



Kibar



2021

S U S T A I N A B I L I T Y R E P O R T

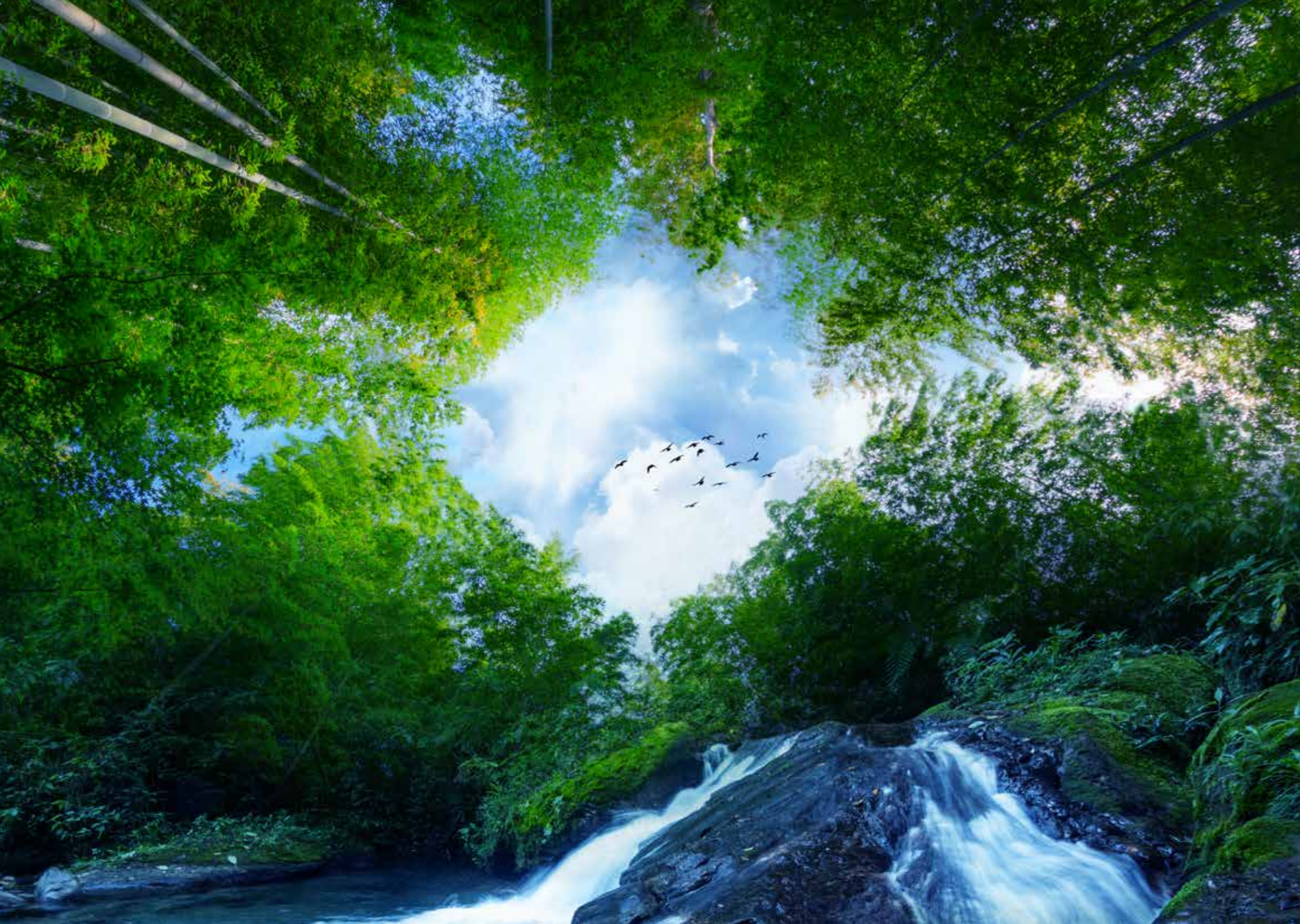


CONTENTS



- 06 ABOUT THIS REPORT
- 08 MESSAGE FROM THE CHAIRPERSON
- 10 MESSAGE FROM THE CEO
- 12 ABOUT KIBAR HOLDING
- 14 KIBAR GROUP
- 18 GOVERNANCE AT KIBAR GROUP

- 20 SUSTAINABILITY AT KIBAR GROUP
 - 44 WE GROW
 - 52 WE EMPOWER
 - 64 WE INNOVATE
 - 76 WE CARE
 - 86 WE ENCOURAGE
 - 94 WE SHARE
- 102 APPENDIX
 - 104 CORPORATE MEMBERSHIPS AND COOPERATIONS
 - 106 REPORTING GUIDELINES
 - 112 PERFORMANCE INDICATORS
 - 116 GRI CONTENT INDEX
 - 124 DECLARATION OF ASSURANCE



*"As we protect the nature, the nature will protect us.
Making our future and goals sustainable is the greatest heritage we can pass on."*

Asim Kibar
Founder and Honorary Chairperson
Kibar Holding

Celebrating the 50th Anniversary of its foundation, Kibar Holding has shared its economic, social, and environmental performance with all stakeholders since 2013 based on the principle of transparent reporting. This performance is categorized under “Kibar Group Sustainability Principles” as follows: “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.” In addition, this report includes 2025 Targets within the scope of “Kibar Group’s sustainability strategy 2025” as published in 2020, 2021 completion rates of these targets as well as contribution made to the United Nations Sustainable Development Goals.

Unless otherwise provided, the information contained in the report for the period between January 1st - December 31st, 2021 includes the consolidated data of Assan Alüminyum, Assan Hanil, Assan Panel, and İspak, 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 at the level of GRI Universal Standards: Content Index Essentials, 2021. It also aims to meet the Reporting requirements for annual progress within the framework of the United Nations Global Compact (UNGC) and Women’s Empowerment Principles (WEPs).

Some environmental and social performance indicators for 2020 and 2021 as contained in Kibar Holding Sustainability Report of 2021 have been validated within the framework of International Standard on Assurance Engagements (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410).

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



Dear Stakeholders,

After the entire world has encountered numerous challenges together with socioeconomic impacts of the ongoing COVID-19 aftermath on a global scale, the year 2021 finally comes to an end. It is surely beyond doubt that this period facilitated sustainability, a concept whose significance has become more and more clear during in recent years to transform into an element which essentially defines our world today. As this major transformation process focusing on sustainability becomes even more crucial than ever before, it continues to gain momentum exponentially.

Kibar Holding viewed this period as a threshold to provide benefit to our world and people by speeding up our sustainability activities that we have been investing for many years. Within this scope, we have created Kibar Holding 2025 Sustainability Strategy, which was developed last year with a broad and pluralistic participation throughout the Group. In 2021, we have taken key steps to increase contribution to 2030 agenda as determined by the United Nations together with all group companies and our stakeholders taking this strategy as our guidelines.

Being an export-focused Group is a key source of motivation for us to reshape all our activities in line with sustainability principles. As a matter of fact, maintaining our competitive power in global markets is closely associated with our adoption of sustainable methods in a broad perspective from production and governance operations to operational standards, supply chain, and business relationships. With this mindset and awareness, we make more commitments every year in order to ensure continuous contribution to both our national economy as well as the future of our world.

On the 50th anniversary of its foundation, Kibar Holding continues to adopt a holistic sustainability approach, including such aspects as action against climate change, transition to a circular economy, providing benefit to the environment and society, and equal opportunities in all group companies driven by the power and inspiration harnessed from our well-established history. In the light of this vision, we are glad to share our practices implemented during 2021 with the public and our stakeholders through Kibar Holding Sustainability Report of 2021. I would like to express my thanks to our valuable business partners, customers, and colleagues who support and contribute to our sustainability activities by being in this journey for the long haul.

Ali Kibar
Chairperson of the Executive Board



Dear Stakeholders,

We live through a period in which our world gives strong signals about the future while we experience the impacts of these signals deeply in environmental and social aspects. Having accommodated billions of species throughout its more than 4.5 billion-year history, our planet has now begun giving critical responses to extreme pressure caused by human activity. According to data published by European Union Copernicus Climate Change Service, 2021 was the fifth-hottest year of the Earth on record. Many negative impacts such as extreme weather conditions, temperature fluctuations, changes to precipitation regime, glacier melting, rise of sea and ocean levels, and increase in forest fires were observed all around the world.

Direct or indirect outcomes of climate change, which affect human health, communities, ecosystems, business models, and economy on a global scale, are key indicators showing us that we can no longer afford to waste time. Recovery and healing from such outcomes are only possible with labor and efforts to be made for many years to come. We must prevent the impacts of climate crisis to reach an "irrecoverable" level.

While our world was facing all these challenges, the global health crisis, which was introduced to our lives at the end of 2019 and caused radical changes to our social life and business models throughout 2020 and 2021, has proven once more the importance of sustainability. While the effects of the pandemic and resulting socioeconomic fluctuations lasted on a global scale, inequalities were explicitly unfolded.

As Kibar Group, we are determined to continue achieving economic growth and as a long-established corporate governance culture and sharing the outcomes in a transparent manner. We do not limit the scope of sustainability only to preserving the nature or taking action against climate crisis, but we transform it into a collective experience and a phenomenon included in our broad ecosystem consisting of our employees, customers, and stakeholders in line with our vision created by taking into consideration all aspects of sustainability. We adopt as a principle to look after the needs of next generations in every step of everything we do. Global goals focusing on equality and recognized by the United Nations are instrumental in the designation of our roadmap for sustainability. We take consistent steps towards our goals within the scope of Kibar Group's Sustainability Strategy of 2025 as created in this context.

In line with the acceptance of the Sustainable Development Goals, we determined 2016 as the reference year for the targets planned to be achieved by 2025. In 2021, we have increased our sales revenue by 4 times as compared to the reference year. We carry out exports by \$3 billion US dollars to more than 100 countries in 5 continents. During this period, we have increased our human resource by about 20%. As the signatory of Women's Empowerment Principles (WEPs), we continue to implement practices supporting and empowering the employment of women. As a result of our policies on gender equality, we have increased the number of female employees by 39% and the number of female senior executives by 44%.

We consider technological development, R&D, and innovation as the building block for growth. We have reached an annual R&D budget by around TRY 60 million by doubling our R&D budget.

We have increased the number of employees by 70% in R&D laboratories found in all group companies. We get satisfactory results from these activities and continuously improve the quality of our products and services. One of our targets includes completion of digital transformation in all of our plants. For this reason, we give priority to digitalization processes. We allocated an additional budget by TRY 100 million in 2021 for digital transformation.

We take all necessary precautions to eliminate or minimize the environmental effect of our activities at all phases from production to distribution. During the last 2 years, we have implemented 18 new projects to contribute to taking action against climate change and promoting circular economy. We increase energy efficiency, decrease energy and emission intensity, and produce electricity from renewable energy sources. We have also decreased water intensity by 75% based on production output. With our investment in the Waste Water Recovery Plant in Asim Kibar Organized Industrial Zone, we ensure recovery of nearly 500,000 m³ of water on a yearly basis. This water is used in the process lines and irrigation systems of group companies. We make efficient use of resources, reduce, recycle, and reuse wastes. We have significantly increased the amount of recycled and reused raw materials by 50%. We increased the amount of recycled waste to 99.3% in 2021. By collaboration within the scope of our strategy to protect biodiversity, we have restored the natural habitat of an endangered plant species in the ecosystem. Our biodiversity activities for another plant species are still ongoing.

In addition to our own practices, we are also committed to adopting sustainability principles of our stakeholders to achieve global sustainable

development goals. We sign "Kibar Group Framework Agreement" with over 5,000 active suppliers to ensure critical sustainability priorities and follow up the sustainability performance of our suppliers.

Through Kibar Education and Social Welfare Foundation founded in 1999, we contribute to social welfare by making investments in the areas of education, health, and social life. We have reached 4,400 children with Kibar Volunteers, one of our social responsibility projects. We have sponsored and continue to support various solidarity campaigns. We have collaborated 6 national and international organizations and 10 different initiatives carrying out activities for sustainability throughout the world.

We are proud of making progress in our sustainability journey as a half century-old brand, witnessing the last 50 years of the economic and social development of Türkiye and making significant commitments by contributing to both economic growth and sociocultural life in key cornerstones. On the 50th anniversary of our foundation, this is what motivates us to carry on our activities.

We are glad to share with you, our valuable stakeholders, the outcomes of the ninth reporting period full of innovative projects. We consider our sustainability reports, in which we present our economic, environmental, and social performance, as a key instrument for transparency and accountability. We would like to express our thanks to our valuable colleagues, customers, suppliers, business partners, and all stakeholders supporting us in this journey for their valuable contributions.

Haluk Kayabaşı, CEO



ABOUT KİBAR HOLDING



FOUNDED IN
1972



6
DIFFERENT
SECTORS



15+
COMPANIES



5000
EMPLOYEES



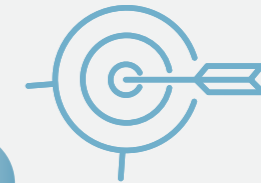
20+
PRODUCTION
PLANTS



2,7
BILLION USD
EXPORT



EXPORTS TO OVER
100 COUNTRIES
ON **5** CONTINENTS



TÜRKİYE'S
LEADING
EXPORTER IN
ITS INDUSTRY



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 products to a variety of industries such as packaging, distribution, construction, durable consumer goods, automotive, and HVAC. Carrying out productions in Istanbul Tuzla and Kocaeli Dilovası plants, the company is a leader in flat aluminum industry in Türkiye with its installed sheet/foil 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. ISO 500- In Türkiye's Biggest Industrial Enterprises 2021 list, Türkiye's 39th biggest industrial enterprise. 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 aluminum company in Türkiye to be eligible to receive a Performance Standard Certificate from Aluminium Stewardship Initiative (ASI), which establishes global sustainability standards in the aluminum industry.



Dilovası



Chicago



Manavgat

ASSAN HANİL

İzmit 1



İzmit 2



Bursa



Aksaray



Gölcük

As one of the automotive investments of Kibar Group, Assan Hanil was founded in 1997 in partnership with South Korean Seoyon E-Hwa and carries out activities in the automotive industry. It began production as main parts supplier. In addition to manufacturing of driver and passenger seats, Assan Hanil also manufactures door panels front and rear bumpers, dashboard panels, consoles, mats, heater holders, inflatable parts, glove compartment, ceiling as well as interior and external plastic parts. It is one of the few automotive companies on a global scale to be capable of carrying out design, development, and manufacturing operations related to air suspension driver's seat. During the first years of its foundation, Providing parts for Hyundai Assan, Assan Hanil added to its customer portfolio Ford Otosan, Isuzu, Honda, Agco, Mercedes Benz Türkiye and Türkiye's Automobile Joint Venture Group (TOGG). In 2019, it commissioned Aksaray Plant to carry out manufacturing operations for Mercedes-Benz Türkiye and Gölcük Plant to carry out manufacturing operations 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.

İSPAK AMBALAJ

İzmit

Founded in 1974 and with its over 45-year expertise and R&D activities, İspak Ambalaj carries out integrated packaging production supply of raw materials, lacquering, lamination and extrusion, printing, slicing, delivery of special packaging materials. 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. In particular, with its expertise in flexible packaging production and ability to offer a wide variety of applications, it manufactures packaging materials for chocolate products, confectionery, dairy products, beverages, dried food and snacks, medical equipment and pharmaceutical packaging, hygiene products and pet food. The company also designs packaging applications for tobacco and industrial products and serves as a supplier.

ASSAN PANEL

Tuzla



Balıkesir



İskenderun



Ürdün



Azerbaycan

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 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 capacity of 3,000,000 m²/year in 2009, and Jordan Plant with a capacity of 4,500,000 m²/year in 2012, respectively. By completing the second line investment in Tuzla-Istanbul Plant with a capacity of 3,500,000 m²/year in 2015, it has reached a capacity of 18,000,000 m²/year. In 2021, it made the first investment in Turkic Republics and began activities in Azerbaijan Plant in partnership with Sumqayıt Texnologiyalar Parkı (STP). At its Tuzla, İskenderun, Balıkesir, Jordan, and Azerbaijan facilities, Assan Panel continues to carry out its production as a leading manufacturer with a total production capacity of 22,500,000 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 in the global market, Assan Panel; with its AssanPU, Assan Demir, AssanWool, and AssanBoard brands, continues to export to 85 countries as a total solution partner for industrial buildings.

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 the first and only stainless steel cold rolling plant of Türkiye, Posco Assan TST began production in 2013 with a capacity of 300,000 tons/year.

TSI AIRCRAFT SEAT PRODUCTION

İstanbul



Utah

TSI Seats was established in 2012 as a joint venture by Kibar Holding, Turkish Airlines (THY), and THY Teknik A.Ş. TSI, EASA (European Aviation Safety Agency) and FAA (Federal Aviation Administration) authorizations, produced aircraft seats, and the seats are used in A320, A330, A350, B737, B777, and B787 series. 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, TSI SEATS Inc. carries out activities in Seattle. 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. TSI, with its 140 members, aims to quickly increase its annual production capacity to 100,000 pax in its new facilities located in Istanbul Sabiha Gökçen Airport with a surface area of 3,400 m² within a few years.



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 Türkiye 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

İsviçre

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 semifinished 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, 2006 yılında Kibar Holding Grup şirketlerinin tüm bilişim teknolojileri ihtiyaçlarını karşılamak üzere kurulmuştur. İleri teknolojiye sahip servis ve çözümler sunarak tüm Grup şirketlerinin iş ortağı olan bir teknoloji şirkettir. Dünyada lider konumda olan teknoloji şirketleri ile stratejik ortaklıklar geliştirmektedir.

ASSAN LOJİSTİK

Tuzla

Assan Lojistik was established in 1996 to provide logistics services in connection with ports. Providing services such as inland transport around Türkiye, 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 project based 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 İstanbul-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 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 İstanbul İRB 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.

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.

GRI 2-9, 2-10, 2-11, 2-12, 2, 13

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.

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/yonetimkurulu>
ve <https://www.kibar.com/tr-tr/holding/ust-yonetim>

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. Positioned as a part of the decision-making mechanism, corporate risk management activities include analyzing opportunities as well as risks.

Kibar Holding Board of Directors optimizes the balance of risk, growth and return in its strategic decisions and acts with a risk management approach that supports global developments and current management elements. The Risk Committee established by the Board of Directors is responsible at the highest level for early detection of risks and taking necessary measures. It convenes four times a year within the scope of establishing and overseeing relevant policies and procedures and monitoring activities, and evaluates the Group's risk management progress on behalf of the Board of Directors through quarterly reports received from the companies.

Corporate risk management and business continuity principles are structured in accordance with international standards such as ISO 31000 Risk Management and ISO 22301 Business Continuity Management System, company strategies and corporate culture. A business continuity program has been prepared for Kibar Group industrial companies and a roadmap has

been created for them to obtain ISO22301 Business Continuity Management certifications. Assan Alüminyum received this certification in 2021 and is the only company entitled to receive this certificate. It is aimed for other industrial companies to obtain these certifications by the end of 2023.

The Risk Management Directorate, which is responsible for the coordination of the risk management activities of Kibar Holding and Group companies, conducts annual risk assessment studies, creates detailed risk maps and determines the risk action plans to be implemented.

In the process of identifying and rating risks and formulating management strategies, financial and operational impacts as well as environmental compliance and social impacts are evaluated. In particular, issues related to employee health and safety are approached with utmost sensitivity. In this context, corporate risk inventories include issues such as fire, natural disasters, occupational health and safety, environment, human rights, employee rights, sociocultural rights and misconduct. In addition to the defined controls, short-, medium- and long-term actions are determined and monitored with additional risk-reducing controls. Risk and root cause analyses conducted by occupational health and safety and environmental units on a case and scenario basis provide input to annual corporate risk assessment studies. Action plans are prepared for all corporate risks, including environmental and social risks, and realizations are periodically monitored by the company and holding executive boards and the risk committee reporting to the board of directors.

In order to effectively manage risk management and internal control systems and to ensure synergy among Group companies, company risk management representatives have been appointed and a sharing platform has been established.

Kibar Holding, which creates the information security risk map on an annual basis, prepares action plans for the relevant risks and reports them at certain intervals. In addition, risk analyzes and forms are prepared within the scope of ISO27001 and necessary plans are made for items with high risk scores.

The company's risk map was determined according to the authorization matrix and classifications created within the scope of the SAP SOD project, which started to be implemented in Assan Hanil in 2021, and the authorization risk report was made available to company employees.

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

GRI 2-9, 2-10, 2-11, 2-12, 2-13

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.

Global Health Crisis
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 (CSR) 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 of 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 decisionmaking mechanisms as applicable.

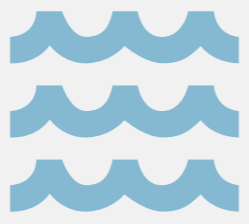
Kibar Group companies are liable for ensuring compliance with the principles of UN Global Compact as well as all policies and strategies determined in line with these principles by Kibar Holding in all operations carried out by the companies.

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.

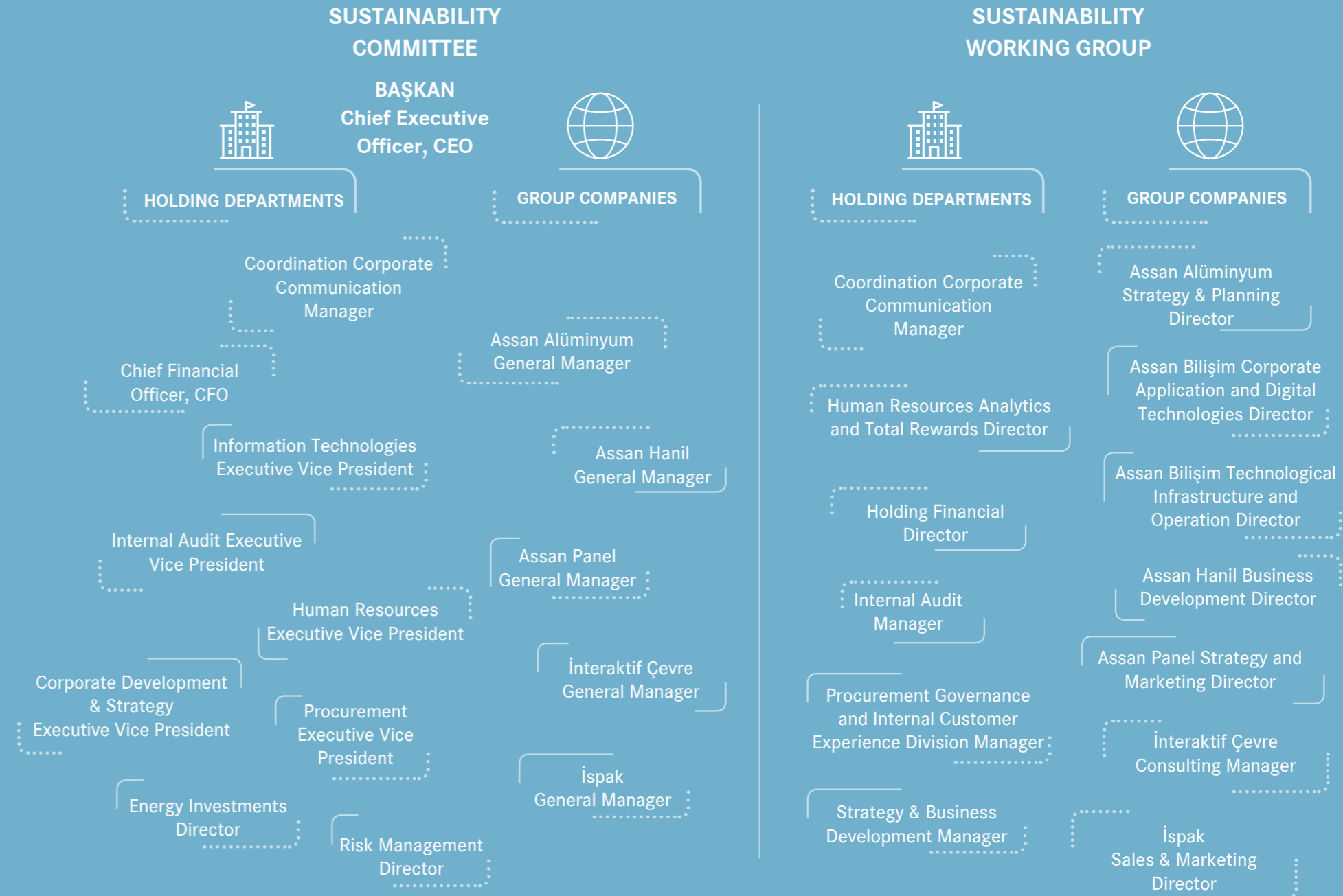
GRI 2-13, 2-14, 2-24

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.

GRI 2-13, 2-14, 2-24

Sustainability Management Structure



CONTRIBUTION TO 9 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): “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 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.



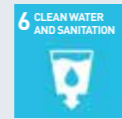
GOAL 4: Quality Education

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

As a signatory of the Women’s Empowerment Principles (WEPs), we continue to implement practices that support and strengthen women’s employment. We increase the number of female employees and the ratio of female managers. We carry out various practices and awareness-raising activities to encourage women’s active participation in business life.



GOAL 6: Clean Water and Sanitation

We develop sustainable water strategies to protect the ecosystem and reduce our waterintensive consumption 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.



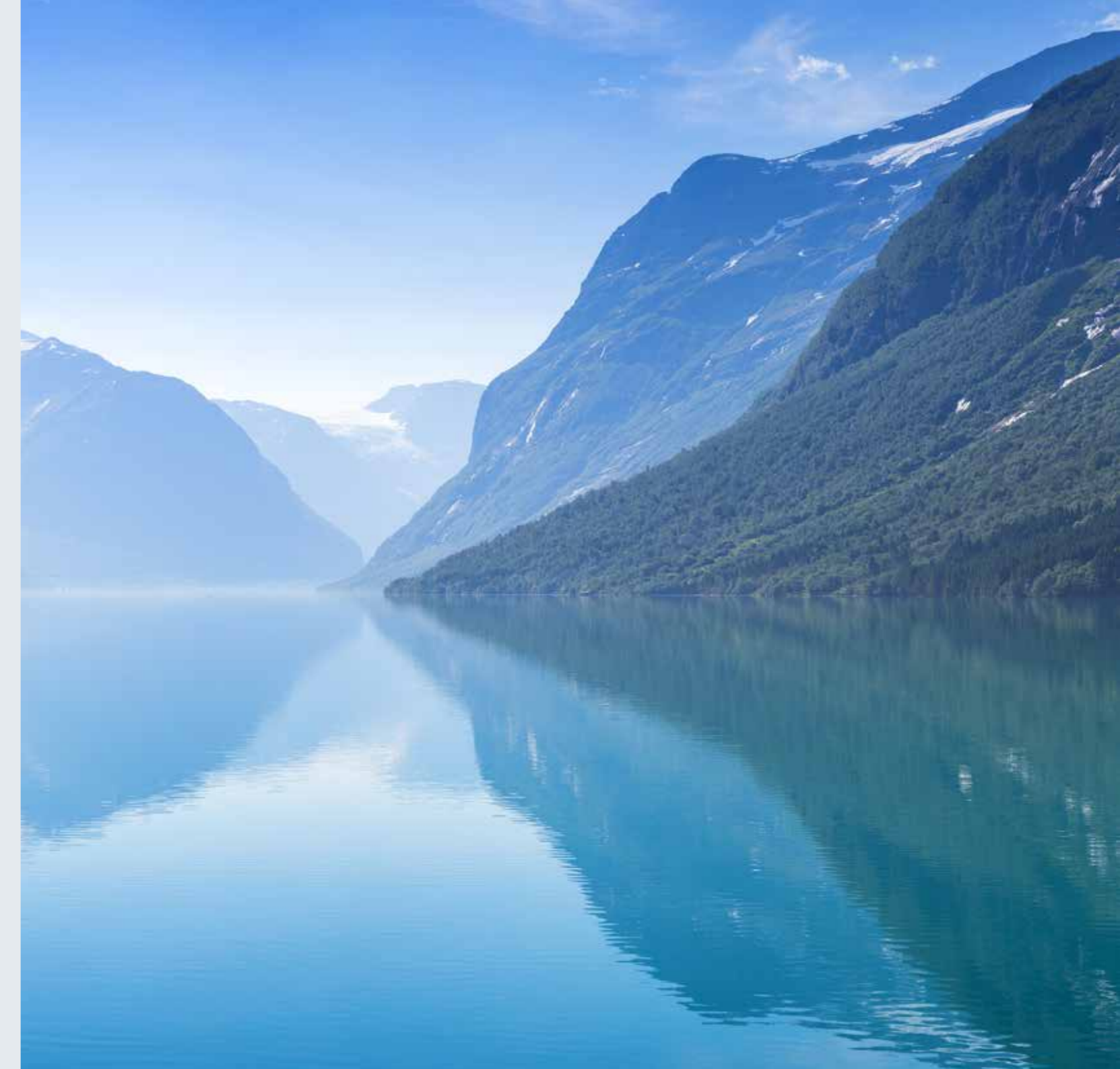
GOAL 16: Peace, Justice and Strong Institutions

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 objectives of the United Nations Global Compact and strive to mainstream them. In order to support a low-carbon circular economy we make collaborations.



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.

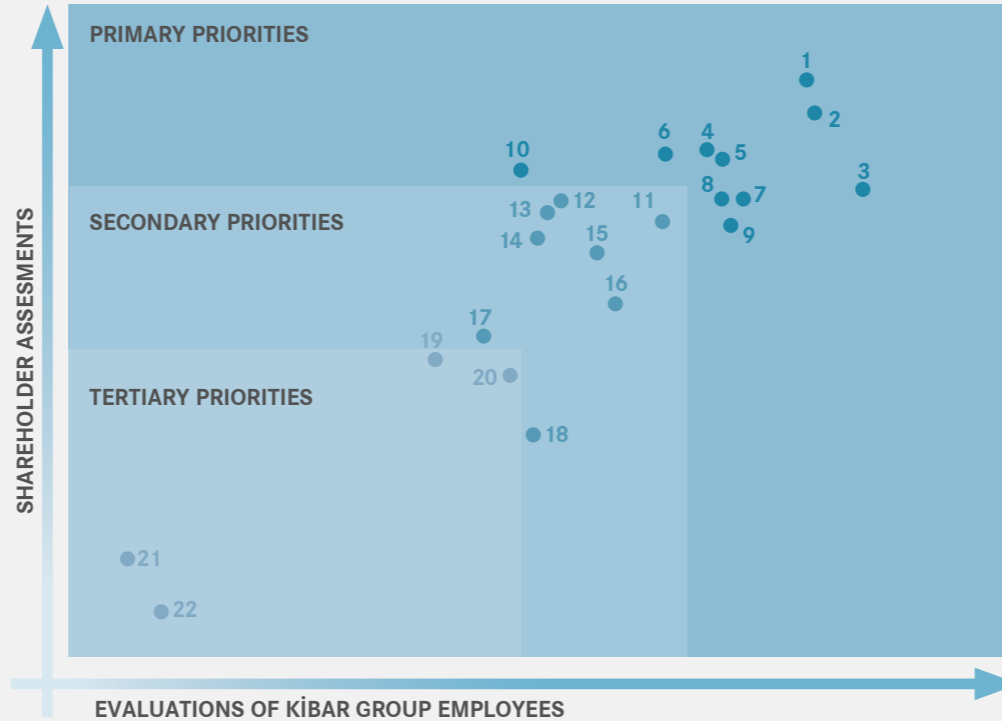
In 2020, Kibar Group conducted surveys with a questionnaire to determine global trends as well as economic, social, and environmental issues, strategic priorities on sustainability, and the United Nations Sustainable Development Goals required to be focused on. A total of nearly 500 participants on behalf of natural persons or legal entities have been included in the questionnaire.

Kibar Group’s sustainability priorities are reevaluated and updated every year. In this context, surveys for internal and external stakeholders were renewed in 2021 and 2022.

Using various statistical methods, sustainability priorities were categorized under 3 groups as “primary priorities,” “secondary priorities,” and “tertiary priorities.”

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. Occupational Health and Safety | 13. Use of Renewable Energy Sources |
| 2. Product Quality and Safety | 14. Environmentally Friendly Products |
| 3. Customer Satisfaction | 15. Supply Chain Management |
| 4. Energy Efficiency | 16. Preparedness for Disasters and Emergencies |
| 5. Work Ethics | 17. Gender and Equal Opportunity |
| 6. Consumer Health and Safety | 18. Corporate Governance Practices |
| 7. Data Security | 19. Social Responsibility |
| 8. Business Continuity | 20. Access to Sustainability Financing Instruments |
| 9. R&D, Innovation and Digitalization | 21. Green Building Practices and Certification |
| 10. Water Efficiency | |
| 11. Waste Management | |
| 12. Employee Development and Satisfaction | |

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.

13 priorities have been determined as Business Continuity, Corporate Sustainability Management, Occupational Health & Safety, Employee Engagement and Satisfaction, Employee Development and Talent Management, Gender Equality and Equal Opportunities, Business Ethics, Customer Satisfaction, R&D/Innovation and Digitalization, Circular Economy, Climate Action, Sustainable Supply 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 2025 SUSTAINABILITY STRATEGY

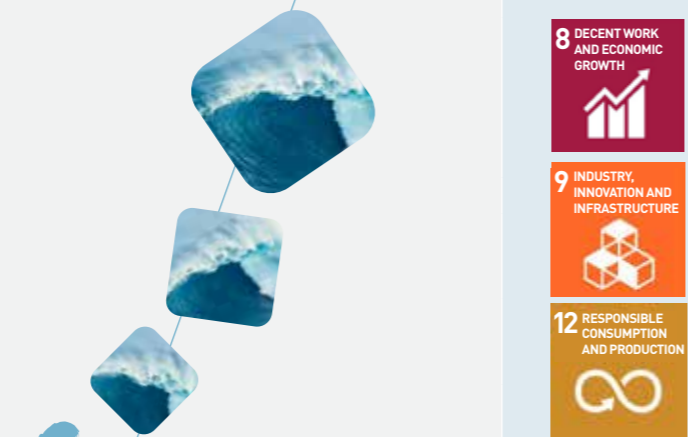
In Kibar Group, corporate sustainability is considered as a governance paradigm. Sustainable governance approach involves combining economic, environmental, and social factors into corporate governance principles for consideration and efficient management of such factors together with the principles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

In this context, the “Kibar Group 2025 Sustainability Strategy” was prepared in 2019 based on the principles, goals and objectives of the United Nations Global Compact and Global Reporting Initiative standards. The 2025 Strategy was created on the basis of “Kibar Group Sustainability Principles” and shaped by “Kibar Group Sustainability Priorities”. As a result of the analyzes made to determine the contribution of Kibar Group to the “169 goals” that the United Nations plans to achieve by 2030, “40 Goals” were determined. In 2021, the “Kibar Group 2025 Sustainability Strategy” was revised due to the exit of Assan Foods from the Kibar Group company portfolio. “Goal Y2. To create sustainable food production systems” in the 2019 and 2020 Sustainability Reports for the food sector and the company in question. Implement agricultural practices that increase production, help protect ecosystems and

improve soil quality.”, “Target O2. Reduce food losses in the production and supply chain”, “Target O5. Increase the amount of recycled and reused water by 35%.” and “Target P1. Contribute to increasing the income of smallscale food producers by providing systematic trainings on good agricultural practices.” were removed.

Among the “36 Goals” that Kibar Group plans to realize until 2025 in the field of sustainability; to realize economic growth within the framework of sustainability principles, to increase the number of female employees and the ratio of female senior executives, to increase professional development and participation, to complete digital transformation in all companies, to maintain product and service quality at the highest standards, to implement clean and environmentally friendly technologies and processes, to ensure sustainable management and efficient use of natural resources, to increase contribution to efforts to combat climate change, to increase recycling and reuse, to develop global collaborations, to ensure that stakeholders adopt sustainable development principles and goals, and to increase efforts for social responsibility projects.

“92 Performance Indicators” have been defined in order to monitor and successfully realize the “2025 Goals” and share the results transparently. The Group’s sustainability performance is recorded annually within the framework of these indicators and the realizations for 2021 are presented right and below.



RELEVANT SUSTAINABLE DEVELOPMENT GOAL	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025 ⁽¹⁾ (2)	PERFORMANCE INDICATORS ⁽²⁾	2021 PROGRESS ⁽¹⁾
8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Business Continuity	Target B1. Maintaining economic growth.	B1.1. Sales revenues	B1.1. Sales revenue increased 4 times compared to 2016, the reference year.
			B1.2. Number of companies in ISO 500 list	B1.2. 3 companies were included in the list of Türkiye’s 500 largest industrial enterprises.
			B1.3. Most export companies ranking in Türkiye	B1.3. Ranked in the 4th place in the list of top exporters published by Turkish Exporters Assembly (TIM) and ranked 1st in the category of “Ferrous and NonFerrous 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. A strategic partnership was established between Assan Panel, a Kibar Group company, and Sumgait Technologies Park (STP), a technology and industry company of Azerbaijan. These facilities, which will be Assan Panel’s second overseas investment after Jordan, are designed with a sustainable production approach. Assan Hanil realized an investment of EUR 10.9 million in 2021 within the framework of Kibar Group sustainability principles.	
		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. 10 new projects were commissioned to combat climate change and contribute to circular economy.
			B3.2. Full compliance with the national environmental legislation	B3.2. All activities comply with national environmental legislation. International Environmental and Energy Management Systems standards are followed.
	Target B4. To be prepared for disasters and emergencies.	B3.3. Actions in line with EU regulations on low-carbon circular economy	B3.3. Production and manufacturing methods, business models, operating principles, investment decisions and growth strategies are developed in line with Europe’s arrangements to achieve the 2030 and 2050 targets under the European Green Deal.	
			B4.1. Disaster and Emergency Action Plan	B4.1. The activities to be carried out to ensure effective management of operational risks such as natural disasters and epidemics and the action plans determined are monitored effectively and regularly. Policies and procedures for the management of these risks at the time of the incident and for business continuity in the following process have been established and communicated to all employees. Drills are conducted every year and trainings are continued for corporate business continuity programs.
	Corporate Sustainability Management	Target B5. Adopting sustainability practices and reporting sustainability performance.	B5.1. Sustainability Internal Communication Plan	B5.1. Communication activities are carried out with a circular and audience-based strategy. Informative messages on climate change and sustainability were published every month from the “Kibar Group Sustainability Platform” initiative created for internal communication. In order to disseminate these messages, communication channels were diversified; many channels such as internal communication screens, intranet, SMS and Mobiliz, the Kibar Group mobile application, were used.
				B5.2. UNGC Progress Report in GRI Standards
B5.3. Inclusion of companies in at least one initiative based on sustainability practices				B5.3. Kibar Holding has signed the Women’s Empowerment Principles (WEPs). Assan Alüminyum became a member of the Aluminum Stewardship Initiative (ASI), the only global sustainability initiative of the aluminum industry.
B5.4. Inter-functional coordination to ensure that all stages of the sustainability strategy are implemented in harmony and integrity				B5.4. Meetings were organized with the participation of Sustainability Committee and Working Group members and employees. The second of the two-day “Kibar Group Sustainability Workshop” held in 2020 will be held in 2022.
B5.5. Establishing project-based sustainability working groups				B5.5. In order to raise awareness on gender equality, the “WE Are Equal Group Committee” was established and “WE Are Equal Company Leaders” were elected.

⁽¹⁾ The reference year for setting the “2025 Targets” is 2016, which is the first date when performance indicators were declared in the first report prepared in GRI standard, unless otherwise stated. Realizations are given according to the reference year.
⁽²⁾ Since Assan Foods, one of the Kibar Group companies, will be separated from Kibar Group in 2021, the targets regarding the fields of activity of the said company and the performance indicators for monitoring these targets have been removed.



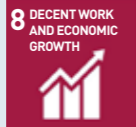

RELEVANT SUSTAINABLE DEVELOPMENT GOAL	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025 ⁽¹⁾ ⁽²⁾	PERFORMANCE INDICATORS ⁽²⁾	2021 PROGRESS ⁽¹⁾
	Occupational Health and Safety	Target G1. To continue to provide occupational health and safety at international standards at workplaces. Target G2. To prevent the effects of hazardous chemicals and wastes on employee health.	G1.1. Occupational health and safety training hours per person G1.2. Accident severity rate G2.1. Occupational disease rate	G1.1. Increased by 25%. G1.2. Accident severity ratio is 0.31. 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 level of Employee Opinion Survey G3.2. Spreading the suggestion reward system to all companies G3.3. Employee satisfaction/engagement survey score G3.4. Performance culture index	G3.1. The Employee Opinion Survey is conducted every years and the participation rate in the last survey conducted in 2021 was 85%. G3.2. In 2021, 3,179 suggestions were submitted to the Kibar Group employee suggestion system and 314 of these suggestions were implemented. G3.3. Employee satisfaction/engagement survey score decreased by 8% compared to the previous survey. G3.4. The Talent Focus Index, which evaluates training and development activities, performance management, talent retention and remuneration, is monitored. The opinions of office and field employees were obtained through questions asked in the areas of Commitment, Agility, Talent Focus and Engaging Leadership Indices.
	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 "Managerial Development Program" G4.2. Specialist training hours per person within the scope of the "Specialist Development Program" G4.3. "Leadership Development Program" recommendation score G4.4. Number of Development Ambassadors G5.1. Number of employees receiving technical and vocational training	G4.1. Participation rate in the Managerial Development Program is 75%. G4.2. 13 hours. G4.3. In 2021, the program's recommendation score was 9 out of 10 full points. G4.4. Number of Development Ambassadors; 54 internal trainers and 14 internal mentors, totaling 68. G5.1. The number of employees receiving technical and vocational training is 4.634.
		Target G5. To increase the number of employees of all ages with technical and professional skills.	G5.2. The rate of employees receiving technical and vocational training by age groups G6.1. Number of employees G6.2. Number of students employed from K-Team Young Talent Internship Program G6.3. Training hours for employee development G7.1. Number of senior female manager G7.2. The number of white-collar women employees	G5.2. Technical and vocational trainings continue to be provided for all age groups. The distribution of employees who received training according to age groups is as follows: 8% between the ages of 18-25, 40% between the ages of 26-35, 37% between the ages of 36-45 and 14% above the age of 46. G6.1. Number of employees increased by 20.3%. G6.2. Number of students hired from K-Team Young Talent Internship Program is 21. G6.3. A total of 43,620 hours of training, including online classroom training and e-learning, were provided. G7.1. The proportion of senior female managers increased by 44%. G7.2. Number of female white-collar employees increased by 34.1%.
		Target G6. To increase employment and employee trainings.	G8.1. Number of women employees G8.2. Kibar Holding total reward policy G9.1. Ratio of women in white-collar recruitment G9.2. Ranking in the top five among companies employing the highest number of disabled people G10.1. Compliance audits for Kibar Holding Code of Ethics G10.2. Business ethics training G10.3. Reporting of notifications received on the ethical line and their results G10.4. Establishing early warning mechanisms with technology support G10.5. Obtaining a statement from all employees regarding whether they are in a situation that will cause conflict of interest G10.6. Communication of the Code of Conduct Guidebook to all employees G10.7. Awareness activities for Code of Conduct G10.8. A review system to ensure that the Code of Conduct is updated based on requirements and new developments G11.1. Sustainability Performance Progress Report	G8.1. Number of female employees increased by 38.7%. G8.2. The remuneration policy cannot be applied differently and unfairly due to personal characteristics and preferences such as language, religion, race, gender. G9.1. 49% of white-collar new hires are women. G9.2. Assan Hanil was the number one company to employ the highest number of individuals with disabilities twice in the last four years. G10.1. Ethical compliance audits are conducted. G10.2. Business ethics training is provided to all recruited personnel and consultant training is provided to Code of Ethics Consultants in Kibar Group Companies. G10.3. Reporting is made to the Chairman of the Board of Directors regarding ethical disclosures and results. G10.4. Fraud risks are examined within the scope of audit activities. G10.5. Online ethics trainings started on the Power is in US Training and Development Platform. Newly recruited employees receive this training. G10.6. Code of Ethics Booklet is shared with all recruited personnel. G10.7. "Do you think it is ethical?" project continues to be implemented. The Company intranet includes the Code of Ethics, the list of Code of Ethics Consultants and contact information of the relevant persons. G10.8. The Code of Ethics Booklet has been updated.
	Gender Equality and Equal Opportunities	⁽³⁾ Target G7. To increase the full and effective participation of women in decision-making processes, to increase the ratio of senior female managers by 50% and the number of white-collar female employees by 45%. ⁽³⁾ Target G8. To ensure gender equality in employment and employee income, to increase the number of female employees by 50%.	G8.1. Number of women employees G8.2. Kibar Holding total reward policy	G8.1. Number of female employees increased by 38.7%. G8.2. The remuneration policy cannot be applied differently and unfairly due to personal characteristics and preferences such as language, religion, race, gender.
		Target G9. To ensure equal opportunities increasing the rate of women in white-collar recruitment.	G9.1. Ratio of women in white-collar recruitment G9.2. Ranking in the top five among companies employing the highest number of disabled people G10.1. Compliance audits for Kibar Holding Code of Ethics G10.2. Business ethics training G10.3. Reporting of notifications received on the ethical line and their results G10.4. Establishing early warning mechanisms with technology support G10.5. Obtaining a statement from all employees regarding whether they are in a situation that will cause conflict of interest G10.6. Communication of the Code of Conduct Guidebook to all employees G10.7. Awareness activities for Code of Conduct G10.8. A review system to ensure that the Code of Conduct is updated based on requirements and new developments G11.1. Sustainability Performance Progress Report	G9.1. 49% of white-collar new hires are women. G9.2. Assan Hanil was the number one company to employ the highest number of individuals with disabilities twice in the last four years. G10.1. Ethical compliance audits are conducted. G10.2. Business ethics training is provided to all recruited personnel and consultant training is provided to Code of Ethics Consultants in Kibar Group Companies. G10.3. Reporting is made to the Chairman of the Board of Directors regarding ethical disclosures and results. G10.4. Fraud risks are examined within the scope of audit activities. G10.5. Online ethics trainings started on the Power is in US Training and Development Platform. Newly recruited employees receive this training. G10.6. Code of Ethics Booklet is shared with all recruited personnel. G10.7. "Do you think it is ethical?" project continues to be implemented. The Company intranet includes the Code of Ethics, the list of Code of Ethics Consultants and contact information of the relevant persons. G10.8. The Code of Ethics Booklet has been updated.
	Business Ethics	Target G10. Maintaining accountability and transparency at all levels.	G10.1. Compliance audits for Kibar Holding Code of Ethics G10.2. Business ethics training G10.3. Reporting of notifications received on the ethical line and their results G10.4. Establishing early warning mechanisms with technology support G10.5. Obtaining a statement from all employees regarding whether they are in a situation that will cause conflict of interest G10.6. Communication of the Code of Conduct Guidebook to all employees G10.7. Awareness activities for Code of Conduct G10.8. A review system to ensure that the Code of Conduct is updated based on requirements and new developments G11.1. Sustainability Performance Progress Report	G10.1. Ethical compliance audits are conducted. G10.2. Business ethics training is provided to all recruited personnel and consultant training is provided to Code of Ethics Consultants in Kibar Group Companies. G10.3. Reporting is made to the Chairman of the Board of Directors regarding ethical disclosures and results. G10.4. Fraud risks are examined within the scope of audit activities. G10.5. Online ethics trainings started on the Power is in US Training and Development Platform. Newly recruited employees receive this training. G10.6. Code of Ethics Booklet is shared with all recruited personnel. G10.7. "Do you think it is ethical?" project continues to be implemented. The Company intranet includes the Code of Ethics, the list of Code of Ethics Consultants and contact information of the relevant persons. G10.8. The Code of Ethics Booklet has been updated.
		Target G11. Ensuring public access to information and protecting fundamental freedoms.	G11.1. Sustainability Performance Progress Report	G11.1. A progress report detailing Kibar Group's sustainability performance was published.

⁽¹⁾ The reference year for setting the "2025 Targets" is 2016, which is the first date when performance indicators were declared in the first report prepared in GRI standard, unless otherwise stated. Realizations are given according to the reference year.
⁽²⁾ Since Assan Foods, one of the Kibar Group companies, will be separated from Kibar Group in 2021, the targets regarding the fields of activity of the said company and the performance indicators for monitoring these targets have been removed.

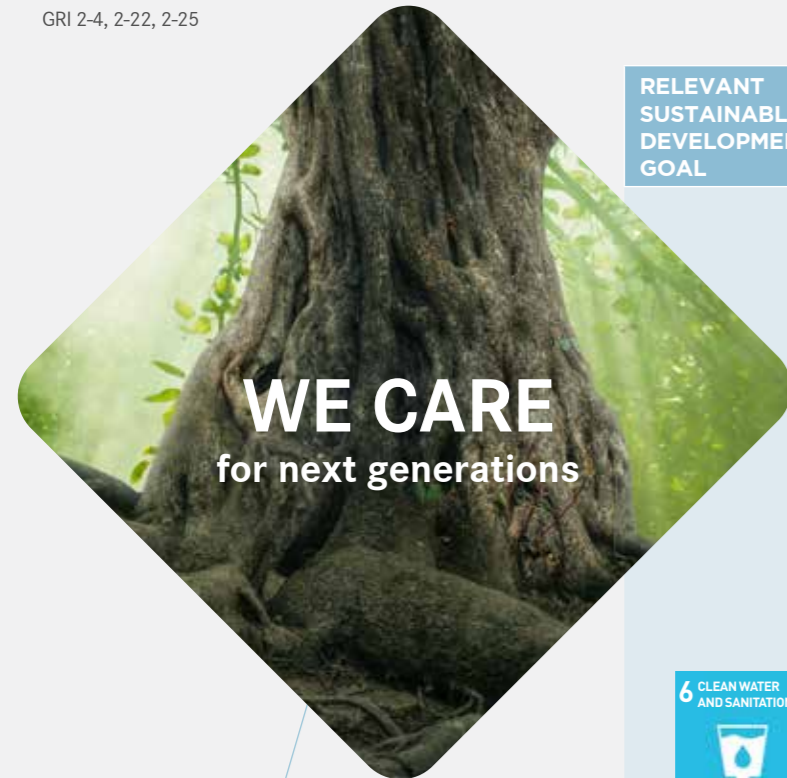
⁽³⁾ The target has been revised due to the fact that Assan Hanil production is monitored in vehicle set and Assan Panel production is monitored in m².



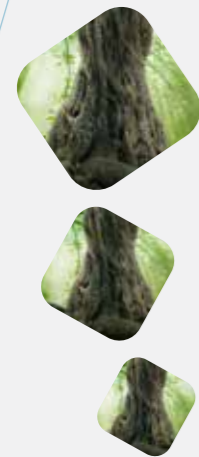


RELEVANT SUSTAINABLE DEVELOPMENT GOAL	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025 ⁽¹⁾ (2)	PERFORMANCE INDICATORS ⁽²⁾	2021 PROGRESS ⁽¹⁾	
	Customer Satisfaction	Target Y1. Leadership in product and service quality.	Y1.1. Management standards, quality and security systems subject to follow-up	Y1.1. In 2021, Assan Alüminyum will be awarded the Aluminum Stewardship Initiative Performance Standard, ISO 22301: Business Continuity Management System and ISO 22000 Food Safety Management System; Assan Panel ISO 31000: Enterprise Risk Management System and ISO 45001: Occupational Health and Safety Management System; İspak TS18001 (OHSAS): Occupational Health and Safety Management System to ISO 45001: Occupational Health and Safety Management System standard.	
			Y1.2. Product and process certification	Y1.2. In 2021, Assan Hanil received Zero Waste Certificate for Asha1, Asha2 and Asha3 facilities; Assan Panel received TS EN 508-1: Roofing Sheets, Trapezoidal Section Corrugated Sheet Certificate and İspak Certificate For Awarding and Use of the 'OK Compost Industrial' Conformity Mark Certificate.	
Y1.3. Customer satisfaction surveys	Y1.3. Customer satisfaction surveys are conducted regularly in all companies and efforts are continued to achieve "0" customer complaints.				
Y1.4. Rate of response to customer requests	Y1.4. Customer requests are responded to by full-time teams. Feedback is provided as soon as possible, depending on the type of request.				
 	R&D, Innovation and Digitalization	Target Y2. To increase added value/economic growth through technological innovations, improvement and innovation.	Y2.1. High technology investments	Y2.1. Digital Transformation of the Production Area at Assan Aluminyum, Elimination of the Center Line in Brazing Alloys and Improvement of Technical Properties, Development of High Strength Packaging Foil, Understanding Solidification Dynamics in 1050 Aluminum Alloys Produced by Twin Roll Continuous Casting Technique and Determination of Suitable Composition for Casting Efficiency, Development of Chemometric Process Monitoring Software for Spectroscopic Analysis of Oxide Layer Thickness and Image Analysis of Impurities on the Surfaces of Aluminum Alloys; Lightweighting Studies at Assan Hanil, Complete Folding Seat Project with a Single Movement, TOGG Bumper System Project.	
			Target Y3. To increase resource efficiency for sustainable development, to apply clean and environmentally friendly technologies and processes.	Y3.1. Innovative improvement investments contributing to circular economy	Y3.1. Recycling Friendly Alloy at Assan Alüminyum, Transition to the Use of Cardboard Cores in Foil Products, recovery of Dilovası water reclamation equipment rinse water and renovation of all Dilovası eye showers; Automotive Integration of Environmentally Friendly Bioplastic Based Raw Materials and Cockpit Line Efficiency Improvement Project at Assan Hanil; SPA-10 Laminator Energy Consumption Reduction Project at Assan Panel.
				Target Y4. To increase R&D studies.	Y4.1. R&D Laboratory/Center
		Y4.2. Collaborations in R&D studies			Y4.2. Collaborations with 4 different universities continued in R&D activities.
		Y4.3. Promoting R&D activities	Y4.3. The 5th "Asım Kibar Blue Drop Awards" program was held.		
		Y4.4. R&D budget	Y4.4. The R&D budget is approximately 57,000,000 TL.		
		Y4.5. Number of patent applications	Y4.5. The number of patent applications is 3.		
		Y4.6. Number of patents secured	Y4.6. The number of patents obtained is 4.		
		Y4.7. Number of utility models	Y4.7. The number of utility models is 3.		
		Y4.8. Number of R&D employees	Y4.8. Number of R&D employees increased by more than 70%.		
		Target Y5. To complete infrastructure works and digitalization processes within the scope of the "Digital Transformation Roadmap".	Y5.1. Compliance with the digital transformation roadmap	Y5.1. According to the digitalization roadmap, which is reviewed and updated every year in line with technological developments and business processes, the work planned for 2021 has been completed.	
			Y5.2. Corporate data architecture	Y5.2. Enterprise data architecture project has been completed.	
			Y5.3. Analytical and artificial intelligence studies	Y5.3. With the analytical organization established within Assan Bilişim, studies were carried out to cover priority production processes. Studies on aluminum paint line coil breakage and foil pinhole formation were initiated and SAP BW project was realized. The platform selection process was completed in order to create "Big Data" across Group companies and to carry out analytical studies. In 2022, integration with the Microsoft Bigdata Platform was initiated for commissioning.	
			Y5.4. Robotic process automation	Y5.4. 25 processes were planned to be commissioned in 2021 and activities were carried out accordingly. 50 processes are planned for 2022.	
Y5.5. Industry 4.0	Y5.5. Infrastructure works for digitalization of the production area are ongoing. Production data monitoring project at Assan Panel and MES Projects at İspak were initiated. Preliminary analysis of a comprehensive MES program was initiated at Assan Alüminyum.				
Target Y6. To provide all kinds of transactions and data security in the field of Information technologies.	Y6.1. Quality and uninterrupted service	"Y6.1. Migration of Kibar Holding Compute and Storage layers to Hyperconverged structures has been completed. In this way, the Tuzla Center Datacenter switched to FTT2 structure. SD-WAN structures were established in Istanbul, Izmit and Iskenderun, which have Internet access, and access and business continuity between campuses were strengthened. The scope and autonomous intervention capabilities of the Service Tree structure, where all IT components are associated and monitored, were improved. To be commissioned in 2022, Tuzla Central Network redundancy, data center modernization and MPLS redundancy efforts have been matured."			
	Y6.2. Cybersecurity infrastructure	Y6.2. With the commissioned SoC, all cyber security components started to be monitored on a 24/7 basis. The development of Kibar Holdig-specific rules on SIEM continued and the alerts generated were integrated into the SoC via the SOAR mechanism. A gap analysis was conducted and a project was designed to improve the overall security maturity of Kibar Holding.			
	Y6.3. Standards subject to follow-up	Y6.3. ISO-IEC27001 Information Security Management System is followed.			
	Y6.4. Machine learning-assisted threat hunting and intelligence solutions	Y6.4. With the deployment of Branddefence Cyber Intelligence software, vulnerabilities published worldwide can be tracked on day zero and measures can be taken.			

⁽¹⁾ The reference year for setting the "2025 Targets" is 2016, which is the first date when performance indicators were declared in the first report prepared in GRI standard, unless otherwise stated. Realizations are given according to the reference year.
⁽²⁾ Since Assan Foods, one of the Kibar Group companies, will be separated from Kibar Group in 2021, the targets regarding the fields of activity of the said company and the performance indicators for monitoring these targets have been removed.



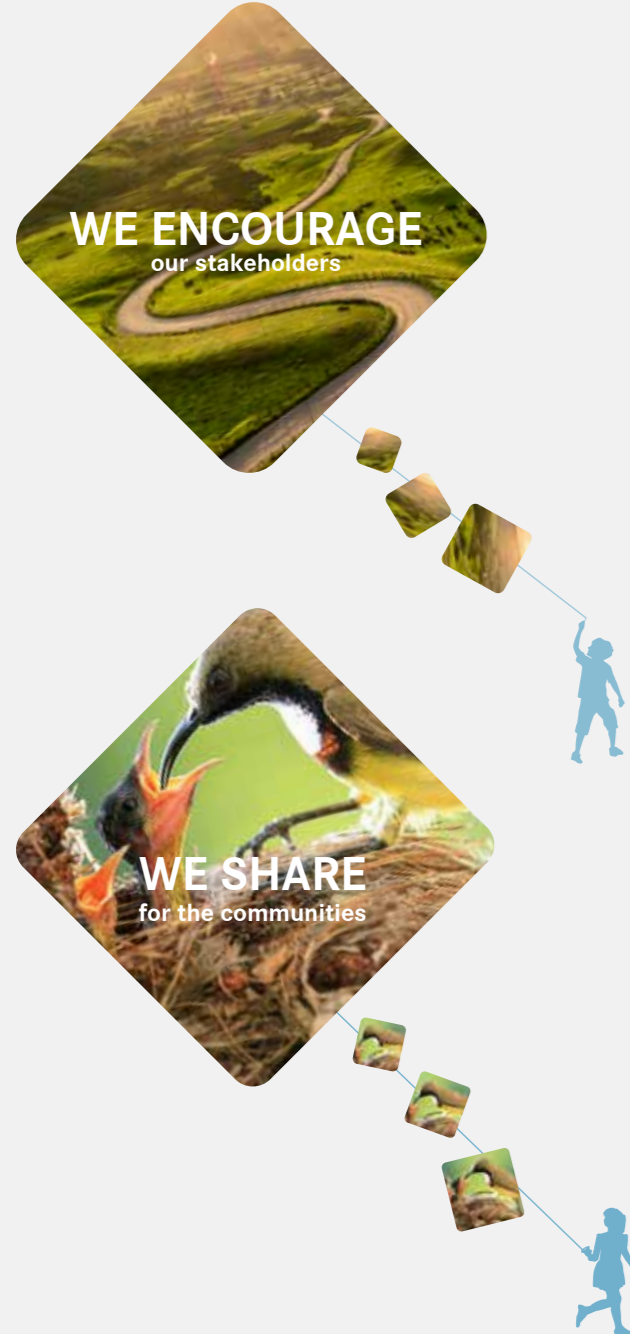
WE CARE
for next generations



RELEVANT SUSTAINABLE DEVELOPMENT GOAL	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025 ⁽¹⁾ (2)	PERFORMANCE INDICATORS ⁽²⁾	2021 PROGRESS ⁽¹⁾	
 	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 Sustainability Working Group, constitutes the main element of corporate governance and continues its activities. Five main meetings and nearly fifty topic-based meetings were organized with Sustainability Management representatives.	
		Target O2. To minimize the negative effects of wastes on the environment / To reduce waste generation through reduction, recycling and reuse.	O1.2. Energy and Environmental Management Systems and compliance with the relevant legislation	O1.2. All companies act in accordance with the relevant legislation. Companies within the scope of the reporting have ISO14001 Environmental Management System certification. Assan Alüminyum, one of the energy-intensive companies, has ISO50001 Energy Management System Certificate and Aluminum Stewardship Initiative Performance Standard.	
			O1.3. Measurable targets for sustainability performance	O1.3. "2025 Goals" have been defined in line with the goals that the United Nations plans to achieve by 2030. 36 Targets are monitored through 92 performance indicators and realizations are shared transparently every year.	
			O2.1. Recycled/recovered raw materials quantity	O2.1. The amount of recycled/recovered raw materials used as inputs increased by 50.5%.	
			O2.2. The quantity of recycled waste	O2.2. The amount of recycled waste increased by 59.4%.	
	⁽³⁾ Target O3. To reduce water intensity on revenue basis by at least 5% compared to the previous year. ⁽³⁾ Target O4. To reduce energy intensity on revenue basis by at least 7% compared to the previous year. Target O5. To increase the ratio of electricity generation from renewable energy sources to consumption.	Combating Climate Change	Target O6. Increase the resilience and adaptation to climate-related hazards and natural disasters.	O2.3. Recycling/recovery rate of waste generated	O2.3. Recycling/recovery rate is 99.3%.
				O2.4. The quantity of plastic reduction	O2.4. Commitment to gradually reduce the use of single-use plastics in office spaces by 2023 and phase out by 2023.
				⁽⁴⁾ O3.1. Annual water intensity reduction rate	O3.1. Annual water intensity reduction by revenue has not fallen below 5% since the baseline year of 2016. In 2021, the annual water intensity reduction was 76.1%.
				⁽⁴⁾ O4.1. Annual energy intensity reduction rate	O4.1. Annual energy intensity reduction by GDP has not fallen below 7% since the baseline year of 2016. In 2021, the annual energy intensity reduction was 73.3%.
Target O7. To increase the studies for sustainable development and to reduce the negative effects of climate change and to carry out information /awareness raising activities.	Target O8. To develop global collaborations for sustainable development.	Target O9. To support and encourage public, private sector and NGO partnerships to achieve the targets.	O5.1. Amount of renewable energy production	O5.1. The ratio of electricity generation from renewable sources to total electricity consumption is 39%.	
			O6.1. Annual Risk Assessment Studies	O6.1. Climate Change Risk assessments are ongoing.	
			O6.2. Scope 1, Scope 2 and Scope 3 greenhouse gas emission weights	O6.2. Efforts are underway to achieve the zero emission target under the Paris Agreement and the European Green Deal.	
			O7.1. Internal communication plan for employee awareness/briefing activities	O9.1. Through the Kibar Group Sustainability Platform, awareness/information activities are carried out for employees in the field of sustainability, including combating climate change.	
			O7.2. Measurement of employee awareness levels	O9.2. Surveys are conducted every year to measure the awareness levels of employees. Measurements are made through feedback mechanisms created in many channels such as the Sustainability Platform, workshops, events and meetings.	
Target O8. To develop global collaborations for sustainable development.	Target O9. To support and encourage public, private sector and NGO partnerships to achieve the targets.	Target O9. To support and encourage public, private sector and NGO partnerships to achieve the targets.	O7.3. External stakeholder communication	O9.3. The Group's sustainability efforts and strategy are available in detail on its website. Sustainability Kits are prepared and sent to stakeholders every year to raise awareness. The fight against climate change and circular economy are given extensive coverage in press and news activities, social media channels and organizations/ events.	
			O8.1. Corporate memberships	O10.1. Cooperation is established with 6 organizations operating in the field of sustainability on national and international platforms.	
			O9.1. Corporate memberships	O11.1. TÜSIAD Climate Change Group; Business Plastics Initiative established by UNGC-TR, TÜSIAD and BCSD; Women's Empowerment Principles (WEPs) platform in partnership with 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 Inclusion Working Group; SKD Sustainable Finance and Risk Management Working Group, Low Carbon Economy Transition and Productivity Working Group, Women Employment and Equal Opportunity Working Group, Sustainable Industry and Circular Economy Working Group.	

⁽¹⁾ The reference year for setting the "2025 Targets" is 2016, which is the first date when performance indicators were declared in the first report prepared in GRI standard, unless otherwise stated. Realizations are given according to the reference year.
⁽²⁾ Since Assan Foods, one of the Kibar Group companies, will be separated from Kibar Group in 2021, the targets regarding the fields of activity of the said company and the performance indicators for monitoring these targets have been removed.

⁽³⁾ The target has been revised due to the fact that Assan Hanil production is monitored in vehicle set and Assan Panel production is monitored in m².
⁽⁴⁾ Performance indicator has been revised due to the change in the target.



RELEVANT SUSTAINABLE DEVELOPMENT GOAL	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025 ⁽¹⁾ ⁽²⁾	PERFORMANCE INDICATORS ⁽²⁾	2021 PROGRESS ⁽¹⁾
	Sustainable Supply Chain	Target T1. To ensure that suppliers and stakeholders adopt UNGC principles and objectives.	T1.1. Purchasing Code of Conduct	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. Before starting to work with suppliers, the Framework Agreement and the Code of Ethics contained therein are signed to ensure that critical sustainability priorities are adopted by suppliers. In addition to the Framework Agreement, legally binding conditions on issues such as Code of Ethics, waste management, etc. have been established on letters of order.
			T1.3. Supplier training hours	T1.3. Within the scope of sustainability, Supplier Performance actions related to supplier development programmes were created, and after determining the issues that need to be improved, trainings were organised in order to carry out on-site audits and transfers and to provide information on certain issues in remote businesses. Practices related to supplier development programmes will be established in terms of infrastructure and system and their frequency will be increased. Work programmes are established with suppliers on product development for the needs of the company and suppliers. Due to the pandemic, this number was limited in 2021.
		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. ISO14001 Environmental Management System and 45001 Occupational Health and Safety Management System certificates are inquired during supplier audits.
	Social Responsibility	Target P1. To increase participation of employees in social responsibility activities.	P1.1. Number of Kibar Volunteers	P1.1. 660 Kibar Volunteers.
		Target P2. To reach 10,000 disadvantaged children in the scope of social responsibility projects.	P2.1. The number of children reached	P2.1. 4,400 children have been reached out.
		Target P3. 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.	P3.1. The number of student participated	P3.1. 129 students
			P3.2. Training hours scheduled	P3.2. Private Sector Volunteers Association online mentoring, Helpsteps Haçiko, Helpsteps Laughing Heals, TOÇEV volunteering and online career introductions, 8 trainings totalling 55 hours were held.

⁽¹⁾ The reference year for setting the "2025 Targets" is 2016, which is the first date when performance indicators were declared in the first report prepared in GRI standard, unless otherwise stated. Realizations are given according to the reference year.
⁽²⁾ Since Assan Foods, one of the Kibar Group companies, will be separated from Kibar Group in 2021, the targets regarding the fields of activity of the said company and the performance indicators for monitoring these targets have been removed.

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 lowcarbon circular economy. In a positive manner, Kibar Group significantly contributes to 12 Sustainable Development Goals and 36 Targets.

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 decisionmaking 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.



TÜSİAD 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 TÜSİAD as well as other national and international activities on lowcarbon sustainable development and action against climate change. Kibar Holding and Group companies contribute to these studies and chair the Circular Economy and Waste Management Sub-Working Group.

UNGC Türkiye 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 Türkiye, which is the local network in Türkiye of the Global Compact, the world's greatest corporate sustainability initiative.

Business Council for Sustainable Development Türkiye (BCSD Türkiye)

Kibar Holding and Group companies are the members of Executive Board of Sustainable Development Foundation Türkiye, the regional network and business partner in Türkiye 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.



İş Dünyası Plastik Girişimi

Kibar Holding signed the İş Dünyası Plastik Girişimi protocol established by Global Compact Türkiye, Turkish Industry & Business Association (TÜSİAD) and Business Council for Sustainable Development Türkiye (BCSD Türkiye) to combat plastic pollution on 20 November 2019 and committed to gradually reduce single-use plastics by 2023 and to end them by the end of 2023.





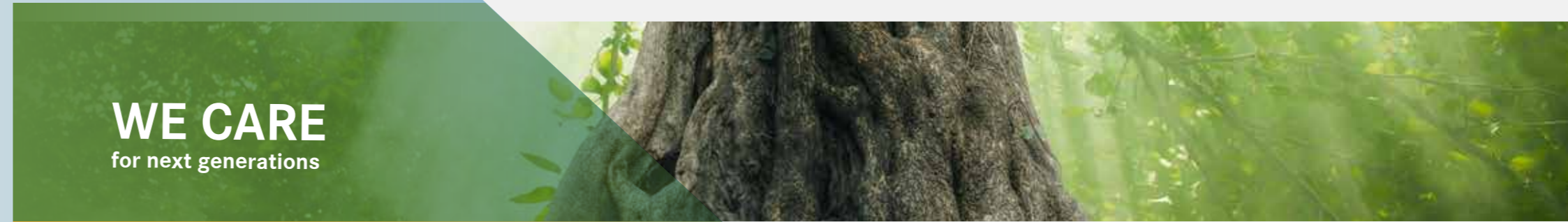
WE GROW
with sustainability principles



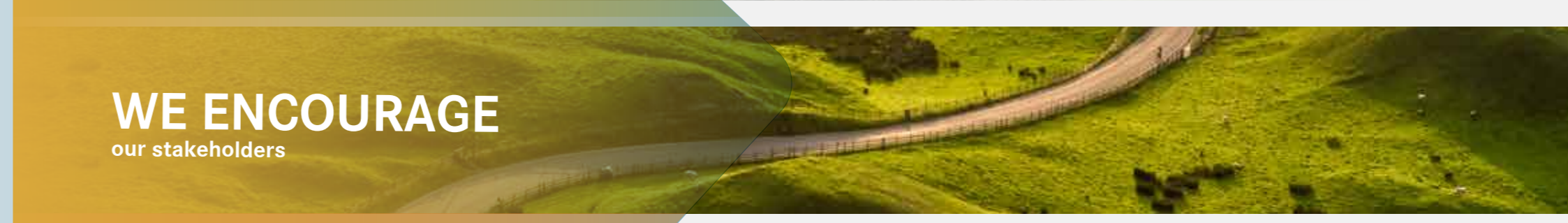
WE EMPOWER
people



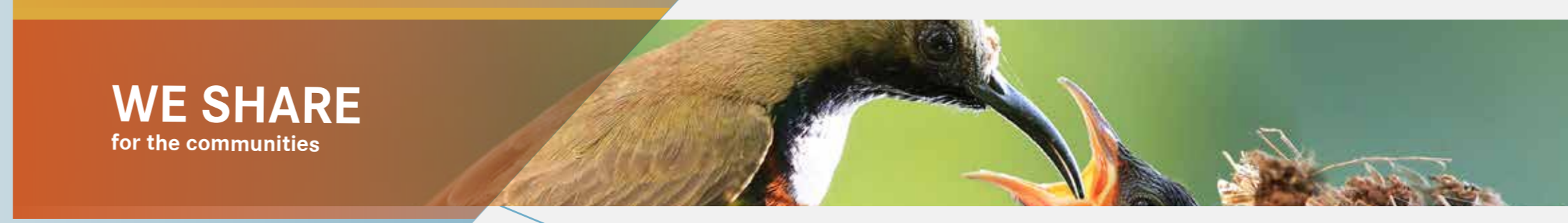
WE INNOVATE
for the future



WE CARE
for next generations



WE ENCOURAGE
our stakeholders



WE SHARE
for the communities





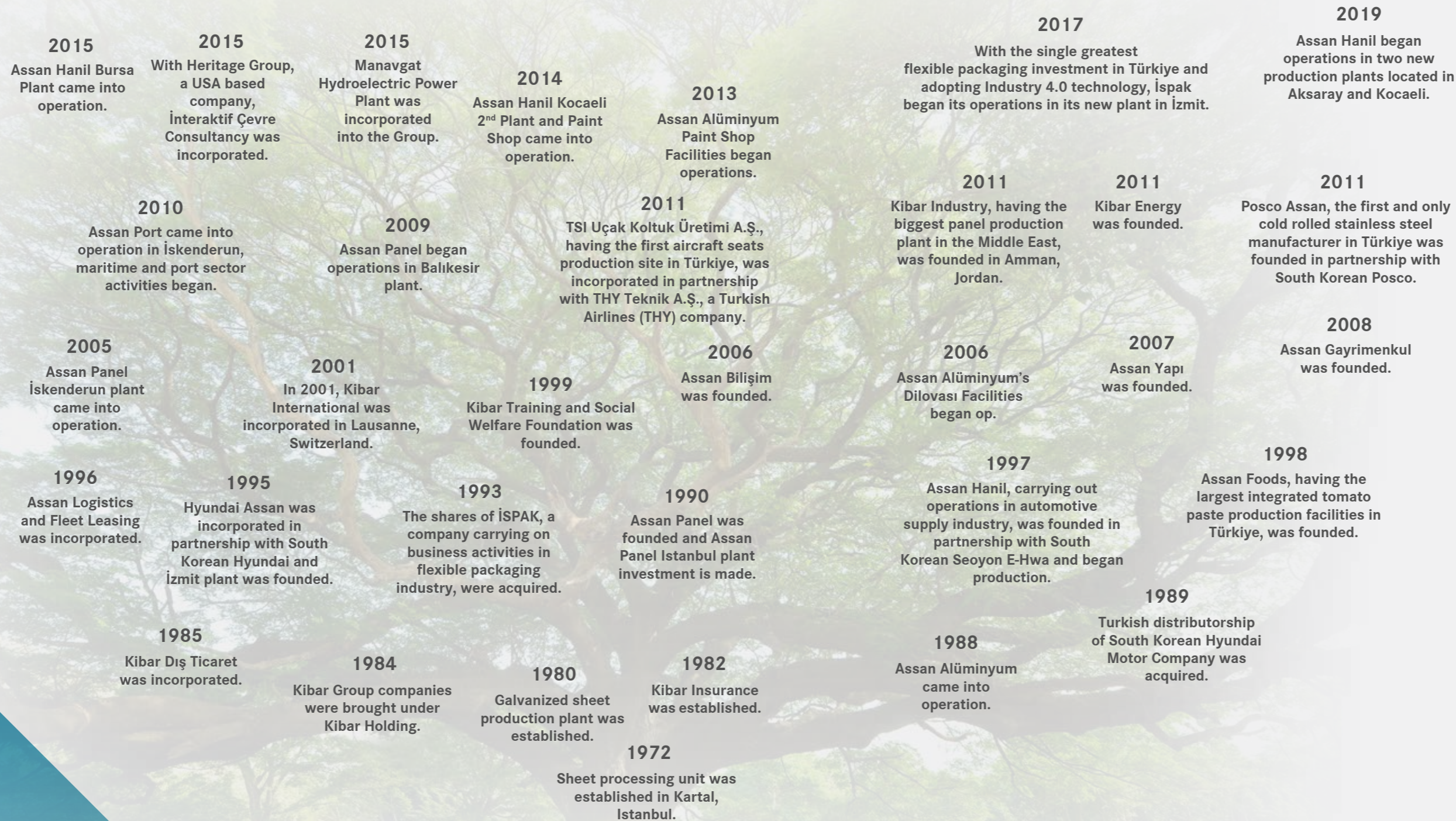
WE GROW

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

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

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 Türkiye'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.

Assan Panel - Sumgayit Technology Park Azerbaijan cooperation

Assan Panel established a strategic partnership with Sumgayit Technologies Park (STP), Azerbaijan's technology and industry company. This investment is the first investment of Assan Panel in the Turkic Republics and the second overseas investment after Jordan.

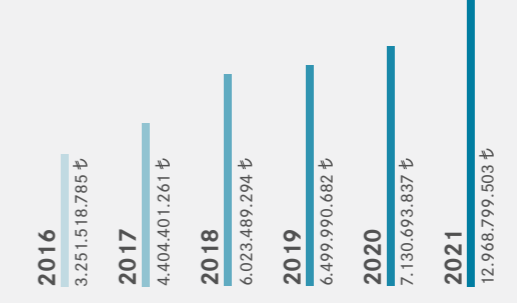
Assan Hanil

Assan Hanil invested EUR 10.9 million in 2021 to realise the company's R&D and customer product strategies for the future.

ECONOMIC VALUE

The sales revenue of Kibar Group companies within the reporting scope has increased 4 times in the last six years and by 81.9% in 2021 compared to the previous year.

Generated Economic Value



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

4 times
during the last 6 years

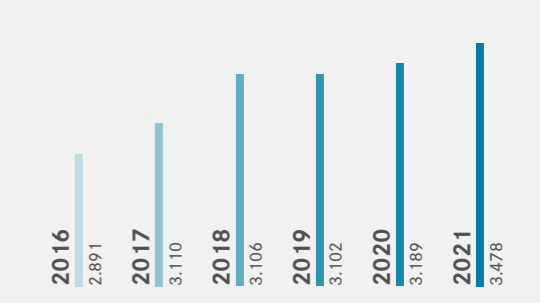
Sales revenues of Kibar Group companies subject to reporting have INCREASED BY

81.9%
in 2021 as compared to the previous year

HUMAN RESOURCE

The number of employees in Kibar Holding and Kibar Group companies within the reporting scope has increased by 20.3% in the last six years and by 9.1% in 2021 compared to the previous year.

Human Resource



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

20.3%
during the last 6 years

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

9.1%
compared to previous year

EXPORTS

With exports to over 100 countries, Kibar Group is one of the biggest exporters in Türkiye. In 2020, the exports reached \$1.96 billion; and \$2.68 billion in 2021.

Kibar Dış Ticaret ranked 4th in Türkiye and 1st in the “Ferrous and Non-Ferrous Metals” category with its export performance in 2021 in the “Top 1000 Exporter Companies” list announced annually by the Turkish Exporters Assembly.

Kibar Dış Ticaret received the championship (1st place) awards in “Flat Aluminum Products” and “Export Champions” categories in the 2021 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.

Assan Alüminyum, the leader of the flat aluminium sector in Türkiye and one of the three largest producers in Europe, ranked 39th, Posco Assan, one of the steel producers with the first and only stainless steel cold rolling facility in Türkiye, ranked 68th, and Assan Hanil, operating as a main parts supplier in the automotive industry, ranked 290th in the Türkiye’s Top 500 Industrial Enterprises 2021 Survey, which was last announced by the Istanbul Chamber of Industry as of the date of publication of the report.

İspak, one of the Kibar Group companies, won the “Environment Award” in the mixed sector in the large-scale enterprise category at the Şahabettin Bilgisu Environment Awards organised by the Kocaeli Chamber of Industry in 2021.





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

Since its foundation, Kibar Group's "BİZ" (Turkish equivalent of "we" or "us") concept has reflected our journey through the scenic route or themes of "Future", "Success," and "Life." "BİZ" symbolizes the power of sharing the future, success, and life together. Acting together as a family, Kibar Group believes in the importance of creating a work culture based on sharing. Employees of Kibar Holding and Group companies are provided with a workplace environment based on trust, integrity, diligence, innovativeness, and flexibility, promoting the culture of solidarity and collaboration among co-workers.



DIVERSITY AND INCLUSION

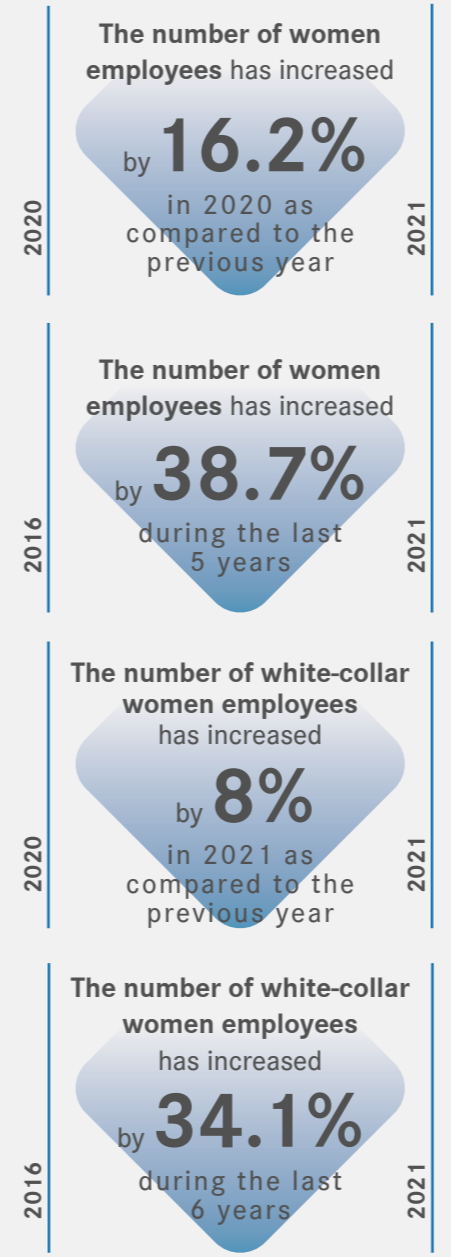
Kibar Group provides its employees with a workplace environment, respecting people, being fair, inclusive, promoting diversity, and placing importance on continuous development. In order to meet these requirements, Kibar Group is guided by international conventions, decisions, and standards such as International 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.

Kibar Group stands against all forms of violence and discrimination and is committed to providing equality in opportunities, rights and resources to its employees and stakeholders regardless of race, language, religion, gender, ethnic identity, disability, pregnancy, religious and political views or marital status.

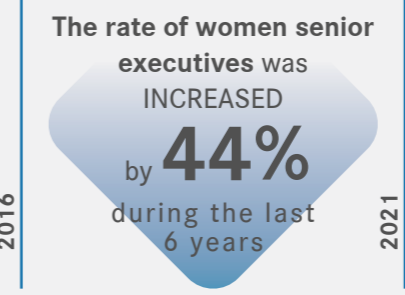
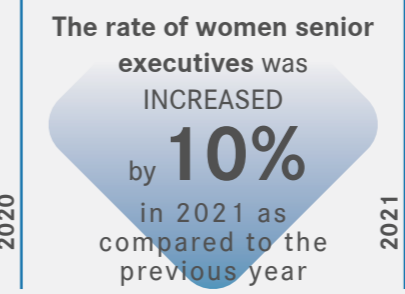
Gender Equality

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 2021, 151 female employees started to work at Kibar Holding and the companies within the scope of the report. The number of female employees increased by 16.2% in 2021 compared to the previous year and by 38.7% in the last six years.



The number of white-collar female employees has increased by 34.1% in the last six years and by 8% in 2021 compared to the previous year. Thus, the ratio of female white-collar employees increased to 36.4%. The proportion of female senior executives increased by 10% in 2021 compared to the previous year. Thus, the ratio of female senior executives, which was 17.5% in 2016, reached 25.2% in 2021.



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.

WE Are Equal Project

Kibar Group prioritises the equality of opportunities, rights and resources offered to individuals in business and social life. It believes that individuals and institutions should act within the framework of equality criteria both in language and in practice. It stands against all kinds of violence and discrimination that may harm a person's physical or psychological integrity, symbolic or cultural values. Aiming to commit to this understanding with its practices, the Group carries out practices aimed at raising awareness on gender equality and ensuring equality through the work carried out in this field in 2021.



Within the scope of this project, which was set out with the motto "Equal society, equal future", a committee was formed with equal number of women and men members. The WE Are Equal Group Committee is chaired by Kibar Holding CEO and Vice President responsible for Human Resources and consists of ten members, five women and five men. "WE Equal Company Leaders" and "Kibar Volunteers" constitute the main elements of the committee. In 2021, WE Equal Company Leaders consisting of four men and four women, including general managers, were elected in Kibar Group companies. The leaders are responsible for implementing and disseminating the decisions taken by the committee. Quarterly committee meetings attended by all company leaders encourage a culture of learning from each other. Kibar Volunteers, consisting of Kibar Group employees and taking part in projects that create social benefit, realise projects that will make a difference in the field of gender equality through activities such as vocational promotion at schools.

WE Are Equal Group Committee



In the reporting period, within the scope of the WE Are Equal project, some activities were carried out in order to raise awareness of gender equality, to ensure equality in communication, and to make Kibar Holding and Group company managers embrace the project.

In order to raise awareness on gender equality; - Throughout 2020 and 2021, the topic of "What is gender equality?" was covered in web-based seminars open to all employees and efforts were made to raise awareness of all employees in this area.

- Two Kibar Group employees who participated in the training program provided by UNGC also received internal trainer training and provided "gender equality" training to all employees. For employees who could not attend the training, this training was recorded and added to the online training platform that employees can access at any time.

- An online training program prepared by the Mother Child Education Foundation (AÇEV) was purchased and assigned as compulsory training for all Kibar Group employees.

- The WE Are Equal Guide was shared with both Kibar Group employees and external stakeholders. In this guide, gender equality in Kibar Group, human resources approach, biological and social gender, stereotypes, culture and judgements in language, gender equality in representation and participation, and The effectiveness was tried to be increased by supporting with video studies.

In order to ensure equality in communication; - Throughout 2020 and 2021, different posts were made three times a week on the Kibar Group mobile application to ensure equality in language. Stereotypes, proverbs and idioms were specified and their more appropriate usage was written.

- The topic of "equality in communication", which was partially covered in the WE are Equal Guide, was published as a separate guide. In this guide, it is explained with examples and reasons that ensuring equality in language will positively affect behaviour.

- In order to prevent the names of only a certain gender from being known in fields such as business, sports, science and art, posts were made every week on the Kibar Group mobile application under the titles of "The Best in Their Field" and "Women Who Invent". With these posts, it was emphasised that individuals of any gender can do any job and be successful. - As of 2020, it has been committed that the Kibar Group equality principle will be applied to all job adverts shared in recruitment.

Within the scope of the leaders' ownership of the WE are Equal project; a total of 45 hours of workshops were held with 220 participants under the moderation of an expert consultant on gender equality, biological and gender issues, and these studies are ongoing.

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 2021, Kibar Group employees submitted 3,179 suggestions on the suggestion system and 314 of these suggestions have been implemented.

Strengthening the communication between Kibar Group companies and employees is one of the main objectives of the BİZ employer brand. It is aimed to make all employees feel the value of the culture of working together and to increase BİZ awareness. Developments within the Group are shared with employees through various communication platforms. The most important communication channels of the Group are the annual management meeting, in-house network Porttakal, "Kibarca" magazine and "Mobiliz", the in-house mobile application launched in 2020.

Employer branding and internal communication studies continue to increase employee engagement. As a result of the Employee Engagement survey, the engagement rate was 55%. Compared to the previous survey, there was a decrease of 8 points in the engagement score. The opinions of both office and field employees were obtained through questions asked in the areas of Engagement, Agility, Talent Focus and Engaging Leadership Indices.

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, 223 young talents have had the opportunity for internship in Group companies and 75 participants have been recruited.

The K-Start project was implemented in order to disseminate the achievements of the K-Team Young Talent Internship Program to field workers. With this project, it is aimed that the students in Vocational High Schools do long-term internships and that young talents are brought into the Group. Thus, it will be possible to train leaders from within the Group in field positions.

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,

WE HAVE POWER

Managerial Development Program

WE HAVE POWER

Specialist Development Program

WE HAVE POWER

Leadership Development Program

WE HAVE POWER

Development Ambassadors
(Internal instructors and mentors)

WE HAVE POWER

Achieving Together
HR Development Program

WE HAVE POWER

Game Changers

WE HAVE POWER

Development Center
continues their activities.

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.

Managerial Development Program

The “Managerial Development Program” continues in order to contribute to the development of supervisors and mid level managers and to create a common leadership model and culture. The subjects to be included in the program are created in line with the expectations of the employees as a result of the focus group studies. In 2021, the training titled Managing Change and Resilience was held in 16 sessions and 301 employees participated. In addition, webinars were organized under 6 topics. Within the scope of the program, the training hour per person was 11 hours. The satisfaction of the participants participating in the training from the program was measured as 4.6 out of 5.

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. 445 employees were included in the Güç BİZde Development Program, which is carried out to support the competencies of employees at the expert level. In the program carried out in 22 training groups, a total of 5,785 hours of training has been reached. The satisfaction of the participants participating in the training from the program was measured as 4.6 out of 5.

Training and development programmes carried out throughout Kibar Group have been gathered under the umbrella of Güç BİZde. Within the scope of Güç BİZde training programs, development programs are organized for the different needs of the relevant target groups.



Leadership Development Program

In order to strengthen the leadership culture and to determine and display the behaviours expected from Kibar Group leaders, Güç BİZde Leadership Development Program was redesigned and implemented. Within the scope of the program, 48 directors and senior managers participated in the six-month program and participated in the development journey organized with the hybrid training method. The training duration per person was 65 hours and the satisfaction score was measured as 4.3 out of 5.

Nearly 400 employees were included in Güç BİZde Executive Development program, which was launched to support the career and leadership skills of managers and executive level employees. In addition to the Energizing Change Management training, web-based seminars on topics that support current and leadership competencies were organized and participant satisfaction was measured as 4.5 out of 5. The program, organized in 16 groups in total, reached 3,311 hours of training time.

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. In 2021, 23,421 Group employees received 43,620 hours of training in various training and development activities organized.

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. The third and the last module of the program will be implemented during 2022.

Assan Hanil Development Academy

Assan Hanil’s Development Academy, which was established with the aim of enabling employees to become competent, participatory, highly motivated and committed “leaders” in the field and to find areas of development for themselves in this way, continues its activities. The scope of the Assan Hanil Development Academy project was expanded and revised in 2020 by evaluating the feedback from employees and the experiences gained. In order to meet the training needs of the company through internal training, the My Development Journey project for field and office employees was launched in 2021. In this context, a total of 1,600 hours of training was organized with the participation of 400 people in 13 different topics with 8 trainers.

PERFORMANCE MANAGEMENT

In 2021, a cultural transformation was realized and a transition was made from the traditional performance understanding to the OKR-based continuous performance system. With this transition, the foundations of a leaner, more focused, transparent and more agile performance culture that encourages high performance were laid in the Group.

The performance process is carried out on a much more agile and active basis, thanks to the instant feedback, evaluations and one-on-one meetings held throughout the year, regardless of periods. Efforts continue to strengthen this cultural transformation and to consolidate and spread the high performance culture together with performance ambassadors and OKR coaches throughout the Group.

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. Training activities on the Feedback Culture and 5 Recognition Discourses/ Languages for leaders supervising the field/site teams were completed in 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, 12 awards were given to 39 projects with 242 participants in 2020, and 12 awards were given to 39 projects with 262 participants.

BizPlus Appreciation, Recognition & Reward Program

With BizPlus, implemented with an aim to increase visibility as well as appreciation and rewarding of employees' success, executives are able to reward their colleagues in their teams in six 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 Türkiye'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 2021, a total of 2,257 clients, consisting of 1,964 employees of Kibar Group and 293 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 "BİZ" 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 life within each company to support social of employees.

April 23rd Painting Contest with the theme "WE Are Equal"

The theme of the April 23rd Painting Contest, organized by Kibar Group for the fifth time this year, was determined as "WE Are Equal" and aimed to raise awareness among children about gender equality.

Kibar Let's Talk Webinar Series

In order to increase interaction with employees during the pandemic period and to sustain the Group's event culture, the "Kibar Let's Talk" webinar series, which can only be watched by Group employees and their families on Youtube, was launched.

OCCUPATIONAL HEALTH AND 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 2021, 99 employees and 26 employee representatives serve in 5 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.

First Prize in the "Strong Communication Safe Workplace Good Practice" Competition

Within the scope of Occupational Health and Safety Week activities, Kibar Group was awarded the first prize with its "Life Safety Together" project in the "Strong Communication Safe Workplace Good Practice" competition organized by the Ministry of Labor and Social Security.

Employee Health

Private health insurance and the Avita application, a mobile medical laboratory, a fulltime physician and health personnel available 24 hours a day, 365 days a year, a vehicle for patient transfer 24 hours a day, and regular health checks for all employees are among the practices aimed at improving employee health.

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 and safety trainings conducted throughout the Group aim to increase the OHS awareness and consciousness of employees. In 2021, employees received 3,609 hours of OHS training. At Kibar Group, which extends the Occupational Health and Safety culture to the entire value chain, 1,460 hours of training was organized for contractor company employees in 2021.

Workshops are organized every year to increase Occupational Health and Safety effectiveness throughout Kibar Group. At the workshops, the previous year's activities are evaluated and the next year's planning is made.

All occupational accidents that occur despite the measures taken are examined in detail by occupational safety experts and relevant unit representatives. Following the evaluations, necessary preventive and corrective measures are implemented. Thanks to this approach, there were no fatal accidents or occupational diseases within the Group in 2021.

Category Award to Assan Alüminyum in the "Stars of Occupational Safety" Competition

Assan Alüminyum received the "Recommended Practice" award in the "Behavior Focused" category of the "Stars of Occupational Safety" competition organized by the Turkish Metal Industrialists' Union.



Safe Working Between Shelves

In 2020, scanner sensors were installed on the front and rear sections of the order-picker machine working between warehouse shelves in order to prevent accidents that may occur due to human factors at Assan Hanil. Thus, in case an entity enters the work area, the machine itself performs the human-controlled stopping or slowing down actions. This project was also applied to the ASHA 1 gantry crane work area in 2021. The use of area scanner sensors is also targeted for other logistics equipment used in Assan Hanil facilities.

Life Safety Captainship

Life Safety Captainship is an oversight mechanism established at Assan Alüminyum to ensure the participation of field employees in field surveillance related to occupational health and safety and the environment. Within the scope of the practice, it is aimed to increase individual awareness by enabling field employees to look at their work and work areas as an outside eye, to create a team spirit by observing other colleagues, and to take action by making the noted behaviors known to unit managers.

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 Conduct

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

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**

As a well-established industrial organization, Kibar Group owes its corporate success to its ability to always prioritize quality in its products and services while meeting the needs of its customers and its ability to anticipate future needs. For this purpose, products, systems and processes are updated using the most modern technologies. Thanks to the importance attached to innovation and digitalization, productivity is increased, new markets are reached, and the negative impact of products, services and processes on the environment is minimized. Kibar Holding works with its entire value chain to create the Kibar of the future, "WE are Stronger Together" approach technology studies reflects.

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 5000 1: Energy Management System ISO-IEC 27001: Information Security Management System ISO9001: Quality Management System ISO 2230 1: Business Continuity Management System ISO 22000: Food Safety Management System IATF 16949: Quality Management System ISO 1400 1: Environmental Management System ISO 3 1000: Enterprise Risk Management System CE: EU Certificate of Conformity NSF: International Health Organization Certificate of Conformity	Kosher: Kosher Food Conformity Certificate ISPM 15: Wood Packaging Materials Certificate of Conformity Authorized Obligation Status ISO 45001: Occupational Health and Safety Management System TSE COVID-19 Safe Production Certificate Zero Waste Certificate EFQM: European Foundation for Quality Management Excellence Model EFQM: European Foundation for Quality Management Excellence Model
Assan Hanil	ISO-IEC27001: Information Security Management System ISO9001: Quality Management System IATF16949: Quality Management System	ISO14001: Environmental Management System TS45001(OHSAS): Occupational Health and Safety Management System Zero Waste Certificate (for 3 facilities)
Assan Panel	ISO9001: Quality Management System ISO14001: Environmental Management System ISO-IEC27001: Information Security Management System ISO 3 1000: Enterprise Risk Management System ISO 4500 1: Occupational Health and Safety Management System Certificate of conformity to TSE EN 14509: Panel standard (For panels with rockwool as filler, the filler)	TS EN 508-1: Roofing Sheets, Trapezoidal Section Corrugated Sheet Certificate For panels with PUR-PIR and filler (for opti panels with PUR) FM Approval: Fire safety certificate Greenguard GOLD: Certificate of compliance with standards that assures that the product does not harm human health with chemical emissions TSE COVID-19 Safe Production Certificate
İspak	ISO22000: Food Safety Management System BRC: International Food Safety Standard ISO-IEC27001: Information Security Management System ISO9001: Quality Management System ISO 1400 1: Environmental Management System ISO 4500 1: Occupational Health and Safety Management System	TSE COVID-19 Safe Production Management System Kosher: Kosher Food Conformity Certificate Halal Food Product Safety Certification Certificate Certificate For Awarding and Use of the 'OK Compost Industrial' Conformity Mark

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 Elektronik Veri Değişimi (Electronic Data Interchange, EDI) Projesi

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 2021, the third phase of the project was launched and more than ten customers were integrated. The aim is to improve decisionmaking processes and customer satisfaction through increased quantity and quality of information.

Assan Hanil uses a barcode system to ensure traceability in addition to the part code and raw materials information on the products. According to technical drawings and customer specifications, frequency tests are performed in laboratory, input quality and process quality during mass production. In projects carried out jointly with customers, lightweighting studies are carried out with alternative

materials for some products. Feedback from suppliers and customers is managed through the 8D process. Customer feedback is evaluated by a team consisting of relevant units under the leadership of the quality unit, and the temporary measures taken regarding the problems are notified to the customer within 24 hours and permanent measures within 48 hours. Actions describing the problem and how it was solved are reported in 8D format and recorded in the ASHA QDMS system.

Assan Panel guarantees the quality of its products by meeting the requirements of ISO 9001, TS EN 14509 and FM certificates. Assan Panel, which also holds UL Greenguard and Greenguard Gold certificates with its environmentally friendly products, has achieved the best fire resistance result of REI 180 with its 100 mm rockwool-filled sandwich panel.

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. The companies within the scope of the reporting obtained four patents and three utility model rights in 2021 through research and development activities. It also filed three patent applications. During the reporting period, approximately TRY 57 million was spent on R&D.

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 R&D and Innovation Projects

Assan Alüminyum carries out its research and development activities at the R&D Center registered by the Ministry of Science, Industry and Technology. R&D activities focus on the development of high performance, industry and customer-specific products. Within the scope of research and development activities, the cooperation with Vrije University continued in 2021. Consultancy services were received from academics at Marmara University and Izmir Institute of Technology.

Carrying out studies to develop new products in line with customer feedback, Assan Alüminyum carried out irregularity project, straight-edged container project and chemical composition design studies in 2021.

Assan Alüminyum Elimination of Center Line in Brazing Alloys and Improvement of Technical Properties

In line with the aim of extending product performance and life, Assan Alüminyum has developed a new product that can be used for brazing applications in automotive heating and cooling systems. The study in question enables the prevention of segregation, especially in high alloy materials. Product performance increases thanks to the detection of the parameters that cause segregation. Launched in 2021, the project is expected to be completed in 2022.

Assan Alüminyum Development of High Strength Packaging Foil

Within the scope of the project initiated by Assan Alüminyum in 2021, R&D studies were carried out to develop thinner but high strength aluminum foil for flat lid foil and beverage can lid foil, which are widely used in the packaging industry.

Assan Hanil R&D and Innovation Projects

At its R&D center, Assan Hanil continues its sustainability-oriented research and development activities that can respond quickly to the changing trends of the automotive industry and the expectations of its manufacturers. Working on innovative projects for weight reduction, cost optimization and quality improvement, Assan Hanil has a total of 66 Intellectual Property Rights, including 38 patents, 12 utility models and 16 industrial designs. 6 trademark registrations.

Assan Hanil Hyundai FCEV Truck Seats Project

R&D and design processes for Hyundai Xcient Fuel Cell seats, the world's first hydrogen fuel cell electric mass production truck in its class, were completed and mass production started. Assan Hanil manufactures the air-suspension driver and passenger seats at its facilities in Kocaeli and exports them to Korea.

Assan Hanil Weight Reduction Applications

The Composite Backrest Project was implemented as part of the R&D center's product development activities. In the project, which was initiated to lighten the truck driver's seat, plastic injection on composite and advanced molding technology were used to reduce weight and number of operations.

During the project process, cooperation was established with leading companies in the sector and the academic knowledge of Kocaeli University was utilized.

In 2021, the scope of the project was expanded and design and virtual analysis studies for the application of composites in the rear seat of passenger cars continued. In addition to the seat product development competence, a department for the development of automotive trim components, which have significant commercial potential in our country, was established at Assan Hanil R&D Center. In the projects carried out in the Virtual Analysis (CAE) and Production Engineering departments, a structure has been established to support innovative design, modeling and production processes.

Assan Hanil Single Motion Complete Folding Seat Project

In 2021, Assan Hanil accelerated the work on the Complete Folding Seat Project with a Single Motion, which was launched in 2020. Within the scope of the project, it has developed a design that can be easily folded by the user to increase the interior volume of the vehicle when there is no need for a passenger seat in the vehicle and it is possible to utilize the volume under the seat when folded. Scheduled to be completed in 2023, this innovative project aims to develop a competitive product thanks to the use of fewer parts in the folding mechanism, increase production efficiency by reducing production processes, and add a user-friendly design to the product portfolio by differentiating from existing designs due to its folding with a single movement.

Assan Hanil Automotive Integration of Environmentally Friendly Bioplastic Based Raw Materials

Assan Hanil continued its bioplastics project with Assan Foods in 2021. The main objective of the project is to optimize the raw material with tomato pulp additives. The tomato pulped raw materials produced will be used as raw materials in the automotive industry. The project ensures the use of environmentally friendly and sustainable materials and aims to contribute to the reduction of greenhouse gas emissions.

Assan Hanil Bumper System Project Studies

Product development work continues within the scope of the domestic automotive Türkiye's Automobile Initiative Group (TOGG) Bumper System Project. The TOGG project will create a lower cost, quieter and more enjoyable driving experience compared to cars with internal combustion engines thanks to its innately electric platform and powertrain, and will contribute to the sustainability goals of the Turkish automotive industry. The design and product development process for the front bumper, rear bumper, radiator carrier and ventilation duct parts of the TOGG SUV model is ongoing. In April 2021, parts shipments for the Prototype phase started.

The TOGG project is experimenting with selfcolored material technology, an innovative and environmentally friendly approach to front and rear bumper molding. With this technology, the coloring process is carried out while the part is in the mold, thereby improving cost, energy consumption and environmentally friendly production.



Assan Panel R&D and Innovation Projects

Assan Panel continues its R&D activities in its own laboratory in "Euronorm" standards, which has the hardware and software to perform all kinds of physical and mechanical tests of sandwich panels. Assan Panel has increased its product diversity with pilot productions by applying cost-benefit optimization in the Optipanel series in the economic panel segment. New investments are being made to use resources more efficiently, and three utility model rights were obtained in 2021.

The Polyurethane Production Facility within Assan Panel carries out activities for the development of polyurethane panel core filling raw materials, design and production of sandwich panels and polycarbonate panels. All sub-processes from two-dimensional design, solid model drawing and prototype preparation with three-dimensional printing, design of the production process, trial productions, performance tests and transition to production are managed within the scope of the main R&D process.

İspak R&D and Innovation Projects

Having realized the largest single investment in flexible packaging in Türkiye in 2019, İspak Ambalaj aims to expand its portfolio in food packaging and industrial products with its new factory designed with Industry 4.0 concepts. Among the projects implemented in 2021 are the production of the first triangular cheese foil in Türkiye, production of durable packaging for tablet chocolates, recyclable and sustainable packaging project, sunlight resistant packaging project, food safety enhanced packaging project and packaging project that changes color with gas emission.

İspak Ambalaj continued to work on the Color Changing Packaging Project with Gas Release, carried out in cooperation with Sakarya University, in 2021. The work on the project, which is a new and untested packaging concept, is being carried out simultaneously at both the university and İspak laboratories. İspak carries out refrigerator back panel structure product studies consisting of aluminum, polymer and cardboard produced in the industrial product group in cooperation with Gazi University.

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.

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.

Assan Alüminyum Data Analytics Project

The objectives of the project, which Assan Alüminyum implemented in 2021, are to perform data analytics in a user-friendly and fast way, to create automatic warnings with the algorithms to be recorded in the program, to detect quality problems at the preliminary stages, and to increase productivity by reducing internal failures. Within the scope of the study, it is planned to invest in a data lake technology that can collect data. In this way, data will be collected in a single environment, data analysis and identification of root causes will be facilitated. Targeted to be completed by the end of 2022, the project lays the foundation for comprehensive projects involving artificial intelligence and machine learning technologies in the future.

Assan Alüminyum "Cast&Roll" program

Within the scope of the "Cast&Roll" Program, which aims to digitalize and automate all business processes at Assan Alüminyum and includes fifteen information technology projects, the Control Tower Project, Development of Sales-Supply Chain Integration, Development of Demand Forecasting and Integrated Planning, Restructuring of Product Portfolio Management, Product and Process Master Data Optimization, Integration of Standard Cost Structure with Business Processes and Digital Transformation of the Production Site were completed in 2020. In 2021, work continued.

Electronic Data Exchange Project

Within the scope of the Electronic Data Interchange (EDI) and Logistics Integration Projects initiated within Assan Alüminyum, automation works are ongoing with some customers and suppliers in 2021. Within the scope of analytical studies, SAP BW structure was created and Data Warehouse installation works were initiated and the data of processes such as cost/profitability were transferred to the data warehouse. In addition, focus analytical projects were initiated in production processes to improve operations and product quality. Coil Joint Rupture at the paint machine and pinhole formation in Foil products have been subjected to analytical examination with a large amount of data provided and studies are ongoing.

As a result of the workshops organized in 2021 for Robotic Process Automation (RPA) studies, processes that can be handled within the scope of RPA were identified and plans were made. The aim of RPA applications is to increase efficiency, data consistency and quality, and to focus human resources on tasks that will create more value.

2021 yılında yürütülen çalışmalardan biri de Çevik Yönetim yaklaşımının devreye alınmasıdır. Yıl boyunca Çevik Yönetim eğitimleri düzenlenmiş olup 2022 yılında kapsamın genişletilmesi hedeflenmektedir.

One of the activities carried out in 2021 was the implementation of the Agile Management approach. Agile Management trainings were organized throughout the year and it is aimed to expand the scope in 2022. Within the scope of mobile applications, process improvement was achieved by switching to the use of industrial tablets in loading instructions. The

Customer Relationship Management (CRM) project was launched to increase sales efficiency.

In line with Industry 4.0 strategies in 2021, Assan Hanil started projects to create a Data Warehouse (SAP BW) and "Big Data" platform. After the creation of these infrastructures, advanced analytics and machine learning applications will be implemented.

SAP Master Data Quality Monitoring Project is one of the projects initiated by Assan Hanil within the scope of digital transformation efforts. With this project, a reporting and information system was established in the SAP System to ensure that operations are interrupted less due to master data deficiencies.

With SAP Party Transformation, performance and efficiency were increased by reducing the size of data in the SAP System. With the Doortrim KPI Tracking Project, it was made possible to receive the necessary data through the system without manual entry. With the Pick to Light Smart Racking Systems and OPC Integrations, the shelf position of the sub-parts required for the production of finished products in JIS customer orders was indicated sequentially and automatically with the lighting system, enabling the operator to quickly find the right part.

With the Production Management System projects initiated at İspak and Assan Panel, it is aimed to manage work orders and material flow by collecting instant simultaneous data from the field, to supply data for Overall Equipment Effectiveness (OEE) and analytical studies, and to create an infrastructure for objects of the industrial internet projects.

Assan Hanil Production and Quality Performance Instant Tracking System

With the "Production and Quality Performance Instant Tracking System" commissioned at the Assan Hanil Aksaray plant, problems were quickly identified, details were quickly analyzed and instant intervention was provided. The results of the actions taken can also be monitored through the system. Thanks to the project, quality improvement and capacity gains are achieved.

The company's risk map was determined with the authorization matrix and classifications created with the SAP SOD study initiated at Assan Panel, and authorization risk reports were made available to employees.

Assan Panel transformed all panels, products and accessories in its product portfolio into BIM objects and made them available to customers on digital platforms. This project aims to save energy, provide universal access to information and communication technologies for collaboration, and reduce resource consumption. The company contributes to the construction of sustainable buildings with its solar panel systems, natural lighting solutions and a product group that provides energy efficiency and supports the spread of renewable energy.

İspak designed an end-to-end planning process involving all employees from sales to production, quality, maintenance, planning, warehouse and logistics activities and finance within the scope of the E2E Sales and Operational Planning Process Design Project. The process includes systematic preparations, planning activities and decision-making meetings.

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.

Kibar Group companies within the scope of reporting have ISO 27001 certification or information management systems based on this management system. Corporate data and information of all stakeholders are secured. Information technologies infrastructure needs are managed in a centralized discipline from end-to-end, from data centers to end-user computers. Cyber security does not only cover malicious attacks. Uninterrupted and consistent access to data is an indispensable part of information security. Accordingly, infrastructure works are carried out to eliminate external attacks, prevent the leakage of the Group's intellectual assets and ensure easy/uninterrupted access to information through projects implemented in different areas.

With the adaptation of new generation technologies, automation and cloud solutions are considered as a critical development area that will create value in business processes. Data Leak Prevention, Security Operation Center, Service Tree Project, Automation Project and Hyperconverged Infrastructure Renewal projects are among the projects initiated in the last two years for information security.

Within the scope of data leakage prevention efforts, "fingerprint" mechanisms are used to learn the contents of files on file servers and user computers and copying operations are immediately stopped.

The cyber security inventory is regularly developed and updated. In order to strengthen the cyber security structure, work is being carried out to implement a program that includes 24/7 monitoring and intervention (integrated SoC & SIEM & SOAR structures), cyber intelligence and security roadmap.

By adopting the Service Tree structure, all information technologies are associated in an end-to-end hierarchical discipline. Thus, the competence of early detection of possible malfunctions/stops while they are at the warning stage has been gained. As a result of the interconnection of all components, situations that are likely to cause service interruptions will be caught at the warning stage, and efficiency will be increased by minimizing downtime.

Within the scope of the automation project, work was completed to include the services listed in the service tree with the processes determined within the scope of the technological infrastructure and the help desk into automation with RPA and Application Programming Interface (API). With this work, it is aimed to free the appropriate processes from human intervention and transform them into a 24/7 automatically managed structure.

With the new technology to be commissioned to replace the server and storage infrastructure, which has reached the end of its economic life, with new technologies, both the performance of services will increase and business continuity will be established. With the Hyperconverged Infrastructure Renewal Project, 480 virtual servers were moved to the new structure.

Within the scope of compliance with the Law on the Protection of Personal Data, efforts to classify, secure and anonymize data are meticulously carried out.





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 energy-intensive operations, generates electricity from renewable energy sources, and manages use of natural resources in line with its sustainability approach.

The Group supports the maintenance and protection of the Asim Kibar Forest of Love, which was established by Kibar Holding in Istanbul in 1995 on an area of 10,000 m². In 2021, 8,030 trees were planted by the companies within the scope of the reporting, and the number of trees planted in the last three years has reached over 14,000. In addition, Kibar Holding donated 15,000 saplings to the Turkish Foundation for Combating Erosion, Reforestation and Protection of Natural Habitats (TEMA) in 2021.

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.

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.

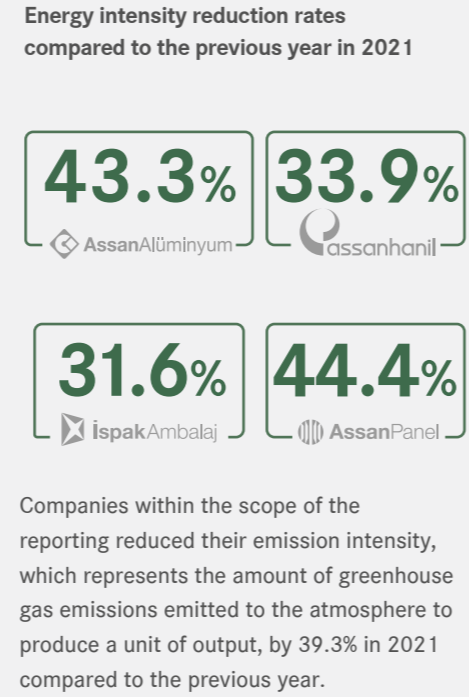
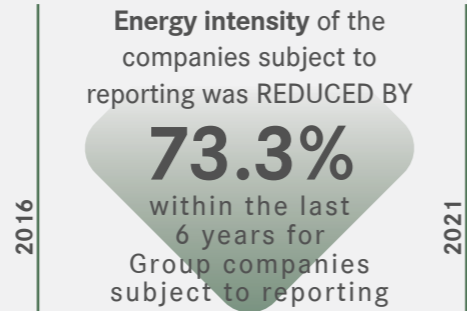
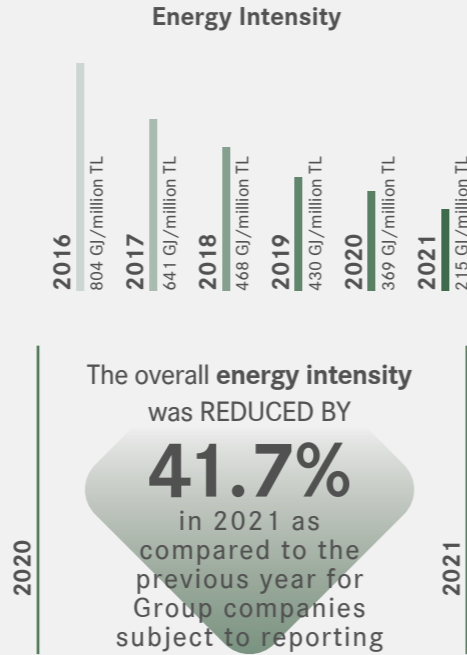
ENERGY MANAGEMENT

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 element 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.

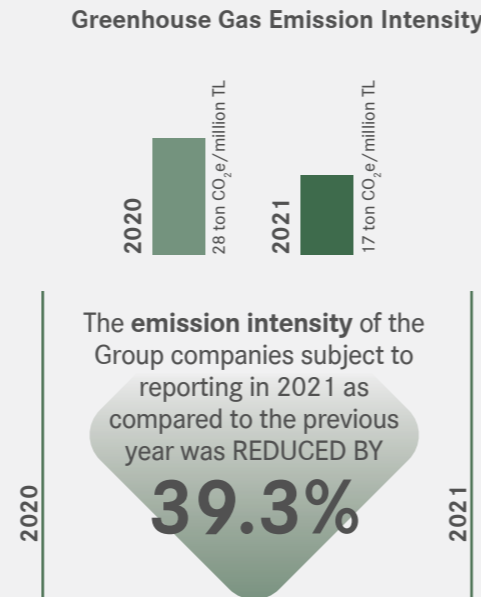
With the Manavgat Hydroelectric Power Plant, Kibar Group's renewable energy investment, 88,299,000 kWh of electricity was generated from renewable energy sources in 2021.

Kibar Group continues its efforts to combat climate change by implementing energy efficiency projects and investments in order to use energy resources in the most efficient way in all areas in which it operates. More than a hundred energy efficiency projects have been implemented in the last six years and significant savings have been achieved. In 2021, efficiency efforts continued within Kibar Group and significant gains were achieved.

As a result of energy efficiency projects, the energy intensity of Kibar Group companies has decreased. Energy intensity, which represents the amount of energy consumed to produce a unit of output on the basis of the companies within the scope of the reporting, decreased by 41.7% in 2021 compared to the previous year and by 73.3% in the last six years. Energy intensity decreased by 43.3% at Assan Alüminyum, 33.9% at Assan Hanil, 44.4% at Assan Panel and 31.6% at İspak in 2021 compared to the previous year.



Companies within the scope of the reporting reduced their emission intensity, which represents the amount of greenhouse gas emissions emitted to the atmosphere to produce a unit of output, by 39.3% in 2021 compared to the previous year.



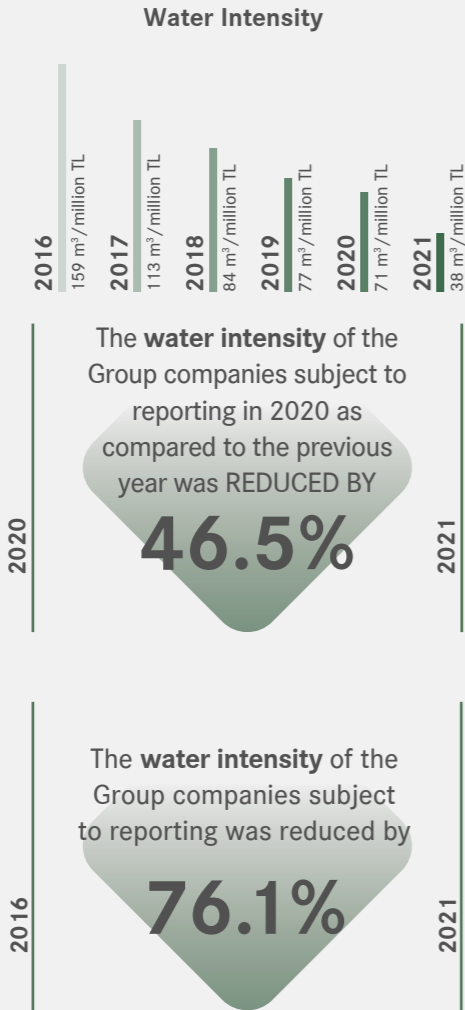
Kibar Holding Manavgat Hidroelektrik Santrali

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 main objective of sustainable water management is to take into account the needs of future generations by not changing the functioning of the hydrological cycle. Acting with this awareness, Kibar Group continues the necessary work for sustainable water use and continuous improvement of water management.

As a result of the efforts carried out for the efficient use of water resources, water intensity has been reduced in Kibar Group. The companies within the scope of the reporting reduced water intensity, which represents the amount of water consumed to produce a unit of output, by 46.5% in 2021 compared to the previous year. and reduced it by 76.1% in the last six years.



Waste Water Recovery Plant Investment

The Wastewater Recovery Facility, which was integrated into the Wastewater Treatment Plant established in 2014 in the Asim Kibar Organized Industrial Zone in Kocaeli, where Kibar Holding pioneered the establishment and is a participant, transforms wastewater into high quality utility water by subjecting it to advanced treatment and can meet the water needed by companies for use in their process lines. In 2021, the amount of recovered water produced at the Wastewater Recovery Facility and used in the process lines and irrigation systems of companies amounted to 508,000 m³. The amount of water recovered from May 2018, when the Waste Water Recovery Facility started operations, until the end of 2021 is approximately 2 million m³.



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.

The waste recovery rate of the companies within the scope of the reporting, which was 98.8% in 2020, increased to 99.3% in 2021.

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 Türkiye, 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

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.

With the Utilization of Industrial Textile Wastes as Filling Material project, Assan Hanil ensured that the plastic in the content of industrial wastes from the plastic injection molding department, which cannot be recycled because it has a composite structure, can be utilized as filling material in different sectors. 384,730 kg of the waste was utilized as filling material in sectors such as construction.

At Assan Hanil, the Cockpit Line Efficiency Improvement Project reduced the scrap rate of cockpit parts and increased the company's laser cutting competence. Following the commissioning of the project in similar processes in all plants, it is aimed to minimize rejects and ensure sustainable efficiency.

Reuse of Transportation Vehicles and Efficiency

At the end of 2020, the project process was completed and the Reuse of Transportation Vehicles and Efficiency Study, which was commissioned, started to be implemented at the facilities. Pallets, which are normally used in different sizes and designs in each product group, were brought back into use through design changes and revisions to product group/pallet pairings. This improvement not only saves costs and pallet procurement time during project transitions, but also contributes to the protection of the environment by reducing waste generation. Within the scope of the project, 84 tons of iron and 3 tons of plastic were prevented from being wasted.

In Assan Panel R&D laboratories, the polymer filling material used in building insulation materials was redesigned and its thermal conductivity coefficient was improved. Thus, thermal efficiency was increased by 20% compared to standard polyurethane-filled building materials, contributing to the reduction of greenhouse gas emissions.

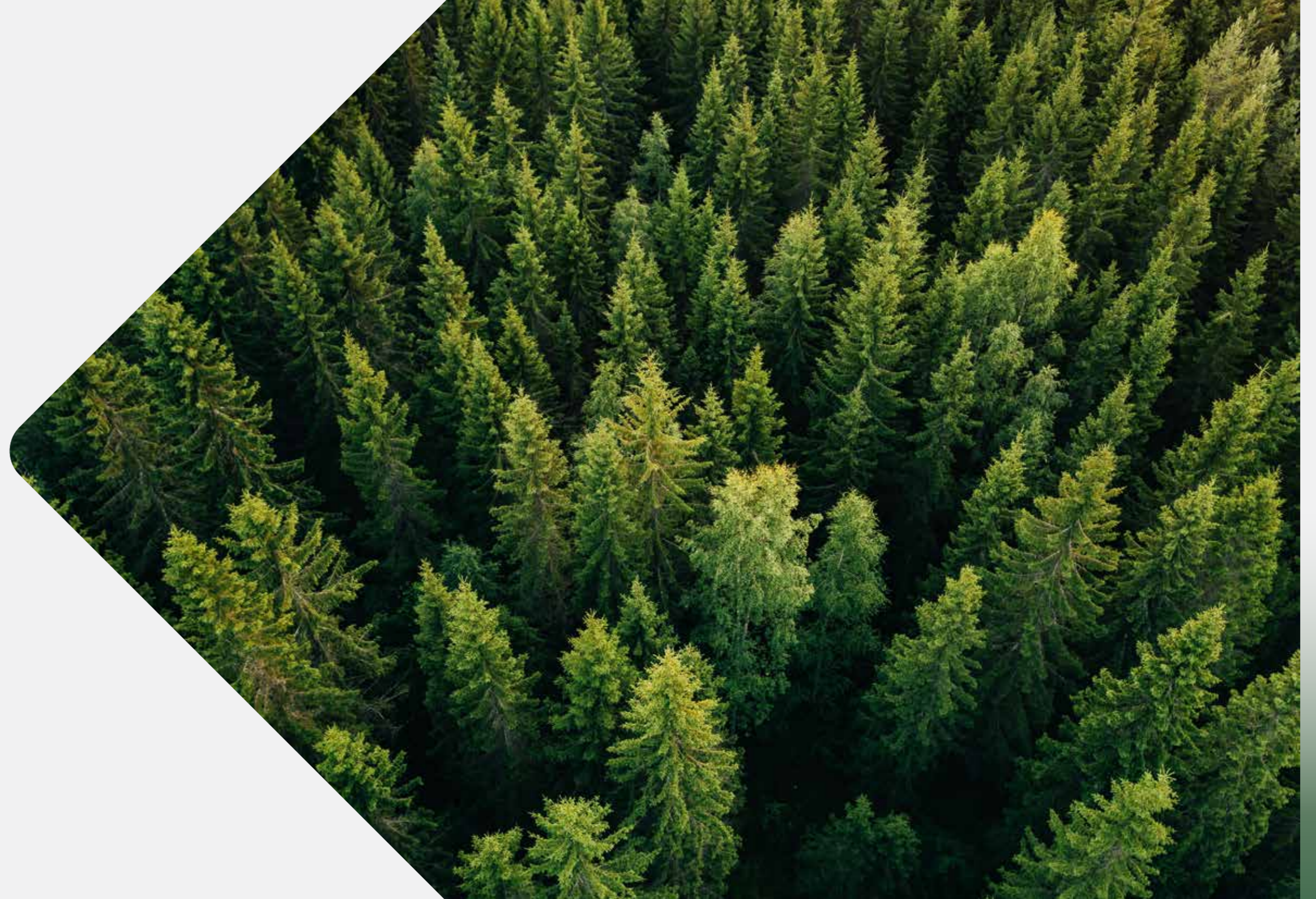
At İspak, pet waste that is recycled for energy is used as filling material. With the project launched in 2020, the amount of waste recycled has increased by 50% in the last two years. In 2021, the recycling rate increased to 83%.

In 2021, a total of 2,087 hours of environmental training was organized in Kibar Group, 1,463 hours for Group employees and 624 hours for contractor company employees. Thus, the environmental training provided in the last six years has reached 19,793 hours.

Environmental investment and management expenditures at the companies within the scope of the reporting amounted to TL 6,075,658 in 2021.

BIODIVERSITY CONSERVATION PROJECTS

With the "Biodiversity Conservation Project" implemented in cooperation with Kocaeli University, Assan Alüminyum has reproduced the "Amsonia orientalis - blue star" plant, which was designated by the Council of Europe in 2002 as one of the "species that should definitely be protected in flora" and is naturally found in the Kocaeli region, in the laboratory environment and returned it to nature. The project was communicated to all stakeholders in 2020 on June 5, World Environment Day, which is celebrated all over the world with the theme of biodiversity. In 2021, the project for the Sand Lily plant was initiated within the scope of the same cooperation.





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

Since its foundation, Kibar Group has integrated performance of business operations in line with universal principles into its corporate culture. Considering the economic growth in combination with "sustainability" goals covering economic, social, and environmental aspects, Kibar Group acts in line with its commitment and awareness to reveal the potential of its stakeholders in achieving sustainable development goals. Activities within the scope of supply chain management within Kibar Group are an integral part of corporate sustainability practices.

STAKEHOLDER GROUPS

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



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 are expected to implement the Procurement Code of Ethics defined by corporate documents and procedures, which are an integral part of the Kibar Group Code of Ethics. The sustainability performance of the wide supply network consisting of more than 7,000 active suppliers is constantly monitored and being developed.

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

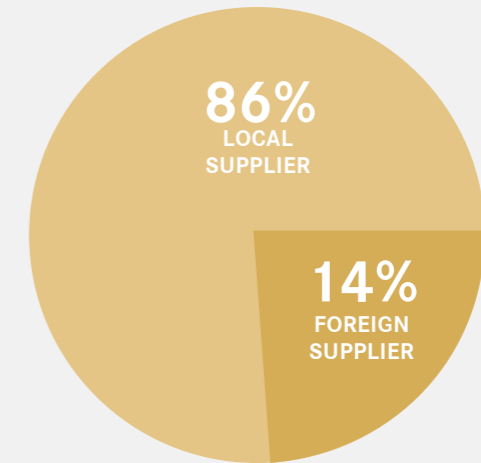
Kibar Group Framework Agreement is signed with vendors/suppliers prior to working to ensure that such vendors/suppliers also adopt critical sustainability priorities.

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

- 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.

Kibar Group prefers local procurement practices as much as possible in order to increase the contribution of its activities to the national economy. In 2021, Kibar Group has 5,316 local suppliers, with a local procurement rate of 86%.



Supplier selections are made in accordance with the rules set out in the Group procurement procedure and the approved supplier list. Supplier risk and performance evaluation studies are carried out for all suppliers in Kibar Group. All legal and environmental risks are also included in this process. Supplier audits and site visits are organized according to the results of these evaluations. These audits were carried out through online checklists due to the pandemic

in 2021. Suppliers are expected to be able to prove that they fully comply with all legal regulations to protect the environment, human rights, health and safety conditions. For this purpose, suppliers' certifications are examined and up-to-date data are requested. After the performance evaluation, performance cards prepared in detail for all processes are shared with suppliers, and discussions and plans are made regarding areas open to improvement. During the reporting period, there were no negative supplier evaluations regarding environmental criteria and no contracts were terminated in this context. In 2021, efforts are underway to redesign the Supplier Management Portal project in line with more effective conditions and evolving needs.

Kibar Group companies expect their suppliers to have the standards and certificates required by their sectors and carry out audit programs in this context.

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.

Supply Chain Management in Assan Hanil

At Assan Hanil, each supplier is audited at least once a year. During the audits conducted in 2021, the performance of 171 suppliers was evaluated, initial assessment audits were conducted for 8 suppliers and 7 suppliers were included in the approved supplier list.





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, “We will continue to dedicate our gains to the society based on our social responsibility approach” as defined by Asım Kibar, the Founder and Honorary President of Kibar Group, Kibar Holding and subsidiaries carry out activities contributing to improving the social welfare level.

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 Türkiye 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 Asım 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 Sarıseki 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 preschool education, 678 children have received pre-school education so far.

Our Social Benefit Investments in Health

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 Asım 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 Türkiye. 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.

Chess and Brain Games Workshop

The Chess and Intelligence Games Workshop established by Kibar Volunteers at Şehit Nusret Kula Primary School in Susurluk, Balıkesir, where 182 students study, is the first workshop organized by volunteers in schools in the region.

Support for Damaged Lives by Forest Fires

In August 2021, a project was realized in cooperation with Help Steps and the Association for the Protection of Animals from Helplessness and Indifference (HAÇİKO) under the coordination of Kibar Volunteers for living creatures damaged by forest fires. The steps of Kibar Group employees and their families were converted into donations through the Help Steps application, and approximately 60 million steps were donated within the scope of the project.

Kibar Volunteers continued to work with the online volunteering movement launched during the pandemic period. In this process, an online event was organized with a non-governmental organization every month and vocational training seminars were given to children online.

Sharing their work with the public through the Kibar Volunteers Annual Report, volunteers have moved all their processes to the digital environment with the www.kibargonulluleri.com website. Thus, all volunteering activities throughout the group were made accessible and trackable on a single platform.

The coordination of volunteering activities within the Group is carried out through “Volunteer Leaders” selected by the volunteers. Volunteers can participate in activities with project proposals in six different areas or by participating in existing projects.

- Corporate Social Responsibility Project/ Support for Disadvantaged Schools: These are the works carried out by volunteers within the scope of corporate social responsibility projects carried out by Kibar Holding.
- Company Corporate Social Responsibility Projects: Volunteers can participate in corporate social responsibility projects to be carried out in Group companies on a voluntary basis.
- Volunteer Projects: Volunteer activities carried out on a project basis. Volunteers decide together in which area they will work and can continue their work by forming a project group among themselves.
- Non-Governmental Organization Volunteering: Volunteers can carry out social responsibility activities by participating in the volunteering programs of non-governmental organizations. The non-governmental organizations that Kibar Volunteers will cooperate with are prioritized and determined according to the “Open Open” platform.
- Skill-Based Volunteering: These are volunteering activities carried out in the form of Kibar Volunteers offering their expertise in subjects and projects needed by different institutions in areas such as informatics, accounting, education and human resources.



- Internal Volunteering: It is the volunteering activities carried out for Kibar Volunteers to offer their expertise in different fields to different organizations such as municipalities, public institutions, non-governmental organizations and social enterprises in the subjects and projects they need.

In order to evaluate the requests and suggestions of Kibar Group employees in the field of volunteering as soon as possible, a 24/7 accessible volunteering portal has been established. In this context, all processes are carried out through kibargonulluleri.com, and an integrated structure has been created with Human Resources, Purchasing and Finance processes within Kibar Group. In this way, it is aimed to make volunteering activities sustainable.

Collaboration with TOÇEV

Assan Hanil contributes to meeting the educational expenses of children within the scope of the cooperation initiated in 2016 with the Tuvana Foundation for the Education of Children with Reading Wishes (TOÇEV). From 2016 until the end of 2021, the educational expenses of approximately 350 students were covered.

Education Scholarship Support:

The number of students receiving monthly educational support was increased to 50.



APPENDIX

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.

Consultant : Kıymet-i Harbiye
Report Design : Çözüm

ANNEX 1-MEMBERSHIPS AND PARTNERSHIPS



ANNEX 2-KİBAR HOLDİNG 2021 SUSTAINABILITY REPORT-REPORTING GUIDE

This reporting guideline (“Guideline”) provides information on data collection and calculation methodologies for the indicators within the scope of independent audit included in the 2021 Sustainability Report (“2021 Sustainability Report”) of Kibar Holding A.Ş. (“Kibar Holding”, “Company”).

These indicators include **environmental indicators** and **social indicators**. It is the responsibility of the Company’s management to ensure that appropriate procedures are in place to prepare these indicators, in all material respects, in accordance with the Guidelines.

The information in this Guideline covers the period from January 1, 2020 to December 31, 2021 (fiscal year 2020-2021) and the relevant operations in Türkiye under the responsibility of Kibar Holding and its subsidiaries listed below (“Companies”) as detailed in the “Key Definitions and Scope of Reporting” section and excludes information on subcontractors.

- Assan Alüminyum (“Assan Alüminyum”)
- Assan Panel (“Assan Panel”)
- Assan Hanil (“Assan Hanil”)
- İspak (“İspak”)

General Reporting Principles

The following principles have been considered in the preparation of this guidance document:

- In the preparation of information - to emphasize to users of information the basic principles of relevance and reliability of information,
- In reporting information - emphasizing the principles of comparability/consistency of information with other data, including the previous year, and the principles of understandability/transparency that provide clarity to users.

Basic Definitions and Reporting Scope

For the purpose of this report, Kibar Holding makes the following definitions:

Type	Indicator	Scope
Social Indicators	Human Resources	
	Total Number of Employees	It means the total number of employees working in Kibar Holding and Companies during the reporting period.
	Number of Employees by Gender	It means the number of employees classified by gender working at Kibar Holding and Companies during the reporting period.
	Number of Senior Executives by Gender	It means the number of people in the titles of “CEO, CFO, Vice President, General Manager, Assistant General Manager, Director, Consultant and Manager”, which Kibar Holding defines as “senior level” in the reporting period, classified by gender.
	Number of Employees Taking and Returning from Maternity Leave by Gender	It means the number of employees classified by gender who went on maternity leave and returned from maternity leave in Kibar Holding and Companies during the reporting period.

Type	Indicator	Scope
Social Indicators	Occupational Health and Safety	
	Injury Rate	It is calculated by multiplying the ratio of the total number of accidents realized in the reporting period to the total number of working hours by one million. Injury Rate, Accident Frequency Rate (LTI) and Accident Frequency Rate (KSO) refer to the same thing.
	Accident Severity Rate	Represents the total number of days lost due to occupational accidents occurring in a certain period of working time during the reporting period.
	Occupational Disease Rate	It means the number of temporary or permanent illnesses, physical or mental disabilities incurred during the reporting period due to a recurring cause arising from the nature of the insured’s employment or work, or due to the conditions of the execution of the work.
	Number of Fatal Accidents	Represents the number of Company employees who lost their lives in fatal accidents during the reporting period.
	Number of Employees/Contractor Company Employees Attending Occupational Health and Safety Trainings and Training Hours	Represents the number of Company employees and Contractor Company employees who participated in the trainings provided within the scope of Occupational Health and Safety and the number of training hours during the reporting period.
	Occupational Health and Safety Committee/Number of Committee Members	Occupational Health and Safety Committee established to work on occupational health and safety issues at Kibar Holding’s workplace and the number of members in the Committee during the reporting period.
	Training	
	Number of Employees Attending Training and Training Hours by Gender	Represents the number of people who participated in the trainings organized for the employees of the Companies during the reporting period, classified by gender.
	Number of Employees Participating in Performance Evaluation by Gender	Represents the number of employees of the Companies who participated in performance evaluations during the reporting period, categorized by gender.
Suppliers		
	Total and Local Suppliers	Represents the total number of suppliers and local suppliers that Kibar Holding worked with during the reporting period.
	Ratio of Local Suppliers and Foreign Suppliers	Represents the ratio of local and foreign suppliers that Kibar Holding worked with in the reporting period to total suppliers.

Type	Indicator	Scope
Environmental Indicators	Energy Consumption	
	Direct Energy Consumption	
	Natural Gas Consumption	It means the total amount of natural gas purchased during the reporting period and used in heating, kitchen and other operations requiring natural gas in the relevant locations. Reported in cubic meters (m ³).
	Diesel Consumption	Refers to the amount of diesel fuel purchased during the reporting period and used at the relevant locations for generator fuel, forklift fuel and vehicles belonging to the Companies. It is reported in tons or liters.
	Gasoline Consumption	It means the amount of gasoline type fuel purchased during the reporting period and used in the vehicles belonging to the Companies at the relevant locations. It is reported in liters.
	Indirect Energy Consumption	
	Electricity Consumption	Refers to the total amount of electricity purchased during the reporting period and used in air conditioning, lighting, electrical appliances and other operations requiring electricity. reported in kWh.
	Energy Density	
	Energy Density	It means the sum of the amount of direct and indirect energy consumption consumed by companies to produce a unit of output during the reporting period. It is reported as GJ/million TL.

Type	Indicator	Scope
Environmental Indicators	Greenhouse Gas Emissions (Scope 1, Scope 2, Scope 3)	
	Scope 1 (tons CO ₂ e)	Refers to the greenhouse gas emissions caused by the use of natural gas, diesel fuel (from company vehicles, diesel generators, forklifts) and gasoline at the relevant locations of the Companies during the reporting period.
	Scope 2 (tons CO ₂ e)	Refers to greenhouse gas emissions arising from the consumption of electricity purchased at the relevant locations of the Companies during the reporting period.
	Scope 3 (tons CO ₂ e)	Refers to greenhouse gas emissions arising from the air travel and personnel shuttle services of the Companies' employees for business purposes during the reporting period.
	Greenhouse Gas Density	
	Greenhouse Gas Emission Intensity	It means the amount of carbon dioxide equivalent greenhouse gases emitted into the atmosphere by companies to produce a unit of output during the reporting period. It is reported as tons CO ₂ e/million TL.
	Renewable Energy Production	
	Renewable Energy Production	Refers to electricity generation from renewable energy sources generated by the Companies during the reporting period. Reported in MWh.
	Renewable Energy Consumption	
	Renewable Energy Consumption	Refers to the amount of renewable energy electricity purchased by the Companies during the reporting period. It is monitored with the International Renewable Energy Certificate (I-REC).
	Water Consumption	
	Water Consumption	Refers to the total water consumption (municipal water and well water) used by the Companies at the relevant locations during the reporting period.
	Water Density	
	Water Density	Refers to the amount of water consumed by the Companies to produce a unit of revenue during the reporting period.
	Waste Management	
	Hazardous Waste Amount	Refers to hazardous waste in the locations where the operations of the Companies took place during the reporting period. The amount of hazardous waste is reported in tons and according to disposal methods, including energy recovery, recovery, landfill, waste incineration and other.
	Amount of Non-Hazardous Waste	It means non-hazardous waste at the locations where the operations of the Companies took place during the reporting period. The amount of non-hazardous waste is reported in tons and according to disposal methods, including energy recovery, recovery, landfill, waste incineration and other.
	Amount of Recycled/Recovered Waste	It means the amount of hazardous and non-hazardous waste recycled/recovered at the locations where the operations of the Companies took place during the reporting period. Reported in tons.
	Rate of Recycled/Recovered Waste	It means the ratio of the total amount of hazardous and non-hazardous waste recycled/recovered in the locations where the operations of the Companies were realized during the reporting period to the total amount of waste. Reported as %.
Waste Density		
Waste Density	This refers to the amount of waste generated by the Companies to produce one unit of revenue during the reporting period. Reported in tons/million TL.	

Data Preparation

Social Indicators

Distribution of Female Executives

In the reporting period, the ratio of the number of female employees with the titles of “CEO, CFO, Vice President, General Manager, Assistant General Manager, Director, Consultant and Manager”, which Kibar Holding defines as “senior level”, to the total number of employees with these titles is calculated according to the formula below:

- Ratio of Female Senior Executives (%) = Number of Female Senior Executives/Total Number of Senior Executives

Occupational Health and Safety Data

- The number of accidents and fatalities are tracked by Company breakdown and direct employment & contractor classification through tables listing Social Security Institution notifications.
- No occupational disease was encountered during the relevant period.
- There were no fatal accidents during the relevant period.
- The following definitions and formulas are used in the calculation of occupational health and safety indicators.

Formulas:

Injury Rate = Number of Lost Time Accidents (1 Day and Over Accidents)* 1,000,000/Total Hours Worked (including overtime)

Accident Severity Rate (ASR) = Total Number of Days Lost in Accidents* 1,000/Total Hours Worked (including overtime) ASR = LDR (due to lack of occupational disease)
 Total Number of Days Lost in Accidents* 1,000/Total Hours Worked (including overtime)

Working hours are calculated on the payroll, which is an official document issued periodically by the employer every month, where the wages paid by Kibar Holding to employees are recorded together with all taxes and deductions. Overtime, short-time working allowance, paid & unpaid leave, paid & unpaid rest, annual leave, marriage leave, paid maternity leave (mother & father) and unpaid maternity leave (mother & father) hours are not included in the total working hours.

The total number of accidents with lost working days includes accidents with 3 or more lost working days with reference to the International Labor Organization (ILO).

Supplier Data

Kibar Holding's Local Supplier & Foreign Supplier Ratio is calculated according to the formulas below:

- Local Supplier Ratio (%) = Number of Local Suppliers/Total Number of Suppliers
- Foreign Supplier Ratio (%) = Number of Foreign Suppliers/Total Number of Suppliers

Environmental Indicators

Water Consumption

The water consumption of Assan Panel Tuzla and İspak Tuzla plants are also included in the water consumption of Assan Alüminyum Tuzla Plant. Water is distributed to all plants by Assan Alüminyum Tuzla Plant Auxiliary Facilities and includes municipal water, well water, domestic water, cooling water and hot water consumption.

Water Density

Water density corresponds to the amount of water consumed to produce one unit of output and is calculated according to the following formula

- Water Density (m³/million TL) = Water Consumption (m³)/Sales Revenue (million TL)

Waste Density

Waste density corresponds to the amount of hazardous and non-hazardous waste released to produce a unit of output and is calculated according to the formula below.

- Waste Density (tons/million TL) = Waste Amount (tons) / Sales Revenue (million TL)

Recycled/Recovered Waste Ratio

Recycled/Recovered Waste Ratio corresponds to the amount of hazardous and non-hazardous waste recycled/recovered in the total amount of waste and is calculated according to the formula below.

- Recycled/Recovered Waste Ratio (%) = Recycled/Recovered Waste Amount (tons)/Total Waste Amount (tons)

Direct Energy Consumption Data by Fuel Type**Natural Gas**

Natural gas supply unit is invoiced in “m³” and the following formula is used for the conversion of natural gas activity data into gigajoules (GJ). “Density” values in “kg/m³” and “Net Calorific Value (NKD)” data in “TJ/Gg” are obtained from the natural gas distribution companies and the general directorates of the relevant organized industrial zone.

[Activity Data (m³)*Density (kg/m³)*0,000001(Gg/kg)*NKD(TJ/Gg)* 1000(GJ/TJ)]

Diesel

The diesel supply unit is invoiced in “tons” and “liters”. The following formula is used for the conversion of diesel activity data in “tons” to gigajoules (GJ). NKD value is taken from “2006 IPCC Guidelines for National Greenhouse Gas Inventories/Volume 2 Energy/Chapter 1 Introduction”.

[Activity Data (tons)*0.001(Gg/ton)*NKD(TJ/Gg)* 1000(GJ/TJ)]

In the conversion of diesel consumption in “liters” to “tons”, the conversion factor of “1 liter of diesel = 0.00083 tons of diesel” was used with reference to the annex of the “Regulation on Increasing Efficiency in the Use of Energy Resources and Energy”.

Gasoline

Gasoline supply unit is invoiced in “liters” and the following formula is used to convert gasoline activity data into gigajoules (GJ). NKD value is taken from “2006 IPCC Guidelines for National Greenhouse Gas Inventories/Volume 2 Energy/Chapter 1 Introduction”. In the conversion of gasoline consumption in “liters” to “tons”, the conversion factor “1 liter of gasoline = 0.00073 tons of gasoline” was used with reference to the annex of the “Regulation on Increasing Efficiency in the Use of Energy Resources and Energy”.

[Activity Data (tons)*0,001(Gg/ton)*NKD(TJ/Gg)* 1000(GJ/TJ)]

Indirect Energy Consumption Data

The amount of electrical energy is reported in “kWh” and the conversion factor “1 kWh electricity = 0.0036 GJ” in the annex of the “Regulation on Increasing Efficiency in the Use of Energy Resources and Energy” is used in the conversion to “GJ”.

Energy Density

Energy Density corresponds to the direct and indirect energy consumption to produce a unit of output and is calculated according to the formula below:

- Energy Density (GJ/million TL)= Direct and Indirect Energy Consumption (GJ)/Sales Revenue (million TL)

Greenhouse Gas Emissions (Scope 1, Scope 2 and Scope 3 Emissions)**Scope-1 Emissions**

• Within the scope of energy consumption data for Assan Alüminyum, Assan Panel, Assan Hanil and İspak, natural gas, diesel, gasoline are reported as primary fuel sources. Data are obtained from service providers’ meters, invoices, receipts and vehicle identification system breakdowns.

• Diesel consumption is obtained from service providers’ invoices for generators and fire pumps. Gasoline and diesel consumption for company vehicles is obtained from the invoices of the vehicle identification service provider.

• The following formula is used in the calculation of fuel-based emissions (Scope 1).

[Fuel Sourced Emission (Fuel) = Activity Data (FV) * Emission Factor (EF) * Oxidation Factor (RF)]

• Scope 1 emissions are calculated with reference to “2006 IPCC Guidelines for National Greenhouse Gas Inventories/Volume 2 Energy/Chapter 2 Stationary Combustion”.

• In all calculations within Scope 1 Emissions (natural gas, diesel, gasoline) oxidation factor is used with reference to “Communiqué on Monitoring and Reporting of Greenhouse Gas Emissions”.

Scope-2 Emissions

• Within the scope of electricity consumption data for Assan Alüminyum, Assan Panel, Assan Hanil and İspak, the total electricity consumption of company locations is reported. The data are obtained through monthly breakdowns of the companies and invoice breakdowns received from location-based electricity distribution companies.

• Scope-2 emissions are calculated with reference to the 2020-2021 Monthly Electricity Generation-Consumption Reports published by Turkish Electricity Transmission Company (TEİAŞ) (<https://www.teias.gov.tr/tr-TR/aylik-elektrik-uretim-tuketim-raporlari>) and “IPCC Climate Change 2014 Mitigation of Climate Change-Chapter 7 Energy Systems”.

Scope-3 Emissions

Scope-3 emissions include data on flights and employee shuttles for Assan Alüminyum, Assan Panel, Assan Hanil and İspak. The data is obtained from the companies’ detailed flight breakdowns and routes of personnel shuttles. Scope 3 emissions are calculated with reference to UK DEFRA 2020 Emission Factors.

Greenhouse Gas Emission Density

GHG emission density corresponds to the amount of carbon dioxide equivalent greenhouse gases released into the atmosphere to produce a unit of output and is calculated according to the formula below:

- Greenhouse Gas Emission Density (tons CO₂e/million TL) = Total Greenhouse Gas Emission (tons CO₂e)/Sales Revenue (million TL)

Re-Statement of Op

Measuring and reporting validated data inevitably involves a degree of estimation. A re-statement of opinion may be considered where there is a change of more than 5% in the data at company level.

ANNEX 3-PERFORMANCE INDICATORS

Employees Demographics*		
Employees	2020	2021
Total number of employees	3.189 ✓	3.478 ✓
Total number of white-collar women employees	262 ✓	283 ✓
Total number of white-collar male employees	493 ✓	494 ✓
Total number of blue-collar women employees	71 ✓	104 ✓
Total number of blue-collar male employees	2.363 ✓	2.597 ✓
Total number of women employees	333 ✓	387 ✓
Total number of male employees	2.856 ✓	3.091 ✓
Number of Employees by Age Groups		
Number of employees under 30 years old	523	572
Number of employees between 30-50 years	2.515	2.641
Number of employees 50 years and over	151	265
Total Number of Senior Executives**		
Number of women executives	32 ✓	39 ✓
Number of male executives	108 ✓	116 ✓
Percentage of women executives	22,9% ✓	25,2% ✓
Maternity Leave		
Number of women employees on maternity leave	12 ✓	11 ✓
Number of male employees on paternity leave	206 ✓	187 ✓
Number of women employees returning from maternity leave	13 ✓	11 ✓
Number of male employees returning from paternity leave	206 ✓	187 ✓

* It includes Kibar Holding and Group companies within the reporting scope.

**Applicable for managers and higher job positions.

Employee Development		
Training Activities	2020	2021
Employee Training - Number of Participants (person)		
Blue-collar	1.607	17.467
White-collar	1.922	5.954
Women	788 ✓	2.370 ✓
Men	2.741 ✓	21.051 ✓
Total	3.529 ✓	23.421 ✓
Employee Training - Total Hours (hours)		
Blue-collar	4.305	30.127
White-collar	4.214	13.493
Women	1.730 ✓	5.690 ✓
Men	6.789 ✓	37.930 ✓
Total	8.519 ✓	43.620 ✓
Employee Suggestion Systems		
Number of suggestions submitted	5.624	3.179
Number of suggestions implemented	967	314
Employee Under Performance Review		
Blue-collar	1.570	0
White-collar	581	588
Women	184 ✓	190 ✓
Men	1.967 ✓	398 ✓
Total	2.151 ✓	588 ✓

Occupational Health & Safety		
Injury Rate	2020	2021
Direct Employment		
Women	4,15 ✓	2,19 ✓
Men	15,29 ✓	19,00 ✓
Accident Severity Rate		
Direct Employment		
Women	0,01 ✓	0,02 ✓
Men	0,25 ✓	0,33 ✓
Occupational Disease Rate (ODR)		
Direct Employment		
Women	0 ✓	0 ✓
Men	0 ✓	0 ✓
Contractor's Employees		
Women	0 ✓	0 ✓
Men	0 ✓	0 ✓
Work-Related Deaths		
Direct Employment		
Women	0 ✓	0 ✓
Men	0 ✓	0 ✓
Contractor's Employees		
Women	0 ✓	0 ✓
Men	0 ✓	0 ✓

Occupational Health & Safety (OHS) Training		
	2020	2021
Total number of employees participating in OHS training	2.306 ✓	10.376 ✓
Total number of contractor's employees participating in OHS training	1.625 ✓	1.657 ✓
Total OHS training hours allocated to employees		
Total	40.525 ✓	48.614 ✓
Total OHS training hours allocated to contractor's employees		
Total	1.858 ✓	2.462 ✓
Occupational Health & Safety Management		
	2020	2021
Number of OHS committees established	21 ✓	5 ✓
Total number of members in OHS committees established	88 ✓	99 ✓
Number of representatives serving in OHS committees established	22 ✓	26 ✓
Suppliers		
	2020	2021
Number of Local Suppliers	4.634 ✓	5.316 ✓
Number of Foreign Suppliers	725 ✓	881 ✓
Local Supplier Ratio (%)	86% ✓	86% ✓
Foreign Supplier Ratio (%)	14% ✓	14% ✓

Environmental Performance Indicators				
Use of Natural Resources	2020		2021	
Production output (tons)*	265.461		307.304	
Raw materials consumed (tons)	456.341		448.711	
The quantity of recycled/recovered raw materials used as production input (tons)	124.852		133.511	
Rate of Recycled/recovered raw materials used as production input	27%		30%	
**Water Management				
Well water consumption (m ³)	359.812	✓	326.973	✓
Municipal water consumption (m ³)	149.515	✓	161.987	✓
Total water consumption (m ³)	509.327	✓	488.960	✓
Water density (m ³ /million TRY)	71	✓	38	✓
Waste Management				
Total amount of hazardous wastes (tons)	11.701	✓	13.261	✓
Energy recovery	239	✓	751	✓
Recovery	11.420	✓	12.510	✓
Waste collection site	43	✓	0	✓
Waste incineration	0	✓	0	✓
Other	0,05	✓	0,07	✓
Total amount of non-hazardous wastes (tons)	10.930	✓	12.301	✓
Energy recovery	1.025	✓	864	✓
Recovery	9.668	✓	11.246	✓
Waste collection site	237	✓	191	✓
Waste incineration	0	✓	0	✓
Other	0	✓	0	✓
Total waste	22.631	✓	25.562	✓
Amount of recycled/recovered waste (tons)	22.352	✓	25.370	✓
Ratio of recycled/recovered waste (%)	98,8%	✓	99,3%	✓
Waste Intensity (tons/million TL)	3,17	✓	1,97	✓

* Production quantity is tracked in terms of vehicle sets at Assan Hanil and square meters at Assan Panel and therefore could not be included in the cumulative data.

** Electricity, natural gas and water consumption of Assan Hanil's Aygen facility, which has a share of less than 0.06% in total energy consumption and less than 0.15% in total water consumption, could not be included in the cumulative data since it could not be separated due to common use in the facility.

Combating Climate Change				
Direct Energy Consumption (GJ)	2020		2021	
Natural Gas	1.872.465	✓	1.951.795	✓
Diesel	10.352	✓	9.384	✓
Gasoline	7.458	✓	7.854	✓
Total Direct Energy Consumption	1.890.275	✓	1.969.033	✓
Indirect Energy Consumption (GJ)				
Electricity	741.061	✓	818.325	✓
Total Indirect Energy Consumption	741.061	✓	818.325	✓
**Total Energy Consumption (GJ)				
Total Energy Consumption (GJ)	2.631.335	✓	2.787.357	✓
Energy Density (GJ/million TL)	369	✓	215	✓
Renewable Energy Production (GJ)				
Renewable Energy Production (GJ)	466.920	✓	317.876	✓
Renewable Energy Consumption (GJ)				
Renewable Energy Consumption (GJ)			116.302	✓
Emissions				
Scope 1 emissions (tons CO ₂ e)	106.331	✓	110.738	✓
Scope 2 emissions (tons CO ₂ e)	93.456	✓	107.769	✓
Scope 3 emissions (tons CO ₂ e)	1.688	✓	1.936	✓
Greenhouse gas emissions density (tons CO ₂ e/million TL)	28	✓	17	✓
Young trees planted				
Young trees planted	1.640		8.030	
Environmental Training (hours)				
Environmental training provided to Group employees	2.616		1.463	
Environmental training provided to contractor's employees	585		624	
Economic/Financial Performance Indicators				
	2020		2021	
Net sales revenues (TRY)	7.130.693.837	✓	12.968.799.503	✓

ANNEX 4-GRI CONTENT INDEX



2022

GRI CONTENT INDEX					
Statement of use	Kibar Holding has reported in accordance with the GRI Standards for the period January 1, 2021-December 31, 2021.				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)					
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
General Disclosures					
Corporate Profile					
GRI 2: General Disclosures 2021	2-1 Organizational details	About Kibar Holding, pages 12-13; Kibar Group, pages 14-17	-		
	2-2 Entities included in the organization's sustainability reporting	About the Report, page 6	-		
	2-3 Reporting period, frequency and contact point	About the Report, page 6; Contact - Back Cover	-		
	2-4 Restatement of information	Performance Indicators, pages 114-115; Kibar Group 2025 Sustainability Strategy, pages 30-39	-		
	2-5 External Audit	Limited Assurance Certificate, page 124	-		
	2-6 Activities, value chain and other business relationships	Kibar Group, pages 14-17; Export, page 50	-		
	2-7 Employees	About Kibar Holding, page 12-13; Human Resource, page 49; Performance Indicators, page 112	-		
	2-8 Workers who are not employees	Performance Indicators, pages 112-113	-		
	2-9 Governance structure and composition	Corporate Governance, pages 18-19	-		
	2-10 Nomination and selection of the highest governance body	Corporate Governance, pages 18-19	-		
	2-11 Chair of the highest governance body	Corporate Governance, pages 18-19	-		
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, pages 18-19	-		
	2-13 Delegation of responsibility for managing impacts	Corporate Governance, pages 18-19; Sustainability Management, pages 22-23	-		
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, pages 22-23	-		
	2-15 Conflicts of interest	Code of Ethics, page 62; https://www.kibar.com/en/holding/codes-of-conduct	-		
	2-16 Communication of critical concerns	Relations with Stakeholders, pages 88-89	-		
	2-17 Collective knowledge of the highest governance body	https://www.kibar.com/en/holding/board-of-directors	-		

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	GRI Content Index: Pursuant to the Articles of Association of Kibar Holding A.Ş., the Company is managed and represented by a Board of Directors elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code. The Board of Directors convenes with the majority of the total number of members and takes its decisions with the majority of the members present. The Board of Directors performs the duties assigned to it by the Turkish Commercial Code and other relevant legislation and by the General Assembly.	-		
	2-19 Remuneration policies	Wage Policy, page 60	-		
	2-20 Process to determine remuneration	Wage Policy, page 60	-		
	2-21 Annual total compensation ratio	GRI Content Index: Kibar Holding does not disclose remuneration information as it is not a publicly traded company.	-		
	2-22 Statement on sustainable development strategy	Kibar Group 2025 Sustainability Strategy, pages 30-39	-		
	2-23 Policy commitments	Sustainability at Kibar Group, page 20; Sustainability Approach, pages 28-29	-		
	2-24 Embedding policy commitments	Sustainability at Kibar Group, page 20; Sustainability Management, pages 22-23	-		
	2-25 Processes to remediate negative impacts	Kibar Group 2025 Sustainability Strategy, pages 30-39	-		
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Priorities, pages 26-27	-		
	2-27 Compliance with laws and regulations	GRI Content Index: During the reporting period, no penalty for non-compliance with laws and regulations was imposed.	-		
	2-28 Memberships associations	Initiatives Supported in Sustainability, pages 40-41; Corporate Memberships and Collaborations, pages 104-105	-		
	2-29 Approach to stakeholder engagement	Relations with Stakeholders, pages 88-89; Sustainability Priorities, pages 26-27	-		
	2-30 Collective bargaining agreements	GRI Content Index: There is no collective labor agreement at Kibar Holding.	-		

PRIORITIES					
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Material Topics					
GRI 3: Material topics 2021	3-1 Process to determine material topics	Sustainability Priorities, pages 26-27	-		
	3-2 List of material topics	Sustainability Priorities, pages 26-27	-		
Business Continuity					
GRI 3: Material topics 2021	3-3 Management of material topics	We Grow with Sustainability Principles, pages 45-47	-		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About Kibar Holding, page 12-13; Economic Value, page 49; Performance Indicators, 115	-		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability in the Supply Chain, page 91	-		
GRI 412: Human Rights Assessments 2016	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Sustainability in the Supply Chain, page 91	-		
Sustainable Supply Chain					
GRI 3: Material topics 2021	3-3 Management of material topics	Sustainability in the Supply Chain, pages 87, 91	-		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability in the Supply Chain, pages 91-92	-		
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainability in the Supply Chain, pages 91-92	-		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainability in the Supply Chain, page 91	-		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability in the Supply Chain, page 91	-		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainability in the Supply Chain, page 91	-		
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability in the Supply Chain, pages 91-92	-		
Business Ethics					
GRI 3: Material topics 2021	3-3 Management of material topics	Business Ethics, page 62; Anti-Corruption, page 62			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Internal Audit and Control, page 19	-		
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption, page 62	-		
	205-3 Confirmed incidents of corruption and actions taken	GRI Content Index: There were no significant cases of corruption during the reporting period.	-		
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI Content Index: During the reporting period, there were no lawsuits filed due to anti-competitive behavior.	-		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	GRI Content Index: All security personnel have completed the necessary legal trainings.	-		

PRIORITIES					
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Circular Economy					
GRI 3: Material topics 2021	3-3 Management of material topics	Energy Management, page 80; Water Management, page 82; Waste Management, pages 83-84	-		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Performance Indicators, page 114	-		
	301-2 Recycled input materials used	Performance Indicators, page 114	-		
	301-3 Reclaimed products and their packaging materials	GRI Content Index: Due to regulatory changes, not all companies were measured and cumulative value could not be calculated.	-		
GRI 302: Energy 2016	302-1 Energy Consumption within the Organization	Performance Indicators, page 115	-		
	302-2 Energy Consumption Outside of the Organization	Performance Indicators, page 115	-		
	302-3 Energy Intensity	Performance Indicators, page 115	-		
	302-4 Reduction of energy consumption	Energy Management, page 80	-		
GRI 303: Water and Effluents 2018	302-5 Reductions in energy requirements of products and services	Energy Management, page 80	-		
	303-1 Interactions with water as a shared resource	Water Management, page 82	-		
	303-2 Management of water discharge-related impacts	Water Management, page 82	-		
	303-3 Water withdrawal	Performance Indicators, page 114	-		
	303-4 Water discharge	GRI Content Index: This data cannot be shared as it is not kept by the same method in all companies within the scope of reporting.	-		
GRI 306: Waste 2020	303-5 Water consumption	Performance Indicators, page 114	-		
	306-1 Waste generation and significant waste-related impacts	Waste Management, pages 83-84	-		
	306-2 Management of significant waste-related impacts	Waste Management, pages 83-84, Interaktif Çevre Danışmanlık page 84	-		
	306-3 Waste generated	Performance Indicators, page 114	-		
	306-4 Waste diverted from disposal	Performance Indicators, page 114	-		
Combating Climate Change					
GRI 3: Material topics 2021	3-3 Management of material topics	Caring for Future Generations, page 78; Combating Climate Change, page 79; Energy Management, page 80	-		
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Combating Climate Change, page 79; Risk Management, page 19	-		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Performance Indicators, page 115	-		
	305-2 Energy indirect (Scope 2) GHG emissions	Performance Indicators, page 115	-		
	305-3 Other indirect (Scope 3) GHG emissions	Performance Indicators, page 115	-		
	305-4 GHG emissions intensity	Performance Indicators, page 115; Greenhouse Gas Emission Intensity, page 80	-		
	305-5 Reduction of GHG emissions	Greenhouse Gas Emission Density, page 80	-		
	305-6 Emissions of ozone-depleting substances (ODS)	GRI Content Index: Companies within the scope of this report do not have critical ODS emissions.	-		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	175 tons in 2020 and 203 tons in 2021.	*	*	*
Employee Engagement and Satisfaction					
GRI 3: Material topics 2021	3-3 Management of material topics	Diversity and Inclusion, pages 54-56	-		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	GRI Content Index: Legal notice periods are taken into account in case of significant job changes.	-		

*The data in question belongs to Assan Alüminyum. Other companies do not have NOx, SOx emissions at critical values.

PRIORITIES					
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Occupational Health and Safety					
GRI 3: Material topics 2021	3-3 Management of material topics	Occupational Health and Safety, pages 60-61	-		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, pages 60-61	-		
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, pages 60-61; Performance Indicators, page 113	-		
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, pages 60-61; Performance Indicators, page 113	-		
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, pages 60-61; Performance Indicators, page 113	-		
	403-6 Promotion of worker health	Occupational Health and Safety, pages 60-61	-		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, pages 60-62	-		
	403-8 Workers covered by an occupational health and safety management system	GRI Content Index: Employees of Kibar Holding and Group companies are covered by the OHS management system.	-		
	403-9 Work-related injuries	Performance Indicators, page 113	-		
	403-10 Work-related ill health	GRI Content Index: There were no fatal work accidents during the reporting period.	-		
	Employee Development and Talent Management				
GRI 3: Material topics 2021	3-3 Management of material topics	Future Talents, pages 57-58	-		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Performance Indicators, pages 112-113	-		
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management, pages 57-59	-		
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management, page 59; Performance Indicators, page 112	-		
Gender and Equal Opportunity					
GRI 3: Material topics 2021	3-3 Management of material topics	Diversity and Inclusion, page 54			
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	GRI Content Index: Since Kibar Holding is not a listed company, remuneration information is not disclosed.	-		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	GRI Content Index: The remuneration policy at Kibar Holding and Group companies is determined and implemented objectively, without gender discrimination, based on the potential and performance of the individual.	-		
	202-2 Proportion of senior management hired from the local community	GRI Content Index: All Kibar Holding executives are citizens of the Republic of Türkiye.	-		
GRI 401: Employment 2016	401-3 Parental leave	Performance Indicators, page 112	-		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employee	Performance Indicators, page 112	-		
	405-2 Ratio of basic salary and remuneration of women to men	GRI Content Index: There are no gender-based salary differences in Kibar Holding and its subsidiaries. The principle of equal pay for equal work is applied.	-		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	GRI Content Index: There were no incidents of discrimination during the reporting period.	-		

PRIORITIES					
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Circular Economy					
GRI 3: Material topics 2021	3-3 Management of material topics	Product and Service Quality, pages 66-67; Information Security, page 74	-		
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index: There was no such non-compliance during the reporting period.	-		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product and Service Quality, pages 66-67	-		
	417-2 Incidents of non-compliance concerning product and service information and labeling	GRI Content Index: There were no such violations during the reporting period.	-		
	417-3 Incidents of non-compliance concerning marketing communications	GRI Content Index: There was no such discrepancy during the reporting period.	-		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI Content Index: There were no incidents of breach of confidentiality of customer information during the reporting period.	-		
R&D, Innovation and Digitalization					
GRI 3: Material topics 2021	3-3 Management of material topics	R&D and Innovation, pages 69-73	-		
Social Responsibility					
GRI 3: Material topics 2021	3-3 Management of material topics	Sharing for Society, pages 95-96	-		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	GROWING with sustainability principles, page 47; Social Benefit Investments, page 97	-		
	203-2 Significant indirect economic impacts	Economic Value, page 49; Investing for Social Good, page 97	-		
Corporate Sustainability Management					
GRI 3: Material topics 2021	3-3 Management of material topics	Sustainability Priorities, pages 26-27; Sustainability Approach, 28-29	-		

UN Global Compact (UNGC) Progress Reporting

Principle	GRI Standard Reporting	Relevant Section
Human Rights		
Principle 1: The business world shall promote the declared human rights and respect such rights.	GRI 412-2, 412-3, 410-1, 3-2, 413-1, 413-2	Sustainability at Kibar Group, We Empower People, We ENCOURAGE Our Stakeholders
Principle 2: The business world shall not aid and abet violations of human rights.	GRI 412-2, 412-3, 410-1, 3-2, 413-1, 413-3	Governance at Kibar Group, Sustainability at Kibar Group
Working Conditions		
Principle 3: The business world shall support employees' right to freely establish trade unions and collective bargaining.	GRI 2-30	Sustainability at Kibar Group
Principle 4: Forced and involuntary labor practices must stop.	GRI 409-1, 412-2, 412-3	Sustainability at Kibar Group, We Empower People, We ENCOURAGE Our Stakeholders
Principle 5: Any form of child labor must stop.	GRI 408-1, 412-2, 412-3	Sustainability at Kibar Group, We Empower People, We ENCOURAGE Our Stakeholders
Principle 6: Any form of discrimination during recruitment and assignment must stop.	GRI 202-1, 405-1, 405-2, 406-1	Sustainability at Kibar Group, We Empower People
Environment		
Principle 7: The business world shall promote proactive approaches against environmental problems.	GRI 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 About Future Generations, Kibar Group 2025 Sustainability Strategy
Principle 8: All kinds of activities and initiatives to improve environmental responsibility shall be supported.	GRI 2-28	Sustainability Initiatives Sponsored
Principle 9: Development and extending the scope of eco-friendly technologies shall be promoted.	GRI 3-1	Sustainability at Kibar Group, We Care About Future Generations, We INNOVATE for the Future
Fighting Against Corruption		
Principle 10: The business world shall fight against any form of corruption including, bribery and extortion.	GRI 205-1, GRI 205-2, GRI 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: Corporate Leadership Promoting Gender Equality	GRI 405-1, 405-2	A Message from the CEO, Gender Equality, Kibar Group 2025 Sustainability Strategy, Performance Indicators, GRI Content Index
Principle 2: Equal Opportunities, Inclusion, and Non-Discrimination	GRI 401-3, 405-1, 405-2, 406-1	Sustainability Priorities, Gender Equality, Kibar Group 2025 Sustainability Strategy, Performance Indicators, GRI Content Index
Principle 3: Health & Safety, and Freedom Against Violence	GRI 406-1	Sustainability at Kibar Group, Kibar Group 2025 Sustainability Strategy, Occupational Health & Safety, Performance Indicators
Principle 4: Education and Learning	GRI 404-1, 404-3	Güç BİZde Development Platform, Kibar Group 2025 Sustainability Strategy, Performance Indicators
Principle 5: Business Development, Supply Chain and Marketing Practices	GRI 204-1, 3-1, 3-2, 3-3	Sustainability at Kibar Group, Sustainability Management in Supply Chain
Principle 6: Corporate Leadership and Inclusion		Gender Equality, Kibar Group 2025 Sustainability Strategy, Sustainability Initiatives Sponsored
Principle 7: Measurement and Transparent Reporting for Gender Equality	GRI 405-1, 405-2, 3-1, 3-2, 3-3	Kibar Group 2025 Sustainability Strategy, Performance Indicators, GRI Content Index


ANNEX 5-DECLARATION OF ASSURANCE



Limited Assurance Report
To Board of Directors of Kibar Holding A.Ş.

We have been engaged by the Board of Directors of Kibar Holding A.Ş. ("Kibar Holding" or "Company") to perform an independent limited assurance engagement in respect of the Selected Sustainability Information ("Selected Information") stated in Kibar Holding A.Ş. 2021 Sustainability Report ("2021 Sustainability Report") for the year ended 31 December 2021 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2021, which is subject to our independent limited assurance work, set out in the "2021 Sustainability Report" on pages of 112, 113, 114, 115 and the scope of indicators marked with  for the year ended 31 December 2021 is summarised below:


Social Indicators

- Occupational Health and Safety
 - Injury Rate
 - Accident Severity Rate
 - Occupational Disease Rate (ODR)
 - Total OHS training hours allocated to employees
 - Total number of employees participating in OHS training
 - Total number of members in OHS committees established
- Employee Demographics
 - Total number of employees by gender
 - Total number of senior executives by gender
 - Total number of maternity leave & paternity leave / returning from maternity leave & paternity leave
- Employee Training
 - Number of participants & training hours by gender
 - Number of employees under performance review by gender
- Suppliers
 - Number of Total & Local Suppliers
 - Local Supplier & Foreign Supplier Ratio



Environmental Indicators

- Energy
 - Direct Energy Consumption
 - Indirect Energy Consumption
 - Energy intensity
- Emissions (Scope 1, Scope 2, Scope 3)
 - Greenhouse gas emissions intensity
- Water Management
 - Municipal water consumption
 - Well water consumption
 - Water intensity
- Waste Management
 - The amount of hazardous and non-hazardous waste according to the disposal method
 - Amount of recycled waste
 - Waste intensity

Our independent assurance report has been prepared only for the year ended December 31, 2021, and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with an  in the 2021 Sustainability Report, and therefore no do not express any conclusion thereon.

Criteria

While preparing Selected Information, the company used the principles in the Kibar Holding 2021 Sustainability Report - Reporting Guide ("Reporting Guide") section on pages 106, 107, 108, 109, 110, 111 of the 2021 Sustainability Report.

The Company's Responsibility

The Company is responsible for the content of 2021 Sustainability Report and the preparation of the Selected Information in accordance with the Reporting Guidance. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.



Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Guidance.

In particular, for carbon emissions from energy used is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Guidance. Our assurance work has not included examination of the derivation of those factors and other third-party information.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Guidance. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.



The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Made inquiries of the persons responsible for the Selected Information;
- Understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- Evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- Performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company and;
- Undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Selected Information for the year ended 31 December 2021, is not properly prepared, in all material respects, in accordance with the Reporting Guidance.

Restriction of Use

This report, including the conclusion, has been prepared for the Directors of the Company as a body, to assist the Directors in reporting Kibar Holding A.Ş.'s performance and activities related to the Selected Information. We permit the disclosure of this report within the 2021 Sustainability Report for the year ended 31 December 2021, to enable the Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors Kibar Holding A.Ş. as a body and Kibar Holding A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Beste Ortaç, SMMM
 Partner

Istanbul, June 1, 2022

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