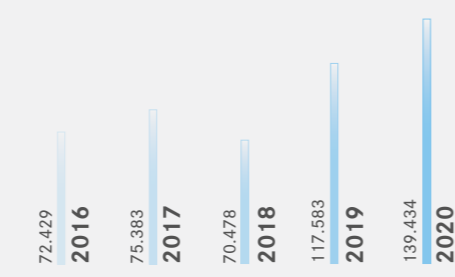
others by executives who have previously participated in this development program was measured by 9.1 out of a total score of 10. Executives who have already determined their leadership development actions and require external mentorship support during this process are provided with mentorship by experienced mentors. In addition, a sharing platform was deployed to facilitate keeping up with the most recent trends.

Development Ambassadors

The objective of the Development Ambassadors Developmental Program introduced within Kibar Group is to maintain the sharing culture and contribute to the career and personal developments of employees. Employees called Development Ambassadors, who volunteer for sharing their knowledge and experiences within the scope of the program, provide classroom training within the company or among other group companies.

With a “lifelong learning” approach, a great number of projects have been introduced for continuous improvement of professional knowledge and skills of employees. During the course of various training and development activities carried out throughout 2020, 5,435 group employees have received a total of 139,434 hours of training. Training hours have increased by 92.5% during the last 5 years and by 18.6% in 2020 as compared to the previous year.

Employee Training- Hours (person x hour)



Assan Alüminyum Employee Development Practices

In Assan Alüminyum, a “Leadership Development Program” has been adopted subject to systematic follow-up since 2016. In addition, a “Shift Supervisor Development Program” was introduced in order to increase the competencies and awareness of shift supervisors, who are the immediate supervisor of site personnel in such areas as leading the team, team development, and providing feedback. The first 2 modules of this program were completed in 2019. Within the scope of the program, 110 Shift Supervisors have been included in a comprehensive leadership program. During the period between 2020 and 2021, training to support employee development has been organized. In addition, training activities have been organized in order to raise awareness of employees during the pandemic. The third and the last module of the program will be implemented during 2022.

Assan Foods Employee Development Practices

In Assan Foods, Kaizen on-site training activities have been carried out in collaboration with Shingijutsu Global Consulting. The objective of on-site training activities is to develop internal Kaizen representatives.

Training & Development Academy activities are carried out with an aim to enhance the training level of employees, ensure development of employees familiar with and competent in the deployed systems and applicable rules, ensure implementation of food safety and occupational health & safety standards, and raise employee awareness. The culture of learning by experience and practice is promoted.

Assan Hanil Development Academy

In Assan Hanil, the activities of the Development Academy, which was founded with an aim to ensure blue-collar employees to become competent, participatory, highly motivated and engaged “leaders” on site and help them find areas of development within this scope, are maintained. Based on the assessment of feedback received from employees and experience gained, the scope of Assan Hanil Development Academy project was extended and revised in 2020. “My Development Journey” project was introduced in 2021 for field/site and office employees in order to provide for the company’s training needs through internal instructors.

İspak Flexible Packaging Academy

The “Flexible Packaging Academy” founded within İspak is a training program intended for vocational high school students that aims to help students to become familiar with the business life and get used to business life before they have graduated from high school.

PERFORMANCE MANAGEMENT

In Kibar Group, various practices such as Performance Management System, Mavi Damla Awards, and Total Reward Management System have been implemented and maintained by periodic revisions in order to improve the motivation of employees.

A performance management system, in which employees’ organizational objectives are transformed into individual and team objectives and corresponding development plans are created, has been implemented. Training activities intended for team managers are organized during interim periods and year-end evaluation periods in order to extending the

scope of the system called the “Success and Development Pathway” throughout the organization as well as providing employees with active feedback. Job objectives and individual competencies are evaluated within the scope of performance management system in order to provide an input for various processes such as training and development, talent management, appreciation, recognition, and rewarding.

Extending the Scope of Feedback Culture

Activities for Extending the Scope of Feedback Culture have been performed in line with the new performance system. All executives throughout the Group received training through online class training activities on the Feedback Culture and 5 Recognition Discourses introduced in 2020. The objective of the training activities, in which feedback is emphasized as a priceless gift, was to raise awareness about the importance of feedback.

In order to raise awareness among expert staff members in extending the scope of the feedback culture throughout the organization, Feedback Culture e-training modules are assigned through Güç BİZde Development Platform. Another objective is to complete the training activities on the Feedback Culture and 5 Recognition Discourses/Languages for leaders supervising the field/site teams until the end of 2021.

Total Reward System

Within Kibar Group, an integrated “total reward system” is used in compliance with relevant Group and organizational strategies, rewarding contribution to business outcomes and company performance, and seamlessly integrated with all Human Resources processes. The total reward system also includes social facilities offered and employee benefits provided in addition to the base salary paid to the employees.

Asim Kibar Mavi Damla Awards

Kibar Holding believes that employees are the most reliable resources to make difference in quickly adapting to changing competitive environment. Various opportunities are provided for the employees to put their creative and innovative ideas into practice. Mavi Damla Awards is one of these practices, which aims to help discover and reward creative and innovative ideas as well as promoting success stories. Introduced with the motto, "Each successful project starts with a drop of idea and creates a ripple effect," Mavi Damla Awards contribute to group's achievement in strategic targets as well as recognition and rewarding of competencybased success.

Mavi Damla Awards procedure is subject to periodic review each year, necessary improvements are made, and concluded by transparent evaluation.

With Mavi Damla Awards project, aiming for carrying the development culture into future, 9 awards were given to 24 projects with 112 participants in 2017, 14 awards were given to 39 projects with 212 participants in 2018, 12 awards were given to 44 projects with 238 participants in 2019, and 12 awards were given to 39 projects with 242 participants in 2020.

BizPlus Appreciation, Recognition & Reward Program

Another program to improve employee motivation is BizPlus Appreciation, Recognition & Reward Program. With BizPlus program, implemented with an aim to increase visibility as well as appreciation and rewarding of success, executives are able to reward its co-workers in their teams in 6 different categories.

Wages Policy

Wages and employee benefits policies have been designed based on an objective, fair, and dynamic structure, which is competitive compared to target market structure and takes into account internal dynamics. Kibar Holding and Group companies offer a fair and competitive gross salaries to their employees within the scope of the determined wages policy by taking into consideration various criteria such as job families, roles & responsibilities, knowledge, skills, and competency levels. Fair and competitive wages are ensured by internationally recognized job evaluation methodologies and salary benchmarking activities. Pursuant to wages policy, no discriminatory and unfair treatment is carried out due to personal traits and orientation such as language, religion, race, gender, etc.

Great Place to Work

Within the scope of its efforts to become a preferred employer, Assan Alüminyum has received a "Great Place to Work" certificate in 2020. It also received the achievement certificate by ranking in the 6th place under the Category of the Number of Employees between 500 and 2000 in Turkey's Best Employers 2020 list.

SOCIAL LIFE

Kibar Group strives for creating a sustainable environment for its employees not solely based on performance, but also based on development and social life focusing on living life to the fullest and sharing. For this purpose, a happy and inclusive workplace environment is created to promote development of employee loyalty and engagement. Acting like a family, Kibar Group accepts all of its employees as part of this one

big family and believes in sharing precious moments that add value to life.

Employee Support Program

Avita, Kibar Group's employee support program, provides 24/7 free consultancy support to Kibar Group employees and their families. Within the scope of the program, consultancy services in various subjects including psychology, medical, legal, healthy diet, ergonomics, technology, veterinary, social life, and general information services, etc. are provided.

Specialized staff provides support for the questions and problems of Kibar Group employees and their families. Whenever required, by reference of the clinical psychologists at the call center, face-to-face psychological support is also provided up to 6 free sessions. Data privacy principles are followed in the program, which can be accessed through various channels such as phone, website, and mobile app. In 2020, a total of 2.841 clients, consisting of 2,493 employees of Kibar Group and 348 family members of the employees, used Avita program.

Another practice to enrich the social lives of employees is Kibar Group Sports Fest. Encouraging employees to participate in various sports activities, Kibar Group Sports Fest also contributes to improving communication among employees and building a "Biz" culture within the Group.

Throughout Kibar Group, various other activities such as Kibar Volunteers Organizations, Kibar Group Fests, Occupational Health & Safety Week Contest are organized as well as a Painting Contest

and activities intended for the children of employees are held on the National Sovereignty and Children's Day on April 23. In addition to activities organized throughout the Group, various activities are also organized within each company to support social life of employees.

OCCUPATIONAL HEALTH & SAFETY

Occupational Health and Safety (OHS) is among the top priorities managed by Kibar Holding without compromise. Occupational Health & Safety procedures are managed under the responsibility of OHS committees in compliance with applicable international standards. As of 2020, 112 employees and 25 employee representatives serve in 22 OHS committees operating in Kibar Group companies.

Occupational health & safety management is subject to follow-up by a risk-based approach. Risk assessments are carried out by using the Fine Kinney method in compliance with Occupational Health & Safety Risk Assessment Regulations and OHSAS 18001/ISO 45001 standards. Threats inherent in all activities are identified and the risk level of the relevant threats are determined. Accordingly, necessary action plans are created and the information on the risks identified is communicated to employees to raise awareness about such risks.

Health risks in working spaces are evaluated to determine necessary measures required to be taken. Measurements are carried out in the working environment and necessary measures are taken in line with the measurement results. Single point lesson on-site training is

provided to employees. Activities are carried out for a safer and healthier workplace environment with life coaching practices. All facilities are subject to regular hygiene and sanitation tests. Necessary measures are taken on behalf of employees with a chronic disease, pregnant, and breastfeeding employees.

One of the components of occupational health & safety in Kibar Group is office ergonomics. Necessary improvements are implemented and ergonomic working equipment is provided in order to provide office employees with a more comfortable and healthy work environment.

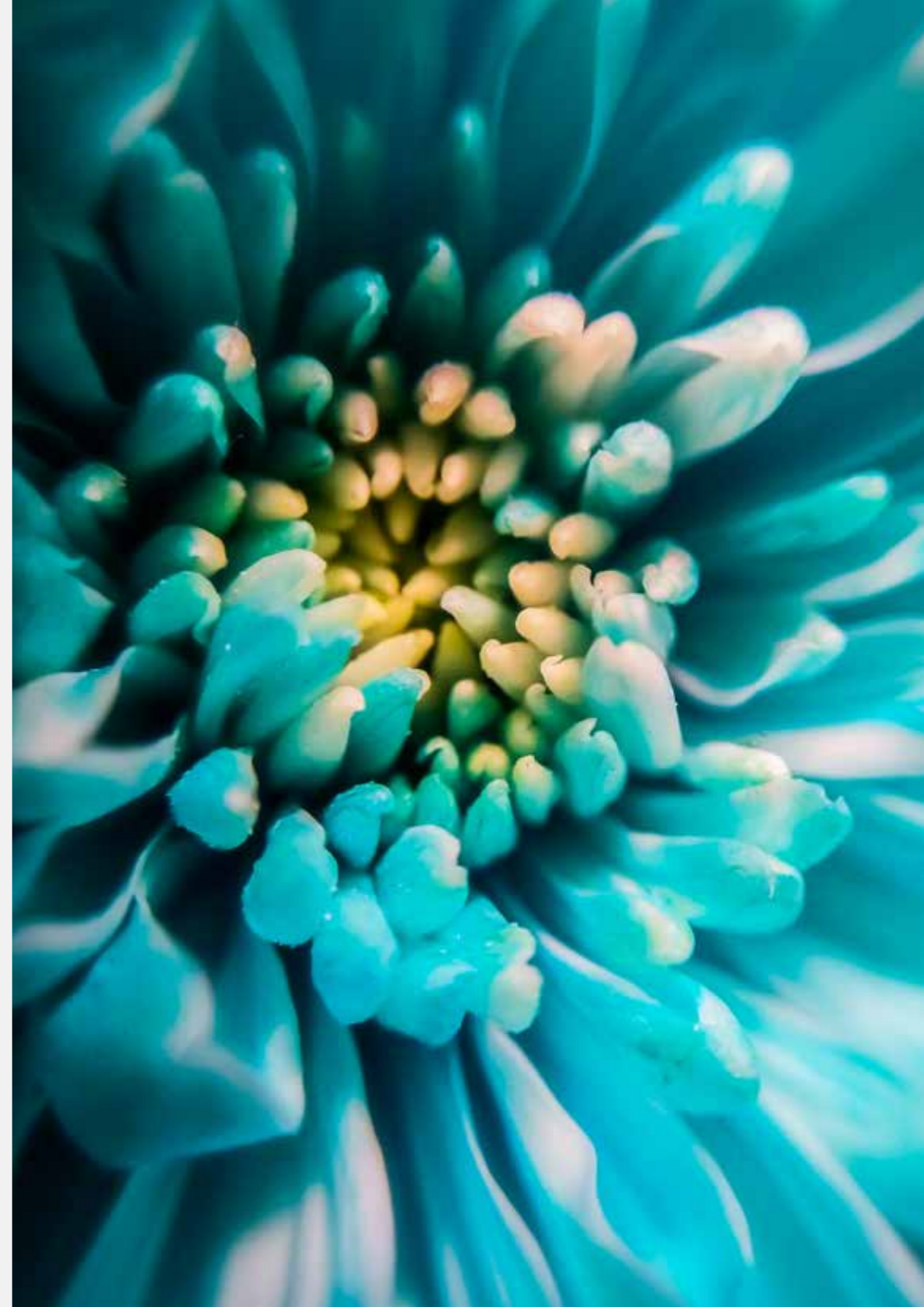
Occupational health & safety training activities performed throughout the Group aim to improve employees knowledge and awareness about OHS practices and measures. In 2020, employees received 42,117 hours of OHS training. In Kibar Group, which extends the scope of Occupational Health & Safety culture to the entire value chain, 8,913 hours of training have been provided to contractor employees in 2020.

Safe Working Between Shelves

In Assan Hanil, the order-picker machinery operating in-between warehouse shelves were equipped with scanning sensors in the front and rear sections in 2020 in order to prevent potential accidents arising out of human factor. In this way, when an entity enters in the operation area, the machinery automatically engages stop or slowing down functions, which are otherwise under manual human control. Area scanning sensors are planned to be used in other logistics equipment and machinery used in Assan Hanil plants and facilities.

Workshops are organized each year in order to improve the efficiency of Occupational Health & Safety practices throughout Kibar Group. In workshops, the activities of the previous year are evaluated and planning for the subsequent year is made. In 2020, 3 projects as "Life Safety in Kibar Project," "Carbon Footprint Project," and "Health Project" were implemented and 18 OHS and environmental professionals were assigned roles within the scope of these projects.

All occupational incidents/accidents that occur despite all necessary measures taken are subject to detailed investigations by occupational safety specialists and the relevant function representatives. Following investigations and assessments, necessary corrective and preventive actions (CAPAs) are implemented. With this approach, there was no fatal accident and/or occupational disease within the Group in 2020.



BUSINESS ETHICS

Kibar Group's business ethics approach requires employees to act and behave by the highest ethical standards. Based on integrity and honesty, business ethics approach lays the foundations of a business model beyond legal requirements in all activities, including financial and operational activities, technological assets, and brand values.

Kibar Group respects the beliefs and individual values of all of its employees, stakeholders, and business partners. Kibar Group acts within the framework of its values and principles, which are based on internationally-recognized universal declarations. Kibar Group's "Code of Conduct," which includes these values and principles, is published on the organization's official website.

Code of Ethics

The code of business conduct in Kibar Group as well as basic rights and responsibilities of employees are defined in the "Code of Conduct." Employees are informed on the code of conduct and can directly contact the ethical committee.

Kibar Group's Code of Conduct is composed of 7 main subjects as integrity, confidentiality, justice, quality and continuous development, conflict of interest, our responsibilities, and receiving/giving presents. The principle of integrity guides Kibar Group in all of its activities whereas integrity, sincerity, and high level of business ethics are kept above all. In this context, the Code of Conduct document provides detailed information on protection and keeping confidential of proprietary

information of all stakeholders, sense of justice based on equal opportunities, quality, and continuous development objectives. It also provides detailed description of circumstances where a conflict of interest may arise, ways to avoid a conflict of interest, how to handle when a conflict of interest arises as well as the details of practices on exchanging gifts. Kibar Group's responsibilities under applicable law as well as towards its customers, employees, business partners/associates, competitors, communities, and humanity are set out within the scope of the Code of Conduct. The Code of Conduct document also contains examples of incidents and the right conduct and behavioral patterns expected to be followed in various circumstances that may arise during the course of daily business life. Employees' perception and awareness are kept in check by posters with a theme, "Do You Think it is Ethical?" placed in common spaces at the workplace.

The Ethical Committee within Kibar Group is responsible for ensuring compliance to the Code of Conduct, investigation and resolution of complaints and notifications about violations. Directly reporting to Kibar Holding Chairman of the Executive Board, the Ethical Committee is composed of Internal Audit VP, Head of Human Resources Department, and Group Legal Counselor. In addition, Code of Conduct Consultants have been assigned within Group companies to provide support for all kinds of needs and questions of employees about the implementation of the Code of Conduct.

A dedicated Ethics Hotline was created to be called with strict confidentiality, either within the group or from outside in case of any violation against the Code of Conduct. This hotline consists of an e-mail inbox, phone line, and a mailbox for information and documents to be submitted by mail, all of which are exclusively accessible by the Ethical Committee for the purpose of reporting the issue directly to the Ethical Committee. All notifications received by the Ethical Committee by phone, via e-mail and/or by mail are processed in strict confidence, the relevant teams are assigned for necessary actions to be taken, and all activities related to the case are carefully performed in due diligence and care. The Ethical Committee takes all necessary measures to prevent any form of negative consequences such as retaliation, pressure, and intimidation that may be directed against individuals who have reported any ethical violation.

Kibar Holding Code of Conduct is available on [https:// www.kibar.com/tr-tr/holding/etikkurallar](https://www.kibar.com/tr-tr/holding/etikkurallar).

Fighting Against Corruption

Kibar Group does not tolerate any bribery and corruption activities in any form or manner whatsoever and takes all necessary measures to prevent such kind of ill-advised practices. The Group's anti-bribery and anti-corruption approach is defined in Kibar Holding Code of Conduct document.

All group executives and employees are responsible for compliance with the rules and principles of the Code of Conduct. All

employees are strictly liable to report any violation of code of conduct or any suspicion of bribery and corruption activity as soon as they become aware of such violation or suspicion. All notifications received are processed in strict confidence. Internal control related to corruption risks is carried out by process controls by the Internal Audit Vice President (VP) and within the scope of review and investigation activities.

Anti-bribery and anti-corruption approach is also binding upon all relevant stakeholders, especially including vendors and business partners, in addition to Group employees.

Kibar Group employees are not held liable for any direct or indirect damages incurred by the company due to their actions in compliance with the principles of the Code of Conduct. For the activity year of 2020, there was not any reporting of violations against ethical values, universal human rights, or corruption cases. During that period, there was not any lawsuit or legal proceedings brought against Kibar Group in such matters.





WE INNOVATE

for the future



We consider product quality and customer satisfaction at the highest level, and we see technological development and innovation as the cornerstone of sustainable growth.

WE INNOVATE for the future

Kibar Group, a well established industrial enterprise, owes its corporate success to its ability to always prioritize quality in its products and services while meeting the needs of its customers and to anticipate future needs. For this purpose; products, systems and processes are updated using the most modern technologies. Thanks to the importance given to innovation and digitalization, productivity is increased, new markets are reached and the negative effects of products, services and processes on the environment are minimized. Kibar Holding works together with the entire value chain in order to create the Kibar of the future and reflects the understanding of “We Are Strong Together” to its technology studies.



PRODUCT AND SERVICE QUALITY

In Kibar Group, product safety, quality, and customer satisfaction are job priorities that are managed by the highest internationally recognized standards. Group companies follow numerous quality and safety standards aiming for meeting customer expectations in addition to complying with the applicable standards in individual industries in which each Group company operates.

By combining the advanced technology and digital capabilities with current business models, Kibar Group offers its customer a wide range of differentiated products and services. Group companies adopt effective and transparent communication to develop customer-oriented business processes. Necessary actions are taken based on the results of independent customer satisfaction surveys conducted every year in all Kibar Group companies in an effort to increase the added value provided by the products and services. These survey results are also taken into consideration when creating action plans.

Company	Management System and Quality Certificate	
Assan Alüminyum	ASI: Aluminium Stewardship Initiative ISO 50001: Energy Management System ISO-IEC 27001: Information Security Management System ISO 9001: Quality Management System IATF 16949: Quality Management System ISO 14001: Environmental Management System ISO 31000: Corporate Risk Management System CE marking: EU Certificate of Compliance NSF: International Health Institution Certificate of Conformity	Kosher: Kosher Food Certificate of Compliance ISPM 15: Wooden Packaging Materials Certificate of Conformity Authorized Operator Status ISO 45001: Occupational Safety Management System TSE COVID-19 Safe Production Certificate, Zero Waste Certificate, EFQM: The European Foundation for Quality Management Excellence Model
Assan Foods	ISO-IEC2 7001: Information Security Management System System BRC: International Food Safety Standard IFS: International Food Standard Kosher: Kosher Food Certificate of Compliance Halal Food Certificate	BSCI: Social Responsibility Standard Sedex : Supply Chain Assessment System Walmart SCS: Supply Chain Safety Certificate TSE COVID-19 Safe Production Certificate
Assan Hanil	ISO-IEC 27001: Information Security Management System ISO 9001: Quality Management System IATF 16949: Quality Management System	ISO 14001: Environmental Management System TS45001(OHSAS): Occupational Health & Safety Management System
Assan Panel	ISO 9001: Quality Management System ISO 14001: Environmental Management System ISO-IEC 27001: Information Security Management System TSE EN 14509: Panel Standard Certificate of Compliance (For panels with rockwool as fill material as well as PUR-PIR panels and PUR Optipanel)	FM Approval: Fire Safety Certificate Greenguard GOLD: Certificate of compliance to standards certifying that the product is not harmful to human health through chemical emission. TSE COVID-19 Safe Production Certificate
İspak	ISO 22000: Food Safety Management System BRC: International Food Safety Standard ISO-IEC 27001: Information Security Management System ISO 9001: Quality Management System ISO 14001: Environmental Management System TS 18001 (OHSAS): Occupational Health & Safety Management System	TSE COVID-19 Safe Production Management System, Kosher Product Safety Certification Management System, Halal Food Product Safety Certification Management System

In Assan Alüminyum, customer relationships are managed carefully and customers are provided with industry-based technical training every year. Product package label as well as test certificates and product specifications issued based on individual customer requirements are also provided with the delivered products. Social media posts and ebulletins are published to share the latest updates in the company with customers in a transparent manner. Customer communication activities include routine assessment meetings with domestic resellers and business partnerships intended for all customers.

Assan Alüminyum Electronic Data Interchange (EDI) Project

Within the scope of the EDI Project, which was implemented in Assan Alüminyum during the reporting period, electronic data interchange integration with customers is performed. Processes which used to be carried out manually are now collected and analyzed digitally. This allows an increase in both efficiency and productivity as well as eliminating human errors in communication. In 2020, integration with 3 customers were implemented. With the increased data volume and improved quality, decision-making processes and customer satisfaction are intended to be improved even further.

Having assigned full-time teams to address customer requests and complaints, Assan Foods make use of customer feedback in the design of product content and packaging.

In Assan Hanil, a barcode system is used to ensure traceability in addition to item code on individual products and raw material information. During serial production in line with technical drawings and customer

specifications, frequent tests are performed in line with laboratory, input quality, and process quality procedures. Within the scope of projects jointly performed with customers, weight reduction applications are carried out using alternative materials for some products. Problems received from vendors and customers are managed by the 8D procedure. Customer feedbacks are evaluated by the team consisting of relevant departments under the leadership of the Quality department and provisional measures taken against problems are notified to the customer within 24 hours and final measures are notified within 48 hours. Actions describing the problem and how it was resolved are reported in 8D format and documented in ASHA QDMS system.

The procedure, which was introduced in 2020 for tracking, assessment, and responding to customer feedback based on a certain systematic procedure, is planned to be implemented in Assan Panel in 2021.

In İspak, a quality certificate containing all technical specifications and measurement results of the product is provided to the customer together with the product. The quality certificate contains information on all tests performed for the specific product, the applicable standards for such tests as well as the relevant test results. End-to-end traceability is ensured during the entire production procedure through the Quality Control Department. Test methods in compliance with international standards such as those of International Organization for Standardization (ISO) and American Society for Testing and Materials (ASTM) are used. Whenever required, support services are provided by accredited external laboratories. Audits are conducted regularly by certified internal auditors.

R&D AND INNOVATION

Kibar Group quickly adapts to changing conditions by continuous review of its operations in line with its sustainable development goals. At its core, the Group's R&D and innovation strategies consist of improving productivity, reduction of resource utilization and waste generation, increasing product quality and diversity, designing new business models and technologies to create value for stakeholders, and development of eco-friendly products with a high added value.

Within the framework of sustainable growth, the number of clean and eco-friendly innovative products and projects is increased. By combining advanced technologies and digital capabilities with business models, differentiated products and services are provided to customers. Within the scope of innovation activities, collaborative works with various institutions, including universities in particular, are carried out. As a result of research and development activities in Group companies subject to reporting, 2 patents were received and also 4 patent applications were submitted in 2020.

Having adopted an innovative and inclusive approach, Kibar Group provides a workplace environment where its employees have various opportunities to put their innovative ideas into practice. Within this scope, Mavi Damla Awards Project has been implemented with an aim to discover innovative ideas of employees and share success stories among Group companies.

R&D and Innovation Projects

Assan Alüminyum

Assan Alüminyum conducts its research and development activities in the R&D Center

certified by the Republic of Turkey Ministry of Science, Industry and Technology. R&D activities focus on developing highperformance special products for individual industries and customers. Within the scope of research and development activities, cooperation with Vrije University continued during 2020. Consultancy services have been provided by academicians from Koç University and İzmir Advanced Technology Institute.

Project on Development of Addition Agent Increasing Conductivity in Oils

Assan Alüminyum implemented the Project on Development of Addition Agent Increasing Conductivity in Oils in 2020. The probability of risk of fire due to electrostatic properties in rolling oils may potentially result in loss of productivity and equipment. With the use of an alternative addition agent, it was intended to mitigate risks to employee safety and prevent disruptions in production efficiency by reducing the fire risk.

Development of Continuous Casting Technique

Within the scope of the project, 8xxx series casting with copper shell will be performed for the first time in Assan Alüminyum. By making use of microstructural and operational advantages of copper shell due to having high cooling capacity, it is intended to improve casting productivity, which could not be achieved by conventional steel shells where it has already reached its threshold limits. With this project, it is intended to increase casting productivity by 50%, improving the granular structure in the dull surface of kitchen aluminum folios visible to the naked eye, and elimination of noncompliance arising out of mechanical properties encountered during production of buckled container products.

High Conductivity Aluminum Sheet Development Project

In Assan Alüminyum, High Conductivity Aluminum Sheet Development project was implemented. Within the scope of the project, development of an aluminum sheet product with increased conductivity is intended to be achieved by certain modifications to be made in the chemical composition and subprocesses by maintaining the current EN 1060 standard alloy limits. The project, which was initiated in 2020, is planned to be completed in 2021.

Assan Foods

In 2020, Assan Foods have completed R&D activities and launched a total of 13 products under its own brand, consisting of 6 domestic products and 5 products overseas with Colorado brand as well as 2 products with Gusto Vita and Kingtom brands. In addition, product development and production activities for 19 private label products with new formulations have also been completed.

Assan Hanil

In its R&D center, Assan Hanil carries out its sustainability-based research & development activities with capabilities to quickly address changing trends and expectations of manufacturers in the automotive industry. Carrying out activities on various innovative projects intended for weight reduction, cost optimization, and increased quality, Assan Hanil has a total of 66 Intellectual Property Rights, consisting of 38 patents, 12 utility models, and 16 industrial designs in addition to 6 trademark registrations.

In 2020, Assan Hanil successfully completed

the “Composite Backrest Project,” supported by funding within the scope of TUBITAK’s Priority Areas Research, Technology, Development & Innovation program. Activities related to the “Composite Battery Supporting Component Project,” supported by funding within the scope of the Industrial R&D Projects Sponsorship Program continued.

Assan Hanil Hyundai FCEV Truck Seats Project

R&D and design processes for the seats of Hyundai Xcient Fuel Cell, mass produced electric truck series with a world-first hydrogen fuel cell in its class, were completed and mass production operations began. Assan Hanil will carry out manufacturing of pneumatic driver’s seat as well as passenger seats in its production plant located in Kocaeli, Turkey.

Assan Hanil Receives The Best Supplier Award

In 2020, Hyundai i20 and i10 N Line projects were put into mass production. As a result of its contributions and success in Hyundai i20 Project Commissioning procedure, Assan Hanil received the “Best Supplier” award.

For the domestic automotive industry, product development activities within the scope of Turkey’s Automobile Joint Venture Group (TOGG) Bumper System Project continue. Thanks to its inherent electric platform and power train, TOGG project offers a lower cost as well as providing more silent and comfortable driving experience as compared to automobiles with an internal combustion engine in addition to significantly contributing to the sustainability goals of Turkish automotive industry.

Assan Hanil Weight Reduction Applications

In 2020, the Composite Gap Project was implemented. Within the scope of the project, which was initiated with an aim to reduce the weight of truck driver’s seat, activities for the reduction of the weight and the number of operations by plastic injection over composite material and advanced injection molding technology were carried out. During the project period, collaborations with industry leaders were established and academic knowledge of Kocaeli University was utilized.

In addition to seat product development capabilities, a division for development of automotive trim components, which has a great business potential in our country, was established within the R&D Center. Within the scope of the projects carried out in the Computer-Aided Engineering (CAE) and Production Engineering divisions, an organizational structure to support innovative design, modeling, and production processes has been created.

The project intended for the production of battery supporting component from a composite material was initiated in 2018 and completed in 2020. Within the scope of the project, the weight of battery supporting components installed in commercial trucks is intended to be reduced by manufacturing them from a composite material instead of metal as well as determination of production parameters in a controlled manner by using special molding sensors. The most significant benefit of the project is reduction in fuel consumption to be achieved in parallel with the use of a lighter vehicle, which would lead to a reduction in carbon emissions released into the atmosphere. A reduction in weight by approximately 25% to 40% is intended for bumper supporting components in the new design as well as the advantage of cost reduction by around 15% to 20% as a result of production of the relevant components by the new methodology.

The project intended for the production of battery supporting component from a composite material was initiated in 2018 is planned to be completed in 2021. Also called microcellular foam technology, the new production methodology allows for reduction in component weight by 20% in total, which consists of reduction by 13% due to new design and by 7% resulting from the use of nitrogen gas. The weight of the cockpit supporting component was reduced by 20% with thanks to this project.

Assan Panel

Assan Panel has accelerated its R&D activities in its own laboratory, which complies with the “Euronorm” standards and has the necessary equipment and software capabilities to perform all kinds of physical and mechanical testing of sandwich panels. Investment in a new chemical laboratory was made for quality management of polyurethane (PUR). Assan Panel has diversified its product range by pilot production activities carried out by costbenefit optimization in the Optipanel series, which are included in the economic panels segment.

İspak

Having made the single largest investment in flexible packaging in Turkey in 2019, İspak Ambalaj (İspak Flexible Packaging) aims to extend the scope of its product portfolio in the segments of food-grade packaging and industrial products with its new production plant designed based on the Industry 4.0 concepts. The projects implemented in 2020 include the production of the first triangle cheese aluminum folio in Turkey, eco-friendly packaging project, packaging with increased food safety project, packaging changing color

with gas emissions project, retort food container project, and airline food container project.

In 2020, İspak Ambalaj executed a contract with Sakarya University for the Project on Packaging Changing Color With Gas Emissions and began trial operations. Within this scope, operations are still in progress in both the university facilities and İspak laboratory.



DIGITALIZATION

Digitalization has become a key area of transformation for institutions throughout the world. Digitalization is a corporate priority for Kibar Group, making innovative investments that require intensive R&D activities and continuously developing its products in line with customer needs. Digital transformation activities continue within all Kibar Group companies.

Within the scope of digitalization projects, activities on operational efficiency, technological infrastructure, cybersecurity, and system continuity in addition to Industry 4.0 and innovative technologies continue. Activities are carried out to migrate MS Office applications to E365 cloud platform for the purpose of ensuring secure and efficient access to data and thus, ensuring access to such applications from all devices within a secure and organizational framework.

Corporate Big Data Architecture project was implemented with an aim to create a corporate data architecture and improve productivity by analytics and artificial intelligence (AI) capabilities. A data architecture was designed to ensure creating value during the entire process from data collection to reporting and the use- case, which is planned to be maintained in production and supply chain for analytics, has been created. The year 2021 was determined as the “Year of Analytics” for Kibar Group and a great number of project plans were developed.

Technological Infrastructure and Data Management: HR Analytics

Kibar Holding has implemented the Human Resources Analytics Project with an aim to raise data awareness throughout the Group as well as creating a shared data management culture. With the common data model created in the analytical layer, the objective is to manage sustainable master data, carry out data analysis, reporting, and gain insights. With Technological Infrastructure and Data Management operations, instant access to data and dynamic reporting capabilities will be ensured, processes will be integrated to each other, operational inefficiency will be minimized, and human errors will be prevented.

As a result of workshops organized in 2020 for Robotic Process Automation (RPA) activities, processes that can be included within the scope of RPA were determined and necessary planning activities were carried out. The objective of RPA applications is to improve productivity, data consistency, and data quality as well as reassignment of human resource to focus on tasks that create a higher value for the organization.

Another activity carried out during 2020 was the introduction of the Agile Management approach. Agile Management training activities have been organized throughout the year. In 2021, the scope of this approach is planned to be extended further.



Assan Alüminyum “Cast & Roll” Program

Activities are carried out within the scope of the “Cast & Roll” Program, which aims for digitalization and automation of all business processes in Assan Alüminyum and containing 15 information technology (IT) projects. In 2020, the following project activities were completed: Control Tower Project, Development of Sales-Supply Chain Integration, Development of Demand Forecast and Integrated Planning, Restructuring Product Portfolio Management, Product and Process Master Data Optimization, Integration of Standard Cost Structure with Business Processes, and Digital Transformation of the Production Area.

With the EDI, initiated in Assan Alüminyum, and Logistics Integration Projects, automation processes with some customers and vendors were completed in 2020. Within the scope of analytics activities, activities for the installation of a Data Warehouse were initiated with SAP BW and data related to processes such as cost/profitability, etc. were transferred to data warehouse.

Smart Agriculture from Assan Foods

With the “Smart Agriculture Project,” which was introduced by Assan Foods in 2017 in the South Marmara Region in Turkey and covering an agricultural land by about 12,500 decares (approx. 3088 acres), it is intended to monitor and analyze all parameters of the entire plant growth process from planting to harvesting in pilot farms as well as soil and agricultural product management, ensuring more efficient use of resources, and minimizing the negative impacts on the environment. In 2020, various projects in digitalization and productivity were also implemented in addition to extending the scope of Smart Agricultural practices. Within this scope, traceability processes have been improved and activities focused on migration of 70 of manual tasks into digital platforms. In

Assan Hanil, the data size in the SAP System was reduced with the SAP Party Transformation Project in 2020 to improve performance and efficiency. With the Door Trim KPI Follow-up Project, it was ensured that the necessary data were retrieved through the system without requirement for manual entry. With Pick to Light Smart Shelf Systems and OPC Integrations, shelf locations of individual components required for the production of finished products in JIS customer orders are identified by automatic lighting system in order to allow the operator to quickly find the right component in the right order.

SAP Master Data Quality Follow-up Project is among the projects initiated by Assan Hanil within the scope of digital transformation activities. This project aims for building a reporting and notification system in order to ensure fewer interruptions in operations due to some missing master data in the SAP System. Turquality Incentive Follow-up Project was also implemented in 2020.

All business processes in Assan Panel are documented through the ERP systems. An online sales portal and cloud-based CRM system, which can also be used by dealers, are used for customer relations, price offers, and order processes. Handheld (mobile) terminals are used to follow up operational and inventory activities in the production area and compatible software to use with these terminals are developed.

Top Management Dashboard and Reporting application project, which was introduced in 2020 within İspak, provided improved operational efficiency, carrying out processes in a more efficient and error-free manner, access to data from a single source as well as the improvement of decision and support mechanism.

INFORMATION SECURITY

Advancement in digitalization brings the requirements of a higher level of information security standards. Kibar Group aims to ensure the highest level of information security by keeping up with innovative technologies.

In Kibar Group companies subject to reporting, ISO 27001 certification is received or otherwise information management systems based on this management system are in place. The security of corporate data and information of all stakeholders are ensured. Information technologies (IT) infrastructure requirements are governed by a central discipline from end to end, i.e., from the data center to the enduser device. The scope of cybersecurity concept is not limited to malicious attacks. Uninterrupted and consistent access to data also constitutes an integral and indispensable part of information security. Accordingly, IT infrastructure operations are carried out with projects implemented in various areas in order to proactively defend against and eliminate external cyber attacks, prevent the Group's intellectual property/digital assets from data leakage, and ensure easy/uninterrupted access to data and information. In Kibar Group, information security risk map is subject to periodic revision on a yearly basis and action plans are created for any identified risks.

With adaptation to next generation technologies, automation and cloud-based solutions are considered as a critical area of development that creates value in business processes. Information security project

activities initiated during 2020 include Prevention of Data Leakage, Security Operations Center (SOC), Service Hierarchy Project, Automation Project, and Hyperconverged Infrastructure Deployment.

Within the scope of operations to prevent data leakage, the contents of the files located in file servers and end-user devices by the algorithms of "Natural Language Processing," a subdiscipline of machine learning, and copying processes are instantly prevented.

Cybersecurity inventory is regularly developed and updated. In order to improve cybersecurity structure, activities are carried out for the deployment of the program containing 24/7 active monitoring, cyber threat intelligence, and cybersecurity roadmap.

Service Hierarchy structure has been adopted and all IT components have been associated with an end-to-end hierarchical discipline. This allows for early detection capabilities for potential faults/downtime at the alarm/notification stage. As a result of interconnecting all components, instances having a potential to result in a service interruption can be captured at the alarm stage and increase in efficiency will be ensured by minimizing downtime periods.

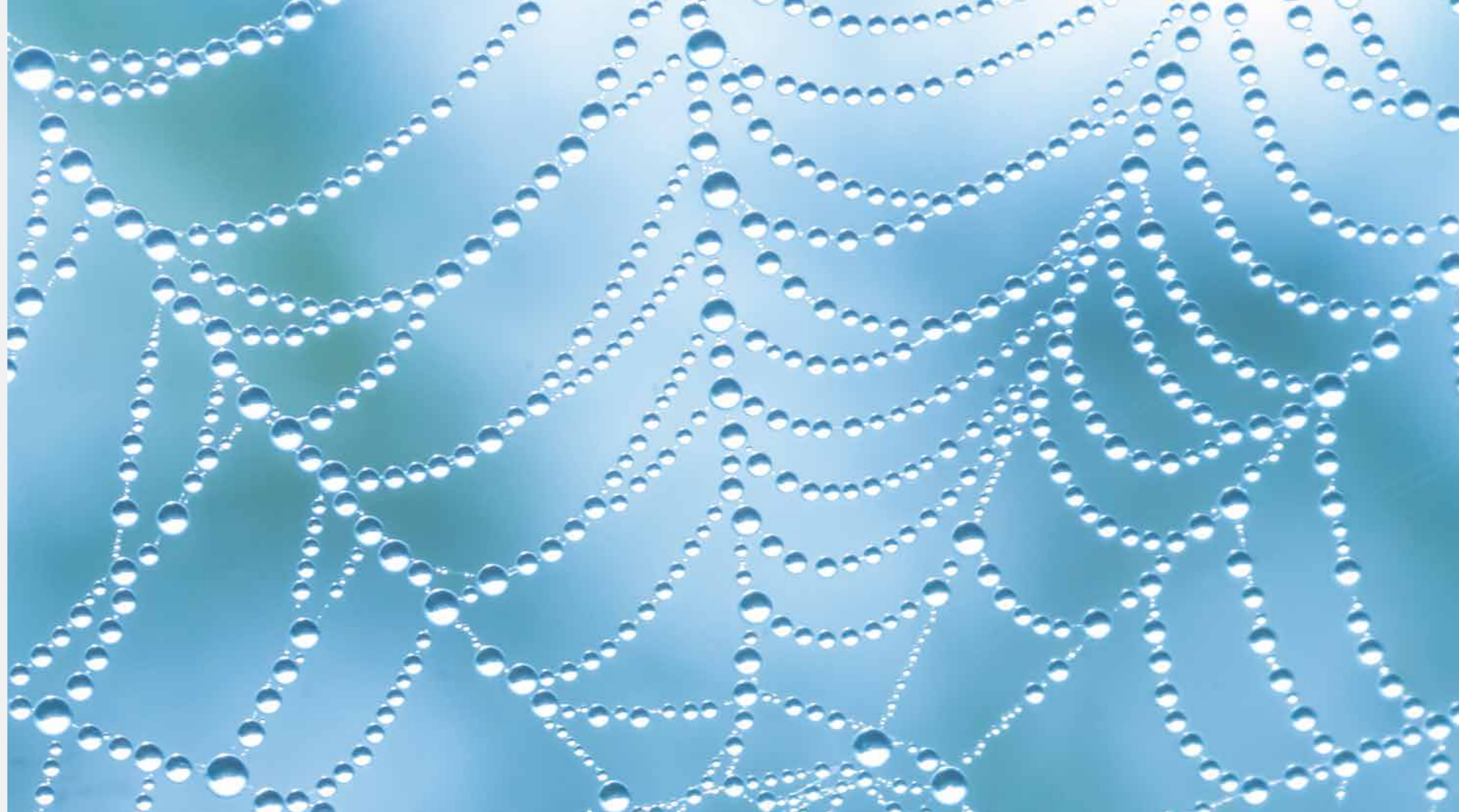
Within the scope of automation project, activities on inclusion of processes specific to technological infrastructure as well as those determined within the scope of help desk in addition to services listed in the service hierarchy in automation through RPA and Application Programming Interfaces (APIs) were successfully completed. These activities

aim to release eligible processes from human intervention and transform them into an automated form to be managed automatically on 24/7 basis.

The new technology to be deployed to replace the legacy server and data storage infrastructure, whose economic life has expired, will offer an increased performance of services as well as ensuring business continuity.

The Hyper-Converged Infrastructure Replacement Project aims to migrate 480 virtual servers to the new infrastructure.

Within the scope of activities for compliance with the Law on the Protection of Personal Data, due diligence and care are exercised for operations related to classification of data, data security, and anonymization upon request as applicable.



WE CARE

for next generations



With the awareness that natural resources are not infinite and unlimited, we act with future generations in mind.



WE CARE for next generations

Increased global use of energy and natural resources around the world brings about serious environmental issues. Acting in line with the awareness that natural resources are not infinite or unlimited, Kibar Group has adopted a sustainable development approach to allow for handing over natural resources to next generations. This approach is based on a human-oriented sustainable system in terms of economic, environmental, and social aspects.

At all stages from production to distribution, Kibar Group strives to mitigate any negative impact of its operations on the environment and raise awareness to such environmental issues. Within the scope of R&D activities, Kibar Group transforms potential threats caused by environmental issues into an opportunity by developing eco-friendly technologies and products.

COMBATING CLIMATE CHANGE

Increased production following the industrial revolution has brought about an increase in the consumption of natural resources, especially including fossil fuels. In parallel with this increase, greenhouse gas (GHG) emission accumulations in the atmosphere have also increased as a result of human activities such as industrialization, urbanization, deforestation, land use, and agricultural activities. The natural amount of greenhouse gases in the atmosphere creates a natural greenhouse effect and it is of vital importance for all species. However, an increased level of accumulated greenhouse gas emissions due to human activities leads to an increase in the natural greenhouse effect, i.e., increase in the average temperature of the planet, resulting in global warming. This also leads to changes in climate system.

Climate change causes droughts, desertification, temperature fluctuations, floods, more frequent strong storms and hurricanes, glacier melting, elevation of sea/ocean levels, heating, increase in the acidity levels of oceans, changes in precipitation regimes, increase in forest fires, depletion of the ozone layer as well as air pollution. As a result, the circle of life of the species changes, aquatic resources are damaged, and the exposure of the whole ecosystem to degradation increases.

Climate change and decreased natural resources directly affect the natural life and the global economy. Changing climate conditions result in new demands while the types of raw materials that become scarce are required to be replaced by rational alternatives.

Based on the research conducted, keeping the global warming at 1.5°C by 2100 would help prevent the devastating effects of the climate change. This limit also plays a critical role in sustainable development and reducing poverty. The clock is ticking for the world to address the climate crisis and keeping the temperature rise under the specified limits.

Kibar Group supports efforts made against the effects of climate change, limits the negative effects of its operations on the environment, improves energy efficiency, reduces energyintensive operations, generates electricity from renewable energy sources, and manages use of natural resources in line with its sustainability approach.

Maintenance and protection of Asım Kibar Sevgi Forest, which was created by Kibar Holding on a surface area of 10,000 m² in Istanbul in 1995, are sponsored by the Group. In 2019 and 2020, more than 6,500 young trees were planted. In addition, 3 young trees were donated per employee in 2020.

In Assan Hanil, carrying out business operations in automotive industry, materials processed through the IMDS (International Material Data System) are used as raw materials. This aims to minimize the negative impacts of products on climate change throughout their lifecycle.

Assan Alüminyum's raw material, which is aluminum, is a lighter and eco-friendly material compared to its alternatives. Aluminum protects food longer and provides logistics advantages. Thanks to its contribution to reduction of vehicle weight in automotive industry, it helps reduce CO₂ emissions. This material is also preferred in construction and durable consumer goods industries due to its high resistance to corrosion, lightweight structure, and capable of being easily processable. Aluminum is a green product that can be recycled by 100% at the end of its economic life. This allows for energy saving up to 95% based on the primary use of aluminum.

Good Agricultural Practices in Assan Foods

Assan Foods produces tomatoes used as raw materials by smart agricultural principles within the framework of Good Agricultural Practices (GAP), which are defined by the Food and Agriculture Organization of the United Nations (FAO) as "a collection of principles/processes that are required to be implemented to ensure that agricultural production system is sustainable for social life, profitable and productive for the economy, protects human health, animal health and welfare as well as taking into account environmental sustainability". In Good Agricultural Practices, conventional agricultural methods are combined with innovative technologies. This ensures the highest level of product quality by increasing production efficiency, production activities that are carried out without any harm to environment, human health and animal health, preservation of natural resources, improved quality of life for farmers, local communities, and the society as well as providing agricultural traceability and sustainability.

Assan Panel's Contribution to Sustainable Buildings

Assan Panel contributes to low-carbon economy with its eco-friendly products included in its product range. It contributes to construction of sustainable buildings by a wide range of products with heat insulation and fire resistance, allowing application buildings to make use of daylight at a maximum level, and compatible with applications used for solar power generation.

ENERGY MANAGEMENT

Kibar Group has adopted a sustainable development approach based on a system, taking into account economic, environmental, and social sustainability. Energy policies are formed based on contribution to be made to sustainable development. One of the key elements of sustainable development is energy. Power generation from renewable energy sources (RES) and efficient use of energy are two key factors to take into consideration for sustainability of energy. The Group makes investments in both power generation from renewable energy sources and efficient use of energy and implements key projects. In this way, it reduces the share of energy costs included in total costs within the scope of economic sustainability and contributes to efforts to fight against climate change within the framework of environmental sustainability.

With Manavgat Hydroelectric Power Plant, a renewable energy investment made by Kibar Group, electric power by 129,700,000 kWh was generated from renewable energy sources in 2020. The rate of power generation to meet power consumption is 60%.

By implementing projects and investments providing energy efficiency in order to make the most efficient use of energy resources in all areas of activity, Kibar Group carries on its efforts to fight against climate change. Nearly 100 energy efficiency projects have been implemented during the last 5 years and significant energy efficiency has been achieved. During 2020, energy efficiency efforts within Kibar Group continued and significant contributions were made.

With 7 energy efficiency projects implemented in 2020, Assan Alüminyum achieved energy saving by 81,000 m³ of natural gas and 900,000 kWh of electric power. In Tuzla facilities, highvolume inefficient pump engine was replaced by an energy efficient pump engine. With this project, energy efficiency by 43,800 kWh was achieved. The deployment of an automation system in the HVAC control unit aims for efficient use of electric power. With temperature values set by automated control capabilities, energy recovery by 186,048 kWh was achieved. By reduction of boiler water temperature from 140°C to 120°C in hot water boiler unit, natural gas energy efficiency by 80,883 m³ was achieved during the year.

Assan Alüminyum Recycling Plant Dust Collection Filter Installation

The fact that aluminum is a 100% recyclable metal adds up to the importance of recycling activities for Assan Alüminyum. By using aluminum scrap furnaces at full capacity in its facilities, the company aims to reduce end-to-end carbon footprint from production to distribution. Dust filtration systems have been replaced in line with the principles of integrated pollution prevention and control. By deployment of a modern system increasing system efficiency, particle emissions from chimneys were reduced below 2 mg/m³.

In Assan Foods, electric energy efficiency was achieved by introduction of using high-volume blowers instead of pressurized air to dry out water droplets on plastic bottles released from cooling units in 2020.

Assan Alüminyum Induction Plant Dust Collection Filter Installation

The former type filters that were previously installed in Assan Alüminyum's Dilovası Induction Plant were replaced with an aim to double the filtration capacity. With the installation of new filters, dust and black smoke emissions released into the operational areas from furnaces were prevented to create a healthier workplace environment for employees. Smoke and dust emissions into operational areas were prevented by system renovation and replacement of fume hoods. Following installation of new filtration system, dust particle emissions into the atmosphere were reduced below 2 mg/m³ and instantaneous dust escapes were minimized. Moreover, downtime requirements for planned maintenance and cleaning were eliminated and improvement in capacity increase was achieved. Compared to legacy filters, the recently installed filters are estimated to provide energy saving by 75% per unit of time.

Within the scope of energy efficiency activities, Assan Hanil completed its LED fixtures upgrade in 2020. With upgrades, energy saving by 51% was achieved. Energy saving achieved during the first six months of 2020 was 9,000 kWh. With the compressed air system improvement project, which provides energy saving by 26%, energy saving by 110,500 kWh has been achieved within 9 months. Another project activity implemented during the reporting period was Robotic Door Trim Project. With the use of new robotic technologies in production lines, energy saving by 60,000 kWh was achieved.

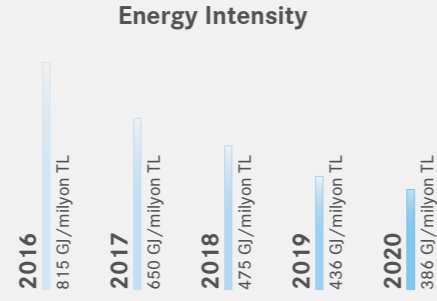
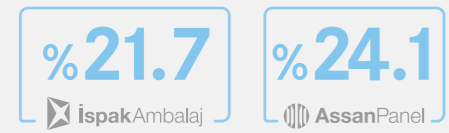
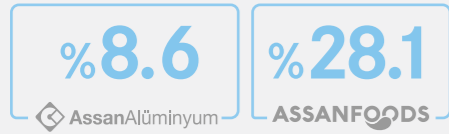


Kibar Holding Manavgat Hidroelektrik Santrali

In Assan Panel, with the Project on Reduction of Laminator Power Consumption that was introduced in 2020, actions were taken to complete deficient insulations in the laminator and reduce power consumption. As a result of improvements, more efficient use of hot water for laminator heating was ensured and improvement in heating times was observed.

As a result of energy efficiency projects, energy intensity values of Kibar Group companies have been reduced. The overall energy intensity, which represents the amount of energy consumed to produce one unit of revenue, was reduced by 11.5% in 2020 as compared to the previous year and by 52.6% within the last 5 years for Group companies subject to reporting. In 2020, energy density was reduced by 8.6% in Assan Alüminyum, 28.1% in Assan Foods, 24.1% in Assan Panel, and 21.7% in İspak as compared to the previous year.

Reduction in energy intensity by percentages in 2020 compared to the previous year

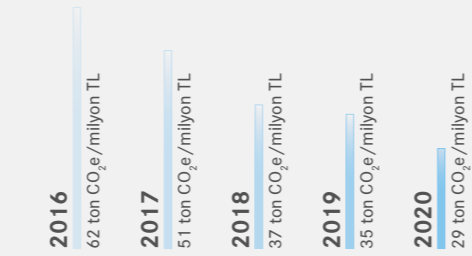


The overall energy density was REDUCED BY **%11.5** in 2020 as compared to the previous year for Group companies subject to reporting.

Energy density of the companies subject to reporting was REDUCED BY **%52.6** within the last 5 years

Group companies subject to reporting reduced the emission density, which represents the greenhouse gas emissions released into the atmosphere to produce one unit of revenue, by 17.1% in 2020 as compared to the previous year.

Greenhouse Gas (GHG) Emissions Density



The emission density of the Group companies subject to reporting in 2020 as compared to the previous year was REDUCED BY **%17.1**



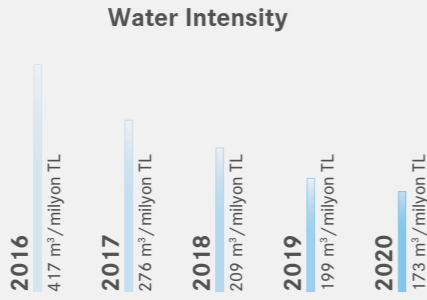
WATER MANAGEMENT

As one of the most vital resources, water is critical for sustainable development. Population growth, industrialization, and agricultural activities all contribute to increased demand in water and cause decrease in overall water quality. Increased demand in limited resources necessitates efficient use of available water resources and therefore, proper water management.

The primary objective of sustainable water management is to take into account the needs of next generations by refraining from disturbing the balance of hydrologic cycle. Acting in line with this awareness, Kibar Group carries out necessary activities required for sustainable water use and continuous improvement of water management. In 2020, Assan Alüminyum created its water roadmap to follow until 2025 and planned for a series of efficiency projects.

As a result of activities intended for efficient use of water resources, water intensity was reduced throughout Kibar Group. The overall water intensity, which represents the amount of water consumed to produce one unit of revenue, was reduced by 13.1% in 2020 as compared to the previous year and by 58.5% within the last 5 years for Group companies subject to reporting.

Raporlama kapsamındaki şirketlerde beş yıl önce %45 olan geri dönüştürülerek yeniden kullanılan su miktarının tüketilen su miktarına oranı, 2020 yılında %80'e yükselmiştir.



The water intensity of the Group companies subject to reporting in 2020 as compared to the previous year was **REDUCED BY**

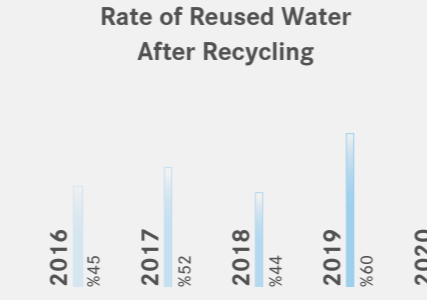
%13.1

The water intensity of the Group companies subject to reporting was **REDUCED BY**

%58.5

within the last 5 years

The ratio of reused water after recycling to the amount of water consumed was increased to 80% in 2020 as compared to 45% 5 years ago in Group companies subject to reporting.



The amount of water that is recycled and reused **INCREASED BY** in 2020 as compared to the previous year

%25.8

The Wastewater Recovery Plant, which was integrated into the Wastewater Treatment Plant established in 2014 in Asım Kibar Organized Industrial Zone, which is located in Kocaeli and for which Kibar Holding pioneered its foundation as one of the contributors, turns wastewater into high quality utility water by advanced wastewater treatment processes and provides water supply to be used in process lines of Group companies based on their needs. In 2020, the amount of recovered water by treatment processes in the Wastewater Recovery Plant and fed into process lines and irrigation systems of group companies was 430,000 m³. The amount of recovered water from May 2018, the period in which the Wastewater Recover Plant was put into operation, until the end of 2020 was about 1.5 million m³.

Assan Foods Reduces Water Density and Increases Reuse

Being among Kibar Group companies with intensive water consumption, Assan Foods reduced water density per unit of revenue by 19.6% in 2020 as compared to the previous year and by 66.8% within the last 5 years as a result of investments made for the reduction of water consumption. The amount of reused water after recycling in Assan Foods was increased by 25.9% in 2020 as compared to the previous year. In order to limit the intensive use of water in washing processes, the same water is reused 3 times after filtering.

The water intensity of Assan Foods in 2020 as compared to the previous year was **REDUCED BY**

%19.6

Water intensity in Assan Foods was **REDUCED BY**

%66.8

within the last 5 years

In Assan Alüminyum's Dilovası Cooling Tower, Chemical Conditioning and Control System Automation processes were introduced. Online control aims for the reduction of chemical water consumption, more durable use of the systems against corrosion, and immediate response to the cooling system thanks to instant fault alarms to resolve problems and faults. Automated control capabilities resulted in reduction in consumable costs. In addition, it was ensured that wastewater contains lower levels of chemicals by reduction in the amount of chemicals used. With this project, reduction by 35% in cooling chemicals consumption and improvement by about 10% in water consumption within the first 4 months from the deployment of the system were achieved.

Wastewater Recovery Project in Assan Alüminyum

The objective of "Water Conditioning Units Wastewater Recovery Project," introduced in 2020, is to recover water discharged from water conditioning units through reconditioning method. With the recovery system, a significant portion of the wastewater that does not contain impurities began to be recovered. The amount of water to be recovered by the system is estimated to be around 12,600 m³ on a yearly basis.



WASTE MANAGEMENT

Efficient waste management plays a major role in conservation and efficient use of natural resources, which is essential for sustainable development. Waste reduction, recycling, and disposal by eco-friendly methods are included in the priorities of Kibar Group within the scope of waste management.

In line with sustainable industry goal, Kibar Group has adopted a production model based on sustainability, circular economy, and innovation. Within this scope, Kibar Group companies aim to ensure utilization of all wastes by continuous review of its production processes. With these activities intended for efficient use of resources and providing environmental benefits, 20.2% of the raw materials used within Kibar Group were recycled and/or obtained from recovered sources in 2020.

The quantity of raw materials recycled and reused has been
INCREASED BY
%40.7
during the last
5 years

The number of recovered raw materials within Kibar Group companies subject to reporting was increased by 36.3% within the last 5 years. In 2020, 96.6% of wastes were recycled and recovered

The quantity of recycled waste has been
INCREASED BY
%41.2
within the last
5 years

Kibar Holding's Commitment to Reduce Plastic Use

Kibar Holding is the signatory and among the early adopters of the Business World Plastic Initiative, founded by the United Nations Global Compact Turkey, Turkish Industry and Business Association, and Sustainable Development Foundation with an aim to raise awareness for plastic pollution since its foundation. Potential application areas have been identified and innovative solutions have been developed in production facilities for the purpose of using recyclable plastic raw materials, designing easily recyclable products containing plastic as well as reduction of plastic wastage ratios. In office spaces, commitment is made to gradually reduce single-use plastics by 2023 and completely eliminate such use as of 2023.

Interaktif Çevre Danışmanlık

Founded under Kibar Group and carrying on operations since 2015, Interaktif Çevre Danışmanlık provides Group companies with total waste management and environmental consultancy services. Having adopted an approach based on a global-scale circular economy and focusing on R&D activities on waste, the company contributes to performance improvement throughout the Group in resource utilization and waste minimization.

Assan Alüminyum carries out its circular economy activities within the framework of international standards such as the European Aluminium's "Circular Economy 2030 Action Plan" and ASI standards. In order for an efficient waste management and reducing external dependence, secondary aluminum (produced from scrap) use and aluminum scrap use are increased. Use of recycled aluminum, which requires 95% less energy consumption as compared to primary aluminum, provides significant benefits in terms of sustainability efforts. Due to the fact that recycled aluminum production requires 95% less energy consumption as compared to primary aluminum, this practice offers a significant advantage for sustainability.

Recyclable New Alloy Development

In İspak, wastes containing polyethylene terephthalate (PET), for which energy recovery is performed, are used as fill materials. As a result of activities carried out throughout the year, the quantity of recovered wastes was increased by 50% in 2020 as compared to the previous year. The recycle ratio was increased to 70.8% as compared to 54.4% in 2019.

Project

The project implemented in Assan Alüminyum aims for the development of an alloy, which is produced from 100% scrap, with a lower cost, and meets certain quality criteria. The new alloy to be developed will be produced from product scraps instead of primary aluminum as the latter causes consumption of natural resources. Therefore, carbon footprint will be reduced. The recycling plant located in Assan Alüminyum facilities is also a significant contributor to supporting the successful completion of the project. Working on the composition and study of sub-processes required for the new alloy would also help create significant knowhow for subsequent R&D activities.

Within the scope of the Bioplastic Project, Assan Hanil uses olive seeds and tomato pulps after processing to continue its efforts in order to create an alternative raw material and to provide an ecofriendly raw material supply potential.

In Assan Panel, the 2020 projects include the use of wastes generated during polycarbonate production as a production input and use of polyurethane wastes generated during the production cycle as styrofoam.

Within Kibar Group, a total of 3,201 hours of environmental training activities, consisting of 2,616 hours of training for Group employees and 585 hours of training for contractor employees, were organized during 2020. Therefore, the total hours of environmental training have reached 18,592 hours within the last 5 years.





We ENCOURAGE
Our Stakeholders



We expect our stakeholders
to adopt Sustainable
Development Goals.

STAKEHOLDER RELATIONS

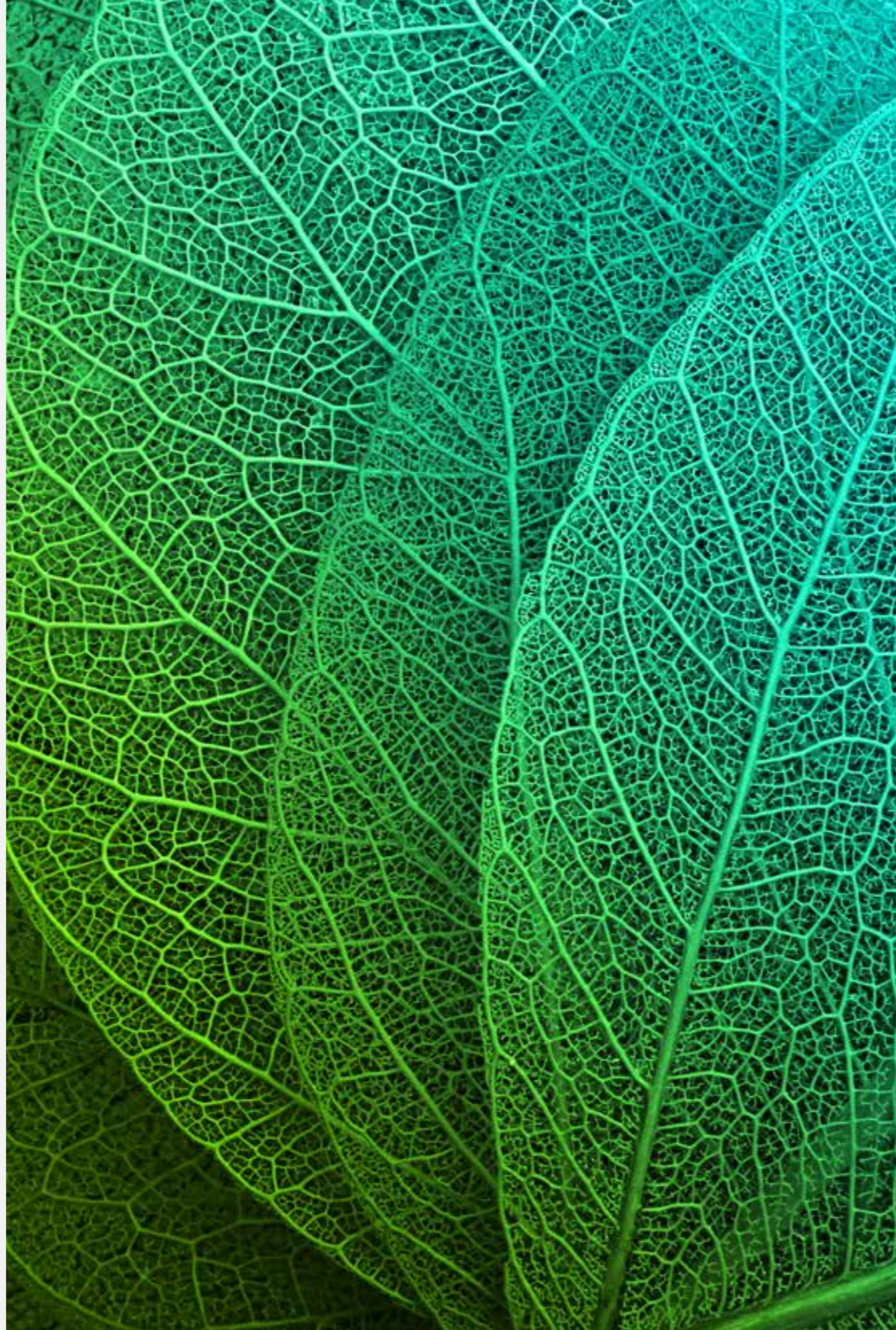
Kibar Group’s sustainability approach is based on a holistic approach which also covers the practices undertaken by all stakeholders in addition to its own practices within the Group. For this purpose, Kibar Group maintains its relationships with its stakeholders, including suppliers/vendors, manufacturers, distributors, retailers, and customers throughout its entire value chain from the procurement of raw materials, production and distribution to the end customer, by observing the activities of its stakeholders related to economic, human rights, environmental, and social aspects.

In the selection of the stakeholder group for collaboration, Kibar Holding takes into consideration the potentials for contribution to social elements, creativity, and innovation. Kibar Group requires its stakeholders to act in line with sustainable development goals.

Kibar Group considers providing all stakeholders with accurate and timely information as a corporate responsibility. For this purpose, it maintains stakeholder communication through various platforms designated for specific stakeholder groups.

WE ENCOURAGE our stakeholders

Kibar Group has integrated operating in accordance with universal principles into its corporate culture since the day it was founded. Evaluating economic growth together with its goal of “sustainability”, which includes economic, social and environmental factors, Kibar Group acts with the responsibility and awareness of revealing the potential of its stakeholders in achieving sustainable development goals. The studies carried out within the scope of supply chain management in Kibar Group constitute an important part of corporate sustainability practices.



STAKEHOLDER GROUPS

COMMUNICATION PLATFORMS	Employees	Group Companies	Customers	Dealers/Dealerships	Stakeholders and Investors	Public Institutions	Academic Institutions
	Activity Report (annual) UNGC Report (annual) Employee Satisfaction Surveys (ever 2 years) Goodwill/Reputation Surveys (annual) Suggestion Systems (instant) Code of Conduct (continuous) Employee Training Activities (continuous) Occupational Health & Safety Rules and Principles (continuous) Periodical Publications (continuous) Web (continuous) Intranet (continuous)	Activity Report (annual) UNGC Report (annual) Employee Satisfaction Surveys (ever 2 years) Goodwill/Reputation Surveys (annual) Suggestion Systems (instant) Code of Conduct (continuous) Employee Training Activities (continuous) Occupational Health & Safety Rules and Principles (continuous) Periodical Publications (continuous) Web (continuous) Intranet (continuous)	UNGC Report (annual) Goodwill Surveys (annual) Code of Conduct (continuous) Web (continuous) Focus Group Activities (instant) Product-Brand Market Surveys (annual) Customer-Consumer Support (continuous) Customer Satisfaction Measurement (annual)	UNGC Report (annual) Goodwill Surveys (annual) Code of Conduct (continuous) Periodical Publications (continuous) Web (continuous) Dealers Meetings and Surveys (annual) Briefing and Clarifications for Special Circumstances (instant) Roadshow & Investor Presentations (instant)	Activity Report (annual) UNGC Report (annual) Goodwill Surveys (annual) Code of Conduct (continuous) Web (continuous) General Assembly Meetings (annual) Briefing and Clarifications for Special Circumstances (instant) Roadshow & Investor Presentations (instant)	UNGC Report (annual) Goodwill Surveys (annual) Code of Conduct (continuous) Web (continuous) Audits (adhoc and annual)	UNGC Report (annual) Goodwill Surveys (annual) Web (continuous) Collaborations with Universities (periodical) Industry-Specific Reviews (instant)
	Non-Governmental Organizations (NGOs) and Trade Unions		Mass Media/Press		University Career Clubs/University students		
UNGC Report (annual) Web (continuous) Memberships (continuous) Joint Projects (periodical)		UNGC Report (annual) Web (continuous) Press Conferences and Press Releases (instant)		Surveys/Questionnaires (instant) Joint Projects (instant) K-Team Young Talent Internship Program (annual)			



SUSTAINABILITY MANAGEMENT IN SUPPLY CHAIN

Due to its size and a portfolio of companies operating in various industries, markets, and segments, Kibar Group has an extensive supplier/vendor network. The Group strives for extending the scope of its corporate code of conduct and sustainability approach throughout its supply chain and therefore, it favors business deals with long-term goals. Suppliers/vendors having high-tech capabilities within the common purchasing structure and offering high energy efficiency products and services are preferred while purchasing operations are conducted through a global supplier network.

All suppliers/vendors are required to comply with the Purchasing Code of Conduct, which is defined by corporate documents and procedures as an integral part of Kibar Group's Code of Conduct. The sustainability performance of the extensive supplier network, consisting of nearly 5,500 active vendors/suppliers, is subject to continuous supervision and improvement.

Within the scope of policies and guidelines on Code of Business Conduct Principles, Anti-Corruption and Anti-Bribery, Forced Labor, Child Labor, Harassment, Wages, Working Hours, Non-Discrimination, Occupational Health & Safety, Environment, Biodiversity, Integrity, Quality and Continuous Development, and Information Security, rules and principles required to be followed by all suppliers/vendors are defined in detail. When Kibar Group companies manage their supply chains, they require their respective supply chains to comply with the applicable standards within the framework of these principles as required by individual industries/segments.

Developed in line with the United Nations Global Compact, Purchasing Procedures cover various subjects such as prevention of child labor and forced/involuntary labor, providing fair working conditions, and mitigation of negative environmental impact.

Kibar Group Framework Agreement

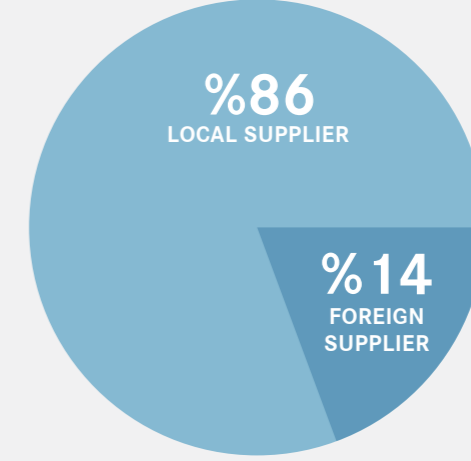
Kibar Group Framework Agreement is signed with vendors/suppliers prior to working to ensure that such vendors/suppliers also adopt critical sustainability priorities.

Under the title of "Code of Conduct and Legal Obligations" in Kibar Group framework agreements, the following provisions are included:

- Kibar Group's supplier/vendor:
- shall not force its employees to work involuntarily in any manner whatsoever;
 - shall not employ child labor;
 - shall not expose employees to physical punishments or physical, sexual, psychological, or verbal abuse;
 - shall not offer bribes to any Kibar employee under any title or condition whatsoever;
 - shall not keep employee wages at a lower level than the minimum wages, including salary and overtime pay, as provided in applicable laws and regulations;
 - shall not discriminate its employees against race, ethnic origin, language, religion, sexual orientation, gender, political or philosophical views, etc. in its decisions related to employment, including, without limitation, recruitment, promotion, compensation, employee benefits, training, collective redundancy, and termination of employment;
 - shall provide a healthy and safe working environment to its employees in order to prevent occupational accidents, incidents, and physical injuries;

- shall be in a position to prove its full compliance with all statutory regulations on environmental protection in all activities.

With an aim to increase contribution of its operations to the national economy, Kibar Group prefers domestic suppliers/vendors as much as possible. In 2020, Kibar Group had 4,634 domestic suppliers/vendors and the local procurement rate was 86%.



Vendor/supplier selection processes are carried out in line with the principles/rules defined in the Group's purchasing procedure and by taking into account the approved vendor/supplier list. In Kibar Group, vendor risk and performance assessment processes are carried out for all vendors/suppliers. All relevant legal and environmental risks are also included in this process. Vendor/supplier audits and onsite visits are organized based on the results of such assessments. These audit and control processes were carried out through online checklists in 2020 due to the pandemic measures. Vendors/suppliers are

required to be able to prove their compliance with all applicable statutory regulations to protect the environment, human rights, occupational health and safety conditions. For this purpose, vendor/supplier certificates are reviewed and the current data with the most recent updates are requested from such vendors. Following performance assessment, vendor performance cards that are issued in detail for all processes are provided to vendors/suppliers and necessary interviews and planning processes are carried out on areas for improvement. During the reporting period, there was not any negative vendor/supplier assessment related to environmental criteria and no contract was terminated due to such reasons. The Vendor Management Portal project, for which operations continued during 2020, aims for systematic monitoring of practices related to vendor/supplier development programs.

Kibar Group companies require their vendors/suppliers have necessary applicable standards and certificates as required by individual industries/segments and audit programs are carried out within this scope. In Assan Hanil and İspak, ISO 14001 Environmental Management System certificate is investigated during vendor/supplier audit processes.

Assan Alüminyum Cast'n Roll Project

The "Cast & Roll" program, which was implemented in Assan Alüminyum, is a supply chain transformation project focused on sustainability and aiming for revision of end-to-end supply chain procedure. In line with the objective of digitalization and automation of all business processes, the "Cast & Roll" program covers 15 information technologies (IT) projects. This project allowed for improvement in agile structure and significant improvements were achieved with an aim to create more value for business partners.

Cast'n Roll Supply Chain Transformation Project received the first place award in the category of the "Most Innovative" in the "Project Contest".

Supply Chain Management in Assan Hanil

In Assan Hanil, each vendor/supplier is subject to minimum one audit once a year. During the audits carried out in 2020, 162 vendors/suppliers were subject to performance assessments and 97% of the vendors/suppliers have successfully passed the assessment procedure by meeting the required criteria.

With its Hyundai i20 Project Assan Hanil received the "Best Performance in Commissioning Award." Assan Hanil also received OSD Supply Industry Achievement Award.

Supply Chain Management in Assan Foods

Vendor/supplier audit processes in Assan Foods are carried out in compliance with the requirements of the British Retail Consortium Standard (BRC) and International Food Standard (IFS). For primary packaging and product input vendors/suppliers, only those who meet the requirements of BRC and IFS are eligible to perform contract works.





WE SHARE
for the communities



We continue to serve the society with our social responsibility approach.

WE SHARE for the communities

In line with the principle of our Founder and Honorary President Asim Kibar, "We will continue to present our gains to the service of the society with our understanding of social responsibility", Kibar Holding and its affiliated companies carry out studies that contribute to the increase of the welfare of the society.

SOCIAL BENEFIT INVESTMENTS

In order to institutionalize humanitarian activities within Kibar Group, Kibar Training and Social Welfare Foundation was founded in 1999. While Kibar Holding makes key educational, health, and social investments in Turkey through Kibar Training and Social Welfare Foundation, the Group companies carry out social responsibility projects creating value to the society.

Our Social Benefit Investments in Education

From Asim Kibar Vocational and Technical Anatolian High School located in Istanbul, which was built by Kibar Group as one of the Social Benefit Investments in Education and began educational activities in 2010, 6,400 students have graduated so far. School activities intended for helping students adopt sustainability culture are part of the sustainability efforts of Kibar Group. Within this scope, educational activities on environmental consciousness, climate change, and recycling are organized. Household oils, paper, and plastic materials are collected for recycling and delivered to the relevant recycling and treatment facilities. Teachers and students carry out projects for sheltering and feeding needs of stray animals in the neighborhood. Around 60% of the graduates have begun their professional careers in tourism and gastronomy industries.

Semiha Kibar Kindergarten, which was built by Kibar Group in Sarseki district of İskenderun, Hatay in 2014, is the first and only kindergarten in the district. In Semiha Kibar Kindergarten, which was built in order to provide children from 36 to 71 months old with access to quality pre-school education, 605 children have received pre-school education so far.

Our Social Benefit Investments in Healthcare

Semiha Kibar Organ Transplantation and Dialysis Hospital, which was built by Kibar Holding within the campus of Erciyes University in Kayseri, began to provide healthcare services in 1995. In the hospital with around 100 healthcare professionals provide services, 41 rooms and 89 inpatient beds are available. The hospital has all necessary patient follow-up and treatment capabilities for patients with renal disorders without need for referring such patients to another healthcare center. In Semiha Kibar Organ Transplantation and Dialysis Hospital, providing hundreds of patients with access to treatment every year, more than 2,000 patients have received organ transplants and over 7,000 patients have received dialysis treatment so far.

Our Social Benefit Investments in Social Life

In Asim Kibar Cultural Center, which was built by Kibar Holding with a total surface area of 3,000 m² in İskenderun, Hatay in 2013, meetings, concerts, training activities, and recreation activities are organized. Nearly 500,000 people over 8,000 organized events have visited the facilities, which also has Children Playgrounds and a Gym.

Semiha Kibar Practice Hotel, which was built by Kibar Holding in Istanbul and put into service in 2012, is the first of its kind in the region. It was built with an aim to provide hotel management and tourism students with practical training accompanied by specialized teachers. So far, over 30,000 guests have been hosted and 2,850 students have had the opportunity to gain professional experience and contribute to household budget.

Semiha Kibar Practice Hotel aims to contribute to the domestic tourism industry in Turkey. In the hotel, waste oils, paper, and recyclable plastic materials are collected for recycling and delivered to the relevant recycling and treatment facilities.

Semiha Kibar Recreation Center, which was built by Kibar Holding in Istanbul in 2011 and subsequently transferred to Tuzla Municipality, was built on a total surface area of 2,200 m² and has 2 conference halls with a capacity of 550 guests as well as a digital library. So far, 380 conferences have been organized and nearly 100,000 guests have participated in these conferences in the center. In Semiha Kibar Recreation Center, over 400,000 guests have been served in the restaurant space and over 60,000 guests had the opportunity to benefit from the library. Waste sorting activities are carried out for wastes generated in Semiha Kibar Recreation Center and such wastes are recycled through the relevant waste collection and recycling facilities.

SOCIAL RESPONSIBILITY ACTIVITIES

Kibar Volunteers

Kibar Volunteers Project has been introduced for execution of social responsibility activities to be carried out voluntarily by the employees of Kibar Holding and Group companies. Kibar Volunteers project has been designed to allow employees to participate in volunteering activities in a comprehensive and flexible manner. With this project, it is intended to gather all volunteering activities under a single organization in order to contribute more to the benefit of the society.

We volunteer
for adding
value to life



With Kibar Volunteers project focusing on “children” and “education,” around 4,000 children has been reached out so far. With the “Disadvantaged Schools Aid Project,” introduced as a Corporate Social Responsibility (CSR) project, volunteering activities have been carried out in three different regions. Kibar Volunteers have helped building a Library, Chess and Intelligence Games Workshop, and Design & Crafts Workshop in Tuzla Mimar Sinan Primary School, providing education to more than 2,000 students. With these efforts of Kibar Volunteers, Mimar Sinan Primary School has become the only primary school having facilities for these 3 categories of activities among the public schools located in Istanbul Anatolian Side.

Within the scope of projects carried out by Kibar Volunteers in collaboration with 2 nongovernmental organizations in 2020, educational support was provided to children in need.

In N Kolay Sanal Istanbul Marathon in which 19 Kibar Volunteers has joined, donations were collected on behalf of Turkish Education Foundation (TEV) and Darüşşafaka, carrying out activities on education and helping children in need. Kibar Volunteers became the 18th team to receive the highest amount of donations.

Due to pandemic measures, activities, volunteers training, and volunteered sharing meetings have been migrated to digital platforms and organized online. Coordination of volunteering activities within the Group is carried out by “Volunteering Leaders,” who are elected through voting by the volunteers. Volunteers are involved in the activities and events by submitting project proposals or participating in the current projects that are carried out in 6 different areas.

- Corporate Social Responsibility Project / Disadvantaged Schools Aid Project: These activities are carried out by volunteers within the scope of corporate social

responsibility projects implemented by Kibar Holding.

- Corporate Social Responsibility Projects of Group Companies: Volunteers can also participate in corporate social responsibility projects to be carried out by Group companies on a voluntary basis.
- Volunteering Projects: Project-based activities that are carried out by volunteers. Volunteers jointly decide on which areas to work on and create a project group to carry out activities.
- Volunteering for Non-Governmental Organizations: Volunteers can also carry out social responsibility activities by participating in volunteering programs of various nongovernmental organizations. Non-governmental organizations that Kibar Volunteers will collaborate are determined based on prioritization through “Açık Açık” platform.
- Skill-Based Volunteering: These volunteering activities aim to offer the expertise of Kibar Volunteers in various specialized areas such as IT, accounting, education, and human resources within the scope of certain subject matters and projects as may be required by various institutions and organizations.
- Internal Volunteering: These are the volunteering activities that are carried out by Kibar Volunteers for providing expertise in various subject matters and projects as required by various institutions and organizations such as municipalities, public institutions, nongovernmental organizations, and social initiatives.

With an aim to evaluate volunteering requests and suggestions of its employees, Kibar Group has dedicated a volunteering portal accessible by employees on a 24/7 basis. Within this scope, all processes are carried out through the website, kibargonulluleri.com, which offers an integrated structure combined with the Human Resources, Purchasing, and Financial processes within Kibar Group. Therefore, volunteering activities are intended to be sustainable.



Activities with Seasonal Agricultural Laborers

Assan Foods carries out activities to improve the living conditions of seasonal agricultural laborers. In 2020, individual packages containing personal hygiene and cleaning products began to be provided to seasonal agricultural laborers working during the tomato harvesting season. Packages have been distributed to three different villages in Karacabey and Torbalı regions for a period of 3 months. Assan Foods also carries out activities to extend sowing and planting areas in the regions where it operates. Within this scope, training activities intended for farmers are organized. Farmers receive training on smart agricultural practices with an aim to help them keep up with developing technologies.

Tablet PC Donations

By donating 150 tablet PCs within the scope of the Tablet PC Donation Social Responsibility Project organized by Tuzla Municipality, Assan Alüminyum has supported students, who live in the region and continue their education by distance learning due to the pandemic.

Supporting Cycling

Assan Foods was among the main sponsors of Kapıdağ Peninsula Cycling Festival, which was organized in 2020.

Collaboration with TOÇEV

Within the scope of collaboration with Tuvana Çocuk Eğitim Vakfı (TOÇEV) that began in 2016, Assan Hanil contributes to funding educational costs of children.

**The European Bluestar**

In collaboration with Kocaeli University, Assan Alüminyum has introduced the "Biodiversity Conservation Project" and restored the natural habitat of the plant called "Amsonia orientalis - the European bluestar," which is naturally found in Kocaeli region and listed by the European Council among the "species that must be conserved in flora" in 2002, by reproducing the species of flower in-vitro. Communication of the project to all stakeholders took place on World Environment Day, which is celebrated throughout the world on 5 June with a biodiversity theme.



APPENDICES

For more detailed information on Kibar Holding Sustainability Report:
You can contact Kibar Holding Corporate Communication Department.
kurumsaliletisim@kibar.com

We thank you for your contributions at the pre-publication stage of our report.

Report Consultant : Kıymet-i Harbiye
Report Design : Being Çözüm

Employee Demographics*					
Employees	2016	2017	2018	2019	2020
Total number of employees	3.285	3.445	3.513	3.507	3.578
Total number of whitecollar women employees	241	278	287	280	299
Total number of whitecollar male employees	530	554	573	572	561
Total number of bluecollar women employees	204	206	192	191	184
Total number of bluecollar male employees	2.310	2.407	2.461	2.464	2.534
Total number of women employees	445	484	479	471	483
Total number of male employees	2.840	2.961	3.034	3.036	3.095
Employees by Age Groups					
Number of employees under 30 years old	937	912	842	774	730
Number of employees between 30-50 years	2.257	2.448	2.577	2.623	2.723
Number of employees 50 years and over	91	85	94	110	125
Total Number of Senior Executives**					
Number of women executives	32	36	29	32	35
Number of male executives	145	140	126	122	120
Percentage of women executives	%18,1	%20,5	%18,7	%20,8	%22,6
Maternity Leave					
Number of women employees on maternity leave	14	19	16	19	14
Number of male employees on paternity leave	212	227	245	218	215
Number of women employees returning from maternity leave	9	15	16	18	11
Number of male employees returning from paternity leave	198	211	241	217	213

* Revised by addition of Holding data and an error related to one plant was corrected retrospectively.

**Applicable for managers and higher job positions.

Employee Development					
Training Activities	2016	2017	2018	2019	2020
Employee Training - Number of Participants (person)					
Blue-collar	2.076	2.185	2.427	4.914	4.023
White-collar	489	532	581	1.635	1.408
Women	350	354	400	736	1.146
Men	2.215	2.363	2.608	5.858	4.289
Employee Training - Total Hours					
Blue-collar women	2.067	1.803	2.857	1.966	10.522
White-collar women	8.820	8.838	8.003	4.856	25.969
Blue-collar male	43.675	47.336	43.325	98.423	67.575
White-collar male	17.867	17.406	16.293	12.338	35.368
Total	72.429	75.383	70.478	117.583	139.434
Suggestion Systems					
Number of suggestions submitted	1.912	2.223	3.305	4.899	4.562
Number of suggestions implemented	472	615***	1.077	1.109	819
Employees Under Performance Review					
Women	199	257	293	221	416
Men	1.480	1.851	2.192	1.709	2.108
Total	1.679	2.108	2.485	1.930	2.524

***Figures excluding Assan Hanil.

Occupational Health and Safety					
Injury Rate	2016	2017	2018	2019	2020
Direct Employees					
Women	4,87	6,52	9,86	5,76	7,00
Men	12,10	14,65	16,13	12,08	12,30
Contractor's Employees					
Women	9,82	3,80	0,00	11,46	10,35
Men	16,25	23,26	14,17	20,62	20,48
Accident Severity Rate					
Direct Employees					
Women	0,21	0,04	0,05	0,02	0,05
Men	0,13	0,14	0,25	0,23	0,20
Contractor's Employees					
Women	0,05	0,01	0,00	0,02	0,21
Men	0,01	0,11	0,16	0,49	0,20
Occupational Disease Rate (ODR)					
Direct Employees					
Women	0	0	0	0	0
Men	0	0	0	0	0
Contractor's Employees					
Women	0	0	0	0	0
Men	0	0	0	0	0
Work-Related Deaths					
Direct Employees					
Women	0	0	0	0	0
Men	0	0	0	0	0
Contractor's Employees					
Women	0	0	0	0	0
Men	0	0	0	0	0

Occupational Health and Safety (OHS) Training					
	2016	2017	2018	2019	2020
Total OHS training hours allocated to employees	36.719	40.980	41.476	49.916	42.117
Total OHS training hours allocated to contractor's employees	4.015	4.481	5.507	8.851	8.913
Total number of employees participating in OHS training	8.063	5.482	9.275	14.750	2.976
Total number of contractor's employees participating in OHS training	2.017	1.371	3.454	1.523	2.588

Occupational Health and Safety Governance					
	2016	2017	2018	2019	2020
Number of OHS committees established	7	8	10	10	22
Total number of members in OHS committees established	55	55	110	110	112
Number of representatives serving in OHS committees established	7	8	18	18	25

Environmental Performance Indicators					
Use of Natural Resources	2016	2017	2018	2019	2020
Production output (tons)*	402.154	404.471	420.991	445.590	416.728
Raw materials consumed (tons)	579.487	582.888	600.020	656.422	616.766
The quantity of recycled/reused input materials (tons)	88.727	105.134	136.177	130.030	124.852
Rate of recycled/reused input materials	%15	%18	%23	%20	%20
Reclaimed packaging material (tons)	3.781	4.016	4.071	4.394	2.368
Water Management					
Total water consumption (m ³)	1.453.316	1.281.089	1.328.610	1.400.646	1.336.987
Well water consumption (m ³)	1.348.439	1.113.877	1.164.917	1.257.150	1.187.281
Municipal water consumption (m ³)	104.877	167.212	163.693	143.496	147.212
Surface water consumption (m ³)	0	0	0	0	2.494
The amount of water recycled/reused (m ³)	657.600	662.400	590.400	844.800	1.063.200
Water intensity (m ³ /million TRY)	417	276	209	199	173
Waste Management					
Hazardous wastes (tons)	8.763	9.150	12.733	12.337	11.726
Energy recovery	76	980	296	245	285
Recovery	8.296	7.941	12.169	11.782	11.149
Landfill	383	225	263	310	292
Incineration	5	0	0	0	0
Other	2,76	3,64	4,41	0,63	0,11
Non-hazardous wastes (tons)	9.595	10.349	9.518	11.283	11.975
Energy recovery	103	1.289	1.405	1.131	746
Recovery	7.746	7.486	7.047	9.244	10.718
Landfill	1.299	1.434	892	850	441
Incineration	0	0	0	0	17
Other	447	140	173	58	53

*Figures excluding Assan Hanil. Assan Hanil production output is followed up by vehicle set.

Fight Against Climate Change					
Direct Energy Consumption (GJ)	2016	2017	2018	2019	2020
Natural Gas	2.003.650	2.114.694	2.090.748	2.103.804	2.069.245
Coal	136.758	125.782	150.936	172.295	150.194
Total direct energy consumption	2.140.408	2.240.476	2.241.684	2.276.099	2.219.439
Indirect Energy Consumption (GJ)					
Electricity	698.988	776.264	779.306	796.765	774.126
Total energy consumption (GJ)	2.839.396	3.016.740	3.020.990	3.072.863	2.993.565
Energy intensity (GJ/million TRY)	815	650	475	436	386
Renewable Energy Production (GJ)	368.680	454.540	475.200	553.626	466.920
Emissions					
Scope 1 emissions (tons CO ₂ e)	120.788	125.543	126.901	129.828	125.680
Scope 2 emissions (tons CO ₂ e)	95.334	110.402	109.103	113.760	102.572
Greenhouse gas emissions intensity (tons CO ₂ e/million TL)	62	51	37	35	29
Saplings planted	870	164	595	4.750	1.840
Environmental Training (hours)					
Environmental training provided to Group employees	616	1.375	5.798	5.504	2.616
Environmental training provided to contractor's employees	231	302	1.277	289	585
Economic/Financial Performance Indicators					
	2016	2017	2018	2019	2020
Net sales revenues (TRY)	3.485.302.149	4.638.534.974	6.344.200.220	7.044.212.870	7.747.877.409



GRI CONTENT INDEX	
Disclosure	Descriptions and Page Numbers
GRI 101: Foundation 2016	
GRI 102: General Disclosures 2016	
Corporate Profile	
102-1	About Kibar Holding, pages 10-11
102-2	About Kibar Holding, pages 10-11; Kibar Group, pages 12-15
102-3	Contact - Back Cover
102-4	Kibar Group, pages 12-15
102-5	https://e-sirket.mkk.com.tr/esir/Dashboard.jsp#/sirketbilgileri/12030
102-6	Kibar Group, pages 12-15; Exports, page 48
102-7	About Kibar Holding, pages 10-11; Economic Value, page 47; Human Resources, page 47
102-8	Human Resources, page 47; Performance Indicators, page 104
102-9	We ENCOURAGE Our Stakeholders, page 88; Sustainability in Supply Chain, page 91
102-10	GRI Content Index: There was no significant corporate change during the reporting period.
102-11	Risk Management, page 17
102-12	Stakeholder Relations, pages 88-89; Sustainability Initiatives Sponsored, pages 38-39; Our Memberships and Partnerships, pages 116-117
102-13	Sustainability Initiatives Sponsored, pages 38-39; Our Memberships and Partnerships, pages 116-117
Strategy	
102-14	Message from the Chairman, page 7; Message from the CEO, page 9
102-15	Risk Management, page 17
Ethics and Integrity	
102-16	Business Ethics, page 60
102-17	Business Ethics, page 60

Within the scope of Materiality Disclosures Service, GRI Services Division has confirmed that the GRI Content Index was explicitly presented and descriptions between 102-40 and 102-49 were provided in the relevant sections of the report. This service was provided based on the Turkish version of the report.

GRI CONTENT INDEX	
Disclosure	Descriptions and Page Numbers
GRI 102: General Disclosures 2016	
Governance	
102-18	Governance in Kibar Group, pages 16-17; Sustainability Management, pages: 20-21
102-19	Sustainability Management, pages 20-21
102-20	Sustainability Management, pages 20-21
102-21	Sustainability Priorities, pages 24-25; Stakeholder Relations, page 88
102-22	Governance in Kibar Group, pages 16-17
102-23	Governance in Kibar Group, pages 16-17
102-24	GRI Content Index: All Kibar Holding executives and Executive Board members are elected in line with the principle of merit based on their individual experience and knowledge as required.
102-25	Code of Conduct, page 60; https://www.kibar.com/tr-tr/-/media/files/pdf/etikurallar/2020/11/24/etik-kurallar-tr.pdf
102-26	Governance in Kibar Group, pages 16-17
102-27	https://www.kibar.com/tr-tr/holding/yonetim-kurulu
102-28	GRI Content Index: In accordance with the Articles of Association of Kibar Holding A.Ş. (the "Company"), the Company is subject to management and representation by an Executive Board, consisting of minimum 3 (three) and maximum 11 (eleven) members whereas the General Assembly elects the Executive Board pursuant to the applicable provisions of the Turkish Commercial Code (TTK). Currently, our Executive Board consists of a total of 6 members. Executive Board members may be elected for a maximum period of 3 (three) years. Executive Board members, whose term of service has ended, may be re-elected. The Executive Board holds an Executive Board meeting by the presence of the majority of all members (i.e. quorum) and makes resolutions by the majority votes of the attending members. The Executive Board may hold a meeting at any time whenever deemed required and in any case, once (1) a month. The Executive Board is responsible for the management and representation of the Company. The Executive Board performs its duties as provided in the Turkish Commercial Code and other applicable legislation as well as the duties assigned by the General Assembly.
102-29	Sustainability in Kibar Group, page 18; Sustainability Management, pages 20-21; Sustainability Priorities, pages 24-25; Sustainability Approach, pages 26-27
102-30	Risk Management, page 17
102-31	Sustainability Management, pages 20-21
102-32	Sustainability Management, pages 20-21; Sustainability Priorities, pages 24-25
102-33	Stakeholder Relations, pages 88-89
102-34	Stakeholder Relations, pages 88-89
102-35	Wages Policy, page 58
102-36	Wages Policy, page 58
102-37	GRI Content Index: Kibar Holding wages policy has been designed based on the principle of equal wages for equal work. Competitor analyses are conducted within the scope of determination of wages. External stakeholders opinions are excluded.
102-38	GRI Content Index: Since Kibar Holding is not a publicly traded corporation, wages details are not disclosed.
102-39	GRI Content Index: Since Kibar Holding is not a publicly traded corporation, wages details are not disclosed.
Stakeholder Engagement	
102-40	Stakeholder Groups, page 89
102-41	GRI Content Index: Collective labor agreement is not applicable for Kibar Holding.
102-42	Stakeholder Relations, pages 88-89
102-43	Stakeholder Relations, pages 88-89; Sustainability Priorities, pages 24-25
102-44	Stakeholder Relations, pages 88-89; Sustainability Priorities, pages 24-25

GRI CONTENT INDEX	
Disclosure	Descriptions and Page Numbers
GRI 101: Foundation 2016	
GRI 102: General Disclosures 2016	
Reporting Practices	
102-45	About This Report, page 4
102-46	About This Report, page 4
102-47	Sustainability Priorities, pages 24-25
102-48	Performance Indicators Table, page 106
102-49	About This Report, page 4
102-50	About This Report, page 4
102-51	https://www.kibar.com/tr-tr/surdurulebilirlik/surdurulebilirlik-raporlari
102-52	GRI Content Index: Reporting is carried out on a yearly basis
102-53	Contact, back cover
102-54	About This Report, page 4
102-55	GRI Content Index, pages 108-113
102-56	GRI Content Index: This report does not include external audits.

MATERIAL ISSUES		
Standards	Disclosure	Descriptions and Page Numbers
Business Continuity		
GRI 103: Governance Approach 2016	103-1 Description and Binding of the Priority	WE GROW with sustainability principles, page 44-45, 47
	103-2 Governance Approach and Components	WE GROW with sustainability principles, page 44-45, 47
	103-3 Governance Approach Assessment	WE GROW with sustainability principles, page 44-45, 47
GRI 201: Economic Performance 2016	201-1 Economic Value Created	About Kibar Holding, page 10-11; Economic Value, page 47
GRI 204: Purchasing Practices 2016	204-1 Local Procurement Budget Amount and its Ratio to Total Procurement Budget	Sustainability Management in Supply Chain, page 91
GRI 412: Human Rights Assessments 2016	412-3 Human Rights Clauses/Provisions Contained in Investment Agreements or Contracts	Sustainability Management in Supply Chain, page 91
Sustainable Supply Chain		
GRI 103: Governance Approach 2016	103-1 Description and Binding of the Priority	Sustainability Management in Supply Chain, page 91
	103-2 Governance Approach and Components	Sustainability Management in Supply Chain, page 91
	103-3 Governance Approach Assessment	Sustainability Management in Supply Chain, page 91
GRI 308: Vendor/Supplier Environmental Audits 2016	308-1 Vendors/Suppliers Subject to Environmental Audits	Sustainability Management in Supply Chain, pages 91-92
	308-2 Significant Current and Potential Negative Environmental Impacts of the Supply Chain and Actions Taken	Sustainability Management in Supply Chain, pages 91-92
GRI 408: Child Labor 2016	408-1 Activities and Vendors/Suppliers Identified as Posing a Risk for Child Labor	Sustainability Management in Supply Chain, page 91
GRI 409: Involuntary/Forced Labor 2016	409-1 Activities Identified as Posing a Risk for Involuntary or Forced Labor Cases	Sustainability Management in Supply Chain, page 91
GRI 414: Vendor/Supplier Social Impact Audits 2016	414-1 Percentage (%) and Number of New Vendors/Suppliers Subject to Audits for Social Impact	Sustainability Management in Supply Chain, page 91
	414-2 Actions Taken Against the Current and Potential Negative Social Impacts of the Supply Chain	Sustainability Management in Supply Chain, pages 91-92
Business Ethics		
GRI 103: Governance Approach 2016	103-1 Description and Binding of the Priority	Business Ethics, page 60; Fighting Against Corruption, page 60
	103-2 Governance Approach and Components	Business Ethics, page 60; Fighting Against Corruption, page 60
	103-3 Governance Approach Assessment	Business Ethics, page 60; Fighting Against Corruption, page 60
GRI 205: Anti-Bribery and Anti-Corruption Practices 2016	205-1 Total Number and Percentage of Activities Evaluated for Corruption-Related Risks and Major Risks Identified	Internal Audit and Control, page 17; Fighting Against Corruption, page 60
	205-2 Communication Practices Related to Anti-Corruption Policies and Procedures	Fighting Against Corruption, page 60
	205-3 Corruption Cases	GRI Content Index: No significant corruption case occurred during the reporting period. GRI Content Index: There was no action/lawsuit brought against the Company due to anti-competitive behaviors during the reporting period.
GRI 206: Anti-Competitive Conduct 2016	206-1 Anti-Competitive Behaviors	GRI Content Index: All security staff has received necessary training required by applicable law.
GRI 410: Security Practices 2016	410-1 KPercentage of Security Staff Received Training on Corporate Policies or Procedures on Human Rights	GRI Content Index: All security staff has received necessary training required by applicable law.
GRI 412: Human Rights Assessments 2016	412-2 Human Rights Training	Business Ethics, page 60

MATERIAL ISSUES		
Standards	Disclosure	Descriptions and Page Numbers
Circular Economy		
GRI 103: Governance Approach 2016	103-1 Explanation of the material topic and its boundary	Waste Management, page 84; Energy Management, page 78; Water Management, page 82
	103-2 The management approach and its components	Waste Management, page 84; Energy Management, page 78; Water Management, page 82
	103-3 Evaluation of the management approach	Waste Management, page 84; Energy Management, page 78; Water Management, page 82
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Performance Indicators, page 106
	301-2 Recycled input materials used	Performance Indicators, page 106
	301-3 Reclaimed products and their packaging materials	Performance Indicators, page 106
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Performance Indicators, page 107
	302-2 Energy consumption outside of the organization	Performance Indicators, page 107
	302-3 Energy intensity	Performance Indicators, page 107
	302-4 Reduction of energy consumption	Energy Management, pages 78-80
	302-5 Reductions in energy requirements of products and services	Energy Management, pages 78-80
GRI 303: Water and Wastewater 2018	303-1 Water withdrawal by source	Water Management, page 82
	303-2 Water sources significantly affected by withdrawal of water	Water Management, page 82
	303-3 Water recycled and reused	Performance Indicators, page 106
	303-4 Water discharge	GRI Content Index: Since these data are not documented by the same method in all group companies, they are not included within the scope of reporting.
	303-5 Water consumption	Performance Indicators, page 106
GRI 306: Wastes 2016	306-2 Management of significant waste-related impacts	Performance Indicators, page 106
	306-3 Waste generated	GRI Content Index: No significant leakage/spillage case occurred during the reporting period.
Combating Climate Change		
GRI 103: Governance Approach 2016	103-1 Explanation of the material topic and its boundary	We Care About Future Generations, page 76; Fighting Climate Change, page 77; Energy Management, page 78
	103-2 The management approach and its components	We Care About Future Generations, page 76; Fighting Climate Change, page 77; Energy Management, page 78
	103-3 Evaluation of the management approach	We Care About Future Generations, page 76; Fighting Climate Change, page 77; Energy Management, page 78
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Fighting Climate Change, page 77; Risk Management, page 17
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Performance Indicators, page 107
	305-2 Energy indirect (Scope 2) GHG emissions	Performance Indicators, page 107
	305-3 Other indirect (Scope 3) GHG emissions	GRI Content Index: Since these data are not documented in the same format in all group companies subject to reporting, they could not be consolidated whereas the data will be provided in the 2021 report.
	305-4 GHG emissions intensity	Performance Indicators, page 107; Greenhouse Gases Emission Density, page 80
	305-5 Reduction of GHG emissions	Greenhouse Gas (GHG) Emissions Density, page 80
GRI 307: Environmental Compliance 2016	305-6 Emissions of ozone-depleting substances (ODS)	GRI Content Index: There is no ODS emission at critical levels in group companies subject to reporting.
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	267.3 tons in 2019 and 175 tons in 2020.*
	307-1 Non-compliance with environmental laws and regulations	GRI Content Index: No environmental compliance fine/sanction was imposed during the reporting period.
Employee Engagement and Satisfaction		
GRI 103: Governance Approach 2016	103-1 Explanation of the material topic and its boundary	Diversity and Inclusion, page 53
	103-2 The management approach and its components	Diversity and Inclusion, page 53
	103-3 Evaluation of the management approach	Diversity and Inclusion, page 53
GRI 402: Employment Relations 2016	402-1 Minimum notice periods regarding operational changes	GRI Content Index: Compliance with legal notice periods is ensured in case of significant reassignments.

*The relevant data are related to Assan Alüminyum. Other companies do not have NOx, SOx emission at a critical level.

MATERIAL ISSUES		
Standards	Disclosure	Descriptions and Page Numbers
Occupational Health and Safety		
GRI 103: Governance Approach 2016	103-1 Explanation of the material topic and its boundary	Occupational Health & Safety, pages 58-59
	103-2 The management approach and its components	Occupational Health & Safety, pages 58-59
	103-3 Evaluation of the management approach	Occupational Health & Safety, pages 58-59
GRI 403: Occupational Health & Safety 2018	403-1 Occupational health and safety management system	Occupational Health & Safety, pages 58-59
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health & Safety, pages 58-59; Performance Indicators, page 105
	403-3 Occupational health services	Occupational Health & Safety, pages 58-59
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health & Safety, page 58; Performance Indicators, page 105
	403-5 Worker training on occupational health and safety	Occupational Health & Safety, page 58; Performance Indicators, page 105
	403-6 Promotion of worker health	Occupational Health & Safety, pages 58-59
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health & Safety, pages 58-59
	403-8 Workers covered by an occupational health and safety management system	GRI Content Index: Employees of Kibar Holding and Group companies are included within the scope of OHS management system.
	403-9 Work-related injuries	Performance Indicators, page 105
	403-10 Work-related ill health	GRI Content Index: There was no occupational accident resulting in death during the reporting period.
Employee Development and Talent Management		
GRI 103: Governance Approach 2016	103-1 Explanation of the material topic and its boundary	Talents of the Future, pages 54-57
	103-2 The management approach and its components	Talents of the Future, pages 54-57
	103-3 Evaluation of the management approach	Talents of the Future, pages 54-57
GRI 404: Employee Training Activities 2016	404-1 Average hours of training per year per employee	Performance Indicators, page 104
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management, pages 54-57
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management, page 57; Performance Indicators, page 104
Gender and Opportunity Equality		
GRI 103: Governance Approach 2016	103-1 Explanation of the material topic and its boundary	Diversity and Inclusion, pages 52-54
	103-2 The management approach and its components	Diversity and Inclusion, pages 52-54
	103-3 Evaluation of the management approach	Diversity and Inclusion, pages 52-54
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	GRI Content Index: Since Kibar Holding is not quoted on the stock exchange, wages details are not disclosed.
GRI 202: Market Position 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	GRI Content Index: The wages policy in Kibar Holding and Group companies is determined and implemented in an impartial manner without any gender discrimination and based on the potential and performance of each individual employee.
	202-2 Proportion of senior management hired from the local community	GRI Content Index: All Kibar Holding executives are the citizens of the Republic of Turkey.
GRI 401: Employment 2016	401-3 Parental leave	Performance Indicators, page 104
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	Performance Indicators, page 104
	405-2 Ratio of basic salary and remuneration of women to men	GRI Content Index: Within Kibar Holding and Group companies, there is no wage rate difference based on gender. The principle of equal wages for equal work is applicable.
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	GRI Content Index: No discrimination case occurred during the reporting period.

MATERIAL ISSUES		
Standards	Disclosure	Descriptions and Page Numbers
Customer Satisfaction		
GRI 103: Governance Approach 2016	103-1 Explanation of the material topic and its boundary	Product and Service Quality, page 65; Information Security, page 72
	103-2 The management approach and its components	Product and Service Quality, page 65; Information Security, page 72
	103-3 Evaluation of the management approach	Product and Service Quality, page 65; Information Security, page 72
GRI 416: Occupational Health & Safety 2018	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index: There was not any noncompliance during the reporting period.
Employee Development and Talent Management	417-1 Requirements for product and service information and labeling	Product and Service Quality, pages 65-66
	417-2 Incidents of non-compliance concerning product and service information and labeling	GRI Content Index: There was not any noncompliance during the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications	GRI Content Index: There was not any noncompliance during the reporting period.
GRI 418: Customer Data Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI Content Index: There was no case of violation of customer data privacy during the reporting period.
R&D, Innovation and Digitalization		
GRI 103: Governance Approach 2016	103-1 Explanation of the material topic and its boundary	R&D and Innovation, page 67
	103-2 The management approach and its components	R&D and Innovation, page 67
	103-3 Evaluation of the management approach	R&D and Innovation, page 67
Social Responsibility		
GRI 103: Governance Approach 2016	103-1 Explanation of the material topic and its boundary	We Share for the Society, pages 96-97
	103-2 The management approach and its components	We Share for the Society, pages 96-97
	103-3 Evaluation of the management approach	We Share for the Society, pages 96-97
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	We Grow based on Sustainability Principles, page 45; Social Benefit Investments, page 97
	203-2 Significant indirect economic impacts	Economic Value, page 47; Social Benefit Investments, page 97
Corporate Sustainability Management		
GRI 103: Governance Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Approach, pages 26-27
	103-2 The management approach and its components	Sustainability Approach, pages 26-27
	103-3 Evaluation of the management approach	Sustainability Approach, pages 26-27

UN Global Compact (UNGC) Progress Reporting

Principle	GRI Standard Reporting	Relevant Section
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	412-2, 412-3, 410-1, 103-2, 413-1, 413-2	Sustainability at Kibar Group, WE EMPOWER people, WE ENCOURAGE our stakeholders
Principle 2: Make sure that they are not complicit in human rights abuses.	412-2, 412-3, 410-1, 103-2, 413-1, 413-3	Governance at Kibar Group, Sustainability at Kibar Group
Labour		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	102-41	Sustainability at Kibar Group
Principle 4: The elimination of all forms of forced and compulsory labour.	409-1, 412-2, 412-3	Sustainability at Kibar Group, WE EMPOWER people, WE ENCOURAGE our stakeholders
Principle 5: The effective abolition of child labour.	408-1, 412-2, 412-3	Sustainability at Kibar Group, WE EMPOWER people, WE ENCOURAGE our stakeholders
Principle 6: The elimination of discrimination in respect of employment and occupation.	202-1, 405-1, 405-2, 406-1	Sustainability at Kibar Group, WE EMPOWER people
Environment		
Principle 7: Businesses should support a precautionary approach to environmental challenges.	302-1, 302-2, 302-3, 302-3, 302-4, 302-5, 303-1, 303-2, 303-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2	Sustainability at Kibar Group, WE CARE for next generations, Kibar Group's Sustainability Strategy 2025
Principle 8: Undertake initiatives to promote greater environmental responsibility.	102-12, 102-13	Supported Sustainability Initiatives
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	103-1	Sustainability at Kibar Group, WE CARE for next generations, WE INNOVATE for the future
Anti-Corruption		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	102-16, 102-17, 205-1, 205-2, 205-3	Governance at Kibar Group, Business Ethics, Fighting Against Corruption

UN Women's Empowerment Principles (WEPs) Progress Reporting

Principle	GRI Standard Reporting	Relevant Section
Human Rights		
Principle 1: Establish high-level corporate leadership for gender equality	405-1, 405-2	Message from the CEO, Gender Equality, Kibar Group's Sustainability Strategy 2025, Performance Indicators, GRI Content Index
Principle 2: Treat all women and men fairly at work - respect and support human rights and nondiscrimination	401-3, 405-1, 405-2, 406-1	Sustainability Priorities, Gender Equality, Kibar Group's Sustainability Strategy 2025, Performance Indicators, GRI Content Index
Principle 3: Ensure the health, safety and well-being of all women and men workers	406-1	Sustainability at Kibar Group, Kibar Group's Sustainability Strategy 2025, Occupational Health & Safety, Performance Indicators
Principle 4: Promote education, training and professional development for women	404-1; 404-3	Güç BİZde Development Platform, Kibar Group's Sustainability Strategy 2025, Performance Indicators
Principle 5: Implement enterprise development, supply chain and marketing practices that empower women	204-1; 103-1; 103-2; 103-3	Sustainability at Kibar Group, Sustainability Management in Supply Chain
Principle 6: Promote equality through community initiatives and advocacy		Gender Equality, Kibar Group's Sustainability Strategy 2025, Supported Sustainability Initiatives
Principle 7: Measure and publicly report on progress to achieve gender equality	405-1; 405-2; 103-1; 103-2; 103-3	Kibar Group's Sustainability Strategy 2025, Performance Indicators, GRI Content Index

OUR MEMBERSHIPS AND COOPERATIONS



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