

**KIBAR HOLDING
SUSTAINABILITY
REPORT FOR
2015**



KIBAR HOLDING

SUSTAINABILITY REPORT FOR

2015

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EXECUTIVE SUMMARY

The Sustainability Report 2015 issued by Kibar Holding for the 3rd time this year is an indicator of our company's commitment to the principles of Global Compact (UNGC) signed in 2013. The report covers the activities and consolidated data of Kibar Holding and its affiliates Assan Alüminyum, Assan Gıda, Assan Hanil, Assan Panel and İspak in the fields of anti-corruption, prevention of human rights violations, improvement of labour standards and mitigation of environmental impacts.

The year 2015 has been a successful year for Kibar Holding in the fields of both business and sustainability. For example; despite the increased production during the year, energy density has decreased by 5.5% compared to 2014. Water density has decreased by 50% compared to 2013. Kibar Holding Codes of Conduct have been published and put into force in all our affiliates. Risk management has been restructured in order to strengthen our managerial structure. As a result of the importance attached to social equality, the number of our white-collar female employees has increased by 16% compared to the previous

year. Kibar Career School has continued its activities in order to increase the knowledge and competencies of our human resources. Significant improvements have been achieved in all indicators as a result of the importance attached to occupational health and safety. Kibar Holding, Group Companies and Kibar Foundation have continued their contributions in the social development also in 2015.

The details of our performance in the field of sustainability are provided under the headings of governance at Kibar Holding, working life, mitigating environmental impacts, and our social Investments; and we are very pleased to present our Sustainability Report For 2015 to you, our valuable stakeholders for your opinions.

ABOUT THE REPORT

This report has been prepared within the scope of the Global Compact Progress Reporting principles and aims to communicate Kibar Holding's performance in the field of corporate sustainability to its stakeholders. The information provided in the report covers the period of 1 January - 31 December 2015.

Kibar Holding signed the Global Compact in 2013. In addition to the principles of Global Compact, the Global Reporting Initiatives (GRI) G4 Guidelines, an internationally accepted reporting standard, has been also used as a basis in our Sustainability Report For 2015.

Unless stated otherwise, the information contained in the report covers the consolidated data of Assan Alüminyum, Assan Gıda, Assan Hanil, Assan Panel and İspak, the companies representing the main activities of Kibar Holding. The report also includes the best practices of the said companies in the fields of environmental, social, and corporate governance. The data shared in the section entitled "About Kibar Holding" reflect all Holding Companies in order to provide a general introduction about the Holding. For any opinions and suggestions about the report, please contact us at kurumsaliletisim@kibar.com.

GLOBAL COMPACT

The Global Compact is comprised of 10 principles specified in the fields of human rights, working conditions, environment, and anti-corruption. These principles are prepared with a guiding perspective to enable companies and organizations to achieve higher objectives in terms of risk management, increased efficiency, employee motivation and loyalty, brand awareness and access to new markets.

The Global Compact signed by the United Nations in 2000 is an important initiative today with more than 9.000 signatory companies covering 168 countries around the world. UNGC has been active in Turkey since 2002 and has 250 members by 2015.

TEN PRINCIPLES OF THE GLOBAL COMPACT

Human Rights

Principle 1: Business should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Labour Standards

Principle 4: Business should uphold the elimination of all forms of forced and compulsory labour.

Principle 5: Business should uphold the effective abolition of child labour.

Principle 6: Business should uphold the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



ABOUT KIBAR HOLDING



Being one of the long-established business groups of Turkey, Kibar Holding has been significantly contributing in the country's economy and social welfare since its foundation. Operating in the fields of industry, service and trade, Kibar Holding companies are leading in their respective sectors. The Group has grown with its knowledge and experience, reputation, positive brand recognition and innovative organization and established important foreign partnerships. Kibar Holding and its affiliates create great value for the country's economy with their high production capacity, employment opportunities created, volume of exports, social investments, and strong partnerships established. The international business partners of Kibar Group include many leading international partners such as Hyundai, THY, Posco, Hanil, E-Hwa and Heritage.

Kibar Dış Ticaret (Kibar Foreign Trade), managing the business relations of Kibar Group companies with foreign countries, is considered among the top 10 exporters of Turkey with its trade volume of 1,5 million tons per year. Kibar Group has 22 companies under its structure operating in

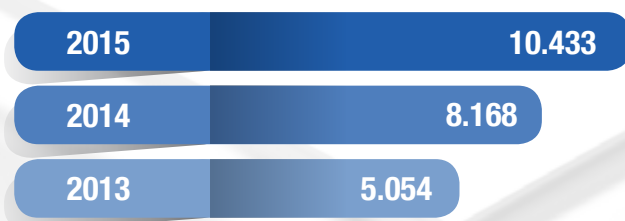
metal, automotive, packaging, construction materials, real estate, logistics, energy, food, and service industries.

Kibar Holding has contributed 3,7 billion dollars to Turkish economy with its 6,588 employees by the end of 2015. Its group companies Hyundai Assan, Assan Alüminyum, Assan Hanil, Assan Panel and Assan Demir are ranked among the Top 500 Biggest Industrial Enterprises as announced by Istanbul Chamber of Industry. The goal of Kibar Holding is to create added value for all its stakeholders in line with its ethical business principles.

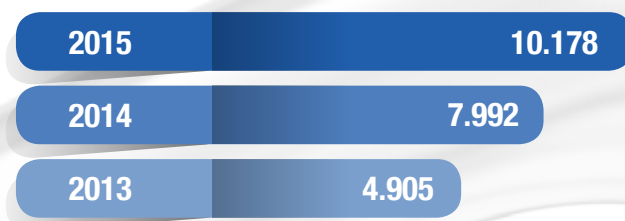
ABOUT KİBAR HOLDING

KİBAR HOLDING IN FIGURES

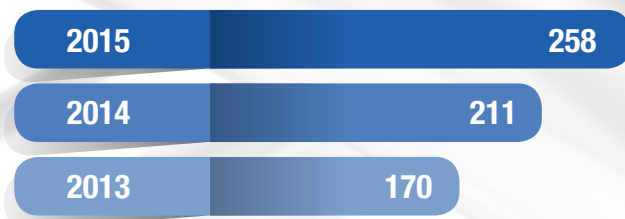
Net sales revenues (Million TL)



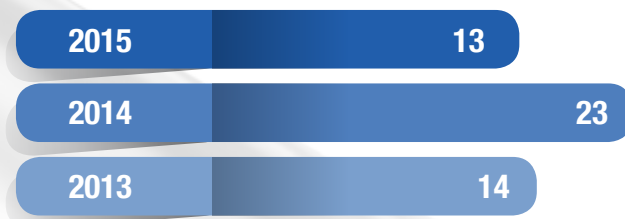
Operating costs (Million TL)



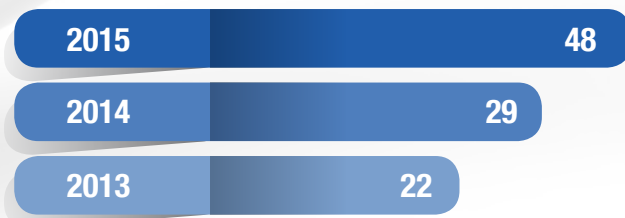
Salaries and benefits paid to employees (Million TL)



Dividends paid to shareholders (Million TL)



Taxes paid (Million TL)



MESSAGE FROM THE CHAIRMAN OF THE BOARD



Dear Stakeholders,

As Kibar Group committing itself to grow responsibly based on the principle of transparency, I am pleased to share with you our Sustainability Report For 2015. In this report that we have prepared in accordance with the principles of the United Nations Global Compact that we signed in 2013 and in which we have summarized our sustainability approach and performance, we present the practices of Kibar Holding and Group Companies for your opinions.

Today, the progress in science and technology offers advanced living opportunities for people. However, the gradually increasing population all around the world and the subsequent changes in the social and environmental conditions create new requirements and expectations that should be answered by us. While meeting such requirements, it is required to make sustainable preferences that do not risk the requirements of future generations. Leading this transportation is an important responsibility particularly for the business world.

Creating added value for the society is the primary objective of Kibar Holding. For half a century, we have grown together with our society through our activities contributing in the economic, social and environmental development of Turkey extending from industry, trade, and training to health and from employment to culture and art.

Kibar Group is today among the biggest private sector conglomerates of Turkey operating in various sectors with over 7,000 employees. This great zone of influence that we have increases our responsibility to create a sustainable and quality life for future generations. Therefore, as Kibar Group, we are focusing our activities on development of environmentally friendly and innovative products and services creating added value.

Kibar Group has maintained its performance development trend in the field of sustainability in 2015. As a result of the activities conducted within the period, we have succeeded in making improvements in various fields, particularly in the field of ensuring energy efficiency and reduction of water consumption. We consider climate change as the biggest obstacle standing in front of a sustainable future. Therefore, we are improving our business processes, products and services taking the climate factor into consideration.

Kibar Holding, Group Companies and Kibar Foundation have continued their contributions in the social development also in 2015. They have performed activities that positively changed many people's lives in the fields of education, health, sports, culture-art, environment, and various other fields.

We are proud that we have fulfilled our commitments towards our stakeholders also in 2015 experiencing a successful period. We would like to thank to all our stakeholders, especially our employees, customers, investors, suppliers and business partners that have made important contributions in our success that we have achieved.

Ali KIBAR
Chairman of the Board

MESSAGE FROM THE CEO



Dear Stakeholders,

The opinion that the leaders of the business world have reached to a consensus on in today's world with gradually globalizing economy is that corporate sustainability is an important criterion for success of the companies. For today's business world, the issues such as protection of climate balance, strengthening human rights and supporting social development are as important as the financial and operational risks. The companies that can answer such social expectations can become the leading actors of the new economic order. The management approach of Kibar Holding considers social development as an integral part of our corporate development. Managed with this understanding, Kibar Holding companies are improving the sustainability of their value chains while constantly increasing their business success.

The year 2015 has been a year in which our Group Companies have continued their investments and R&D activities without slowing down. Assan Alüminyum has transferred funds at the amount of 2,8 million TL for its R&D activities in 2015. The Company has been accepted to be included in Turquality program targeting to create global Turkish brands under the leadership of the ministry of economy. Having won the tender for privatization of Manavgat HEPP, Assan Alüminyum will implement one of the most important investments through incorporation of this renewable energy resource. Assan Alüminyum has also completed its ISO 50001 energy management certification process.

Having a factory that can process the highest quantity of tomatoes from a single location in Turkey, Assan Gıda has commissioned its sauce preparation and stick filling machine

in 2015 within the scope of its changing and growing range of products. Assan Gıda has also renewed its certificates after successfully passing from BRC Global Standards and IFS (International Featured Standards) audits in 2015. As a result of the healthy food awareness that has raised in the recent years, food manufacturers have turned towards environmentally friendly and organic products market in order to meet this demand. Assan Gıda is closely following up such activities and is trying to offer products in line with the market trends.

Assan Hanil has commissioned its 3rd plant in Bursa in 2015 and begun mass production for Karsan EU Project. It has produced its first functional prototype seat for the project on air-suspension driver seats for commercial vehicles developed in its R&D center established under its own structure with a unique design and high export potential.

Having set off with the objective of becoming one of the top 20 flexible packaging manufacturers of the world, İspak has taken a new investment decision for increased capacity planned to be put into operation in İzmit Asim Kibar Organized Industrial Zone in 2017. The first phase of the investment, i.e. the procurement of 8 units of process machines, has been completed in 2015.

In 2015, our corporate sustainability performance has also followed a positive course. We have achieved success in resource utilization thanks to the efficiency studies conducted by group companies. Despite the increased production during the year, energy density has decreased by 5.5% compared to 2014. Water density has decreased by 50% compared to 2013.

Making an impression with the support that they have been providing for the social development since their foundation, Kibar Holding and Group Companies lead the way with sustainable and reproducible practices in the social responsibility projects that they accomplish. Future Camp organized for high school students is a good example of such projects. We would like to thank especially to our Group employees that have enabled us to achieve our corporate success and to our business partners, customers, investors, suppliers and all our other stakeholders.

Tamer SAKA
CEO

KİBAR HOLDING COMPANIES

OUR INDUSTRY GROUP COMPANIES



ASSAN ALÜMİNYUM

Started its operation in 1988, Assan Alüminyum has been manufacturing and trading flat rolled aluminium (roll, sheet and foil) products. Manufacturing under the structure of Kibar Group in Istanbul Tuzla and Kocaeli Dilovası plants, the company is the leading company of Turkey in the flat aluminium industry with an annual installed capacity of 250 thousand tons in 2015. The Company has an aluminium painting capacity of 60 thousand tons per year in its roll painting plants.



ASSAN DEMİR ve SAC

Established in 1972, Assan Demir has been manufacturing and providing services for sheet iron and steel products according to the needs of end users and industrial firms. As a solution partner for stock management, one of the biggest problems of industrial companies, Assan Demir keeps in stock the products needed by its customers in the flat product groups. It meets the demands of its customers with its manufacturing and supply services that it provides from its Dilovası and İskenderun plants.



ASSAN GIDA

Started its operations in Susurluk-Balıkesir in 1998, Assan Gıda produces and exports tomato paste, ketchup, and various sauces. Assan Gıda's industrial investment equipped with the most modern technology has exceeded the value of 50 million dollars. The Company sells its products to nearly 30 foreign markets.



EGE ASSAN GIDA

The Company was established by Assan Gıda in 2010 for exporting tomato paste in Izmir Free Zone in order to increase the competitive power in global markets and to meet customer expectations.

KIBAR HOLDING COMPANIES

OUR INDUSTRY GROUP COMPANIES



ASSAN HANIL

One of Kibar Group's automotive companies, Assan Hanil was established in 1997 with the partnership of the South Korean Seoyon E-Hwa company and started production as an original equipment supplier in the automotive supply industry. While it was supplying parts for Hyundai Assan only in the early years of its establishment, it has become one of the important suppliers of Ford-Otosan since 2005. Assuming also the production of important parts of an M² class minibus, the joint project of Karsan and Hyundai Motor Company (HMC), Assan Hanil has added Isuzu and Honda to its customer portfolio. With over one thousand specialized employees working in its plants with a total area of 80 thousand m² in three different locations including two plants in Kocaeli and one plant in Bursa, the company carries out automation-based production activities with high technology.



ASSAN PANEL

The leader company in the sandwich panel industry, Assan Panel started production with its first factory established in Tuzla Istanbul with a capacity of 4 million m² per year in 1990. Having continued its investments in order to increase its capacity in years, Assan Panel established its Iskenderun plant with a capacity of 3 million m²/year in 2004, its Balikesir plant with a capacity of 3 million m²/year in 2009, and its Jordan plant with a capacity of 4,5 million m²/year in 2012. After successfully completing its investment for a second production line in Tuzla Istanbul plant with a capacity of 3,5 million m²/year in 2015, the company's capacity has reached to 18 million m²/year. Playing an active role in the global market, the company exports to 47 countries.



KIBAR INDUSTRY

Established in 2011 by Assan Panel Sanayi ve Ticaret A.Ş., Kibar Industry Co. started its operations in Jordan to produce sandwich panels. The manufacturing plant, located at a distance of 45 km to the capital Amman, was established on a total area of 65 thousand m² including 10 thousand m² of indoor space. The foundations of the plant were laid early 2012; and with a continuous line offering 4,5 million m² of production capacity, polyurethane-insulated sandwich panels and supplementary elements are produced in the first stage.



HYUNDAI ASSAN

Celebrating its 25th year of entry in the Turkish Automotive Market in 2015, Hyundai Assan is jointly managed by 70% Hyundai Motor Company and 30% Kibar Group partnership. As the compact automobile station of the brand with an investment of 1.2 billion TL, Hyundai Assan exports to more than 40 countries over 200 thousand units of automobiles produced in a year with its 2 thousand and 800 employees. Hyundai Assan is among the most favoured automobile brands in Turkey; and more than 50 thousand units of vehicles are sold in a year via the network comprising 71 dealers spread throughout the country.

KİBAR HOLDING COMPANIES

OUR INDUSTRY GROUP COMPANIES



İSPAK

Established in 1974, İspak offers products and services for flexible packaging industry with its experience of over 40 years. The company manufactures packaging solutions for any processed food, candies, chocolate, milk and dairy products, pharmaceuticals, cigarettes, beverages, white goods, and insulation industries.



POSCO ASSAN TST

The Company was established in 2011 with the cooperation of Kibar Holding, South Korea-based Posco and Daewoo International to manufacture stainless steel in Kocaeli. Having the first and only stainless steel cold rolling plant of Turkey, Posco Assan TST had an initial investment cost of 350 million dollars and it started production in 2013 with a production capacity of 300 thousand tons per year.



TSİ UÇAK KOLTUK ÜRETİMİ

The Company was established in 2011 by Turkish Airlines, TT Turkish Technic and Assan Hanil Otomotiv.

TSİ designs, manufactures and sells all types of passenger seats used in commercial aeronautics. Focusing on weight, which is very important in aviation industry and which directly affects fuel consumption, the company creates added value with the design of high quality, light and innovative products.

KİBAR HOLDING COMPANIES

OUR TRADE GROUP COMPANIES



ASSAN GAYRİMENKUL

Established in 2008, Assan Gayrimenkul aims to develop all the real estate projects of the group. The company also continues to carry out its new project efforts in high potential areas having room for development throughout the entire country.



ASSAN YAPI

Established in 2007, Assan Yapı offers services in every field of the construction industry. Assan Yapı is gradually growing and developing day by day using all the technologies of the era.



BAREKS DIŞ TİCARET

Established in 1995, Bareks Dış Ticaret exports steel-iron, non-ferrous metals and various consumer goods to the Commonwealth of Independent States (CIS). In addition, it conducts, under the name of Bareks Mermer, the wholesale and retail organization of marble that it imports from Ukraine, Turkey and various marble manufacturing countries across the world.



KİBAR ENERJİ

Established in 2011, Kibar Enerji imports and carries out wholesale activities for natural gas. Kibar Enerji acquired 1 billion m3/year of natural gas purchase-sale contract under the West Line Contract transfer in 2012; and has been conducting importation and wholesale of natural gas as of 1 January 2013.

KİBAR HOLDING COMPANIES

OUR TRADE GROUP COMPANIES



KİBAR INTERNATIONAL S.A.

The company was established in Switzerland in 2001 in order to support the import and export activities of the companies engaged in international trade under the structure of Kibar Group.



KİBAR DIŞ TİCARET

Established in 1985, Kibar Dış Ticaret organizes foreign trade activities of Kibar Group. With its widespread contact points all around the world and accumulated foreign trade know-how and knowledge, Kibar Dış Ticaret is an original representative of the group's strong commercial culture. Kibar Dış Ticaret is listed as one of the Top 10 Exporters of Turkey.

KİBAR HOLDING COMPANIES

OUR SERVICE GROUP COMPANIES



ASSAN BİLİŞİM

Established in 2006, Assan Bilişim offers comprehensive services in information and communication industries. Assan Bilişim is a technology and consulting company offering the services related with development of enterprise resource planning solutions tailored for customers, Microsoft Axapta consultancy, project management, information security management system installation, disaster recovery center services, system development, system support, hardware and integrator services, data center, call center, software selection, process development and desktop support services.



ASSAN LOJİSTİK

Established in 1996, Assan Lojistik provides door-to-door logistic services at a national and international level. It offers domestic transportation, heavy transport, warehouse, storage, distribution and stocking, in-port handling, supervision and customs clearance services throughout Turkey. The company also conducts multimodal transportation, international land transport, international air transport, international marine transport, international railroad transport and heavy transport operations in the field of international transportation. It started to provide operational fleet leasing services in 2001, thus offering its intra-group experience and boutique service concept to extra-group companies as well.



ASSAN PORT

The company was established in Iskenderun Bay in 2010 in order to provide services for all types of container ships and general cargo vessels. Assan Port Iskenderun, the first container terminal providing services for modern container ships at Iskenderun Bay, has become the second and a very important alternative following Mersin for the same hinterland. The company is continuing its activities under the partnership agreement executed with the Dutch Terminal Investments Limited Group in 2013.



İNTERAKTİF

İnteraktif was established by the end of 2015 as the joint venture of Kibar Group and the Heritage Group that has been operating in the USA since 1930 in order to provide competitive and innovative solutions in the areas of Total Waste Management and Environmental Consultancy. With its experience in Total Waste Management and the sustainable solutions that it offers, the Company is in the service of its customers and of Turkey that is a party to Kyoto Agreement in order to enable them to achieve their environmental and sustainability objectives.

GOVERNANCE AT KIBAR HOLDING

Kibar Holding's corporate governance approach is shaped by the principles of integrity, dignity, ethical conduct and compliance with all laws and regulatory authorities. These principles constitute the basis of governance for the Group Companies as well as Kibar Holding. Displaying a transparent, fair, responsible and accountable governance approach and strict compliance with the regulatory rules in terms of managerial structure, policies and processes are the principles that must be always complied with by Kibar Holding and Group Companies.

Since 2013, there have been important changes towards institutionalization in Kibar Holding. The organization structures of the Holding and of the Group Companies were changed and a professional governance approach was adopted through transfer of executives at various levels. The systematic developments that will automate management of organizations and operations and facilitate their control are also ongoing. The Organization Manual defining the corporate procedures has been prepared.

For detailed information on the Board of Directors and Senior Management of Kibar Holding, please visit <https://www.kibar.com/Holding/Yonetim-Kurulu.aspx>.

STRATEGIC PLANNING

The strategic planning at Kibar Holding is a continuous process during which current, initiative-based and riskbearing decisions are taken systematically and considering the possible impacts on the future, the efforts necessary to implement such decisions are organized and a systematic feedback mechanism is determined and the results of such decisions are compared with expectations.

Strategic planning refers to systematic creation and follow-up of a road-map designated by the General Managers of Group Companies. The Holding Senior Management and Strategy and Business Development Department review this roadmap in terms of the Holding's objectives and mission and provide recommendations.

RISK MANAGEMENT AND INTERNAL AUDIT

At Kibar Holding, there are effective risk management and internal audit systems in place for ensuring business sustainability. In line with its objectives and principles of creating added value for the society and protecting such values, Kibar Holding attaches utmost importance to identification of corporate risks toward its stakeholders, its assets and its operations and effective management of such risks. In this context, Risk Management

Directorate was established in 2016 and it is planned that intra-group corporate risk management, business continuity and compliance policies and standards will be developed; risk assessment models and reporting processes will be structured; and the impacts and possibilities of operational risks and their relative consequences will be minimized through business continuity planning and drills under the coordination of the said unit. It is aimed that the risk management and business continuity systems will be structured in line with international standards like ISO 31000 and ISO 22301 and in an integrated manner with the company strategies and corporate culture and thus, they will be internalized by all employees as an important element of corporate sustainability. Under the coordination of the Risk Management Directorate, the framework, system and committee infrastructures are established for periodical assessment by the companies, Senior Management and the Board of Directors of and for the actions to be taken by the related departments against the operational, financial, legal and strategic risks that may prevent the Holding or Group Companies from achieving their strategic business targets, or jeopardize business continuity, or cause financial, reputational or human loss. Necessary risk management and internal control activities are designed through cooperation with the Holding Finance Department in the monitoring of the financial risks such as currency, bad debt, interest and liquidity risks; and with the insurance companies in the management of operational risks related with assets, products, and business continuity. In addition, the Internal Audit Department and the Internal Audit units in the Group provide assurance and consultancy services for management of the risks that may occur during the processes related with the operational, financial and compliance issues in the entire Group.

Corruption and misconduct issues are taken into consideration in all audits conducted at Kibar Holding. The audits of all processes of 8 companies under the structure of Kibar Holding were completed in 2015; and the audits of 4 companies have been started in 2015. In addition, inventory counts were performed in 8 companies and cash counts were performed in 7 companies in 2015. In addition, private investigations received via the complaint channel and mostly related with misconduct cases were also conducted in 2015. Six different reports of misconduct were received from 4 different companies and reports regarding 31 different claims were submitted to the Board of Directors in 2015. As a result of such cases, control points that will increase the reliability of internal control environment in the companies have been defined. Necessary punitive sanctions were imposed for persistent violations.

GOVERNANCE AT KIBAR HOLDING

BUSINESS ETHICS PRACTICES

The Ethics Committee Reporting to the Board of Directors is the highest authorized body for Business Ethics practices at Kibar Holding. "Kibar Holding Codes of Conduct" prepared in 2015 and put into force in 2016 is based on the principles of integrity, confidentiality, justice, quality and continuous development, prevention of conflicts of interest and responsibility. Training and information activities were conducted in order to increase the awareness about the rules within the Group; in-class trainings were organized with the participation of all employees; the Codes of Conduct were introduced and the Codes of Conduct Booklets were distributed in such trainings. A signed statement is received from all employees indicating that they have read and understood the Codes of Conduct and they will not display any behaviours contrary to the Codes of Conduct. Trainings are from time to time organized in the campuses according to the personnel circulation in the companies and the participation and signed statement status of our employees are periodically reported to the Board of Directors. The rules are also incorporated into the orientation programs as well.

An Ethics Hotline was established for receiving intra- or extra-Group calls to be made within the framework of the confidentiality principles in case of any breach of ethical rules. It is ensured that every call received at the Ethics Hotline will be answered and recorded by a limited number of authorized personnel. In addition to Ethics Hotline, it has been made possible that any possible complaints may be forwarded in writing via e-mail or letters and they are recorded and then submitted to the Ethics Committee for their opinion.

A Code of Conduct Advisor has been designated in Group companies in order to ensure that the codes of conduct are correctly understood by employees. Code of Conduct Advisors serve as a point of consultancy for any nonconformities with the Codes of Conduct in any cases experienced by the employees. When the employees face any nonconformity with the Codes of Conduct, they can report it anonymously to Kibar Group Ethics Committee as well as the Code of Conduct Advisors.

BUSINESS CONTINUITY AND INFORMATION SECURITY

It is targeted to establish "Lean Functioning" approach in order to ensure business excellence under the structure of Kibar Holding. In this context, Kaizen, the improvement approach of this philosophy has been adopted and the projects such as improvement of the efficiency of equipment in critical machinery have been started together with the companies in order to widely deploy this approach in the Group Companies. There are practices already in place in Assan Hanil and İspak companies oriented toward establishing production continuity under the scope of the TPM (Total Productive Maintenance) approach.

The activities for ensuring business continuity at Kibar Holding and Group Companies are continued without slowing down. In order to ensure business continuity, it is required to design the current functioning considering the best practices, and to regularly measure the performance with the related indicators and to continuously improve it. All business processes should be designed taking any and all risks into account and covering the requirements in terms of human resources and technology. The business processes at the holding and companies are being reviewed and designed and the transition to SAP program in ERP systems is ongoing.

Balanced scorecard practice is continued under the scope of corporate performance management. Thus, in addition to financial indicators, the indicators related with customer relations and progress are also monitored. The improvement projects in relation to the issues, for which the related performance is monitored, are being continued together with the Group Companies.

Data privacy is a process managed with due care and diligence at Kibar Holding and Group Companies having a wide network of stakeholders. The data of all our customers and our business partners and employees are secured using various security systems. Kibar Holding Data Security Policy can be viewed at

<https://www.kibar.com/Holding/Veri-Gizliliği.aspx>.

GOVERNANCE AT KIBAR HOLDING

SUPPLY CHAIN MANAGEMENT

Kibar Holding Group Procurement department manages a procurement volume of nearly 2,5 billion TL through the procurement of raw materials, operating auxiliary materials, technical materials, energy, real estate / construction works, technical equipment investments and indirect procurements required for all group companies.

At Kibar Group, procurement activities target to guarantee sustainable, accountable and corporate practices through effective, efficient, and dynamic operations. In order to support these targets, Kibar Holding common procurement organization continues its activities focusing on quality and saving. The approach followed in the operations is a sustainable and corporate procurement approach choosing, protecting and developing the correct suppliers through category-based specialization and providing benefits for the entire Group and the suppliers through collaboration activities.

The purpose of purchasing operations is to ensure corporate sustainability of Kibar Group Companies. To this effect, the developments in the raw material markets are followed up; and various risks and opportunities directly affecting the costs such as economic fluctuations in our supply geography are managed. Energy efficient investments equipped with advanced technology are preferred in the procurements. Purchasing requirements are met over a global supplier network. The point of focus is to develop long-term business partnerships creating added-value, which can serve the entire Group.

While Kibar Group develops environmentally and socially responsible processes in its own operations, it also expects from its suppliers to fulfil similar conditions. Purchasing procedures, principles and codes of conduct have been established as a part of responsible supply chain practices. These criteria developed in line with the Global Compact deal with the issues such as prevention of child labour and forced labour, provision of fair and equitable working conditions, and mitigation of environmental impacts. As a Group, the suppliers acting in accordance with the codes of conduct and principles and showing respect to people and environment are worked with and all efforts are made in order to ensure that the suppliers also adopt our corporate culture. A wide and strong network comprising nearly 2000 suppliers is being managed. The development of the ecosystem

created is ensured through constant monitoring and improvement of the sustainability performance of this large group of stakeholders.

Kibar Group Companies not only render the best and finest quality service at all times; but also conduct their activities within the framework of social responsibility, environmental awareness and respect to employee rights. As a requirement of joint responsibility, suppliers are also expected to operate with the same responsibility by developing their own environment with this awareness. Execution of Kibar Group Framework Agreement with the suppliers is considered as the prerequisite of the procurement process. With this agreement, it is guaranteed that the suppliers also adopt all critical sustainability priorities. Being an integral part of our Codes of Conduct, the Procurement Codes of Conduct are expected to be adopted and implemented by each supplier with which we are to work and we are currently working.

Kibar Group treats all suppliers equally and provides its suppliers with the opportunity to act within a fair competition environment.

All suppliers currently providing and/or evaluated for provision of services for the Group are monitored within the scope of the following criteria:

- Efficiency (quality-cost-time balance)
- Compliance with environmental rules and codes of conduct
- The performance regarding the responses to the development/improvement demands
- The capability of adaptation to developing and changing global/ local/ economic/ industrial conditions
- Compliance with the terms and conditions of contracts

Kibar Group believes that permanent business success can be achieved together with the suppliers that it considers as its business partners and chooses the suppliers that it will work with based on the principle of trust. Therefore, the quality of the relationship with the suppliers is extremely important. Kibar Group Procurement Codes of Conduct aims to standardize the relations between the supplier companies and the employees. These rules are binding for and upon not only the procurement personnel, but also all employees that may be involved in procurement activities.

GOVERNANCE AT KIBAR HOLDING

SUSTAINABILITY MANAGEMENT

Kibar Holding's sustainability management is basically referring to the United Nations Global Compact that it is a signatory to, as well as its corporate governance structure, business ethics and social responsibility culture that it has developed so far. All Group Companies are obliged to comply with the 10 principles set forth in the said agreement under the main headings of working conditions, human rights, environment and anticorruption as well as the policies and strategies set forth by Kibar Holding, over their all operational geographies. Our group companies conduct continuous improvement-focused studies in the related areas by monitoring their performance that they display in this area.

Kibar Holding Companies provide employees with safe and fair workplaces where human dignity remain at the forefront; human rights are maintained; the professional development of employees is supported; and equal opportunities for their development are provided. Human resources policies and strategies set forth by Kibar Holding are shaped and monitored by the Group Companies through and by means of customizations made according to the characteristics of the sectors they are operating in. Under the personnel regulations published by the Group Companies, principles related with the matters such as employees' social rights and benefits, working conditions, occupational health and safety are specified; they are governed by the systems and procedures established; and their implementation as well as performance results obtained are followed up at the company and Holding levels. Human rights including, particularly, the right to association, are secured under policies and procedures regulated pursuant to the provisions on human rights stipulated in national legislation as well as international conventions, including, particularly, the related articles of the United Nations Global Compact; and thus, discrimination, child labour, forced

and compulsory labour practices are avoided within the framework of the activities of the Group companies. The Group companies expect their suppliers and business partners to meet similar operational norms and standards by realizing various monitoring practices, thereby contribute to the attainment of aforesaid conditions within the scope of their areas of influence. In the group companies, human resources policies and processes are managed by units with specialized expertise; whereby bodies are constituted with the representation of employees, primarily in the field of occupational health and safety.

Maintaining corporate sustainability at Kibar Holding Companies is the main target of the Holding. In parallel to such objective, the managerial approaches developed in the respective areas of social, economic and environmental responsibility are monitored through Kibar Holding Sustainability Reports.

As required by its governance principles and sustainability approach, Kibar Holding is in constant and constructive communication with its stakeholders. Due to the structure of its affiliations, Kibar Holding deals with a broad range of stakeholders, primarily shareholders, companies, employees, dealers, agencies, customers, non-governmental organizations and public institutions. As far as stakeholder engagement is concerned, the engagements implemented include one-way and two-way information provision and feedback methods, project-based partnerships, mutual discussions and similar practices. The criteria expected to be fulfilled by the corporate stakeholders include integrity, respectability, ethical behaviour and compliance with laws and regulations. The other continuously evaluated criteria for any ongoing or future cooperation to be developed are about the potential contribution to the community as well as potential of creativity and innovation.

STAKEHOLDER GROUPS	MEANS AND FREQUENCY OF COMMUNICATION
Employees	Annual Report (yearly), Internal Information Announcements (spontaneous)
Group Companies	Annual Report (yearly), Labour Committees (standing)
Shareholders and Investors	Annual Report (yearly), Interim Period Activity Reports (biannually), Reputation Researches (annual), General Assembly Meetings (annual), Meetings and Discussions (spontaneous), Board of Directors' Meetings (quarterly)
Public Institutions	Annual Report (yearly), Audits (spontaneous/annual), Other Requests and Notices
Customers	Annual Customer Satisfaction Measurement
University Students	K Team Long-term Internship Program
Trade Unions	Meetings and discussions held between MESS that Assan Alüminyum is a member of and the company during the year

WORKING LIFE

Kibar Holding believes that its corporate success is based on its qualified and committed employees. The Group acts with respect to employee rights set forth in international agreements in every stage of working life and develop systems for protection of such rights. Kibar Holding and its affiliates target to add competent employees to its structure and to ensure their continuous development as a preferred workplace.

Kibar Group has adopted the principles of not practicing any discrimination based on language, religion, region, race and gender; providing completely all legal and personal rights of employees; not acting contrary to personality rights and human dignity and not permitting such behaviours. There are ongoing studies to

increase the number of female employees in order to ensure gender equality in the community.

At Kibar Group companies under the scope of the report, the number of total employees in 2015 has increased by 11% compared to 2013. The number of white-collar female employees has increased in all Kibar Group Companies under the scope of the report in 2015. The total number of female white-collar employees has increased by 16% compared to 2014 and reached to 175 in 2015. In Assan Alüminyum, the number of female employees has increased by 14.8% compared to 2014 and reached to 70 in 2015. The rates of increase in Assan Gıda and in Ispak are 6% and 29%, respectively.

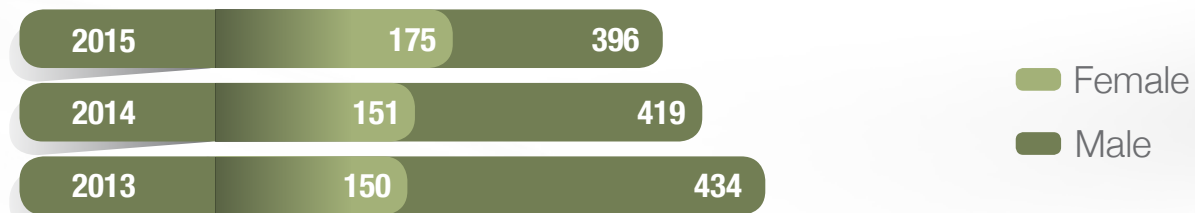
Breakdown of white-collar – blue-collar employees in the companies under the scope of the report



Breakdown of employees by gender in the companies under the scope of the report



Breakdown of white-collar employees by gender in the companies under the scope of the report



WORKING LIFE



ASSAN HANIL AND INTERNATIONAL WOMEN'S DAY

Various awareness-raising activities on equality of opportunities and femicide are conducted under the scope of the International Women's Day Events regularly organized by Assan Hanil every year. Assan Hanil is also a leading company in its sector with the support that it provides for women's employment in all management and operational positions.

EMPLOYEE PARTICIPATION AND SATISFACTION

Continuous improvement of working life and increasing employees' welfare are among the corporate priorities of Kibar Holding. Employees' expectations are regularly collected via Employee Opinion Surveys conducted by an independent consultancy firm since 2004. The feedbacks given both throughout the entire Group and specific to Group Companies are examined at the highest level, the results are shared with employees and actions are taken according to the suggestions and duly followed up. There are targets set forth in the scorecard of every manager in Kibar Group aiming the development of employee engagement.

Believing that providing a participative workplace increases the creativity and satisfaction of employees, Kibar Holding has commissioned Portakal, the internal communication portal in 2014 in order to reinforce the communications between the companies and employees. Another important communication channel is the internal communication bulletin named K-Haber. Prepared with the participation of employees, K-Haber (KNews) contains news from the employees and plays an important role in strengthening intra-group bonds.

ASSAN ALÜMİNYUM VALUE CREATING IMPROVEMENT MODEL (ADIM)

ADIM model is implemented as an improvement methodology in Assan Alüminyum. ADIM is comprised of Small Steps, Big Steps and KGF components. Small Steps are the suggestions for improvement realized through personal experience and common sense. Big Steps are the suggestions for improvement realized by project groups, which should be focused on a Group basis. Using the system of Accident is On the Way Form (KGF), employees report over ERA system the situations such as near-miss events, potential hazards, unsafe conduct, etc. experienced on site. Such reports are reviewed by OHS&E Department and pertinent reports are prioritized and converted into work orders and corrective/preventive actions are taken duly. This system has also been linked to a rewarding system in order to encourage it. In 2015, 53% of the suggestions received from employees have been put into application and 1.123 suggestions have been supported in Assan Alüminyum.

EMPLOYEE SUGGESTION SYSTEM AT İSPAK

In İspak, the suggestions of all employees are evaluated and they are encouraged to participate in the improvement activities. Suggestions received from employees are evaluated by the Suggestion Evaluation Committee chaired by the General Manager and comprising the authorized personnel from Production, Maintenance, Human Resources and Quality Departments. The OH&S Award of the month and the Efficiency Award of the month are given through a selection made among the suggestions received every month.

WORKING LIFE

ASSAN ALÜMİNYUM IN SOCIAL MEDIA

Exporting to over 70 countries, Assan Alüminyum conducts its activities towards reaching to the intended target group in the business market. To this effect, social media channels are effectively used. The number of the Company's followers in LinkedIn has increased by nearly 50% and exceeded 8,000 in 2015.

PERFORMANCE EVALUATION SYSTEMS

Effective performance systems are extremely important in creating a fair working life rewarding success. Kibar Holding and Group companies measure the performances of their employees in line with their objectives and governance principles. Employees' performance is measured with a system using competencies as well as the targets. Kibar Group competencies have been determined in the workshops organized with the managers of all Group Companies; and the competencies have been identified based on the exemplary behaviours bringing success in the activities of Kibar Holding. The Performance Management System, the general principles of which have been determined by Kibar Holding, is flexible enough to meet the different requirements in practice on a company basis. The Performance Management System provides inputs for the Training and Development, Career Management and Reward Management Potential Evaluation processes. In 2015, 1,783 employees in total have been included in the performance evaluation system in the companies under the scope of the report.

There are recognition and appreciation systems varying on Group Companies basis within the structure of Kibar Holding.

TRAINING AND DEVELOPMENT

At Kibar Holding giving utmost importance to human resources and targeting continuous training and development within this meaning, annual training plans are prepared considering the requests of employees, the areas for improvement of competencies required by positions, the trainings needed for achievement of annual targets, and personal and professional development needs. This process is also supported by position and title-based

leadership development programs, mentorship and coaching activities. At the end of the trainings provided, the evaluations made by the participants in relation to such trainings are taken into account; thus targeting continuous development of training organizations. Training requirement analyses are made according to the compulsory professional trainings of hourly paid workers and the working standards for heavy and dangerous works and such trainings are organized via accredited institutions.

The trainings provided at Kibar Holding and the Companies under its structure have been also continued in 2015. 29,111 man hours of trainings were organized in the fields of occupational health and safety, professional and personal development and environment.

In addition, the holding companies continuously increase the training opportunities and the types of trainings provided for their employees. Having increased its investments in the field of training, Assan Gıda has organized 3481,5 hours of trainings in 2015 and increased the total number of training hours by 77% compared to 2014. Assan Alüminyum has increased the total number of training hours by 19.4% compared to 2014 and organized 2,088 hours of trainings in 2015. Assan Panel has increased the total number of training hours by 57% and provided 6,451 hours of trainings for its employees.

KİBAR CAREER SCHOOL

Kibar Holding's biggest investment in the field of education is Kibar Career School established with its training partner Sabancı University. With Career School project, it is aimed to develop the competencies of employees in their fields of specialization by means of a corporate academy. A Faculty of Leadership has been established within the scope of the Academy in order to create a common leadership approach throughout the entire Group. Faculty of Development has been established for the employees at specialist level and Sales Academy has been established for the sales personnel throughout the entire Group. The leadership trainings organized under the structure of Career School have included 1.608 man* hours of training at Assan Alüminyum; 1.384 man* hours of training at Assan Panel, and 504 man*hours of training at Assan Hanil.

WORKING LIFE

CAREER MANAGEMENT

Kibar Holding tries to offer a satisfactory career to its employees. Employees' target-oriented performances and competency developments are monitored by years at Kibar Holding. Employees demonstrating development for the next upper level are evaluated at their companies or the other Group companies considering the requirements of the Group. In order to ensure such development and to create a pool of potential candidates, employees benefit from a wide range of opportunities covering mentorship, coaching, and leadership programs. Most of the requirements in the Group for medium and senior level managers are covered internally within the Group.

OCCUPATIONAL HEALTH AND SAFETY

Aware of the fact that employees can be happy and efficient in a safe and healthy workplace, Kibar Group makes no compromise of occupational health and safety practices considered among its top business priorities. There are Occupational Health and Safety Committees, meeting regularly every month and responsible for the functioning of the occupational health and safety policy in all companies. There is a position entitled as Occupational Health and Safety Manager established for monitoring Occupational Health and Safety (OHS) practices throughout the entire Holding. OHS practices of all companies are audited by the Occupational Health and Safety Management every year. Six OHS committees in total have been commissioned in the companies under the scope of the report; and 90 employees and employee representatives in total have served in such committees in 2015.

At Kibar Holding Companies believing in the importance of employees' awareness of occupational health and safety, 15,765.5 man*hours of occupational health and safety training have been organized with the participation of 1,685 employees in 2015.

Accidents occurring in the group companies

are reviewed and evaluated by the occupational safety specialists and the other related unit representatives and the preventive and corrective actions specified as a result of such analyses are put into application. As a result of such activities, no fatal events or occupational diseases have been experienced at Kibar Holding companies since 2011. The companies have also maintained the same performance in 2015. The number of injuries in the companies under the scope of the report has decreased by 4.4% in 2015 compared to the previous year. In Assan Gıda, the accident frequency rate has decreased by 74% in 2015 compared to 2014. This rate has decreased by 42% compared to the previous year in İspak. The injury rates have decreased by 5.8 at Assan Alüminyum, 25.6% at Assan Gıda, 28.5% at Assan Panel and 50% at İspak in 2015 compared to 2014.

There is a workplace doctor in all working areas and infirmary service is provided in the group companies. Private health insurances are implemented at Kibar Holding companies with different policies and limits according to the sectors they are operating in.

High standards of Kibar Holding Companies have also been registered by international companies. Holding companies export to many global companies and follow international standards in their manufacturing and occupational health and safety processes. Assan Gıda, one of the Holding companies, has successfully passed the audits of Supplier Ethical Data Exchange (SEDEX), and IFS and BRC Food Safety Global Standards.

ROBOTIC IRONING PROJECT AT ASSAN HANIL

With the robotic ironing system that will be commissioned at Assan Hanil in 2016, the ironing operation previously performed manually by the operators on the front seat lines will become robotized. Thus, it is aimed to prevent musculoskeletal system disorders that may be suffered by the employees due to their works.

MITIGATING ENVIRONMENTAL IMPACTS



Decreasing natural resources and climate change are considered among the top global issues today. The impaired environmental balance directly affect various industries, particularly agriculture; and large-scale global issues necessitate innovative solutions with comprehensive participation. Kibar Holding Companies act with the awareness and responsibility of the environmental issues that have become global in all their activities.

The environmental sustainability approach at Kibar Holding and its affiliates is based on constantly developing innovative solutions to minimize the adverse impacts on the environment and encouraging environmentally friendly behavioral changes. The goal of minimizing the holding companies' environmental footprints is achieved through efficient use of all natural resources, especially water, and energy and environmentally friendly waste management. The potential risks generated by environmental issues are turned into opportunities through the development of environmentally-friendly technologies and products thanks to R&D activities of the companies under the structure of Kibar Holding.

National and international certification processes are closely followed up in the field of environmental management. The companies within the structure of Kibar Group adopt an integrated governance model by adding new national and international certificates to those already received by them. Most of Kibar Group Companies have ISO 14001 Environmental Management System Certificate.

FIGHT AGAINST CLIMATE CHANGE

Climate change is one of the greatest threats that our planet faces. In case of global warming by more than 2 degrees compared to the pre-Industrial Revolution levels, climate change will become irreversible and it will create very devastating impacts in the long run. As a result of climate change, it may become impossible to find drinking water enough for everyone in many regions of the world. Adverse weather conditions causing both physical and economic losses and damages may become more frequent. Private sector may have to incur serious costs and expenses against the high costs of managing a different climate. Therefore, climate change poses a serious risk not only for the natural life, but also for the economic and social life.

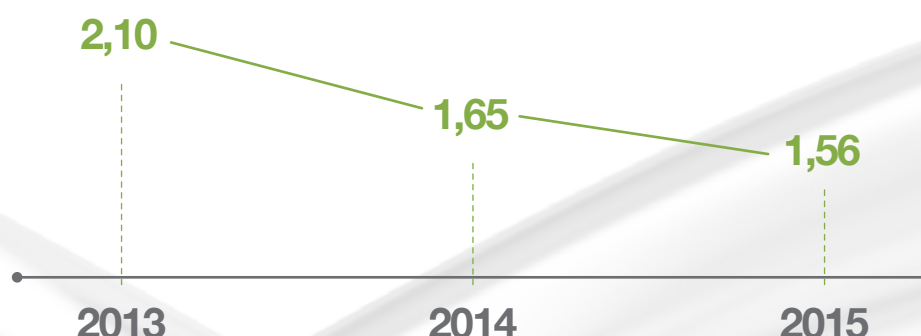
There are important duties falling on the part of the private sector in order to eliminate the risk of climate change. To this effect, Kibar Holding and Group Companies act in line with their obligations under the United Nations Global Compact and have adopted the principles of mitigating their environmental impacts, leading their ways towards environmentally-friendly technologies and creating awareness about environmental issues. Environmental performance is monitored in all companies under the roof the Holding with due care and diligence; and numerous local and international standards are implemented and continuous improvement projects are put into application.

Efficient use of energy constitutes an important area in the fight against climate change. The projects for energy efficiency also decrease the external dependency of Turkey in the field of energy resources, thus contributing in the national economy. To this effect, our Group Companies implement various efficiency projects. As a result of such projects, the energy density of our companies have declined. Despite the increase in production volumes, energy consumptions are decreasing thanks to the environmentally-friendly technologies used and the efficiency studies conducted.

MITIGATING ENVIRONMENTAL IMPACTS

Energy density of the companies under the scope of the report

(Total energy consumption/Total production (GJ/tons))



At Assan Panel, the energy consumption has decreased by 14% compared to 2014 and has been recorded as 442,666 GJ in 2015. İspak achieved 6,5% energy saving compared to the previous year thanks to the projects implemented in 2015.

Assan Alüminyum has continued its renewable energy investments in 2015. The Company has purchased 103.3 GJ of energy from renewable resources in 2015. This corresponds to an increase by 11% compared to 2014.

Kibar Holding companies have implemented a number of energy efficiency projects in the reporting period.

ASSAN HANIL HARDBOARD AUTOMATIC TAPING PROJECT

With the Hardboard Automatic Taping Project, the pads manually fixed by the operators are now automatically glued via robotic application. With this project, the process has been accelerated by 30% compared to the current conditions and the capacity has increased. The energy consumption that was 3,329 kwh in the old process has been decreased to 1,536 Kwh per hour, thus providing 54% energy saving. The project has also allowed for prevention of the OHS risks arising from the

process. The registration procedures related with the project have been completed and the patent application has been submitted.

LOGISTICS OPTIMIZATION AT ASSAN HANIL

Some practices that were under the responsibility of Assan Hanil due to FOB transportation agreement in relation to procurements from foreign countries have been transferred to suppliers via CIF mode of transportation. Upon transfer of loading responsibility to suppliers, the container efficiency has increased from 60% to 80%; this yielding a significant energy saving.

EFFICIENT USE OF RESOURCES

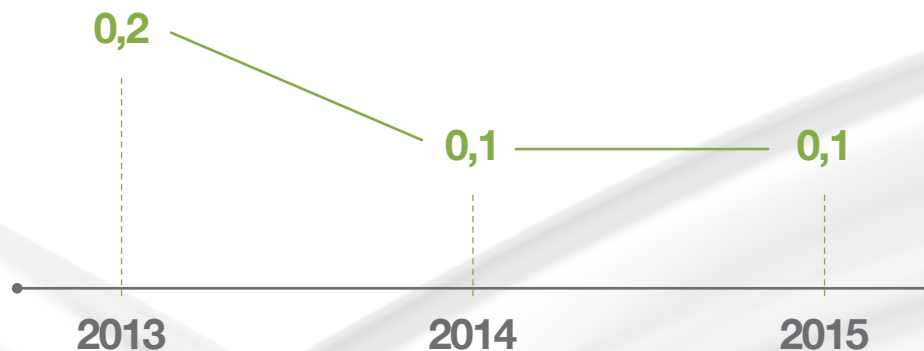
Gradually decreasing natural resources have led the companies to search for rational solutions about this issue. Decreasing the use of natural resources especially water, increasing recycling and reuse through effective waste management, and preferring environmentally-friendly disposal methods constitute the basis of Kibar Holding's natural resources management approach.

With the water efficiency projects implemented by Kibar Holding Companies in the reporting period, the water density of production plants has decreased.

MITIGATING ENVIRONMENTAL IMPACTS

Water density of the companies under the scope of the report

(Total water consumption/total production (m3/tons))



The recovered water at Assan Gıda has increased by 27% compared to 2014 and has been recorded as 47.289 m³ in 2015. Water consumption at Assan Hanil has decreased by 10% compared to 2013 and has been recorded as 26.248 m³ in 2015.

Effective waste management is extremely important for sustainability of natural resources. Particularly, mitigation of hazardous wastes and their disposal through environmentally-friendly methods are the issues of top priority for resource utilization. As a result of the studies conducted, the waste density of the companies under the scope of the report has decreased by 43% in 2015 compared to 2013.

The rate of use of recycled raw materials at Assan Hanil has been 97% in 2015. At Assan Alüminyum, the rate of recycled raw materials that was 31%

in 2014 has increased to 40% in 2015. Assan Gıda has increased the recycling rate of non-hazardous wastes by 22% compared to 2013 and recycled 872 tons of non-hazardous wastes in 2015. At Assan Panel, 845.024 tons of non-hazardous wastes have been recycled in 2015. The rate of recycling of non-hazardous wastes at İspak has increased by 307% in 2015 compared to 2013. İspak has recycled 116 tons and Assan Hanil has recycled 282 tons of hazardous wastes in 2015. At Assan Hanil, the energy recycling rate for non-hazardous wastes has increased by 46% compared to the previous year and reached to 1,235 tons in 2015.

Operating in the foods industry where packaging wastes constitute an important problem, Assan Gıda has recycled 52% of its packaging wastes in 2015. This rate has been recorded as 48% in İspak and 100% in Assan Hanil.

OUR SOCIAL INVESTMENTS



Kibar Holding tries to improve the welfare level of the society that it lives in. Access to training and healthcare services and the capability of benefiting from culture-art and sports facilities and opportunities take an important place for establishment of social peace and happiness. Kibar Holding and its affiliates support a number of social responsibility projects in order to facilitate access to such services by the stakeholders living in their operational areas. In 2015, Kibar Holding has transferred funds at the amount of 2,750,328 TL for social projects, donations and sponsorships. KibarGroup companies support various information



activities and events in order to contribute in the industrial knowledge. In 2015, Assan Alüminyum and Assan Hanil companies have provided professional guidance for 257 people and 5,172 people, respectively. 311 interns have served their internship at the Group Companies and received industrial information and training in 2015. Assan Alüminyum has donated aluminium plates to Karadeniz Technical University Society of Energy Technologies for use in the TÜBİTAK-supported electric and hydrogen-fuelled automobiles project.

KİBAR EDUCATION AND SOCIAL RELIEF FOUNDATION

Established in 1999 in order to institutionalize the charity activities within the Group, Kibar Education and Social Relief Foundation supports the government services from many aspects by making social investments in education, health and social areas. The purpose of the foundation is to reach to a higher number of people in need by creating awareness on social responsibility.

FUTURE CAMP

A 1-week camping was organized for high school students under the scope of the project jointly conducted with Turkish Education Foundation (TEV). In the organization held under the name of Future Camp, 25 high school students received information about the professions that they dreamt of and had the opportunity to experience the spirit of teamwork and solidarity. With the event intended to be organized every year, it is planned to reach 40 students in 2016.



OUR SOCIAL INVESTMENTS

SUPPORT BY ASSAN GIDA FOR AWARENESS ON FOOD SAFETY

Assan Gida is a leading company of its sector contributing in the development of the industry that it operates in. With this understanding, it has been conducting awareness-raising activities on quality and food safety in the high schools and universities and holding training organizations at various institutions located in the region that it operates in.

SUPPORT BY ASSAN HANIL FOR STEP BY STEP

Believing in the positive impacts of sports on human health, Assan Hanil has been conducting various awareness-raising projects to this effect. Assan Hanil has provided financial support for Adım Adım (Step by Step) Platform in 2015 and encouraged the company employees to participate in the Eurasia Marathon.

INSULATION DAYS AT ASSAN PANEL

During the Insulation Days held in all regions of Turkey in order to raise awareness on thermal, water, noise and fire insulation and to keep the consumers informed, detailed information on insulation is given to the participants. These meetings are attended by contractors, architects and engineers as well as investors. 300 people have been reached through these meetings in 2015.

ASSAN PANEL UNIVERSITY TRAININGS

Within the scope of the project, applied trainings are given in the architecture and engineering departments of universities, thus contributing in the students' education process. These trainings provide the students with know-how on the performance properties of industrial roof and facade covering materials. During the trainings, energy-saving products' contribution in the national economy is also emphasized. 400 students have been reached in 2015.

İspak and SAVE FOOD

Addressing the impacts of food loss and waste, İspak aims to raise public awareness about this issue, to generalize the use of packaged products, and to prevent food waste by extending the products' shelf life with alternative packaging solutions. To this effect, the Company has become a member of Save Food Platform in 2015. This platform will help both the industry and the consumers to develop awareness on food waste and safety issues.

SUPPORT BY ASSAN ALÜMİNYUM FOR STREET ANIMALS

Assan Alüminyum has donated the food residues/leftovers from the dining hall to Patiköy (PawTown) Volunteers; thus both preventing food waste, and supporting street animals.

The details of our performance in the field of sustainability are provided under the headings of Governance at Kibar Holding, Working Life, Mitigating Environmental Impacts, and Our Social Investments; and we are very pleased to present our Sustainability Report for 2015 to you, our valuable stakeholders for your opinions. The next section provides the key sustainability indicators of Kibar Holding and its affiliated companies. For any opinions and suggestions about the report, please contact us at kurumsaliletisim@kibar.com.

PERFORMANCE INDICATORS TABLE

SOCIAL PERFORMANCE INDICATORS

Employee Demographics	2013	2014	2015
Total Number of Employees	2.610	2.772	2.890
Total Number of Female Employees	377	364	382
Total Number of Male Employees	2.232	2.407	2.507
Number of White-Collar Employees	584	570	571
Number of Female White-Collar Employees	150	151	175
Number of Male White-Collar Employees	434	419	396
Number of Blue-Collar Employees	2.016	2.201	2.318
Number of Female Blue-Collar Employees	226	213	207
Number of Male Blue-Collar Employees	1.790	1.988	2.111
Number of Employees under 30 Years of Age (including 30)	1.045	1.031	1.027
Number of Employees at 30-50 Years of Age (excluding 30 and 50)	1.521	1.694	1.804
Number of Employees above 50 Years of Age (including 50)	43	46	58
Mid-Level Female Managers	10	10	10
Mid-Level Male Managers	68	66	63
Senior-Level Female Managers	1	2	1
Senior-Level Male Managers	32	40	26
Number of Male Members of the Board of Directors	30	28	27
Number of Female Members of the Board of Directors	4	4	4
Number of Men Newly Employed	533	545	384
Number of Women Newly Employed	135	85	71
Number of Male Employees Leaving the Company	361	460	344
Number of Female Employees Leaving the Company	66	112	54

Employee Development	2013	2014	2015
Total Training Hours	NA	33.266	29.111
Total Training Hours for Blue-Collar Employees	NA	26.801	17.208
Total Training Hours for White-Collar Employees	NA	6.465	11.904
Total Training Hours for Male Employees	10.373	29.023	24.455
Total Training Hours for Female Employees	4.165	4.130	4.657
Total Training Hours for Female White-Collar Employees	1.243	1.772	3.426
Total Training Hours for Male White-Collar Employees	3.909	4.689	8.477
Number of Employees Subject to Regular Performance and Career Development Evaluation	NA	1.182	1.712
Number of High-School Equivalent Student Interns	170	118	121
Number of College/University Equivalent Student Interns	182	205	190

Occupational Health and Safety	2013	2014	2015
Number of Active OHS Committees	6	6	6
Number of Employee Representatives assigned in Active OHS Committees	26	29	29
Total Number of Members in Active OHS Committees	59	68	90
Total Hours of OHS Training provided for Employees	6.742*	18.961	15.766
Total Number of Employees participating in OHS Trainings	974*	2.609	1.685
Total Number of Accidents	NA	158	151
Number of Participants in Environmental Trainings Provided for Employees	108	1.371	966
Total Hours of Environmental Trainings Provided for Employees (personxhour)	108	1.617	676

PERFORMANCE INDICATORS TABLE

ENVIRONMENTAL PERFORMANCE INDICATORS

Energy and Emission*	2013	2014	2015
Total direct non-renewable energy consumption amount by source (GJ)			
Natural Gas	2.499.924,9	2.832.077,4	3.107.285,2
Coal	137.788,7	198.526,4	202.469,2
Other	30.201,9	30.605,1	33.009,7
Total	2.667.915,4	3.061.208,8	3.342.764,2
Total indirect non-renewable energy consumption amount by source (GJ)			
Electricity	15.597.476,7	21.253.287,9	22.416.054,7
Heating	88.842,5	107.708,8	92.846,8
Steam	189.665,6	249.103,4	283.007,0
Cooling	3.020,1	3.059,7	3.301,9
Total	15.879.005,0	21.613.159,8	22.795.210,4
Total energy consumption (GJ)	18.546.920,4	24.674.368,6	26.137.974,6
Energy density (GJ/tons)	2,1	1,7	1,6

Utilization of Resources	2013	2014	2015
Total raw material consumption (tons)	155.115.752,4	137.433.475,5	172.456.204,1
Total water draft amount by source (m3)*			
Well water	1.327.996,0	1.443.455,0	1.404.523,0
City water supply	96.479,0	57.269,0	54.512,0
Total	1.424.475,0	1.500.724,0	1.459.035,0
Water density (m3/tons)	0,2	0,1	0,1
Total amount of hazardous wastes by disposal method (tons)**			
Energy Recovery	NA	118,0	69,1
Recovery	NA	32.470,9	6.885,8
Dumpsite	NA	0,1	0,2
Waste Incineration	NA	249,1	281,1
Other	NA	67,3	97,1
Total	NA	32.905,4	7.333,3
Total amount of non-hazardous wastes by disposal method (tons)			
Energy Recovery	NA	844,0	1.235,0
Recovery	NA	3.307,4	6.481,3
Dumpsite	NA	377,6	401,3
Other	NA	1.397.820,0	1.509.472,0
Total	NA	1.402.349,0	1.517.589,6
Total production (tons)	8.840.241	14.924.885	16.755.511

*data excluding İspak

** data excluding Assan Gıda.

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