

2019



SUSTAINABILITY  
REPORT





## CONTENTS

	ABOUT THE REPORT	05
	MESSAGE FROM THE CHAIRMAN	07
	MESSAGE FROM THE CEO	09
	ABOUT KİBAR HOLDING	10
	KİBAR GROUP	12
	GOVERNANCE AT KİBAR GROUP	16
	SUSTAINABILITY AT KİBAR GROUP	19
	WE GROW	41
	WE EMPOWER	49
	WE INNOVATE	61
	WE CARE	73
	WE ENCOURAGE	87
	WE SHARE	95
	PERFORMANCE INDICATORS	104
	GRI CONTENT INDEX	107



*"We continue to provide our gains into service of the society  
with our social responsibility approach."*

**Asim Kibar**

Founder and Honorary President  
Kibar Holding



Kibar Holding Sustainability Report 2019 was prepared in order to present a summary of the sustainability approach and performance of Kibar Holding and Group companies, which are few of the well-established industrial organizations of Turkey.

The information included in the report covering the period from January 1 to December 31, 2019 includes consolidated data of Assan Alüminyum, Assan Foods, Assan Hanil, Assan Panel and İspak, which represent Kibar Holding's main operations, and the sustainability approach of Kibar Group, unless otherwise stated. The data shared in the section "About Kibar Holding" includes all Holding companies and affiliates in order to provide general introduction about the Holding.

This Report has been prepared in accordance with the GRI Standards: Core option. This report also aims to meet the annual Progress Reporting requirements of the Global Compact signed by Kibar Holding in 2013. The report includes the performance of Kibar Holding in line with the United Nations Sustainable Development Goals.



## ABOUT THE REPORT



## MESSAGE FROM THE CHAIRMAN

*Dear Stakeholders,*

*As we all know, the global economy is growing due to population growth, industrialization, urbanization, globalization, use of natural resources and technological developments in the world. This growth brings along the rapid consumption of natural resources.*

*The business world has an important role in ensuring economic growth without harming the environment and natural resources, preventing or minimizing the harmful effects of activities on the environment and combating environmental pollution. This requires an understanding in which resource consumption, investment decisions, technological transformation and corporate development are carried out in harmony, and the potential of meeting human needs today and in the future is improved.*

*As Kibar Group, we consider sustainability as a management paradigm. By integrating economic, environmental and social factors with corporate governance principles, we evaluate them in all practices, activities and decision mechanisms and ensure their effective management. We accommodate the sustainability understanding, which we inherited from our corporate values, with current global requirements and integrate it into all our business processes. We believe that a sustainable business can only be achieved with a profitable model that respects people and the environment.*

*Throughout our history of nearly half a century, we continue to contribute to the economy of our country. We continue our economic growth with a human-oriented approach, based on our values*

*of trust and integrity, protecting natural resources and the environment by considering the needs of future generations, and realizing social investments and social responsibility projects. As an industrial group, we increase operational excellence, innovative technologies and resource efficiency in all our facilities. We make investments in the fields of education, health and social life through the Kibar Education and Social Aid Foundation, which we established in 1999.*

*We will continue to act with the awareness that resources are not infinite and unlimited in the world and continue our activities with the consciousness of our responsibilities to future generations. As an employer brand that provides opportunities for young people and supports creativity, we will speed up our sustainability efforts. We will continue to develop sustainability activities, which we handle with a holistic approach, and carry them further in line with the requirements of the United Nations Global Compact, of which we are a signatory.*

*I would like to express my great pleasure to present you the Kibar Holding 2019 Sustainability Report, which includes our economic, environmental and social performance.*

*I would like to thank you, our valuable business partners, stakeholders, customers and colleagues, who support our activities in the field of sustainability, contribute to us by adopting the "Kibar Holding Sustainability Principles" based on internationally accepted universal declarations and the Global Compact.*

**Ali Kibar**  
Chairman of the Board





## MESSAGE FROM THE CEO

Dear Stakeholders,

*With the effects of climate change becoming evident on all ecosystems, the global temperature rises, and climate change problem has been brought to the agenda of the whole world. Increase in temperature, melting of glaciers, rising sea levels, droughts, excessive rainfall, storms, reduction of agricultural land; they all reveal climate change and environmental degradation in a way that everyone can notice.*

*This period, when we started to feel the effects of environmental degradation in all areas of our lives, shows us that human beings failed to use natural resources properly, started to produce waste above the transforming capacity of the world, and caused the disruption of the natural cycle and ecological system.*

*When we evaluate what needs to be done for these developments to result in favor of humanity, the concept that emerges is "Sustainability". The concept of sustainability, which is defined as meeting the needs of today's generation without endangering the ability to meet the needs of future generations, has a multidimensional meaning. It contains the past, present and future and represents a dynamic process that is constantly renewed.*

*Undoubtedly, all current or future steps taken towards combating climate change, using natural resources efficiently and supporting the circular economy will be an opportunity for the future of the world.*

*Practices that focus on sustainability will cause radical changes in people's lifestyles, sociology, production and manufacturing methods, and investment decisions. Therefore, individuals, companies, countries and international organizations have important responsibilities.*

*The United Nations Global Compact established a general framework for sustainability practices such as reducing poverty and hunger, increasing access to healthcare and education standards, eliminating inequalities, combating climate change and reducing negative impacts on the environment, setting standards and making significant progress in building a common language.*

*As Kibar Group, we adopt the principles and goals of the Global Compact. We believe that the world is not a legacy from our ancestors that we can use roughly, but a sacred relic that we should pass on to future generations.*

*We adopt a circular economy, sustainability and innovation-based production model. We use natural resources efficiently, increase reuse with effective waste management and prefer environmentally friendly disposal methods. We support efforts to combat climate change. We make the utmost effort to invest in projects that provide environmental and social benefits.*

*We secure human rights in accordance with the Universal Declaration of Human Rights, the Global Compact, national and international legislation. We provide our colleagues with the working conditions they deserve by taking international standards as guidelines. We expect our suppliers and business partners to prevent any kind of discrimination and monitor their practices.*

*Within the scope of the works we carry out with this awareness, we prepared the "Kibar Group's Sustainability Strategy 2025", taking into account the United Nations Sustainable Development Goals and the targets planned to be achieved until 2030. We defined the 2025 strategy with the "Sustainability Principles of Kibar Group" and tailored by with our Group's sustainability priorities. We will continue to transparently share our progress towards goals covering our economic, environmental and social performance.*

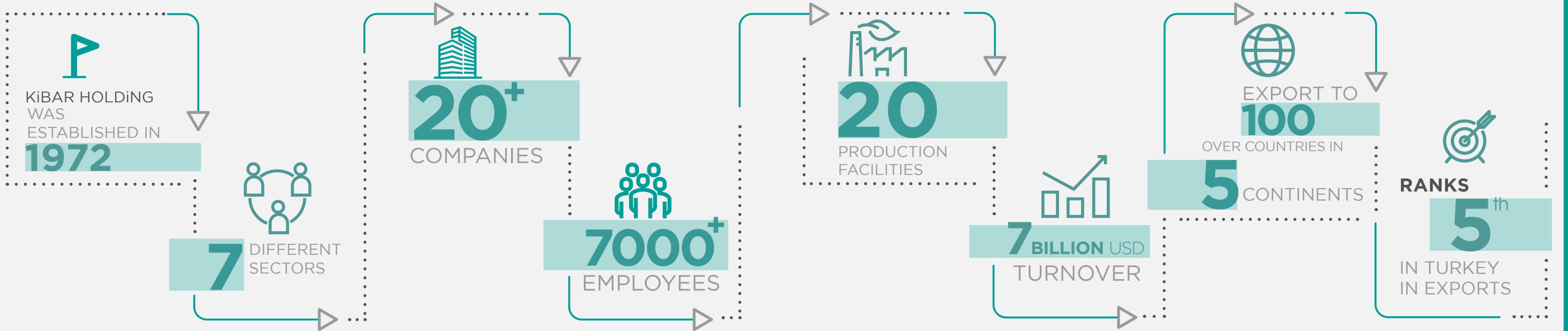
*I would like to state that our Group's "Targets for 2025" form the basis of the model of transition to the low-carbon circular economy based on sustainability.*

*We would like to express our gratitude to our colleagues, business partners, customers, suppliers and all our stakeholders who support our activities in the field of sustainability for their valuable contributions, and we are happy to share our 2019 Sustainability Report with you.*

**Haluk Kayabaşı**  
CEO



# ABOUT KİBAR HOLDING



\*Data covers Kibar Holding A.Ş companies and their subsidiaries. Financial data is obtained from independently audited solo financial statements.

**ASSAN ALÜMİNYUM**

Tuzla

Assan Alüminyum, one of the world's leading manufacturer in the flat-rolled aluminum (FRP) industry, has been producing rolled aluminum products since its establishment in 1988.



Dilovası

With rolls, sheets, foils and painted aluminum products, it offers its products to a variety of sectors such as packaging, distribution, construction, consumer durables, automotive and heating and cooling. Assan Alüminyum, with its annual installed capacity reached 300,000 tons of flat aluminum industry, is Turkey's leading organization. It is also one of the three largest producers in Europe with a production capacity of 100,000 tons of aluminum foil. Assan Alüminyum exports to more than 70 countries on four continents, mainly in Western Europe and North America.



Chicago



Manavgat

**ASSAN FOODS**

İstanbul

Assan Foods, founded by Kibar Holding in 1998, produces over 300 products including high quality tomato and pepper paste, ketchup, mayonnaise and various sauces in its facilities in Susurluk and the Aegean Free Zone. The Susurluk Factory has one of the highest capacities of tomato processing in a single location in Turkey. The facility, which is established on an open area of 200,000 m<sup>2</sup>, has the capacity to process 4,500 tons of fresh tomatoes per day. Assan Foods exports to more than 50 countries on 4 continents. In addition, it supplies tomato paste, pepper paste and pepper juice as a raw material to multinational companies in many countries of the world.



Susurluk

**EGE ASSAN**

İzmir

Ege Assan was established by Assan Foods in 2010 in the Aegean Free Zone for tomato paste export. Ege Assan facility has an annual packaging capacity of 24,000 tons of tomato paste on an area of 4,500 m<sup>2</sup>. The company's products are exported to North Africa, Middle East and Arabian Peninsula countries.

**ASSAN HANİL**

İzmit 1

Assan Hanil, one of Kibar Group's automotive investments, was established in 1997 in partnership with South Korean Seoyon E-Hwa and has started production as OEM Part Supplier in the automotive sector. Assan Hanil is a supplier of driver and passenger seat as well as door panels, front and rear bumper, instrument panel, console, carpet, FEM Carrier, blow molding parts, headlining, glove box, and various interior and exterior plastic components. Assan Hanil became one of 5 companies worldwide which design, develop and manufacture air suspension driver seat. While Assan Hanil was supplying parts only for Hyundai Assan in the early years of its establishment, it has become one of the most important suppliers of Ford Otosan as of 2005. In the upcoming years, Assan Hanil has added Isuzu, Honda, Agco, Mercedes-Benz Turkey and Turkey's Automobile Initiative Group (TOGG) to its customer portfolio respectively. With over one thousand specialized employees working in its plants covering a total area of 175 thousand m<sup>2</sup> in five different locations; the company performs automation based production activities with high technology.



İzmit 2



Bursa



Aksaray



Gölcük

**ASSAN PANEL**

Tuzla

Assan Panel, the leader company of Insulation Panel Solutions and Systems sector, started its production in 1990 with its first factory in Tuzla with a capacity of 4,000,000 m<sup>2</sup> per year. Assan Panel invested respectively in Iskenderun Facility with a capacity of 3,000,000 m<sup>2</sup>/year in 2004, Balıkesir Facility with a capacity of 3,000,000 m<sup>2</sup>/year in 2009 and Jordan Facility with a capacity of 4,500,000 m<sup>2</sup>/year in 2012. In 2015, the Company completed the second line investment in Tuzla Istanbul Facility with a capacity of 3,500,000 m<sup>2</sup>/year and reached a capacity of 18,000,000 m<sup>2</sup>/year.



Balıkesir



İskenderun



Ürdün

Assan Panel, which is the leader in its sector, contributes to the construction of sustainable and environmentally friendly buildings with its production of chemical products such as: PIR and rockwool filled cold room, roof and facade sandwich panel products, panels ready for installation of solar systems, project-specific accessories, polycarbonate skylights, fasteners consisting of screw types, sealing and filling products. The company exports to 76 countries and is among the most powerful global players in the sector.

**HYUNDAİ ASSAN**

İzmit

Another of Kibar Group's automotive investments, Hyundai Assan, began production in Turkey in 1997 in partnership with Kibar Holding Hyundai. Hyundai Assan Izmit Factory, which has an annual production capacity of 245,000 units and a production area of 1,000,000 m<sup>2</sup>, exports its i10 and i20 models to more than 45 countries, produced with more than 2,500 employees. The countries Hyundai Assan is most exporting to are Germany, England and Italy, and it is among the top five most admired automotive brands in Turkey.

**İSPAK AMBALAJ**

İzmit

Established in 1974, İspak Ambalaj is a fast growing and well-established packaging company. With over 40 years of expertise and R&D studies, it produces integrated packaging from raw material supply to lacquering, lamination and extrusion, from printing and slitting to the delivery of special packaging products. With its factory designed with Industry 4.0 technology in Asım Kibar Organized Industrial Zone, it has increased its production capacity to 30,000 tons per year. It produces packaging materials for chocolate products, confectionery, dairy products, beverages, dried food and snacks, medical equipment and pharmaceutical packaging, hygiene products and pet foods, especially with its expertise in flexible packaging production and its ability to offer a variety of applications. The company also designs and supplies packaging applications for tobacco and industrial products.

**POSCO ASSAN TST**

İzmit

Posco Assan was founded in 2011 in partnership with Kibar Holding, Pohang Iron and Steel Company (POSCO) and POSCO Daewoo. Posco Assan TST, Turkey's first and only facility which has a stainless steel cold rolling facility, started production in 2013 with an annual production capacity of 300.000 tons.

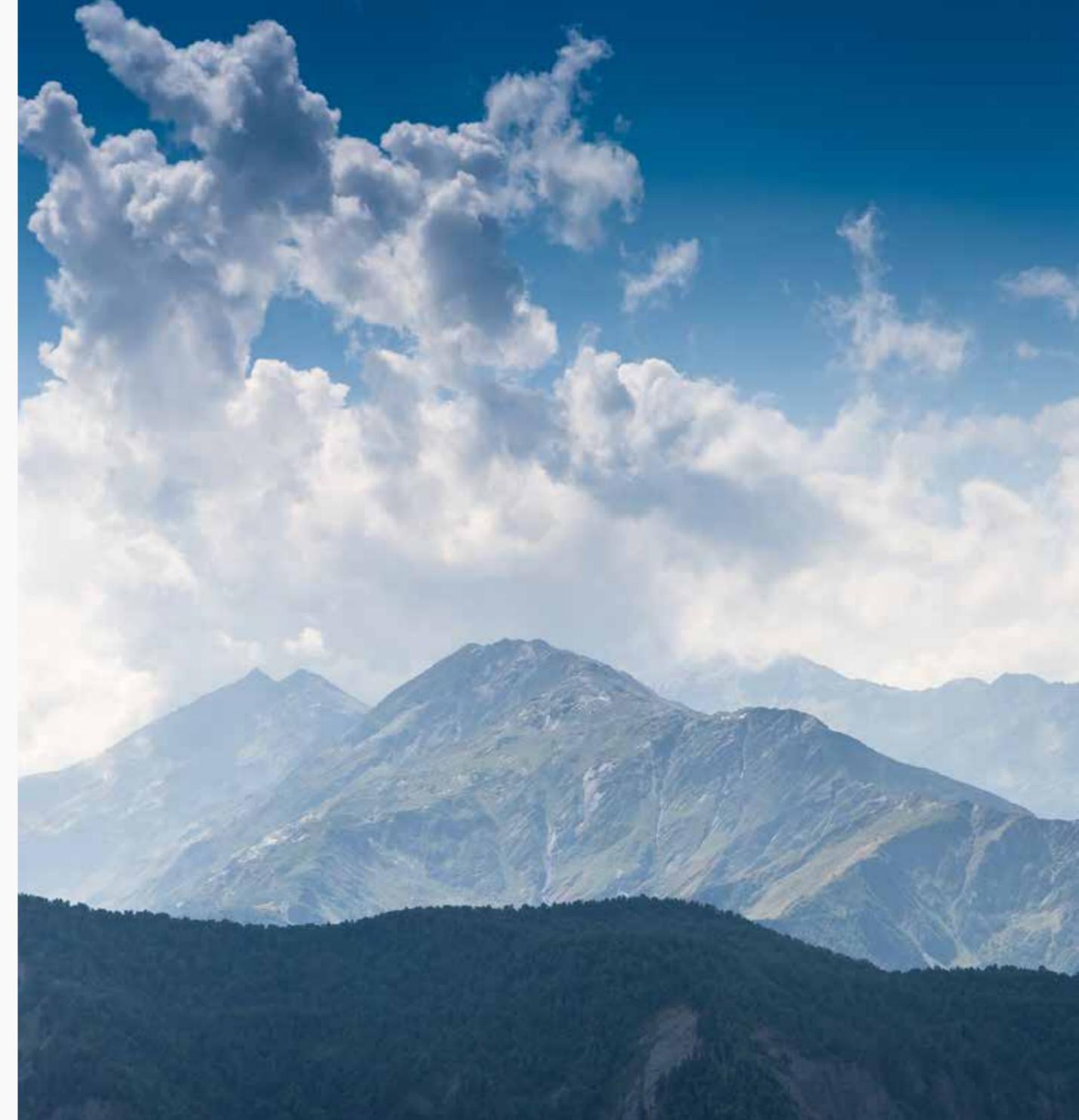
**TSİ AIRCRAFT SEAT PRODUCTION**

İstanbul

TSI Aircraft Seat Production was established with the joint venture of Kibar Holding, Turkish Airlines and THY Teknik A.Ş. TSI manufactures aircraft seats with the authorization of EASA (European Aviation Safety Agency) and FAA (Federal Aviation Administration). The seats are used in A320, A330, A350, B737, B777 and B787 aircraft series. TSI also produces aircraft seat spare parts with the authorization of PMA (Parts Manufacturing Authority) and provides maintenance services with Part 145 certificate. As a result of the audits conducted by EASA, ADOA (Alternative Procedures to Design Organization Approval) was received in November 2012 and POA (Production Organization Approval) in December 2013; thus, aircraft seats are produced with the authorization of EASA and FAA. TSI SEATS Inc., established by TSI for the American aviation industry, operates in Salt Lake City Utah.



Utah



**ASSAN GAYRİMENKUL**

Karaköy

Founded in 2008 within Kibar Holding, Assan Gayrimenkul provides services in real estate development, investment and management. Determining the areas where the Group will make new investments, making purchases, following up the legislation and legal process, developing and implementing the final project are among the main activities of Assan Gayrimenkul.



Tuzla

**ASSAN YAPI**

İstanbul

Assan Yapı, established in 2007 within the structure of Kibar Group, operates in all fields within the construction sector. The projects completed and put into service by Assan Yapı include Pendik-Kurtköy Houses, Asım Kibar Vocational and Technical Anatolian High School, Tuzla Municipality Semiha Kibar Social Facilities, Tuzla Semiha Kibar Teacher House, Tuzla Municipality Waterfall Park projects. Assan Alüminyum Dilovası Facilities rehabilitation and expansion investments new factory buildings construction, Coil-to-Coil paint line construction and Assan Hanil expansion investments new plant projects were carried out by Assan Yapı. In 2016, Assan Yapı undertook the contracting of "İspak Ambalaj Factory" project on turn-key basis. The factory, which is one of the biggest in Europe in its sector, has been completed in 2016.

**KİBAR DIŞ TİCARET**

Karaköy

Established in 1985, the company meets the exports of many leading companies in Turkey and the raw material requirements of these organizations. The foreign trade volume of the company has reached 1,500,000 tons per year. Kibar Dış Ticaret ranks first among the Export Champions announced by the Turkish Exporters Assembly every year.

**KİBAR ENERJİ**

Karaköy

Kibar Enerji was established within the Kibar Group in 2011 to import and wholesale natural gas in Turkey's Energy Market. Kibar Enerji, which took over 1 billion m<sup>3</sup> of natural gas purchase and sale contract annually within the scope of the Western Line Contract transfer in 2012, has been importing and wholesaling natural gas since January 1, 2013.

**KİBAR INTERNATIONAL**

İsviçre

Kibar International SA, established in Switzerland in 2001, has acted with the group companies in providing the commercial and financial solutions through local and European financial institutions as well as the realization of the targets in all processes from the supply of raw materials, mainly ferrous and non-ferrous metals, to the sale of semi-finished and finished products.

**ASSAN BİLİŞİM**

Tuzla

Assan Bilişim was established in 2006 to meet all IT needs of Kibar Holding group companies. It is a technology company which is a reliable partner of all Group companies by providing advanced technology services and solutions.

**ASSAN LOJİSTİK**

Tuzla

It was established in 1996 to provide port-related logistics services. Assan Lojistik, which provides domestic transportation, warehousing, storage, non-gauge freight transportation and port services throughout Turkey, performs intermodal, highway, maritime, airway and project transportation operations abroad. As of 2017, Assan Lojistik started scheduled partial transportation services to the Western Mediterranean and North African countries. With its Istanbul-Tuzla and Hatay-İskenderun facilities, Mersin Sales Office, self-owned truck fleet and large supplier pool, it provides services to many large companies in the sector.

**ASSAN PORT**

İskenderun

Assan Port, which started to serve as the first container terminal in İskenderun Bay in 2010, has become a very important alternative for the region today. As of the end of 2013, it continues its commercial activities in partnership with Terminal Investment Limited SA (TIL). With an annual container handling capacity of 250,000 TEU, Assan Port serves container, general cargo, project cargo and dry bulk cargo ships. Assan Port İskenderun is the closest container terminal to the west for Northern Iraq, as well as providing advantages to companies in the Eastern Mediterranean and Southeastern Anatolia and south of Central Anatolia.

**İNTERAKTİF ÇEVRE DANIŞMANLIK**

İstanbul

İnteraktif Çevre started operations in 2016 with the joint venture of Kibar Group and The Heritage Group of USA to provide competitive and innovative solutions in the field of total waste management and environmental consultancy. Providing customers with the opportunity to report their wastes online 24/7 through comprehensive data management solutions, İnteraktif Çevre plays a role as the solution partner of its customers on the road to sustainability. In addition to total waste management and environmental consultancy, İnteraktif Çevre provides services to its customers at international standards through comprehensive training modules and audit services.

**İRB SİGORTA**

İstanbul

Kibar Sigorta, which has been carrying out insurance activities for 25 years within the structure of Kibar Holding, started to provide services in the fields of insurance and risk management as İRB Sigorta ve Reasürans Brokerliği A.Ş. in 2015. İRB's expert staff helps design, cost optimization and risk transfer of corporate clients' insurance programs. It also provides consultancy services to minimize the risk factor by supporting the determination and implementation of proactive measures with Risk Engineering Services. The Company provides Damage Advisory services to the insured in matters such as compensation of damages in a correct and rapid manner, and monitoring of rights and liabilities.

The basis of Kibar Holding management approach is based on the efficient and effective use of resources in order to adapt to rapidly changing conditions. All resources such as natural resources, human resources, capital, information, equipment and infrastructure are planned and evaluated in the most effective and efficient way. An effective communication is carried out with all stakeholders. In group companies, transparent communication is provided with the shareholders and the management team, and the strategic plan and long-term planning and management elements are prioritized.

This management approach accelerates the transformation of our Group companies into businesses that prioritize innovation in all processes, centering around product safety and customer satisfaction, develop innovative products, easily adapt to new technologies and systems, are highly competitive and aim to grow on a global scale.

Since the day it was founded, Kibar Group has adopted a participatory, innovative, reliable, environmentally sensitive and people-oriented management approach. With this understanding, economic, social and environmental factors are evaluated together in all strategic and operational processes and decision-making mechanisms, and this constitutes the basis of Kibar Group's sustainability approach.



## GOVERNANCE AT KIBAR GROUP



### Corporate Governance

Kibar Group adopts a management structure compliant with corporate governance principles as required by its ethical and transparent management approach. The Board of Directors is the highest strategic decision-making body of the Group. The Board is responsible for determining corporate goals, ensuring compliance with corporate governance principles, determining and managing strategic orientations, and ensuring the functionality of risk management and control systems.

Kibar Holding Board of Directors consists of six members. In Kibar Holding, the duties of the Chairman of the Board of Directors and the CEO are carried out by different members. The Risk Management Committee, Sustainability Committee, Audit Committee and Ethics Committee play an active role in the performance of the Kibar Holding Board of Directors. The main task of the top management under the leadership of the CEO is the implementation of the strategic plan and corporate policies approved by the Board of Directors.

You can find detailed information about Kibar Holding Board of Directors and Senior Management at <https://www.kibar.com/en/holding/board-of-directors>

### Risk Management

The Kibar Holding Board of Directors keeps the risk, growth and return balance at the most appropriate level

in strategic decisions and acts with a risk management approach that supports global developments and current management fundamentals.

Within the scope of corporate risk management, Kibar Holding carries out the necessary work in accordance with international standards to identify and effectively manage corporate risks to its stakeholders, assets and operations. Risk management activities, which are a part of corporate governance, are carried out within the framework of corporate risk management principles.

Corporate risk management and business continuity principles are structured in accordance with international standards such as ISO 31000 Risk Management and ISO 22301 Business Continuity Management System, company strategies and corporate culture. Annual risk assessments are carried out by the Risk Management Directorate, which is responsible for the coordination of risk management activities of Kibar Holding and Group companies, detailed risk maps are created, and the risk action plans are determined.

### Emergency Preparedness

The mitigative actions for operational risks such as natural disasters and epidemics, which have the potential to endanger the lives and assets of stakeholders and disrupt the flow of products and services, is carried

out with the coordination of Risk Management, Insurance Management and Risk Engineering units within the Group. Decisions and actions to prevent operational risks and minimize losses are carried out with the participation and cooperation of all relevant functions. The Risk Engineering department, established within the group's insurance and brokerage firm, identifies and tracks the findings that create operational risk in the production areas of companies, in coordination with internal and external audits, and offers companies its suggestions for the improvement of these risks.

The necessary work and the action plans determined for the effective management of operational risks are effectively and regularly followed up by all relevant company executives and employees. All policies and procedures for the management of such risks at the time of the case and for the following business continuity have been established and communication with employees has been ensured.

In case of an event or business interruption where operational risks occur, the companies are equipped with strategies and tactical competencies to be used in planning and intervention in order to continue their activities at a predefined and acceptable level.

In the event of an interruption, crisis or disaster, business continuity plans have been prepared and put into use in order to ensure the continuity of business processes, products and services, and to return to normal working order within the planned periods. The main purpose of these plans is to make the critical processes and assets determined by business impact analysis re-function in predetermined periods in case of any interruption. Drills and trainings for corporate business continuity programs are carried out every year.

### Internal Audit and Control

In Kibar Holding, auditing activities are carried out with a proactive methodology based on International Internal Audit Standards and Kibar Holding Code of Ethics. The audits carried out by the Internal Audit Department are realized in a risk and process-oriented manner in order to ensure compliance with legislation, corporate policies and principles and determined strategic goals.

Internal audits in Kibar Holding are carried out in four areas: process audit, compliance audit, financial audit and information technology audit. Findings obtained through evaluation of controls to manage risks which are identified within the scope of audit activities are conveyed to relevant units together with improvement suggestions.



## SUSTAINABILITY AT KIBAR GROUP

The basis of Kibar Holding's sustainability approach is based on the principles of trust and integrity defined by its founder and honorary president Asim Kibar as the core values of Kibar Group. The deep-rooted corporate governance tradition, innovative perspective, business ethics approach, social responsibility culture and sustainability understanding shaped in accordance with the United Nations Global Compact, of which it is a signatory, constitute the business culture of Kibar Group. Integrating its sustainability understanding into corporate governance, Kibar Holding takes into account the economic, environmental and social factors simultaneously in all its activities and decision mechanisms. Kibar Holding and Group companies adopt the "10 Principles of the Global Compact" regarding human rights, working conditions, environment and fight against corruption.

Kibar Group companies are obliged to comply with the principles of the Global Compact and the policies and strategies determined by Kibar Holding in line with these principles in all of their operations. Human rights are secured in accordance with the Universal Declaration of Human Rights and the Global Compact, and the provisions announced by national and international legislation. All kinds of discrimination, child labor, forced and compulsory labor practices are prevented. Group companies expect their suppliers and business partners to meet similar working standards; monitor their practices in this area and contribute to the realization of the conditions.

Employees are offered a fair work-life balance in which human rights are protected, occupational health and safety is prioritized, professional development is supported, and providing equal opportunities to all.

At every stage from production to distribution, all necessary measures are taken to eliminate or minimize the negative effects of the activities on the environment. Efforts to combat climate change are carried out in accordance with national and international standards. Efforts are made to turn potential threats created by environmental problems into opportunities with nature friendly technologies and products.

There is no tolerance for bribery and corruption. The anti-bribery and anti-corruption approach covers all relevant stakeholders, especially suppliers and business partners, as well as the Group employees.

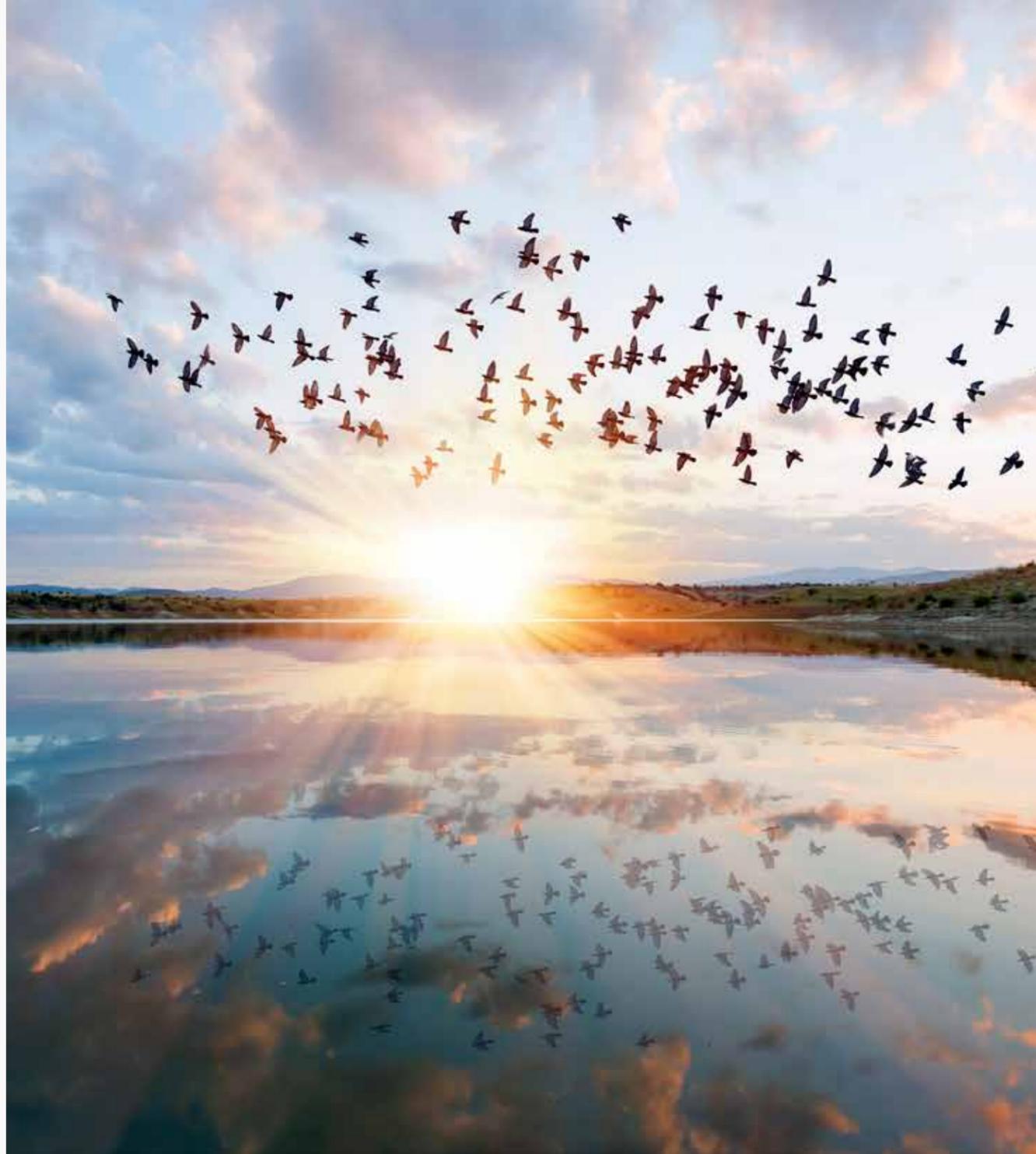


## SUSTAINABILITY MANAGEMENT

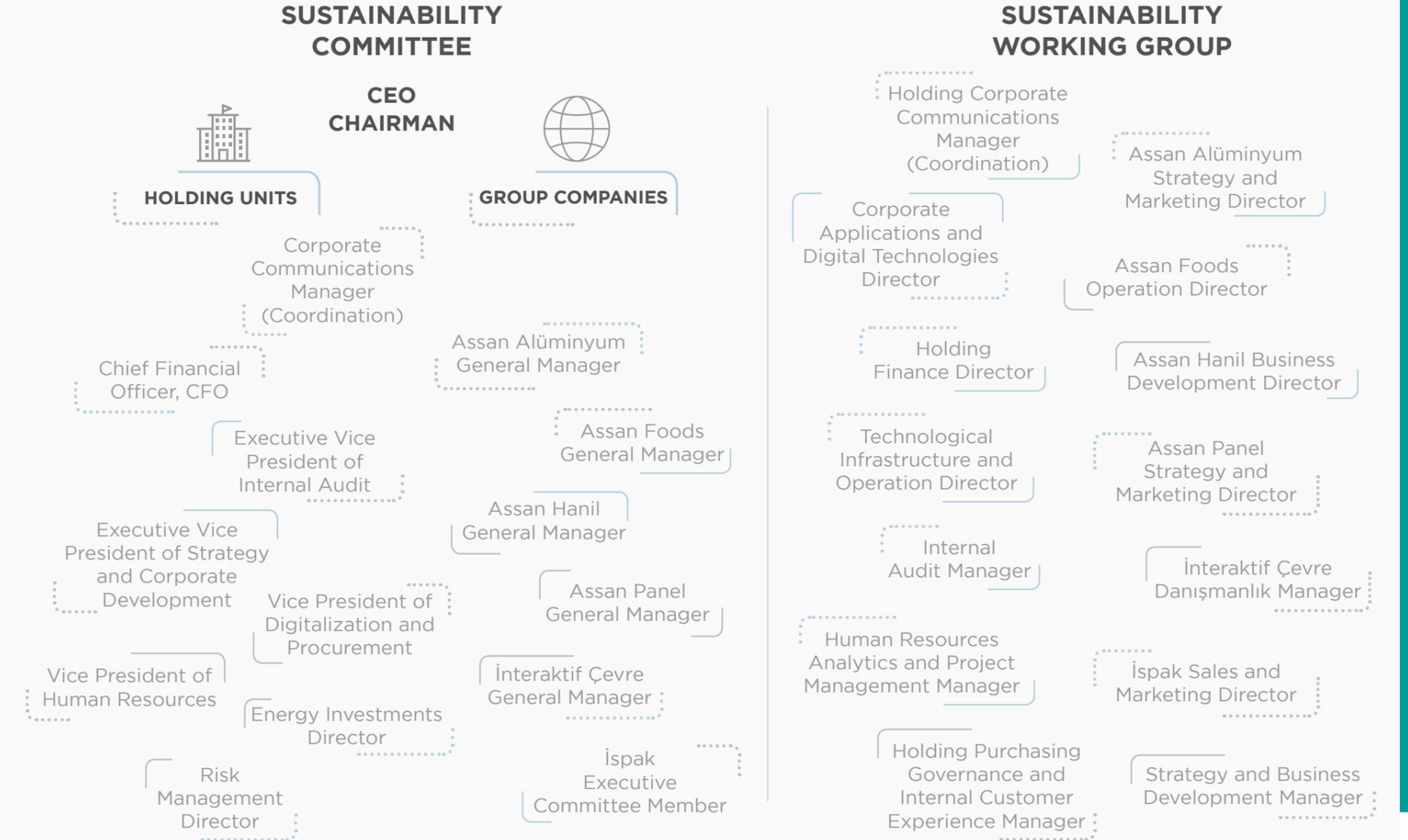
Sustainability management has been created in a participatory structure. The Sustainability Committee and the Sustainability Working Group constitute the main elements of sustainability management.

The chairmanship of the Sustainability Committee is carried out by the CEO of Kibar Holding, who is the top executive of the Group. Committee members consist of the relevant function managers of the Holding and the general managers of the Group companies. Human Resources, Financial Affairs, Strategy, Procurement, Internal Audit, Information Technologies, Corporate Communication, Sales and Marketing managers of the Holding and companies are included in the Sustainability Working Group.

The Sustainability Committee determines the sustainability approach of the Group, formulates its policies and strategies, prepares an action plan, determines goals and monitors sustainability performance. The Sustainability Working Group carries out the preliminary preparations for the decisions of the committee based on international standards in sustainability. The Group realizes the implementation and action plan within the scope of the approach determined by the Sustainability Committee. In addition, the Working Group members coordinate the sustainability activities carried out in their own sector and fields and the sustainability activities on the basis of the function they represent.



## Sustainability Governance Structure



## CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

Kibar Holding and Group companies contribute positively to the following Sustainable Development Goals of the United Nations Global Compact : “Zero Hunger”, “Good Health and Well-being”, “Quality Education”, “Gender Equality”, “Clean Water and Sanitation”, “Affordable and Clean Energy”, “Decent Work and Economic Growth”, “Industry Innovation and Infrastructure”, “Reduced Inequality”, “Responsible Consumption and Production”, “Climate Action”, “Peace and Justice Strong Institutions” and “Partnerships for the Goals”.



### GOAL 2: Zero Hunger

We increase the yield and income from agriculture through Good Agricultural Practices, Smart Farming and trainings for farmers.



### GOAL 3: Good Health and Well-being

We support access to health services through social benefit investments in the field of health and strive to provide the best possible health conditions for employees through occupational health and safety practices.



### GOAL 4: Quality Education

Through social benefit investments in the field of education, we improve children's access to education. We carry out children and education-focused corporate social responsibility activities for disadvantaged schools. We provide access to vocational training and lifelong learning opportunities through development activities for group employees.



### GOAL 5: Gender Equality

In order to increase women's participation in business life, we increase the number of female employees, ensure women to be more active in management and continue awareness-raising activities through seminars that promote gender equality.



### GOAL 6: Clean Water and Sanitation

We develop sustainable water strategies and decrease water intensity through our investments to protect the ecosystem. We also ensure the reuse of water by recycling. We protect water resources with our Wastewater Recovery Facility investment.



### GOAL 7: Affordable and Clean Energy

As a result of energy efficiency projects and awareness-raising activities implemented throughout the Group, we reduce energy and emission densities. We generate electricity from renewable energy sources. We develop products that contribute to low carbon economy.



### GOAL 8: Decent Work and Economic Growth

In order to provide our employees with the working conditions they deserve, we take international standards as guidelines, and in our procurement procedures, we do not employ child labor and forced labor, and ensure fair working conditions. We increase production and economic growth through investments in R&D and innovation.



### GOAL 9: Industry, Innovation and Infrastructure

We support innovation and innovative products for sustainable development. Since the day we were established with our innovative investments in metal, automotive, packaging, building materials, real estate, logistics, energy, food and service sectors, we have been making significant contributions to the national economy and social welfare.



### GOAL 10: Reduced Inequality

We ensure equal opportunity with our performance-based management system. We sign the Kibar Group Framework Agreement before working with suppliers to ensure that they cannot be treated differently and unfairly due to personal characteristics and preferences such as language, religion, race, gender.



### GOAL 12: Responsible Consumption and Production

We adopt a circular economy, sustainability and innovation-based production model, use natural resources efficiently, increase waste reuse with effective waste management and prefer environmentally friendly disposal methods.



### GOAL 13: Climate Action

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



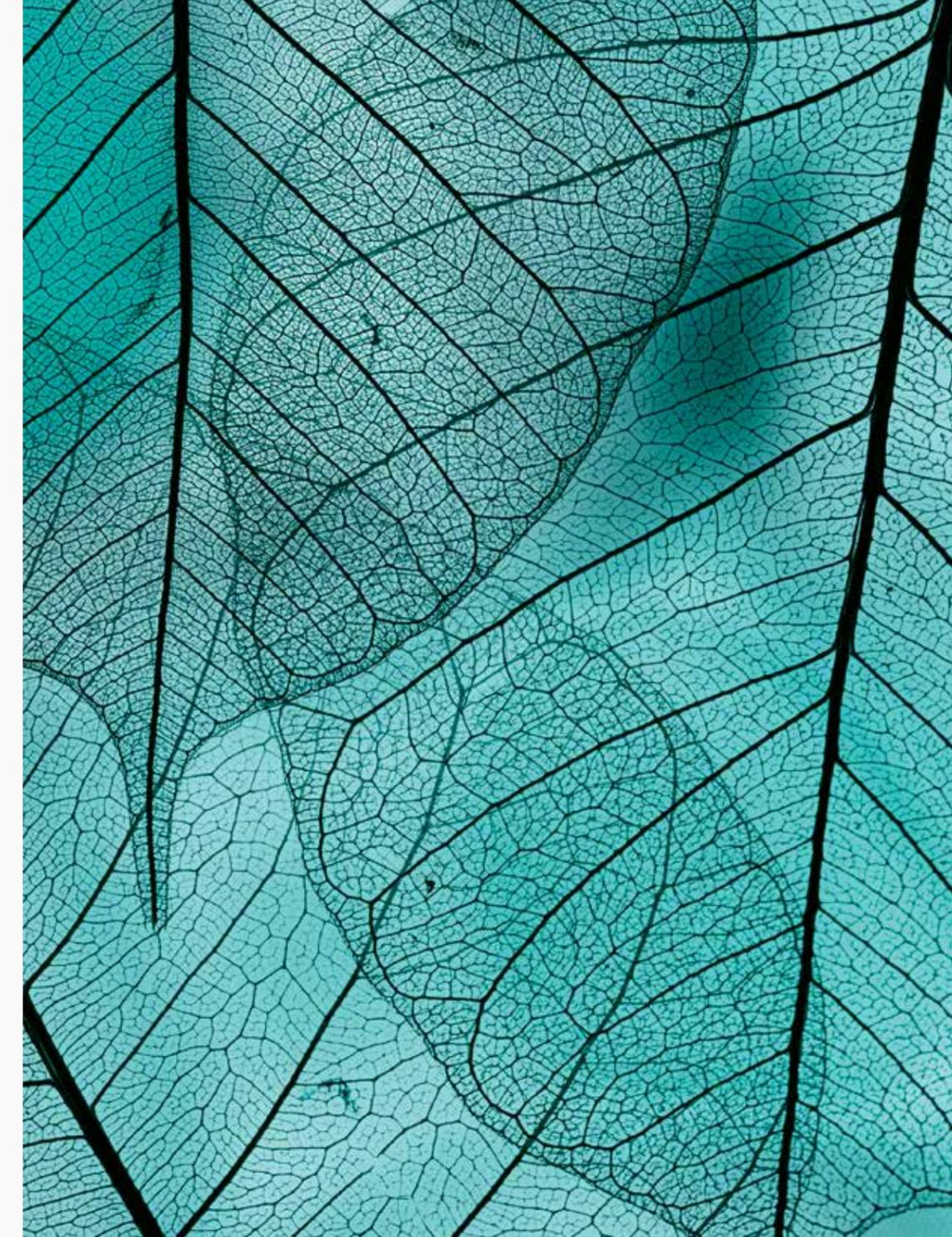
### GOAL 16: Peace and Justice Strong Institutions

We define our group's approach to combating bribery and corruption with written rules. We expect our understanding of anti-bribery and anti-corruption from all relevant stakeholders, including suppliers and business partners, as well as group employees.



### GOAL 17: Partnerships for the Goals

We adopt the principles and objectives of the United Nation Global Compact. We collaborate with others to support low carbon circular economy.



## PRIORITY SUSTAINABILITY ISSUES

The active participation of the Group employees and the stakeholders in the entire value chain in the sustainability efforts forms the basis of the sustainability approach of Kibar Group. Surveys are conducted, events are organized, communication tools are used, and systematic arrangements are made in the business model in order to ensure participation, mutual interaction and regular feedback.

The sustainability priorities of the Group are determined by focusing on the global developments, global risks, sectoral developments, Kibar Holding policies and strategies, Kibar Holding sustainability approach, Sustainability Committee and Working Group's opinions, the Group's contribution to the United Nations Sustainable Development Goals, Global Reporting Initiative indicators and stakeholder expectations.

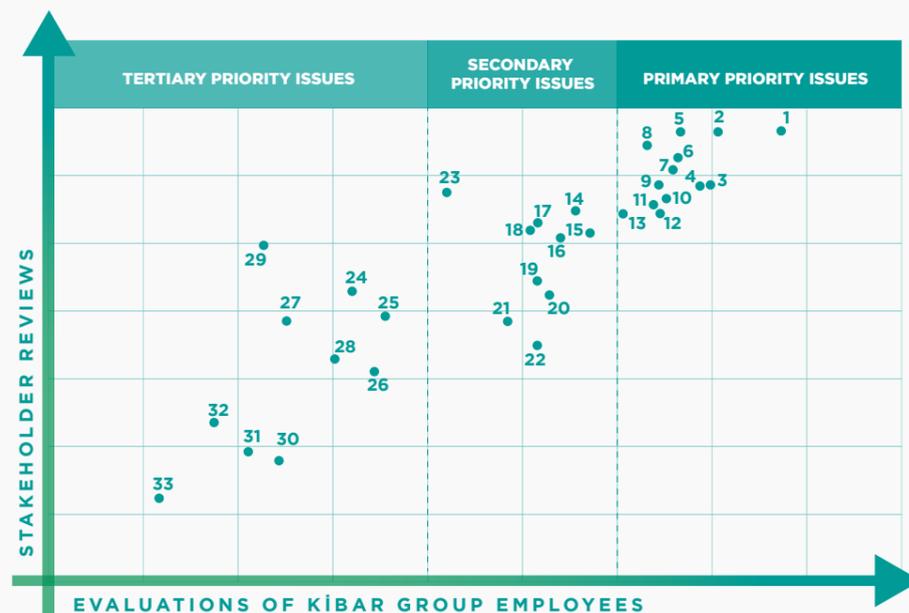
The expectations, opinions and suggestions of all stakeholders and employees are evaluated with great care and provide important input. In this direction, surveys were conducted in order to determine the global trends that may affect

the business model of the Group, economic-social and environmental issues, strategic priorities in the field of sustainability and the United Nations Sustainable Development Goals to be focused on. 480 natural or legal persons participated in the survey research. Sustainability priorities have been updated according to the survey research results.

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

The Kibar Holding materiality matrix, which was created in line with the results of the survey research, was evaluated in the "Kibar Group Sustainability Workshop", which was held with 15 speakers and more than 200 participants from Kibar Holding and Group companies. Sustainability activities and operations, material issues and Sustainable Development Goals and targets of the Group are discussed in detail

THE SUSTAINABILITY PRIORITIES MATRIX OF KIBAR HOLDING



- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. Customer Satisfaction</li> <li>2. Product Quality and Safety</li> <li>3. Occupational Health and Safety</li> <li>4. R&amp;D, Innovation and Digitalization</li> <li>5. Employee Development and Satisfaction</li> <li>6. Business Ethics</li> <li>7. Employee Development and Talent Management</li> <li>8. Consumer Health and Safety</li> <li>9. Working Conditions</li> <li>10. Supply Chain Management</li> <li>11. Efficient Use of Resources</li> <li>12. Business Continuity</li> <li>13. Data Security</li> <li>14. Disaster and Emergency Preparedness</li> <li>15. Energy Efficiency</li> <li>16. Access to Sustainable Finance Tools</li> <li>17. Product and Process Certification</li> </ol> | <ol style="list-style-type: none"> <li>18. Use of Renewable Energy Resources</li> <li>19. Waste Management</li> <li>20. Circular Economy</li> <li>21. Environmental Products</li> <li>22. Corporate Governance Practices</li> <li>23. Water Efficiency</li> <li>24. Gender and Equal Opportunity</li> <li>25. Local Development and Social Responsibility</li> <li>26. Green IT and Electronic Waste Management</li> <li>27. Greenhouse Gas Emissions</li> <li>28. Emission of Harmful Gases</li> <li>29. Soil Pollution</li> <li>30. Green Building Practices and Certification</li> <li>31. Freedom of Association</li> <li>32. Land Use</li> <li>33. Noise Pollution</li> </ol> |
|---|--|

In addition, the activities of the business world in the field of sustainability on a global scale, how sustainability will frame the future, potential gains and risks, threats and opportunities, the Group's contribution to the principles and objectives of the Global Compact, and the sustainability strategy and our targets were evaluated at the workshop.

The Senior Management and Sustainability Committee has determined the sustainability priorities of the Kibar Group, considering the opinions of all stakeholders and employees taken in different channels, corporate values and policies, results of survey research, sustainability meetings and workshops. Material issues have been determined in accordance with the standards of the United Nations Global Compact and Global Reporting Initiative with a holistic perspective.

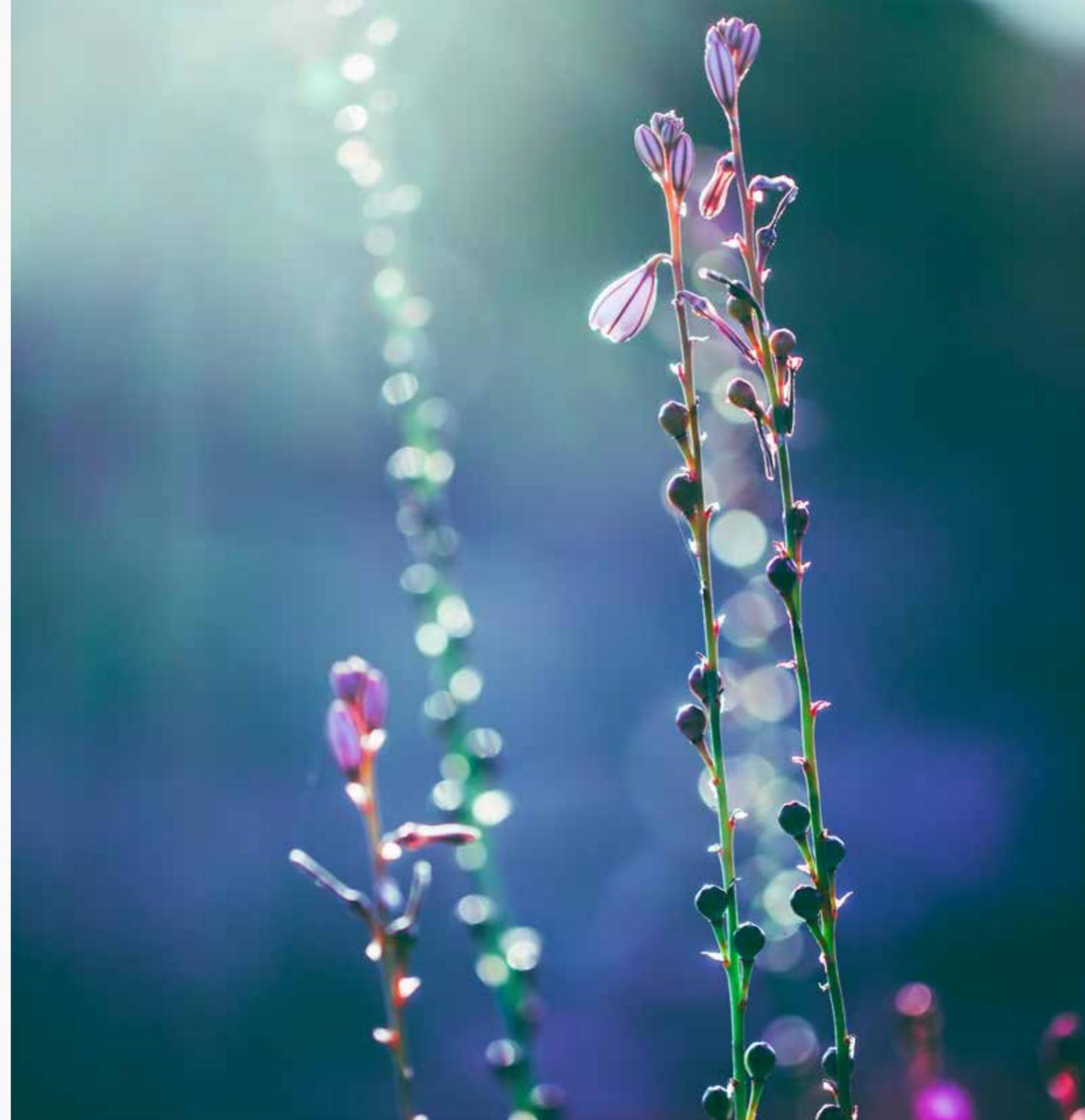
13 priorities were determined: Business Continuity, Corporate Sustainability Management, Occupational Health and Safety, Employee Participation and Satisfaction, Employee Development and Talent Management, Gender and Equal Opportunity, Business Ethics, Customer Satisfaction, R&D-Innovation-Digitalization,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



## SUSTAINABILITY APPROACH

Having a human-oriented management approach since the day it was founded, Kibar Group's sustainability approach is based on a stable economic growth model that takes social and environmental factors into consideration, seeing sustainability not as a necessity but as a way of doing business and making it corporate culture, adopting the "10 Principles" of the United Nations Global Compact and "17 Sustainable Development Goals", developing sustainability policies and strategies, institutionalizing sustainability activities, extending sustainability to all operations and processes, and encouraging stakeholders in the field of sustainability.

Kibar Group Sustainability Principles, which are determined by reference to the Global Compact's Sustainable Development Goals and which form the basis of the sustainability strategy of Kibar Group, represent the sustainable growth of the Group with economic, social and environmental dimensions. These principles are defined as: "WE GROW with sustainability principles", "WE EMPOWER people", "WE INNOVATE for the future", "WE CARE for next generations", "WE ENCOURAGE our stakeholders" and "WE SHARE for the communities".



### WE GROW

*with sustainability principles*

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



### WE EMPOWER

*people*

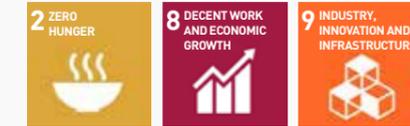
We work like a family united and taking power from each other. We share the future, success and life.



### WE INNOVATE

*for the future*

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



### WE CARE

*for next generations*

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



### WE ENCOURAGE

*our stakeholders*

We expect our stakeholders to adopt Sustainable Development Goals.



### WE SHARE

*for the communities*

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





## KIBAR GROUP'S SUSTAINABILITY STRATEGY 2025

Corporate sustainability is handled as a management paradigm in Kibar Group. The understanding of sustainable management includes the integration of economic, environmental and social factors with corporate governance principles and their consideration and effective management in all applications, activities and decision mechanisms. Full integration of sustainability into corporate governance requires the development of a sustainability strategy.

In this context, “Kibar Group’s Sustainability Strategy 2025” was prepared based on the principles, goals and targets of the United Nations Global Compact and the Standards of the Global Reporting Initiative. The 2025 Strategy is defined by the sustainability principles of the Group and tailored by sustainability priorities.

Analyses were made to determine the contribution of Kibar Group to the 169 Goals that the UN Global Compact plans to achieve by 2030. Within the scope of sustainability priorities determined by studies with high participation 40 goals have been set. Performance indicators for “Targets for 2025” were defined and the realizations for 2019 were reported.

THE SUSTAINABILITY PRINCIPLES OF THE KIBAR GROUP	SUSTAINABLE DEVELOPMENT GOALS	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2019 PROGRESS*	
		Business Continuity	Target B1. Maintaining economic growth.	B1.1. Sales revenues	B1.1. Sales revenue increased by 102% compared to the reference year 2016.	
				B1.2. Number of companies in the ISO 500 list	B1.2. Our 4 companies are included in the ISO 500 list.	
				B1.3. Most export companies ranking in Turkey	B1.3. It was ranked 5th among the companies with the highest exports announced by TIM and ranked 1st in the “Ferrous and Non-Ferrous Metals” category.	
			Target B2. To realize new investments within the framework of sustainability principles.	B2.1. Full compliance of the United Nations Global Compact (UNGC) and Kibar Holding Sustainability Principles with investment and decision-making processes		B2.1. Two new facilities, which started operations in Aksaray and Kocaeli in 2019, produce high technology and quality in accordance with international standards, in accordance with automation, and carry out their activities with a design approach.
		Target B3. To increase resource efficiency for the sustainable development, to use clean and environmentally friendly technologies and processes.		B3.1. Number of clean and environmentally friendly new products / projects	B3.1. Production of “solar capped roof panels” has started at Assan Panel.	
				B3.2. Full compliance with national environmental legislation	B3.2. National environmental legislation is complied with in all activities.	
		Target B4. To be prepared for disasters and emergencies.	B3.3. Actions for the regulations of Europe circular economy with low carbon		B3.3. International Environmental and Energy Management System Standards are followed.	
			B4.1. Disaster and Emergency Action Plan		B4.1. Emergency situations are defined, emergency actions and the procedure to be applied are determined.	
			Corporate Sustainability Management	Target B5. Adopting sustainability practices and reporting sustainability performance.	B5.1. “Sustainability Internal Communication Plan”	
		B5.2. UNGC Progress Report in GRI Standards			B5.2. UNGC Progress Report has been prepared in GRI Standards.	
B5.3. Inclusion of companies in at least one initiative based on sustainability practices		B5.3. Studies are ongoing.				
B5.4. Inter-functional coordination to ensure that all stages of the sustainability strategy are implemented in harmony and integrity		B5.4. Meetings and events were held with the participation of the Sustainability Committee, Sustainability Working Group and employees.				
B5.5. Establishing project-based sustainability working groups		B5.5. A working group was established to reduce the use of plastic within the scope of the Business Plastics Initiative.				

\* The reference year in determining the “Targets for 2025” is 2016, which is the first date in which performance indicators are declared in the first report prepared in the GRI Standards.

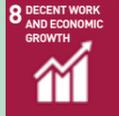
THE SUSTAINABILITY PRINCIPLES OF THE KIBAR GROUP	SUSTAINABLE DEVELOPMENT GOALS	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2019 PROGRESS*
	     	Occupational Health and Safety	Target G1. To continue to provide occupational health and safety at international standards at workplaces. Target G2. To prevent the effects of hazardous chemicals and wastes on employee health.	G1.1. Occupational Health and Safety training hours per person G1.2. Accident severity rate G2.1. Occupational disease rate G3.1. Participation rate in Employee Opinion Survey	G1.1. Increased by 44%. G1.2. Accident severity rate is 0.198. G2.1. Occupational disease rate is "0". G3.1. The rate of participation in the Employee Opinion Survey was 94%.
		Employee Engagement and Satisfaction	Target G3. To ensure inclusive and participatory decision-making at all levels.	G3.2. Spreading the suggestion reward system to all companies G3.3. Employee satisfaction / engagement survey score G3.4. Performance culture index	G3.2. Efforts are underway to expand the suggestion reward system to all companies. It is aimed to appreciate and reward the outstanding efforts and contributions of all company employees in different categories with the online recognition and rewarding platform "BIZPLUS", which is planned to be put into use in 2020 at Kibar Holding. G3.3. An increased of 14% was achieved in the Employee satisfaction / engagement survey score. G3.4. Performance culture index increased by 10%.
		Employee Development and Talent Management	Target G4. To ensure that all employees have access to quality technical and vocational training.	G4.1. Participation rate in the "Managerial Development Program G4.2. 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	G4.1. Participation rate is 86%. G4.2. 14 hours of training per person. G4.3. "Leadership Development Program" recommendation score was measured 9.1 out of 10 points. G4.4. The number of Development Ambassadors is 17.
			Target G5. To increase the number of employees of all ages with technical and professional skills.	G5.1. The number of employees receiving technical and vocational training G5.2. Number of employees receiving technical and vocational training by age distribution	G5.1. The number of employees receiving technical and vocational training increased 2.6 times. G5.2. Technical and vocational training continues to be provided in all age groups. The distribution of trained employees by age groups will be able to be reported from 2020.
			Target G6. To increase employment and employee trainings.	G6.1. Number of employees G6.2. Number of students recruited from K-Team Young Talent Internship Program G6.3. Training hours for employee development	G6.1. The number of employees increased by 6.6%. G6.2. The number of student who recruited from the K-Team Young Talent Internship Program is 17. G6.3. Training hours for employee development increased 1.6 times.
		Gender and Opportunity Equality	Target G7. To increase the full and effective participation of women in decision-making processes, to increase the number of senior female managers by 30% and the number of white-collar female employees by 15%	G7.1. Number of senior female manager G7.2. Number of white-collar women employees	G7.1. The number of senior female managers increased by 18%. G7.2. The number of white-collar women employees increased by 12%.
			Target G8. To ensure gender equality in employment and employee income, to increase the number of female employees by 5%.	G8.1. Number of women employee G8.2. Kibar Holding Total reward policy	G8.1. The number of women employees increased by 2.7%. G8.2. In accordance with the total reward policy, a different and unfair practice cannot be applied due to personal characteristics and preferences such as language, religion, race, gender.
			Target G9. To ensure equal opportunities increasing the rate of women in white-collar recruitment.	G9.1. Ratio of women in white-collar recruitment G9.2. Ranking in the top five among companies employing the highest number of disabled people	G9.1. The rate of women in white-collar recruitment is 21%. G9.2. Assan Hanil is one of the companies that employs the highest number of disabled people.
		Business Ethics	Target G10. Maintaining accountability and transparency at all levels.	G10.1. Compliance audits for Kibar Holding Code of Ethics G10.2. Business Ethics training G10.3. Reporting of notifications received on the ethical line and their results G10.4. Establishing early warning mechanisms with technology support G10.5. Obtaining a statement from all employees regarding whether they are in a situation that will cause conflict of interest. G10.6. Sharing the Code of Ethics Booklet with all employees G10.7. Awareness studies for Code of Ethics G10.8. A review system that will ensure that the Code of Ethics is updated according to the needs and new developments	G10.1. Ethical compliance audits are carried out. G10.2. Business Ethics training is provided to all recruited personnel. G10.3. Reporting is made to the Chairman of the Board of Directors regarding the ethical notifications and results. G10.4. Misconduct risks are examined within the scope of audit studies. G10.5. Situation that may cause conflict of interest are examined within the scope of audit studies. The form and process for the statement is designed. G10.6. Code of Ethics Booklet is shared with all recruited personnel. G10.7. "Do You Think This is Ethical?" project continues. The contact information of the relevant persons regarding the Code of Ethics and Code of Ethics Consultants list is available on the company intranet. G10.8. Studies on updating the Code of Ethics continue.
			Target G11. Ensuring public access to information and protecting fundamental freedoms.	G11.1. Sustainability Performance Progress Report	G11.1. Sustainability Performance Progress Report of Kibar Group was released.

\* The reference year in determining the "Targets for 2025" is 2016, which is the first date in which performance indicators are declared in the first report prepared in the GRI Standards.

THE SUSTAINABILITY PRINCIPLES OF THE KIBAR GROUP	SUSTAINABLE DEVELOPMENT GOALS	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2019 PROGRESS*
	  	Customer Satisfaction	Target Y1. Leadership in product and service quality.	Y1.1. Management standards, quality and safety systems followed  Y1.2. Product and process certificates  Y1.3. Customer satisfaction surveys  Y1.4. Turnaround time to customer demands	Y1.1. Assan Alüminyum ISO 31000: Corporate Risk Management System. ISO 14001: Environmental Management System and TS18001 (OHSAS): Occupational Health and Safety Management System  Y1.2. Assan Alüminyum; TSE Certificate of Conformity, DoP No 1_EC Performance Statement and ISPM15 documents and certificates. Assan Foods; Halal Food Certificate, Kosher Certificate, BSCI: Social Responsibility Standard, ICS: French Trade and Distribution Organization Standard, Sedex: Supply Chain Assessment System, Walmart SCS: Supply Chain Safety Certificate. Assan Panel; LPCB: Safety and Fire Protection Certificate, TSE-14509: PIR and PUR Filled Insulation Panels Certificate, TS EN 508-1: Roofing Plates, Trapezoidal Section Corrugated Board Certificate, FM Approval: Fire safety certificate, TS 7677: Corrugated Boards Certificate of Aluminum Alloys and Greenguard Gold: Certificate of conformity to the standards that promises that the product does not harm human health by chemical release.  Y1.3. Efforts are underway to address "0" customer complaints.  Y1.4. Customer requests are answered by full time teams. Feedbacks are answered as soon as possible depending on the type of request.
		R&D, Innovation and Digitalization	Target Y2. Creating sustainable food production systems. To implement agricultural practices that increase production, help protect ecosystems and improve soil quality.	Y2.1. "Smart Agriculture" practices	Y2.1. With the Smart Agriculture application, all plant development processes from planting to harvest have been analyzed on a 12,500 decares land in South Marmara. The aim of this study is soil and product management, more efficient use of resources and minimization of negative effects on the environment.
		Target Y3. To increase added value/economic growth through technological developments, improvements and innovation.	Y3.1. High-tech investments	Y3.1. Two new production facilities of Assan Hanil started operations in Aksaray and Kocaeli. The facilities produce high technology and quality based on automation, in accordance with international standards.	
		Target Y4. To increase resource efficiency for sustainable development, to apply clean and environmentally friendly technologies and processes.	Y4.1. Innovative improvement investments that contribute to the circular economy	Y4.1. At Assan Foods, productivity has been increased with the technology investment made in the automatic pasteurization system. The purpose of the packaging weight reduction project carried out by İspak and Assan Foods is to reduce the harmful effects on the environment. Assan Hanil contributed to fuel savings and reduction of carbon emissions with the "'Composite Fender Part Development Project'". At Assan Panel, the production of 'solar capped roof panels' compatible with solar energy electricity generation systems on roofs has started.	
		Target Y5. To increase R&D studies.	Y5.1. R&D Laboratory / Center Y5.2. Collaborations in R&D studies Y5.3. Encouraging R&D studies Y5.4. R&D budget Y5.5. Number of patent applications Y5.6. Number of patents obtained Y5.7. Number of utility models Y5.8. Number of R&D employees	Y5.1. All companies have R&D Labs / Centers. Y5.2. Collaborations with 7 different universities continued in R&D studies. Y5.3. The third of the "Asim Kibar Mavi Damla Awards" program was realized. Y5.4. R&D budget is over 30,000,000 TRY. Y5.5. The number of patent applications is 6. Y5.6. The number of patents obtained is 3. Y5.7. The number of useful models is 2. Y5.8. The number of R&D employees increased by 33%.	
		Target Y6. To complete the infrastructure works and digitalization processes within the scope of the "Digital Transformation Road Map".	Y6.1. Compliance with the "digital transformation roadmap"  Y6.2. Corporate data architecture  Y6.3. Analytical and Artificial Intelligence Studies  Y6.4. Robotic process automation  Y6.5. Industry 4.0	Y6.1. Planned studies for 2019 have been completed according to the digitalization roadmap, which is reviewed and updated annually in line with technological developments and business processes. Studies on the targeted projects on the roadmap continue.  Y6.2. The corporate data architecture project has been completed.  Y6.3. As an output of the corporate data architecture project, a roadmap has been created for studies in the field of analytics and AI. Analytics organization was determined and added to the budget.  Y6.4. Related studies have been carried out. The project, which will be started with pilot studies in 2020, will be spread to all companies.  Y6.5. Studies are ongoing. Projects related to digitalization of the production area, incremental manufacturing, digital twin and IoT technologies are included in the roadmap.	
		Target Y7. To provide all kinds of transactions and data security in the field of Information Technologies.	Y7.1. Quality and uninterrupted service Y7.2. Cyber security infrastructure Y7.3. Standards followed Y7.4. Machine learning supported discovery and intelligence solutions	Y7.1. There were no unexpected interruptions that would affect production and service. Y7.2. Efforts to strengthen the infrastructure are updated and maintained. Y7.3. ISO-IEC 27001 Information Security Management System is followed. Y7.4. Studies are ongoing.	

\* The reference year in determining the "Targets for 2025" is 2016, which is the first date in which performance indicators are declared in the first report prepared in the GRI Standards.



THE SUSTAINABILITY PRINCIPLES OF THE KIBAR GROUP	SUSTAINABLE DEVELOPMENT GOALS	PRIORITY SUSTAINABILITY ISSUES	TARGETS FOR 2025*	PERFORMANCE INDICATORS	2019 PROGRESS*
 <p><b>WE ENCOURAGE</b> our stakeholders</p>	   	Sustainable Supply Chain	Target T1. To ensure that suppliers and stakeholders adopt UNGC principles and objectives.	T1.1. Procurement Code of Ethic	T1.1. All suppliers are expected to follow the Code of Procurement Ethics. And the rules, principles that all suppliers must comply with on Business Ethics, Anti-Corruption and Bribery, Forced Labor, Child Labor, Harassment, Remuneration, Working Hours, Non-Discrimination, Local People, Occupational Health and Safety, Environment, Biodiversity, Honesty, Quality and Continuous Development, and Information Security are defined in details.
			Target T1. To ensure that suppliers and stakeholders adopt UNGC principles and objectives.	T1.2. Kibar Group Framework Agreement	T1.2. Before starting to work with suppliers, the Framework Agreement is signed to ensure that critical sustainability priorities are adopted by the suppliers.
			Target T1. To ensure that suppliers and stakeholders adopt UNGC principles and objectives.	T1.3. Supplier training hours	T1.3. Efforts were made to double the supplier training hours.
			Target T2. To define a standard regarding the reduction of environmentally harmful effects to be applied in all suppliers audits.	T2.1. Certifications of suppliers for compliance with environmental legislation and standards	T2.1. ISO14001 Environmental Management System Certificate is questioned during supplier audits.
 <p><b>WE SHARE</b> for the communities</p>	  	Social Responsibility	Target P1. To contribute to the increase in income of small-scale food producers by providing systematic training on good agricultural practices.	P1.1. The number of farmers benefiting from the training	P1.1. Systematic measurements will begin in 2021.
			Target P1. To contribute to the increase in income of small-scale food producers by providing systematic training on good agricultural practices.	P1.2. Training hour	P1.2. Systematic measurements will begin in 2021.
			Target P2. To increase participation of employees in social responsibility activities.	P2.1. The number of Kibar Volunteers	P2.1. 542 Kibar Volunteers
			Target P3. To reach 10,000 disadvantaged children in the scope of social responsibility projects.	P3.1. The number of children reached	P3.1. 4,000 children have been reached.
Target P4. To organize trainings for children of primary school age regarding global warming, climate change, environment and children's rights within the scope of social responsibility projects.	P4.1. The number of student participated	P4.1. Studies are ongoing.			
Target P4. To organize trainings for children of primary school age regarding global warming, climate change, environment and children's rights within the scope of social responsibility projects.	P4.2. Organized training hours	P4.2. Studies are ongoing.			

\* The reference year in determining the "Targets for 2025" is 2016, which is the first date in which performance indicators are declared in the first report prepared in the GRI Standards.



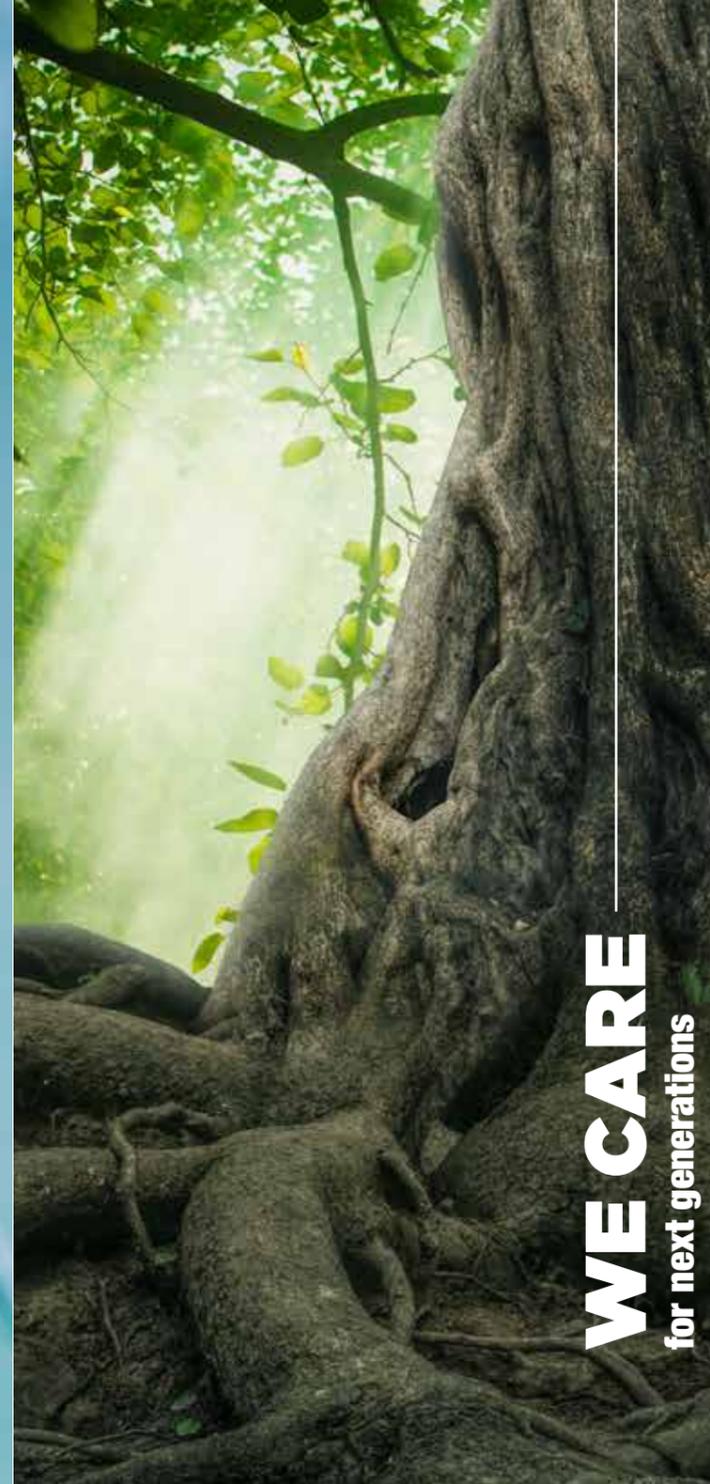
**WE GROW**  
with sustainability principles



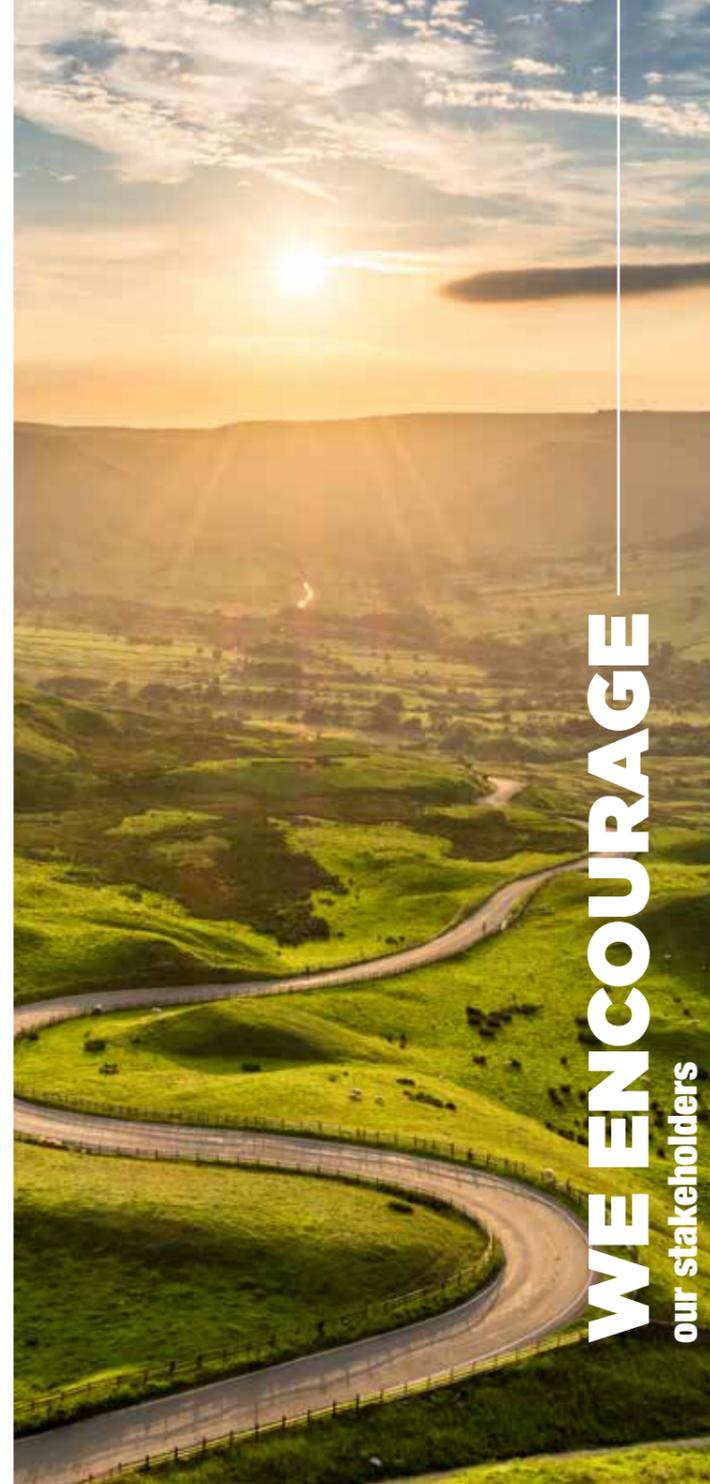
**WE EMPOWER**  
people



**WE INNOVATE**  
for the future



**WE CARE**  
for next generations



**WE ENCOURAGE**  
our stakeholders



**WE SHARE**  
for the communities



**WE GROW**  
with sustainability principles

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



## WE GROW

### with sustainability principles

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



## KİBAR GROUP INVESTMENTS

Kibar Group, which started its first production by opening a sheet metal processing unit in Kartal in 1972, today operates with more than 20 companies in the metal, automotive, packaging, building materials, real estate, logistics, energy, food and service sectors and is among the leading business groups in Turkey.

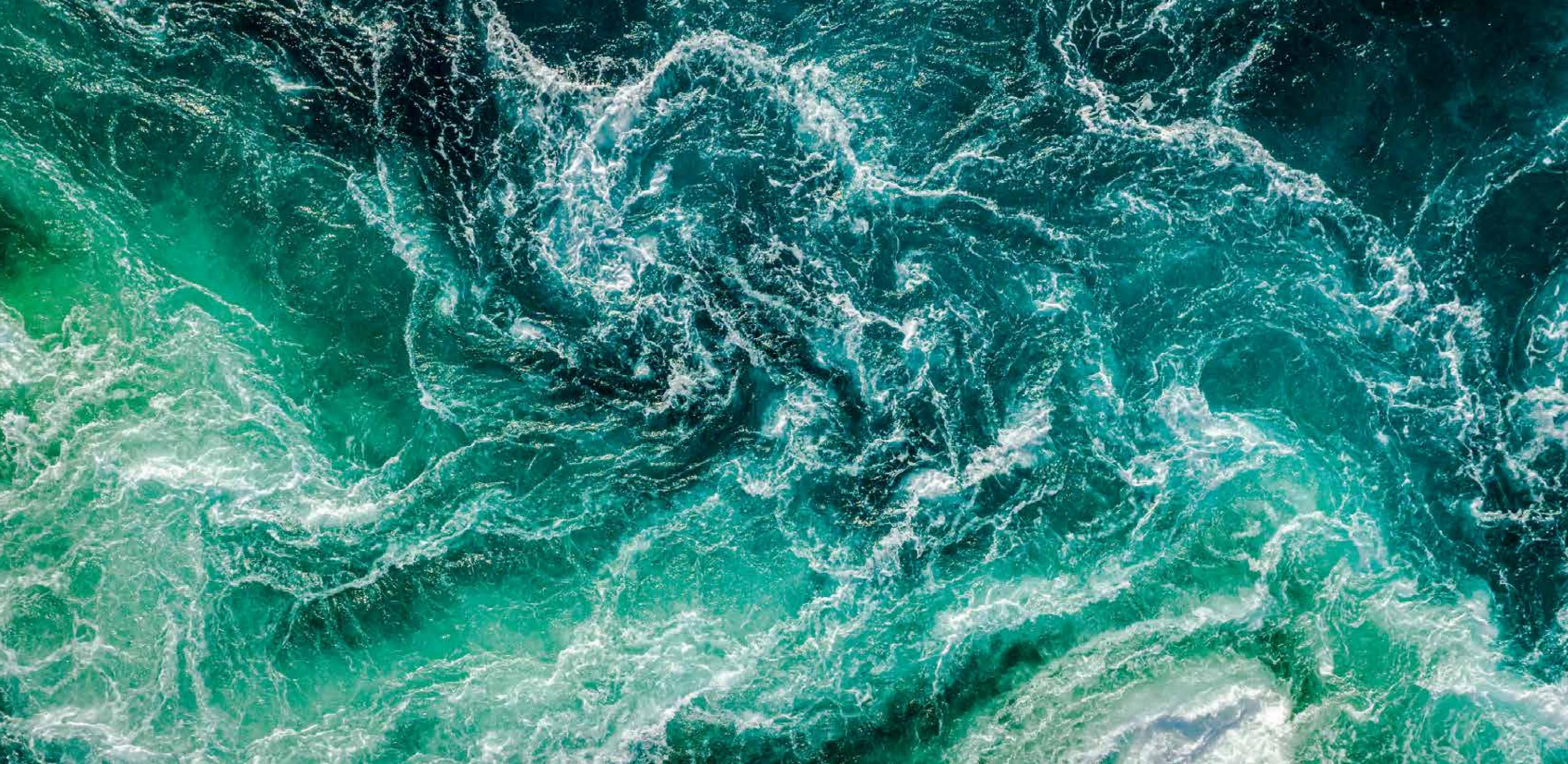
The Group has become an important power contributing to the development of the Turkish economy with its reputation, brand image, strong partnerships and knowledge and experience in the markets. Among the international business partners of Kibar Group are Hyundai, THY, Posco, TIL, Seoyon E-Hwa and Heritage, which are among the world's leading brands.

Kibar Holding ranks among separately with its many companies operating in different sectors in the list of the biggest 500 industrial companies in Turkey, announced every year. Kibar Group has been growing steadily by continuing its investments since the day it was founded and contributes significantly to the national economy and social welfare. However, it acts with the awareness of its ecological, economic and social responsibilities.

## Assan Hanil New Facility Investments

Assan Hanil started its production activities in its 4<sup>th</sup> production facility established in Aksaray in 2019, with its fully automatic paint shop and plastic injection machines. With the 5<sup>th</sup> production facility commissioned in Kocaeli in 2019, it performs sequential shipments at a location close to the customer and directly to the customer lines. The facilities, which produce high technology and quality based on automation, in accordance with international standards, carry out their activities with a sustainable production approach.

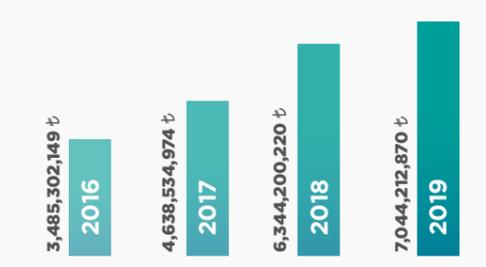
Assan Hanil continues to grow by producing in a total area of 175.000 m<sup>2</sup> in five different locations, together with the establishment of two new facilities as well as an expansion of approximately 3,000 m<sup>2</sup> in its current facilities.



### ECONOMIC VALUE

The sales revenues of Kibar Group companies within the scope of the reporting increased by 11% in 2019 compared to the previous year and by 102% compared to 2016.

Economic Value Generated



Sales revenues of Kibar Group companies within the scope of the reporting have increased by **102%** in the last 3 years.

The sales revenues of Kibar Group companies within the scope of the reporting increased by **11%** in 2019 compared to the previous year.

### HUMAN RESOURCE

The number of employees in Kibar Group companies within the scope of the reporting has increased by 6.6% in the last 3 years.

Human Resource



The number of employees in Kibar Group companies within the scope of the reporting has increased by **6.6%** in the last 3 years.

**EXPORT**

Kibar Group is one of the largest exporters in Turkey with exports to more than a hundred countries. 2.34 billion dollars of export was realized in 2019.

Kibar Dış Ticaret ranked fifth overall Turkey with its export performance in 2019, and first in the category of “Ferrous and Non-Ferrous Metals”, in the list of the “Top 1000 Exporters” announced annually by the Turkish Exporters Assembly.

In 2019, at the Metallic Stars of Exports Awards organized by the Istanbul Ferrous and Non-Ferrous Metals Exporters Association, with the export of Assan Alüminyum products, was awarded “Metallic Star of Exports” first prize in “Aluminum Goods Groups – Leader of the Industry Exports” category.

In the Turkey’s Top 500 Industrial Enterprises Survey 2019, announced by the Istanbul Chamber of Commerce, following rankings have been achieved: Hyundai Assan 12th, as one of the pioneers of the automotive industry; Assan Alüminyum 35th, as the leader of flat aluminum industry in Turkey and one of the three largest manufacturers in Europe; Posco Assan 83rd, as one of the steel producers with the first and only stainless steel cold rolling mill in Turkey; Assan Hanil 234th, operating as the main supplier of parts in the automotive sector.

Kibar Holding was deemed worthy of the

## 25<sup>th</sup> Year Special Jury Award

at **Şahabettin Bilgisu** Environment Awards organized by Kocaeli Chamber of Industry with its wastewater recycling facility in Kocaeli Asım Kibar Organized Industrial Zone.



In addition, our Group company **Hyundai Assan** received the **“Environment Award”** in the large-scale enterprise category at the **Şahabettin Bilgisu** Environment Awards.



**WE EMPOWER**  
people

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

*"A satisfactory result can only be achieved with a happy team."*

Founder and Honorary President  
Asim Kibar

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



BİRLİKTE GÜÇLÜYÜZ



## DIVERSITY AND INCLUSION

In order to provide its employees with the working conditions they deserve, Kibar Group takes international agreements, decisions and standards such as the International Labor Organization (ILO) Conventions, the UN Universal Declaration of Human Rights as a guide and develops systems to protect these rights.

In order to prevent gender inequality, practices that support and strengthen the employment of female employees continue in Kibar Group. Group companies carry out various activities in order to encourage women's participation in business life.

In the companies covered by the reporting, 80 female employees started to work in 2019. The number of white-collar female employees has increased by 12.2% in the last 3 years. The number of female senior managers has increased by 14.3% in 2019 compared to the previous year and by 18.5% in the last three years. Thus, the ratio of female senior managers, which was 17% in 2016, reached 21% in 2019.

2016

The number of white-collar female employees has increased by **12.2%** in the last 3 years.

2019

2018

The number of female senior managers increased by **14.3%** in 2019 compared to the previous year.

2019

2016

The number of female senior managers has increased by **18.5%** in the last 3 years.

2019

### "Respect for Human Award" to Assan Hanil

In 2019, Assan Hanil was awarded the "Respect for Human Award" given by Kariyer.net every year.

### Support for Women's Employment

With the ergonomic improvements made in the production lines in Assan Hanil, women employees have been provided to work on these lines comfortably, and the number of female employees has increased by 3% in 2019 compared to the previous year. Assan Hanil, was awarded the "Award for Promoting Women's Employment" by Kocaeli Municipality and İŞKUR in 2019, just as in 2018.

### "I Support Gender Equality" Seminars

At Assan Hanil, The Knowledge Mill Seminars on "I Support Gender Equality", organized by Ford Otosan and AÇEV continue.

### Support for Employment of People with Disabilities

Assan Hanil develops various projects in order to encourage disabled employees to be more involved in business life and continues joint studies with İŞKUR to recruit disabled employees. Assan Hanil was awarded the "Disability Employment Award of The Year" in the "No Barriers at Work" project organized by Kocaeli Municipality and İŞKUR in 2019.

Kibar Holding sees a participatory business life as the key to both employee satisfaction and corporate success. Accordingly, employees are encouraged to participate in decision-making processes, taking into account their expectations and suggestions. Employee opinions are collected through the Employee Opinion Survey conducted by an independent institution since 2014. Survey results are examined, and necessary remedial studies are carried out in line with the feedback.

### Employee Referral System Rota

Assan Hanil has a suggestion system where all employees can submit their suggestions. Suggestions evaluated by the Suggestion Evaluation Committee are implemented if deemed appropriate. The benefits of these suggestions in areas such as finance, ergonomics and process/method are measured. Suggestions are rewarded within the scope of the suggestion award system as a result of quarterly evaluations through a transparent process.

In 2019, with the sustainability approach, Employee Referral System ROTA was transferred to the digital environment and motivation factors were diversified in order to increase participation.

With the online recognition and rewarding platform “BİZPlus”, which is planned to be commissioned in 2020 at Kibar Holding, it is aimed to appreciate and reward the outstanding efforts and contributions of all company employees in different categories.

Strengthening the communication between companies and employees at Kibar Holding is one of the main goals of the “BİZ” employer brand. Under this brand, it is aimed to make all employees feel how valuable the culture of working together is and to increase the awareness of “BİZ” in the whole Group through continuous sharing. Employees are informed of the developments within the Group through different communication platforms. The annual management meeting, the in-house network Porttakal and the magazine “Kibarca” prepared both digitally and printed are the most important communication channels of the Group.

Employer branding and internal communication activities positively affected employee engagement. In the Employee Engagement survey, a score of 11% above the Turkey average was obtained with “60% loyal employee ratio”. According to previous survey, there was a 14% increase in the engagement score. In the Performance Culture Index, where training and development activities, performance management, career opportunities and correct targeting are evaluated, an improvement of 31% has been achieved with an increase of 10% compared to the previous year.

## FUTURE TALENTS

Employees are seen as the most important value that will carry Kibar Group to the future. Shaping the employer brand in this direction, Kibar Group aims to prepare its employees for the future with talent acquisition programs, talent management and continuous improvement opportunities and effective performance management.

### Talent Acquisition

Recruitment activities are carried out objectively and fairly, with equal opportunities for all candidates. The candidate selection process is meticulously carried out in order to fill the positions opened throughout the group with the right skills. Throughout the process, different tools such as personality inventory, competency-based interviews and assessment center are used, and different career portals and databases are used to increase diversity.

K-Team Young Talent Internship Program, which was initiated in 2014 with the motto “Real career starts with real internship” in order to bring young talents to our Group and prepare them for business life, continues. Since the beginning of the program, 189 young talents have had internship opportunities in Group companies and 66 participants have been recruited.

### Young Talent Acquisition Award to Kibar Holding

The K-Team Project was deemed worthy of the silver award in the “Best youth recruitment strategy” category at the Stevie International Business Awards, and the Gold Award Winner (second prize) in the “HR Brilliance Awards” given by the UK-based BOC Global Events & Training Group.

“Geleceğimiz İçten” platform was established in order to ensure the visibility of career opportunities within the company and to give priority. On this platform, vacancies in all Group companies are published, awareness and career mobility among group companies are provided.

### Talent Board Award to İspak

İspak was once again awarded the Talent Board Candidate Experience Award in the survey, in which 241,100 candidates shared their experiences with 266 companies, and became one of the 14 companies in Europe, Middle East and Africa region that were awarded.

### Talent Management

Within the scope of talent management processes, employees who make a difference with their performance and potential throughout the Group are

determined and career development plans are carried out in line with the needs and objectives of the employees and the organization. With the advantage of being a multi-company Group, intercompany rotation and job change of employees evaluated in the talent group are supported.

Within the scope of development activities for employees in Kibar Group, the competencies, professional knowledge and skills of the employees are increased. In addition, employees are enabled to discover their strengths and aspects that are open to improvement. In this context, methods such as development center practices, internal trainings to support learning from each other, development programs to support competence and technical development, and distance learning tools are used. Programs designed by considering the needs of employees also contribute to the increase of interaction between employees and strengthening of communication between different companies and functions.

All development programs carried out within the Kibar Group were gathered under a single roof and the “We Have the Power Development Programs” project was put into practice. It is aimed to spread the continuity of the development process and the culture of learning from each other with programs in many areas from leadership development to training internal trainers and mentors.



### Within the scope of the project

**WE HAVE THE POWER**  
Executive Development Program

**WE HAVE THE POWER**  
Expert Development Program

**WE HAVE THE POWER**  
Leadership Development Program

**WE HAVE THE POWER**  
Development Ambassadors

**WE HAVE THE POWER**  
Together Achieving HR Development Program

**WE HAVE THE POWER**  
Game Changers programs have been implemented.

### Executive Development Program

In order to support the development of leadership skills, “Executive Development Program” has been implemented and nearly 400 employees have been included in the program. The first two-day module of this program, consisting of two modules, was completed in 2019. In the module in question, creating a relationship of trust, values, effective feedback, appreciation and recognition are discussed. In addition, experience sharing sessions were held in which senior managers’ experiences were shared. 5,232 hours of training was achieved within the training held in 19 groups. It is aimed for every manager participating in Kibar Group to go through this basic program.

### Expert Development Program

An “Expert Development Program” has been established in order to ensure the competence development of employees in expert staff. Analyzes were made to determine the competency development needs of the employees and a catalog was prepared in the areas deemed necessary. This catalog includes efficient working and reaching results, problem solving and reaching results, creative and innovative thinking, financial modeling, negotiation skills, tax training and effective presentation techniques.

**Leadership Development Program**

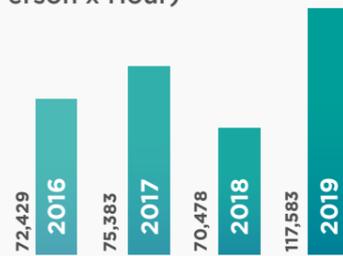
“Leadership Development Program” is a program designed for the development of directors and higher-level managers. Newly hired or newly appointed managers at this level participate in the Effective Leaders Workshop, which lasts three days. In the Effective Leaders Workshop, Korn Ferry consultants explain the leadership model by associating it with the results of the organizational climate and leadership styles of the person. The program includes a 1.5-hour personalized feedback session. In this session, managers are expected to prepare detailed action plans for their development. The score for recommending this program to other people was measured as 9.1 out of 10 for managers who participated in the development program in 2019. It is ensured that managers who have defined leadership development actions and need external coaching support in this process are provided with services from experienced coaches. In addition, a sharing platform has been established to facilitate the follow-up of current trends.

**Development Ambassadors**

The Development Ambassador Training Program has been implemented with the aim of maintaining the culture of sharing in Kibar Group and thus contributing to the career and personal development of the employees. Within the scope of the program, employees who are called Development Ambassadors and want to share their knowledge

and experience voluntarily provide training within the company or among the Group companies. Kibar Group carries out many projects aimed at continuously improving the professional knowledge, skills and personal competencies of employees with the “lifelong learning” approach. In 2019, 117.583 hours of training was provided to Group employees in various training and development activities organized within this scope.

**Employee Trainings-Hour (Person x Hour)**



Training provided to group employees increased by **66.8%** in 2019 compared to the previous year.



**Assan Alüminyum Employee Development Practices**

Assan Alüminyum has a “Leadership Development Program” which has been systematically followed for four years. In addition, the “Shift Supervisor Development Program” was prepared in order to increase the competence and awareness of shift managers, who are the first managers of field workers, in such matters as leading the team, developing the team, and providing feedback. The first two modules of this program were implemented in 2019. With this program, 110 Shift Officers were included in a comprehensive leadership program. In the “Learning from Experience” meetings held every month, it is aimed to share information in different managerial areas. Intensive participation takes place in these meetings, where topics are determined interactively.

**Assan Foods Employee Development Practices**

At Assan Foods, Kaizen field trainings are carried out in cooperation with Shingijutsu Global Consulting. It is aimed to develop Kaizen representatives within the company with field trainings. In 2019, “7 Habits of Effective People Training” and “7 Habits of Effective People for Executives” trainings were organized to increase the personal and professional development of all office employees. Assan Foods’ R&D and

Sales Department employees were given World Sauces Training by Bilgi University Culinary Arts Department academicians.

**Assan Hanil Development Academy**

The Development Academy activities, which were established in Assan Hanil in order to ensure that blue-collar employees become competent, participatory, motivated and loyal “leaders” in the field and thus find areas of development for themselves, continue. In addition, trainings related to the development of technical competencies, internal trainer system, quality training and development processes have been restructured. Leader assignment processes for field workers are included in the assessment center process. Thus, transparency and employee motivation have increased.

**İspak Flexible Packaging Academy**

“Flexible Packaging Academy”, which was implemented within İspak, is a training program prepared for vocational high school students and aims to make students familiarize with business life and get used to business life before finishing their school.

**PERFORMANCE MANAGEMENT**

Activities aiming to increase the motivation of employees such as the Performance Management System,

Asim Kibar Blue Drop Awards and Total Reward Management System are renewed and continue.

Kibar Holding believes that development is a journey. For this reason, the performance management system in which employees’ corporate goals are transformed into individual and team goals and development plans are created accordingly, is called the “Path to Success and Development”. In order to generalize the performance management system throughout the organization and to provide effective and accurate feedback to employees, trainings are organized for team managers during interim and year-end evaluation periods. Business goals and individual competencies are evaluated within the scope of the performance management system. The performance management system also provides important data for different processes such as training and development, talent management, recognition and rewarding.

The Kibar Group uses a total reward system that is compatible with the Group and company strategies, rewards business results and contribution to company performance, and is integrated with all Human Resources processes. In addition to the base salary, social and fringe benefits offered to employees are part of the total reward management system.

**Total Reward Policy**

Remuneration and fringe benefit policies are built on an objective, fair, dynamic and competitive structure compared to the target market, taking into account internal balances. Employees of Kibar Holding and Group companies are offered a fair and competitive total salary, taking into account different criteria such as job families, roles, responsibilities, knowledge, skills and competence levels, within the scope of the determined salary policy. Fair and competitive remuneration is guaranteed with internationally accepted job evaluation methodologies and salary comparison studies. In accordance with the total reward policy, a different and unfair practice cannot be applied due to personal characteristics and preferences such as language, religion, race, gender.

Kibar Holding believes that the most reliable resource that will make a difference in order to adapt rapidly to the changing competitive environment is the employees. In this regard, emphasis is placed on creating environments that will enable employees to realize their creative and innovative ideas. The Asim Kibar Blue Drop Awards project is carried out in order to reveal and reward creative and innovative ideas and to spread success stories. With the motto “Every successful project starts with a drop of ideas and spreads in

waves”, Asim Kibar Blue Drop Awards are aimed at achieving the strategic goals of the Group, recognizing and rewarding success based on competency.

Asim Kibar Blue Drop Awards process is regularly reviewed every year, necessary improvements are made and finalized with a transparent evaluation. In this context, a pre-evaluation step was added to the Asim Kibar Blue Drop Awards process in 2019. Category committees composed of managers who are experts in the subject were established, an awarding system was created, and the pre-evaluation process was defined.

Of the 56 projects that applied, 44 went through the pre-evaluation process and continued with the next steps. With the Asim Kibar Blue Drop Awards project, which aims to advance the culture of development, 9 awards were given to 24 projects with 112 participants in 2017, 14 awards to 39 projects with 212 participants in 2018, and 12 awards to 44 projects with 238 participants in 2019.

**BizPlus Appreciation, Recognition and Rewarding Program**

With BizPlus, which has been implemented to increase the visibility, appreciation and rewarding of successes, managers can reward their colleagues in six different categories.

**SOCIAL LIFE**

Kibar Group strives to establish a sustainable world for employees not only in terms of performance, but also in terms of living and sharing life. In this direction, a happy and participatory work environment is created where employees can develop belonging. Acting like a family, Kibar Group accepts all its employees as a part of this family and believes in the importance of sharing moments that add value to life.

**Employee Support Program**

Employee support program Avita, which was implemented in 2018 and is among the innovative human resources applications of Kibar Group, provides unlimited and free consultancy support to Kibar Group employees and their families 24/7. Within the scope of the Employee Support Program, consultancy services are provided in many subjects such as psychology, medicine, law, financial information services, healthy nutrition, ergonomics, technology, veterinary, social life and general information services.

The questions and problems of Kibar Group employees and their families are supported by experts in their fields. When necessary, face-to-face psychological support is provided free of charge for up to six sessions with the guidance of the clinical psychologists at the call center. The program, which can be accessed

through different channels such as phone, website and mobile application, strictly complies with the principle of information confidentiality.

In 2019, Avita was used by a total of 3,459 clients, 3,056 employees and 403 employees’ relatives within the Kibar Group.

With the Kibar Group Sports Festival, which has been going on since 2016, employees are encouraged to do sports. In this way, it contributes to the establishment of strong communication between Group companies and employees and to the formation of a “Biz” culture within the Group. Kibar Group Sports Festivals bring sports, entertainment and togetherness, as well as the pleasure of achieving goals together.

The Kibar Group Sports Festival, which has become traditional throughout the Kibar Group, was held in 2019 with the participation of 788 employees in eight branches including football, volleyball, basketball, tennis, table tennis, swimming, athletics and bowling.

In addition to Kibar Group Sports Festivals, Kibar Volunteers Organizations, Kibar Group Festivals, Occupational Health and Safety Week Competitions and April 23 Painting Contest for the children of employees on the day of Turkish National Sovereignty and Children’s Day are organized throughout the Group. In addition, activities to support the social

lives of employees are carried out within the companies, independent of the activities organized throughout the Group.

Employees at İspak facilities are provided with social facilities and sports facilities where they can spend time outside of work, while families of employees in Assan Hanil frequently come together with events organized on special occasions. While kickboxing, yoga, pilates and folk dance clubs operate in Assan Alüminyum, football tournaments between factories are organized in Assan Hanil and employees who are professionally interested in a sports branch are supported. In 2019, Assan Foods sponsored the Bandırma Bicycle Group, of which its employees are also a member, and supported the 3rd Traditional Kapıdağ Peninsula Bicycle Festival.

**OCCUPATIONAL HEALTH AND SAFETY**

As a group operating in the industry and production sector, Occupational Health and Safety (OHS) is among the priority issues of Kibar Holding. Occupational Health and Safety processes are managed under the responsibility of OHS boards in line with international standards. As of 2019, 110 employee and employee representatives take part in 10 OHS committees operating in Kibar Group companies.

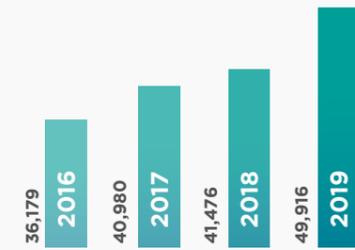
Risk assessments are carried out using the Fine Kinney method in accordance with the Occupational Health and Safety Risk Assessment

Regulation and OHSAS 18001 / ISO 45001 standards. The dangers of all activities are determined, and the risk level of these dangers is determined, and action plans are prepared. Awareness is raised by sharing the identified risks with the employees.

The health risks in the work areas are evaluated and the precautions to be taken are determined. Environmental measurements are made, and necessary measures are taken in line with the measurement. Awareness-raising training is provided to employees in the field with a single point lesson. With the life coaching practice, studies are carried out for a safer and healthier work environment. All facilities are subjected to regular hygiene tests. Chronic patients, pregnant and breastfeeding employees are followed up and necessary precautions are taken. In Kibar Group, office ergonomics is also an issue followed within the scope of risk management. For office workers, improvements are made to the ergonomics of the working environment and ergonomic computer equipment is provided.

Trainings are given to increase the awareness of employees on occupational health and safety throughout the group. In 2019, employees received 49,916 hours of OHS training. In 2019, 8,851 hours of training were organized for contractor company employees in Kibar Group, which spread Occupational Health and Safety culture to the entire value chain.

**OHS Training Provided to Employees – Hour (Person x Hour)**



Occupational Health and Safety trainings increased by **20.3%** in 2019 compared to the previous year.



As a result of the information and awareness studies and preventive measures, significant improvements have been measured in all occupational health and safety performance indicators in Kibar Group.

### We Are Safety

İspak Ambalaj implemented the “We Are Safety” Project in the packaging production field in 2018 in order to spread the occupational safety culture and raise awareness among employees. Thanks to the project, the accident frequency and weight ratio has been improved.

### Applied Awareness in Behavioral Risks Project

In Assan Hanil, “Applied Awareness in Behavioral Risks Project (Process Shadowing)” was initiated in 2019. The aim of the project is to minimize occupational accidents resulting from behavioral risks in the short term and to contribute to the safety culture in the long term. With the contributions of the project, the number of category C occupational accidents was reduced by 50% in 2019 compared to the previous year.

In the workshops held every year in order to increase the Occupational Health and Safety efficiency throughout Kibar Group, the activities of the previous year are evaluated and the planning for the next year is made. In 2019, three projects were carried out on “Chemicals Change Management”, “Occupational Health and Safety – Increasing the Efficiency of Environmental Boards” and “Increasing the Efficiency of OHS Trainings”. Fourteen OHS and environment professionals worked in these projects.

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

## BUSINESS ETHICS

The business ethics understanding of Kibar Group requires employees to act with the highest ethical standards. The understanding of business ethics based on the values of honesty and integrity constitutes the basis of doing business beyond legal requirements in all activities including financial and operational activities, technological assets and brand values.

Kibar Group respects the beliefs and personal values of all its employees, stakeholders and business partners. Based on internationally accepted universal declarations, Kibar Group acts within the framework of values and principles. The Kibar Group “Code of Ethics” covering the aforementioned values and principles is published on the corporate website.

### Code of Ethics

In Kibar Group, the principles of behavior towards working life, the fundamental rights and responsibilities of the employees are determined within the framework of the “Code of Ethics”. Employees are informed about ethical rules and can directly access the Ethics Committee.

Kibar Group Code of Ethics consists of seven main headings: honesty, confidentiality, justice, quality and continuous improvement, conflict of interest, our responsibilities, and accepting/giving gifts. Kibar Group is based on the principle of honesty in all its activities and considers honesty, sincerity and high business ethics above all else. In this respect, the protection of the private information of all stakeholders, the understanding of justice based on equality of opportunity, quality and continuous improvement goals are discussed in detail in the Code of Ethics document. Situations where a conflict of interest

may occur, ways to avoid conflict of interest, how the issue should be handled when a conflict of interest occurs, and application details regarding gift exchange are explained in detail. The responsibilities of Kibar Group to laws, customers, employees, business partners, competitors, society and humanity are set forth within the framework of Code of Ethics. The Code of Ethics document also includes case examples and examples of behaviors expected to be implemented in situations that may be encountered in business life.



In-class Business Ethics Training was provided to 762 employees in 2019 and 3,078 employees in the last 5 years.

Employee perception is kept up to date with “Do You Think This Is Ethical?” themed posters in common areas. Efforts are underway to provide online training to all employees on the Code of Ethics every year. It is planned to first give in-class training to new employees in line with the Code of Ethics, and then to provide online training every year.

Within the Kibar Group, it is the Ethics Committee's responsibility to ensure compliance with the Code of Ethics,

to investigate and resolve complaints and notifications regarding violations. Working under the Chairman of the Board of Directors of Kibar Holding, the Ethics Committee consists of the Vice President of Internal Audit, the Head of the Human Resources Department and the Group Legal Counsel. In addition, there are Code of Ethics Consultants assigned to support all kinds of needs and questions of employees regarding the implementation of the Code of Ethics in Group companies.

An Ethics Line has been established that can be contacted from within the Group or from outside, in case of any violation of the Ethical Rules. This line includes an e-mail box, telephone line and a mailbox for information to be delivered by mail, only accessible by the Ethics Committee, in order to deliver the issue to the Committee. All notices sent to the Ethics Committee via telephone, e-mail and/or mail are handled and evaluated confidentially, appropriate units are assigned to carry out the necessary studies, and all work related to the case is meticulously made. The Ethics Committee takes the necessary measures to prevent any negativities such as retaliation, pressure and intimidation that may occur against individuals who report ethical violations.

You can access Kibar Holding Code of Ethics at

<https://www.kibar.com/en/-/media/files/pdf/etik-kurallar/2020/11/code-of-conduct-en.pdf>

### Fight Against Corruption

Kibar Group does not tolerate bribery and corruption in any way and takes measures to prevent such behavior. The Group's approach to fight against bribery and corruption is defined in the Kibar Holding Code of Ethics. Compliance with ethical rules is the responsibility of all Group managers and employees. All employees are obliged to report any breach of ethics or suspected bribery or corruption. The notices sent are evaluated within the framework of confidentiality. Internal control against corruption risks is evaluated within the scope of the process audits, examination and investigation activities carried out by the Internal Audit Department. In this context, process audits, examination and investigation activities were carried out in Group companies in 2019.

The anti-bribery and anti-corruption approach is binding on all relevant stakeholders, especially suppliers and business partners, as well as group employees.

Kibar Group employees are not held responsible for direct or indirect damages that the company may suffer due to their acting in accordance with ethical principles. In the 2019 operating period, there were no reports of ethical values, violations of universal human rights or cases of corruption. During the period in question, there were no lawsuits filed against Kibar Group regarding this issue.





# **WE INNOVATE** for the future

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



## WE INNOVATE for the future

Kibar Group, a well established industrial enterprise, owes its corporate success to its ability to always prioritize quality in its products and services while meeting the needs of its customers and to anticipate future needs.

For this purpose; products, systems and processes are updated using the most modern technologies. Thanks to the importance given to innovation and digitalization, productivity is increased, new markets are reached, and the negative effects of products, services and processes on the environment are minimized. Kibar Holding works together with the entire value chain in order to create the Kibar of the future and reflects the understanding of “We Are Strong Together” to its technology studies.

## PRODUCT AND SERVICE QUALITY

In Kibar Group, product safety, quality and customer satisfaction are business priorities that are managed at the highest global standards beyond all financial concerns. In addition to the management systems required by their sectors, all Group companies follow many quality and safety standards according to customer expectations.

Kibar Group offers differentiated products and services to its customers by evaluating developing technology and digital opportunities together with business models. Group companies develop customer-oriented business processes based on effective and transparent communication. In all Kibar Group companies, necessary studies are carried out according to the results of independent customer satisfaction surveys conducted every year, efforts are made to increase the added value provided by products and services. In addition, action plans are created based on the results of this research.

Company	Management System and Quality Certificate
Assan Alüminyum	ISO 50001: Energy Management System ISO IEC27001: Information Security Management System ISO 9001: Quality Management System IATF16949: Quality Management System ISO 14001: Environmental Management System ISO 31000: Corporate Risk Management System TS18001 (OHSAS): Occupational Health and Safety Management System CE: EU Certificate of Conformity NSF: International Health Organization Certificate of Conformity Kosher: Kosher Food Compliance Certificate ISPM15: Certificate of Conformity for Wooden Packaging Materials Authorized Liability Status ISPM15 Documents and Certificates TSE Certificate of Conformity DoP No 1_EC Performance Statement
Assan Foods	BRC: International Food Safety Standard IFS: International Food Standard Kosher Certificate Halal Food Certificate BSCI: Social Responsibility Standard ICS: French Trade and Distribution Organization Standard Sedex: Supply Chain Assessment System Walmart SCS: Supply Chain Security Certificate
Assan Hanil	ISO / IEC 27001: Information Security Management System ISO 9001: Quality Management System IATF16949: Quality Management System ISO 14001: Environmental Management System TS18001 (OHSAS): Occupational Health and Safety Management System
Assan Panel	ISO 9001: Quality Management System ISO 14001: Environmental Management System ISO-IEC27001: Information Security Management System LPCB: Safety and Fire Protection Certificate TSE-14509: PIR and PUR Filled Insulation Panels Certificate TS EN 508-1: Roofing Plates, Trapezoidal Section Corrugated Board Certificate TS 7677: Corrugated Boards Certificate of Aluminum Alloys FM Approval: Fire safety certificate GREENGUARD GOLD: Certificate of compliance with the standards that promise that the product does not harm human health by chemical release.
İspak	ISO 22000: Food Safety Management System BRC: International Food Safety Standard ISO IEC27001: Information Security Management System ISO 9001: Quality Management System ISO 14001: Environmental Management System TS18001 (OHSAS): Occupational Health and Safety Management System

At Assan Alüminyum, customer relations are meticulously managed, and sector-based technical training is provided to customers every year. Along with the delivered products, the package label and test certificates and product specs prepared according to customer requests are sent. Social media posts and e-bulletins are prepared in order to share the company's agenda with customers transparently. Routine assessment meetings with domestic authorized dealers and business partner meetings covering all customers are among customer communication practices.

Creating full time teams to respond to customer requests and complaints, Assan Foods uses customer feedback while designing product content and packaging. In 2019, a dealer meeting with the theme "We Are Growing with Your Trust" was held with the participation of domestic dealers. During the two-day meeting, new products were introduced with R&D and production facility visits.

In Assan Hanil, in addition to the feature code and raw material information on the products, a barcode system is used to ensure traceability. In projects carried out jointly with customers, some products are lightened with alternative materials. Problems submitted by



suppliers and customers are managed through the 8D process. Customer feedback is evaluated by a team of relevant units under the leadership of the quality unit, and temporary measures taken regarding problems are reported within 24 hours and permanent measures within 48 hours. Actions that describe the problem and how it was solved are reported in 8D format and recorded in the ASHA QDMS system.

In Assan Panel, the accessory sales method was changed with the project implemented in 2019 in order to increase the product and service quality. The weight of accessory materials produced from sheets cut with the project in question is calculated by the system, the lot number is generated from the same item code for this scrap and the customer delivery balance is updated. Thus, the resulting scrap is minimized. With this project, product prices were reduced by 20%.

A quality certificate containing all technical features and measurement results of the product is also delivered to the customer at İspak. The quality certificate includes all the tests made for the product, the standards by which the tests are carried out and the results. Root cause analysis is performed on problems by examining customer complaints one-to-one. As

a result of the root cause analysis, the work to be done is determined and revisions and improvements are made to prevent the problem from happening again.

## R&D AND INNOVATION

Kibar Group constantly reviews its operations in line with the aim of making growth sustainable, rapidly adapts to changing global conditions, closely follows the technology and developments in the world with Industry 4.0 practices that will bring efficiency to higher levels, and shapes R&D and innovation strategies accordingly.

Innovation and innovative products play an important role in Kibar Group's strategy to shape the future. Within the scope of innovation studies aiming to create new markets and bring customers together with environmentally friendly and value-added products, joint studies are carried out with many organizations, especially universities. Companies within the scope of reporting received five patents in 2019 through research and development studies.

With the responsible and innovative perspective it adopts, Kibar Holding attaches great importance to creating the conditions that will enable its employees to realize their creative

and innovative ideas. For this purpose, "Asım Kibar Blue Drop Awards Project" was implemented to reveal the innovative ideas of the employees and to share their success stories with group companies.

The basis of innovation work is to increase productivity, reduce resource use and waste generation, increase product quality and variety, reduce costs and risks, produce new business models and technologies that will create value for stakeholders, and develop environmentally friendly and high value-added products.

### R&D and Innovation Projects

#### Assan Alüminyum

Assan Alüminyum carries out its research and development activities in the R&D Center registered by the Turkish Ministry of Science, Industry and Technology. R&D work focuses on the development of high performance, industry and customer specific products. Within the scope of research and development studies, cooperation was made with Vrije University, technical consultancy service was received from the Middle East Technical University within the scope of the Turkey Scientific and Technological Research Institution project, and academic consultancy service was received from academicians from Koç University and Izmir Institute of Technology.

With the project implemented in 2019, Assan Alüminyum will become the facility that can produce the thinnest foil in Turkey. With the project in question, foil with a thickness of less than 7 microns will be produced that appeals to all areas of use. In addition, it is aimed to increase corrosion resistance with the addition of rare earth elements in 3000 series brazing alloys.

#### Assan Foods

Since Assan Foods' Factory has one of the highest capacities of tomato processing in a single location in Turkey, it focuses on optimization studies in its production processes. It is aimed to increase productivity with new technology investments realized within the scope of the lean manufacturing project that started in 2018.

Assan Foods reduced the batch preparation process from 55 minutes to 28 minutes with its emulsified sauce automatic pasteurization system within the scope of the new project implemented in 2019. Pasteurization process, which was previously performed as a batch process in a single tank, can be performed as a continuous process in a triple tank system with this project.

**Assan Hanil**

Assan Hanil continues its research and development activities that can respond quickly to the changing trends of the automotive sector and the expectations of its manufacturers at the R&D center established in 2010 with the support of the Turkish Ministry of Science, Industry and Technology. While basic research is mainly carried out with universities, applied research and experimental development studies are carried out within Assan Hanil's R&D Center. Assan Hanil, which carries out studies on innovative projects for weight reduction, cost optimization and increasing quality, has 59 Intellectual Property Rights and 6 trademark registrations, including 31 patents, 12 utility models and 16 industrial designs.

In addition to seat product development competence, a department was established in the R&D Center for the development of automotive trim components, which have an important commercial potential in our country. In the projects carried out in the Virtual Analysis (CAE) and Production Engineering departments, a structure that will support innovative design, modeling and production processes has been established.

In the "Composite Fender Part Development Project" carried out in Assan Hanil in 2019, it was aimed to produce fender carrier parts as composite in order to reduce weight. It is aimed to reduce weight by 25-40% in the new fender carrier parts. The biggest gain of the project is the fuel savings and reduction of carbon emissions to be achieved using lighter vehicles.

**Smart Factory Investment from Assan Hanil**

With Assan Hanil's smart factory design, it is aimed to produce and ship orders for the Aksaray factory unmanned. Thus, following improvements will be possible:

- Efficiency in production by using system power instead of manpower
- Instant monitoring of operation performance indicators on field screens
- Save time and money

System capacity is approximately 80,000 products.

Air Suspension Commercial Vehicle Seat (ASD) Ford F-Max and ASD1.0 HMC FCEV Development Project and FORD F-Max truck seat improvement studies continue. In addition to weight reduction activities, product development studies are ongoing for options such as removable cover, ventilation and massage systems.

Different versions of the existing ASD seat started to be developed under the name ASD1.0 project.

In the bidding and pre-development process of the new generation Ford Transit (V710) Vehicle Seats, which will start mass production in 2023, the development process continues with Ford UK, Germany and Turkey teams for DCIV and SB seat types.

Assan Hanil continues its efforts to develop the "New Generation Air Suspension Commercial Vehicle Seat (truck Seat 2.0)" project in order to develop a new generation air suspension seat that meets advanced technology expectations and is lightweight and suitable for all specifications.

**Assan Panel**

Assan Panel has accelerated its R&D studies in its own "Euronorm" standard laboratory, which has hardware and software that can perform all kinds of physical and mechanical tests of the sandwich panel. It has made an investment in a new chemical laboratory for the quality management of polyurethane. With the studies in this field, it is aimed to increase the number of patented products and to develop expertise in polyurethane material. Assan Panel increased its product range with pilot productions realized by applying cost-benefit optimization in the Optipanel series, which is in the economic panel segment.



In Assan Panel, within the scope of the Chemical Reintegration project, the formulations of Assan B3 System chemicals were developed, a chemical production facility was established, and Optiwall M was added to the Polyurethane product range.

**İspak**

İspak Packaging, with its new factory designed with Industry 4.0 concepts, has made the largest investment in flexible packaging made at once in Turkey. İspak aims to expand its portfolio in food packaging and industrial product areas in its new facility where automatic production systems, simulations, clean room, horizontal and vertical software integration, cyber security and cloud technologies are used.

In the project carried out by İspak and Assan Foods in 2019 in order to reduce the weight of stick sauce packages by preserving their shelf life, the unit package weight was reduced by approximately 14%. Efforts are underway to make lighter packaging, the second step of the project.

İspak aims to develop a smart packaging application for food products with the R&D center project initiated with Sakarya University in 2019. With this application, which will be the first in its field, the end consumer will be able to preserve the freshness of the product. In addition, efficiency will be achieved in fresh meat products that cause a lot of waste in the procurement process.

## DIGITALIZATION

Digitalization is a corporate priority for Kibar Group, which makes innovative investments that require intensive R&D activities and constantly improves products according to the needs of customers. Digital transformation efforts continue in all Kibar Group companies.

In digitalization projects, Industry 4.0 and new technologies are focused on operational efficiency, technological infrastructure, cyber security and system continuity. Efforts are underway to move Office applications to 365 cloud structure in order to ensure safe and efficient access to data, thus enabling access to applications from all devices in a secure and corporate framework.

Creating corporate data architecture and increasing productivity with analytical and artificial intelligence projects have been determined as business priorities. Process determination studies continue in Robotic Process Automation (RPA) studies.

Assan Foods plans to increase efficiency with e-transformation projects initiated. With e-invoice, e-ledger, e-export, e-validation, e-archive, e-delivery note, e-producer, the e-transformation process has

been successfully expanded. Business processes that become digital with e-transformation save both workforce and time by minimizing transaction times. Transferring corporate documents to the digital environment increases efficiency and reduces the possibility of errors. Transformation projects have been completed with e-delivery note and e-producer transitions.

### Assan Alüminyum “Cast & Roll” program

The “Cast & Roll” program aims at the digitalization and automation of all business processes in Assan Alüminyum and includes fifteen information technology projects. With this program, it is aimed to improve the Customer Relationship Management with advanced planning systems and processes, to realize Manufacturing Execution System projects and to ensure full automation of Procurement-2-Pay processes with the Supplier Management Portal.



### Smart Agriculture from Assan Foods

With the “Smart Agriculture Project”, which was initiated in South Marmara and covers an area of 12.500 acres, it is aimed to follow and analyze all the parameters of the whole plant development process, from planting to harvest in pilot fields, soil and product management, more efficient use of resources and minimizing negative effects on the environment.

In the project initiated in 2017, data obtained from the air and soil are shared with the farmers, reducing water consumption and pesticide use, and fighting the disease at the highest level. This contributes to the regional economy and product quality. In 2019, as an addition to the existing physical stations, new stations were established to expand the coverage area, the number of parameters was increased and studies on data analytics continued.

With the customer portal located within Assan Foods, requests are collected during customer visits and processed into the system and pre-order records are automatically created by ERP.

Customer EDI Integration project has been initiated at Assan Hanil in order to automatically add records to the system and create plans in the system by increasing the technology integration with customers.

With the operational excellence practices in Assan Hanil, all operations are traceable and reportable. User-friendly screens have been designed and the opportunity to enter the system regardless of the environment is provided. With the new scoring system, the objective evaluation process has been developed. Approval processes have been accelerated with the relational workflow structure. With the Instant Customer Line Stock Tracking System, the criticality of the shipped parts was monitored on a facility basis and the shipment process was optimized by developing a warning system.

Assan Panel started using the Building Information Modeling (BIM) digital product design platform in 2019. Thus, products are displayed on a digital platform and customers can easily access up-to-date information and details.

In Ispak’s Izmit Facility, which has Industry 4.0 infrastructure, the Smart Warehouse was commissioned in 2019 and the integration of the Solvent Recovery Facility was completed. Sales teams have access to all data via salesforce (CRM). Scrap management system has been established. Digitalization has been provided for the management of the curing time of the products.

## INFORMATION SECURITY

Increasing digitalization brings along the necessity of high information security standards. Kibar Group aims at the highest information security by following new technologies.

Kibar Group companies within the scope of reporting have ISO 27001 certification or information management systems based on this management system. Corporate data and information belonging to all stakeholders are secured. Information technologies infrastructure needs are managed with an end-to-end central discipline from data centers to end-user computers. Cyber security does not only cover malicious attacks. Uninterrupted and consistent access to data is an essential part of information security. Infrastructure works were carried out in order to eliminate external attacks and to provide easy/uninterrupted access to information with many projects implemented.

New generation technologies in cloud solutions and automation fields are considered as a critical development area that will create value in business processes. In this direction, Robotic Process Automation, Collecting Logs Collected from SIEM-IT

Components in a Common Pool and Examining Anomaly Situations by Associating with Smart Algorithms, DLP – Tracking Mechanism Preventing Intra-Group Intellectual Assets from Leaking Out, Network Segmentation and Change Management projects are aimed at increasing the resistance of Cyber Security.

Classification, securing and anonymization of data within the scope of compliance with the Personal Data Protection Law are among the studies carried out meticulously.





**WE CARE**  
for next generations

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



## WE CARE

for next generations

The use of energy and natural resources is increasing in the world, which causes environmental problems. Acting with the awareness that natural resources are not infinite and unlimited, Kibar Group adopts a sustainable development approach that will enable the transfer of resources to future generations. This understanding is based on a human-oriented, economically, environmentally and socially sustainable system.

Kibar Group works to reduce the negative effects of its activities on the environment and to increase awareness at every stage from production to distribution. Within the scope of R&D activities, it transforms potential threats created by environmental problems into opportunities by developing nature friendly technologies and products.

### COMBATING CLIMATE CHANGE

Climate change has become one of the most important problems of our age that concerns the entire world. Factors such as population growth, industrialization, urbanization, land use, increase in fossil fuel use and reduction of forests cause an increase in greenhouse gas emissions in the atmosphere and change in emission volumes. This situation increases global warming and brings along climate change.

In addition to the increase in global temperature, climate change is also effective in the change of weather events such as extreme rainfall, floods, severe hurricanes, ozone depletion, air pollution, drought, desertification, rise of ocean and sea level and deterioration of the ecosystem.

Research shows that the average global temperature raises should be limited to at most 2° C in order to limit the destructive effects of climate change. This requires reducing the greenhouse gas concentration in the atmosphere to the equivalent of 450 parts per million on average.

Climate change and diminishing natural resources directly affect natural life and the global economy. Changing climate conditions create new needs and declining raw materials must be replaced with rational alternatives. Kibar Group continues its activities by considering the risks and opportunities created by changing climate conditions.

Within the scope of efforts to combat climate change, Kibar Group limits the negative effects of its activities on the environment, reduces energy consumption, increases energy efficiency, decreases energy intensity, generates electricity from renewable energy sources and manages the use of natural resources with a sustainability approach.

The maintenance and protection of Asim Kibar Love Forest, which was created by Kibar Holding in Istanbul in 1995 on an area of 10,000 m<sup>2</sup>, is supported by the group. 4,750 trees were planted by the group companies in 2019.

In Assan Hanil, products passing through IMDS (International Material Data System) are used as raw materials and thus, the effects of the products on climate change throughout the life cycle are tried to be minimized.

As the main raw material of Assan Alüminyum, aluminum is a lighter and nature friendly material compared to its alternatives. Aluminum preserves food longer and provides a logistical advantage. It helps to reduce CO<sub>2</sub> emissions thanks to its contribution to reducing vehicle weight in the automotive sector. It is a preferred material in the construction and durable consumption sectors due to its high corrosion resistance, lightness and easy formability. Aluminum is a green material that can be 100% recycled after the end of its life. In this way, it can provide 95% energy savings compared to the use of primary aluminum.

**Good Agricultural Practices in Assan Foods**

Good Agricultural Practices are defined by the Food and Agriculture Organization of the United Nations (FAO) as “the procedures to be implemented to make the agricultural production system socially viable, economically profitable and efficient, protecting human health, giving importance to animal health and welfare and the environment”. Harvesting of tomatoes which Assan Foods use as raw material inline with the framework of Good Agricultural Practices and with smart agriculture. In Good Agricultural Practices, traditional farming methods are combined with the latest technologies. Thus, by increasing production efficiency, product quality is kept at the highest level, production that does not harm the environment, human and animal health is carried out, natural resources are preserved, the quality of life for the producer, local people and society is increased, and traceability and sustainability in agriculture is ensured.

**ENERGY MANAGEMENT**

Kibar Group continues its efforts to combat climate change by

implementing energy-efficient projects and investments. In 2019, many efficiency projects were carried out within the Kibar Group and significant savings were achieved.

Assan Alüminyum has saved approximately 3 million kWh of energy with 27 energy efficiency projects realized in 2019. More than 70 energy efficiency projects have been implemented in Assan Alüminyum in the last 6 years and as a result of these projects, annual savings reached the level of 20 million kWh.

At Assan Alüminyum Tuzla facilities, energy efficiency was increased by replacing five high flow inefficient pump motors with an efficient pump motor group. Compressor energy consumption was improved by revising the ring system in the compressed air system of the Dilovasi facility. Automation projects have been implemented for some units on the process at Tuzla and Dilovasi plants. The amount of emission reduced by these projects is over 2.150 tons of CO2 equivalent.

With the CIP water heating project implemented in Assan Foods, it is aimed to prevent energy and time losses in line washing. With the project in question, savings were achieved in all production line washing times and energy savings

were achieved by avoiding separate heating processes for each line. In addition to the gain in production lines, productivity was increased by preventing stoppages.

In Assan Panel, with the SPA-10 Continuous Panel Line Laminator Zone project, the energy consumption of the laminator zone heating system elements has been isolated and thus reduced. As a result of this improvement, a more effective use of hot water has been achieved for heating the laminator, and an improvement has been observed in heating times. Heat loss in the laminator area has been reduced by 84%.

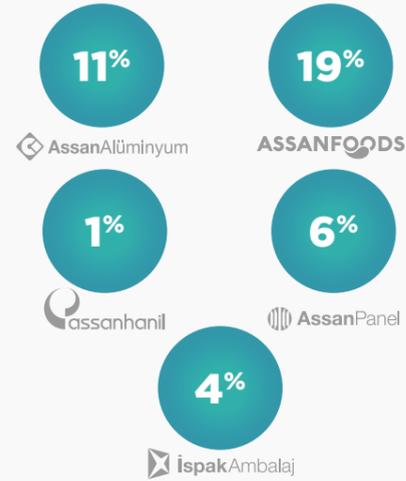
**Contribution to Sustainable Buildings from Assan Panel**

Assan Panel contributes to low carbon economy with environmentally friendly products in its product range. It contributes to the construction of sustainable buildings with products that have thermal insulation and fire resistance, ensure maximum benefit from daylight in the building where it is used, and are suitable for electricity generation from solar energy.

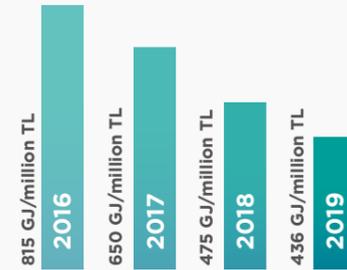


As a result of energy efficiency projects, the energy intensity of Kibar Group companies has decreased. Energy intensity, which represents the amount of energy consumed to generate a unit of revenue on the basis of companies within the scope of reporting, decreased by 8.2% in 2019 compared to the previous year and by 46.5% compared to 2016. It decreased by 11% in Assan Alüminyum, 19% in Assan Foods, 1% in Assan Hanil, 6% in Assan Panel and 4% in İspak.

Energy intensity reduction rates of Kibar Group companies in 2019 compared to the previous year



### Energy Intensity



The energy intensity of Kibar Group companies within the scope of the reporting decreased by

**8.2%**

in 2019 compared to the previous year.

The energy intensity of Kibar Group companies within the scope of the reporting has decreased by

**46.5%**

in the last 3 years.

Energy efficiency and the use of renewable energy sources in energy production are the most important components of sustainable development. With the Manavgat Hydroelectric Power Plant, which is a renewable energy investment made by Kibar Group within the scope of efforts to combat climate change, 153,785,000 kWh of electricity was produced from renewable energy sources in 2019. The ratio of electricity production to meet consumption is 69%.

Assan Alüminyum, one of the energy-intensive Group companies, reduced its greenhouse gas emission intensity by 2.7% and nitrogen oxide (NOx) and sulfur oxide (SOx) emissions by 6.2% in 2019.

Greenhouse gas emission intensity decreased by

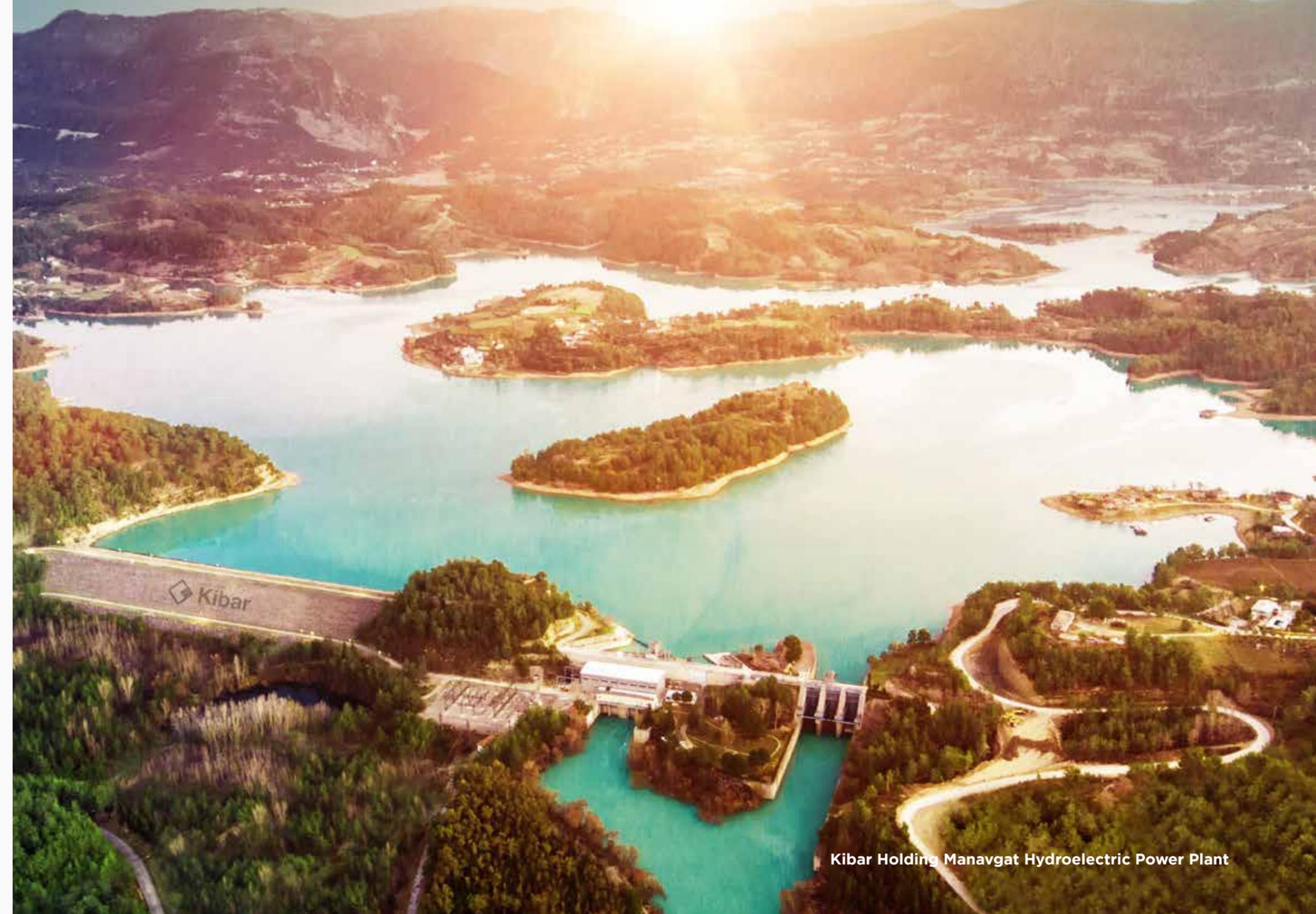
**2.7%**

in 2019 compared to the previous year.

NOx, SOx and other emissions decreased by

**6.2%**

in 2019 compared to the previous year.



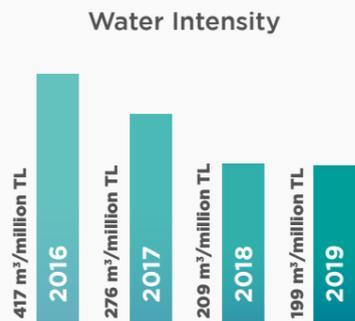
Kibar Holding Manavgat Hydroelectric Power Plant

## WATER MANAGEMENT

Population growth, industrialization and agricultural activities increase the demand for water and cause pollution with various parameters. Despite the increase in water demand, the scarcity of water resources requires efficient use of existing water resources and therefore right management.

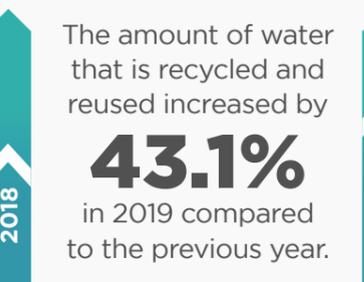
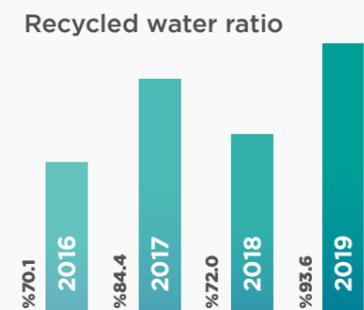
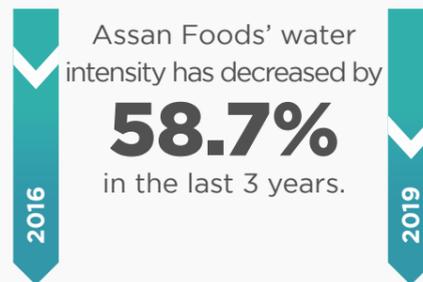
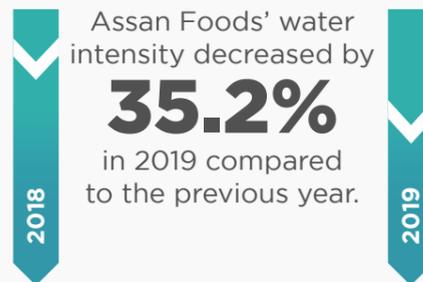
The main purpose in the sustainability of water resources is to consider the needs of future generations without changing the functioning of the hydrological cycle. Acting with this awareness, Kibar Group continues the necessary studies for sustainable water use and continuous improvement of water management.

As a result of the efforts made to ensure the sustainability of water resources, the water intensity of Kibar Group companies within the scope of the reporting has decreased. The companies covered by the reporting have reduced their water intensity, which represents the amount of water consumed to produce a unit of revenue, by 4.8% in 2019 compared to the previous year and by 52.3% compared to 2016.



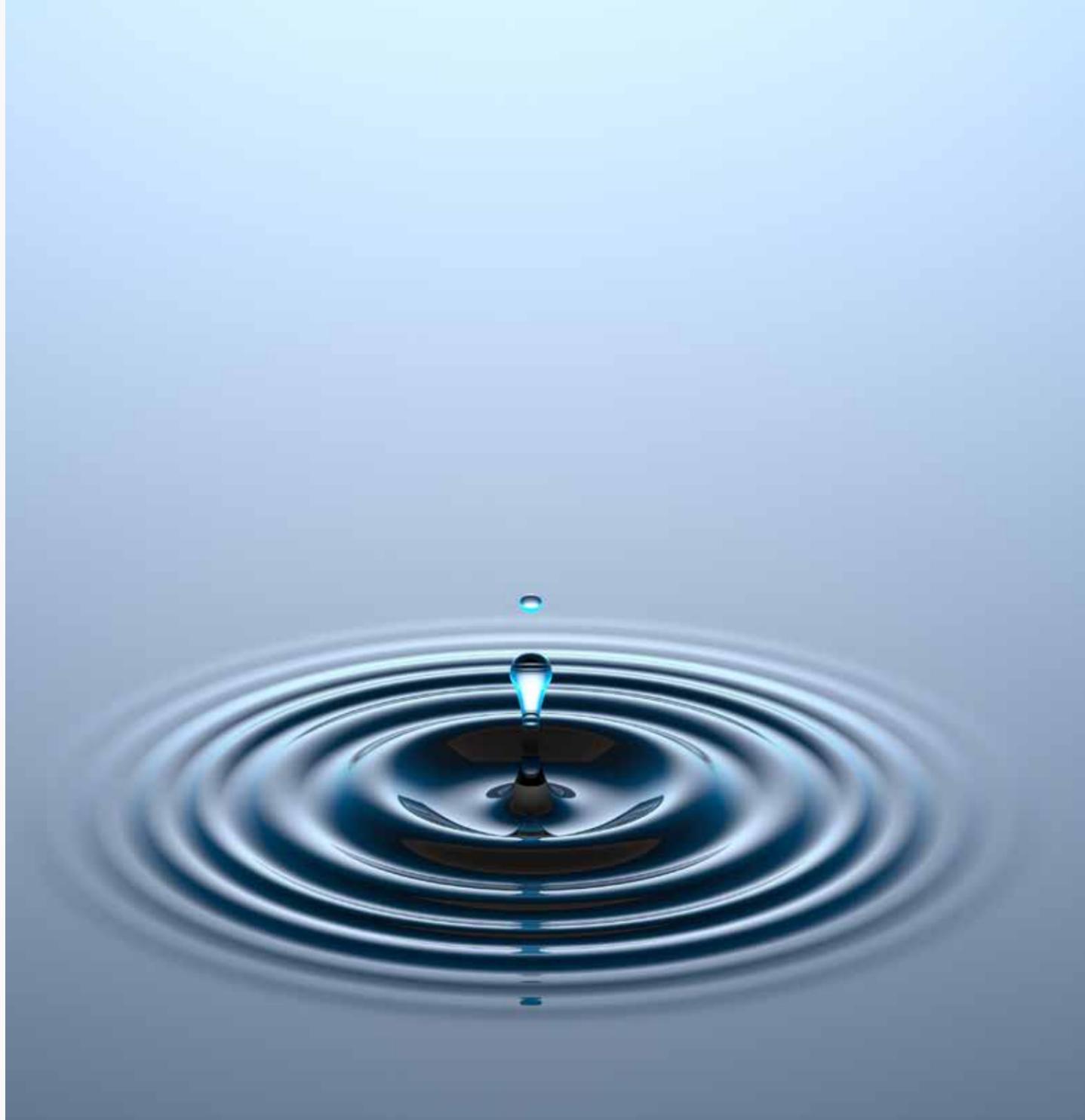
Assan Foods, one of the water-intensive companies of Kibar Group, has reduced its water intensity by 35.2% compared to the previous year and 58.7% compared to 2016 on a unit of revenue basis in 2019, as a result of its investments to reduce water consumption.

The amount of water recycled and reused at Assan Foods increased by 43.1% in 2019 compared to the previous year. The ratio of water recycled and reused to the amount of water consumed, which was 72% in 2018, rose to 93.6% in 2019.



## Wastewater Recovery Facility Investment

The Wastewater Recycling Facility, which was integrated into the Wastewater Treatment Plant established in 2014 in the Asim Kibar Organized Industrial Zone in Kocaeli, where Kibar Holding pioneered the establishment and is a participant, transforms wastewater into high quality utility water by subjecting it to an advanced treatment, and can meet the water needed by companies to use in their process lines. Wastewater Recovery Facility was commissioned in May 2018. The amount of recovery water produced at the facility in 2019 and used as irrigation water in companies' process lines is 525,000 m<sup>3</sup>.

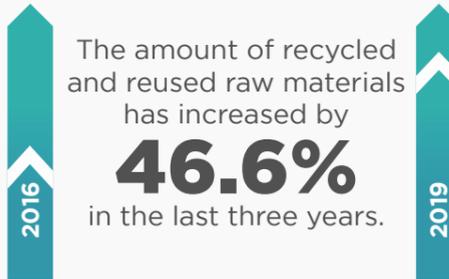


## WASTE MANAGEMENT

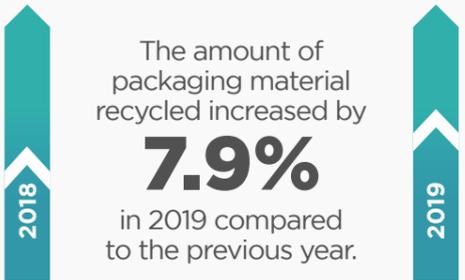
Effective waste management is of great importance for the circular economy with the protection and efficient use of natural resources that form the basis of sustainable development. Reducing, recycling and disposing of wastes with environmentally friendly methods are among the priorities of Kibar Group in this field.

Kibar Group supports Industry 4.0 principles and circular economy in line with its sustainable industry goal. In this context, Kibar Group companies aim to ensure that every waste generated is re-evaluated by constantly reviewing their production processes. Thus, it is aimed to provide resource efficiency and environmental benefit. The amount of recycled and reused raw materials in Kibar Group, which has adopted a production model based on circular economy, sustainability and innovation, has increased by 46.6% in the last three years.

The amount of waste recovered in Kibar Group companies within the scope of the reporting increased by 9.4% in 2019 compared to the previous year and by 31.1% compared to 2016.



The packaging materials used in all Kibar Group companies are collected back in accordance with legal requirements. Approximately 4,400 tons of packaging materials were collected in 2019 at Kibar Group companies within the scope of the reporting. The amount of packaging material reclaimed has increased by 7.9% in 2019 compared to the previous year and by 16.2% in the last three years.



### Plastic Reduction Commitment of Kibar Holding

With the awareness of its responsibility in the field of sustainability, Kibar Holding has started a new activity in order to support the low-carbon circular economy. Signing the Business Plastics Initiative protocol established by the United Nations Global Compact Turkey, Turkish Industry and Business Association and the Sustainable Development Association on 20 November 2019, it has made a commitment to determine its plastic use reduction commitments until 2021 and make it public.

### Optimizing the chemical composition of 3,105 alloys in Assan Alüminyum

Primary aluminum is the most energy-intensive and costly item of aluminum semi-finished product production. The use of secondary aluminum and scrap aluminum produced by remelting instead of primary aluminum in production significantly reduces raw material costs and reduces resource use and energy requirement. With this project completed in 2019, the chemical composition of 3,105 alloys has been optimized, increasing the use of secondary resources and reducing the raw material cost. Thus, Assan Alüminyum's energy consumption has decreased, the circular economy has been supported using secondary resources, and its carbon footprint has been reduced.

Continuing its activities in the circular economy area within the framework of international standards such as the European Aluminum "Circular Economy 2030 Action Plan" and ASI standards, Assan Alüminyum increases the use of secondary (made of scrap) aluminum and aluminum scraps in order to reduce external dependency and create an effective waste management. Thanks to the fact that recycled aluminum

production requires 95% less energy than primary aluminum, this practice provides significant benefits in terms of sustainability.

### Recycling Project in Assan Foods

Separation system installed in Assan Foods the oil in the wastewater formed after washing was prevented from being discharged into the environment. In addition, with this system, the need for pool cleaning has been eliminated, and the use of DAP fertilizers has decreased. The separated oils were collected and recycled.

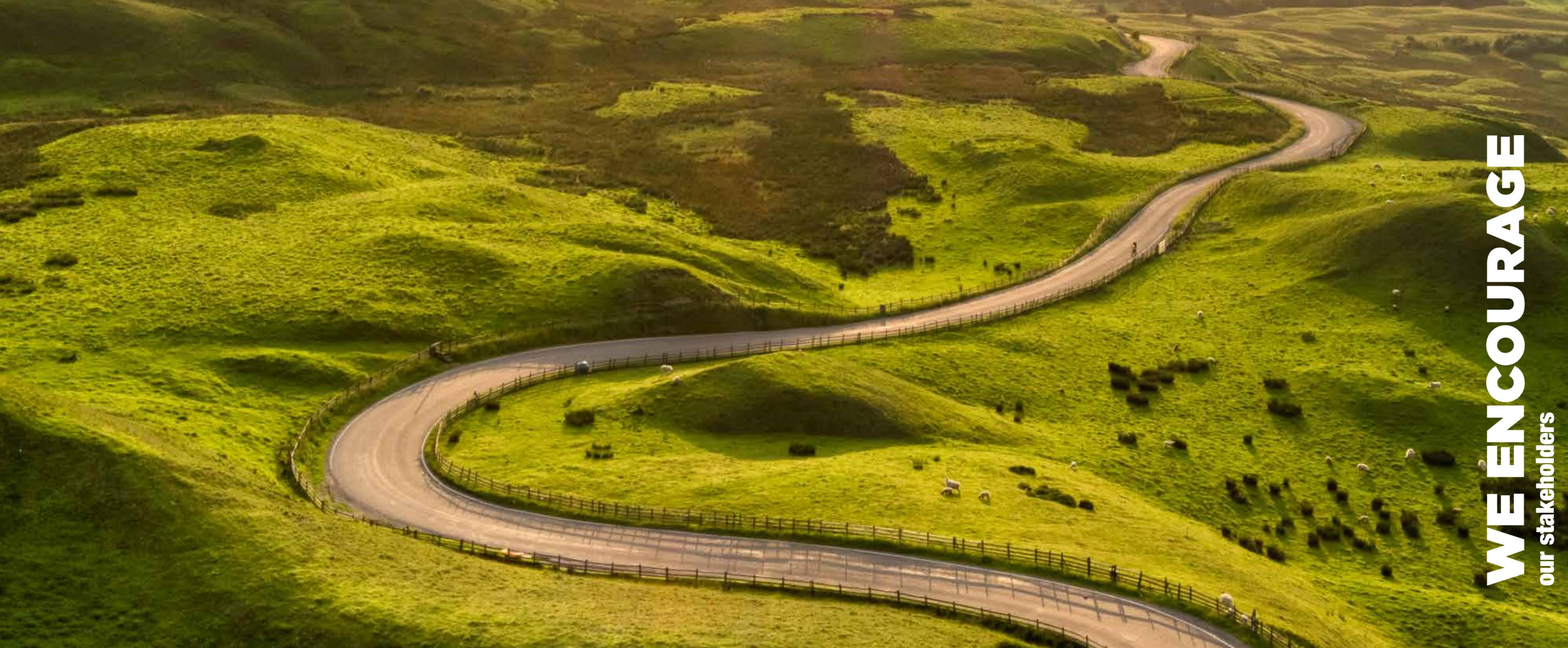
At Assan Foods, packaging reduction tests were carried out in 2019, and portion pack stick packages have switched from 9-micron aluminum 55-micron PE structure to 7-micron aluminum and 45-micron PE structure.

İspak closely follows developments in packaging manufacture from sustainable sources and packaging design suitable for recycling. İspak R&D Center works on different specifications for both recyclable and biodegradable packaging. İspak has developed a cover foil suitable for recycling in a joint project with Nestle. With this project, İspak produced a recyclable, environmentally friendly packaging for its cover foil products.

The İnteraktif Çevre Consultancy company, which was established in 2015 within the Kibar Group, provides services to Group companies in total waste management and environmental consultancy with an understanding that adopts the circular economy and attaches importance to R&D studies in waste. İnteraktif Çevre contributes to the improvement of the Group's performance in resource use and waste minimization.

Kibar Group organized a total of 5,793 hours of environmental training in 2019, 5,504 hours for Group employees and 289 hours for contractor company employees. Thus, the environmental education provided since 2016 has reached 15,391 hours.





# **WE ENCOURAGE** our stakeholders

We expect our stakeholders to adopt Sustainable Development Goals.

## STAKEHOLDER RELATIONS

The sustainability understanding of Kibar Group is based on an approach that includes not only its own practices but also the practices of all stakeholders. In this direction, Kibar Group maintains its relations with stakeholders, including suppliers, producers, distributors, retailers and customers in the entire value chain, from raw material procurement to production and distribution to the end customer, based on the economic, human rights, environmental and social activities of its stakeholders.



## WE ENCOURAGE our stakeholders

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

In the selection of the stakeholder group with which it will cooperate, Kibar Holding considers the potential of contribution in the social field, creativity and innovation. It expects its stakeholders to act in accordance with the sustainable development goals.

Kibar Group considers it its corporate responsibility to provide accurate and timely information to all its stakeholders. For this reason, it continues its stakeholder communication on many platforms specially prepared for different stakeholder groups.



## STAKEHOLDER GROUPS

Employees	Group Companies	Customers	Dealers	Shareholders and Investors	Public Institutions	Academic Institutions
Annual Report(annual) UNGC Report (annual), Employee Satisfaction Research (2 years), Reputation Research (annual), Suggestion Systems (instant), Ethical Rules (continuous), Employee Training (continuous), Occupational Health and Safety Boards (continuous), Periodical Publications (continuous), Internal Information Announcements (instant), Web (continuous), Intranet (continuous)	Annual Report(annual) UNGC Report (annual), Employee Satisfaction Research (2 years), Reputation Research (annual), Suggestion Systems (instant), Ethical Rules (continuous), Employee Training (continuous), Occupational Health and Safety Boards (continuous), Periodical Publications (continuous), Internal Information Announcements (instant), Web (continuous), Intranet (continuous)	UNGC Report (annual), Reputation Research (annual), Ethical Rules (continuous), Web (continuous), Focus Group Studies (instant), Product / Brand / Market Research (annual), Customer / Consumer Support Lines (continuous), Consumer Satisfaction Measurement (annual)	UNGC Report (annual), Reputation Research (annual), Ethical Rules (continuous), Periodical Publications (continuous), Web (continuous), Dealer Meetings and Research (annual)	Annual Report(annual) UNGC Report (annual), Reputation Research (annual), Ethical Rules (continuous), Web (continuous), General Assembly Meetings (annual), Information and Material Disclosures (instant), Roadshow and Investor Presentations (instant)	UNGC Report (annual), Reputation Research (annual), Ethical Rules (continuous), Web (continuous), Audits (instant / annual),	UNGC Report (annual), Reputation Research (annual), Web (continuous), Collaborations with Universities (seasonal) Sectoral Reviews (instant)
Non-Governmental Organizations And Trade Unions		Media			University Career Clubs / University Students	
UNGC Report (annual), Web (continuous), Memberships (continuous), Joint Projects (seasonal)		UNGC Report (annual), Web (continuous), Press Meetings and Statements (instant)			Surveys (instant), Joint Projects (instant) K-Team Young Talent Internship Program (annual)	

COMMUNICATION TOOLS AND FREQUENCY

## SUSTAINABILITY MANAGEMENT IN SUPPLY CHAIN

Kibar Group has a wide supplier network due to its size and portfolio of companies operating in different sectors. The Group works to ensure that its corporate ethics and sustainability approach is also adopted by the supply chain, therefore it prefers long-term business agreements. In the joint purchasing structure, suppliers with high technology and energy efficient products and services are preferred, and purchasing activities are carried out through a global supplier network.

All suppliers are expected to implement the Purchasing Ethical Rules, which are an integral part of the Kibar Group Code of Ethics, defined by corporate documents and procedures. The sustainability performance of the wide supply network consisting of more than 4.600 active suppliers is constantly monitored and improved.

The rules that all suppliers must comply with on following issues are defined in detail: Business Ethics Principles, Anti-Corruption and Bribery, Forced Labor, Child Labor, Harassment, Remuneration, Working Hours, Non-Discrimination, Local People, Occupational Health and Safety,

Environment, Biodiversity, Integrity, Quality and Continuous Development and Information Security. Kibar Group companies demand the standards required by their sectors from their supply chains within the framework of these principles while managing their supply chains.

Procurement Procedures developed in accordance with the United Nations Global Compact, cover issues such as not employing child labor and forced labor, ensuring fair working conditions and reducing environmental impacts.

### Kibar Group Framework Agreement

Before starting to work with suppliers, the Kibar Group Framework Agreement is signed to ensure that critical sustainability priorities are also adopted by suppliers.

In the framework agreements of Kibar Group, the following provisions are included under the heading of "Ethical Rules and Legal Obligations".

Kibar Group supplier;  
 - Cannot employ its staff by force in any way.  
 - Cannot use child labor force.  
 - Cannot expose employees to corporal punishment or physical, sexual, psychological or verbal abuse.

- Cannot offer bribe to any Kibar employee, under any name or condition.  
 - Employees' salary, including salary and overtime, cannot be lower than the minimum level specified in applicable laws and regulations.  
 - Cannot treat employees with any discrimination regarding race, ethnic origin, language, religion, sexual orientation, gender, political and ideological views in any employment decision, including recruitment, promotion, compensation, benefits, training, forced layoffs and termination.  
 - Provides a healthy and safe work environment for its employees to prevent accidents and injuries.  
 - Can prove that it fully complies with all legal regulations aimed at protecting the environment in all its activities.

Kibar Group adopts local procurement practices as much as possible in order to increase the contribution of its activities to the national economy. In 2019, Kibar Group has 4,031 local suppliers and the local supply rate is 87%.



Supplier selections are made in accordance with the rules specified in the Group purchasing procedure and the approved supplier list. Supplier risk assessment studies are carried out for all suppliers in Kibar Group. All legal and environmental risks are included in this process. The supplier is expected to be able to prove that it fully complies with all legal regulations to protect the environment, human rights, health and safety conditions. For this purpose, the certifications of the suppliers are examined. At Assan Hanil and İspak, ISO14001 Environmental Management System certificate is questioned during supplier audits.

WE ENCOURAGE our stakeholders

At Assan Alüminyum, a Supplier Relations Management Structure has been established in order to make the supply chain flows traceable through a single platform with standard processes. The “Control Tower” application was implemented in order to establish the necessary infrastructure to increase the level of monitoring and traceability.

At Assan Hanil, suppliers are provided with informative trainings on different subjects within a plan every year. In this context, 139 suppliers attended 3 different trainings held in 2019.

At Assan Hanil, every supplier is audited at least once a year. 124 audits were conducted in 2019. Performance of 94 suppliers was evaluated and 65 actions were planned. The work to be done for 108 areas open to improvement determined during the audit process has been planned.





**WE SHARE**  
for the communities

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

## SOCIAL BENEFIT INVESTMENTS

Kibar Education and Social Aid Foundation was established in 1999 in order to institutionalize the philanthropic activities within the Kibar Group. While Kibar Holding makes significant investments in education, health and social life in our country under the umbrella of Kibar Education and Social Aid Foundation, Group companies carry out social responsibility projects that create value for the society.

### Social Benefit Investments in Education

5.800 students have graduated from Asim Kibar Vocational and Technical Anatolian High School, which was built by Kibar Group in Istanbul and started education in 2010. The activities carried out at the school in order to give students a culture of sustainability, are part of the sustainability studies of Kibar Group. In this context, information activities are carried out in the areas of environmental awareness, climate change and recycling. Domestic oil, paper and plastic materials are collected for recycling and delivered to the relevant units. Teachers and students develop projects to meet the shelter and nutrition needs of stray animals in the immediate surroundings.

Semiha Kibar Kindergarten, which was built by Kibar Group in Sariseki, in Iskenderun district of Hatay in 2014, is the first and only kindergarten in the region. In Semiha Kibar Kindergarten, which was built to support the access of children aged 36-71 months to preschool quality education, 545 children have received preschool education so far.

Between 2016-2019, Semiha Kibar Kindergarten received the "Nutrition Friendly School" certificate for the second time in the scope of "Adequate and Balanced Nutrition in the Fight against Obesity and Regular Physical Activity Habits in Schools" of the Turkish Healthy Nutrition and Active Life Program.

Both schools have been awarded the "White Flag" by fulfilling the standards set by the Turkish Ministry of National Education and the Turkish Ministry of Health in terms of cleaning and hygiene rules.

### Social Benefit Investments in Healthcare

Semiha Kibar Organ Transplant and Dialysis Hospital, built by Kibar Holding in the Erciyes University campus in Kayseri, started service in 1995. The hospital, where approximately 100 healthcare professionals serve, has 41 rooms and



89 patient beds. The hospital has all the necessary follow-up and treatment facilities without the need to refer the patient to a different center due to kidney disease. Semiha Kibar Organ Transplant and Dialysis Hospital, which provides access to treatment for hundreds of people every year, has provided organ transplantation to more than 1.500 patients and dialysis services to more than 5,500 patients so far.

### Social Benefit Investments in Social Life

Meetings, concerts, educational events and entertainment organizations are held in Asim Kibar Culture Center, which was built by Kibar Holding in 2013 in Iskenderun district of Hatay and covers an area of 3,000 m<sup>2</sup>. In more than 8,000 events, nearly 500,000 people have benefited from the facility, which has a Children's Playground and Sports Hall.

Semiha Kibar Practice Hotel, built by Kibar Holding in Istanbul and started its activities in 2012, is the first in its region. It was made for the students who are studying in the field of hotel management and tourism to receive practical training in the presence of expert teachers. By hosting more than 25,000 guests, 2,500 students have been given the opportunity to gain experience and contribute to the

family budget. With Semiha Kibar Practice Hotel, the aim is to benefit the tourism sector of our country. Waste oils, paper and recyclable plastic materials are collected at the facility for recycling and sent to the relevant units.

Semiha Kibar Social Life Center, which was built by Kibar Holding in Istanbul in 2011 and transferred to Tuzla Municipality, stands out with its crescent-star-like architectural structure. In Semiha Kibar Social Life Center, which has 2 conference halls for 550 people and a digital library in an area of 2,200 m<sup>2</sup>, 300 conferences have been held so far and nearly 100,000 visitors have attended these conferences. In Semiha Kibar Social Life Center, more than 350,000 people were served in the restaurant area and more than 50,000 people were provided with the opportunity to benefit from the library. The wastes generated in Semiha Kibar Social Life Center are separated and recycled through the relevant units.



## WE SHARE

for the communities

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

## SOCIAL RESPONSIBILITY ACTIVITIES

### Kibar Volunteers

The Kibar Volunteers Project has been prepared to organize social responsibility activities voluntarily carried out by employees of Kibar Holding and Group companies. The Kibar Volunteers project, which was implemented as a result of the survey conducted within the Kibar Group, was designed in a comprehensive and flexible structure so that employees can participate in volunteering activities. With this project, the aim is to contribute more to the benefit of society by combining volunteering activities under a single roof.

With the Kibar Volunteers project focusing on “children” and “education”, 4,000 children were reached in 2019. Volunteering activities were carried out in three different regions with the “Support to Disadvantaged Schools Project” designated as a Corporate Social Responsibility project.

we are willing  
to add  
value to life



### “Support for Disadvantaged Schools” Project by Kibar Volunteers

Kibar Volunteers brought the Library, Chess and Intelligence Games Workshop and the Design-Skill Workshop to Tuzla Mimar Sinan Primary School, where more than 2.000 students are studying. With this work of Kibar Volunteers, Mimar Sinan Primary School has become the only school with three activity classes among the public schools in the Anatolian Side of Istanbul.

In the projects carried out by Kibar Volunteers with four non-governmental organizations in 2019, support was provided to the education of children in need.

In the Istanbul Marathon, where 50 Kibar Volunteers ran, donations were collected for the Turkish Education Foundation and Darüşşafaka, which work for the benefit of education and children in need. Kibar Volunteers became the 26th team to reach the highest number of donors among 597 corporate teams that participated in the run.

With the “Basic Needs Association – Products Brought to Life” project, in which Kibar Holding and Group companies are included, clothing, book and toy collection areas were established in 12 different locations. Kibar Volunteers coordinated the collection, sorting and preservation of suitable products. Reusable products have been delivered to those in need.

Activities were organized to support children in the Umut Foundation for Children with Cancer Family Houses by giving morale to children during their illness.

In-group coordination of volunteering activities is carried out through “Volunteer Leaders” selected by

volunteers. Volunteers can participate in activities with project proposals in six different areas or by participating in existing projects.

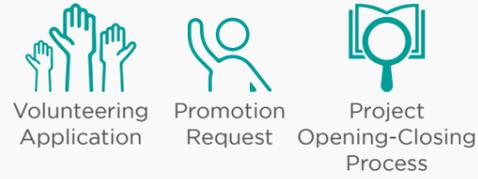
- Corporate Social Responsibility Project / Support to Disadvantaged Schools: It is the work carried out by volunteers within the scope of corporate social responsibility projects carried out by Kibar Holding.
- Corporate Social Responsibility Projects of the Company: Volunteers can participate in corporate social responsibility projects to be carried out in Group companies on a voluntary basis.
- Volunteer Projects: These are volunteer activities carried out on a project basis. The volunteers decide together in which field they will work, and they can continue their work by forming a project group among themselves.
- Non-Governmental Organization Volunteering: Volunteers can engage in social responsibility activities by being included in the volunteering programs of non-governmental organizations. Non-governmental organizations with which Kibar Volunteers will cooperate are determined by prioritizing according to the “Açık Açık” platform.
- Skill-Based Volunteering: It is the volunteer work carried out by Kibar Volunteers in the fields such as informatics, accounting, education

and human resources in the form of presenting their expertise in the subjects and projects needed by different institutions.

• In-House Volunteering: It is the volunteer work carried out by Kibar Volunteers to present their expertise to different organizations such as municipalities, public institutions, non-governmental organizations and social enterprises in different fields, in the subjects and projects they need.



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



Saplings were donated at Assan Alüminyum within the scope of the "Breath to the Future" campaign. In addition, within the scope of the "Art in the Factory" project, the paintings of 50 students studying in the Fine Arts department were purchased and support was provided for art and education, a book-toy-clothing donation event was organized and robotic training was given to children in Manavgat.,

### Working with Seasonal Agricultural Workers

Exploration of the living conditions of seasonal agricultural workers continue by Assan Foods. In 2019, hygiene packages with cleaning products were distributed to seasonal agricultural workers working in the tomato season. Assan Foods continues its studies to expand the cultivation areas in the region where it operates. In this context, trainings are organized for farmers. By explaining smart farming practices to farmers, it is ensured that farmers keep up with developing technologies.

### Cooperation with TOÇEV

Assan Hanil, within the scope of the cooperation initiated in 2016 with Tuvana Foundation for TOÇEV, contributes to covering the education expenses of children. The education expenses of approximately 360 students have been covered until today.

### Vetpro 4.0 Project

With the training provided within the scope of the Vetpro 4.0 Project, implemented by Assan Hanil with the aim of training qualified human resources, it is aimed to make students more technically equipped. The project, initiated in 2018, is planned to last for one and a half years.

During this period, 64 students and 16 teachers will be trained on smart production systems. Students with technical infrastructure and who pass the interviews will benefit from the internship opportunity at the end of the process. In the last 3 years, the monthly education expenses of 221 students have been covered on behalf of the customers.

# APPENDICES

For detailed information about Kibar Holding Sustainability Report,  
you can contact Kibar Holding Corporate Communications Department.  
[kurumsaliletisim@kibar.com](mailto:kurumsaliletisim@kibar.com)

We thank for their contributions during the reporting process.

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



## PERFORMANCE INDICATORS

Employee Demographics				
Employees	2016	2017	2018	2019
Total number of employees	3,175	3,345	3,382	3,384
White collar female employees	197	219	219	221
White collar male employees	463	495	508	507
Blue collar female employees	204	206	193	191
Blue collar male employees	2,311	2,425	2,462	2,465
Total number of female employees	401	425	412	412
Total number of male employees	2,774	2,920	2,970	2,972
Employees by age groups				
Below 30	909	912	1,004	878
30-50	2,188	2,347	2,318	2,441
Above 50	78	86	60	65
Total number of executives*				
Female	27	31	28	32
Male	130	127	121	120
Female executive ratio (%)	17	20	19	21
Parental Leave				
Number of employees on maternity leave	14	19	16	19
Number of employees on paternity leave	212	227	245	218
Number of employees returning from maternity leave	9	15	16	18
Number of employees returning from paternity leave	198	211	241	217

\*It includes managers and above employees.

Employee Development				
Trainings	2016	2017	2018	2019
Employee Trainings - Number of Participants				
Blue collar	2,076	2,185	2,427	4,914
White collar	489	532	581	1,635
Female	350	354	400	736
Male	2,215	2,363	2,608	5,813
Employee Trainings - Total Hours				
Blue collar female	2,067	1,803	2,857	1,966
White collar female	8,820	8,838	8,003	4,856
Blue collar male	43,675	47,336	43,325	98,423
White collar male	17,867	17,406	16,293	12,338
Total	72,429	75,383	70,478	117,583
Suggestion Systems				
Suggestions made	1,192	2,223	3,305	4,899
Suggestions realized	472	615**	1,077	1,109
Employees Under Performance Review				
Female	199	257	293	227
Male	1,480	1,851	2,192	1,709
Total	1,679	2,108	2,485	1,936

\*\*Excluding Assan Hanil.

Occupational Health and Safety				
Injury Rate	2016	2017	2018	2019
Direct Employees				
Female	4.87	6.52	9.86	5.76
Male	12.10	14.65	16.13	12.08
Contractors				
Female	9.82	3.80	0.00	11.46
Male	16.25	23.26	14.17	20.62
Accident Severity Rate				
Direct Employees				
Female	0.21	0.04	0.05	0.02
Male	0.13	0.14	0.25	0.23
Contractors				
Female	0.05	0.01	0.00	0.02
Male	0.01	0.11	0.16	0.49
Occupational Disease Rate (ODR)				
Direct employees				
Female	0	0	0	0
Male	0	0	0	0
Contractors				
Female	0	0	0	0
Male	0	0	0	0
Fatal Accidents				
Direct Employees				
Female	0	0	0	0
Male	0	0	0	0
Contractors				
Female	0	0	0	0
Male	0	0	0	0

Occupational Health and Safety Trainings				
	2016	2017	2018	2019
Total OHS training hour for employees	36,719	40,980	41,476	49,916
Total OHS training hour for contractors	4,015	4,481	5,507	8,851
Number of employees participated to OHS trainings	8,063	5,482	9,275	14,750
Number of contractors participated to OHS trainings	2,017	1,371	3,454	1,523

Occupational Health and Safety Governance				
	2016	2017	2018	2019
Number of OHS Committees	7	8	10	10
Number of OHS Committee members	55	55	110	110
Number of employee representatives at OHS committees	7	8	10	18

Environmental Performance Disclosures				
Natural Resource Use	2016	2017	2018	2019
Total amount of production (ton)*	402,154	404,471	420,991	445,590
Total amount of natural resources used (ton)	579,487	582,888	600,020	656,422
Recycled/reused input materials	88,727	105,134	136,177	130,030
Recycled/reused input materials (%)	15%	18%	23%	20%
Reclaimed packaging material (ton)	3,781	4,016	4,071	4,394
Total water consumption (m3)**	1,453,316	1,281,089	1,328,610	1,400,646
Total amount of recycled water reused (m3)***	657,600	662,400	590,400	844,800
Water intensity (m3/1,000,000 TRY)**	417	276	209	199
Waste Management****				
Hazardous waste (ton)	8,763	9,150	12,733	12,337
Energy Recovery	76	980	296	245
Recovery	8,296	7,941	12,169	11,782
Landfill	383	225	263	310
Incineration	5	0	0	0
Other	2.76	3.64	4.41	0.63
Non-hazardous waste (ton)	9,595	10,349	9,518	11,283
Energy Recovery	103	1,289	1,405	1,131
Recovery	7,746	7,486	7,047	9,244
Landfill	1,299	1,434	892	850
Incineration	0	0	0	0
Other	447	140	173	58

Fight against climate change				
Direct energy consumption (GJ)	2016	2017	2018	2019
Natural gas	2,003,650	2,114,694	2,090,748	2,103,804
Coal	136,758	125,782	150,936	172,295
Total direct energy consumption	2,140,408	2,240,476	2,241,684	2,276,099
Indirect energy consumption (GJ)				
Electricity	698,988	776,264	779,306	796,765
Total energy consumption (GJ)	2,839,396	3,016,740	3,020,990	3,072,863
Energy intensity (GJ/1,000,000 TRY)	815	650	475	436
Renewable Energy Production (GJ)	368,680	454,540	475,200	553,626

Management Approach				
Environmental trainings (total hours)				
Trainings for employees	616	1,375	5,798	5,504
Trainings for contractors	231	302	1,277	289
Saplings planted	870	164	595	4,750

Economic Performance Disclosures				
	2016	2017	2018	2019
Net sales revenue (TRY)*	3,485,302,149	4,638,534,974	6,344,200,220	7,044,212,870

\*The data is provided by returning with the average exchange rate through the IFRS Report, and the data is revised every year after TTK report publication.



## GRI CONTENT INDEX

GRI CONTENT INDEX	
Disclosure	Descriptions and Page Numbers
<b>GRI 101: Foundation 2016</b>	
<b>GRI 102: General Disclosures 2016</b>	
Corporate Profile	
102-1	About Kibar Holding, page 10-11
102-2	About Kibar Holding, page 10-11; Kibar Group, page 12-15
102-3	Contact, back cover
102-4	Kibar Group, page 12-15
102-5	<a href="https://e-sirket.mkk.com.tr/esir/Dashboard.jsp#/sirketbilgileri/12030">https://e-sirket.mkk.com.tr/esir/Dashboard.jsp#/sirketbilgileri/12030</a>
102-6	Kibar Group, page 12-15; Export, page 46
102-7	About Kibar Holding, page 10-11; Economic Value page 45; Human Resources, page 45
102-8	Human Resources, page 45; Performance Indicators, page 104
102-9	We Encourage our Stakeholders, page 88; Sustainability Management in Supply Chain, page 91
102-10	GRI Content Index: There are no significant changes in reporting period.
102-11	Risk Management, page 17
102-12	Stakeholder Relations page; 88-90; Our Memberships and Cooperations, page 114-115
102-13	Our Memberships and Cooperations, page 114-115
Strategy	
102-14	Message from the Chairman page 7; Message from the CEO page 9
102-15	Risk Management, page 17
Ethics and Integrity	
102-16	Business Ethics, page 58-59
102-17	Business Ethics, page 58-59

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. This service was performed on the Turkish version of this report.

\* Excluding Assan Hanil. Assan Hanil production amount is monitored as a set of vehicles.

\*\* It has been revised by adding the amount of well water.

\*\*\* The measurement error has been corrected retrospectively.

\*\*\*\* It was revised with the data of a facility that started to be measured in 2019 and the measurement error of a facility was corrected retrospectively.

GRI CONTENT INDEX	
Disclosure	Descriptions and Page Numbers
<b>GRI 102: General Disclosures 2016</b>	
<b>Governance</b>	
102-18	Governance in Kibar Group, page 16-17
102-19	Sustainability Management, page 20-21
102-20	Sustainability Management, page 20-21
102-21	Sustainability Priorities, page 24-25; Stakeholder Relations page 88
102-29	Sustainability in Kibar Group, page 19; Sustainability Management, page 20; Sustainability Approach, page 26
102-30	Risk Management, page 17
102-31	Sustainability Management, page 20-21
102-32	Sustainability Management, page 20-21
<b>Stakeholder Engagement</b>	
102-40	Stakeholder Groups, page 90
102-41	GRI Content Index: There is no collective bargaining agreement in Kibar Holding.
102-42	Stakeholder Relations page 88-90
102-43	Stakeholder Relations page; 88-90; Sustainability Priorities, page 24
102-44	Stakeholder Relations page; 88-90; Sustainability Priorities, page 24

GRI CONTENT INDEX	
Disclosure	Descriptions and Page Numbers
<b>GRI 101: Foundation 2016</b>	
<b>GRI 102: General Disclosures 2016</b>	
<b>Reporting Practices</b>	
102-45	About the Report, page 5
102-46	About the Report, page 5
102-47	Sustainability Priorities, page 24
102-48	Performance Indicators, page 106
102-49	About the Report, page 5
102-50	About the Report, page 5
102-51	<a href="https://www.kibar.com/tr-tr/surdurulebilirlik/surdurulebilirlik-raporlari">https://www.kibar.com/tr-tr/surdurulebilirlik/surdurulebilirlik-raporlari</a>
102-52	GRI Content Index: Reporting is annual.
102-53	Contact, back cover
102-54	About the Report, page 5
102-55	GRI Content Index, page 107-112
102-56	GRI Content Index: There is no external assurance.

MATERIAL ISSUES		
Standards	Disclosure	Descriptions and Page Numbers
<b>Business Continuity</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	We Grow with Sustainability Principles, page 42-43, 45
	103-2 The management approach and its components	We Grow with Sustainability Principles, page 42-43, 45
	103-3 Evaluation of the management approach	We Grow with Sustainability Principles, page 42-43, 45
	201-1 Direct economic value generated and distributed	About Kibar Holding, page 10-11; Economic Value, page 45
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Sustainability Management in Supply Chain, page 91
	204-1 Proportion of spending on local suppliers	Sustainability Management in Supply Chain, page 91
<b>Sustainable Supply Chain</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Management in Supply Chain, page 91
	103-2 The management approach and its components	Sustainability Management in Supply Chain, page 91
	103-3 Evaluation of the management approach	Sustainability Management in Supply Chain, page 91
	308-1 New suppliers that were screened using environmental criteria	Sustainability Management in Supply Chain, page 91-92
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainability Management in Supply Chain, page 91-92
	414-1 Percentage of new suppliers that were screened using social criteria.	Sustainability Management in Supply Chain, page 91
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability Management in Supply Chain, page 91-92
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Management in Supply Chain, page 91
	408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainability Management in Supply Chain, page 91
	<b>Business Ethics</b>	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Business Ethics, page 58-59; Combating Corruption, page 59
	103-2 The management approach and its components	Business Ethics, page 58-59; Combating Corruption, page 59
	103-3 Evaluation of the management approach	Business Ethics, page 58-59; Combating Corruption, page 59
	205-1 Total number and percentage of operations assessed for risks related to corruption, significant risks related to corruption identified through the risk assessment.	Internal Audit and Control, page 17; Combating Corruption, page 59
	205-2 Communication and training about anti-corruption policies and procedures	Combating Corruption, page 59
	412-2 Employee training on human rights policies or procedures	Business Ethics, page 58
	410-1 Security personnel trained in human rights policies or procedures	GRI Content Index: All security personnel have completed the necessary legal training.

MATERIAL ISSUES		
Standards	Disclosure	Descriptions and Page Numbers
<b>Circular Economy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Waste Management, page 82; Energy Management, page 76; Water Management, page 80
	103-2 The management approach and its components	Waste Management, page 82; Energy Management, page 76; Water Management, page 80
	103-3 Evaluation of the management approach	Waste Management, page 82; Energy Management, page 76; Water Management, page 80
	301-1 Materials used by weight or volume	Performance Indicators, page 106
	301-2 Recycled input materials used	Performance Indicators, page 106
	301-3 Reclaimed products and their packaging materials	Performance Indicators, page 106
	303-1 Water withdrawal by source	Performance Indicators, page 106
	303-2 Water sources significantly affected by withdrawal of water	GRI Content Index: There are no water sources significantly affected by Kibar Holding's operations.
	303-3 Water recycled and reused	Performance Indicators, page 106
	306-2 Waste by type and disposal method	Performance Indicators, page 106
306-3 Significant spills	GRI Content Index: No spill incidents occurred during the reporting period.	
<b>Combating Climate Change</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	We Care for Next Generations, page 75; Combating Climate Change, page 75; Energy Management, page 76-78
	103-2 The management approach and its components	We Care for Next Generations, page 75; Combating Climate Change, page 75; Energy Management, page 76-78
	103-3 Evaluation of the management approach	We Care for Next Generations, page 75; Combating Climate Change, page 75; Energy Management, page 76-78
	302-1 Energy consumption within the organization	Performance Indicators, page 106
	302-3 Energy intensity	Performance Indicators, page 106
	302-4 Reduction of energy consumption	Energy Management, page 76-78
	302-5 Reductions in energy requirements of products and services	Energy Management, page 76-78
	305-5 Reduction of GHG emissions	Energy Intensity, page 78
307-1 Non-compliance with environmental laws and regulations	GRI Content Index: No significant fines received in reporting period.	
<b>Employee Engagement and Satisfaction</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Diversity and Inclusion, page 51
	103-2 The management approach and its components	Diversity and Inclusion, page 51
	103-3 Evaluation of the management approach	Diversity and Inclusion, page 51
	402-1 Minimum notice periods regarding operational changes	GRI Content Index: Legal notice periods are taken into account for significant changes.

MATERIAL ISSUES		
Standards	Disclosure	Descriptions and Page Numbers
<b>Occupational Health and Safety</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Occupational Health and Safety, page 56-58
	103-2 The management approach and its components	Occupational Health and Safety, page 56-58
	103-3 Evaluation of the management approach	Occupational Health and Safety, page 56-58
	403-1 Workers representation in formal joint management-worker health and safety committees	Performance Indicators, page 105
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Performance Indicators, page 105
	403-3 Workers with high incidence or high risk of diseases related to their occupation	GRI Content Index: We do not have employees in specific professions with a high risk of accidents or occupational diseases. Yet there are 1204 field employees in Assan Alüminyum considered having dangerous occupations.
	<b>Employee Development and Talent Management</b>	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Future Talents, page 52
	103-2 The management approach and its components	Future Talents, page 52
	103-3 Evaluation of the management approach	Future Talents, page 52
	404-1 Average hours of training per year per employee	Performance Indicators, page 104
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management, page 52-55
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management, page 55-56 ; Performance Indicators, page 104
<b>Gender and Opportunity Equality</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Diversity and Inclusion, page 51
	103-2 The management approach and its components	Diversity and Inclusion, page 51
	103-3 Evaluation of the management approach	Diversity and Inclusion, page 51
	405-1 Diversity of governance bodies and employees	Performance Indicators, page 104
	405-2 Ratio of basic salary and remuneration of women to men	GRI Content Index: Kibar Holding and its affiliates employ "equal work-equal pay" understanding. There are no gender-based salary differentiation.
	406-1 Incidents of discrimination and corrective actions taken	GRI Content Index No discrimination incident occurred during the reporting period.

MATERIAL ISSUES		
Standards	Disclosure	Descriptions and Page Numbers
<b>Customer Satisfaction</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Product and Service Quality, page 63 , Data Security, page 70
	103-2 The management approach and its components	Product and Service Quality, page 63 , Data Security, page 70
	103-3 Evaluation of the management approach	Product and Service Quality, page 63 , Data Security, page 70
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index: There are no cases of non-compliance in the reporting period.
	417-1 Requirements for product and service information and labeling	Product and Service Quality, page 63-65
	417-2 Incidents of non-compliance concerning product and service information and labeling	GRI Content Index: There are no cases of non-compliance in the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications	GRI Content Index: There are no cases of non-compliance in the reporting period.
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI Content Index: There are no incidents of breach in customer data security.
<b>R&amp;D ,Innovation and Digitalization</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	R&D and Innovation, page 65,67
	103-2 The management approach and its components	R&D and Innovation, page 65,67
	103-3 Evaluation of the management approach	R&D and Innovation, page 65,67
<b>Social Responsibility</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	We share for the communities, page 96
	103-2 The management approach and its components	We share for the communities, page 96
	103-3 Evaluation of the management approach	We share for the communities, page 96
<b>Corporate Sustainability Management</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Approach, page 26
	103-2 The management approach and its components	Sustainability Approach, page 26
	103-3 Evaluation of the management approach	Sustainability Approach, page 26

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. This service was performed on the Turkish version of this report.

## MEMBERSHIPS AND COOPERATIONS



**Kibar Holding A.Ş. UNGC 2019 / Disclaimer:**

Kibar Holding A.Ş. Sustainability Report ("The report") was prepared by Kibar Holding A.Ş. and / or Kibar Group Company ("Kibar Group") within the scope of Global Reporting Initiative's "Core" level.

The report is prepared for information purposes only and is not intended to form the basis for any investment decision. The information contained in the Report has not been subject to independent audit and review and includes forward-looking statements, estimates and projections only.

As of the reporting period, all information and related documents are believed to be accurate and disclosed in good faith. Any forward-looking statements contained in the Report provide valid information as of the date of preparation, and the Kibar Group does not assume any responsibility to update any forward-looking statements, except for statutory requirements, to reflect the circumstances or events that occurred after the date of the declaration or to reflect the occurrence of unexpected events. The forecasts and projections reflected in the forward-looking statements in the Report may be proved to be inaccurate and actual results may differ from expectations.

Kibar Group does not make any statements, warranties or commitments depending on the information in the report. Kibar Holding A.Ş. or Kibar Group Company, the members of the board of directors, consultants and employees of these companies are not responsible for any loss or damage incurred by a person directly or indirectly based on the information contained in the Report.

For commercial or personal purposes, the information contained in the Report may not be used, shared, copied or reproduced in all printed, visual, audio, digital fields, including, but not limited to, the platforms enlightening the public without permission and without reference. Any action in breach of such matters will require civil and criminal liability.

\* Kibar Group Company: Kibar Holding A.Ş. directly or indirectly; owning the right to vote for the majority of the members who have the majority of the voting rights or forming the majority in the management body in accordance with the contracts of the company, or by itself or by other shareholders or partners based on a contract, alone or together with other shareholders or partners, constituting the majority of voting rights. means the organization, company or any other legal entity that owns the majority or the amount of shares that can make decisions that can manage it.



**Kibar**

Zorlu Center Levazım Mahallesi Kuru Sokak No: 2

Ofisler Bölgesi Kat: T4 Beşiktaş 34340 İstanbul

T: +90 (212) 924 73 00

F: +90 (212) 924 73 04

[info@kibar.com](mailto:info@kibar.com)