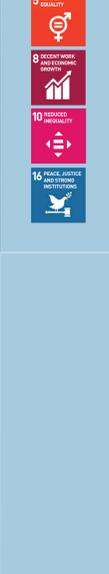


THE SUSTAINABILITY PRINCIPLES OF THE KIBAR GROUP	RELEVANT SUSTAINABLE DEVELOPMENT GOALS	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025	PERFORMANCE INDICATORS	2020 PROGRESS*
 <p>WE GROW with sustainability principles</p>		Business Continuity	Target B1. Maintaining economic growth.	B1.1. Sales revenues	B1.1. Sales revenues have increased by 122% compared to the baseline year of 2016.
			Target B2. To realize new investments within the framework of sustainability principles.	B1.2. Number of companies in ISO 500 list	B1.2. 4 companies are included in ISO 500 list
			Target B3. To increase resource efficiency for the sustainable development, to use clean and environmentally friendly technologies and processes.	B1.3. Most export companies ranking in Turkey	B1.3. Ranked in the 5th place in the list of top exporters published by Turkish Exporters Assembly (TİM) and ranked 1st in the category of "Ferrous and Non-Ferrous Metals".
			Target B4. To be prepared for disasters and emergencies.	B2. Full compliance of the United Nations Global Compact (UNGC) and Kibar Holding Sustainability Principles with investment and decisionmaking processes	B2.1. With investments in unloading/washing and transfer lines, Assan Foods have improved the product quality in production processes and ensured efficient use of water resources.
			Target B5. Adopting sustainability practices and reporting sustainability performance.	B3.1. Number of clean and environmentally friendly new products / projects	B3.1. 11 new projects to contribute to climate action and circular economy have been implemented.
			Target B6. To increase the number of employees of all ages with technical and professional skills.	B3.2. Full compliance with the national environmental legislation	B3.2. Compliance to the national environmental legislation is ensured in all activities. International Environmental and Energy Management Systems are followed.
			Target B7. To increase the full and effective participation of women in decision-making processes, to increase the ratio of senior female managers by 35% and the number of white-collar female employees by 28%.	B3.3. Actions in line with EU regulations on low-carbon circular economy	B3.3. Production and manufacturing methods, business models, operation principles, investment decisions, and growth strategies are developed within the scope of A European Green Deal in compliance with the EU regulations to achieve the 2030 and 2050 targets.
			Target B8. To ensure equal opportunities increasing the rate of women in white-collar recruitment.	B4. Disaster and Emergency Action Plan	B4.1. Emergencies have been defined, emergency actions and applicable procedures have been determined.
			Target B9. To ensure public access to information and protecting fundamental freedoms.	B5.1. "Sustainability Internal Communication Plan"	B5.1. Unlike previous years, communication activities have been developed by a strategy based on circular and target audience. For internal communications "Kibar Group Sustainability Platform" initiative has been created. The Group's mobile app called Mobiliz was added to the communication channels.
			 <p>WE EMPOWER people</p>		Occupational Health and Safety
Employee Engagement and Satisfaction	Target G3. To ensure inclusive and participatory decision-making at all levels.	G3.1. Participation rate in Employee Opinion Survey G3.2. Spreading the suggestion reward system to all companies G3.3. Employee satisfaction/engagement survey score G3.4. Performance culture index	G3.1. Employee Opinion Questionnaire is conducted every other year and the level of participation to the latest survey, which was conducted in 2019, was 94%. G3.2. "e2PLUS", an online appreciation, recognition, and reward platform, was introduced. In 2020, Kibar Group employees submitted 4,562 suggestions on the suggestion system and 819 of these suggestions have been implemented. G3.3. Employee satisfaction/engagement survey score has increased by 5% compared to the previous survey results. G3.4. The e-focus index, which evaluates training and development activities, performance management, talent retention, and compensation, began to be monitored.		
Employee Development and Talent Management	Target G4. To ensure that all employees have access to quality technical and vocational training.	G4.1. Participation rate for "Executive Development Program" G4.2. Specialist training hours per person within the scope of the "Specialist Development Program" G4.3. "Leadership Development Program" recommendation score G4.4. Number of Development Ambassadors G5.1. Number of employees receiving technical and vocational training G5.2. The rate of employees receiving technical and vocational training by age groups	G4.1. The Executive Development Program was implemented during the period between 2019 and 2020, during which the participation rate for the program was 90%. G4.2. 14 hours. G4.3. In 2020, "Leadership Development Program" was not organized. In 2019, the recommendation score of the program was measured as 9 out of a total of 10. G4.4. The number of Development Ambassadors is 37 in total, consisting of 23 internal instructors and 14 internal mentors. G5.1. The number of employees receiving technical and vocational training has increased by 21 times. G5.2. Technical and vocational training opportunities are provided for all age groups at all times. Distribution of employees receiving training by age groups is as follows: 18-25 years: 5%, 26-35 years: 46%, 36-45 years: 38%, and 46+ years: 11%. G6.1. The number of employees has increased by 8.9%.		
Gender and Opportunity Equality	Target G6. To increase employment and employee trainings.	G6.1. Number of employees G6.2. Number of students employed from K-Team Young Talent Internship Program G6.3. Training hours for employee development G7.1. Number of senior female manager	G6.2. The number of students employed from K-Team Young Talent Internship Program is 22. G6.3. A total of 45,514 hours of training activities have been organized as online classroom training and e-training G7.1. The number of women senior executives was increased by 24.9%.		
Business Ethics	Target G7. To increase the full and effective participation of women in decision-making processes, to increase the ratio of senior female managers by 35% and the number of white-collar female employees by 28%. Target G8. To ensure gender equality in employment and employee income, to increase the number of female employees by 14%. Target G9. To ensure equal opportunities increasing the rate of women in white-collar recruitment.	G7.2. The number of white-collar women employees G8.1. Number of women employees G8.2. Kibar Holding total reward policy G9.1. Ratio of women in white-collar recruitment G9.2. Ranking in the top five among companies employing the highest number of disabled people G10.1. Compliance audits for Kibar Holding Code of Ethics G10.2. Business ethics training G10.3. Reporting of notifications received on the ethical line and their results G10.4. Establishing early warning mechanisms with technology support G10.5. Obtaining a statement from all employees regarding whether they are in a situation that will cause conflict of interest G10.6. Communication of the Code of Ethics Guidebook to all employees G10.7. Awareness activities for Code of Ethics G10.8. A review system to ensure that the Code of Ethics is updated based on requirements and new developments.	G7.2. The number of white-collar women employees was increased by 24.1%. G8.1. The number of women employees was increased by 8.5%. G8.2. Pursuant to wages policy, no discriminatory and unfair practices in compliance with the scope of audit activities and online ethics trainings will be commenced in 2021 for Assan Aluminum and in 2022 for the other companies. G9.2. For the years 2018 and 2019, Assan Hani was the number one company to employ the highest number of individuals with disabilities. Since the information on company ranking for 2020 is not available, the achievement status could not be reported. G10.1. Ethics compliance audits are carried out. G10.2. Business ethics training is provided to all personnel following recruitment and consultancy training is provided to Code of Conduct Consultants in Kibar Group Companies. G10.3. Notifications and results related to ethical concerns are reported to the Chairman of the Executive Board. G10.4. Misconduct risks are investigated within the scope of audit activities. G10.5. Circumstances which could cause a conflict of interest are investigated within the scope of audit activities and online ethics trainings will be commenced in 2021 for Assan Aluminum and in 2022 for the other companies. G10.6. The Code of Conduct Guidebook is provided to all employees following recruitment. G10.7. The project titled "Do You Think It is Ethical?" continues. The Code of Conduct and the list of Code of Conduct Consultants as well as their contact details are published on the Company's Intranet. G10.8. The Code of Conduct Guidebook is updated.		
Customer Satisfaction	Target Y1. Leadership in product and service quality.	Y1.1. Management standards, quality and security systems subject to follow-up Y1.2. Product and process certification Y1.3. Customer satisfaction surveys Y1.4. Rate of response to customer requests	Y1.1. Assan Aluminum has adopted Aluminum Stewardship Initiative (ASI) standard and Assan Foods has adopted ISO-IEC27001 Information Security Management System standard. Y1.2. Assan Aluminum is awarded with Zero Waste certificate, European Foundation for Quality Management (EFQM) Excellence Model while Assan Aluminum, Assan Foods, Assan Panel, and Ispak has received TSE COVID-19 Safe Production Certificate; Ispak, Koshor Food Certificate of Compliance, and Halal Food Product Safety Certificate. Y1.3. Customer satisfaction surveys are carried out in all companies on a regular basis and activities for "0" customer complaint are carried on. Y1.4. Customer requests are addressed by dedicated teams working full-time. Feedbacks are provided as soon as possible based on the type of requests.		
R&D, Innovation and Digitalization	Target Y2. Creating sustainable food production systems. To implement agricultural practices that increase production, help protect ecosystems and improve soil quality. Target Y3. To increase added value/economic growth through technological developments, innovations and improvement. Target Y4. To increase resource efficiency for sustainable development, to supply clean and environmentally friendly technologies and processes. Target Y5. To increase R&D studies.	Y2.1. "Smart Agriculture" practices Y3.1. High technology investments Y4.1. Innovative improvement investments contributing to circular economy Y5.1. R&D Laboratory/Center Y5.2. Collaborations in R&D activities Y5.3. Promoting R&D activities Y5.4. R&D budget Y5.5. Number of patent applications Y5.6. Number of patents secured Y5.7. Number of utility models Y5.8. Number of R&D employees Y6.1. Compliance to the digital transformation roadmap Y6.2. Corporate data architecture Y6.3. Analytical and Artificial Intelligence Studies Y6.4. Robotic process automation (RPA) Y6.5. Industry 4.0 Y7.1. Quality and uninterrupted service	Y2.1. The scope of Smart Agriculture practice, in which all plant development processes from plantation to harvesting are analyzed, has been extended. Within the scope of this practice, which aims for management of soil and products, more efficient use of resources and reduction of carbon emissions and productivity have been implemented and traceability processes have been improved. Y3.1. Development of Continuous Casting Technique and High Conductivity Aluminum Sheet Development projects in Assan Aluminum; Composite Battery Supporting Component and Weight Reduction projects, manufacturing cockpit supporting component with MuCell technology in Assan Hani; investment in new chemical laboratory as well as product development and diversification in Assan Foods. Data has been contributed to increasing productivity and reduction of carbon emissions. Y4.1. Recycling Plant Dust Collection Filter Installation, Induction Facility Dust Collection Filter Installation, Development of Recyclable New Alloy, and Wastewater Recovery projects in Assan Aluminum; investments in unloading/washing and transfer lines in Assan Food; the project on Reusing Industrial Textile Wastes as Filling Material in Assan Hani; projects on reusing byproducts created during polycarbonate production as an input material, and use of polycarbonate byproducts as styrofoam in Assan Panel; and Waste Recycling projects in Ispak have also contributed to efficient use of resources and reduction of carbon footprint. Y5.1. All companies have an R&D Laboratory/Center. Y5.2. Collaborations with 4 different universities for R&D activities are maintained. Y5.3. The 4th "Assan Kibar Mavi Damla Awards" program has been organized. Y5.4. R&D budget is over 60,000,000 TRY. Y5.5. The number of patent applications is 4. Y5.6. The number of patents secured is 2. Y5.7. No application is submitted. Y5.8. The number of R&D employees has increased by 35%. Y6.1. Activities planned for 2020 have been completed based on the digitalization roadmap. The scope of MES (Manufacturing Execution System) practice continues to be extended in Assan Aluminum. In 2021, pilot application and extending the scope of MES practices will also be carried out in Assan Foods, Assan Panel, and Ispak. Y7.1. There was no unplanned interruption in services to have an impact on production or provision of services. Servers and data storages running critical services of Kibar Holding have been migrated to a hyper-integrated infrastructure to ensure improvement in performance, management, and fully redundant data backup in particular. Service hierarchy structure has been adopted and all IT components have been associated with an end-to-end hierarchical discipline. This structure features automation capabilities with APIs and RPA, which has allowed for deployment of Virtual Network Operation Center. With the deployment of this structure, services began to be managed proactively and system downtime has been minimized. With SD-WAN structure, which began to be deployed and planned to be extended to all premises, load optimization and redundancy of the lines are ensured. Y7.2. Collaboration has been initiated for a Security Operations Center (SOC) service provider agreement, in which all Cybersecurity Components are monitored 24/7, detection capabilities are increased by Cyber Threat Intelligence Model, and Cybersecurity maturity level is enhanced by new projects. Data Loss Prevention (DLP) and Data Classification projects have been developed to prevent data leakage on intellectual assets. Y7.3. ISO-IEC27001 Information Security Management System is followed. Y7.4. With RPA processes defined in SIEM and Service hierarchy, a cybersecurity mode was implemented in Assan Food, Port Scans, and threshold values of IT resources are monitored on a 24/7 basis.		
Circular Economy	Target O1. To ensure the sustainable management and efficient use of natural resources. Target O2. To reduce food losses in the production and supply chain. Target O3. To minimize the negative effects of wastes on the environment / To reduce waste generation through recycling and reuse. Target O4. To reduce water intensity by 15% on production basis, especially in water-intensive companies. Target O5. To increase the amount of recycled and reused water by 35%. Target O6. To reduce energy intensity by 5% on production basis, especially in energy-intensive companies. Target O7. To increase the ratio of electricity generation from renewable energy sources to consumption. Target O8. Increase the resilience and adaptation to climate-related hazards and natural disasters.	O1.1. Sustainability Management O1.2. Energy and Environmental Management Systems and compliance with the relevant legislation O1.3. Measurable targets for sustainability performance O2.1. Sustainable production program O3.1. Recycled/recovered raw materials quantity O3.2. Amount of reclaimed products and packaging materials sold O3.3. The quantity of recycled waste O3.4. Recycling/recovery rate of waste generated O3.5. The quantity of plastic reduction O4.1. Water intensity based on production amount O5.1. The quantity of water reused after recycling O5.2. Ratio of water reused after recycling to total water consumption O6.1. Energy intensity on production basis O7.1. The amount of renewable energy production O8.1. Annual Risk Assessment Activities O8.2. Scope 1, Scope 2, and Scope 3 greenhouse gas emissions weights	O1.1. Sustainability Management consisting of the Sustainability Committee and the Sustainability Working Group constitutes the key element of corporate governance and carries on its activities. Sustainability Management actively participated in Kibar Group Sustainability Workshop. 9 primary meetings and over 30 subject-based meetings were organized with the representatives from the Committee and the Working Group. O1.2. Within the scope of reporting requirements, 4 companies have ISO14001 Environmental Management System certificates and 1 company has ISO50001 Energy Management System certificate. All companies act in compliance with the applicable legislation. O1.3. In "Kibar Group Sustainability Strategy of 2025," issued in compliance with the UN Sustainable Development Goals, the "2025 Targets" were defined and achievements are reported in a transparent manner every year. O2.1. Assan Foods produces tomatoes used as raw materials by smart agriculture within the framework of Good Agricultural Practices defined by the Food and Agriculture Organization (FAO) of the United Nations. O3.1. The quantity of recycled/recovered raw materials used as input increased by 40.7%. O3.2. Measurement in a company could not be performed due to legislative change and therefore, cumulative value could not be calculated, and achievement could not be documented. O3.3. The quantity of recycled waste has increased by 41.2%. O3.4. Recycling/recovery rate is 96.6%. O3.5. Within the scope of the Business World Plastic Initiative protocol signed, activities to create a plastic inventory are carried on. O4.1. Since Kibar Group product portfolio is highly diverse, cumulative water density was calculated based on turnover. Intensive water use was reduced by 58.5% (In Assan Foods, which is among the companies with high water consumption, the intensive water use based on production volume was reduced by as much as 35%). O5.1. Recycled and reused water amount was increased by 61.7%. O5.2. The rate of recycled and reused water is 80%. O6.1. Since Kibar Group product portfolio is highly diverse, cumulative energy intensity was calculated based on turnover. Energy density was reduced by 52.6%. O7.1. The rate of electricity generated from renewable energy sources to meet the total electricity consumption is 60%. O8.2. Within the scope of Paris Agreement and A European Green Deal, actions for zero emission target are carried on.		
Climate Change	Target O9. To increase the studies for sustainable development and to reduce the negative effects of climate change and to carry out information /awareness raising activities	O9.1. External stakeholder communication O9.2. Measurement of employee awareness level O9.3. External stakeholder communication	O9.1. Through Kibar Group's Sustainability Platform, employee awareness/briefing activities on sustainability, including climate action, are carried out. O9.2. Surveys are conducted on a yearly basis to measure employee awareness levels using questionnaires. Measurements are based on feedback mechanisms created in various channels such as the Sustainability Platform, workshops, events, and meetings. O9.3. The Group's activities and sustainability on sustainability are published in detail on its website. In order to raise awareness, Sustainability Kits are prepared and delivered to stakeholders on a yearly basis. Climate action and circular economy topics are given wide coverage in press bulletins and news, social media channels, and organizations/events organized.		
Sustainable Supply Chain	Target O10. To develop global collaborations for sustainable development. Target O11. To support and encourage public, private sector and NGO partnerships to achieve the targets.	O10.1. Corporate memberships O11.1. Corporate memberships	O10.1. Partnerships and collaborations have been established with 6 institutions interacting on activities on sustainability in national and international platforms. O11.1. TUSIAD Climate Change Group; Business World Plastic Initiative founded by UNCT-TR, TUSIAD, and SKD; Women's Empowerment Principles (WEPs) platform by partnership between UN Global Compact and UN Women; UN Global Compact Target Gender Equality; UNCT-TR Sustainable Finance Group; Young SDG Innovators; Gender Equality; Sustainability, Diversity and Inclusivity Working Group; SKD Sustainable Finance and Risk Management Working Group, Transition to Low-Carbon Economy and Efficiency Working Group, Women Employment and Equal Opportunities Working Group, Sustainable Industry and Circular Economy Working Group, Sustainable Agriculture and Access to Food Working Group.		
 <p>WE ENCOURAGE our stakeholders</p>		Sustainable Supply Chain	Target T1. To ensure that suppliers and stakeholders adopt UNGC principles and objectives Target T2. To define a standard regarding the reduction of environmentally harmful effects to be applied in all suppliers audits.	T1.1. Purchasing Code of Ethics T1.2. Kibar Group Framework Agreement T1.3. Supplier training hours T2.1. Certifications of suppliers for compliance with environmental legislation and standards	T1.1. All suppliers/vendors are required to implement and comply with Purchasing Code of Conduct. Within the scope of policies and guidelines on Code of Business Conduct Principles, Anti-Corruption and Anti-Bribery, Forced Labor, Child Labor, Harassment, Working Hours, Non-Discrimination, Local Communities, Occupational Health & Safety, Sustainability, Integrity, Quality and Continuous Development, and Information Security, rules and principles required to be followed by all suppliers/vendors are defined in detail. T1.2. A Framework Agreement is signed with vendors/suppliers prior to working to ensure that such vendors/suppliers adopt critical sustainability priorities. T1.3. Efforts have been made to double supplier/vendor training hours. T2.1. In supplier/vendor audits, ISO14001 Environmental Management System certificate is required.
 <p>WE SHARE for the communities</p>		Social Responsibility	Target P1. To contribute to the increase in income of small-scale food producers by providing food training on good agricultural practices. Target P2. To increase participation of employees in social responsibility activities. Target P3. To reach 10,000 disadvantaged children in the scope of social responsibility projects. Target P4. To organize trainings for children of primary school age regarding global warming, climate change, environment and children's rights within the scope of social responsibility projects.	P1.1. Number of farmers provided with training opportunities P1.2. Training hours P2.1. Number of Kibar Volunteers P3.1. The number of children reached P4.1. The number of student participant P4.2. Training hours	P1.1. The number of farmers who are provided with training opportunities is 142; in addition, 264 contracted farmers are continuously provided with necessary information within the scope of Smart Agricultural Practices. P1.2. 33 hours other than continuous information sharing opportunities. P2.1. 542 Kibar Volunteers P3.1. 4,000 children have been reached out. P4.1. Activities have been discontinued for the time being as a result of interrupted training opportunities due to the COVID-19 pandemic measures taken in our country. P4.2. Activities have been discontinued for the time being as a result of interrupted training opportunities due to the COVID-19 pandemic measures taken in our country.

* The baseline year for setting the "2025 Targets" is 2016, which is the first year in which the performance indicators were declared in the first report issued in compliance with the GRI standards.
** Institutional memberships and entrepreneurship we support in the field of sustainability have been reported in the basis of the years of 2020 and 2021 where the relevant efforts were launched and completed.