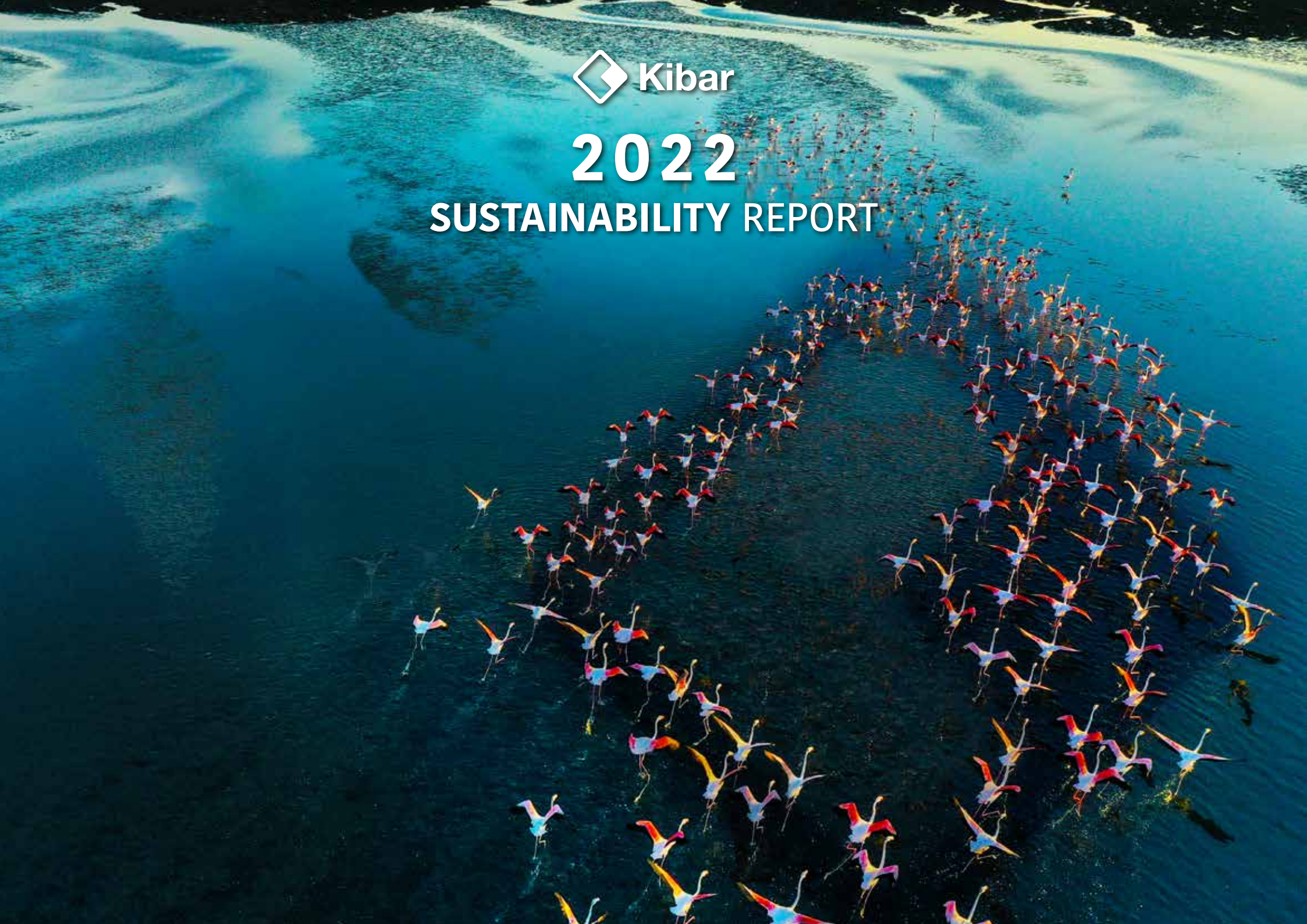




2022

SUSTAINABILITY REPORT



MAY YOU RECOVER SOON TÜRKİYE

We are in deep sorrow at the earthquake disaster that struck Kahramanmaraş near the epicenter as well as affecting many other provinces.

We wish God's mercy upon those who lost their lives in the earthquakes, give our condolences to their relatives and our nation, wish those injured a quick recovery, and we would like to convey our deepest sympathy and wishes for a speedy recovery to all earthquake victims and our country.

We will pick up the pieces together and recover from this disaster which deeply affected us all.

As Kibar Group, we have been providing support to the earthquake region, using every means available in cooperation with public institutions and non-governmental organizations from the first day of the earthquakes.

We have created a living space for 850 people consisting of 76 containers in Iskenderun district of Hatay province, where our Group company Assan Port is also located. In this space, we provide all basic necessities to earthquake victims.

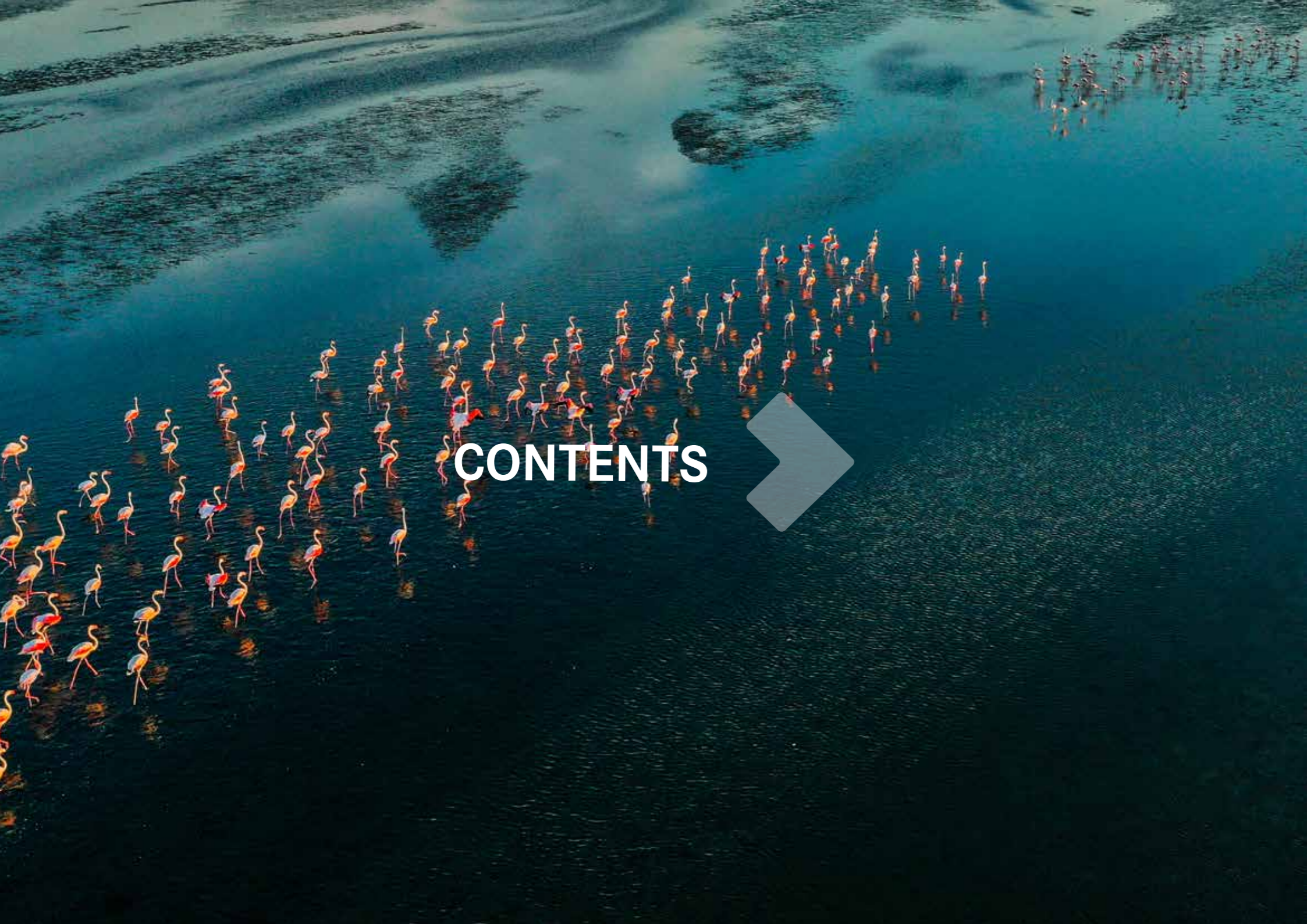
Since the first day of the earthquakes, we have immediately dispatched our aid trucks containing urgent supplies and we continue our efforts to provide the local community in the region with basic necessities and urgent supplies.

In coordination with Kibar Volunteers, we use our best efforts to deliver basic necessities such as blankets, clothing, hygiene products, and other urgent supplies collected by a public relief campaign initiated within the Group to the earthquake victims.

In “Türkiye Tek Yürek” aid campaign, we donated TRY 50 million to the AFAD (Disaster and Emergency Management Presidency.).

We also provided support for the need for blood by the Blood Donation Campaign of the Turkish Red Crescent.

We will continue our efforts together in solidarity and use every means available to pick up the pieces and recover in the aftermath of these challenging times as a country.



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*The world we will pass on to next generations is now under our responsibility.
We need to hand it over in a better condition than we have now.
For this purpose, we need to respect the nature, set an example with every step we take,
and protect our planet.*

Asim Kibar
Founder & Honorary Chairperson
Kibar Holding

Having celebrated its 50th foundation anniversary in 2022, Kibar Group is a growing and developing industrial community, following the principles of reliability, honesty, diligence, flexibility, and innovativeness since its foundation.

Carrying on activities at over 20 high-capacity production plants established in various locations, both in Türkiye and throughout the world, in compliance with international standards, manufacturing quality products competing with the world's industry-leading manufacturers, and exporting to over 100 countries in 5 continents, Kibar Group, as a global brand, creates value for more than 5,000 employees and all stakeholders.

Having adopted the sustainable development approach, Kibar Group has integrated its sustainability mindset, standing at the core of its growth strategy, into all of its processes. Since 2013, Kibar Holding has continued disclosing its economic, social, and environmental performance to all stakeholders in a transparent manner through sustainability reports published on a yearly basis.

The framework of Kibar Holding Sustainability Report of 2022 consists of "Kibar Group 2025 Sustainability Strategy", which was disclosed in 2020. This strategy consists of "Kibar Group Sustainability Principles", namely, "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". The report contains detailed information about the targets for 2025 set within the scope of "Kibar Group 2025 Sustainability Strategy" as well as the actual progress for these targets during 2022.

The actions taken and activities carried out by Kibar Group following the earthquake disaster, which occurred in February 2023 and affected 11 provinces throughout Türkiye, are presented in a dedicated section of this report.

Unless otherwise provided, the information contained in the report for the period between January 1st - December 31st, 2022 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. The report also contains information on the contribution to the United Nations Sustainable Development Goals as well as information on the performance in reference to the United Nations Global Compact (UNGC), the Women's Empowerment Principles (WEPs), the World Economic Forum Stakeholder Capitalism Metrics, and the Task Force on Climate-Related Financial Disclosures (TCFD).

The majority of the environmental and social performance indicators contained in Kibar Holding Sustainability Report of 2022, marked in the "Annex 3 - Performance Indicators" section of the report, have been validated within the framework of the International Standard on Assurance Engagements (ISAE 3000) and the Assurance Engagements on Greenhouse Gas Statements (ISAE 3410).

You can submit all your opinions and suggestions about this report via e-mail to kurumsaliletisim@kibar.com.



Dear Stakeholders,

Developments and challenges encountered in the recent years on a national, regional, and global scale have strongly laid out the importance of sustainability and clearly demonstrated the urgency of taking action to achieve sustainability targets.

While the global health crisis became persistent with socioeconomic fluctuations throughout 2020 and 2021, it unequivocally revealed the severity of inequalities. Introduced as a health crisis, the pandemic has also served as a warning about the future of humanity as well as showing the entire world the importance of sustainability once more.

2022 went down in history as a year of many challenges, among which global conflicts and energy crisis put the wheels in motion. Supply chains have been disrupted due to dramatic increase in energy prices and supply bottlenecks following the Russo-Ukrainian War. The energy crisis, which has undermined energy markets and caused historic records in energy prices, contributed to uncertainties. This crisis made it more critical to ensure energy supply in a secure, economic, and sustainable manner. This period, in which protective policies predominated and vulnerabilities deepened, was a strong reminder of the importance of the sustainability concept. In addition, 2022 was also a year of deep sorrow as we witnessed extreme weather conditions, severe rainfalls, flood disasters, and forest fires, both in Türkiye and all around the world, due to global warming and changing weather conditions.

We began 2023 with two major earthquakes, which affected an extensive area and shook our country to its very foundations, bringing unimaginable sorrow to all of us. We have provided support to the earthquake region, using every means available in cooperation with public institutions and non-governmental organizations from the first day of the earthquakes. We continue to provide support with great care to overcome these challenging times together in such a period where our ultimate wish is to pick up the pieces and recover as fast as possible.

Regardless of whether caused by natural phenomena or human activities, sustainability lies at the heart of solutions to all these challenges that we encounter. As Kibar Group, we carry on our activities together with our employees, local communities, and stakeholders in line with our sustainability principles, which represent our environmental-oriented innovative growth approach, based on the values of reliability, honesty, diligence, flexibility, and innovativeness that we have prioritized since our foundation.

We completed 2022, in which we also celebrated the 50th anniversary of the foundation of our Group, as a year with many successful outcomes and targets achieved despite the global economic unrest and all such uncertainties. Our long-term outlook, for which we look out for financial and non-financial capital elements together, represents the most crucial component of our steady financial performance. Having celebrated our 50th anniversary just recently, we focused on extending the scope of our contribution to the global goals for sustainable development. We maintain our economic growth with a people-oriented approach that involves considering the needs of future

generations, conserving natural resources and the environment, and making investments and implementing social responsibility projects with the aim of providing social benefit. We consider technological development, R&D, and innovation as the building blocks for sustainable growth. We take all necessary precautions to eliminate or minimize the negative effects of our activities on the environment. We strive to turn potential threats posed by environmental problems into opportunities by developing eco-friendly technologies and products. We contribute to the protection of ecosystems with our strategies developed for conserving energy and water resources. We make investments for social benefit and implement social responsibility projects in the areas of education and health.

We work towards the zero emission target within the framework of our Group's Sustainability Strategy in line with the Paris Agreement, the European Green Deal, and national policies and commitments of Türkiye.

In the 100th anniversary of the Republic of Türkiye after having left half a century behind, we will continue giving priority to maintaining our strong presence in the areas of activity and implementing our investments in line with the sustainability principles.

I would like to extend my thanks to our valuable co-workers and all stakeholders, who contribute to our activities, through Kibar Holding Sustainability Report of 2022, presented to you as our valuable stakeholders in line with our principle of ensuring transparency and accountability.

Ali Kibar
Chairperson of the Executive Board



Dear Stakeholders,

We began the year 2023 with unimaginable sorrow due to the earthquakes, which struck Türkiye and Syria and have shaken all of us to the core. We have provided and continue to provide support to the regions affected by the earthquakes through all our companies, especially including our Group company, namely, Assan Port based in Hatay province by using every means available since the first day of the disaster. We have confidence in the power of solidarity to overcome these challenging times as a country and we strongly believe that we will pick up the pieces and recover by joining our forces.

2022 was a year predominated by global conflicts, trade wars, energy crisis, and inflation pressures, which led to further uncertainties about the future. Despite all such developments, Kibar Group was able to achieve its growth targets and continue investments at full steam thanks to our adaptability and agility. I would like to underline that our commitment for achieving economic growth in full compliance with the sustainability principles as well as carrying on our activities in line with the applicable international standards as a baseline were key factors in our success.

We are happy to share with you our 10th sustainability report, which we consider as one of the key instruments for transparency and accountability on our part and in which we proudly present our economic, environmental, and social performance.

Since 2018, we have issued our reports within the scope of the Global Reporting Initiative (GRI), which is one of the most recognized standards allowing for the assessment of corporate sustainability and provided all our stakeholders with comprehensive information on our performance in a transparent

manner. In addition, we continue improving the measurability and traceability of our activities in line with applicable international standards. At this point, Kibar Holding Sustainability Report of 2022 contains information on the performance within the framework of the United Nations Global Compact (UNGC), the Women's Empowerment Principles (WEPs), the World Economic Forum Stakeholder Capitalism Metrics, and the Task Force on Climate-Related Financial Disclosures (TCFD) as well as information on our contribution to the United Nations Sustainable Development Goals.

We have extended the scope of transparency in addition to accountability in corporate sustainability reporting at the highest standards. We further allow information on non-financial aspects of our activities to undergo independent audits. Since 2020, we have allowed 80 environmental, social, and governance data to be validated by independent audits within the framework of the International Standard on Assurance Engagements (ISAE 3000) and the Assurance Engagements on Greenhouse Gas Statements (ISAE 3410).

We are committed to the measurement, monitoring, and validation of our activities in terms of sustainability based on industrial standards. Assan Alüminyum, one of our Group companies, is the first and only company in Türkiye to be eligible to receive Performance Standard Certificate from Aluminium Stewardship Initiative (ASI), which establishes global sustainability standards in the aluminum industry, and have been subject to audits on performance standard in all production plants for the last 3 years.

Our Sustainability Report of 2021 received 3 awards granted by the League of American Communications Professionals (LACP) in individual categories, namely, the Platinum Award for ranking first in the category of Sustainability Reporting, the

Silver Award for ranking second in the category of the most creative report, and "Technical Achievement Award" in the category of overall excellence in the art of communication. In addition, our report received the Silver Award in the category of "Award for Innovation in Annual Reports" at the international Stevie Awards.

Kibar Group has adopted sustainability as "performance of all activities in line with sustainability principles" rather than the "performance of activities on sustainability". In line with this vision, we are happy to take firm steps towards the Targets for 2025 within the framework of our Sustainability Strategy, which was created under the guidance of our Sustainability Committee and Working Group and published in 2020. Every year, we disclose to the public our progress in the 36 targets, which are monitored by 92 performance indicators in line with transparent reporting practices.

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 within the framework of our Group's Sustainability Strategy. We have increased our sales revenue by approximately 9 times as compared to 2022 as the reference year. We carry out exports by \$3 billion to more than 100 countries in 5 continents. During this period, we have increased our human resource by 30%. 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 54%, the number of white-collar female employees by 49%, and the number of female senior executives by 42%. We have implemented various practices under "WE Are Equal" program introduced within our group.

We created a gender-neutral language guide and published our Group's equality manifesto with an aim to change sexist discourse used in everyday life and in business as well as promoting the use of inclusive language.

Another project introduced during 2022 was titled "WE Are Work, WE Are Life". With this project, through which we aimed at promoting a balance between work and private life of our co-workers, we have introduced our next generation experience-oriented working model based on efficiency and employee satisfaction.

Thanks to our investments in renewable energy sources, we have achieved net-zero emissions as of 2021 for emissions resulting from electricity consumption at Assan Alüminyum, which is one of our energy-intensive companies. During the last 3 years alone, we have implemented nearly 30 new projects to contribute to taking action against climate change as well as contributing to the circular economy. 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. We increased the quantity of raw materials reused after recycling by 49% within the last 7 years and increased the quantity of recycled waste to 99.3%. In collaboration with Kocaeli University within the scope of our strategy to protect biodiversity, we have restored the natural habitat of another endangered plant species called Sand Lily in the ecosystem following the "Blue Star" plant.

We have introduced the project called "Kibar Holding Supplier Sustainability Program", which ensures the critical sustainability priorities of over 5,000 active suppliers and monitors their practices with our commitment for ensuring that our stakeholders adopt the sustainability principles.

With "Kibar Volunteers" platform, which was introduced by integrating our corporate social responsibility activities with the individual efforts of our employees, we have implemented nearly 100 projects focusing on education and children with over 500 Kibar Volunteers for more than 5 years. We have sponsored and provided support to many solidarity campaigns for social benefit.

We have collaborated with 7 national and international organizations and 13 different initiatives carrying out activities for sustainability throughout the world.

We also implement internal communication and awareness projects through "Kibar Group Sustainability Platform" initiative, which was developed for the purpose of improving the level of awareness of our employees on sustainability.

Finally, I would like to mention that we also received green bond support from the International Finance Corporation (IFC) for investing in a sustainable future.

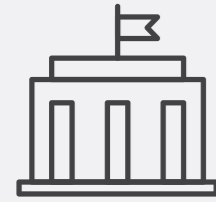
We are excited for and proud of sharing with you our report, containing our sustainability activities in 2022, which has a significant and special place in our hearts as it was also the 50th anniversary of the foundation of our Group and during which we have carried out many activities to contribute to our country and the world with numerous projects that are far too many to list here.

We would like to express our thanks to our esteemed colleagues, customers, suppliers, business partners, and all stakeholders supporting us in our sustainability journey for their valuable contributions.

Haluk Kayabaşı
CEO



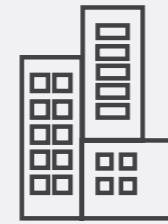
ABOUT KİBAR HOLDING



KİBAR HOLDING WAS
FOUNDED IN
1972



6
DIFFERENT SECTORS



15+
COMPANIES



5000+
EMPLOYEES



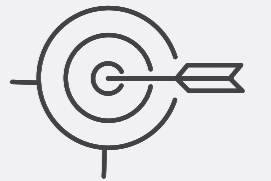
20+
PRODUCTION PLANTS



\$3
BILLION EXPORTS



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



TÜRKİYE'S LEADING
EXPORTER IN ITS
INDUSTRY

ABOUT KİBAR HOLDING

AWARDS 2022



Kibar Holding's Sustainability Report of 2021 received 3 awards granted by the League of American Communications Professionals (LACP) in individual categories, namely, the Platinum Award for ranking first in the category of Sustainability Reporting, the Silver Award for ranking second in the category of the most creative report, and "Technical Achievement Award" in the category of overall excellence in the art of communication.



Kibar Holding's Sustainability Report of 2021 received the Silver Award in the category of "Award for Innovation in Annual Reports" for our region at the international Stevie Awards.



Kibar Dış Ticaret ranked 4th in Türkiye and 1st in the "Ferrous and Non-Ferrous Metals" category with its export performance in the "Export Champions" list announced annually by the Turkish Exporters Assembly.



Kibar Dış Ticaret received the championship (1st place) award in the category of export champions at the "Metallic Stars of Export" awards organized by Istanbul Ferrous and Non-Ferrous Metals Exporters' Association.



3 Group companies were included in the list of ISO 500: Türkiye's 500 Largest Industrial Enterprises, which is published every year by Istanbul Chamber of Industry (İSO).



3 group companies were included in the Capital 500 List.



The project titled "WE Are Equal" received bronze award at Brandon Hall 2022 HCM Excellence Awards..



The project titled "WE Are Equal" received bronze award at the Stevie Awards.



Kibar Holding CEO/ Chairperson of the Sustainability Committee was listed in the "Sustainability Leaders 50 List" organized by Fast Company.



Kibar Holding CEO/Chairperson of the Sustainability Committee was listed among the "Türkiye's Most Favorite 50 CEOs" at the Golden Leaders Awards.



Kibar Holding and Assan Alüminyum CFOs were listed among "The Most Influential 50 CFOs" at the CFO Summit.



Kibar Holding CFO was included in the C Suite Series-Fortune CFO 2022 List published by Fortune Türkiye.



Kibar Holding Human Resources Vice President was included in the "The Most Influential 50 CHROs List" published by Data Expert in collaboration with DMI.



Kibar Holding Human Resources Vice President was included in the "The Most Innovative HR Leaders List" published by Fast Company.



Kibar Holding Human Resources Vice President was listed among the "Türkiye's Most Favorite 50 CHROs" at the Golden Leaders Awards.

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-rolled aluminum industry in Türkiye with its installed sheet/foil production capacity of 360,000 tons/year and with aluminum pre-painting capacity of 60,000 tons/year. In addition, it is one of the top 2 manufacturers in Europe with its aluminum foil production capacity of 130,000 tons. It ranks 39th in İSO 500 - Türkiye's Largest Industrial Enterprises 2021 list. 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. It is the first and only company in Türkiye to be eligible to receive Performance Standard Certificate from Aluminium Stewardship Initiative (ASI), which establishes global sustainability standards in the aluminum industry.



Dilovası



Chicago



Manavgat

ASSAN HANİL

Izmit 1



Izmit 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 began production as a main parts supplier in the automotive industry. 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. After having provided parts exclusively for Hyundai Assan during the first years of its foundation, Assan Hanil later added to its customer portfolio Ford Otosan, Isuzu, Honda, AGCO, Mercedes-Benz Türkiye, and Türkiye's Automobile Joint Venture Group (TOGG), respectively. In 2019, it commissioned Aksaray Plant to carry out manufacturing operations for Mercedes-Benz Türkiye, Gölcük Plant to carry out manufacturing operations for Ford Otosan in the same year, and the fourth Izmit Plant in 2023. With a total of 6 different locations, 4 in Kocaeli, 1 in Bursa, and 1 in Aksaray, Assan Hanil carries out automated hi-tech production with its over 1,000 employees.

İSPAK AMBALAJ

Izmit 1

Founded in 1974 and with its over 45-year expertise and R&D activities, İspak Ambalaj carries out integrated packaging production from the supply of raw materials, lacquering, lamination and extrusion, printing, and slicing to the 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 for these products.

ASSAN PANEL

Tuzla



Balıkesir



İskenderun



Jordan



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. Having continued its investments to increase its production capacity, Assan Panel invested in Iskenderun 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). 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 rockwool 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. It also provides superior quality application service with its high-quality, reliable, innovative, and fire-resistant product range with its business partners in Türkiye and abroad. While Assan Panel takes an active role in EPC projects covering the application services of its own products with AGF Çelik Yapı, it continues to grow by meeting the chemical needs of different markets with AssanChem company. 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

Izmit

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.



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, regulatory and legal procedure 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 Dılovası plant and pre-painting 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

Switzerland

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

ASSAN BİLİŞİM

Tuzla

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

ASSAN LOJİSTİK

Tuzla

Assan Lojistik was established in 1996 to provide logistics services in connection with ports. Providing services such as inland transport around 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 Istanbul-Tuzla and Hatay-İskenderun, sales office in Mersin, self-owned semitrailer 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, İnteraktif 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, İnteraktif Çevre serves as a solution partner for their customer in their sustainability journey. In addition to total waste management, environmental consultancy, zero waste consultancy and sustainable tourism certificate consultancy, İnteraktif Çevre provides services to its customers at international standards with 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 İRB Sigorta ve Reasürans Brokerliği A.Ş. in 2015. With its expert staff, İRB 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.

Having adopted the corporate governance approach, Kibar Group is committed to upholding the principles of transparency, accountability, responsibility, and equity. Kibar Group carries on its operations in line with its values, namely, reliability, honesty, diligence, flexibility, and innovativeness as well as its sustainability principles, which represent its growth mindset focusing on all stakeholders and environment at its core.

This 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.

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.



Corporate Governance

Due to its sustainable 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 a total of 6 members, one of whom is female. Different members perform the roles of the Chairperson of the Executive Board and the CEO. The Executive Board of Kibar Holding includes Sustainability Committee, Risk Management Committee, Audit Committee, and Ethical Committee. These committees are responsible for supervision of strategies and performance in their areas of expertise by holding regular meetings.

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 information on the Executive Board and the Top Management of Kibar Holding, please visit our website pages:

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

Risk Management

Kibar Group 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.

The Executive Board of Kibar Holding 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 formed by the Executive Board is responsible at the highest level for early detection of risks and taking necessary measures. The Risk Committee 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 Executive Board through quarterly reports received from the Group companies.

Corporate risk management and business continuity principles are structured in accordance with international standards such as ISO 31000 Risk Management System and ISO 22301 Business Continuity Management System as well as in line with company strategies and corporate culture. ISO 31000 Risk Management System Validation certifications issued by the Turkish Standards Institution (TSE) were granted to Assan Alüminyum in 2020 and Assan Panel in 2021.

Integration projects for business continuity program management for the industrial companies of Kibar Group were introduced in 2019 and completed in 2022. A roadmap has been created for companies having the relevant management systems to obtain ISO 22301 Business Continuity Management System certifications. Assan Alüminyum obtained this internationally accredited certification in 2021 and Assan Panel obtained the same certification in 2022 while other industrial Group companies are planned to obtain these certifications within the next 2 years.

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 care. 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 also determined and monitored with additional controls related to risk mitigation. Risk and root cause analyses conducted by occupational safety, health & environmental units on a case and scenario basis provide input to annual corporate risk assessment activities. Action plans are prepared for all corporate risks, including environmental and social risks, and occurrences are periodically monitored by the executive boards of the company and the Holding as well as by the risk committee reporting to the relevant executive board. In 2022, activities involving the analysis of the direct and indirect impacts of the climate

change on the company as well as the analysis of the related risks and opportunities were introduced at Assan Alüminyum and the activities within this scope are planned to be completed in 2023.

In order to effectively manage risk management and internal control systems and 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 ISO 27001 and necessary plans are made for items with high risk scores.

Emergency Preparedness

Activities for dealing with operational risks such as natural disasters, epidemics, pandemics, etc., which may potentially pose a risk to the safety of life and property of the employees and stakeholders or otherwise disrupt the operations, are carried out by the central crisis committee within the Group. Decision-making processes and actions for the prevention of operational risks and minimizing any potential 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 the 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 strategies and tactical competencies to be used in planning and response in order to maintain their operations at a pre-defined acceptable level in case of any incident where operational risks occur or otherwise in case of business interruption and business continuity plans have been created and deployed. Corporate business continuity programs are subject to annual practices and necessary training activities are maintained on a yearly basis.

Assan Alüminyum was the first company in Turkish aluminum market to obtain ISO 22301 Business Continuity Management System certification.

Internal Audit and Control

Audit activities within Kibar Holding are executed by a proactive methodology based on the International Internal Audit Standards and Kibar Holding's 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 the relevant departments and necessary corrective actions are proposed.

Kibar Group has adopted an inclusive, innovative, environmentally conscious, human-oriented, and community-oriented governance approach. This mindset is taken into account in all operations and decision-making mechanisms together with associated economic, social, and environmental aspects, which constitutes a basis for the sustainability approach of Kibar Group. All activities and stakeholder relations 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.

Based on a low-carbon circular economy with main aspects consisting of economy, human, innovation, environment, stakeholders, and social welfare, “Kibar Group 2025 Sustainability Strategy” provides the Group with essential guidance. This strategy is subject to regular assessment and applicable to all business processes.

Kibar Group companies are liable for ensuring compliance with the principles of the 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 the UN Global Compact as well as any other applicable provisions contained in national 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 from their vendors and business partners and carry out audits on their compliance to such practices as well as contributing to meeting such requirements.

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

Efforts made against Climate Change are maintained in compliance with national and international standards. All necessary measures are taken to eliminate or minimize the negative effects of the activities on the environment. Potential risks arising from environmental issues are turned into opportunities with green technologies and products.

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



Kibar Holding’s Sustainability Report receives an award from LACP

Kibar Holding’s Sustainability Report of 2021 received 3 awards in individual categories as granted by the League of American Communications Professionals (LACP). It received the Platinum Award for ranking first in the category of Sustainability Reporting, the Silver Award for ranking second in the category of the most creative report, and the “Technical Achievement Award” for overall excellence in the art of communication.

Kibar Holding’s Sustainability Report receives an award from Stevie Awards

Kibar Holding’s Sustainability Report of 2021 received the Silver Award in the category of “Award for Innovation in Annual Reports” at the international Stevie Awards.

Participation in the UNGC Early Adopters

In 2022, Kibar Holding participated in the “Early Adopters” program of the UN Global Compact and has reported its performance in line with the revised methodology of the UNGC.





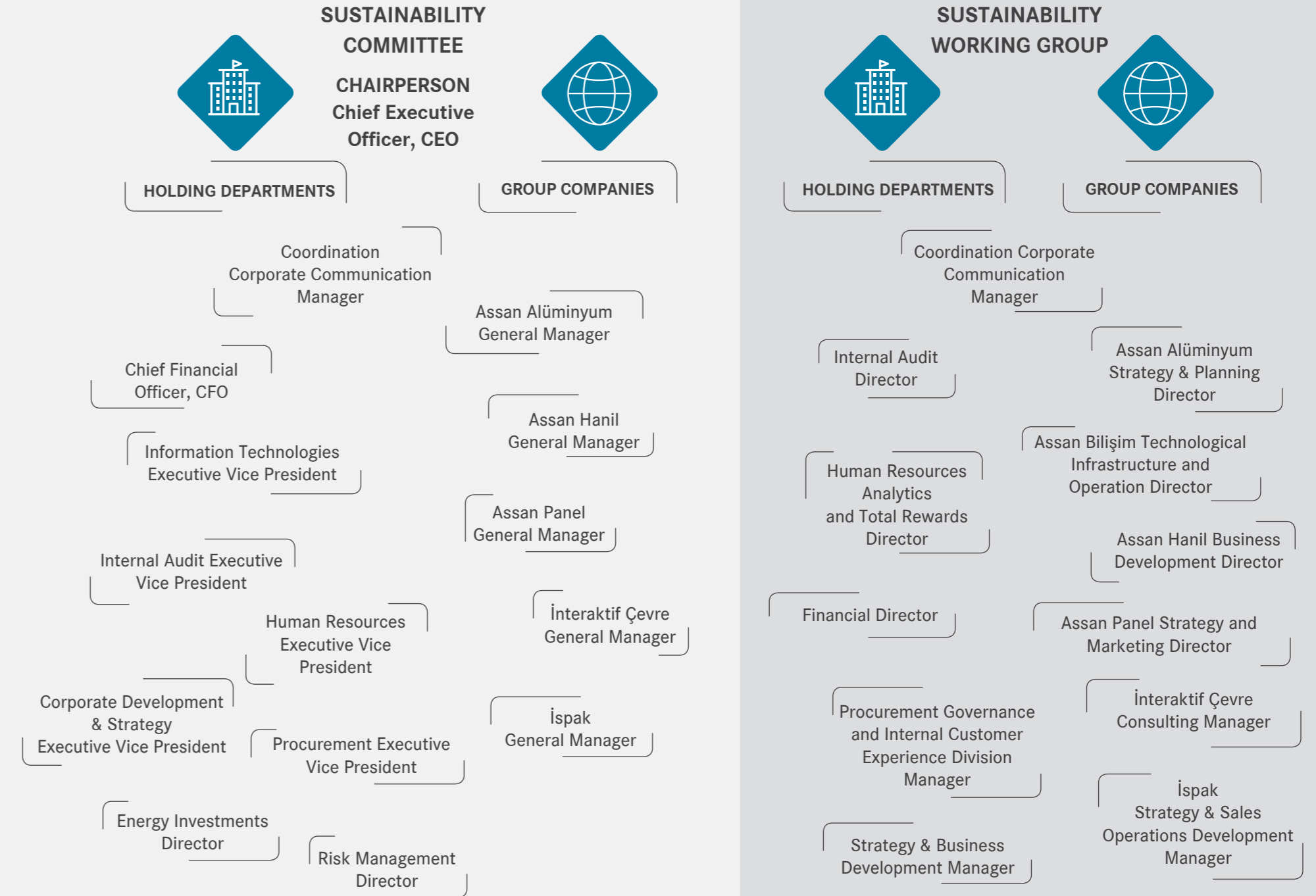
SUSTAINABILITY MANAGEMENT

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

The chairperson 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 the general managers of the Group companies. 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 members include Holding and Group company Human Resources, Financial Affairs, Strategy, Purchasing, Internal Audit, Information Technologies, Corporate Communication, and Sales & Marketing managers. The Working Group carries out preliminary activities for the decisions of the Committee, taking into consideration international standards in sustainability activities. It implements practices and action plans within the scope of the approach determined by the Sustainability Committee. The members of the Working Group also coordinate the sustainability activities carried out in their own sector and areas as well as sustainability activities based on the function they represent.

SUSTAINABILITY MANAGEMENT STRUCTURE



CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goals represent a universal call to action containing a set of goals that are intended to be achieved by the United Nations member countries by the end of 2030 to end poverty, protect the planet, and ensure that all people live in peace and prosperity. They primarily consist of 17 main 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 believe in the importance of universal and quality education for sustainable development. We invest in the development of our employees, develop opportunities for children to access education, and carry out corporate social responsibility activities intended for disadvantaged schools.



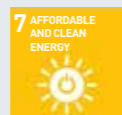
GOAL 5: Gender Equality

We believe that participation of women in economic and social life is one of the most integral part of sustainable development. As a signatory of the Women’s Empowerment Principles (WEPs), we continue to implement practices that support and strengthen women’s employment as well as carrying out various activities to raise awareness.



GOAL 6: Clean Water and Sanitation

We develop sustainable water strategies to protect the ecosystem and reduce our water-intensive consumption with our investments. We contribute to protecting water resources with our investment in the Wastewater Recycling Plant.



GOAL 7: Affordable and Clean Energy

We work towards net-zero carbon emissions target. We continue our investments in renewable energy sources to ensure energy transformation. We reduce our energy and emission density with energy efficiency projects and activities to raise awareness. We develop products contributing to low-carbon 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 make investments in technology and R&D for sustainable development. We make significant contribution to the national economy and social welfare with innovative investments.



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 adopted due to individual traits and personal lifestyle such as language, religion, race, 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 eco-friendly waste disposal methods.



GOAL 13: Climate Action

In line with our net-zero carbon emissions target, we take action to limit the negative impacts of our activities on the environment, 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 relevant stakeholders, especially including vendors, suppliers, and business partners in addition to Group employees, to comply with our anti-bribery 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. We make collaborations in order to support a low-carbon circular economy and ensure gender equality.



DETERMINING 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 the 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.

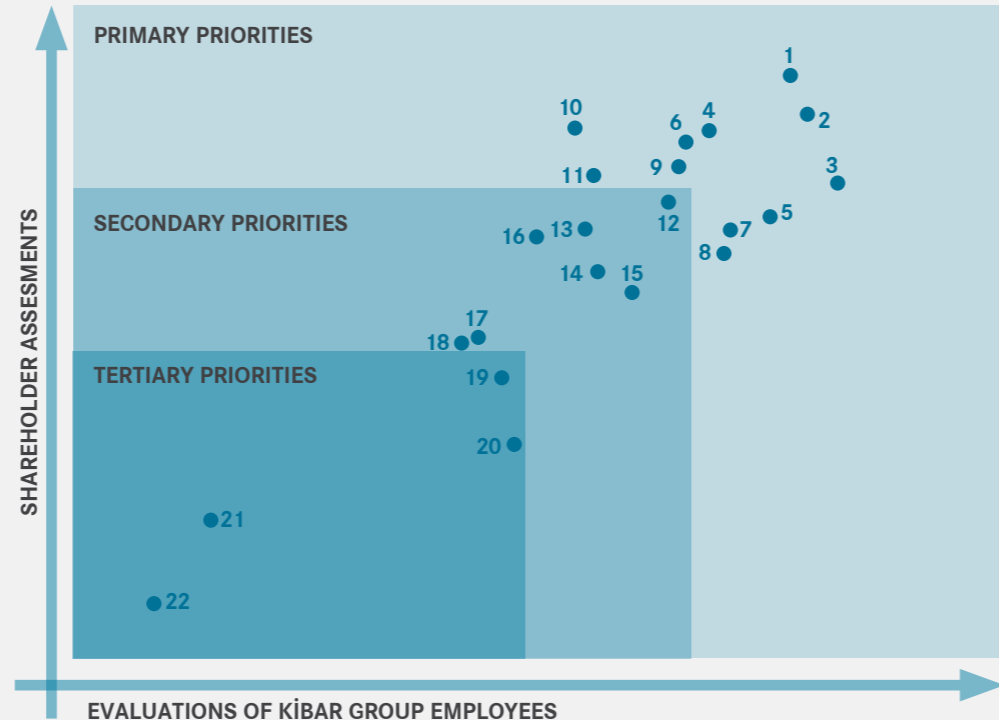
Surveys in the form of questionnaires are conducted to determine global trends, strategic priorities on sustainability, and the United Nations Sustainable Development Goals which need to be focused on. The Group's sustainability priorities are reevaluated and updated every year. In the process of creating this report, the surveys intended for internal and external stakeholders were revised.

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

Kibar Group II Sustainability Workshop

In 2022, Kibar Group organized the Sustainability Workshop II. Throughout the event, which was held with the participation of more than 70 employees from Kibar Holding and Group companies, sustainability activities, practices, and operations of the Group, its current/future contribution to the Sustainable Development Goals, sustainability priorities, targets, and strategy were discussed in depth. Various risks, threats, and opportunities were also evaluated during the workshop.

Agenda items discussed during the workshop included, among others, green transformation practices, circular economy, action for climate change, sustainable finance, R&D and innovation, digital transformation, information security, quality and customer satisfaction, sustainable supply chain, working environment, gender equality, occupational health & safety, collaborations, impact investments, and communication, all of which are centered around sustainability.



- | | |
|---|--|
| 1. Occupational Health and Safety | 14. Supply Chain Management |
| 2. Product Quality and Safety | 15. Preparedness for Disasters and Emergencies |
| 3. Customer Satisfaction | 16. Environmentally Friendly Products |
| 4. Energy Efficiency | 17. Social Responsibility |
| 5. Data Security | 18. Gender and Equal Opportunity |
| 6. Work Ethics | 19. Access to Sustainability Financing Instruments |
| 7. Business Continuity | 20. Corporate Governance Practices and Certification |
| 8. R&D, Innovation and Digitalization | 21. Green Building Practices and Certification |
| 9. Consumer Health and Safety | 22. Biological Diversity |
| 10. Water Efficiency | |
| 11. Use of Renewable Energy Sources | |
| 12. Waste Management | |
| 13. Employee Development and Satisfaction | |

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 the Global Reporting Initiative (GRI) standards.

SUSTAINABILITY PRIORITIES

- Kibar Group's 13 sustainability priorities have been determined and these priorities are:
1. Business Continuity
 2. Corporate Sustainability Management
 3. Occupational Health and Safety
 4. Employee Engagement and Satisfaction
 5. Employee Development and Talent Management
 6. Gender Equality and Equal Opportunities
 7. Business Ethics
 8. Customer Satisfaction
 9. R&D-Innovation-Digitalization
 10. Circular Economy
 11. Climate Action
 12. Sustainable Supply Chain
 13. Social Responsibility



SUSTAINABILITY APPROACH

“Kibar Group’s Sustainability Principles”, which are determined in reference to the Global Compact’s Sustainable Development Goals & Targets and form 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.

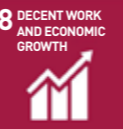


In this context, “Kibar Group 2025 Sustainability Strategy” was created in 2019. The 2025 Strategy was created on the basis of “Kibar Group Sustainability Principles” and shaped by “Kibar Group Sustainability Priorities”.

As a result of the analyses made to determine the ongoing/future contribution of Kibar Group to the “169 goals” that the United Nations plans to achieve by 2030, “36 Goals” were determined. The “36 Goals” that Kibar Group plans to achieve by 2025 include concrete targets such as achieving economic growth within the framework of sustainability principles, increasing the number of female employees and the ratio of female senior executives, improving professional development and participation, completion of digital transformation in all companies, maintaining product and service quality at the highest standards, implementation of clean and green technologies and processes, ensuring sustainable management and efficient use of natural resources, improving contribution to actions for climate change, increasing recycling and reuse, development of global collaborations, ensuring that stakeholders adopt sustainable development principles and goals, and increasing the number of activities for social responsibility projects.

“92 Performance Indicators” have been defined in order to monitor and successfully achieve the “2025 Goals” as well as reporting the results in a transparent manner. The Group’s sustainability performance is recorded annually within the framework of these indicators and the results achieved for 2022 are presented on the right and below.



WE GROW
with sustainability principles

RELEVANT SUSTAINABLE DEVELOPMENT GOAL	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2022 PROGRESS*	
  	Business Continuity	Target B1. Maintaining economic growth.	B1.1. Sales revenues	B1.1. Sales revenue increased 8.9 times compared to 2016, the reference year.	
			B1.2. Number of companies in ISO 500 list	B1.2. Türkiye’s 500 Largest Industrial Enterprises 2022 Survey was published in June, the same month in which the report was published, and 3 companies were included in the ICI’s 500 list of 2021.	
			B1.3. Most export companies ranking in Türkiye	B1.3. Every year, the Türkiye Exporters Assembly publishes a ranking of the top exporting companies. In the 2022 edition of the ranking, the firm was placed fifth in the category of “The companies that export the most across Türkiye” and first in the “Ferrous and Non-Ferrous Metals” category.	
		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. ASHA-5, the new production plant which was put into operation in Kocaeli in 2022, carries out automated, high technology, and high quality production operations in line with international standards and carries on its operations based on a sustainable production approach.	
			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. 25 new projects were implemented to contribute to circular economy and combating climate change.
				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.
	Corporate Sustainability Management	Target B5. Adopting sustainability practices and reporting sustainability performance.	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 regulations to achieve the 2030 and 2050 targets under the European Green Deal. In line with the Group’s target for net-zero emissions by 2050, activities to create a roadmap for net-zero efforts still continue.
				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 training activities are maintained for corporate business continuity programs.
				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	B5.2. Participation in the UN Global Compact Early Adopters Program took place and the Sustainability Report was created based on GRI Standards.
			B5.3. Inclusion of companies in at least one initiative based on sustainability practices	B5.3. In 2022, Kibar Holding participated in the 30% Club campaign and the UN Global Compact Early Adopter Program.	
			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 the Sustainability Committee and the Working Group members and employees. The second “Kibar Group Sustainability Workshop” was held in 2022.	
			B5.5. Establishing project-based sustainability working groups	B5.5. Working groups were formed within the scope of the Group’s net-zero emissions target for 2050.	

* 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. [Click here](#) to view the 2019 realizations of the 2025 Goals. [Click here](#) to view the 2020 realizations of the 2025 Goals. [Click here](#) to view the 2021 realizations of the 2025 Goals.



RELEVANT SUSTAINABLE DEVELOPMENT GOAL	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2022 PROGRESS*
	Occupational Health and Safety	Target G1. To continue to provide occupational health and safety at international standards at workplaces.	G1.1. Occupational health and safety training hours per person	G1.1. Increased by 33.6%.
		Target G2. To prevent the effects of hazardous chemicals and wastes on employee health.	G1.2. Accident severity rate	G1.2. Accident severity rate is 0.188.
	Employee Engagement and Satisfaction	Target G3. To ensure inclusive and participatory decision-making at all levels.	G2.1. Occupational disease rate	G2.1. Occupational disease rate is "0".
			G3.1. Participation level of Employee Opinion Survey	G3.1. The Employee Opinion Survey is conducted every year and the participation rate in the last survey conducted in 2022 was 84%.
			G3.2. Spreading the suggestion reward system to all companies	G3.2. In 2022, 2734 suggestions were submitted to the Kibar Group employee suggestion system and 1146 of these suggestions were implemented.
			G3.3. Employee satisfaction/engagement survey score	G3.3. The employee satisfaction/engagement survey score increased by 2 points.
	Employee Development and Talent Management	Target G4. To ensure that all employees have access to quality technical and vocational training.	G3.4. Performance culture index	G3.4. Talent Focus Index is followed to evaluate training and development activities, performance management, talent retention, and wages. The opinions of both office and site employees were obtained through questions asked in the areas of Engagement, Agility, Talent Focus, and Engaging Leadership Indices as well as Equality & Inclusivity.
			G4.1. Participation rate for "Managerial Development Program"	G4.1. Managerial Development Program participation rate is 44.66%.
			G4.2. Specialist training hours per person within the scope of the "Specialist Development Program"	G4.2. Specialist training hours per person within the scope of the "Specialist Development Program" is 14 hours. Full-time in-class training (7 hours total), 5 webinars, and 1-hour distance learning program
			G4.3. "Leadership Development Program" recommendation score	G4.3. In 2022, the program's recommendation score was 3.9 out of 5 full points.
		Target G5. To increase the number of employees of all ages with technical and professional skills.	G4.4. Number of Development Ambassadors	G4.4. The number of Development Ambassadors; 61 internal trainers and 33 internal mentors, totaling 94.
G5.1. Number of employees receiving technical and vocational training			G5.1. The number of employees receiving technical and vocational training is approx. 2,139.	
G5.2. The rate of employees receiving technical and vocational training by age groups			G5.2. Technical and vocational training activities continue to be provided for all age groups. The distribution of employees who received training according to age groups is as follows: 3% between the ages of 18-25, 44% between the ages of 26-35, 39% between the ages of 36-45, and 14% over the age of 46.	
Gender Equality and Equal Opportunities	Target G6. To increase employment and employee trainings.	G6.1. Number of employees	G6.1. The number of employees increased by 30.8%.	
		G6.2. Number of students employed from K-Team Young Talent Internship Program	G6.2. The number of students hired from K-Team Young Talent Internship Program is 28. Recruitment rate was 75%.	
	⁽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%.	G6.3. Training hours for employee development	G6.3. A total of 47,885 hours of training, including online classroom training and e-learning, were provided.	
		G7.1. Number of senior female manager	G7.1. The rate of female senior executives increased by 41.7%.	
	⁽³⁾ Target G8. To ensure gender equality in employment and employee income, to increase the number of female employees by 50%.	G7.2. The number of white-collar women employees	G7.2. The number of female white-collar employees increased by 48.8%.	
		G8.1. Number of women employees	G8.1. The number of female employees increased by 54.1%.	
Target G9. To ensure equal opportunities increasing the rate of women in white-collar recruitment.	G8.2. Kibar Holding total reward policy	G8.2. Pursuant to the wages policy, no discriminatory practice and unfair treatment is allowed due to personal characteristics, preferences, and orientation such as language, religion, race, gender, etc. Activities began for equal wages for equal work approach by independent audits and assessments.		
	G9.1. Ratio of women in white-collar recruitment	G9.1. 45% of white-collar new hires are women.		
Business Ethics	Target G10. Maintaining accountability and transparency at all levels.	G9.2. Ranking in the top five among companies employing the highest number of disabled people	G9.2. Assan Hanil received a reward from Kocaeli Provincial Directorate of Turkish Employment Agency (İŞKUR) as it was the number one company to employ the highest number of individuals with special needs 3 times in the last 4 years.	
		G10.1. Compliance audits for Kibar Holding Code of Ethics	G10.1. Ethical compliance audits are conducted.	
		G10.2. Business ethics training	G10.2. Code of business conduct training is provided to all recruited personnel and consultant training is provided to Code of Conduct Consultants at Kibar Group companies.	
		G10.3. Reporting of notifications received on the ethical line and their results	G10.3. Reporting is made to the Chairperson of the Executive Board regarding ethical disclosures and results.	
		G10.4. Establishing early warning mechanisms with technology support	G10.4. Misconduct risks are investigated within the scope of audit activities.	
		G10.5. Obtaining a statement from all employees regarding whether they are in a situation that will cause conflict of interest	G10.5. Online ethics training sessions are provided through Güç Bİzde (WE Have Power) Training & Development Platform. Newly recruited employees are included in such training sessions.	
		G10.6. Communication of the Code of Conduct Guidebook to all employees	G10.6. Code of Conduct Manual is shared with all recruited employees.	
		G10.7. Awareness activities for Code of Conduct	G10.7. "Do you think it is ethical?" project continues to be implemented. The Company Intranet includes the Code of Conduct, the list of Code of Conduct Consultants and contact information of the relevant persons.	
	G10.8. A review system to ensure that the Code of Conduct is updated based on requirements and new developments	G10.8. Code of Conduct Manual was reviewed and determined that no update is required for the time being.		
	Target G11. Ensuring public access to information and protecting fundamental freedoms.	G11.1. Sustainability Performance Progress Report	G11.1. Kibar Holding Sustainability Report, which contains detailed information on the sustainability performance of Kibar Group, and the Sustainability Report of our group company Assan Alüminyum, were published.	

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WE INNOVATE for the future

RELEVANT SUSTAINABLE DEVELOPMENT GOAL	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2022 PROGRESS*	
 	Customer Satisfaction	Target Y1. Leadership in product and service quality.	Y1.1. Management standards, quality and security systems subject to follow-up	Y1.1. Assan Alüminyum was the first company in Turkish aluminum market to obtain ISO 22301 Business Continuity Management System certification. As of the end of 2022, the companies subject to reporting follow ISO 45001: Occupational Health & Safety Management System, ISO 9001: Quality Management System, ISO 14001: Environmental Management System, and ISO-IEC 27001: Information Security Management System. In addition Assan Alüminyum and Assan Hanil follow IATF 16949: Quality Management System, Assan Alüminyum and Assan Panel follow ISO 31000: Corporate Risk Management System, Assan Alüminyum and İspak follow ISO 22000 Food Safety Management System, Assan Alüminyum follows ISO 22301: Business Continuity Management System, ISO 50001: Energy Management System and ASI: Aluminium Stewardship Initiative Performance Standard and İspak follows BRC: International Food Safety Standard.	
			Y1.2. Product and process certification	Y1.2. As of the end of 2022, Assan Alüminyum and Assan Hanil received Zero Waste Certificate; Assan Alüminyum and İspak received Kosher Food Conformity Certificate; Assan Alüminyum received CE: EU Certificate of Conformity, NSF: International Health Organization Certificate of Conformity and ISPM15: Wood Packaging Materials Certificate of Conformity; Assan Panel received Certificate of Compliance to Panel Standard, Roofing Sheets, Trapezoidal Section Corrugated Sheet Certificate, FM Approval: Fire safety certificate and Greenguard Gold certificate; İspak received Halal Food Product Safety Certification, and 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 activities continue to achieve "0" customer complaint.	
			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.	Target Y3. To increase resource efficiency for sustainable development, to apply clean and environmentally friendly technologies and processes.	Y2.1. High technology investments	Y2.1. At Assan Alüminyum, Electronic Data Interchange (EDI), Elimination of Center Line in Brazing Alloys and Improvement of Technical Properties, Development of High Strength Packaging Foil, Characterization of the Effects of Soot Application Using Flame on Roll Shell Surface Properties and Cast Sheet Specifications in Twin Roll Casting Process and Optimization of Application Parameters, and Data Analytics projects; At Assan Hanil, Production and Quality Performance Real-Time Monitoring System, Hyundai FCEV Truck Seats, Weight Reduction Activities, Composite Bumper Beam and TOGG Next Generation Automobile Bumper Module Projects; At İspak, Smart Packaging and Antibacterial-Antiviral Packaging Projects.
				Y3.1. Innovative improvement investments contributing to circular economy	Y3.1. At Assan Hanil, Self-Colored Raw Materials, Automotive Integration of Eco-Friendly Bioplastic Raw Materials, Paint Shop Waste Thinner Filtration for Use as Cleaning Thinner, Paint Shop Automatic Nitrogen Use to Reduce Chemical Consumption, Reduction of Carbon Footprint by Minimizing Chemical and Plastic Use; At İspak, Sustainable Paper-Based Gum/Confectionery Packaging, Recyclable Single-Layer Lid Foil and Paper Food Containers Development Projects.
		Target Y4. To increase R&D studies.		Y4.1. R&D Laboratory/Center	Y4.1. All companies have an R&D Laboratory/Center.
				Y4.2. Collaborations in R&D studies	Y4.2. Collaborations with 6 different universities continued in R&D activities.
				Y4.3. Promoting R&D activities	Y4.3. The 6th "Asim Kibar Mavi Damla (Blue Drop) Awards" program was held.
				Y4.4. R&D budget	Y4.4. The R&D budget is approximately TRY 120,000,000.
Y4.5. Number of patent applications				Y4.5. The number of patent applications is 12.	
Y4.6. Number of patents secured				Y4.6. The number of patents obtained is 3.	
Y4.7. Number of utility models				Y4.7. The number of utility models is 1.	
Y4.8. Number of R&D employees				Y4.8. The number of R&D employees is 122 as of the end of 2022.	
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. The activities planned for 2022 have been completed based on the digitalization roadmap, which is subject to periodic review and update on a yearly basis in line with technological developments and business processes. Digital Transformation Master Plans for 2022 were created and 3-year category-based plans were created for 2022, 2023, and 2024."		
		Y5.2. Corporate data architecture	Y5.2. Assan Alüminyum BW data warehouse project was completed. The data used by the current QlikView documents/reports is now retrieved from the BW system instead of the ERP system, "data dictionary" was created, and unused documents/reports were removed. Assan Hanil BW data warehouse project was introduced, data modelling processes and master data dictionary was submitted.		
		Y5.3. Analytical and artificial intelligence studies	Y5.3. Activities continued in a manner to cover the prioritized production processes with the analytics system setup within Assan Bilişim. MS Azure platform, which has been selected for creating "Big Data" and carrying out activities related to analytics, was deployed at Assan Alüminyum and activities for deployment of the platform at Assan Hanil are currently in progress. Through applied AI academy training activities, key users are provided with both theoretical and practical support for various technologies such as data and artificial intelligence (AI) capabilities, Cloud systems, and Machine Learning (ML). Hanil SAP BW project was implemented.		
		Y5.4. Robotic process automation	Y5.4. In 2022, 44 processes were put into practice.		
		Y5.5. Industry 4.0	Y5.5. Infrastructure activities for digitalization of the production site are still ongoing. Production data monitoring projects at Assan Panel were implemented for all production lines at Tuzla, Balıkesir, and Iskenderun plants. Monitoring and reporting of the lines, provision of data for analysis and development processes as well as carrying out analytical processes for customer complaints were completed. At İspak, MES Projects were implemented for 2 printing lines. Digital transformation has been achieved especially for production, quality, and maintenance processes. At Assan Alüminyum, comprehensive analyses for the MES program are in progress.		
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. Tuzla Center Network redundancy, Data Center redundancy, Internet and MPLS redundancy activities were completed. Disaster Recovery modernization activities were completed for Business Critical systems (i.e., nearly 300 server-based applications such as ERP systems, Active Directory, e-mail platform, etc. providing services to Kibar Holding and Group companies).		
		Y6.2. Cybersecurity infrastructure	Y6.2. Trendmicro's Endpoint Detection and Response (EDR) solution was deployed. DNSSense (formerly Roksit) product, which offers a DNS Layer Security Platform focusing on providing active protection for all devices connected to the network against any kind of malicious attacks, including phishing, ransomware, and zero-day attacks. "Baiting" systems (also called "Honey pots") are used to detect cyber threats throughout the organization and a Firewall Monitoring product was deployed for monitoring the cyber security systems. Cyber security drills (for ransomware and malware) are organized. Within the scope of cyber security, social engineering activities (for phishing) were carried out as well as providing awareness training.		
		Y6.3. Standards subject to follow-up	Y6.3. ISO-IEC 27001 Information Security Management System is followed.		
		Y6.4. Machine learning-assisted threat hunting and intelligence solutions	Y6.4. An automation system was deployed to notify any potential threats by analyzing hacker behaviors for the purpose of minimizing the cyber threats and risks.		

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WE CARE
for next generations







RELEVANT SUSTAINABLE DEVELOPMENT GOAL	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2022 PROGRESS*
    	Circular Economy	Target O1. To ensure the sustainable management and efficient use of natural resources.	O1.1. Sustainability Management	O1.1. Sustainability Management, consisting of the Sustainability Committee and Sustainability Working Group, constitutes the main element of corporate governance and continues its activities. 6 main meetings and over 20 topic-based meetings were organized with Sustainability Management representatives. A workshop was held with the participation of the Sustainability Working Group.
		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 reporting have ISO 14001 Environmental Management System certification. Assan Alüminyum, one of the energy-intensive companies, has ISO 50001 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 the progress made is 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 49%.
			O2.2. The quantity of recycled waste	O2.2. The amount of recycled waste increased by 64%.
		Target O3. To reduce water intensity on revenue basis by at least 5% compared to the previous year.	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 was made to gradually reduce single-use plastics at office spaces by 2023 and completely eliminate such use as of 2023.	
	Combating Climate Change	Target O4. To reduce energy intensity on revenue basis by at least 7% compared to the previous year.	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 2022, the annual water intensity reduction was 57.9%.
		Target O5. To increase the ratio of electricity generation from renewable energy sources to consumption.	O4.1. Annual energy intensity reduction rate	O4.1. Annual energy intensity reduction by revenue has not fallen below 7% since the baseline year of 2016. In 2022, the annual energy intensity reduction was 55.3%.
		Target O6. Increase the resilience and adaptation to climate-related hazards and natural disasters.	O5.1. Amount of renewable energy production	O5.1. The ratio of electricity generation from renewable energy sources to total electricity consumption is 62.8%.
			O6.1. Annual Risk Assessment Studies	O6.1. The Climate Change Risk Assessment that was created in 2017 is updated every year.
		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.	O6.2. Scope 1, Scope 2 and Scope 3 greenhouse gas emission weights	O6.2. Activities continue to achieve the net-zero emissions 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.	O7.3. External stakeholder communication	O9.3. The Group's sustainability activities and strategy are available in detail on its website. Sustainability kits or short videos 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.		
Target O9. To support and encourage public, private sector and NGO partnerships to achieve the targets.	O8.1. Corporate memberships	O10.1. Collaborations are made with 7 national and international organizations carrying out activities for sustainability throughout the world.		
	O9.1. Corporate memberships	O11.1. The United Nations Global Compact (UNGC); Women's Empowerment Principles (WEPs) platform as a partnership between the UN Global Compact and UN Women; UN Global Compact Target Gender Equality; TUSIAD Environment and Climate Change Working Group; İş Dünyası Plastik Girişimi founded by UNGC-TR, TUSIAD, and SKD; The 30% Club; UNGC-TR Sustainable Finance Working Group, Gender Equality Working Group, Diversity and Inclusion Working Group; SKD Sustainable Finance and Risk Management Working Group, Transition to Low-Carbon Economy and Efficiency Working Group, Women Employment and Equal Opportunities Working Group, Sustainable Industry and Circular Economy Working Group.		

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 Click here to view the 2019 realizations of the 2025 Goals.
 Click here to view the 2020 realizations of the 2025 Goals.
 Click here to view the 2021 realizations of the 2025 Goals.



WE ENCOURAGE
our stakeholders

WE SHARE
for the communities

RELEVANT SUSTAINABLE DEVELOPMENT GOAL	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2022 PROGRESS*
   	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 are expected to adopt the Procurement Codes of Conduct. The rules and principles required to be followed by all suppliers are defined in detail in the Code of Business Conduct Principles, Anti-Corruption and Anti-Bribery, Forced Labor, Child Labor, Harassment, Wages, Working Hours, Non-Discrimination, Communities, Occupational Health & Safety, Environment, Biodiversity, Integrity, Quality and Continuous Development, and Information Security as applicable.
			T1.2. Kibar Group Framework Agreement	T1.2. Before starting to work with suppliers, the Framework Agreement and the Code of Conduct 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 Conduct, waste management, etc. have been established on order letters/POs.
			T1.3. Supplier training hours	T1.3. The Supplier Sustainability Program (K-STAR) project was introduced with the aim of improving and speeding up the contribution of the suppliers to the United Nations Sustainable Development Goals as well as the Group's sustainability goals and targets. This project will allow systematic creation and organization of various development programs in the areas of governance, social, and environmental by taking into consideration the maturity levels and industries of the suppliers. The preliminary activities for K-STAR began in 2022 and the project is planned to be completed in 2023.
		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. Supplier performance evaluations based on certain criteria are regularly carried out every year while supplier audits and site visits are organized based on the results of such evaluations. Suppliers' certifications are examined and process audits are carried out on various topics referred to in applicable codes of conduct and framework agreements. Such audits also cover topics related to quality, information security, environmental, and occupational safety. The supplier is expected to be in a position to prove its full compliance with all statutory regulations on environmental protection in all activities. Process and on-site audits are conducted for suppliers listed under the critical category due to their environmental impact as a result of assessments carried out. In addition, performance scorecards, which contain detailed information on all processes based on the performance evaluation, are shared with the suppliers and necessary discussions and planning are undertaken for areas of improvement.
 	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. Kindergarten construction, Istanbul Marathon, garden classroom construction, garden floor painting, indoor floor renovation, roof repair, waste collection, online mentoring, Helpsteps Haçiko-Tohum Autism, TOÇEV volunteering activities, 85 hours of training with children and 428 hours of different volunteering activities has been carried out. A total of 513 hours of volunteering activities were carried out in 19 events.

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[Click here](#) to view the 2019 realizations of the 2025 Goals. / [Click here](#) to view the 2020 realizations of the 2025 Goals. / [Click here](#) to view the 2021 realizations of the 2025 Goals.



United Nations
Global Compact

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. In 2022, Kibar Holding participated in the "Early Adopters" program of the UN Global Compact and has reported its performance in line with the revised methodology of the UNGC.

United Nations Sustainable Development Goals

The United Nations has identified the problems that need to be addressed immediately all around the world as well as the goals and targets to achieve in order to eliminate such problems by adopting the 2030 Agenda. In this context, 17 Sustainable Development Goals and 169 targets have been defined in a wide range of topics, including efforts against poverty and hunger, access to quality education and health services, gender equality, establishing peace and justice, R&D and innovation, climate change, and circular economy. Kibar Holding has developed its 2025 Sustainability Strategy in line with the targets set within the scope of the above-mentioned Sustainable Development Goals. In a positive manner, Kibar Group significantly contributes to 12 Sustainable Development Goals and 36 targets.



WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

United Nations Women's Empowerment Principles (WEPs)

Established by the UN Global Compact in partnership with the UN Women, the 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. As a signatory of the Women's Empowerment Principles, Kibar Group has positioned the "Gender Equality and Equal Opportunities" among the top priorities of its "2025 Sustainability Strategy". The targets aiming for ensuring women's full and active participation in business life and decision-making processes (i.e., Targets G7-G8-G9) are monitored by 6 performance indicators and reported to all stakeholders in a transparent manner.

UNGC Target Gender Equality Program

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



TÜSİAD

TÜSİAD Environment and Climate Change Working Group

The Environment and Climate Change Working Group works 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 low-carbon sustainable development and action for climate change. Kibar Holding and Group companies contribute to these studies and chair the Circular Economy and Waste Management Sub-Working Group.

İş Dünyası Plastik Girişimi

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

30% Club

The 30% Club is a global campaign through which chairs and CEOs as members aim at increasing gender diversity at all levels of their organizations. This campaign is based on the idea that gender diversity leads to more successful companies and more efficient boards and executive committees. As a member of the 30% Club since 2022, Kibar Holding ensures active participation in the campaign's activities through the Sustainability Committee and the representatives of WE Are Equal Group Committee.



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) Working Groups

Kibar Holding and Group companies are the members of the Executive Board of the Business Council for Sustainable Development Türkiye, the regional network and business partner in Türkiye of the World Business Council for Sustainable Development (WBCSD) and serve as the co-chair 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.





WE GROW
with sustainability principles

WE EMPOWER
people

WE INNOVATE
for the future

WE CARE
for next generations

WE ENCOURAGE
our stakeholders

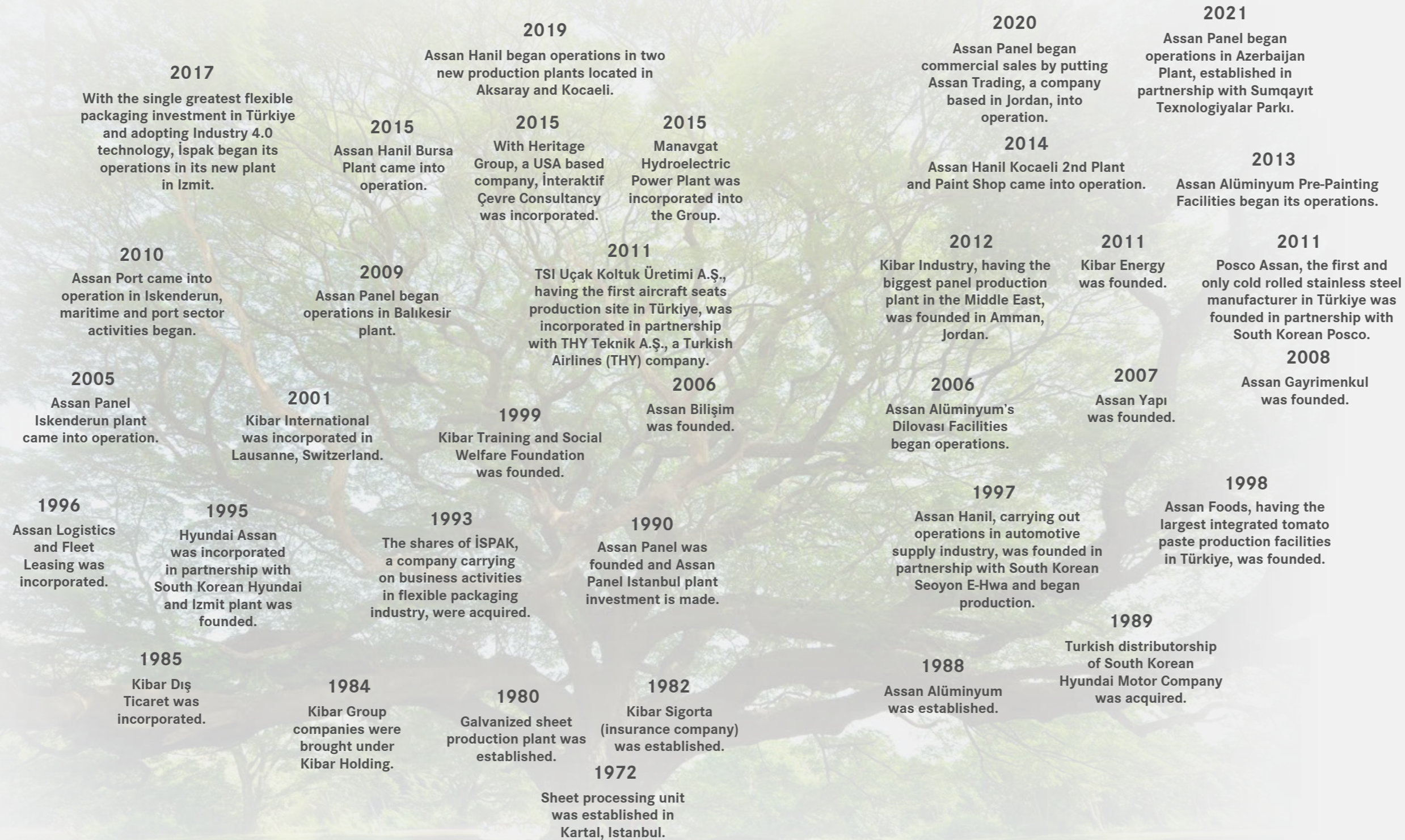
WE SHARE
for the communities

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



WE GROW with sustainability principles

Kibar Group provides significant contributions to the Turkish economy with industrial plants with a high production capacity, employment opportunities created, export volume, and investments for social benefit.



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 - Sumgait Technologies Park (STP) Azerbaijan cooperation

After its first overseas investment in Jordan in 2012, Assan Panel realized its second overseas investment with Sumgait Technologies Park (STP) in Azerbaijan. Other than the sandwich panel production line, which was put into operation in 2021, it began production of innovative new products such as green polycarbonate composite panels.

Assan Hanil New Plant Investment

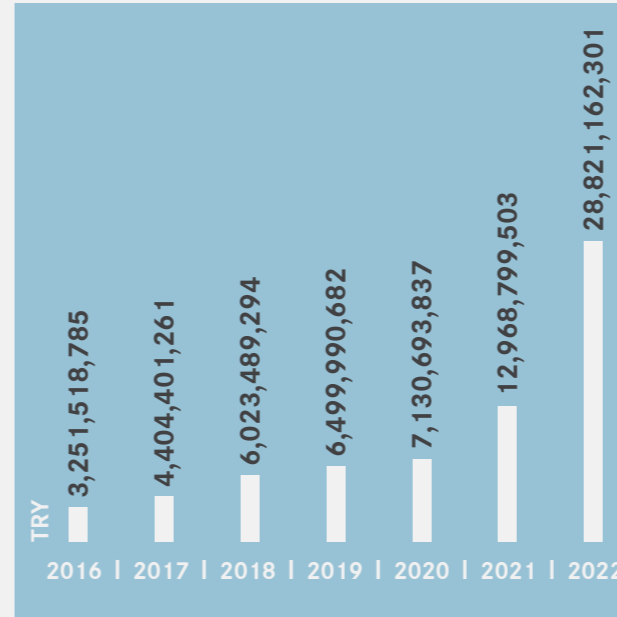
Assan Hanil began construction of a new production plant in Kocaeli in 2022. The new production plant which is planned to be put into operation in 2023, will carry out automated, high technology, and high quality production operations and carry on its operations based on a sustainable production approach. State-of-the-art lighting systems, efficient HVAC/cooling units, and green filtration systems will be installed in the plant.



ECONOMIC VALUE

The sales revenue of Kibar Group companies within the reporting scope has increased by 8.9 times in the last 7 years and by 4 times in 2022 compared to the previous year.

Generated Economic Value



Sales revenues of Kibar Group companies subject to reporting have INCREASED by 8.9 times during the last 7 years.

8.9 times
increased

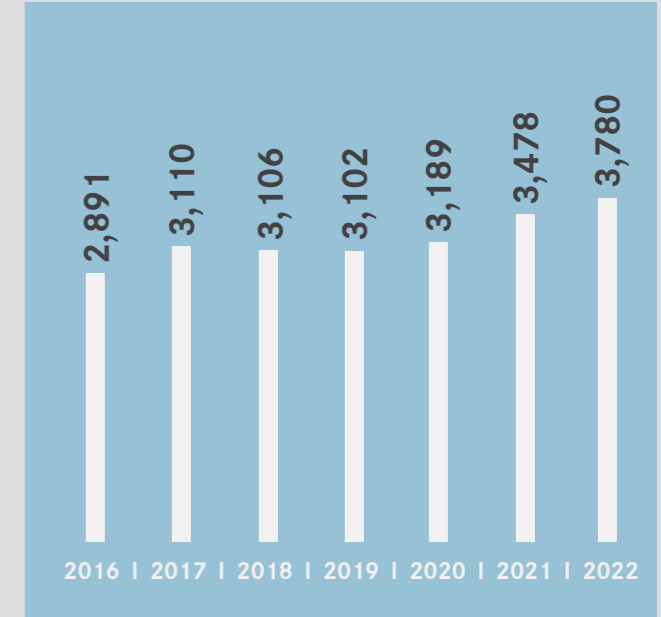
Sales revenues of Kibar Group companies subject to reporting have increased by 2.2 times in 2022 compared to the previous year.

2.2 times
increased

HUMAN RESOURCE

The number of employees in Kibar Holding and Kibar Group companies within the reporting scope has increased by 30.8% in the last six years and by 8.7% in 2022 compared to the previous year.

Human Resource



The number of employees of Kibar Group companies subject to reporting has increased by 30.8% during the last 7 years.

30.8%
increased

The number of employees of Kibar Group companies subject to reporting has increased by 8.7% in 2022 compared to the previous year.

8.7%
increased

EXPORTS

With exports to over 100 countries, Kibar Group is one of the biggest exporters in Türkiye. The exports reached \$3.04 billion in 2022.

Kibar Dış Ticaret ranked 5th in Türkiye and 1st in the “Ferrous and Non-Ferrous Metals” category with its export performance in 2022 in the “Top 1000 Exporter Companies” list announced annually by the Turkish Exporters Assembly. The 2022 list has not been published as of the date of issue of this report.

Kibar Dış Ticaret received the championship (1st place) awards in “Flat Aluminum Products” and “Export Champions” categories in the 2022 Metallic Stars of Export Awards, organized by Istanbul Ferrous and Non-Ferrous Metals Exporters’ Association with its exports of Assan Alüminyum products.

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

In the latest Leaders of Steel Export award ceremony organized by the Steel Exporters’ Association as of the date of publication of this report, 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 rolled aluminum sector in Türkiye and one of the two largest aluminium foil 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 latest Türkiye’s Top 500 Industrial Enterprises 2021 Survey, announced by the Istanbul Chamber of Industry as of the date of publication of the report.

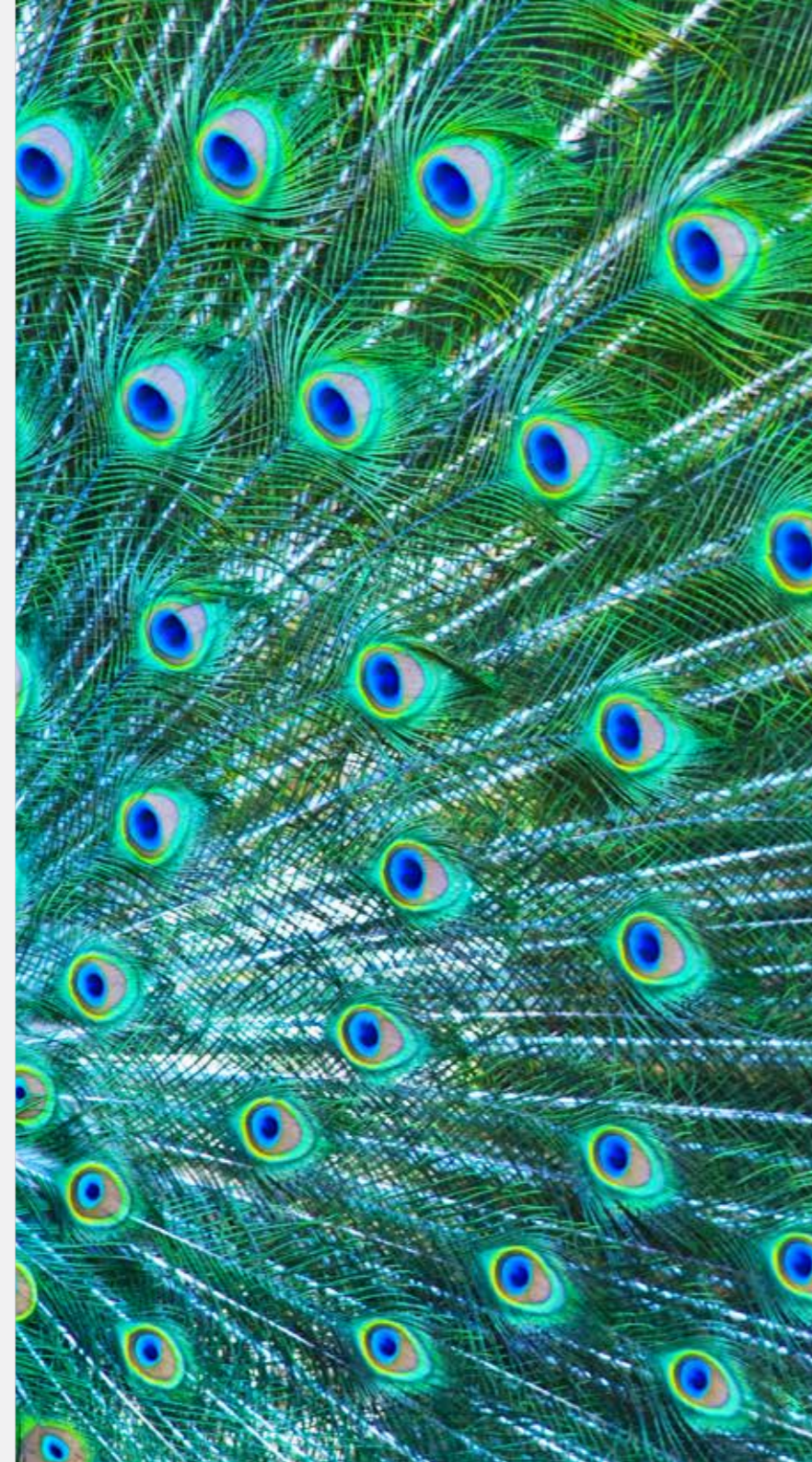


*We work together and taking power from each other.
“WE” share the future, success, and life.*



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. Kibar Group believes in the importance of creating a participatory and sharing-oriented working culture. 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 the 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 2022, Information Guide on Domestic Violence and Violence at the Workplace to raise awareness about violence as well as the Corporate Responsibility Policy Against Violence were published.

The number of women employees has **increased** by **11.1%** in 2022 as compared to the previous year

The number of women employees has **increased** by **54.1%** during the last 7 years

The number of white-collar women employees has **increased** by **11%** in 2022 as compared to the previous year

The number of white-collar women employees has **increased** by **48.8%** during the last 7 years

The rate of women senior executives has **increased** by **8.3%** in 2022 as compared to the previous year during the last 2 years

The rate of women senior executives has **increased** by **41.7%** in 2022 as compared to the previous year during the last 7 years

The number of female employees working at Kibar Holding and Group companies subject to reporting increased by 11.1% in 2022 compared to the previous year and by 54.1% in the last 7 years. The number of female white-collar employees has increased by 48.8% during the last 7 years and increased by 11% in 2022 compared to the previous year. Thus, the rate of female white-collar employees increased to 37.9%. The rate of female senior executives has increased by 8.7% within the last 2 years. Thus, the rate of female senior executives, which was 17.5% in 2016, reached 24.8% in 2022.

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 following 7 core principles for creating corporate policies in order to make progress in gender equality. As a signatory of the Women’s Empowerment Principles protocol, Kibar Group has positioned the “Gender Equality and Equal Opportunities” among the priorities contained in “Kibar Group’s 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 prioritizes the equality of opportunities, rights and resources offered

to individuals in business and social life. It believes that individuals and organizations 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. With the aim to commit to this understanding through its practices, the Group implemented a project called “WE Are Equal” in 2021. Practices aiming for raising awareness on gender equality and ensuring equality are carried out through various activities under this project.



Within the scope of this project, which was set out with the motto “Equal society, equal future”, a committee was formed to establish a governance model based on different locations, industries, and corporate culture on gender equality. The committee consists of 3 units and the committee was formed with an equal number of women and men as members.

WE Are Equal Group Committee:

WE Are Equal Group Committee consists of a total of ten members, five women and five men, who are responsible for the sustainability committee and the Holding functions. The Committee is chaired by Kibar Holding CEO and Executive Vice President of Human Resources.

WE Are Equal Company Committee (WE Are Equal Company Leaders):

Company committees consist of four women and four men as members, including general managers. WE Are Equal Company Leaders, who are elected by each company committee, are responsible for implementing and disseminating the decisions taken by WE Are Equal Group Committee. In addition, the leaders also present the action plans of their respective companies for which such leaders are responsible during the committee meetings held every 3 months. These committee meetings attended by all company leaders encourage a culture of learning from each other.

WE Are Equal Group Committee



Kibar Volunteers:

Kibar Volunteers, consisting of Kibar Holding and Group company employees and taking part in projects that create social benefit, implement projects that will make a difference in the field of gender equality through activities such as career days at schools.

In the reporting period, within the scope of WE Are Equal project, some activities were carried out in order to raise awareness of gender equality, ensure equality in communication, and make Kibar Holding and Group company managers adopt the project. Activities on the "Awareness Against Violence" have become one of the main topics in the course of the program and have been added to the working agenda of the committees.

In order to raise awareness of gender equality:

- Throughout 2020 and 2021, the topic of "What is gender equality?" was covered on webinars open to all employees and efforts were made to raise awareness of all employees in this area.
- Information Guide on Domestic Violence and Violence at the Workplace as well as the Corporate Responsibility Policy Against Violence were published. Activities on raising awareness about violence and Kibar Group's commitments to this matter were communicated to the employees and external stakeholders.
- Psychological support for 12 sessions began to be provided free of charge through AVITA Employee Support Program to employees, who have recently become parents or returned from military service.
- Mentorship practices intended for employees as prospective parents and those who will soon begin their military service were introduced.
- Paternity leave period was increased to 14 days.

In order to ensure equality in communication:

- In 2022, 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.

- 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 emphasized that individuals of any gender can do any job and be successful.
- As of 2020, commitment was made that the equality principle of the Kibar Group will be applicable to all job adverts shared in recruitment.

WE Are Equal program received the Bronze Award in the category of "The Best Diversity, Equality and Inclusion Strategy" at Brandon Hall Awards, which is one of the most prestigious awards in Human Resources.

WE Are Equal program received the Bronze Award in the category of the "Diversity and Inclusion Program" in the Stevie International Business Awards.

Employee Engagement

Kibar Holding envisions an inclusive business life as a key to ensuring both 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.

EMPLOYEE SATISFACTION

WE Are Work, WE Are Life

Next generation working models called WE Are Work, WE Are Life were introduced in 2022 with an aim to further improve and develop the working experience of Kibar Group employees.

By permanently adopting the remote working models, which was first introduced during the pandemic, efficiency and employee satisfaction were intended to be improved. Next generation working trends were followed in line with this objective and the working models of the office employees were evaluated in particular. In these assessments, in which employee needs and the requirements of the work have been taken into consideration, questionnaires to understand employee expectations, assessments made by executives for their own teams as well as the results evaluated by the functional validation teams, Human Resources, consultancy firm, and Top Management were used.

As a result of these activities, working models were defined for all positions and communicated to all relevant employees. At the end of the project, 36% of office employees adopted working at the office/at the workplace, 59% adopted hybrid working model, and 5% adopted remote working model, respectively. During the assessment for the initial 6-month period, the positions were reviewed and roles that require changes were identified.

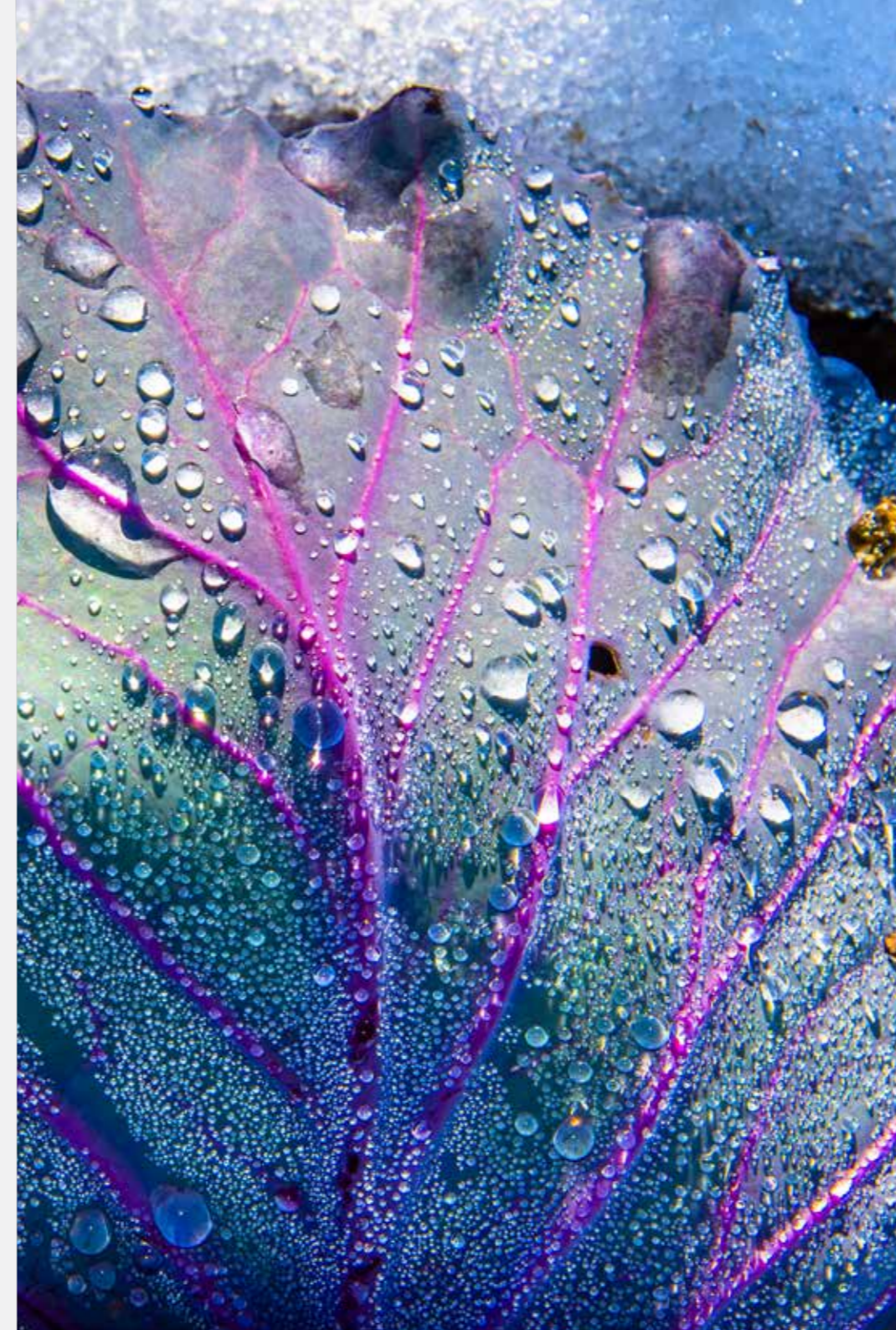
BIZPlus Appreciation, Recognition and Reward Program

In 2020, "BIZPlus", an online appreciation, recognition, and reward platform, was deployed for the purpose of promoting visibility, recognition, and rewarding the success of company employees. Within the scope of BizPlus program, executives are able to reward their team members under 18 different categories.

In 2022, Kibar Group employees submitted 2,734 suggestions on the suggestion system and 1,146 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 at making all employees feel the value of the culture of working together and increasing BİZ brand 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 48%. Compared to the previous survey, there was a decrease of 7 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, and 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 business life, 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.

In 2022, out of the participants who started the K-Team Young Talent Program, 51% of the participants are women and 49% are men.

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 develop leaders from within the Group for 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 for further development. 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
2.0 - Purchasing Faculty
2.0 - Digitalization Faculty
continue their activities.

Güç BİZde Development Platform

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

- offers a 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; and
- facilitates adaptation of employees recently recruited to the working culture of the Group.

With “WE Have Power 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 “We Have Power 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, activities to diversify e-learning resources also continue.



Managerial Development Program

The “Managerial Development Program” continues in order to contribute to the development of Supervisors and Mid-Level Managers and create a common leadership model and culture. The subjects to be included in the program, which includes all employees at executive and manager levels, are created in line with the expectations of the employees as a result of the focus group activities. In 2022, Data-Driven Decision Making & Analytical Thinking Training activities were carried out in 20 groups. The satisfaction rate of the participants taking part in the training activities for the program was measured as 4.48 and the instructor score was measured as 4.70 out of 5. Within the scope of the program, the training hours per person was 12 hours. In addition to classroom training, 1-hour online training sessions on Digital Leadership, Data, Leadership, Transactional Analysis, and Sustainability were also provided.

Specialist Development Program

The “Specialist Development Program” has been introduced and maintained 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. Within the scope of the catalog, classroom training, online training, and distance learning activities were provided for the competencies expected from the expert group. 296 employees were included in the WE Have Power 2.0 Specialist Development Program, which was carried out to support the competencies of employees at the expert level. In the program carried out in 16 training groups, the training hours per person was 14 hours. Full-time in-class training, 5 webinars, and distance learning program have been made available to the participants. The satisfaction rate of the participants taking part in the training activities for the program was measured as 4.63 out of

5. Training and development programs carried out throughout Kibar Group have been gathered under the main program called WE Have Power 2.0. Within the framework of WE Have Power 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 as well as determination and demonstration of the behaviors expected from Kibar Group leaders, WE Have Power Leadership Development Program was redesigned and implemented. Within the scope of the program, directors and senior managers were included in the 6-month program and participated in the development journey organized with the hybrid training method. Consisting of 3 modules as Constructive Leadership, Flow Leadership, and Inclusive Leadership, the program was completed with group coaching and individual coaching activities. The satisfaction score was measured as 3.9 and the instructor score was measured as 4.32 out of 5.

Development Ambassadors

The objective of the Development Program for Development Ambassadors 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 2022, Instructor Training planning was carried out for 3 groups while the training score was measured as 4.1 and the instructor score was measured as 4.0.

Assan Alüminyum Employee Development Practices

In Assan Alüminyum, a “Leadership Development Program” has been adopted and is being followed-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 two modules of this program were introduced 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 activities to support employee development have been organized. The third and the last module of the program was implemented in 2023 exclusively for the “team leaders” who are the immediate supervisors managing individual teams.

Assan Hanil My Development Journey Program

The activities for My Development Journey, which was introduced in 2021 for the purpose of enabling employees working at Assan Hanil to become competent, participatory, highly motivated and engaged “leaders” on the site and find areas of development for themselves in this way, still continue to this day. In order to meet the training needs of the company through internal training, a total of 78 hours of training activities under 6 different topics were provided by 3 instructors to 28 participants in 2022.

Game Changers Program

This program was designed for employees included in the talent pool under 2 individual groups as specialists and executives-managers. The specialist group consists of candidates who have been successful in the general aptitude, English, and high potential inventory in line with the requirement for meeting certain criteria. Successful candidates are included in the training program which takes about a year.

In 2022, 34 participants were included in the specialist group while the training hours per person was 48 hours and the training score was measured as 4.31 out of 5. 22 participants were included in the executive group while the training hours per person was 48 hours and the training score was measured as 3.75 out of 5. The relevant training activities will continue during 2023.

WE Have Power 2.0 - Purchasing Faculty

The faculty with a multi-level modular structure was specially designed for the Purchasing team in cooperation with Boğaziçi University, Lifelong Learning Center (BULLC). The faculty, which consists of the modules, namely, Purchasing Development Module, Purchasing Rediscovery Module, and Purchasing Management Guidance Module, was launched at the campus of Boğaziçi University in 2022. A long-term training program will be organized during the 2023-2024 period.

WE Have Power 2.0 - Digitalization Faculty

It was designed with a modular structure with an aim to enable Digital Transformation of Kibar Group. It includes a modular program to be designed specifically for the development of IT employees, K-TEAMS as well as other key users.

The initial group training activities for the key user program consisting of 8 modules were completed in 2022.

PERFORMANCE MANAGEMENT

In 2021, a cultural transformation took place and a transition was made from the traditional performance understanding to the OKR-based (i.e., Objectives and Key Results-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 based on much more agile and active communications, thanks to the instant feedback, evaluations, and one-on-one meetings held throughout the year independent of certain periods. Activities 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 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 provided through WE Have Power Development Platform.

Total Reward System

At 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. Asim Kibar Mavi Damla Awards are one of these practices, which aim 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”, Asim Kibar Mavi Damla Awards contribute to the Group’s achievement in strategic targets as well as recognition and rewarding of competency-based success.

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

With Asim Kibar 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, 12 awards were given to 39 projects with 262 participants in 2021, and 12 awards were given to 29 projects with 204 participants in 2022.

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.

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.

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 provide 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 2022, a total of 2,266 clients, consisting of 1,955 employees of Kibar Group and 311 family members of the employees, used Avita program.

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

In the festivals held in 2022, 495 employees participated in the e-sports category (PlayStation football and basketball, backgammon and chess) and 529 employees participated in the field sports category (football, basketball, volleyball, table tennis, fresbee).

Throughout Kibar Group, various other activities such as Kibar Volunteers Organizations, Kibar Group Sports Fests, and Occupational Health & Safety Week Contests are organized as well as a Painting Contest and activities intended for the children of the employees are held on the National Sovereignty and Children’s Day on April 23. In addition to activities organized throughout the Group, various activities are also organized within each company to support the social life of the employees.

OCCUPATIONAL HEALTH & SAFETY

Occupational Health and Safety (OHS) is among the top priorities managed by Kibar Holding without compromise. Occupational Health & Safety procedures are managed under the leadership of General Managers and the appointed representatives of the employer in compliance with applicable international standards. OHS committees chaired by the General Managers have been formed.

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 applicable Occupational Health & Safety Risk Assessment Regulations and 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.

Occupational Safety, Health & Environmental Workshop

OHS & Environmental workshops are organized every year on a regular basis with the participation of Occupational Health and Safety professionals. During the workshops, annual OHS & Environmental performance indicators are evaluated, good practices are shared, areas for improvement are identified, projects are determined, awareness activities are designed, individual training schedules for OHS & Environmental professionals are created, audit standards are developed and annual activity and work schedule is determined.

First Prize in the “Strong Communication Safe Workplace Good Practice” Competition

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.

Occupational Safety, Health & Environmental Audits

The developments of Kibar Group for occupational safety, health & environment are monitored by internal audits. Planned internal

audits are carried out minimum twice a year in order to review, check, develop, and keep up to date the operation and efficiency of occupational safety, health & environmental system. In the audits, the Group’s compliance to the applicable legal regulations and requirements for which the Group made commitments for compliance as well as Kibar Holding’s compliance to OHS & Environmental principles.

During the audits, which are conducted by the auditors consisting of OHS & Environmental professionals, areas for development as well as strengths of the companies are identified, corrective actions for solutions are defined, strengths and best practices are adopted throughout the Group.

An internal audit report is created by the auditors following each internal audit. Within the framework of the audit report, internal auditors submit their proposals as they deem require and request corrective actions.

Audit reports are presented as part of the agenda in the Management Review Meetings in order to allow management to make effective resolutions.

At the 10th OHS/1st International Occupational Health and Safety Congress, the OHS & Environmental on-site visits project including questionnaires specifically designed for Kibar Holding was communicated to all stakeholders.

Employee Health

Private health insurance and the Avita application, a mobile medical laboratory, a full-time 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 at 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 training activities conducted throughout the Group aim to increase the OHS awareness and consciousness of employees. In 2022, employees received 49,678 hours of OHS training. At Kibar Group, which extends the Occupational Health and Safety culture to the entire value chain, 2,458 hours of training activities were organized for contractor company employees in 2022.

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 2022. In 2022, accident frequency performance value was improved by 64% and the weighted accident score was improved by 50% compared to the previous year.

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.

Life Safety Coaching

Life Safety Coaching is an oversight mechanism established at Assan Alüminyum to ensure the participation of field employees in field surveillance related to occupational safety, health & 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 passing on the notes taken by the upper management to the relevant unit managers.

Life Safety Coaching practice was also adopted at Assan Panel in 2022.

Life Safety Culture Program

With the "Life Safety" culture change program, which was introduced at Assan Alüminyum in 2015, leadership is promoted, the scope of the current practices is intended to be extended, and activities related to social life are planned to be increased through digital applications. As a result of the project, an improvement in the rate of Weighted Accident Score by 45% was achieved in 2022 compared to 2015.

"Life Safety Coaching" practices, which were introduced to adopt the management principles as a role model on the site, have continued.

Site Lifecycle

A project was introduced for designing a work lifecycle, taking into consideration the competencies and physical requirements, in order to ensure that site employees work in a healthy, safe, and efficient manner throughout their work life. Pilot practices were introduced at Assan Panel. The scope of the project is planned to be extended throughout the rest of Kibar Group companies in 2023.

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 within 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, and 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 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 Chairperson of the Executive Board, the Ethical Committee is composed of Internal Audit VP, Human Resources VP, 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's Code of Conduct is available on <https://www.kibar.com/en/holding/codes-of-conduct>

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's 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.

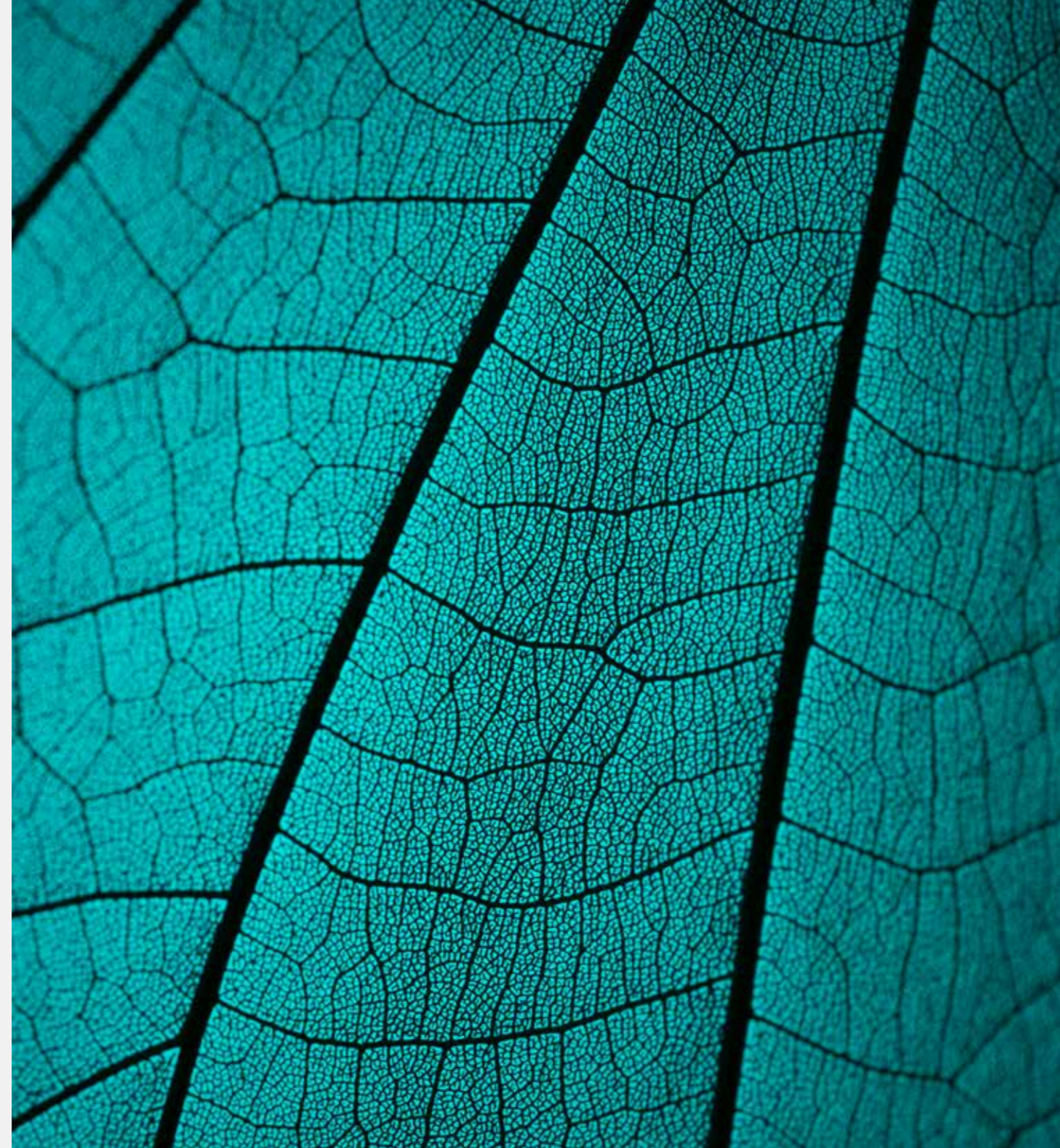
Kibar Group employees are not held liable for any direct or indirect damages incurred by the company due to their actions in compliance with the principles of the Code of Conduct. For the activity year of 2022, there was not any reporting of violations against ethical values, universal human rights, or corruption cases, which involved Kibar Holding Companies in any manner. During that period, there was not any lawsuit or legal proceedings brought against Kibar Group in such matters.

We consider product quality and customer satisfaction at the highest level and we see technological development and innovation as the cornerstones 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.



PRODUCT AND SERVICE QUALITY

At 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.

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.

At 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 e-bulletins 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 partnership meetings intended for all customers.

Assan Alüminyum Electronic Data Interchange (EDI) Project

Within the scope of the EDI Project, which was implemented at Assan Alüminyum during the reporting period, electronic data

Company	Management System and Quality Certificate	
Assan Alüminyum	ASI: Aluminium Stewardship Initiative ISO 50001: Energy Management System ISO-IEC 27001: Information Security Management System ISO9001: Quality Management System ISO 22301: Business Continuity Management System ISO 22000: Food Safety Management System IATF16949: Quality Management System ISO 14001: Environmental Management System ISO 31000: Enterprise Risk Management System	CE: EU Certificate of Conformity NSF: International Health Organization Certificate of Conformity Kosher: Kosher Food Conformity Certificate ISPM15: 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
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 ISO 14001: Environmental Management System ISO-IEC27001: Information Security Management System ISO 31000: Enterprise Risk Management System ISO 45001: 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 14001: Environmental Management System ISO 45001: 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

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 2022, the latest phase of the project was launched and more than ten customers were integrated. The aim is to improve decision-making 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. Based on 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, activities for reducing the weight of the final product 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 are notified within 48 hours. Actions describing the problem and how it was resolved are reported in 8D format and recorded in the ASHA QDMS system.

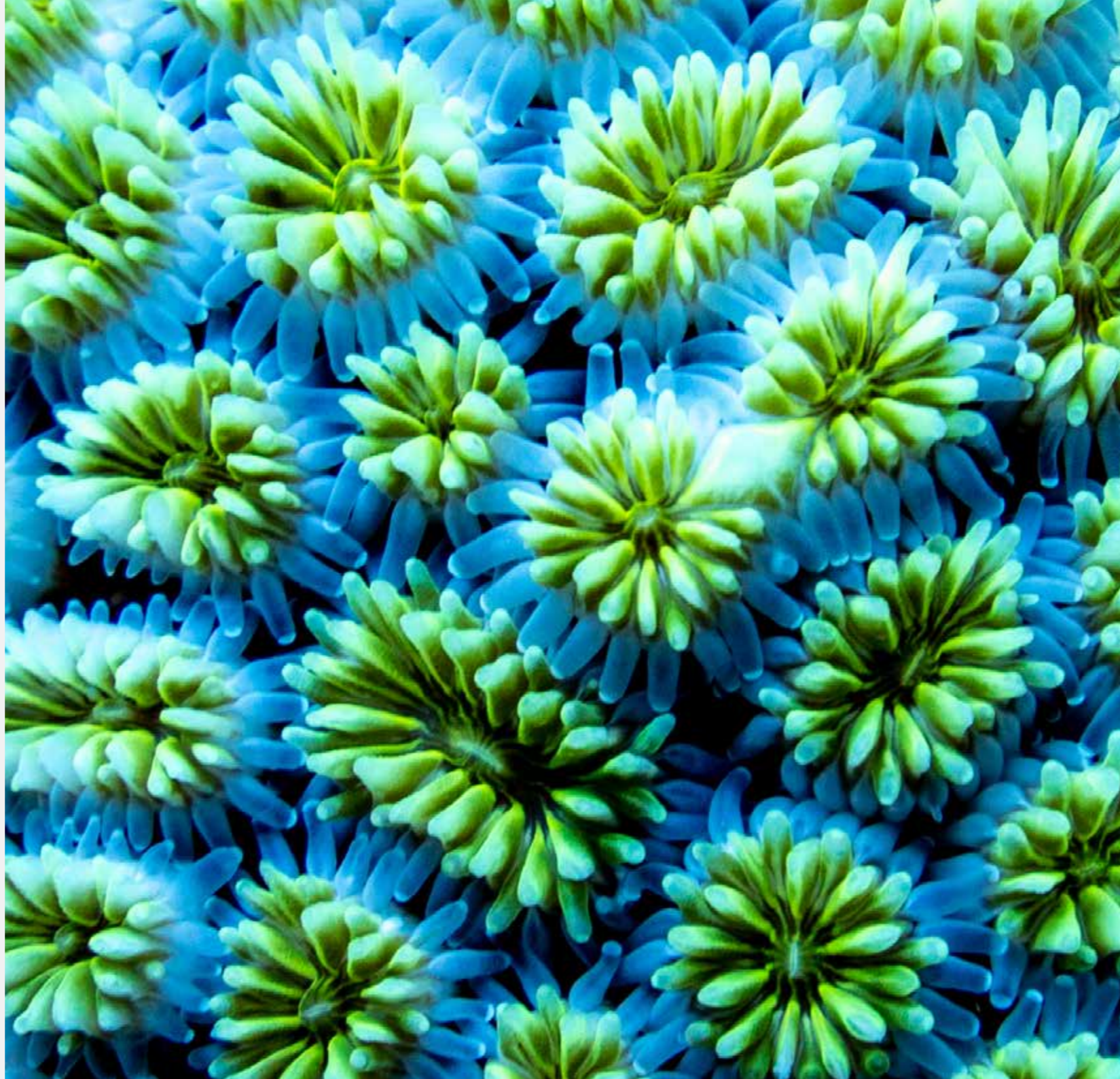
Assan Hanil Production and Quality Performance Real-Time Monitoring System

The "Production and Quality Performance Real-Time Monitoring System," which was deployed at Assan Hanil Aksaray plant, allows

quick detection, analysis, and resolution of any problems identified. With this installed system, the results of the completed application processes can also be monitored. The project offers certain advantages including quality improvement and capacity recovery.

Assan Panel guarantees the quality of its products by various certifications. Assan Panel, which also holds UL Greenguard and Greenguard Gold certificates with its eco-friendly products, has achieved the best fire resistance result of REI 180 with its 100 mm rockwool-filled sandwich panel. While contributing to the construction of sustainable buildings with its own product range, Assan Panel carries out all production processes by using eco-friendly methods and green technologies. The company offers various services and solutions to different industries with a wide range of eco-friendly products that are not harmful to human health.

At 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 growth target. 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 3 patents and 1 utility model rights in 2022 through research and development activities. In addition, 12 patent applications were submitted. During the reporting period, approximately TRY 120 million was spent on R&D.

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 Republic of Türkiye 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 R&D activities, consultancy services are provided by academics from Marmara University and Izmir Institute of Technology.

Carrying out activities to develop new products in line with customer feedback, Assan Alüminyum carried out activities for cost-reduction in cast aluminum processes and technical design for new characterization in 2022.

Development of Surface Properties of Cast Sheets and Foils Produced by Twin Roll Continuous Casting Method

As a result of a number of different trials carried out to obtain the target output during the production workflow for applications in which surface properties and surface hygiene of food-grade containers and final product coming into direct contact with food are of great importance, the best production process in terms of both quality and efficiency was determined.

Activities for the Development of Recyclable Alloy

Within the scope of sustainability activities, studies are carried out to develop new recyclable alloy in order to expand the range of scrap and secondary aluminum portfolio used by Assan Alüminyum.

Micro-Structural and Efficiency Activities in Cast Sheets and Foils Produced by Casting Rolls with High Thermal Conductivity

R&D activities to further strengthen the industry-leading position of Assan Alüminyum are carried out for the purpose of extending the range of products and areas of use for products manufactured by twin roll continuous casting method by improving the characteristics of the cast materials as well as pushing the boundaries of the current continuous casting method in terms of efficiency and product quality to go even further.

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 67 Intellectual Property Rights, including 39 patents, 12 utility models and 16 industrial designs as well as 6 trademark registrations.

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 in 2021 and mass production started. Seat development activities continue for the next generation version of the truck, whose mass production activities will begin in 2025. Assan Hanil manufactures the air-suspension driver and passenger seats at its facilities in Kocaeli and exports them to Korea.

Weight Reduction Applications

With the introduction of the project for the design and production of certain components made of composite materials instead of metals for vehicles, GMT (Glass fiber mat reinforced thermoplastic) material has been used for the first time in Türkiye. This allows a reduction in the overall vehicle weight without sacrificing strength, product quality, and expected specifications and greatly contributes to sustainability by reducing the energy consumption especially in electric vehicles.

Developed and finalized during the period of 2020-2021, Truck Driver's Seat Composite Backrest Project outputs and data were used in order to manufacture passenger car seat backrests using composite materials and activities related to the project have continued during 2022. In this project, plastic injection on composite materials and advanced molding technology were used in order to reduce the vehicle weight and number of operations. During the reporting period, the activities for the design and virtual analytics for the production of seat backrests using composite materials have continued and the scope of activities has been extended in detail to ensure the optimum mechanical properties.

Composite Bumper Beam

As a result of R&D activities focusing on weight reduction in vehicles at Assan Hanil, the final stage began for the production of the first composite bumper beam to be used in Turkish automotive industry. The product will be used in Hyundai i10, i20, and Bayon model series and the mass production

activities will begin in 2023. Developed by Turkish engineers, the component focusing on weight reduction, which also offers a critical contribution to sustainability with its fuel efficiency, will drive domestic production efforts in the automotive industry of Türkiye.

Automotive Integration of Eco-Friendly Bioplastic Raw Materials

The bioplastic raw material project, which was carried out under the leadership of Assan Hanil and supported by the Group companies Assan Alüminyum and Interaktif Çevre, was completed in 2022. The main objective of the project is to optimize the raw material with tomato pulp additives by combining the tomato pulp with the raw material and thus creating a sustainable product.

TOGG Next Generation Automobile Bumper Module

The design and development activities for bumper systems, which are designed for the new innately electric SUV of Türkiye's Automobile Initiative Group (TOGG). The final stage began for mass production of the vehicle. The TOGG project has experimented with self-colored material technology, an innovative and eco-friendly approach to front and rear bumper molding. With this technology, the coloring process is carried out while the part is still in the mold, thereby improving cost, energy consumption, and green production.

Self-Colored Raw Material Project

Introduced at Assan Hanil in 2022, MIC technology project has eliminated painting process to reduce carbon footprint, offer financial return, and improve customer

satisfaction by offering the customer the same quality product at a lower cost. Planned to be completed in 2025, the project is intended to be applicable to all formerly painted components.

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.

AssanChem Polyurethane Production Plant within Assan Panel carries out innovator activities for the development of polyurethane panel core filling raw materials as well as the 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.

By redesigning the polymer filling material used in building insulation materials in the R&D laboratories, the thermal conductivity coefficient has been improved. Therefore, the thermal efficiency has been improved by 20% compared to the standard building materials using polyurethane as a filling material, making a significant contribution to reducing greenhouse gas emissions.

Assan Panel was granted the Golden Plumb Innovative Product Jury Special Award with its patented and environmentally friendly Smartcore product.

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 plant designed in line with Industry 4.0 concepts.

The projects developed by İspak R&D Department within the scope of the "Green Packaging Project" received 2 different awards in 2022.

İspak won the Bronze Award at Ambalajın Ayyıldızları 2022 Awards with its "Compostable Sachet Packaging Project".

İspak received an award at Asia Star 2022 awards with its compostable "Baking Powder Packaging Project".

Smart Packaging Project

The development of smart packaging allows the current condition of certain perishable products to be determined visually from the outside. The validation processes were completed by Sakarya University in coordination with Gerçek Gıda, a local food company based in Türkiye, in 2022. This research demonstrated that smart BTB NaOH-based labels can be used as CO₂-sensitive smart packaging for products stored under atmospheric conditions and in 100% N₂ environments.

Sustainable Paper-Based Gum/Confectionery Packaging Project

Within the scope of the project, recyclable paper-based packaging has been designed for using instead of AL/paper gum/confectionery packaging material. In this way, production

of paper-based products with different specifications contribute to the production of recyclable packaging.

Recyclable Single-Layer Lid Foil Project

Trial production process was completed for the project, which aims at adopting the use of recyclable single-layer lid foil designs as an equivalent solution to replace lid foils used in ketchup, mayonnaise, and water bottles or other similar products.

Paper Food Containers Development Project

Planned to be completed in 2023, this project aims at creating a recyclable single-layer design by transforming carton PET and paper food containers into paper/barrier lacquer form.

Antibacterial & Antiviral Packaging Project

The product safety will be improved by manual lacquer application to the PET surface at suitable weights in grams by using an antimicrobial lacquer developed within the scope of the project. The additive, whose feasibility studies have been completed, can be used in all product groups with high hygiene standards.

ASIM KIBAR MAVI DAMLA AWARDS

With Mavi Damla Awards, held annually at Kibar Group, innovative ideas of employees are discovered, put into practice, rewarded, and success stories are communicated throughout the Group.

In 2022, 29 project applications were submitted with 204 participants in the aforesaid organization and 12 projects were awarded in 4 different categories.

CATEGORY OF ADDING VALUE BY EFFICIENCY

1st Place Award

Assan Hanil Use of Recycled Raw Materials

We care for next generations with the motto, responsible consumption and responsible production.

2nd Place Award

Assan Hanil Aksaray Paint Shop Efficiency Activities

Our efficiency project designed in the light of inquisitive, innovative, and creative ideas has provided financial contribution by improving the quality of final components, reduction in wastage rate, and reduction in the use of chemicals. In addition, it has also eliminated foreign-source dependency and negative impacts on the environment.

3rd Place Award

Assan Alüminyum Board Spools

Instead of steel spools, whose carbon footprint is significantly higher and which have been used until 2021, we introduced a more eco-friendly and economic material design and take firm steps ahead with our motto, "We Produce Without Consuming the Future".

CATEGORY OF LEADING THE FUTURE WITH INNOVATION

1st Place Award

İspak Smart Packaging Project

We developed a smart packaging solution, which is able to detect gases released due to deterioration of food and alerts the consumer about the freshness of the food.

2nd Place Award

Assan Alüminyum Copper Shell Use in Twin Roll Continuous Casting Method

We have strengthened our pioneering position in the industry by improving our product range, quality, and process efficiency.

3rd Place Award

Automotive Integration of Eco-Friendly Bioplastic Raw Materials

We have developed a recyclable product by using eco-friendly raw materials in line with our sustainability principles.

CATEGORY OF MAKING A DIFFERENCE FOR CUSTOMERS

1st Place Award

İspak RefBack AA

With our decades of knowledge, we offer quick solutions that make a difference for our customers.

2nd Place Award

Assan Alüminyum Development of High Performance Alloy for Finstock Products

With this project, we have developed a new alloy for our customer as one of the largest global manufacturers of air conditioning units in the world. Therefore, we have reduced the energy consumption of air conditioners and greenhouse gas emissions.

3rd Place Award

Posco Assan TST New 430 Stainless Steel Product Development "430_RE"

We launched a new product in the global market after product development with the new 430 stainless steel with improved properties.

CATEGORY OF DIGITAL TRANSFORMATION

1st Place Award

Assan Hanil Artificial Intelligence-Supported Material Control System

With the recently developed material control system, we have achieved an increase in our quality indicators, efficiency, and profitability. Last but not least, we have also improved the ergonomic conditions for our employees.

2nd Place Award

Posco Assan TST Subcontractor Online Document Registration System

The subcontractor document registration automation now allows subcontractors to easily upload, approve, and follow up documents at any time and anywhere.

3rd Place Award

Assan Alüminyum Financing Expense Restriction

With our Financing Expense Restriction project, we created added value by deploying a systematic infrastructure to allow automation of certain processes.

DIGITALIZATION

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, cyber security, and system continuity in addition to Industry 4.0 and innovative technologies continue. The activities planned for 2022 have been completed based on the digitalization roadmap, which is subject to periodic review and update on a yearly basis in line with technological developments and business processes.

Activities are carried out in a manner to cover the prioritized production processes with the analytics system setup within Assan Bilişim. MS Azure platform, which has been selected for creating "Big Data" throughout the Group companies and carrying out activities related to analytics, was deployed at certain Group companies. Through applied AI academy training activities, Key users are provided with both theoretical and practical support for various technologies such as data and artificial intelligence (AI) capabilities, cloud systems, and machine learning.

Assan Alüminyum & Assan Hanil BW projects

Thanks to Corporate Data Architecture, which was already established at Assan Alüminyum and Assan Hanil, a number of BW/SAP projects have been implemented for the purpose of creating consistent and consolidated reports by centralized data models with data cube logic using relational tables, retrieval of data from a single source, and minimizing errors in reports. These platforms facilitate data management, allowing for improved data accuracy, quality as well as data use capabilities by the relevant functions. These projects also allow modeling of data from various sources on the BW4Hana platform as well as providing inputs for various reporting layers such as SAP, Fiori, and QlikView.

Assan Alüminyum CRM project

The Customer Relationship Management (CRM) project was put into service in order to improve customer experience by driving higher sales activities and efficiency throughout Assan Alüminyum sales functions. The consolidation of information from various areas as well as easy and quick access to such information are provided by this platform in order to transfer all customer feedback to the organizational memory.

Assan Alüminyum & Assan Hanil Big Data Activation Projects

MS Azure Big Data Platform activation projects have been implemented for central and cloud systems of Assan Alüminyum and Assan Hanil. Integrations, which were carried out within the scope of this project



instead of project-based data access and data integration, have been made available for all analytical processes. Consolidation of various data sources on a single platform will allow correlation whenever required. Following this project, AI Academy data analytics and machine learning training activities allow analytical activities through which the technical competencies of the key users are improved based on use cases.

Assan Panel ERP (SAP) Transformation Project

The SAP transformation project has been implemented in order to create long-term solutions in the areas for improvement, increasing technological maturity level as well as identification of areas for improvement through SAP Best Practices to adapt them to the current processes at Assan Panel. This project, in which capabilities for S4/HANA, the smart enterprise solution of SAP, as well as for other SAP solutions are acquired, was launched in 2022.

Assan Panel Digital Showroom

Assan Panel offers all panel products and accessories contained in its product portfolio to the use of its customers in virtual environment through the “BIM Library,” which can be accessed on the BIM Store portal and the company’s website in the form of Building Information Modeling (BIM) objects. In this way, the use of natural resources is reduced.

Thanks to 3D image views provided on the website, customers are able to view panel products primarily used in industrial buildings with the desired angle, light, and color options in the form of 360° rendered images.

İspak & Assan Panel MES Projects

Infrastructure activities for digitalization of the production area are still ongoing. Production data monitoring projects at Assan Panel were implemented for all production lines at Tuzla, Balıkesir, and Iskenderun plants. At İspak, MES projects were implemented for 2 printing lines. Digital transformation has been achieved especially for production, quality, and maintenance processes.

Robotic Process Automation Projects

As a result of the workshops organized in 2022 for Robotic Process Automation (RPA) activities, processes that can be handled within the scope of RPA were identified and nearly 50 processes have been subject to automation by RPA throughout the Group.

Mobile Application Projects

Process improvement activities were carried out within the scope of mobile applications, which allow loading instructions and mobile maintenance functionalities can be carried out through mobile devices. The development activities for Kibar Group’s mobile application called Mobiliz are still ongoing.

INFORMATION SECURITY

Developments in digitalization bring about the requirement for 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 other information management systems based on this management system. Corporate data and information of all stakeholders are secured. Information technologies infrastructure needs are centrally managed using end-to-end secure connections 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. Trendmicro’s Endpoint Detection and Response solution and DNSSense (formerly Roksit) product, which offers a DNS Layer Security Platform focusing on providing active protection for all devices connected to the network against any kind of malicious attacks, including phishing, ransomware, and zero-day attacks. “Baiting” systems (also

called “Honey pots”) are used to detect cyber threats throughout the organization and a Firewall Monitoring product was deployed for monitoring the cyber security systems. Cyber security exercises are also carried out as applicable. Within the scope of cyber security, social engineering activities were carried out as well as providing phishing and awareness training throughout the Group.

The cyber security inventory is regularly developed and updated. Activities have been completed to implement a program that includes 24/7 monitoring and intervention, cyber intelligence, and security roadmap in order to strengthen the cyber security structure.

By introducing additional nodes to the Service Tree structure, which was implemented in 2021, all information technologies have been linked together in an end-to-end hierarchical structure. Thus, capabilities for early detection of any potential failure/downtime at the initial warning stage have been improved. As a result of the interconnection of all components, capabilities have been developed so that situations that are likely to cause service interruptions can be caught as early as the initial warning stage and response level in proactive operation mode has been improved by minimizing downtime.

In the automation project, ongoing activities have continued to include the services listed in the service tree with the processes specifically determined for the technological infrastructure and within the scope of the help desk into automation with RPA and 9 more operating processes have been included in

this scope. These activities, it is possible to free the applicable processes from human intervention and transform them into a 24/7 automatically managed process.

With the new technology to be deployed to replace the server and storage infrastructure, which has reached the end of its economic life, by new technologies, both the performance of services will increase and business continuity will be ensured. Hyperconverged Infrastructure Renewal Projects continued.

Within the scope of compliance with the Law on the Protection of Personal Data, activities are carried out in due diligence and form to categorize, secure, and anonymize data whenever required.



*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 population and limited resources remind us the importance of efficient use of energy and natural resources once more. With the awareness of its corporate responsibility, Kibar Group manages its operations based on the 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 of its operations, Kibar Group strives to supervise and mitigate the environmental impact of its operations. Through its 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

According to the data published by the Intergovernmental Panel on Climate Change (IPCC), a temperature increase by 1.5°C compared to the pre-industrial era is estimated to be reached by 2050 in case of continued increase in greenhouse gas emissions due to human activities. However, recent research showed that devastating effects of climate change can be avoided by limiting the global warming to 1.5°C by 2100. Paris Agreement aims at continued global efforts to keep average global temperature increase resulting from human activities under 1.5°C.

The European Green Deal, which was published by a declaration that adopting United Nations 2030 Agenda and Sustainable Development Goals was an integral part of its strategy, has adopted a zero-carbon economic growth model based on circular economy. It was created to achieve net-zero carbon emission target throughout Europe by 2050.

Countries are required to contribute to global climate actions to achieve the targets as set out by Paris Agreement and the European Green Deal. On the other hand, combating climate change is also one of the top priorities of the business world as well as countries.

Combating climate change is among the 13 sustainability priorities of Kibar Group. Kibar Group's Sustainability Goals of 2025 include ensuring sustainable management and efficient use of natural resources, meeting the requirements of energy consumption using safe, sustainable and cost-efficient methods as well as reducing energy and greenhouse gases (GHGs) emission density.

Kibar Group actively works towards its target for net-zero emissions by 2050. Activities for creating a net-zero roadmap intended for preparation and compliance to the European Green Deal continue at a fast pace within the Group.

Kibar Group supports combating climate change, limits the negative effects of its operations on the environment, improves energy efficiency, reduces energy intensity, generates electricity from renewable energy sources, manages the use of natural resources in line with its sustainability approach, and implements biodiversity conservation projects. Through its R&D activities, Kibar Group transforms potential threats caused by environmental issues into an opportunity by developing eco-friendly technologies and products.

MANAGEMENT OF CLIMATE RISKS AND OPPORTUNITIES

According to the 2023 Global Risks Report of the World Economic Forum, 2 out of the top 5 potential risks that may arise during the next 2 years and 4 out of the top 5 potential risks for the next 10 years are related to climate change. Extreme weather conditions, failure to take action against climate change, loss of biodiversity, and natural resources crisis are included among the most critical global risks.

Climate change causes droughts, desertification, temperature fluctuations, floods, more frequent strong storms and hurricanes, glacier melting, elevation of sea/ocean levels and 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.

Direct or indirect outcomes of climate change affect human health, characteristics of societies, ecosystems, business models, and economy on a global scale.

Kibar Group evaluates the risks and opportunities resulting from climate change based on a holistic approach as part of its risk management processes and integrates its findings into investment and product development processes. The Group identifies the risks associated with climate change in reference to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). In addition, the risks related to sustainability are managed within

the framework of the Aluminium Stewardship Initiative (ASI) standards, which are the first and only sustainability certification standards in the aluminum industry.

All corporate risks, which also contain environmental risks, are taken into consideration in risk assessment and strategy development processes. Action plans are prepared for corporate risks and progress is periodically monitored by the executive boards of the company and the Holding as well as by the risk committee reporting to the relevant executive board.

Kibar Group considers the regulations adopted by the EU in line with its target to become carbon neutral by the year 2050 as a significant opportunity for sustainability and sustainable development since the Europe is one of the key business partners of the Group. The preparation of the roadmap for the net zero emission target also includes the analysis of the physical risks and transition risks that may arise due to climate change.

Investments for renewable energy sources and energy efficiency continue in order to reduce carbon emissions. Reforestation activities continue to create more forests, which are the most effective carbon sink in reducing greenhouse gas emissions. Waste generation is reduced while recycling and reuse capabilities are improved. Therefore, sending wastes to landfills is avoided so as to prevent such wastes from causing environmental impact and greenhouse gas emissions, particularly methane.

The Group's R&D and innovation activities are mainly based on the development of products and processes to support the efforts made regarding preparation for and compliance to green transformation. All steps taken to combat climate change are innovative, based on circular economy, and aim at increasing the use of clean energy. Group companies create their own roadmaps based on their sectoral requirements in line with this strategy.

Eco-friendly products developed as a result of intensive R&D activities significantly contribute to green transformation practices. Assan Hanil contributes to the reduction of carbon emissions of vehicles by carrying out R&D activities focusing on weight reduction in vehicles. This aims to minimize the negative impacts of products on climate change throughout their lifecycle by using the materials processed through the International Material Data System (IMDS) as raw materials in production.

Assan Panel contributes to the construction of sustainable buildings and thus the low-carbon economy with its eco-friendly products with heat insulation and fire resistance, allowing such buildings to make use of daylight at a maximum level, and compatible with systems to generate electricity from solar energy. With one of the best lambda values any closed cell insulation filler can offer, the innovative Smartcore product line reduces energy consumption in buildings.

Major trends introduced during the recent years to reduce the environmental impact in packaging industry allow production



of packaging materials from sustainable resources and a closed-end cycle within a circular economy wherever possible. For this purpose, recyclable packaging designs are featured. Since 2020, İspak has been working on various specifications for both recyclable and biodegradable packaging forms in its R&D center. In addition to the use of alternative raw materials, products with reduced weight, and activities for developing innovative products, focusing on packaging production that adopts various approaches in waste management aims at improving energy efficiency at product level.

Since the products manufactured by Assan Alüminyum are inherently suitable for circular economy, they provide a great advantage to climate action. Aluminum is a lighter and eco-friendly material compared to its alternatives. It preserves food longer and also 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 its ability for being easily processed. Aluminium can be recycled 100% and infinitely at the end of its lifecycle. This allows energy savings of up to 95%, compared to the production of primary aluminium.

Within the framework of the European Green Deal, the carbon border adjustment mechanism and related developments are closely followed. Collaborations with sector organizations are actively made in order to minimize any potential negative effects of regulations associated with greenhouse gas emissions.

CONSERVATION OF FORESTS AND PROMOTING REFORESTATION

Asım Kibar Sevgi Forest

The Group supports the maintenance and protection of the Asım Kibar Sevgi Forest, which was established by Kibar Holding in Istanbul in 1995 on an area of 10,000 m². In 2022, 11,860 trees were planted by the companies within the scope of reporting, and the number of trees planted in the last 3 years has reached over 21,500.

Assan Alüminyum Memorial Forest

With the aim of creating a more sustainable environment for future generations and with its motto of “Producing the Future, Without Wasting It”, Assan Alüminyum has taken part in many reforestation projects. Assan Alüminyum supports various reforestation campaigns, donates young trees on behalf of all participants to neutralize the carbon footprint created during customer activities, and plants saplings by the volume corresponding to the volume of wooden pallets used in packaging of the products. In 2022, Assan Alüminyum Memorial Forest consisting of 5,000 saplings, corresponding to the volume of wooden pallets used in packaging, was created through the Aegean Forest Foundation.

Assan Hanil 25th Year Forest

By donating 5,000 saplings to the Aegean Forest Foundation, Assan Hanil has introduced the project, “Assan Hanil 25th Year Forest” in Taşkoprü, Kocaeli.

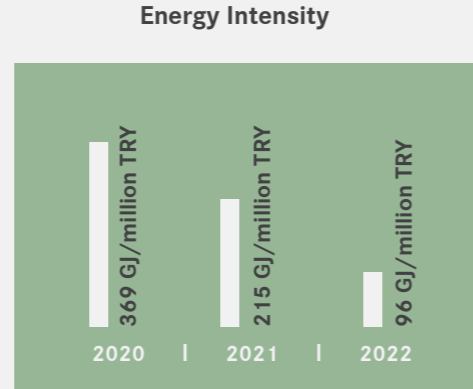
ENERGY AND EMISSION MANAGEMENT

In energy management, which is a key element of climate action and sustainable development, supply reliability, resource diversity, power generation from renewable energy sources, and efficient use of energy are particularly crucial. The Group makes investments in both power generation from renewable energy sources and efficient use of energy. In this way, it contributes to combating against climate change as well as to economic sustainability by reducing the share of energy costs included in total costs.

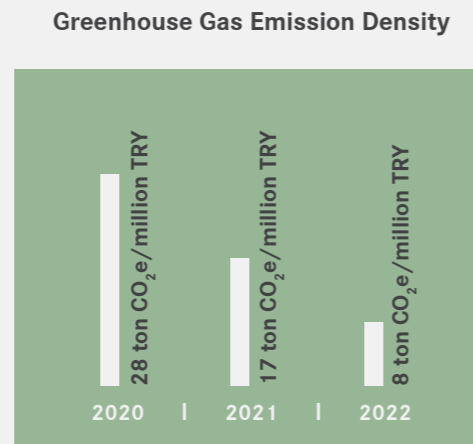
With the Manavgat Hydroelectric Power Plant, Kibar Group’s renewable energy investment, 146,002,000 kWh of electricity was generated from renewable energy sources in 2022.

Kibar Group continues activities for combating climate change by implementing projects and making investments ensuring energy efficiency in order to make the most efficient use of energy resources in all areas of activity. More than 100 energy efficiency projects have been implemented for the last 7 years and significant energy savings have been achieved. In 2022, activities for energy efficiency continued throughout Kibar Group and significant contributions were made.

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 reporting, decreased by 55.3% in 2022 compared to the previous year.



Emission density, which represents the amount of greenhouse gas (GHG) emissions released to the atmosphere to produce a unit of output on the basis of the companies within the scope of reporting, decreased by 52.9% in 2022 compared to the previous year.



Assan Alüminyum achieved Net-Zero for Scope 2 Emissions

Assan Alüminyum, one of Kibar Group’s energy-intensive companies, has achieved net-zero for Scope 2 emissions, representing the greenhouse gas emissions resulting from the consumption of electricity purchased in 2021 and 2022. In 2022, 80% of the electricity consumed was supplied by the Manavgat Hydroelectric Power Plant. The remaining energy amount was certified by the International Renewable Energy Certificate (I-REC), proving that the energy consumed is produced from renewable energy sources.

Nearly 1.1 million kWh/year electricity saving was achieved at Assan Alüminyum’s recycling facility in 2022, adding standby function to the rotary furnace hydraulic pump, T-cast line-5 roller cooling circulation pump energy efficiency project as well as various projects to improve energy efficiency in lighting, air conditioning, fans, processes, pumps, and compressed air systems.

Nearly 6.2 million m³/year natural gas saving was achieved by various projects, including D-LTF-03 insulation work, T-TAV furnace-5 firing system revision, compressed air systems air leakage controls, improving parallel and liquid metal supply rates in melting furnaces based on project actions focusing on energy efficiency.



Kibar Holding Manavgat Hydroelectric Power

At Assan Panel Balıkesir plant, rockwool dust collection system revision was carried out to reduce the number of fans installed in the system, resulting in electricity saving. In addition, nearly 4,500 m³/year natural gas saving was achieved by using waste heat generated during the production of polyester polyol.

Training activities were organized for blue-collar personnel to raise awareness about energy efficiency.

Energy Efficiency Awareness Project

Kibar Group strives for improving efficiency in the entire energy chain. Various practices have been adopted, including reducing energy intensity in production and everyday work routine, minimizing losses, implementation of methods and technologies to improve efficiency in production processes in addition to using efficient office equipment and proper use of electric devices and equipment in the office.

In addition to corporate operations, Kibar Group also carried out awareness/communication activities on the efficient use of energy through the Kibar Group Sustainability Platform in 2022 for taking personal measures.

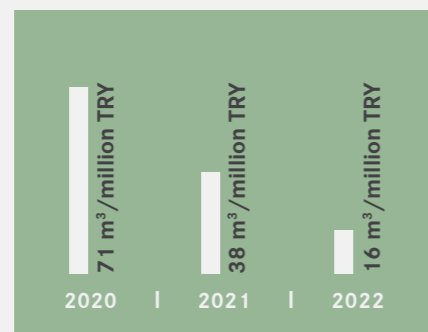
WATER MANAGEMENT

The sustainability of water resources forms a basis for various subjects, including, among others, the sustainability of water and food supply among the vital necessities, energy security, economic growth, taking action against climate change, and preventing loss of biodiversity. Therefore, the efficient use of water is of great importance and this requires the proper management of water resources.

Kibar Group carries on necessary activities for sustainable water use and continuous improvement of water management processes.

As a result of the activities carried out for the efficient use of water resources, water intensity has been reduced at Kibar Group. The companies within the scope of reporting reduced water intensity, which represents the amount of water consumed to produce a unit of output, by 57.9% in 2022 compared to the previous year.

Water Management



Wastewater Recovery Plant Investment

The Wastewater Recovery Plant, which was integrated into the Wastewater Treatment Plant established in 2014 in the Asım 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 2022, the amount of recovered water produced at the Wastewater Recovery Plant and used in the process lines and irrigation systems of companies amounted to 480,000 m³. The amount of water recovered from May 2018, when the Waste Water Recovery Plant began operations, until the end of 2022 was approximately 2.5 million m³.

WASTE MANAGEMENT

The development journey, which began with the Industrial Revolution and has continued up to Industry 4.0, has led to a growth in the global economy; however, it has put a tremendous strain on the ecological system of the planet. One of the key steps in slowing down human destruction of the nature is adopting the circular economy approach, which allows reusing resources.

Kibar Group has adopted a production model based on circular economy and innovation in line with its sustainable industry goal. Waste reduction, recycling, and disposal by eco-friendly methods are included in the priorities of Kibar Group within the scope of waste management.

Within this scope, Kibar Group companies aim to ensure utilization of all wastes by continuous review of their production processes. Thanks to these activities serving for the efficient use of resources and environmental benefit, Kibar Group achieved recycling/recovery of 31.3% of raw materials used in 2022.

The rate of raw materials reused as production input by recycling/recovery increased by 5% in 2022 compared to the previous year and by 14.2% within the last 3 years.

The rate of raw materials reused by recycling/recovery at the companies within the scope of reporting

increased by **2.3%**

in 2022 compared to the previous year.

The rate of raw materials reused by recycling/recovery at the companies within the scope of reporting

increased by **11.3%**

within the last 3 years.

The waste recovery rate of the companies within the scope of reporting was 99.3% in 2022.

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. For 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 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 compared to primary aluminum, this practice offers a significant advantage for sustainability.



Within the scope of the Bioplastic Raw Material Project, Assan Hanil uses olive seeds and tomato pulps after processing in order to provide an eco-friendly 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 some sectors including construction.

Through the Cockpit Line Efficiency Improvement project at Assan Hanil, cockpit parts wastage was successfully reduced and laser cutting capabilities of the company were improved. Following the implementation of the project with similar processes in all plants, the wastage or scraps are intended to be reduced to minimum levels and sustainable efficiency is to be achieved.

With the implementation of the project introduced at Assan Hanil in 2018, the cleaning thinner used in robotic equipment in paint shop facilities at Izmit and Aksaray plants is treated and reused after recycling by 50%. Therefore, the rate of hazardous waste is significantly reduced. With the project for using Nitrogen Equipment at Assan Hanil Aksaray Plant, the chemicals used were reduced by 10%, the quality was improved, and process stability was achieved.

Through Jig Heat Treatment and Skid Pole Coating Project at Assan Hanil Aksaray Plant, the use of 125 tons of chemicals and 93.6 tons of non-recyclable plastic bags as well as 146.6 tons of potential partial plastic wastes have been prevented for the last 10 years. As a result of activities to reduce wastage at the facilities, improvement in waste reduction was 18.4% in 2022.

At İspak, pet waste that is recycled for energy is used as filling material.

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. Commitment was made to gradually reduce single-use plastics at office spaces by 2023 and completely eliminate such use as of 2023.

İnteraktif Çevre Danışmanlık

Founded under Kibar Group and carrying on operations since 2015, İnteraktif Çevre Danışmanlık provides the Group companies and other clients with total waste management, environmental consultancy, zero waste consultancy, and sustainable tourism certification 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.

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.

In 2022, another endangered plant species, "Pancratium maritimum - sea daffodil" which grows throughout the coastal sands of Türkiye and was recently added to the Red List of Threatened Species by the International Union for Conservation of Nature (IUCN), was restored in the nature.

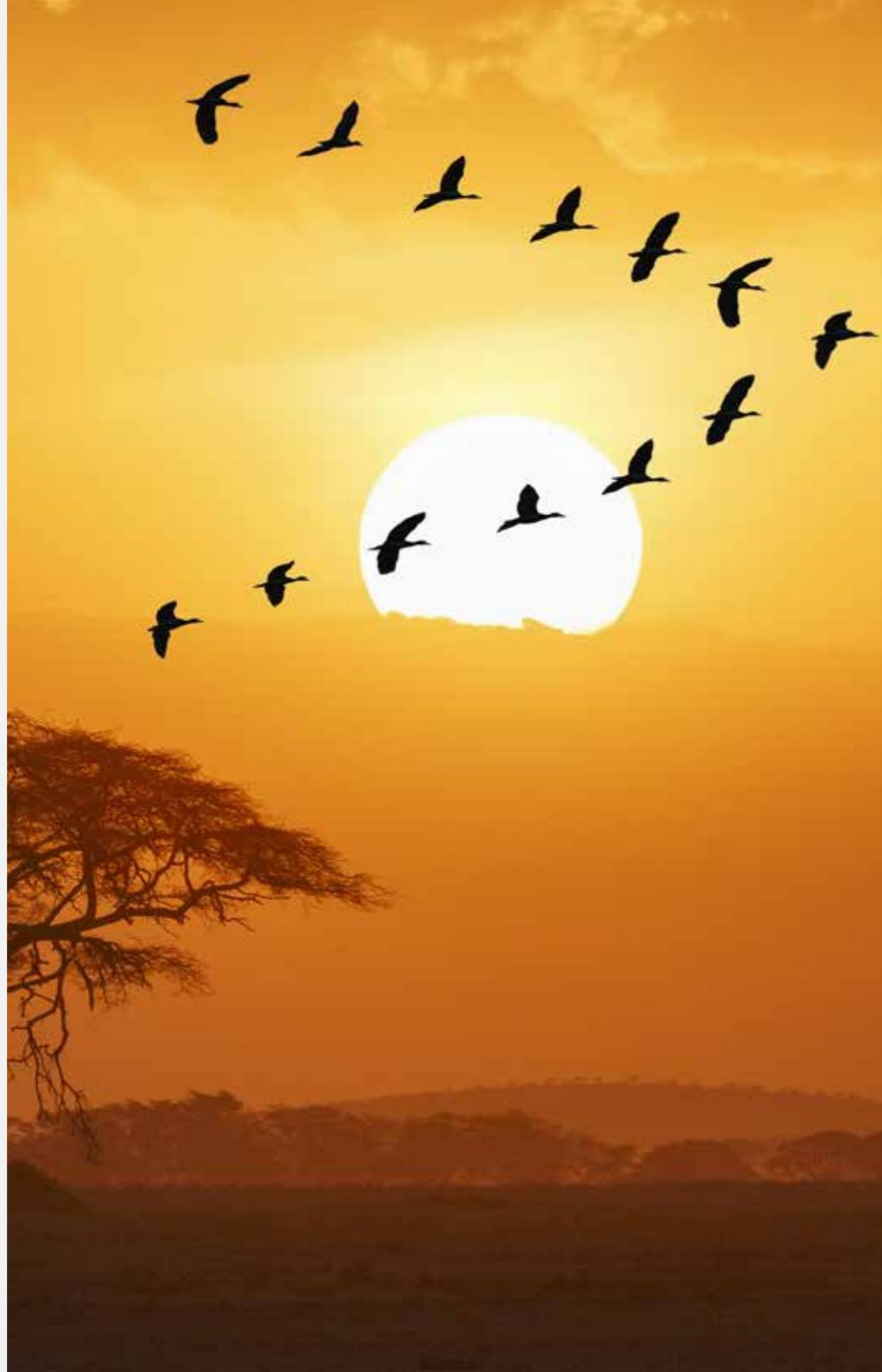


We expect our stakeholders to adopt Sustainable Development Goals.



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 at Kibar Group are an integral part of corporate sustainability practices.



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, 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 also encourages 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.

STAKEHOLDER GROUPS

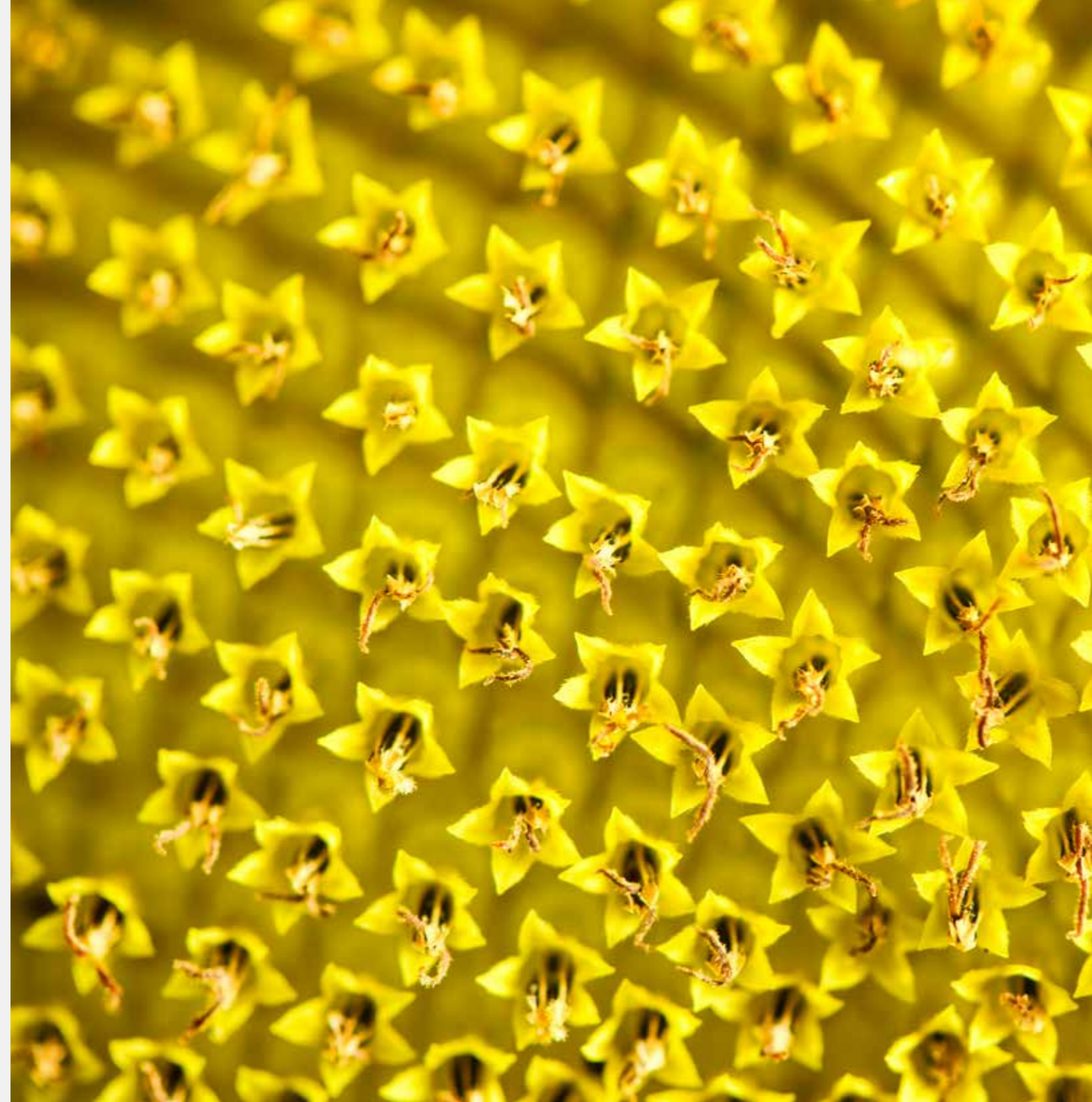
COMMUNICATION PLATFORMS	Employees	Group Companies	Customers	Dealers/Dealerships	Stakeholders & Investors	Public Institutions	Academic Institutions
	Activity Report (annual)	Activity Report (annual)	UNGC Report (annual)	UNGC Report (annual)	Activity Report (annual)	UNGC Report (annual)	UNGC Report (annual)
	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		University Career Clubs / University students		
	UNGC Report (annual)		UNGC Report (annual)		Surveys (instant)		
	Web (ongoing)		Web (ongoing)		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 and market segments, Kibar Group has an extensive supplier 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 having high-tech capabilities within the common purchasing structure and offering high energy efficiency products & services are preferred while purchasing operations are conducted through a global supplier network.

All suppliers are expected to implement the Procurement Code of Conduct defined by corporate documents and procedures, which is an integral part of Kibar Group's Code of Conduct. The sustainability performance of the wide supply network consisting of more than 5,500 active suppliers is constantly monitored and 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 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.



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

Kibar Group Supplier Sustainability Program (K-Star)

In 2022, the Supplier Sustainability Program (K-Star) project was introduced with the aim of improving and speeding up the contribution of over 5,500 active suppliers of Kibar Group in various industries and sizes to the United Nations Sustainable Development Goals as well as the Group's sustainability goals and targets. The project aims at extending the scope of the sustainability principles, objectives, and targets in addition to transforming the responsible procurement principles into business processes.

Implemented in line with the Group's principle of "WE ENCOURAGE our stakeholders," the K-Star Project consists of the following key stages:

- The analysis of the suppliers' needs within the framework of sustainable procurement;
- Determination of the rules and principles of sustainable procurement, creation of assessment criteria, process steps as well as program monitoring structure;
- Designing supplier rewarding and incentive approach; and
- Implementation, monitoring, and assessment of the program.

Kibar Group Framework Agreement

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

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

Kibar Group's supplier:

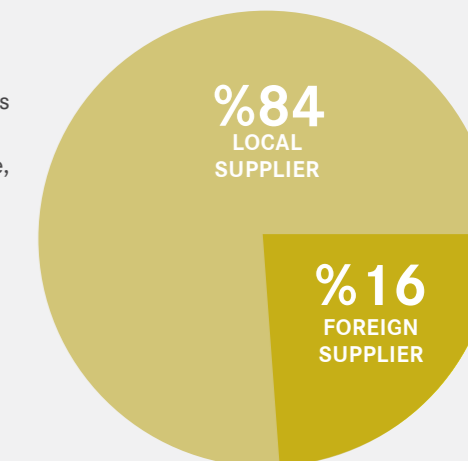
- shall not force its employees to work involuntarily in any manner whatsoever;
- shall not employ child labor;
- shall not expose employees to physical punishments or physical, sexual, psychological, or verbal abuse;
- shall not offer bribes to any Kibar employee under any title or condition whatsoever;
- shall not keep employee wages at a lower level than the minimum wages, including salary and overtime pay, as provided under 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.

Supplier selections are made in accordance with the rules set out in the Group's procurement procedure and the approved supplier list.

Supplier risk assessments and performance evaluations are carried out for all suppliers. Supplier audits and site visits are organized based on the results of these evaluations. 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 during performance evaluation processes, process audits are carried out on various topics referred to in applicable codes of conduct and framework agreements, and up-to-date data are requested from suppliers whenever required for follow-up. During the audits, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certifications are investigated. Performance scorecards, which contain detailed information on all processes based on the performance evaluation, are shared with the suppliers and necessary discussions and planning are undertaken for areas of improvement.

In 2022, 98% of suppliers were subject to audits. During the reporting period, there were no negative supplier assessment regarding environmental criteria and no contract was terminated in this context.

Kibar Group prefers local procurement practices to the greatest extent possible with a view to being able to increase the contribution of its activities to the national economy. In 2022, Kibar Group had 5,540 domestic suppliers and the domestic procurement rate was 84%.



*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

Various activities are carried out with students in Asım Kibar Vocational and Technical Anatolian High School, which was built in Istanbul by Kibar Group and began educational activities in 2010, in order to help students adopt sustainability culture. These activities are part of the sustainability efforts of Kibar Group. Within this scope, communication activities on environmental consciousness, climate change, and recycling are organized. Pursuant to the protocol between the Republic of Türkiye Ministry of Culture and Tourism and the Republic of Türkiye Ministry of National Education, Asım Kibar Vocational and Technical Anatolian High School was granted the “Project School” status. Within the scope of the intensive foreign language teaching program, students are provided with intensive foreign language courses in English, German, and Russian. The first and only Barista Training Center among the schools under the Republic of Türkiye Ministry of National Education is established at Asım Kibar Vocational and Technical Anatolian High School.

Semiha Kibar Kindergarten, which was built by Kibar Group in Sarıseki district of Iskenderun, 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, 751 children have received preschool 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 90 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 2,500 patients have received organ transplants and over 8,000 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 Iskenderun, Hatay in 2013, meetings, concerts, training activities, and recreation activities are organized.

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 for the purpose of providing hotel management and tourism students with practical training accompanied by specialized teachers. 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. In 2022, 230 conferences were organized and nearly 50,000 guests participated in these conferences in the center. In Semiha Kibar Recreation Center, 360,000 guests were served in the restaurant space and 100,000 guests had the opportunity to benefit from the library in 2022. Waste sorting activities are carried out for wastes generated in the Center and such wastes are recycled through the relevant waste collection and recycling facilities.

SOCIAL RESPONSIBILITY ACTIVITIES

Kibar Volunteers

Kibar Volunteers Project, which was introduced for execution of social responsibility activities to be carried out voluntarily by the employees of Kibar Holding and Group companies, allows employees to participate in volunteering activities in a comprehensive and flexible manner. This project 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,” nearly 4,400 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 3 different regions. Kibar Volunteers have helped build 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.

Sharing their activities with the public through the Kibar Volunteers Activity Report, volunteers have moved all their processes to the digital environment available on the website: www.kibargonulluleri.com. 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 6 different areas or by participating in existing projects.

- Corporate Social Responsibility Project / Support for Disadvantaged Schools: These are the activities carried out by volunteers within the scope of corporate social responsibility projects undertaken by Kibar Holding.

- Company Corporate Social Responsibility Projects: Volunteers can also participate in corporate social responsibility projects to be carried out in individual Group companies on a voluntary basis.
- Volunteer Projects: Volunteer activities carried out on a project basis. Volunteers jointly decide in which area they will work and can continue their activities by forming a project group among themselves.
- Non-Governmental Organization (NGO) 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 “Açık Açık” 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.



Mehmet Turan Workshop - Garden Class Construction

Mehmet Turan Workshop was built in the garden of Mimar Sinan Primary School, providing education to 2,500 students in Tuzla, by Kibar Volunteers. In the garden class, designed as an outdoor child-friendly construction in the school premises, students, volunteers, and teachers gather together to carry out various activities such as drama, creative reading, and intelligence games.

Landscaping Renovation Project

Comprehensive landscaping renovation works were carried out by Kibar Volunteers at Izmit Ali Kâhya Primary School, providing education to 750 students. Renovated for the students to carry on their education activities in a more hygienic and sanitary environment, school floors and indoor surfaces were renovated and painted followed by redesigning the school garden flooring and groundworks by taking into consideration dedicated playgrounds for children.

Kindergarten Construction

Kibar Volunteers built a kindergarten equipped with elements contributing to the development of children such as music, books, building blocks, art, sciences, drama roleplays, table and board game centers within Iskenderun Kılıç Ali Paşa Primary School. This kindergarten is the first of its kind in Iskenderun with such extensive equipment and facilities.

Istanbul Marathon

Kibar Volunteers runner team joined the 44th Istanbul Marathon to race for the benefit of UNICEF and Koruncuk Foundation. 29 volunteers participating in the marathon have reached out to 557 donators with the messages they communicated to the public.

Voluntary E-Mentorship

Participating in the “E-Mentorship Program” introduced by the Private Sector Volunteers Association (ÖSGD), Kibar Volunteers mentored the students of Darüşşafaka Schools. During the program, students have had the opportunity to develop their competencies in various areas.

In addition, Kibar Volunteers, assuming the role of e-mentors, also participated in activities for equal opportunities in education by taking part in the “Private Tutors Volunteering” project in cooperation with the Tuvana Foundation for the Education of Motivated Children (TOÇEV).

Assan Hanil Uludağ Üniversitesi İş Birliği

The project, which was developed by Assan Hanil based on industrial-university cooperation with Uludağ University, also includes activities to support students in their education by involving company executives to share their experiences in the industry with the students.

UNICEF Empowering Girls as Future Leaders Training Support

Assan Alüminyum provided training support to 1,000 disadvantaged girls by donating to UNICEF's Leader Girls of the Future project. Therefore, it supported the disadvantaged adolescent girls in participating in a 6-week skills development training activities within the scope of the program introduced by UNICEF to empower girls in Türkiye.

Collaboration with TOÇEV

As in the previous years, Assan Hanil contributed to the children's education by making donations to TOÇEV on behalf of the participants of the Customer Satisfaction Survey in 2022.

Art in the Factory

Since 2017, Assan Alüminyum has supported the students studying at the fine arts department of universities by purchasing and exhibiting their artwork in production plants and offices of the company. In 2022, a workshop was organized with the participation and contribution of the students of Marmara University Faculty of Fine Arts, Painting Department within the scope of the "Art in the Factory" project. 50 paintings created by the students were purchased for display. With this project, young artists are supported in their education and their paintings are exhibited throughout the production plants.

Children's Theater

One of the projects of Assan Alüminyum to contribute to local communities is the sponsorship of the children's theater. Sponsored by Assan Alüminyum in 2022, Tiyatro Gilima's theater play titled "Doğa Zabıtası" (The Nature Police) welcomed many students as the audience. With a total of 4 theater plays covering various topics, including climate change, planting trees, and recycling, staged at Dilovası Municipal Cultural Center and Tuzla Ulubatlı Hasan Primary School, it was aimed at inspiring children to love nature and raising environmental awareness.

Supporting Arts

Within the scope of the "Biodiversity Preservation Project," which was introduced by Assan Alüminyum in cooperation with Kocaeli University, Assan Alüminyum became the main supporter of the play titled "Kum Zambakları" (Sea Daffodils), which was staged in Zorlu PSM Center and shares the same name as the endangered plant species that was restored in the nature under the project.





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 2022 SUSTAINABILITY REPORT-REPORTING GUIDE

This reporting principles (the “Reporting Principles”) provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in the Kibar Holding A.Ş.’s (the “Group” or “Kibar Holding”) Kibar Holding 2022 Sustainability Report (the “2022 Sustainability Report”).

These indicators include social indicators, environmental indicators and economic indicators. It is the responsibility of the Company’s management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Guidance.

The information in this Reporting Principles covers the period from January 1, 2022 to December 31, 2022 (fiscal year 2022) 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 San.ve Tic. A.Ş. (“Assan Alüminyum”)
- Assan Panel San. ve Tic. A.Ş. (“Assan Panel”)
- Assan Hanil Otomativ San. ve Tic. A.Ş. (“Assan Hanil”)
- İspak Esnek Ambalaj San. A.Ş. (“İspak”)

General Reporting Principles

In preparing this guidance document, consideration has been given to following principles:

- Information Preparation – to highlight to users of the information the primary principles of relevance and reliability of information; and
- Information Reporting – to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

Key Definitions and Reporting Scope

For the purpose of this report, the Company defines:

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. Intern employees are not included in the total number of employees.
	Number of employees by gender	It means the number of employees classified as men and women in the total number of employees in Kibar Holding and Companies during the reporting period.
	Number of white collar employees by gender	It means the number of white-collar male and female employees included in the total number of employees in Kibar Holding and Companies during the reporting period.
	Number of blue collar employees by gender	It means the number of blue-collar male and female employees included in the total number of employees in 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.
	Ratio of female managers (%)	It means the ratio of female executives among the total number of senior executives in Kibar Holding and Companies, defined as “senior”, with the titles of “CEO, CFO, Vice President, General Manager, Assistant General Manager, Director, Consultant and Manager” in the reporting period.
	Number of employees on maternity/paternity leave by gender	It means the number of female employees who took maternity leave within the scope of the Regulation on Part-Time Work to Be Done After Maternity Leave or Unpaid Leave and the number of male employees who took paternity leave within the scope of Labor Law No. 4857 in the reporting period.
	Number of employees returning from maternity/paternity leave by gender	It means the number of female employees who returned from maternity leave within the scope of the Regulation on Part-Time Work to Be Done After Maternity Leave or Unpaid Leave and the number of male employees who returned from paternity leave within the scope of Labor Law No. 4857 in the reporting period.

Type	Indicator	Scope
Social Indicators	Occupational Health & Safety	
	Injury rate by gender (%) (direct employment)	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 by gender (%) (direct employment)	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 by gender (%) (direct employment)	It means the ratio found by multiplying the ratio of the number of men and women who are contractors employees in the reporting period to the total working time, who fall under the definition of “occupational disease” within the scope of the Occupational Health and Safety Law No. 6331, by the value of thousand.
	Work-related deaths by gender (direct employment)	It refers to the number of employees who are directly employed in the reporting period, who fall under the definition of “death work accident” within the scope of the Occupational Health and Safety Law No. 6331.
	Work-related deaths by gender (contractor’s employees)	It refers to the number of employees who are employed by contractors in the reporting period, who fall under the definition of “death work accident” within the scope of the Occupational Health and Safety Law No. 6331.
	Total number of employees participating in ohs trainings	It refers to the total number of directly employed employees, who participated in OHS Trainings and were followed and recorded on the training tracking platform of Kibar Holding Human Resources during the reporting period.
	Total number of contractor’s employees participating in ohs trainings	It refers to the total number of employees of the contractors, who participated in the OHS Trainings, which were followed and recorded on the training tracking platform of Kibar Holding Human Resources during the reporting period.
	Total ohs training hours allocated to employees	It refers to the total hours of training given to the total number of directly employed employees who participated in OHS Trainings, followed and recorded on the training tracking platform of Kibar Holding Human Resources during the reporting period.
	Total ohs training hours allocated to contractor’s employees	It refers to the total hours of training given to the total employees of the contractors, who participated in the OHS Trainings, followed and recorded on the training tracking platform of Kibar Holding Human Resources during the reporting period.
	Number of ohs committees established	It refers to the number of Occupational Health and Safety Committees formed by Kibar Holding and Companies in the reporting period, in accordance with the Regulation on Occupational Health and Safety Committees No. 28532, to work on issues related to occupational health and safety at work.
	Total number of members in ohs committees established	It refers to the total number of members of the Occupational Health and Safety Committee, which was formed by Kibar Holding and Companies to work on occupational health and safety issues in the workplace in accordance with the Regulation on Occupational Health and Safety Boards No. 28532.
	Number of representatives serving in ohs committees established	It refers to the number of employee representatives in the Occupational Health and Safety Committee, which was formed by Kibar Holding and Companies to work on occupational health and safety issues in the workplace in accordance with the Regulation on Occupational Health and Safety Boards No. 28532.
	Training Activities	
Number of participants in employee trainings by gender	It refers to the number of male and female participants who participated in employee trainings, followed and recorded on the training tracking platform of Kibar Holding Human Resources during the reporting period.	
Total hours of employee trainings by gender	It refers to the total number of training hours attended by male and female employees who participated in employee trainings, followed and recorded on the training tracking platform of Kibar Holding Human Resources during the reporting period.	
Number of employee under performance review	It refers to the number of male and female employees who participated in the performance evaluation, who were followed and recorded on the performance evaluation platform of Kibar Holding Human Resources during the reporting period.	
Suppliers		
Number of local suppliers	It refers to the total number of local suppliers that Kibar Holding and Companies work with, which can be mapped with Kibar Holding’s financial reporting systems during the reporting period.	
Number of foreign suppliers	It refers to the total number of foreign suppliers that Kibar Holding and Companies work with, which can be mapped with Kibar Holding’s financial reporting systems during the reporting period.	
Local supplier ratio (%)	It refers to the ratio of the number of local suppliers that Kibar Holding and Companies work with within the total number of suppliers, which can be mapped with Kibar Holding’s financial reporting systems during the reporting period.	
Foreign supplier ratio (%)	It refers to the ratio of the number of foreign suppliers that Kibar Holding and Companies work with within the total number of suppliers, which can be mapped with Kibar Holding’s financial reporting systems during the reporting period.	

Type	Indicator	Scope
Environmental Indicators	Energy Consumption	
	Direct Energy Consumptions	
	Natural Gas (GJ)	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. It is reported in gigajoule (GJ).
	Diesel (GJ)	It means the total 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 gigajoule (GJ).
	Gasoline (GJ)	It means the total 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 gigajoule (GJ).
	Total direct energy consumption (gj)	It means the total amount of natural gas, diesel and gasoline purchased for the locations included in the scope during the reporting period and used in the relevant locations. It is reported in gigajoule (GJ).
	Indirect Energy Consumption	
	Electricity (GJ)	It means the total amount of electricity purchased during the reporting period and used in air conditioning, lighting, electrical appliances and other operations requiring electricity. It is reported in gigajoule (GJ).
	Total indirect energy consumption (gj)	It means the electricity consumption in GJ purchased and used for the locations included in the scope during the reporting period.
	Total Energy Consumption	
	Total energy consumption (gj)	It means the sum of the Total Direct Energy Consumption and the Total Indirect Energy Consumption consumed by the Companies during the reporting period.
	Energy density (gj/million try)	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 TRY.
	Emissions	
	Scope 1 emissions (tonnes co2e)	It means greenhouse gas emissions due to Total Direct Energy Consumption at the relevant locations of the Companies during the reporting period. The company calculates its Scope-1 emissions in accordance with the standard "TS EN ISO 14064-1:2018 Greenhouse Gases-Part 1: Guidance and Specifications for the Establishment Level Calculation and Reporting of Greenhouse Gas Emissions and Removal".
	Scope 2 emissions (due to total energy consumption) (tonnes co2e)	It means greenhouse gas emission due to Total Indirect Energy Consumption at the relevant locations of the Companies during the reporting period. The company calculates its Scope-2 emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases-Part 1: Guidance and Specifications for the Establishment Level Calculation and Reporting of Greenhouse Gas Emissions and Removal".
	Scope 2 emissions (balanced by renewable energy sources) (tonnes co2e)	It means the greenhouse gas emission due to the Indirect Energy Consumption remaining after the electricity obtained from renewable energy sources with the I-REC certificate produced and purchased at the relevant locations of the Companies in 2021 and 2022. The company calculates its Scope-2 emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases-Part 1: Guidance and Specifications for the Establishment Level Calculation and Reporting of Greenhouse Gas Emissions and Removal".
	Scope 3 emissions (tonnes co2e)	It means the 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 emissions density (tonnes co2e/million try)	It means the amount of carbon dioxide equivalent greenhouse gasses 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 TRY.
	Renewable Energy Production	
	Renewable energy production (gj)	It refers to electricity generation from renewable energy sources generated by the companies during the reporting period. It is reported in gigajoule (GJ).
Renewable Energy Consumption		
Renewable energy consumption (gj)	It 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). It is reported in gigajoule (GJ).	
Use of Natural Resources		
Production output (tonnes)	It refers to the production amount in tons, which is followed by the production tracking platform and TUIK Reporting, realized by the companies Assan Alüminyum and İspak during the reporting period.	

Type	Indicator	Scope
Environmental Indicators	Energy Consumption	
	Water Management	
	Well water consumption (m ³)	It refers to the total well water consumption used by the companies at the relevant locations during the reporting period. It is reported in m ³ .
	Municipal water consumption (m ³)	It refers to the total municipal consumption used by the Companies at the relevant locations during the reporting period. It is reported in m ³ .
	Total water consumption (m ³)	It 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 (m ³ /million try)	It refers to the amount of water consumed by the Companies to produce a unit of revenue during the reporting period. It is reported as m ³ /million TRY.
	Waste Management	
	Total amount of hazardous wastes (tonnes)	It refers to the amount of hazardous waste generated by the companies, which is tracked by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System) during the reporting period.
	Hazardous wastes – Energy recovery (tonnes)	It refers to the amount of hazardous waste generated by the companies and sent to energy recovery, followed by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System) during the reporting period.
	Hazardous wastes – Recovery (tonnes)	It refers to the amount of hazardous waste generated by the companies and sent for recycling, followed by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System) during the reporting period.
	Hazardous wastes – Waste collection site (tonnes)	It refers to the amount of hazardous waste generated by the companies and sent to the landfill, followed by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System) during the reporting period.
	Hazardous wastes – Waste incineration (tonnes)	It refers to the amount of hazardous waste generated by the companies and sent to waste incineration, followed by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System) during the reporting period.
	Hazardous wastes – Other (tonnes)	In the reporting period, it refers to the amount of hazardous waste that is tracked by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System), and that processes other than energy recovery, recycling, landfill and waste incineration are generated by the companies.
	Total amount of non-hazardous wastes (tonnes)	It refers to the amount of non-hazardous waste generated by the companies, which is tracked from the invoices received from the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System) and licensed waste processing facilities during the reporting period.
	Non-hazardous wastes – Energy recovery (tonnes)	It refers to the amount of non-hazardous waste generated by the companies and sent to energy recovery, followed by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System) during the reporting period.
	Non-hazardous wastes – Recovery (tonnes)	It refers to the amount of non-hazardous waste generated by the companies and sent for recycling, followed by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System) during the reporting period.
	Non-hazardous wastes – Waste collection site (tonnes)	It refers to the amount of non-hazardous waste generated by the companies and sent to the landfill, followed by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System) during the reporting period.
	Non-hazardous wastes – Waste incineration (tonnes)	It refers to the amount of non-hazardous waste generated by the companies and sent to waste incineration, followed by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System) during the reporting period.
	Non-hazardous wastes – Other (tonnes)	In the reporting period, it refers to the amount of non-hazardous waste that is tracked by the MOTAT (Mobile Waste Tracking System) available on the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System), and that processes other than energy recovery, recycling, landfill and waste incineration are generated by the companies.
	Total waste (tonnes)	It refers to the total amount of hazardous waste and non-hazardous waste generated by the companies during the reporting period.
Amount of recycled/recovered waste (tonnes)	It refers to the amount of hazardous and non-hazardous waste that is recycled/recovered in the places where the operations of the Companies take place during the reporting period.	
Ratio of recycled/recovered waste (tonnes)	It refer to 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. It is reported as %.	
Waste density (tonnes/million try)	It refers to the amount of waste generated by the Companies to produce one unit of revenue during the reporting period. Reported in tons/million TRY.	
Economic Indicators	Net sales revenue (try)	It refers to the Company's net sales revenues, which can be mapped with financial reporting systems during the reporting period.

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 Alüminyum Tuzla Plant also includes the water consumption of Assan Panel Tuzla and İspak Tuzla plants. Water is distributed to all facilities by the auxiliary enterprises of Assan Aluminium Tuzla Facility and includes mains water, well water, utility water, cooling water and hot water consumption.

Water Density

Water density corresponds to the total amount of water consumed as a result of earning one million TRY and is calculated according to the formula below.

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

Waste Density

Waste density corresponds to the amount of hazardous and non-hazardous waste produced to generate an income of one million TRY and is calculated according to the formula below.

- Waste Density (ton/million TRY) = Waste Amount (ton) / Sales Revenue (million TRY)

Recycled/Recovered Waste Ratio

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

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

Direct Energy Consumption by Fuel Type

Natural Gas

The natural gas supply unit is invoiced in “m³” and the natural gas activity data is converted into gigajoule (GJ) units. The following formula is used for conversion. The monthly average “Net Calorific Value (NKD)-Lower calorific value” data is obtained in terms of “kcal/m³” and from the natural gas distribution companies that supply natural gas and the general directorates of the relevant organized industrial zone.

[Activity Data (m³)*NKD (kcal/m³)* 4 184 (joules/kcal)*0.00000001 (GJ/joules)]

Motorine

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

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

The following formula is used in the conversion of diesel fuel activity data in “liters” into gigajoules (GJ). Annual average “density” value in “kg/liter” is taken from the company that supplies diesel oil. The NKD value is taken from the “2006 IPCC Guidelines for National Greenhouse Gas Inventories/Volume 2 Energy/Chapter 1 Introduction”.

[Activity Data (liter)*Density(kg/liter)*0.000001 (Gg/kg)*NKD(TJ/Gg)* 1000(GJ/TJ)]

Gasoline

Gasoline supply unit is invoiced in “liter” and the following formula is used in converting gasoline activity data to gigajoule (GJ). The annual average “density” value in “kg/liter” is taken from the company that supplies gasoline. The NKD value is taken from the “2006 IPCC Guidelines for National Greenhouse Gas Inventories/Volume 2 Energy/Chapter 1 Introduction”.

[Activity Data (liter)*Density(kg/liter)*0.000001 (Gg/kg)*NKD(TJ/Gg)* 1000(GJ/TJ)]

Indirect Energy Consumption

The amount of electrical energy is reported as “kWh” and the conversion factor of “1 kWh electricity=0.0036 GJ” of the International Energy Agency is used in its conversion to “GJ” unit.

Energy Density

Energy density corresponds to the direct and indirect energy consumption consumed to generate one million TRY of income and is calculated according to the formula below:

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

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

Scope-1 Emissions

• Among the energy consumption sources for Assan Alüminyum, Assan Panel, Assan Hanil and İspak, natural gas, diesel, gasoline are the primary fuel sources and the scope 1 emission inventory consists of these sources. The data is obtained by the breakdown of the meter, invoice, receipt and vehicle identification system of the service providers.

• Diesel for stationary combustion is consumed by the generator, fire pumps and consumption data is obtained from service providers' invoices. Gasoline and diesel consumption of company vehicles is obtained from the invoices of the vehicle identification service provider.

• The following formula is used to calculate emissions (Scope 1) from direct fuel combustion.
 [Fuel Emission (tonCO2e) = Activity Data (FV) * Emission Factor (ton CO₂e/FV) * Oxidation Factor (YF)]

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

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

Scope-2 Emissions

• Electricity consumption data for Assan Alüminyum, Assan Panel, Assan Hanil and İspak is reported as the total electricity consumption of company locations. The data is obtained through monthly breakdown follow-ups of the companies and invoice statements taken from location-based electricity distribution companies.

• Scope-2 emissions have been calculated based on the Monthly Electricity Production-Consumption Reports of 2022 published by Turkish Electricity Transmission A.Ş. (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 cover the data of the flights and personnel services made by company employees for Assan Alüminyum, Assan Panel, Assan Hanil and İspak. The data is obtained by companies, detailed flight logs and itineraries of personnel services. Scope 3 emissions are calculated with reference to UK DEFRA 2021 Emission Factors.

Greenhouse Gas Emission Density

Greenhouse gas emission density corresponds to the equivalent of tons of carbon dioxide emitted into the atmosphere as a result of earning one million TRY and is calculated according to the formula below:

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

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	2022	
Total number of employees	3,189	3,478	3,780	✓
Total number of white-collar women employees	262	283	314	✓
Total number of white-collar male employees	493	494	515	✓
Total number of blue-collar women employees	71	104	116	✓
Total number of blue-collar male employees	2,363	2,597	2,835	✓
Total number of women employees	333	387	430	✓
Total number of male employees	2,856	3,091	3,350	✓
Number of Employees by Age Groups				
Number of employees under 30 years old	523	572	835	
Number of employees between 30-50 years	2,515	2,641	2,692	
Number of employees 50 years and over	151	265	253	
Total Number of Senior Executives**				
Number of women executives	32	39	39	✓
Number of male executives	108	116	118	✓
Percentage of women executives	22.9%	25.2%	24.8%	✓
Maternity Leave				
Number of women employees on maternity leave	12	11	16	✓
Number of male employees on paternity leave	206	187	198	✓
Number of women employees returning from maternity leave	13	11	16	✓
Number of male employees returning from paternity leave	206	187	195	✓

*It includes Kibar Holding and Group companies within the reporting scope.
 **Applicable for managers and higher job positions.

✓ Confirmed by the 2021 Limited Assurance Report.

✓ Confirmed by the 2022 Limited Assurance Report.

Employee Development			
Training Activities	2020	2021	2022
Employee Training - Number of Participants (person)			
Blue-collar	1,607	17,467	18,970
White-collar	1,922	5,954	5,265
Women	788	2,370	2,753
Men	2,741	21,051	21,482
Total	3,529	23,421	24,235
Employee Training - Total Hours (hours)			
Blue-collar	4,305	30,127	79,997
White-collar	4,214	13,493	26,934
Women	1,730	5,690	9,553
Men	6,789	37,930	97,377
Total	8,519	43,620	106,931
Employee Suggestion Systems			
Number of suggestions submitted	5,624	3,179	2,734
Number of suggestions implemented	967	314	1,146
Employee Under Performance Review			
Blue-collar	1,570	0	0
White-collar	581	588	609
Women	184	190	210
Men	1,967	398	399
Total	2,151	588	609

Occupational Health & Safety					
Injury Rate	2020	2021	2022		
Direct Employment					
Women	4.15 ✓	2.19 ✓	10.66 ✓		
Men	15.29 ✓	19.00 ✓	9.60 ✓		
Accident Severity Rate					
Direct Employment					
Women	0.01 ✓	0.02 ✓	0.07 ✓		
Men	0.25 ✓	0.33 ✓	0.20 ✓		
Occupational Disease Rate (ODR)					
Direct Employment					
Women	0 ✓	0 ✓	0 ✓		
Men	0 ✓	0 ✓	0 ✓		
Contractor's Employees					
Women	0 ✓	0 ✓	0 ✓		
Men	0 ✓	0 ✓	0 ✓		
Work-Related Deaths					
Direct Employment					
Women	0 ✓	0 ✓	0 ✓		
Men	0 ✓	0 ✓	0 ✓		
Contractor's Employees					
Women	0 ✓	0 ✓	0 ✓		
Men	0 ✓	0 ✓	0 ✓		

Occupational Health & Safety (OHS) Training				
	2020	2021	2022	
Total number of employees participating in OHS training	2,306 ✓	10,376 ✓	19,189 ✓	
Total number of contractor's employees participating in OHS training	1,625 ✓	1,657 ✓	6,185 ✓	
Çalışanlara verilen İSG eğitimi toplam saati				
Total	40,525 ✓	48,614 ✓	49,291 ✓	
Müteahhit çalışanlarına verilen İSG eğitimi toplam saati				
Total	1,858 ✓	2,462 ✓	4,635 ✓	

Occupational Health & Safety Management				
	2020	2021	2022	
Number of OHS committees established	21 ✓	5 ✓	5 ✓	
Total number of members in OHS committees established	88 ✓	99 ✓	99 ✓	
Number of representatives serving in OHS committees established	22 ✓	26 ✓	26 ✓	

Suppliers				
	2020	2021	2022	
Number of Local Suppliers	4,634 ✓	5,316 ✓	4,643 ✓	
Number of Foreign Suppliers	725 ✓	881 ✓	897 ✓	
Local Supplier Ratio (%)	86% ✓	86% ✓	84% ✓	
Foreign Supplier Ratio (%)	14% ✓	14% ✓	16% ✓	

✓ Confirmed by the 2021 Limited Assurance Report.
 ✓ Confirmed by the 2022 Limited Assurance Report.

Environmental Performance Indicators				
	2020	2021	2022	
Use of Natural Resources				
Production output (tons)*	265,461	307,304	293,799 ✓	
Raw materials consumed (tons)	456,341	448,711	432,846	
The quantity of recycled/recovered raw materials used as production input (tons)	124,852	133,511	132,174	
Rate of Recycled/recovered raw materials used as production input	27.4%	29.8%	30.5%	
Water Management				
Well water consumption (m ³)	359,812 ✓	326,973 ✓	323,861 ✓	
Municipal water consumption (m ³)	149,515 ✓	161,987 ✓	147,104 ✓	
Total water consumption (m ³)	509,327 ✓	488,960 ✓	470,965 ✓	
Water density (m ³ /million TRY)	71 ✓	38 ✓	16 ✓	
Waste Management				
Total amount of hazardous wastes (tons)	11,701 ✓	13,261 ✓	13,792 ✓	
Energy recovery	239 ✓	751 ✓	597 ✓	
Recovery	11,420 ✓	12,510 ✓	13,193 ✓	
Waste collection site	43 ✓	0 ✓	1 ✓	
Waste incineration	0 ✓	0 ✓	0 ✓	
Other	0.05 ✓	0,07 ✓	0.07 ✓	
Total amount of non-hazardous wastes (tons)	10,930 ✓	12,301 ✓	12,493 ✓	
Energy recovery	1,025 ✓	864 ✓	1,150 ✓	
Recovery	9,668 ✓	11,246 ✓	11,161 ✓	
Waste collection site	237 ✓	191 ✓	183 ✓	
Waste incineration	0 ✓	0 ✓	0 ✓	
Other	0 ✓	0 ✓	0 ✓	
Total waste (tons)	22,631 ✓	25,562 ✓	26,285 ✓	
Waste density (tons/million TRY)	3.17 ✓	1.97 ✓	0.91 ✓	
recycle/recover				
Amount of recycled/recovered waste (tons)	22,352 ✓	25,370 ✓	26,101 ✓	
Ratio of recycled/recovered waste (%)	98.8% ✓	99.3% ✓	99.3% ✓	

*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.

✓ Confirmed by the 2021 Limited Assurance Report.
 ✓ Confirmed by the 2022 Limited Assurance Report.

Combating Climate Change					
Direct Energy Consumption (GJ)	2020	2021	2022		
Natural Gas	1,872,465	1,951,795	1,917,234	✓	✓
Diesel	10,352	9,384	13,794	✓	✓
Gasoline	7,458	7,854	10,618	✓	✓
Total Direct Energy Consumption	1,890,275	1,969,033	1,941,645	✓	✓
Indirect Energy Consumption (GJ)					
Electricity	741,061	818,325	837,507	✓	✓
Total Direct Energy Consumption	741,061	818,325	837,507	✓	✓
Total Energy Consumption (GJ)					
Total Energy Consumption (GJ)	2,631,335	2,787,357	2,779,153	✓	✓
Energy Density (GJ/million TRY)	369	215	96	✓	✓
Renewable Energy Production (GJ)					
Renewable Energy Production (GJ)	466,920	317,876	525,607	✓	✓
Renewable Energy Consumption (GJ)					
Renewable Energy Consumption (GJ)		116,302	132,851	✓	✓
Emissions					
Scope 1 emissions (tons CO2e)	106,331	110,738	109,317	✓	✓
Scope 2 emissions (from total electricity production) (tons CO2e)	93,456	107,769	106,782	✓	✓
Scope 2 emissions (balanced through renewable energy resources) (tons CO2e)		50,590	22,829	✓	✓
Scope 3 emissions (tons CO2e)	1,688	1,936	2,074	✓	✓
Greenhouse gas emissions density (tons CO2e/million TRY)**	28	17	8	✓	✓
Young trees planted	1,640	8,030	11,860		
Economic/Financial Performance Indicators					
	2020	2021	2022		
Net sales revenues (TRY)	7,130,693,837	12,968,799,503	28,821,162,301	✓	✓

**In the calculation of greenhouse gas emission intensity; Scope-2 emissions due to total electricity consumption are taken into account, not offset Scope-2 emissions.

- ✓ Confirmed by the 2021 Limited Assurance Report.
- ✓ Confirmed by the 2022 Limited Assurance Report.

ANNEX 4 – GRI CONTENT INDEX



GRI CONTENT INDEX					
Statement of use	Kibar Holding has reported in accordance with the GRI Standards for the period January 1, 2022-December 31, 2022.				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)					
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION AND PAGE NUMBERS	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
General Disclosures					
Corporate Profile					
GRI 2: General Disclosures 2021	2-1 Organizational details	About Kibar Holding, pages 14-15; Kibar Group, pages 18-21	-		
	2-2 Entities included in the organization's sustainability reporting	Introduction and About This Report, page 8	-		
	2-3 Reporting period, frequency and contact point	Introduction and About This Report, page 8; Contact - Back Cover	-		
	2-4 Restatement of information	Performance Indicators, pages 117-120; Kibar Group 2025 Sustainability Strategy, pages 34-43	-		
	2-5 External Audit	Limited Assurance Certificate, page 132	-		
	2-6 Activities, value chain and other business relationships	Kibar Group, pages 18-21; Exports, page 54; Stakeholder Relations, pages 94-95; Sustainability Management in Supply Chain, pages 96-97	-		
	2-7 Employees	About Kibar Holding, pages 14-15; Human Resource, page 53; Performance Indicators, page 117	-		
	2-8 Workers who are not employees	GRI Content Index: The number of contractor employees working in various services such as security, cleaning and transportation is 331.	-		
	2-9 Governance structure and composition	Corporate Governance, pages 22-23	-		
	2-10 Nomination and selection of the highest governance body	Corporate Governance, pages 22-23	-		
	2-11 Chair of the highest governance body	Corporate Governance, pages 22-23	-		
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, pages 22-23; Sustainability Management, sayfa 26-27	-		
	2-13 Delegation of responsibility for managing impacts	Corporate Governance, pages 22-23; Sustainability Management, pages 26-27	-		
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, pages 26-27	-		
	2-15 Conflicts of interest	Code of Ethics, pages 66-67; https://www.kibar.com/en/holding/codes-of-conduct	-		
	2-16 Communication of critical concerns	Stakeholder Relations, pages 94-95	-		
	2-17 Collective knowledge of the highest governance body	Sustainability Management, pages 26-27; 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 AND PAGE NUMBERS	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: Kibar Holding Board of Directors and Executive Board focuses on the economic, social and managerial performances of companies throughout the year with a sustainability perspective, through the targets of general managers. With this continuous focus, Kibar Holding Board of Directors and Executive Board creates a participatory governance environment by exhibiting much more agile and active approaches.	-		
	2-19 Remuneration policies	Wage Policy, page 64	-		
	2-20 Process to determine remuneration	Wage Policy, page 64	-		
	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 34-43	-		
	2-23 Policy commitments	Sustainability at Kibar Group, page 24; Sustainability Approach, pages 32-33	-		
	2-24 Embedding policy commitments	Sustainability at Kibar Group, page 24; Sustainability Management, pages 26-27	-		
	2-25 Processes to remediate negative impacts	Kibar Group 2025 Sustainability Strategy, pages 34-43	-		
	2-26 Mechanisms for seeking advice and raising concerns	Determining Sustainability Priorities, pages 30-31	-		
	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	Supported Sustainability Initiatives, pages 44-45; Memberships and Partnerships, pages 108-109	-		
	2-29 Approach to stakeholder engagement	Stakeholder Relations, pages 94-95; Determining Sustainability Priorities, pages 30-31	-		
2-30 Collective bargaining agreements	GRI Content Index: There is no collective labor agreement at Kibar Holding.	-			

PRIORITIES					
GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION AND PAGE NUMBERS	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Material Topics					
GRI 3: Material topics 2021	3-1 Process to determine material topics	Determining Sustainability Priorities, pages 30-31	-		
	3-2 List of material topics	Sustainability Priorities, page 31	-		
Business Continuity					
GRI 3: Material topics 2021	3-3 Management of material topics	We GROW with sustainability principles, pages 50-51	-		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About Kibar Holding, pages 14-15; Economic Value, pages 53; Performance Indicators, page 120	-		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability in the Supply Chain, pages 96-97	-		
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, pages 96-97	-		
Sustainable Supply Chain					
GRI 3: Material topics 2021	3-3 Management of material topics	Sustainability in the Supply Chain, pages 96-97	-		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability in the Supply Chain, pages 96-97	-		
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainability in the Supply Chain, pages 96-97	-		
GRI 408: GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainability in the Supply Chain, page 97	-		
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 97	-		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainability in the Supply Chain, page 97	-		
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability in the Supply Chain, pages 96-97	-		
Business Ethics					
GRI 3: Material topics 2021	3-3 Management of material topics	Business Ethics, page 66; Anti-Corruption, page 67			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Internal Audit and Control, page 23	-		
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption, page 67	-		
	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 anticompetitive 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 AND PAGE NUMBERS	OMISSION			
			Requirement(S) Omitted	Reason	Explanation	
Circular Economy						
GRI 3: Material topics 2021	3-3 Management of material topics	Energy and Emission Management, pages 86-88; Water Management, page 88; Waste Management, pages 89-90	-			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Performance Indicators, page 119	-			
	301-2 Recycled input materials used	Performance Indicators, page 119	-			
	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 120	-			
	302-2 Energy Consumption Outside of the Organization	Performance Indicators, page 120	-			
	302-3 Energy Intensity	Performance Indicators, page 120	-			
	302-4 Reduction of energy consumption	Energy and Emission Management, page 86	-			
	302-5 Reductions in energy requirements of products and services	Energy and Emission Management, page 86	-			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, page 88	-			
	303-2 Management of water discharge-related impacts	Water Management, page 88	-			
	303-3 Water withdrawal	Performance Indicators, page 119	-			
	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.	-			
	303-5 Water consumption	Performans Göstergeleri, page 119	-			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, pages 89-90	-			
	306-2 Management of significant waste-related impacts	Waste Management, pages 89-90, İnteraktif Çevre Danışmanlık, page 90	-			
	306-3 Waste generated	Performance Indicators, page 119	-			
	306-4 Waste diverted from disposal	Performance Indicators, page 119	-			
Combating Climate Change						
GRI 3: Material topics 2021	3-3 Management of material topics	WE CARE for next generations, page 82; Combating Climate Change, page 83; Energy and Emission Management, page 86	-			
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Management of Climate Risks and Opportunities, pages 84-85; Risk Management, page 23	-			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Performance Indicators, page 120	-			
	305-2 Energy indirect (Scope 2) GHG emissions	Performance Indicators, page 120	-			
	305-3 Other indirect (Scope 3) GHG emissions	Performance Indicators, page 120	-			
	305-4 GHG emissions intensity	Performance Indicators, page 120; Energy and Emission Management, page 86	-			
	305-5 Reduction of GHG emissions	Energy and Emission Management, page 86	-			
	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, 203 tons in 2021 and 633 tons in 2022.	*	*	*	
Employee Engagement and Satisfaction						
GRI 3: Material topics 2021	3-3 Management of material topics	Diversity and Inclusion, pages 58-59	-			
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 AND PAGE NUMBERS	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 64-66	-			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, pages 64-66	-			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, pages 64-66; Performance Indicators, page 118	-			
	403-3 Occupational health services	Occupational Health and Safety, pages 64-66	-			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, pages 64-66; Performance Indicators, page 118	-			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, pages 64-66; Performance Indicators, page 118	-			
	403-6 Promotion of worker health	Occupational Health and Safety, pages 64-66	-			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, pages 64-66	-			
	403-8 Workers covered by an occupational health and safety management system	GRI İçerik İndeksi: Kibar Holding ve Grup şirketleri çalışanları İSG yönetim sisteminin kapsamında yer almaktadır.	-			
	403-9 Work-related injuries	Performance Indicators, page 118	-			
	403-10 Work-related injuries	GRI Content Index: There were no fatal work accidents during the reporting period.	-			
Çalışan Gelişimi ve Yetenek Yönetimi						
GRI 3: Material topics 2021	3-3 Management of material topics	Talents of the Future, pages 61-64	-			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Performance Indicators, page 117	-			
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management, pages 61-63	-			
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management, pages 63-64; Performance Indicators, page 117	-			
Cinsiyet ve Fırsat Eşitliği						
GRI 3: Material topics 2021	3-3 Management of material topics	Diversity and Inclusion, page 58	-			
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 managers of the holding are citizens of the Republic of Türkiye.	-			
GRI 401: Employment 2016	401-3 Parental leave	Performance Indicators, page 117	-			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employee	Performance Indicators, page 117	-			
	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 AND PAGE NUMBERS	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Customer Satisfaction					
GRI 3: Material topics 2021	3-3 Management of material topics	Product and Service Quality, pages 71-72; Information Security, page 79	-		
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 71-72	-		
	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 73-76	-		
Social Responsibility					
GRI 3: Material topics 2021	3-3 Management of material topics	WE SHARE for the communities, pages 98-100	-		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	WE GROW with sustainability principles, page 51; Social Benefit Investments, page 101	-		
	203-2 Significant indirect economic impacts	Economic Value, page 53; Social Benefit Investments, page 101	-		
Corporate Sustainability Management					
GRI 3: Material topics 2021	3-3 Management of material topics	Determining Sustainability Priorities, page 31; Sustainability Priorities, page 31; Sustainability Approach, page 32	-		

ANNEX 5 – WOMEN’S EMPOWERMENT PRINCIPLES (WEPs) PROGRESS REPORTING

Principle	GRI Standard Reporting	Sources
Principle 1: Corporate Leadership Promoting Gender Equality	GRI 405-1, 405-2	Message From The Ceo, Gender Equality , WE Are Equal Project, KİBAR 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 , KİBAR GROUP 2025 SUSTAINABILITY STRATEGY, Performance Indicators, GRI Content Index
Principle 3: Health & Safety, and Freedom Against Violence	GRI 406-1	Sustainability at Kibar Group, KİBAR GROUP 2025 SUSTAINABILITY STRATEGY, Occupational Health and Safety, Performance Indicators
Principle 4: Education and Learning	GRI 404-1, 404-2, 404-3	Güç BİZde Development Platform, KİBAR 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, KİBAR GROUP 2025 SUSTAINABILITY STRATEGY, Supported Sustainability Initiatives
Principle 7: Measurement and Transparent Reporting for Gender Equality	GRI 405-1, 405-2, 3-1, 3-2, 3-3	KİBAR GROUP 2025 SUSTAINABILITY STRATEGY, Performance Indicators, GRI Content Index

ANNEX 6 – WORLD ECONOMIC FORUM STAKEHOLDER CAPITALISM METRICS

Principles of Governance		
Theme	Core Metrics and Disclosures	Sources
Governing Purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Governance at Kibar Group, pages 22-23; https://www.kibar.com/en/holding/our-values
Quality of Governing Body	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Corporate Governance, page 22; Corporate Governance, pages 26-27
Stakeholder Engagement	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Determining Sustainability Priorities, pages 30-31; Stakeholder Relations, pages 94-95
Ethical Behaviour	1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. 2. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Sustainability at Kibar Group, page 24; Fighting Against Corruption, page 67
	A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	Business Ethics, pages 66-67; https://www.kibar.com/en/holding/codes-of-conduct
Risk and Opportunity Oversight	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Risk Management, page 23; Management of Climate Risks and Opportunities, pages 84-85
Milestones for Strategic Areas	Strategic ESG milestones achieved in previous years and those planned to be achieved in the following periods as well as contribution of these targets to the long-term value creation model	Kibar Group 2025 Sustainability Strategy, pages 34-43
Planet		
Climate change		
Greenhouse gas emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions.	Energy and Emission Management, pages 86-88; Performance Indicators, page 120
	Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Reporting Guide, page 112; Performance Indicators, page 120; Sustainability Management in Supply Chain, page 97
TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2 °C above pre-industrial levels and pursue efforts to limit warming to 1.5 °C – and to achieve net-zero emissions before 2050.	Combating Climate Change, page 83; Management of Climate Risks and Opportunities, pages 84-85
Nature loss		
Land use and ecological sensitivity	Report the number and area of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas.	No operation is conducted in protected environments.
Water Resources		
Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Water Management, page 88

People		
Theme	Core Metrics and Disclosures	Sources
Dignity and Equality		
Diversity and Inclusion	Percentage of employees per employee category, by age group, gender and other indicators of diversity.	Performance Indicators, page 112; Gender Equality, pages 58-59
Pay Equality	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Wage Policy, page 64
Risk for incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier b) countries or geographic areas with operations and suppliers considered at risk.	Business Ethics, pages 66-67; Sustainability Management in Supply Chain, page 97
Health and well-being		
Health and safety	The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries; recordable work-related injuries; main types of work related injury; and the number of hours worked. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Occupational Health and Safety, pages 64-66; Performance Indicators, page 118
Skills for the future		
Training Provided	1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). 2. Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	Talents of the Future, pages 61-63; Performance Indicators, page 117
Prosperity		
Employment and wealth generation		
Absolute number and rate of employment	1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Performance Indicators, page 117
Economic contribution	Direct economic value generated and distributed, on an accruals basis, covering the basic components for the organization's global operations.	Economic Value, page 53
Innovation of better products and services		
Total R&D expenses	Total costs related to research and development.	Kibar Group 2025 Sustainability Strategy/2022 Progress, page 39

ANNEX 7 – THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

AREA	RECOMMENDATIONS	SOURCES	
Governance	a	Describe the board's oversight of climaterelated risks and opportunities.	Risk Management, page 23; Sustainability Management, pages 26-27
	b	Describe management's role in assessing and managing climaterelated risks and opportunities.	Risk Management, page 23; Sustainability Management, pages, pages 26-27; Management of Climate Risks and Opportunities, pages 84-85
Strategy	a	Describe the climaterelated risks and opportunities the organization has identified over the short, medium, and long term.	Combating Climate Change , page 83; Management of Climate Risks and Opportunities, pages 84-85
	b	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Combating Climate Change, page 83; Management of Climate Risks and Opportunities, pages 84-85
	c	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Combating Climate Change, page 83; Management of Climate Risks and Opportunities, pages 84-85
Risk Management	a	Describe the organization's processes for identifying and assessing climaterelated risks.	Combating Climate Change, page 83; Management of Climate Risks and Opportunities, pages 84-85
	b	Describe the organization's processes for managing climaterelated risks.	Risk Management, page 23; Management of Climate Risks and Opportunities, pages 84-85
	c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk Management, page 23; Management of Climate Risks and Opportunities, pages 84-85
Metrics and Targets	a	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Energy and Emission Management, pages 86-87; Environmental Performance Indicators, page 120
	b	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Energy and Emission Management, pages 86-87; Environmental Performance Indicators, page 120
	c	Describe the targets used by the organization to manage climaterelated risks and opportunities and performance against targets.	Kibar Group 2025 Sustainability Strategy/2022 Progress, pages 40-41; Energy and Emission Management, pages 86-87; Environmental Performance Indicators, page 120

ANNEX 8 - DECLARATION OF ASSURANCE



**Limited Assurance Report
to the Board of Directors of Kibar Holding A.Ş.**

We have been engaged by the Board of Directors of Kibar Holding A.Ş. (the “Group” or “Kibar Holding”) to perform a limited assurance engagement in respect of the Selected Sustainability Information (the “Selected Information”) stated in the Kibar Holding 2022 Sustainability Report (the “2022 Sustainability Report”) for the year ended 31 December 2022 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2022, which is subject to our limited assurance work, set out in the pages 117,118,119 and 120 of the 2022 Sustainability Report with the sign is summarized below:

Social Indicators

- Total number of employees
- Number of employees by gender
- Number of white collar employees by gender
- Number of blue collar employees by gender
- Number of senior executives by gender
- Ratio of female managers (%)
- Number of employees on maternity/paternity leave by gender
- Number of employees returning from maternity/paternity leave by gender
- Injury rate by gender (%) (direct employment)
- Accident severity rate by gender (%) (direct employment)
- Occupational disease rate by gender (%) (direct employment)
- Occupational disease rate by gender (%) (contractor’s employees)
- Work-related deaths by gender (direct employment)
- Work-related deaths by gender (contractor’s employees)
- Total number of employees participating in ohs trainings
- Total number of contractor’s employees participating in ohs trainings
- Total ohs training hours allocated to employees
- Total ohs training hours allocated to contractor’s employees
- Number of OHS committees established
- Total number of members in ohs committees established
- Number of representatives serving in ohs committees established
- Number of participants in employee trainings by gender
- Total hours of employee trainings by gender
- Number of employees under performance review
- Number of local suppliers
- Number of foreign suppliers
- Local supplier ratio (%)
- Foreign supplier ratio (%)



Environmental Indicators

- Natural Gas (GJ)
- Diesel (GJ)
- Gasoline (GJ)
- Total direct energy consumption (GJ)
- Electricity (GJ)
- Total indirect energy consumption (GJ)
- Total energy consumption (GJ)
- Energy density (GJ/million TRY)
- Scope 1 emissions (tonnes co₂e)
- Scope 2 emissions (due to total energy consumption) (tonnes co₂e)
- Scope 2 emissions (balanced by renewable energy sources) (tonnes co₂e)
- Scope 3 emissions (tonnes co₂e)
- Greenhouse gas emissions density (tonnes co₂e/million TRY)
- Renewable energy production (GJ)
- Renewable energy consumption (GJ)
- Production output (tonnes)
- Well water consumption (m³)
- Municipal water consumption (m³)
- Total water consumption (m³)
- Water density (m³/million TRY)
- Total amount of hazardous wastes (tonnes)
- Hazardous wastes – Energy recovery (tonnes)
- Hazardous wastes – Recovery (tonnes)
- Hazardous wastes – Waste collection site (tonnes)
- Hazardous wastes – Waste incineration (tonnes)
- Hazardous wastes – Other (tonnes)
- Total amount of non-hazardous wastes (tonnes)
- Non-hazardous wastes – Energy recovery (tonnes)
- Non-hazardous wastes – Recovery (tonnes)
- Non-hazardous wastes – Waste collection site (tonnes)
- Non-hazardous wastes – Waste incineration (tonnes)
- Non-hazardous wastes – Other (tonnes)
- Total waste (tonnes)
- Amount of recycled/recovered waste (tonnes)
- Ratio of recycled/recovered waste (tonnes)
- Waste density (tonnes/million TRY)



Economic Indicators

- Net sales revenue (TRY)

Our assurance was with respect to the year ended 31 December 2022 information only and we have not performed any procedures with respect to earlier periods or any information other than Selected

Information marked with in the 2022 Sustainability Report and, any other elements included in the 2022 Sustainability Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Group to prepare the Selected Information is set out in section “Kibar Holding 2022 Sustainability Report –Reporting Principles” (the “Reporting Principles”) on pages 110,111,112,113,114,115 and 116 of the 2022 Sustainability Report.

The Group’s Responsibility

The Group is responsible for the content of the 2022 Sustainability Report and the preparation of the Selected Information in accordance with the Reporting Principles. 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 Principles.

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



Our Independence and Quality Management

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 Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to form a limited assurance, 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 Principles. 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 analyzing 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 Group and
- undertook analytical procedures over the reported data.

ANNEX 8 - DECLARATION OF ASSURANCE**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 Group's Selected Information for the year ended 31 December 2022, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Group as a body, to assist the Board of 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 2022 Sustainability Report for the year ended 31 December 2022, to enable the Board of 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 Board of Directors of 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.

Baki Erdal, SMMM
Partner

Istanbul, 9 June 2023

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