



 **IspakAmbalaj**

**2022  
Sustainability Report**



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# Introduction & About the Report

**With our first sustainability report, we aim to present a summary of our economic, social, and environmental performance and sustainability approach to all our stakeholders. The information included in the report covers the period from January 1 to December 31, 2022 and involves all our operating regions.**

This report was created in accordance with the GRI Standards. In the report, we also included the United Nations Sustainable Development Goals.

We have designed our 2022 report under 4 main sections within the framework of our “Vision for 2030”.

The section titled “Our Value-Added Solutions” contains information on our practices to ensure customer satisfaction, R&D, innovation, and digitalization activities, supply chain management as well as our product quality and safety practices that we manage as a top priority without any compromise.

The section titled “Our Employees and Community” contains a summary of our practices regarding occupational health & safety, employee development and talent management as well as gender equality practices.

The section titled “Our Environmental Impact” contains information on our circular economy and biodiversity approach, activities on resource efficiency, and eco-friendly products.

In the section titled “Our Management Approach”, we presented a comprehensive summary of our corporate governance structure, risk management, and our code of business conduct.

# May you recover soon Türkiye

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

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

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

# A Message from the CEO

## Distinguished Stakeholders,

We began the year 2023 with an earthquake disaster that resulted in deep sorrow for all of us by affecting 11 provinces of Türkiye. As Kibar Group, we wish Allah's mercy upon those who lost their lives in the earthquakes, give our condolences to their relatives and our nation, wish those injured a quick recovery, and we would like to convey our deepest sympathy and wishes for a speedy recovery to all earthquake victims and our country. We have been in the field since day one as a Group to provide relief efforts to help recover from this disaster that deeply affected us and we are committed to carrying on our efforts until full recovery is achieved.

We are glad to present to you the first Sustainability Report of İspak Ambalaj.

Kibar Group believes that economic growth and development cannot be achieved on their own without taking into account the sustainability principles. We consider sustainability as an integral element of our corporate strategy. We act in line with our sustainability principles in all industries and geographies where we carry out our operations and integrate our sustainability-related risks and opportunities with our decision-making processes after assessments. We make efficient use of natural resources, leverage innovation to minimize the negative effects of our operations and develop eco-friendly technologies and products.

We move towards our targets in a steady manner within the framework of Kibar Group's Sustainability Strategy of 2025, which was designed in line with the United Nations Sustainable Development Goals.

We use our best efforts to ensure that our sustainability activities, which take into account economic, social, and environmental aspects, are adopted as common practice throughout our entire value chain.

İspak, one of the flagship companies of Kibar Group, is among the industry-leading companies carrying out automated, state-of-the-art, high-quality production in accordance with international standards at its manufacturing plant with the single largest flexible packaging investment in Türkiye. Carrying out manufacturing operations in an innovative, environmentally-conscious, customer-oriented manner, İspak is a company that has incorporated its sustainability philosophy into all of its processes. Conducting business operations in line with the Industry 4.0 principles, İspak always strives for the goal of becoming a reliable business partner and preferred employer in the industry as a flexible, solution-oriented, and dynamic company.

The R&D Center, Solvent Recovery Unit at İspak continues to introduce products and processes that help customers reduce their carbon footprints thanks to sustainable products launched into the market under the brand name İspak Green. As a reliable employer, providing its employees with opportunities for personal development, İspak also contributes to the social welfare through Kibar Group's social responsibility activities.

İspak carries on its investment to become the leading company in the flexible packaging market, both in Türkiye and in the region. I would like to thank all our customers, business partners, stakeholders, and my colleagues who have supported us in this journey.

**Haluk Kayabaşı**  
**CEO**  
**Kibar Holding**



# General Manager's Message

**Dear Stakeholders,**

We began the year 2023 with an earthquake disaster that resulted in deep sorrow for all of us by affecting 11 provinces of Türkiye. As İspak, we wish Allah's mercy upon those who lost their lives in the earthquakes, give our condolences to their relatives and our nation, wish those injured a quick recovery, and we would like to convey our deepest sympathy and wishes for a speedy recovery to all earthquake victims and our country. We have been in the field since day one as Kibar Group to provide relief efforts to help recover from this disaster that deeply affected us and we are committed to carrying on our efforts until full recovery is achieved.

We are very pleased to share with you İspak's first sustainability report.

As İspak, we have always strived for upholding the ethical values of Kibar Group by adopting the mindset of creating long-term added value for our stakeholders throughout our corporate history for almost 50 years. The founding values of our Group have been widely accepted throughout the world as the building blocks of sustainable development over time. At İspak, we have always maintained our economic growth by observing our social and environmental impacts and worked based on a business model centered around people and the environment. We present the social, economic, environmental, and governance outcomes of our value creation model in our first sustainability report.

*We have successfully completed a year despite a great deal of challenges all around the world.* 2022 went down as a year in which post-pandemic normalization efforts became prevalent in all

industries throughout the world although some economic uncertainties emerged. During this period, Turkish economy was no exception for facing the unfavorable outcomes of global instability and developments.

Despite the challenges encountered in the national economy, Turkish packaging industry achieved exports by \$7.5 billion at the end of 2022. According to the Turkish Packaging Industry 2022 Exports & Imports Report, Türkiye increased the exports of packaging materials by 15% in 2022 compared to 2021. The EU countries accounted for 60% of the exports. By the end of 2022, İspak put behind a successful year as it reached its goals.

*Expectations from eco-friendly products continue to grow even higher.*

In 2022, extreme weather conditions resulting from climate change continued to cause disruptions in supply chains as well as interruptions in logistics and operations. Such developments have proved that it is imperative for companies and any other organizations from all industries to address climate risks. In this mindset, we analyze the potential effects of transition to a low-carbon economy in our operations in terms of risks and opportunities at İspak. We aim at developing resistant strategic business plans by leveraging alternative scenarios and thus reducing the vulnerability of our operations against climate events.

We evaluate the effects of all such potential risks in our operations in terms of both financial and non-financial outcomes. We investigate the characteristic effects of these risks in supply chain, product development, R&D, innovation, procurement, production and sales in addition to physical procedures such as production plants and logistics.



“Green economy” also brings significant opportunities for packaging industry. In particular, increased awareness of hygiene and electronic commerce, becoming more prevalent especially in the post-pandemic period, have led to an increase in production in packaging industry. In addition to this, environmental awareness has caused our customers to increasingly prefer packaging materials with minimum harmful effects on the environment while maintaining the quality of their products. Recyclable and compostable packaging brings significant opportunities for İspak. At İspak, we view our innovative activities as our most crucial power to reduce the environmental impacts of our products and processes as well as prioritizing eco-friendly products in our product development efforts. 50% of our innovation budget is allocated for our products with reduced environmental impact. For 2023 and beyond, we also aim at becoming a strong player in green/sustainable packaging and smart packaging trends.

We commercialize our sustainable products developed at İspak and supporting circular economy under the brand name “İspak Green” and thus, allowing our customers to make more sustainable choices. With recyclable and compostable packaging solutions that we have developed during 2022, we contributed to the production of more sustainable packaging and encouraged our stakeholders to make further progress in this area. We develop more sustainable products with our bio-based, PLA-based compostable packaging and mono-structure paper-based, aluminum-based, PE- and PP-based recyclable packaging materials. In 2022, we launched two compostable packaging products into the market.

In addition to our products, we also strive for minimizing the environmental impact of our processes. Our Solvent Recovery unit, which is

located at our İzmit factory, was put into operation in 2019 and it operates with a solvent recovery capacity of 4,000 tons/year. The unit collects the solvent as a by-product of chemicals used as raw materials and recovers it for production, thus eliminating the need for purchasing primary solvent.

We continuously monitor our production processes and continue our improvement and efficiency efforts in each area. As a result of these efforts, we reduced our energy intensity by 8.2%, water intensity by 22%, and waste intensity by 12%, respectively, in 2022 compared to the previous year.

***We provide our employees with a safe and fair workplace with equal opportunities.***

As a manufacturing company, we carry on our occupational health and safety investments without any concessions. We continuously implement various projects to promote occupational health as a culture across the company. We are extremely pleased to see the benefits of our efforts in our improved OHS performance.

We support gender equality. As one of the leading organizations in our industry, we firmly believe that it is our sectoral responsibility to increase the rate of female employees. We support “WE Are Equal” activities carried out at Kibar Holding. With WE Are Equal Committee that we established, we integrate our gender equality approach into all of our processes and implement practices to further improve the working conditions of our female employees. As a result of these efforts, we increase the rate of female employees and executives on a yearly basis. In 2022, the rate of white-collar female employees was 50%, the rate of female executives was 25%, and the rate of female employees was 15%, respectively. Our goal is to become one of the industry-leading companies to promote gender equality.

In 2022, we introduced WE Are Work, WE Are Life project to keep up with the changing business world and ensure a work-life balance. Based on detailed analyses within the scope of the project, flexible and remote working conditions have been adopted as a common practice for all job positions or functions. In this way, we aimed at improving the employee satisfaction and quality of life.

***We work towards achieving a better future for everyone.***

At İspak, we aim for providing our customers with reliable and quality products, becoming a good employer for our employees, a good business partner for our suppliers, and contributing to the national economy in a sustainable manner. We contribute to building a cleaner and more peaceful world. With our social responsibility projects carried out, we support the improvement of social welfare wherever we do business. By participating in the K-Star Supplier Development Program, which was introduced in 2022 at Kibar Holding, we aimed for extending the scope of our sustainability approach to our entire value chain.

I would like to thank all our customers and business partners who trusted us in this journey, my colleagues as the architects of our success with their great efforts, and all our stakeholders who have accompanied us in our journey. We will continue our efforts and strive for achieving better with the confidence and support of our stakeholders. We will carry on working towards a better future by offering all our contribution to the field operations as much as possible during such a challenging period that our country is undergoing.

**Sincerely yours,  
Hakan Koçoğlu  
General Manager**



# About Kibar Holding

İspak, is a subsidiary of Kibar Holding. Kibar Holding, which began its activities in 1972 and is among the leading business groups in Türkiye, has been making significant contributions to the national economy and social welfare since its foundation.

As of the end of 2022, Kibar Group operates in various sectors such as metal, automotive, packaging, building materials, real estate, logistics, energy, and service with more than 20 companies and more than 7,500 employees.

Kibar Group's international business partners include Hyundai, Posco, Seoyon E-Hwa, and Heritage, which are among the world's leading brands in their industries. Kibar Holding and its Group companies add significant value to the Turkish economy with their high production capacities, employment opportunities, exports, and social investments.





## About Us

Founded in 1974 and with its over 50-year expertise and R&D activities, İspak Ambalaj carries out integrated packaging production from the supply of raw materials, lacquering, lamination and extrusion, printing, and slicing to the delivery of special packaging materials.

With our production plant designed based on Industry 4.0 technology in Asım Kibar Organized Industrial Zone, our production capacity has been increased to 712,510,000 m<sup>2</sup>/year. In particular, with our expertise in flexible packaging production and ability to offer a wide variety of applications, we manufacture packaging materials for chocolate products, confectionery, dairy products, beverages, dried food and snacks,

tobacco products, medical equipment and pharmaceutical packaging, hygiene products, and pet food as well as designing air-conditioning and insulation solutions to offer these products to our customers.

As İspak, we proudly provide services to many leading local companies in Türkiye as well as global companies around the world. We are committed to understanding the requirements and expectations of our customers with continuous cooperation. Production of high-quality, sustainable, cost-efficient and easy to use packaging as well as air-conditioning & insulation solutions is always at the core of our business.



**Kocaeli/Izmit  
Production  
Plant**



**Istanbul/Tuzla  
Production  
Plant**



**Izmir  
Sales Office**



**Export to 55  
countries**

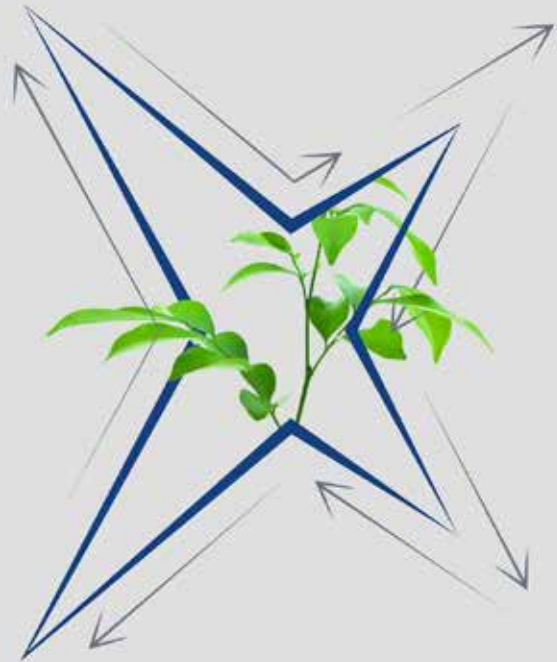
## High technology and quality

At our manufacturing plant with the single largest flexible packaging investment in Türkiye, we carry out automated, state-of-the-art, high-quality production in accordance with international standards.

# OUR VISION

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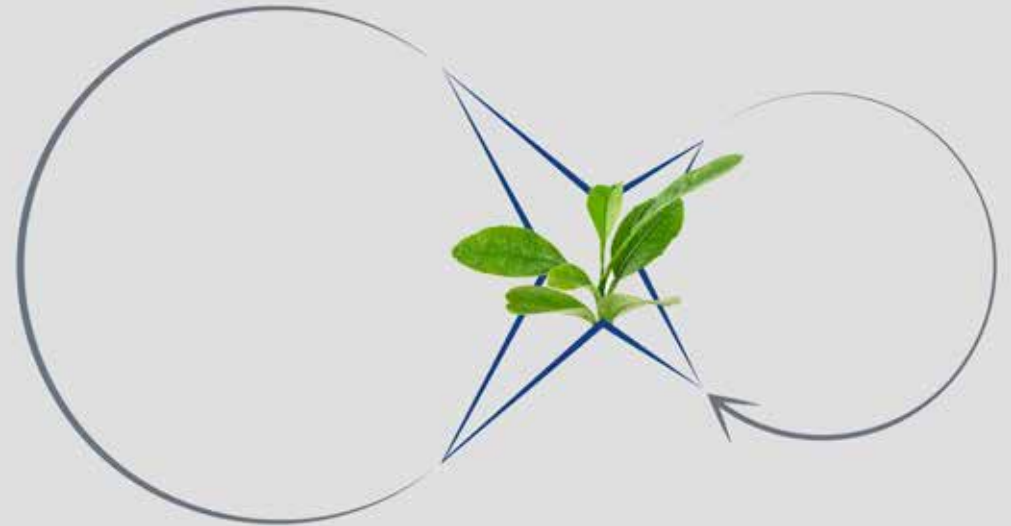
Becoming an innovative, fast, and global solution partner.



# OUR MISSION

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We provide products and solutions to make life easier in flexible packaging, air-conditioning, and insulation industries in line with our environmentally conscious approach and value creation mindset.



# 2022 Highlights



**Production Capacity:**  
712,510,000 m<sup>2</sup>



**Capacity Utilization Rate:** 72.2%



**Overall Production:**  
25.677 tons



**Number of Employees:** 362



**Total Training Hours:**  
1,172 hours



**Total Hours of OHS training provided to employees:**  
1,393 hours



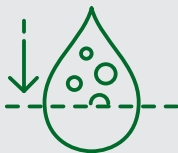
**Domestic Supplier Rate:**  
56%



**Export Rate:**  
31%



**Share of Green Products within the Product Development Budget:** 50%



**Water Intensity Reduction:** 22%



**Waste Intensity Reduction:** 12%



**Energy Intensity Reduction:** 8.2%

# Awards in 2022

Our R&D Department received 4 awards in 2022 for various projects developed under the “Green Packaging Project”.

- Bronze Award at Ambalajın Ayyıldızları 2022 Awards for its Compostable Sachet Packaging Project
- An award at Asia Star 2022 awards for its Compostable Baking Powder Packaging Project
- Sustainable RefBack Project, Mavi Damla 2022 awards, Category of Making a Difference for the Customer - First Prize
- Smart Packaging Project, Mavi Damla 2022 awards, Category of Leading the Future with Innovation - Third Prize

## ASIM KİBAR MAVİ DAMLA AWARDS

With the Mavi Damla Awards held every year at Kibar Group, employees innovative ideas are revealed, implemented and rewarded and success stories are disseminated.

In 2022, 29 projects with 204 participants applied to the organization in question and 12 projects received awards in four different categories.





# Products

## Flexible Packaging

- Chocolate and Confectionery • Processed Food • Nuts and Snacks • Beverages
- Non Food • Dairy Products • Pet Products • Ice Cream and Frozen Food
- Tobacco Products





## Engineered Foils

- Finslaq
- RefBack
- IsoGuard





# Sustainability at İspak

With our vision, “Becoming an innovative, fast, and global solution partner”, we strive for manufacturing sustainable products and becoming a preferred employer and business partner at İspak. We place sustainability as one of our brand values and we incorporate our

economic, social and environmental impacts into all decision-making mechanisms. We adopt a participatory, innovative, reliable, environmentally conscious, and people-oriented management approach.

Our sustainability philosophy is determined based on Kibar Group’s sustainability principles and the United Nations Global Compact as well as our sectoral requirements and expectations of our stakeholders.

# How Did We Determine Our Priorities?



Resources used to determine our sustainability priorities

- Our corporate strategies
- Our corporate values
- Stakeholder expectations
- Global trends in sustainability
- Industry-specific requirements
- Kibar Group Sustainability Strategy
- Corporate engagements
- The UN Global Compact (UNGC)
- The UN Sustainable Development Goals

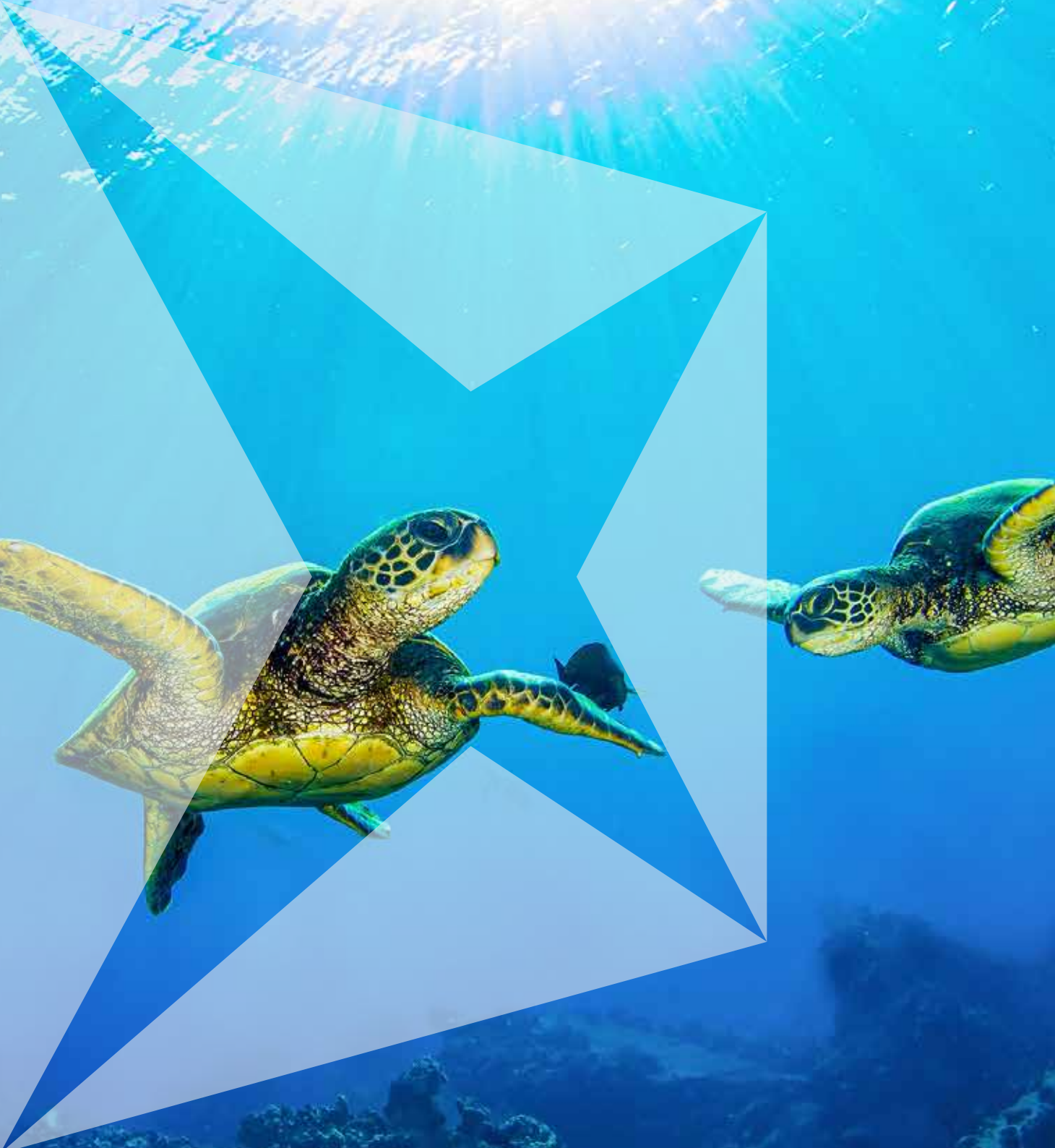
## At the first stage, we determined our sustainability priorities in order to develop our Sustainability Strategy.

- First, we created a set of subject matters consisting of matters that may be important for us in our prioritization efforts.
- Then, we narrowed down the comprehensive set of subject matters based on evaluation together with the members of the Sustainability Working Group.
- We presented the identified subject matters to our employees and external stakeholders for assessment.

- We kindly asked the participants to evaluate these subject matters within the context of potential impacts, risks, and opportunities for İspak.
- The participants also evaluated the global trends that may affect the business model of İspak as well as the UN Sustainable Development Goals to which the company is required to contribute.
- We evaluated the survey results during a workshop. In the workshop, we determined our priorities, global sustainability trends that may potentially affect our business processes as well as the UN Sustainable Development Goals to contribute.
- The priorities determined provide a basis for İspak's Sustainability Strategy.

Following the determination of our priorities, we created our sustainability roadmap, in which we also take into consideration our industry-specific priorities, on the basis of Kibar Group's 2025 Sustainability Strategy. We defined our sustainability priorities and sustainability pivot to focus on at our company from 2022 through 2030. Finally, we created our business plans to achieve the targets set within the scope of this strategy.





# Our Sustainability Strategy: Vision 2030

Vision 2030, which defines the sustainability priorities on which we will focus at our company and our sustainability roadmap for the period between 2022 and 2030, is centered around “Our Employees and Community,” “Our Value-Added Solutions,” and “Our Environmental Impact”.

In 2022, we developed “a sustainability scorecard” and conducted competitor benchmarking and impact analyses for our key performance indicators.

## Our Sustainability Strategy: Vision 2030

### Our Value-Added Solutions

- Customer Satisfaction
- Product and Solution Quality & Safety
- R&D and Innovation
- Digitalization and Data Security
- Supply Chain Management

### Our Employees and Community

- Occupational Health & Safety
- Employee Development and Satisfaction
- Gender Equality and Equal Opportunities
- Social Responsibility



### Our Management Approach

- Business Ethics
- Corporate Governance Practices
- Risk Management
- Business Continuity

### Our Environmental Impact

- Eco-Friendly Products
- Energy and Emission Management
- Water Management
- Circular Economy
- Waste Management
- Biodiversity

## What Are Our Targets?

Within the scope of our Vision 2030 strategy, we aim at both improving our sustainability performance and contributing to the UN Sustainable Development Goals based on the targets set for the 2022-2030 period. We determined targets and performance indicators for all key performance areas within the scope of our sustainability strategy. These targets are available in the corresponding pages of the relevant sections.

## Sustainability Management

At İspak, the Sustainability Unit is responsible for monitoring the company's sustainability targets as well as sustainability performance. The unit is also responsible for improving sustainability awareness and coordination within the company, monitoring external engagements, and integrating best practices in the field of sustainability into company processes.

İspak is also a member of the Kibar Holding Sustainability Committee and Sustainability Working Group. The Committee, who is

responsible for the determination of the sustainability strategy and goals of Kibar Group, consists of Holding function managers and the general managers of Group companies.

The Sustainability Working Group consists of Holding and Group company Human Resources, Financial Affairs, Strategy, Purchasing, Internal Audit, Information Technologies, Corporate Communication, and Sales & Marketing managers. The Working Group implements the action plan within the scope of the strategy determined by the Committee, coordinates the sectoral sustainability activities, and other sustainability efforts based on each function they represent.

# Our Contribution to Sustainable Development Goals

As İspak, we support the United Nations Sustainable Development Goals and directly contribute to 8 goals in our primary area of influence in line with our activities.



Goal 3: We provide the safest working environment possible for employees based on our occupational health & safety practices.



Goal 9: We develop high-performance, customer-specific, value-added products that support the low-carbon economy with the activities we carry out in our R&D Center. We consider strengthening our R&D capabilities as one of our main strategic goals.



Goal 4: We prepare our employees for future competencies with professional and personal development programs. With our social benefit investments in education, we contribute to the improvement of the quality of education in our country.



Goal 12: We support a low-carbon economy and adopt a circular economy and innovation-based production model. We increase reuse with effective waste management and prefer eco-friendly waste disposal methods. We help our customers choose the right products with the technical support we provide.



Goal 5: We implement practices that support and strengthen women's employment and increase the number of female employees and the rate of female executives. We carry out various practices and awareness-raising activities in order to encourage women's active participation in business life.



Goal 13: We evaluate the impact of climate change on our operations in our risk assessment processes. We increase energy efficiency and reduce our energy and emission density.



Goal 8: We work for an inclusive economy that creates value for all our stakeholders. We take international standards as a guide in our supply chain, we attach importance to the issues of not employing child and forced labor and ensuring fair working conditions. We produce value-added products with our investments in R&D and innovation.










Goal 16: As a member of Kibar Group, we adopt the principles and goals of the United Nations Global Compact. We do not compromise on our business ethics and corporate governance principles.

# Communication with Our Stakeholders

We consider providing accurate and timely information to all our stakeholders as our corporate responsibility and we maintain bilateral stakeholder communication through various platforms specific for each stakeholder group. We improve our corporate knowledge with numerous non-governmental organizations, global and sectoral initiatives that we are a member of and support.

Our sustainability report, exhibitions and other events, social media activities, interviews and news published on our website, press and other media, one-to-one customer meetings, technical training activities, and university meetings are among our most important communication activities.

Stakeholder Group	Communication Methods	Communication Frequency	Relevant Sustainability Subject matters
<b>SUPPLIERS</b> 	Face-to-face meetings & visits (continuous) Audits (annual) Supplier assessment surveys (annual) Exhibitions (periodical) Collaborations - business development (periodical)	Continuous	Activities related to creating sustainable supply chains
<b>CUSTOMERS</b> 	Visits to customers (continuous) Visits by customers (continuous) Customer satisfaction surveys (annual) Audits (periodical) Exhibitions (periodical) Corporate Communication activities Social media activities	Continuous	Promoting manufacturing of sustainable products
<b>NGOs</b> 	Memberships (continuous) Joint projects (periodical)	Periodical	Regulatory compliance procedure
<b>UNIVERSITY STUDENTS</b> 	Long-Term Internship Programs (annual) Social media activities (continuous)	Annual	Talent acquisition and activities for increasing the rate of young employees
<b>PRESS</b> 	Exhibitions (periodical) Corporate Communication activities (continuous) Social media activities (continuous)	Periodical	Industry-based environmental impact and carbon footprint
<b>EMPLOYEES</b> 	Internal meetings Employee engagement surveys Assessment meetings Corporate Communication activities Social media activities	Continuous	Ethical values employee engagement employer brand management
<b>KİBAR HOLDING &amp; SUBSIDIARIES</b> 	Site Visits (periodical) Supply Chain meetings (continuous) Face-to-face meetings (periodical)	Continuous	Sustainable supply chain management

# Initiatives We Support

We support the UN Global Compact (UNGC) and UN Women's Empowerment Principles (UN WEPs), undersigned by Kibar Holding, as well as the Business Plastic Reduction Initiative.

We develop product development collaborations with various Kibar Group companies.

## Affiliated Organizations

- A Circular Economy For Flexible Packaging (CEFLEX)
- Business World and Sustainable Development Association (SKD Türkiye)
- Packaging Manufacturers Association (ASD)
- Flexible Packaging Manufacturers Association (FASD)
- Türkiye Aluminum Manufacturers Association (TALSAD)
- European Aluminium Foil Association e.V.
- Flexible Packaging Europe
- Save Food - Messe Düsseldorf
- International Nut and Dried Fruit Council
- ECOVADIS
- SEDEX



# Our Value-Added Solutions

We focus on innovation in all processes from product safety to customer satisfaction, developing innovative products, effortlessly adopting new technologies and systems, having a highly competitive power, and we aim for continuous growth on a global scale. As İspak, we add value to the industry with our product quality and solutions to ensure customer satisfaction and contribute to sustainable growth with our R&D and innovation approach.

	Our 2030 Target	2022 Progress
Customer Satisfaction	Working towards 100% Customer Satisfaction target.	Our Customer Satisfaction score was achieved as 87%.
Product and Solution Quality & Safety	Ensuring the continuity of the existing product and process certifications.	In 2022, both of our production sites were certified by AA score in line with the BRCGS PM standard.
R&D and Innovation	Development of the product range in line with the sustainability approach.	2 compostable packaging products were launched into the market.
Digitalization & Data Security	Completion of infrastructure activities and digitalization processes within the scope of the “Digital Transformation Roadmap”.	In 2022, the MES system went live in 2 production lines.
Supply Chain Management	Creation of a sustainable supply chain.	Audits with suppliers included environmental and energy management.

At our new plant designed in line with the Industry 4.0 principles and representing the single largest investment in flexible packaging in Türkiye, we aim at extending the scope of our portfolio in flexible packaging, air conditioning, and insulation product groups.



# Customer Satisfaction

Customer satisfaction is one of the top priorities managed without compromise at İspak. We care about the opinions and requests of our customers, carry out joint activities, and create inclusive solutions. During the reporting period, we held face-to-face meetings with 111 customers and met the demands of 80 of our customers. In 2022, 36 customers participated in our annual customer satisfaction survey, in which the customer satisfaction score was achieved as 87%.

Following the delivery of the products by our customers, İspak technical teams provide the customers with on-site support in prototype trials before launching the product into the market. Any potential problem that may arise during these activities is identified in real time and necessary intervention is made.

We also carry out joint projects with our customers for R&D purposes, eliminating any problem identified, or otherwise based on a request by the customer. During 2022, we carried out 30 joint projects with our customers.

# Product/Solution Quality & Safety

At İspak, we believe that it is our corporate responsibility to provide accurate information about our products. We use our best efforts to ensure that the right product meets the right customer. A quality certificate containing all technical specifications and measurement results of the product is provided to our customer together with the product. We ensure that the quality certificate contains information on all tests performed for the specific product, the applicable standards for such tests as well as the relevant test results. We ensure end-to-end traceability during the entire production process through the Quality Control Department.

Test methods in compliance with international standards such as those of International Organization for Standardization (ISO) and American Society for Testing and Materials (ASTM) are applicable at İspak. Whenever required, necessary support is provided by accredited external laboratories. Audits are conducted by certified internal auditors on an ongoing basis.

In line with the declarations received from the suppliers in terms of product safety,

- Declarations of conformity to Regulation (EC) No 1907/2006 (REACH) for all input raw materials used are archived and

subject to regular follow-up. All İspak products comply with the REACH requirements.

- We declare and undertake that the manufactured packaging materials do not contain Substances of Very High Concern (SVCH) > 0.1% (w/w) as contained in the most current candidate list according to Annex XIV published by the European Chemicals Agency (ECHA).
- We manufacture products in compliance with the requirements of the Directive (EU) 2017/2102 on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (ROHS).
- We require supplier declarations for Conflict Minerals.

We carry out production operations using the products meeting these requirements as well as in case of new product trials and selection of alternative raw materials.

We maintain the REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) compliance procedures by the procurement of consultancy services. We require MSDS documents from suppliers for all chemicals used during production. We hold meetings with our suppliers in relation to registration procedures. Our regulatory compliance activities are ongoing.



## Applicable standards for product safety subject to follow-up:

- ISO 22000: 2018 Food Safety Management System
- BRCGS Packaging & Packaging Materials Global Standard
- TS OIC/SMIIC 1 General Requirements for Halal Food
- TS 13572 Particular requirements for the application of TS OIC/SMIIC 1 about halal food packaging and packaging materials
- TSE ISO/TS 22002-4 Prerequisite programs on food safety - Part 4: Food packaging manufacturing
- Kosher
- Hazard Analysis and Critical Control Points (HACCP), Hazard and Risk Analysis (HARA) Management System



Products are approved following continuous analysis of residual solvents by GC (Gas Chromatography) equipment at the end of each process.

Our product safety analyses within the scope of Turkish Food Codex and EU regulations are conducted by independent external resources. These analyses include, without limitation, the following:

- Overall migration analysis
- 23 specific metal migration testing
- Bisphenol A (BPA) analysis
- Phthalate analysis
- Primary Aromatic Amines (PAA) analysis
- CONEG toxics analyses, e.g., Cd, Pb, Hg, Cr (VI).

We also follow Good Manufacturing Practices (GMP) for substances and materials intended to come into contact with food as well as regulations published by various institutions and organizations such as Turkish Food Codex, European Union, the US Food and Drug Administration (FDA), and German Federal Institute for Risk Assessment (BfR). Upon request by our customers for compliance to applicable regulations in a different country, we provide the required declarations of conformity by conducting the necessary inquiries specific to raw materials and the finished product.

At İspak, we manage the following activities in order to ensure sustainable product quality:

- Legislative & regulatory follow-up
- Internal & external audits (e.g., certification institutions and customer audits)
- Supplier - declarations of conformity for food-grade raw materials
- Quality, hygiene, and food safety training activities
- Traceability and (product) recall practices
- Outsourced (external) product safety analyses
- HACCP - Critical Control Points (CCP) measurements
- Calibration & validation activities
- Pest control system
- Corrective & preventive actions (CAPA), root-cause analyses (RCA)
- Digitalization activities (quality data follow-up & Sales Force-CRM practices)
- Continuous improvement through collaborations between universities and industries
- Customer satisfaction measurements
- Documentation control

We regularly follow industrial food and food packaging labeling regulations. Checking the texts containing allergen information is a crucial part of our printing process. We dispatch all products with packaging labels

containing identifying information. Packaging labels contain the product name, customer order number, product quantity, and certain physical dimensions of the product. On the other hand, we provide a packaging list providing information on the contents of the overall shipment in export products. In 2022, there was no complaint or codex violation incident reported to the company about product labeling and marketing communications.

## Lean Management System Project

With the Lean Management System Project that was introduced in 2022, we aimed at learning about a problem solving approach as a team, improvement of processes by implementing Lean methods and techniques as well as establishing this culture throughout the company. Within the scope of the project through which we aim at operational efficiency and which is planned to be completed by 2024, we set a target to improve rotogravure printing OEE by 65% and a target to improve wastage by 30%. In 2022, these targets were achieved by 17% and 4.5%, respectively.



## R&D and Innovation

At its core, İspak's R&D and innovation strategies consist of improving productivity and efficiency, reduction of resource utilization and waste generation, increasing product quality and diversity, designing new business models and technologies to create value for stakeholders, and development of eco-friendly products with a high added value.

R&D and innovation activities are carried out at the Quality and R&D laboratories within the company.

Product weight reduction activities constitute our ongoing efforts to support a low-carbon economy. With these activities, we aim at achieving similar physical, mechanical, and chemical characteristics by removing one or more layers that constitute the final products from the structure.

We refer to various guidelines published by non-profit organizations when preparing products defined as sustainable products by taking into consideration the raw materials used in the production of such products.



## 2022 Highlights of Our R&D Activities

### Smart Packaging Changing Color by Gas Emission

For the project, in which the developed smart packaging allows the current condition of certain perishable products such as chicken to be determined visually from outside the packaging, the validation processes were completed by Sakarya University. The tests indicated that the BTB NaOH-based labels were accurate and functional as intended to indicate the signs of deterioration, regardless of whether the product is stored under ambient conditions or in 100% N<sub>2</sub> environment.

### Antibacterial & Antiviral Packaging

The objective of this project was to develop a lacquer to be applied to the external surface of any packaging by using an antimicrobial additive. With such Antibacterial & Antiviral Packaging designs, our next goal is to include sensitive product groups in the scope of this project.

### Innovative Water Thermolacquer Used at High Temperatures

With this project, we developed a MEK-free thermolacquer, which is waterproof at temperatures around 60-70 °C. The objective of the project was to optimize the use conditions at hot weather conditions only by modifying certain characteristics of the thermolacquer with thermal adhesive capabilities without making any changes to the water bottle cap product specifications that are currently used in our production site. Thanks to this product with improved formulation, our customers will be able to sell their own products in a more efficient way in countries with a hot climate.

With this project, we intend to increase the share of export products in the national economy by offering the sale of a product ensuring excellent product quality even under different climatic conditions. Although the current application of the project is intended for water products, we plan to further develop the project to be applicable to other products.

*Please visit the section, “Eco-Friendly Products” to discover our R&D and innovation activities for eco-friendly products.*



## Digitalization & Data Security

At İspak, we regularly carry out R&D activities, make innovative investments, and continuously develop our products in line with the requirements of our customers. Established in line with the Industry 4.0 principles, our production plant is where we carry out activities to meet the requirements, both today and in the future. For this reason, digitalization is managed as a corporate priority at our company.

Within the scope of our digitalization projects, we carry out activities on operational efficiency, technological infrastructure, cyber security, and system continuity in addition to Industry 4.0 and innovative technologies on an ongoing basis. We have a digitalization roadmap, which is subject to annual review and update based on technological developments and our business

processes, as well as periodic follow-up under the leadership of Assan Bilişim, a Kibar Group company.

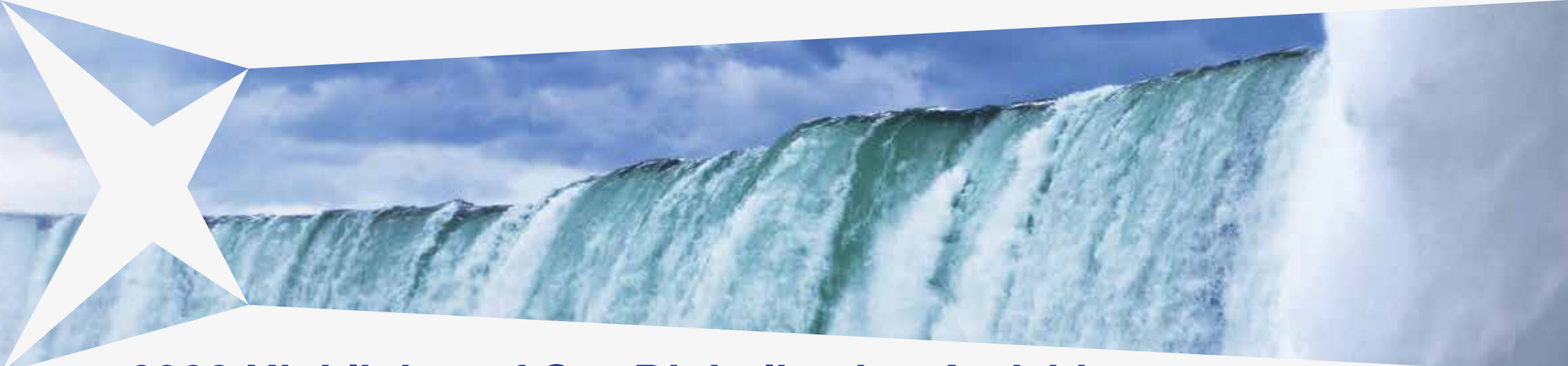
ISO 27001 Information Security Management System is applicable to all plants and offices of İspak. New employees are provided with information security training during the onboarding period and all employees are provided with such training periodically on a yearly basis. Encryption applications, antivirus software use, firewall applications, access authorizations, clean desk & clean screen procedures, locked cabinet practices, and similar practices are currently available. We collaborate with the relevant stakeholders under binding Confidentiality agreements.

With the Analytics team within Kibar Holding, we plan to begin activities on the Internet

of Things (IoT) and artificial intelligence (AI). Training activities on key user analytics began in 2022.

İspak continues to be an industry-leading company with the Smart Warehouse, which has been operational since 2019 at the İzmit Plant with the Industry 4.0 infrastructure. With the Smart warehouse with a capacity of 10,000 pallets, activities focusing on digitalization are carried out in each area of production operations.

The sales teams have been provided mobile access to all data through the Salesforce (CRM) system. A scrap management system was deployed. Digitalization was also ensured for the management of treatment times of products.



## 2022 Highlights of Our Digitalization Activities

### Internal CRM

#### Salesforce Maturity Improvement

Allowing for the management of customer complaints within the CRM system, viewing current account balances, creating customer limit requests, and archiving of contracts, the project ensures that the CRM system provides support for business process requirements as well as improving the efficiency of the salesforce.

### Manufacturing Execution System

The objective of the MES is to create a platform on which production floor data are collected and production-related approvals are given. The project will allow the quality control processes, production line downtimes, and consumption of materials to be linked to real-time machinery & equipment parameters as well as providing a platform on which the data required for Industry 4.0 are collected. Following the implementation of the project, various data will be collected automatically from the

production floor and the data received from the sensors will be linked to the relevant product. Inconsistencies between the materials used and the equipment parameters will be identified and therefore, it is intended to contribute to production efficiency. The scope of the project, which was initially implemented in Pilot 2 business center in 2022, is planned to be extended across the company. The MES can be considered as a crucial step in the Industry 4.0 journey of the company.

### Robotic Process Automation

In the Finance department, certain processes were initially selected as a pilot practice to be performed by robotic process automation in order to use less workforce and increase efficiency by performing certain tasks such as data entries that do not require interpretation as well as system checks through robotic processes. After obtaining successful outcomes, the system will be rolled out in other departments.

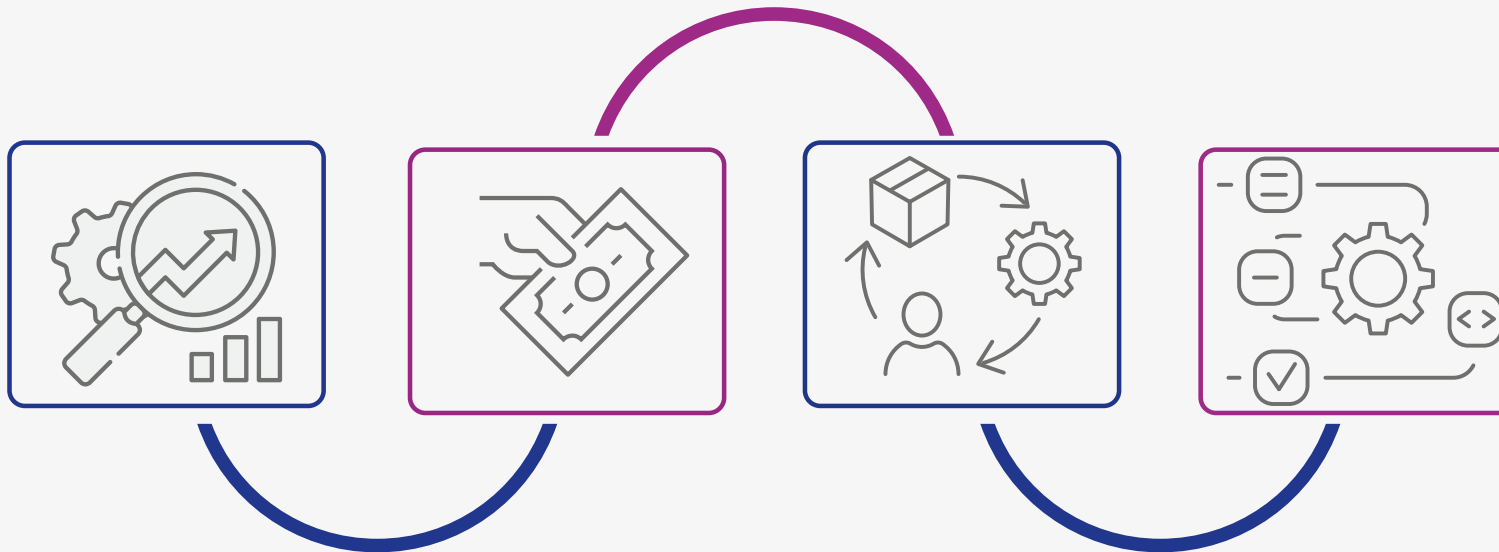
### Key User Management

Introduced in 2022 in order to ensure that departments reach a maturity level to achieve the targets of the digitalization roadmap of the company and create qualified personnel for digitalization by assigning key users within the company, this project represents an ongoing journey to continue in the upcoming years. Within the scope of the project, following the assignment of key users, the necessary processes will be determined, process maps will be created, and training activities will be organized in order to create a qualified group of key users who are capable of making interpretations about other disciplines.

### Digitalization Faculty

With the project introduced in 2022, we intend to use machine learning capabilities in business processes of the company. Key users assigned across the company began to receive regular training.

# Our Supply Chain Management Processes



## Production Planning

- Receiving the orders created by the Sales department through the Axapta ERP system.
- Creating and communicating the daily production schedule.
- Following up the progress of the planned production.

## Materials Planning Management & Purchasing

- Coordination of the requests for materials through the Axapta ERP system.
- Follow-up and management of import activities.
- Monitoring of Authorized Economic Operator (AEO) Certificate procedures and incentive practices.

## Warehouse Logistics

- Warehouse and inventory/stock management of raw materials/finished products.

## Primary supply materials in production processes:

Aluminum, paper & cardboard, polymers, lacquer, wax, ink.



**CEFLEX  
Member**

# Supply Chain Management

İspak strives for extending the scope of its corporate code of conduct and sustainability approach throughout its supply chain and therefore, it favors business deals with long-term goals. Suppliers having high-tech capabilities and offering high energy efficiency products & services are preferred within the common purchasing structure of Kibar Holding while purchasing operations are conducted through a global supplier network.

We expect all our suppliers to implement the Procurement Code of Conduct defined by corporate documents and procedures, which is an integral part of Kibar Group's Code of Conduct.

Rules and principles required to be followed by all suppliers are defined in detail within the scope of reference documents, e.g., Code of Business Conduct Principles, Anti-Corruption and Anti-Bribery, Forced Labor, Child Labor, Harassment, Wages, Working Hours, Non-Discrimination, Occupational Health & Safety, Environment, Biodiversity, Integrity, Quality and Continuous Development, and

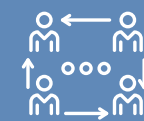
Developed in line with the United Nations Global Compact, Kibar Holding Purchasing Procedures cover various subjects such as prevention of child labor and forced labor, providing fair working conditions, and mitigation of environmental impact.



**Number of active suppliers: 95**



**Number of domestic suppliers: 53**



**Domestic Supplier Rate: 56%**

Information Security.

Supplier candidate selections are made by considering the rules specified in the Group Purchasing Procedure and the Approved Suppliers List as detailed below. The following criteria for the supplier firm are considered:

- Development,
- Prospect, stability, and continuity,
- References, reputation, and experiences,
- Flexibility and support,
- Quality assurance,
- Financial structure,
- Authorization documents, e.g., licenses, distributorship, agency, etc.,
- Technological competence,
- Partnership structure and other factors required by the relevant business area.

For procurement items that may have an effect on production, the purchasing department and the relevant functions (quality/technical team, etc.) of the company set up a preliminary interview with the supplier candidate before the supplier firm is added to the approved suppliers list. Suppliers determined to be eligible for meeting the requirements and those who may provide benefits are either subject to on-site audits by the

Quality and Supply Chain departments or otherwise the supplier is asked to complete and sign the Supplier Assessment Form on the meeting table. The sample production and testing phase began with suppliers that achieve satisfactory scores. Suppliers with positive assessment as a result of all these processes are added into the approved suppliers list.

At the supplier selection stage, the supplier classification is made regarding the criticality level of information security. Necessary audits are carried out in case supplier status is confirmed as an approved supplier. As a result of the analyses of the supplier candidate and upon approval by the Purchasing Manager and Purchasing Management, the Framework Agreement and Confidentiality Agreement are submitted to the supplier candidate by the Purchasing Specialist. Compliance with the criteria for information security is checked. During the supplier selection process, the Group Purchasing Codes of Conduct document is submitted to the supplier and the compliance of the supplier to these rules is subject to follow-up. The Framework Agreement and Codes of Conduct documents cover all applicable matters and rules such as environmental compliance, sustainability, working conditions, etc., among others. Suppliers who successfully complete these processes are listed as an approved supplier.

# Supplier Audits

We expect our suppliers to comply with applicable industrial standards within the framework of the Code of Business Conduct Principles. We conduct supplier audits and assessments in order to ensure their compliance with such standards.

In the reporting period, we successfully completed 32 supplier audits and the rate of suppliers audited was 100%. During the Supplier Performance Assessment procedure, in which the supplier performance on business, quality, and environment were evaluated, the suppliers received performance assessment scorecards with the action plans determined for specific score intervals while some suppliers were informed about the areas of development as required.

In 2022, no supplier agreement was terminated due to noncompliance with environmental standards or negative impacts. There was no supplier with a negative impact in relation to the applicable environmental criteria during the performance assessment procedure.

## Kibar Group Supplier Sustainability Program (K-Star)

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

The K-Star Project consists of the following key stages:

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

## Localization in Supply Chain: Local Finslaq EX-HF-UV

With the project to be introduced in 2023, our goal is to ensure production of epoxy and polyester lacquers used in food containers with lacquer to be manufactured by domestic suppliers. The new domestic supplier practice developed within the scope of the project will provide advantages in terms of both costs and deadlines while localization will reduce foreign source dependency of the national economy and a new technology will be provided for our country.





# Our Environmental Impact

We are committed to reducing our environmental footprint in all processes at İspak from the design to the end of lifecycle of our products. We develop eco-friendly products, use natural resources in a responsible manner, and support circular economy.

## Our Environmental Protection Approach

**Assessment & Evaluation:** We assess our environmental impacts in all processes and take necessary measures to mitigate negative impacts.






**Innovation:** We carry out R&D and innovation activities in order to manufacture sustainable products.

**Investments:** We manage the environmental impacts of all our

investments as an integral part of our investment process. 50% of our innovation budget is allocated for our products with reduced environmental impact.

**Partnerships:** We cooperate with our customers, suppliers, and Kibar Group companies in order to mitigate our environmental impact. We believe in the power of common sense and collective action in protecting the environment.

# Our Environmental Impact

	Our 2030 Target	2022 Progress
 <b>Eco-Friendly Products</b>	Increasing the green product range.	<b>3 new</b> products in flexible packaging and <b>5 new products</b> technic foil area were launched into the market.
 <b>Energy and Emission Management</b>	Reduction of energy intensity based on production volume by <b>10%</b> compared to the previous year.	Reduced by <b>8.2%</b> compared to the previous year.
 <b>Water Management</b>	Reduction of water intensity based on production volume by <b>15%</b> compared to the previous year.	Reduced by <b>22%</b> compared to the previous year.
 <b>Circular Economy</b>	Ensuring sustainable management and efficient use of resources.	Solvent recovery unit efficiency was <b>84% by a 1%</b> increase compared to the previous year.
 <b>Waste Management</b>	Reduction of waste intensity based on production volume by <b>15%</b> compared to the previous year.	Reduced by <b>12%</b> compared to the previous year.

# Eco-Friendly Products

At İspak, sustainability is at the core of our corporate strategy. Our goal is to contribute to a more sustainable world in every aspect. In line with our sustainability strategy, our new product development activities focus on designing products with minimum negative impact on the environment. In 2022, 50% of the budget for the development of new products was allocated for eco-friendly products.

## İspak Green

İspak continues to add value to the green economy under our brand name İspak Green in line with our sustainability focus, ecological efficiency, and innovative approaches.

We commercialize our products developed and supporting circular economy under the brand name “İspak Green” and thus, allowing our customers to make more sustainable choices.

With recyclable and compostable packaging solutions that we have developed during 2022, we contributed to the production of more sustainable packaging and encouraged our stakeholders to make further progress in this area.

With our BIO Film and PLA-based compostable packaging, we create products with a more sustainable end of life.

## Sectoral trends in eco-friendly packaging

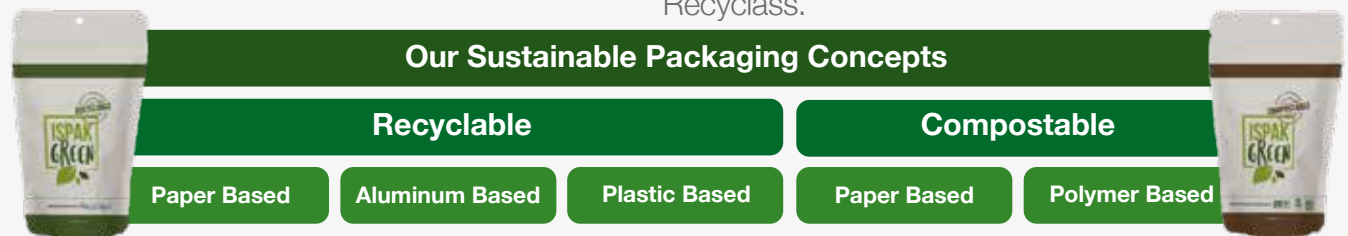
Major trends introduced during the recent years to reduce the environmental impact in our industry include production of packaging materials from sustainable resources and solutions to enable a closed-end cycle with circular economy approach wherever possible. Within this scope, recyclable packaging design comes to the forefront. Another major trend consists of biodegradable packaging materials since only a very small percentage of recyclable packaging is currently produced from sustainable resources.

We are working on various specifications for both recyclable and biodegradable packaging forms in our R&D Center, which was commissioned in 2020. For biodegradable packaging forms, we follow EN 13432 Standard. The goal of our eco-friendly packaging activities is to manufacture products with minimum harm to the environment at any stage throughout the product lifecycle.

Developed within this scope, our compostable products complete their lifecycle without leaving any trace in the nature. Our recyclable products also return to economy without becoming waste once they complete their lifecycle.

### Within the scope of our sustainable product activities:

- We work towards the goal of transforming the packaging, which is manufactured by combining raw materials of different structures and characteristics, into a monolayer form. In case the use of multiple layers is required, then we create designs using raw materials made from the same base material to facilitate recycling.
- We use lower percentages of chemicals and plastics in product formulations.
- We prefer paper raw materials having FSC and PEFC certificates.
- We closely follow developments about natural sources of raw materials.
- As a CEFLEX member, we design products during the development activities of sustainable products by taking into consideration the applicable guidelines of leading organizations such as CEFLEX and Recyclass.



**İspak is a CEFLEX member** İspak is a member of CEFLEX, an initiative committed to transforming all flexible packaging in Europe into recyclable packaging by 2025. For our circular economy approach, we take into consideration the proposals of CEFLEX.

# Our sustainable solutions to meet customer requirements

## Compostable Film Packaging

For dry food without need for barrier and product groups suitable for filling in powder form; suitable for sachet and doypack type of packaging; alternative production options as extrusion coating and laminated film coating; suitable for rotogravure and flexo printing methods; 100% compostable; within the framework of EN 13432 standard, TÜV Austria OK to Compost: Industrial certified products.

## Sustainable Paper-Based Gum/Confectionery Packaging:

With the project which was introduced in 2021 and planned to go into production in 2023, we design recyclable paper-based confectionery packaging.

**Compostable Packaging Designs for Products Requiring a Barrier:** Within the scope of a packaging project planned to go into production in 2024, we are developing a product designed with special raw materials and compostable at the end of its lifecycle for products requiring a moisture or oxygen barrier.

## Recyclable Monolayer Lid Foil:

Our goal is to transform packaging into recyclable monolayer lid foil designs as an equivalent solution to replace common lid foils that are currently used in ketchup, mayonnaise, and water bottles or other similar products. With the trial productions having been completed, we plan to launch this product into the market in 2023.

**Carton Food Container:** Planned to be completed in 2023, our goal with this project is to create a recyclable monolayer design by transforming PET-carton food containers into paper/barrier lacquer form.

**Sustainable Carton Cups:** Planned to be completed in 2023, our goal with this project is to transform single-use PET-carton cups into recyclable monolayer form. In this way, the number of layers will be reduced as well as avoiding combination of materials of different base materials that would otherwise prevent recycling.

**Sustainable RefBack:** We carry out product development activities for an alternative recyclable product to replace refrigerator back panels made of composite materials. Our goal was to reduce the carbon footprint of the product and achieve emission efficiency for our customers. With these activities, we also aim at maintaining our position as a leading global manufacturer of refrigerator back panels, continuing to be one of the leading suppliers preferred by global brands as well as improving the sales figures.

## Our Circular Economy Approach

We have adopted the circular economy approach allowing for reuse instead of the linear economy that dictates “buy-use-dispose” mindset. We reduce and recycle our wastes as well as designing eco-friendly products with our innovation-based production model. We continuously review our processes and products to ensure compliance with the EU’s Circular Economy Action Plan.

Our Solvent Recovery unit, which is located at our Izmit factory, was put into operation in 2019 and it operates with a solvent recovery capacity of 4,000 tons/year. The recovery unit eliminates the need for purchasing primary solvent since it collects the solvent as a by-product of chemicals used as raw materials and recovers it for production. Thus, it contributes to circular economy.

All İspak production plants have zero waste certificates.



# Energy and Emission Management

Changing climatic conditions undermine the resilience of ecosystems and cities. IPCC Reports indicate that we have reached a “code red” level for global warming. Energy and emission management is one of the most critical aspects for combating climate change. For this reason, we closely monitor our energy consumption in our processes, develop projects to reduce consumption, and prefer alternatives with high energy efficiency in all our investments at İspak.

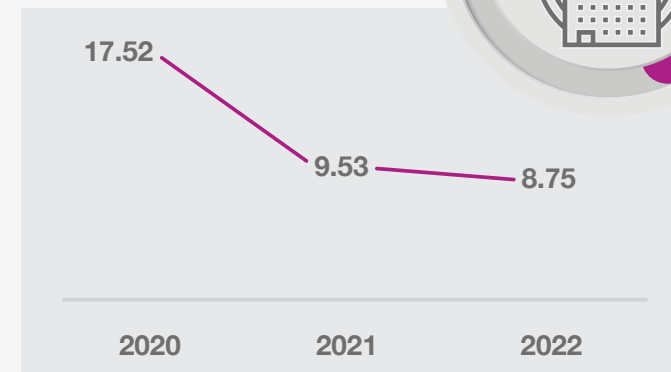
As a result of activities carried out, our energy intensity was reduced by 50% and emission density was reduced by 50.7%, respectively, in 2022 compared to 2020.

## 2022 Highlights for energy efficiency:

- Energy efficiency was ensured by eliminating air leakage throughout the plant and gradually lowering the pressure value of air compressors from 8 bar to 7 bar.
- 2 color printing machines commissioned at Tuzla plant ensured energy efficiency by reducing the printing time.
- Preventive maintenance processes carried out at Tuzla and Izmit plants increased machinery operating performance as well as contributing to energy efficiency.

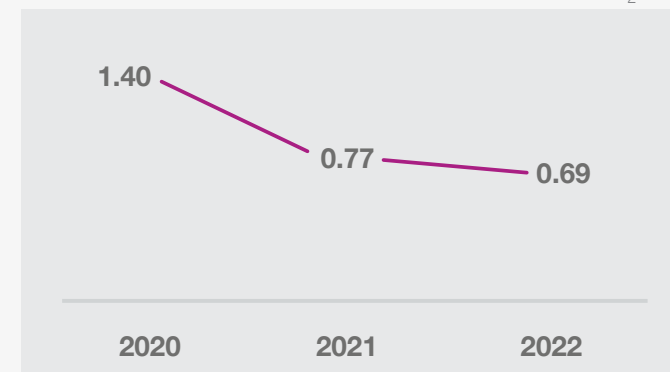


## Energy Intensity (GJ/Ton)



## Emission Density (Ton/Ton)\*

\*Greenhouse gas (GHG) emission intensity (ton CO<sub>2</sub>e/ton)



# Waste Management

Introduced by the Industrial Revolution, the development journey has put a tremendous strain on the ecological system of the planet. One of the key steps in slowing down human destruction of the nature is adopting the circular economy approach, which allows reusing resources.

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

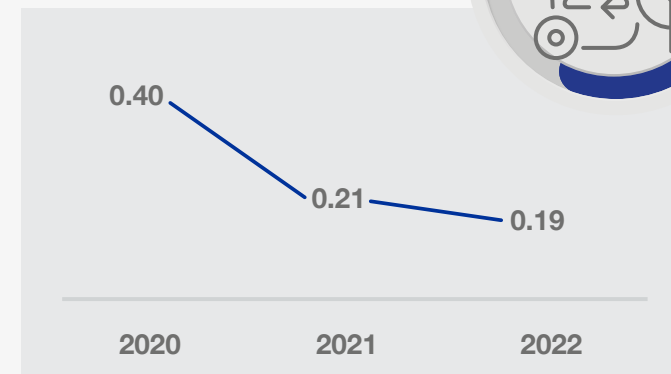
Within this scope, we aim to ensure utilization of all wastes by continuous review of our production processes. We prevent the solvents in the production line to be released into the atmosphere thanks to our Solvent Recovery Unit on the site. We replace chemicals that are not suitable for recycling with efficiently

recyclable alternatives by investigating such chemicals during our innovation activities. In 2022, the MEK used in the formulation of cup lid foil as one of such products was extracted to be delivered to the solvent recovery unit.

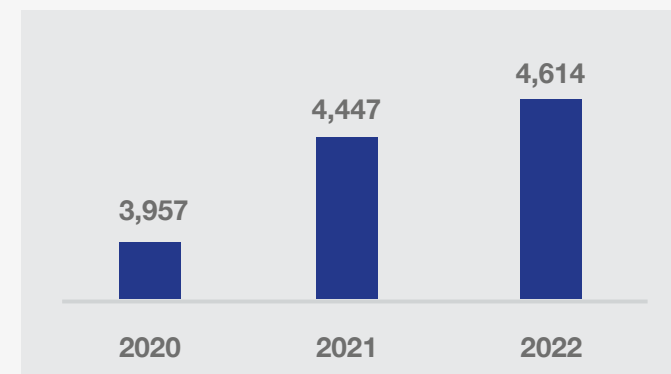
We also carry out activities to reduce the use of hazardous substances. We conduct trials with water-based primer instead of solvent-based primer in the production of refrigerator back panel and wine capsule packaging. By eliminating the fire risk by replacing solvent-based products of high risk of combustion and flaming with water-based products, we aim at minimizing the harmful effects on the environment.

Thanks to these activities serving for the efficient use of resources and environmental benefit, we reduced our waste intensity by 30% compared to the year 2020. On the other hand, recycled waste rate was increased by 26% during the same period.

### Waste Intensity (Ton/Ton)



### Recycled Waste Amount (tons)





## Our Approach to Biodiversity

At İspak, we actively observe the impact of our operations on natural balance and introduce practices and measures to mitigate such impact. Our company does not have production activities in areas sensitive to biodiversity and under protection. We also consider the impact of all our new investment and purchasing decisions on biodiversity.

We support the initiatives for which Kibar Holding is a signatory, namely, the Business World Plastic Initiative, founded by the United Nations Global Compact Türkiye, Turkish Industry and Business Association, and Sustainable Development Foundation with an aim to raise awareness for plastic pollution. We made a commitment to gradually reduce single-use plastics at our office spaces by 2023 and completely eliminate such use as of 2023.



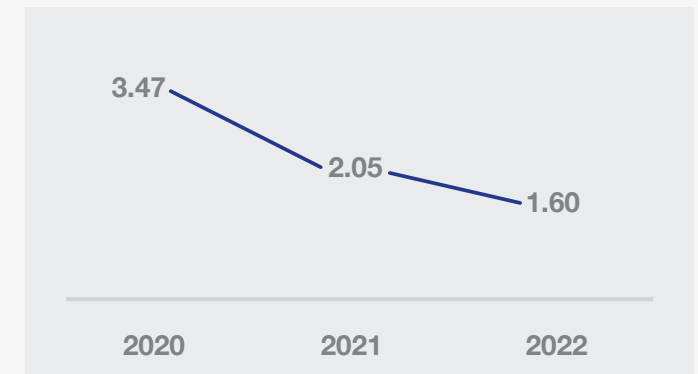
## Water Management

İspak does not have any production process that requires intensive use of water. The company's water consumption is limited to domestic water consumption. There is no protected wetland area or water source under stress within our areas of activity. Nevertheless, we carry out our activities with an awareness that water is a natural source that must be conserved. We implement projects to reduce our water consumption and

organize training activities for our employees to raise awareness. We follow the applicable standards of Asim Kibar Organized Industrial Zone for water discharge. We discharge wastewater only after balancing its pH and in compliance with applicable standards.

We reduced our water intensity by 31% in 2022 compared to 2020.

### Water Intensity (m<sup>3</sup>/ton)





# Our Employees and Community

In line with Kibar Holding's "WE" philosophy, which represents the power of sharing success and life together, we promote a working culture focusing on cooperation and sharing. We are committed to providing our employees with an innovative and peaceful working environment in which they feel empowered and safe.

## Our 2030 Target

## 2022 Progress

### Occupational Health & Safety

Reaching target **"zero"** accident rate

Improvement by **35%** was achieved in accident frequency (i.e., injury) rate compared to the previous year.

### Employee Development and Satisfaction

Increasing participation in programs to support the development employees and leaders of an organization shaping the future

In 2022, **14%** of training activities were dedicated to leadership development.

### Gender Equality and Equal Opportunities

Ensuring gender equality in employment and employee wages, Increasing the rate of female employees **on site to 10% or above**

Activities to increase the rate of female employees on site are ongoing.

### Social Responsibility

Carrying out **one social responsibility project** in our area of activity on a yearly basis

Contributions were made to Izmit Alikahya Primary School **building renovation** activities.

Through Help Steps initiative, the steps taken between January 7 and March 31 were donated to **Gülmek İyileştirir Derneği**, a non-governmental organization in Istanbul, Türkiye.

- The number of company employees increased by **19%** compared to 2020.
- Female employee rate: **14,8%**



- White-collar female employee rate: **50%**
- Female executive rate: **38%**
- In 2022, company employees received **717** hours of training.



# Occupational Health & Safety

At İspak, we have implemented a management system which also involves third parties in OHS management within the scope of ISO 45001 standard. OHS risks are managed within the scope of OHS Hazards Identification and Risk Management Procedure. Beginning from the design and onset of an activity or a change, risk assessment in all stages is carried out by hazards identification, identification and analysis of risks,

definition and documentation of risk control measures, updating and revision of the activities carried out as required. OHS procedures are applicable to all employees and subcontractors of İspak.

Potential risks that our employees working in production processes may encounter and measures to prevent such risks are as follows:

Risk	Measure
Chemical exposure	Efficient ventilation, reduction of source, and Personal protective equipment (PPE) supply
Noise	Mechanical improvements and PPE
Ergonomic problems	Lifting equipment, training, PPE

At İspak sites, a full-time occupational physician and medical staff on a 365-day and 24/7 basis are provided in order to protect employees from potential risks and occupational diseases. The level of knowledge of employees is improved by OHS training and the level of awareness is improved by providing information through bulletin boards. Distance learning through the LMS system is also used for providing necessary information.

Our company provides supplementary and

private health insurance practices and a system in place to refer an employee to a hospital if required. Employees may undergo medical analysis at the workplace with the on-site mobile laboratory system. Employees are provided with the opportunity to arrange weekly appointments for examination by a nutritionist, psychologist, and internal medicine specialist.

For optimum office ergonomics, lighting measurements, noise measurements, and thermal comfort measurements are carried out.

## OHS Knowledge Contest

We organize a monthly knowledge contest available for employees through mobile access in order to raise employee awareness to OHS issues. In this way, we aim to help our employees to remember and learn OHS-related knowledge that they will use throughout their working life. Our goal is to increase the contest participation rate every month as well as increasing the number of employees who successfully score 100 points in the contest.

## Employee Development and Satisfaction

At İspak, we are committed to providing our employees with an inclusive working environment in which they will have an opportunity for self-development, acquisition of skills and competencies of the future as well as feeling peaceful and satisfied. All new employees receive orientation training during onboarding. Each year, we collect and review the training requests received from our employees. We participate in development programs organized by Kibar Holding Human Resources department.

At İspak, we have adopted continuous performance approach based on Objectives and Key Results (OKR) as a common practice. We provide all our employees with performance feedback based on a lean, transparent, and agile performance culture system promoting high performance.

## WE Have the Power Development Platform

"WE Have Power Development Platform", through which development journeys of our employees are supported, was launched in 2020 by Kibar Holding. Through this platform, our employees are able to follow up their individual development and access various sources independent of time and location.

The Development Platform promoting lifelong learning aims at the continuity of the development process and the culture of learning from each other to become a common practice across the company by various programs from leadership development to internal instructor and mentor development programs.

## GameChangers

Game Changers is a prestigious development program which was introduced in 2020 at Kibar Group. Within the scope of this program, our goal is to contribute to the personal development of our co-workers through training and help them achieve their career goals by introducing them to different ways of doing business and preparing them for the future.

Our co-workers who are eligible to participate in the program undergo an individually designed development process. Within the scope of this development program, the participants are provided with an opportunity to experience various activities such as one-on-one coaching interviews for development planning, online classroom training, mentorship, project works, and meeting with the senior management.

## WE Are Work, WE Are Life

In 2022, WE Are Work, WE Are Life project was implemented for the purpose of ensuring the work-life balance of our employees. Within this scope, we have implemented flexible working models according to position-based assessments. With this project, our goal was to improve efficiency and employee satisfaction by permanently adopting the remote working models that we have experienced during the pandemic period.

We care about our employees and intend to enrich their social life, looking after their physical health as well as their mental well-being. We provide our employees with facilities such as sports center, recreational areas, playgrounds, table tennis, and pool tables, allowing them to socialize and exercise. We also organize internal soccer tournaments within the company. During Kibar Sports Fest, we take part in competitions in various sports branches in which all our employees can participate.

With our internal communication activities, our goal is to ensure that the culture of working together is adopted by all employees and raise awareness of WE mindset.

We maintain communication, both within the company and with other Kibar Group companies through the Intranet called Porttakal, "Kibarca" magazine, and our mobile app called "Mobiliz". With WE Are Future meetings, our General Manager meets with employees in quarterly periods.

Action plans are created during focus group workshops by collecting positive/negative feedback from employees.

We make active use of social media platforms in our activities for employer brand. We participate in exhibitions and activities organized at various universities to introduce our industry to young individuals and strive for becoming an organization that young talents prefer.

We evaluate employee satisfaction on a regular basis through surveys conducted by independent institutions. We use the survey results to improve our practices. In 2022, employee satisfaction rate was 51% in office employees and 55% in site employees, respectively.

## Gender Equality and Equal Opportunities

At İspak, we provide a working environment with a strong sense of equality and fair treatment against any form of discrimination. We formed a dedicated committee to define actions related to diversity and inclusion.

We implement projects and practices to ensure gender equality. We support the United Nations Women's Empowerment Principles (WEPs), undersigned by Kibar Holding.

With WE Are Equal Committee, we are committed to meeting the requirements of

gender equality, both within İspak and in social life. We have been carrying out activities since 2022 in this committee, which consists of 7 members from different departments and levels.

Within the scope of WE Are Equal Program, we implement programs intended for development needs regardless of gender. We are committed to ensuring gender equality through various means such as Gender Equality Guide, Information Guide on Domestic Violence and Violence at the Workplace, AÇEV's Support Program for Fathers, and Corporate Social Responsibility Policy Against Violence.

### 2022 Highlights:

- Female employee rate was increased to 49% in office employees, 4% in site employees, and 15% in total.
- In 2022, 33% of site employees and 45% of office employees recruited were women.
- A "Maternity Room" was put into service at our Izmit plant.
- The shuttle bus routes were reviewed to ensure the safety of female employees working at night shifts.
- All committee members participated in Diversity and Inclusion Training provided.
- Human Resources team was provided with Zero Tolerance to Violence Training.

At İspak, there is no gender discrimination in practices and processes such as wages, promotion, or recruitment. In the

reporting period, there was no incident related to discrimination.

## Social Responsibility

At İspak, we are committed to improving the social welfare of the communities in which we do business. We participate in Kibar Volunteers Program, which was developed for social responsibility activities to be carried out on a voluntary basis by the employees of Kibar Holding and Group companies.

### Kibar Volunteers in 2022:

- Through Help Steps initiative, our volunteers took steps between January 7 and March 31 for "Gülme İyileştirir Derneği", a non-governmental organization in Istanbul, Türkiye.
- Through the Association of Private Sector Volunteers (ÖSGD), our volunteers served as mentors to 6 high school students studying at Darüşşafaka Schools. The goal of the project was to contribute to the development of the students in their personal and professional life.
- Within the scope of the floor painting project at Alikahya Primary School, a water-based paint suitable for interior surface application was selected, taking into consideration that the students would be in close proximity to the surfaces with paint application for a long period of time. The floor was painted by the volunteers.



# Our Management Approach

The objective of our management approach at Ispak is to keep up with the rapidly changing global conditions and create sustainable value for all our stakeholders. We strive to become an agile, innovative, and trustworthy organization, respecting people and the environment. We defined our management principles as resource efficiency, effective leadership, and transparent communication and we carry on our operations in line with these principles.

## Corporate Governance

We have adopted an accountable, ethical, and transparent management approach. Our Executive Board consists of 8 members and is the highest level strategic decision-making body of Ispak. The Board is responsible for determining corporate targets, ensuring compliance with corporate governance principles, determining and managing strategic orientations, and ensuring the functionality of risk management and control systems. The General Manager of Ispak is responsible for the implementation of the strategies determined by the Executive Board.

## Risk Management

Kibar Holding gives utmost importance to the early identification and active management of corporate risks that would pose any potential threat to its existence in order to be able to provide the highest value to its stakeholders as much as possible. Within this context, the goal is to

focus on compliance to risks, opportunities, and obligations by all employees in addition to their performance while carrying out their daily operations and thus, contributing to the sustainable growth of the company, through integration of the corporate risk management to company strategies and corporate culture. It is a requirement to evaluate and manage any kind of changes in line with this policy. In case any conflict of interest arises, protection of human life and the environment is prioritized during the assessment of risks.

Corporate risk management activities include the assessment of internal-external risk and opportunity elements, categorized as strategic, operational, financial, and regulatory that may occur depending on the company processes and strategic targets, as well as prioritization of such risks and opportunities as a result of assessment in line with the Company strategy and preferences.

Company senior management teams and executives are responsible for early identification of all risks pertaining to the company, creating necessary platforms for accurate assessment and efficient management of such risks, determination of strategy and actions required for efficient management of such risks, following up risk management action plans created by participating in risk assessment activities, creating company-specific policies and procedures related to risk management and following up processes to ensure that such processes are managed in line with these policies and procedures, creating risk

management reports and communicating risk management data to relevant persons by analyzing such data in an accurate, complete, and timely manner.

Ispak's risk management approach focuses on human rights and ethics. In the corporate risk inventory, risks related to environmental, social, and governance aspects are evaluated. Analyses and assessments under the following topics included in the corporate risk inventory can be given as examples: Environmental Risk, Fire Risk, Natural Disaster Risk, Occupational Health & Safety Risk, Misconduct Risk, Disruption of Peace at the Workplace Risk, Risk of Failure to Protect Fundamental Human Rights, Employee Rights and Sociocultural Rights, Economic and Political Risks. Reputational risks are also included in risk management activities. All risks identified are measured and analyzed together with their impact and consequences.

The Corporate Risk Map is updated annually through workshops with the participation of the representatives of the relevant units. The development status of medium and high-level risks is monitored in quarterly periods and communicated to the Company Risk Committee. Every six months, follow-up activities are carried out for defined actions and necessary revisions are made. With monthly activity reports, key risk indicators (KRI) based on specific subjects/processes are subject to follow-up. In addition, the KRI values that are exceeded are submitted to the committee's attention at the Kibar Holding Risk Committee meetings on a quarterly basis.



## Management of Climate-Related Risks & Opportunities

At İspak, we closely monitor climate-related risks and opportunities.

### Medium-term and long-term risks depending on Climate Change:

- Standards introduced for carbon border tax and eco-labeling for exports to the EU may cause extra cost in the compliance process.
- Packaging materials and products using plastic input are affected by certain regulations such as Circular Action Plan.
- Foreign investors and investment funds prefer making investments to green and sustainable companies.
- Export market loss may arise unless improvement and compliance activities are not undertaken.
- Shortage of resources, energy and water constraints may arise due to changing ecological conditions.
- There may be some delays related to compliance to the Clean Energy Strategy.
- There may be some challenges to access raw materials due to extreme weather conditions.
- Increase in transport charges may result in additional costs due to sustainable smart mobility trend.

Major trends introduced during the recent years to reduce the environmental impact allow production of packaging materials from sustainable resources and a closed-end cycle with circular economy wherever possible. Global companies have commitments to transform all packaging specifications to those of recyclable packaging by 2030 at the latest. Such changes in the form of packaging may be coupled with the food shortage that may arise from the allocation of agricultural lands intended for food production to industrial purposes and the reduction of biomass resulting from converting forested lands into agricultural lands.

With our innovation projects at İspak, we make positive contribution to environmental impact by carrying out activities to reduce energy consumption, use alternative raw materials, development of products with weight reduction as well as development of innovative products. Our goal is to improve energy efficiency based on product by focusing on packaging production adopting various approaches (e.g., compostable, recyclable, biodegradable, etc.) used in waste management in addition to these activities for which positive outcomes are achieved in the short term. We develop proactive projects by placing climate risks at the core of our business strategy.



## Internal Audit & Control

At İspak, internal audit and control activities are conducted to check compliance with the applicable legislation, corporate policies and principles as well as the strategic targets. Internal audit and control processes are carried out by the Internal Audit Department under the coordination of Kibar Holding and are based on International Internal Audit Standards and Kibar Holding's Code of Conduct. Audits performed by the Internal Audit VP are conducted in a risk and process-oriented manner. Internal audits are carried out in 4 areas: process audits, compliance audits, financial audits, and information technology audits. The risks identified with the audits are communicated to the relevant units together with the suggestions for improvement.

Corruption and misconduct issues were taken into consideration in all audits conducted in 2022. In the reporting period, no fines or corruption and/or misconduct incident due to illegal activity was reported.



## Business Ethics

Kibar Group's Code of Conduct provides the basic guidelines for activities related to business ethics at İspak. The Code of Conduct defines the responsibilities of the employees under applicable laws, against internal and external stakeholders, code of conduct in work life as well as the fundamental rights and obligations of the employees.

Kibar Group's Code of Conduct is composed of 7 main subjects as integrity, confidentiality, justice, quality and continuous development, conflict of interest, our responsibilities, and receiving/giving presents while all these subjects are defined in detail. The Code of Conduct document also contains case studies and examples of behavior expected from employees.

At İspak, all employees receive ethics training at certain intervals. Employees' perception and awareness are kept in check by posters with a theme, "Do you think it is ethical?" placed in common

spaces at the workplace.

At İspak, Code of Conduct Consultants have been assigned to provide support for all kinds of needs and questions of employees about the implementation of the Code of Conduct. A dedicated Ethics Hotline was created to be called, either within the Group or from outside, in case of any violation against the Code of Conduct. Reports that are made through this hotline are directly communicated to the Ethics Committee. All notifications received by the Ethics Committee by phone, e-mail and/or mail are handled and evaluated confidentially, appropriate units are assigned to take necessary actions, and all activities are carried out meticulously.

During the recruitment process at Kibar Group companies, employees are provided with a "Code of Conduct Manual," which explains the ethical principles of Kibar Group together with case examples. The last page of this manual is signed by the

employee in order to confirm that the employee has thoroughly read and understood the content, and then returned to the Human Resources department. In addition, all employees receive ethics training at certain intervals. Kibar Holding's Code of Conduct manual, which is made available to all employees in hard copy and also shared through the portal, contains the applicable rules and principles as well as expectations from the employees. In 2022, Ethics Training was provided online.

The Ethical Committee takes all necessary measures to prevent any form of negative consequences such as retaliation, pressure, and intimidation that may be directed against individuals who have reported any ethical violation.

In 2022, we were subject to Sedex SMETA Ethical audits for social compliance.

Please click [here](#) to access Kibar Holding's Code of Conduct.





## Anti-Bribery and Anti-Corruption

İspak does not tolerate bribery and corruption in any way due to its high business ethics understanding. Our approach to fight against bribery and corruption is defined in Kibar Holding's Code of Conduct. Compliance with the Code of Conduct is the responsibility of all İspak managers and employees. All İspak employees are obliged to report any breach of code of conduct or any suspicion of bribery and corruption as soon as they become aware of such acts. Anti-bribery and anti-corruption approach is also binding upon all relevant stakeholders, including suppliers and business partners in particular, in addition to our employees.

Kibar Group's code of conduct also covers anti-corruption activities and the Code of Conduct Manual is subject to review on a yearly basis. The corporate risk map of our company includes misconduct risks and necessary risk assessments are conducted. The efficiency of the internal audit environment for corruption risks is evaluated during both process audits and inspection & investigation activities whereas the results are reported accordingly. In addition, auditors assigned for the independent audit service provided constantly every year provide information about risks identified and their suggestions while we constantly improve our ways of doing business in the light of such insights.

In 2022, there was not any confirmed corruption incident.

## Business Continuity

Management of operational risks at İspak is carried out with the coordination of Risk Management, Insurance Management, and Risk Engineering departments within Kibar Group. The Risk Engineering department established within the Group's insurance and brokerage company identifies and monitors the findings that create operational risks in the production sites and presents its suggestions for the mitigation of these risks. Action plans determined for the effective management of operational risks are created by the participation of all relevant departments. The management procedure for such kind of risks in case of an incident is communicated to all employees.

At İspak, business continuity plans have been developed and implemented to ensure the continuity of business processes, products & services, and return all business processes back to normal operation in case of any interruption, crisis or disaster. Exercises and training activities organized on a yearly basis aim at improving the effectiveness of business continuity programs.

Our company has implemented emergency management procedures and plans as well as having dedicated teams. Emergency drills are conducted based on an annual plan. Necessary control processes are carried out based on a monitoring & measurement plan to ensure that the equipment to be used in case of any potential emergency is always readily available. Emergency teams are provided with necessary training and equipment.



Number of Planned Downtime	<b>2,468</b>
Number of Unplanned Downtime	<b>48,545</b>
Planned Downtime (in hours)	<b>36,996</b>
Unplanned Downtime (in hours)	<b>24,788</b>

# Annexes

<b>Employee Demographics*</b>			
<b>Employees</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Total number of employees	303	319	362
Total number of white-collar female employees	30	36	47
Total number of white-collar male employees	41	47	45
Total number of blue-collar female employees	4	5	7
Total number of blue-collar male employees	228	231	263
Total number of female employees	34	41	54
Total number of male employees	269	278	308
<b>Number of employees by age groups</b>			
Number of employees under 30 years old	44	37	64
Number of employees between 30-50	246	254	270
Number of employees 50 years and over	13	28	28
<b>Total number of senior executives</b>			
Number of female executives	3	5	4
Number of male executives	10	11	12
Female Executive Rate (%)	23%	31%	25%
<b>Parental Leave</b>			
Number of female employees on maternity leave	2	1	2
Number of male employees on paternity leave	16	18	26
Number of female employees returning from maternity leave	2	2	2
Number of male employees returning from paternity leave	16	18	26
<b>Employee Development</b>			
<b>Training Activities</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Blue-Collar	488	1,111	369
White-Collar	322	709	274
Female	202	358	173
Male	608	1,462	470
Total	810	1,820	643

<b>Employee Training Activities - Total Hours (hours)</b>			
Blue-Collar	1,430	1,587	175
White-Collar	790	1,766	542
Female	448	899	337
Male	1,760	2,454	380
Total	2,208	3,353	717
<b>Training Hours Per Employee</b>	<b>7.29</b>	<b>10.51</b>	<b>1.98</b>
<b>Number of Employees Participating in Performance Evaluation</b>			
Blue-Collar		-	-
White-Collar		82	79
Female		37	38
Male		45	41
Total		82	79
<b>Occupational Health &amp; Safety</b>			
	2020	2021	2022
Direct Employment			
Female	0.00	0.00	9.66
Male	27,82	29,26	18,33
<b>Accident Severity Rate</b>			
Direct Employment			
Female	0,00	0,00	0,10
Male	0,67	0,33	0,11
<b>Occupational Disease Rate (ODR)</b>			
Direct Employment			
Female	0	0	0
Male	0	0	0
Contractor's Employees			
Female	0	0	0
Male	0	0	0

<b>Fatal Accidents</b>			
Direct Employment			
Female	0	0	0
Male	0	0	0
Contractor's Employees			
Female	0	0	0
Male	0	0	0
<b>Occupational Health and Safety Management</b>			
	2020	2021	2022
Total number of employees participating in OHS Training activities	335	320	954
Total number of contractor's employees participating in OHS Training activities	196	291	470
Total hours of OHS training provided to employees	2,583	1,685	1,393
Total hours of OHS training provided to contractor's employees	122.0	153.0	235.0
<b>Occupational Health and Safety Management</b>			
	2020	2021	2022
Number of established OHS Committees	1	1	6
Total Number of Members in Established OHS Committees	17	10	11
Number of Representatives in Established OHS Committees	3	3	4
<b>Supply Chain Management</b>			
	2020	2021	2022
Number of Domestic Suppliers	48	47	53
Number of Foreign Suppliers	40	40	42
Local Supplier Rate (%)	55%	54%	56%
Foreign Supplier Rate (%)	45%	46%	44%

<b>Economic Indicators and Annexes</b>			
	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Sales</b>			
Sales Rates (Türkiye, International)	85%	78%	69%
Export Regions Rate	15%	22%	31%
Net Sales Revenue	386,450,707	653,435,084	1,790,390,736
<b>Product Quality and Safety</b>			
Number of Audits Conducted			14
<b>Gender Equality and Equal Opportunities</b>			
Number of female employees recruited in 2022			17
Rate of female employees recruited in 2022			27%
<b>Employee Development and Talent Management</b>			
Number of Performance Feedback			80
Rate of Employees Receiving Performance Feedback			85%
<b>Total Training Hours</b>			
Environmental Training			
Our Future Is Within			4
Power Is Within Us Development Program			
Managerial Development Program			
Specialist Development Program			
Leadership Development Program			
Development Ambassadors			
Other			
<b>Employee Engagement and Communication</b>			
Employee Satisfaction Score			69%
BizPlus			315 gift certificates were given to 297 employees
BizFlex			
K-Team			5
Kibar Sports Fest			
<b>Sustainability in Supply Chain</b>			
Number of companies audited			32

<b>Environmental Performance Indicators</b>			
<b>Use of Natural Resources</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Production output (tons)	10,265	21,825	25,677
Consumed raw materials (tons)	25,939	28,363	33,240
The amount of recycled/recovered raw materials used as inputs (tons)			
The rate of recycled/recovered raw materials used as inputs (%)			
Use of raw materials with low environmental impact compared to their counterparts			
Use of raw materials with green (i.e., eco-friendly) product certificates			
Use of raw materials in compliance with circular economy principles			
<b>Water Management (m<sup>3</sup>)</b>			
Well water consumption (m <sup>3</sup> )	0	0	0
Municipal water consumption (m <sup>3</sup> )	35,668	44,826	40,974
Total Water Consumption (m <sup>3</sup> )	35,668	44,826	40,974
Water Intensity (m <sup>3</sup> /ton)	3.47	2.05	1.60
<b>Waste Management</b>			
<b>Total hazardous waste amount (tons)</b>	<b>683</b>	<b>632</b>	<b>713</b>
Energy Recovery	22.00	146.00	97.00
Recovery	661.00	486.00	616.00
Landfill	0.03	0.05	0.00
Waste Incineration	0.00	0.00	0.00
Other	0.00	0.00	0.00
<b>Total non-hazardous waste amount (tons)</b>	<b>3,454</b>	<b>4,005</b>	<b>4,083</b>
Energy Recovery	744.00	465.00	669.00
Recovery (tons)	2.53	3.35	3.23
Landfill (tons)	180.00	190.00	182.00
Waste Incineration	0.0	0.0	0.0
Other	0.00	0.00	0.00
<b>Total Amount of Waste (tons)</b>	<b>4,137.41</b>	<b>4,636.77</b>	<b>4,796.42</b>
<b>Total amount of recycled/recovered waste (tons)</b>	<b>3,957.00</b>	<b>4,447.00</b>	<b>4,614.00</b>
<b>Recycled/recovered waste rate (%)</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>
<b>Waste Intensity (ton/ton)</b>	<b>0.4031</b>	<b>0.2125</b>	<b>0.1868</b>

<b>Combating Climate Change</b>			
<b>Direct Energy Consumption (GJ)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Natural gas	120,394	141,413	155,271
Diesel	386	476	418
Gasoline	1,442	1,755	2,729
Other	-	-	-
Total Direct Energy Consumption	122,222	143,643	158,419
<b>Indirect Energy Consumption (GJ)</b>			
Electricity	57,607	64,243	66,331
Total Indirect Energy Consumption	57,607	64,243	66,331
Total Energy Consumption			
Total Energy Consumption (GJ)	179,828	207,887	224,750
Energy Intensity (GJ/ton)	17.52	9.53	8.75
<b>Renewable Energy Production</b>			
Renewable Energy Production (GJ)	-	-	-
<b>Emissions</b>			
Scope 1 Emissions (tons, CO <sub>2</sub> e)	6,883.00	8,090.00	8,931.00
Scope 2 Emissions (tons, CO <sub>2</sub> e)	7,265.00	8,461.00	8,457.00
Scope 3 Emissions (tons, CO <sub>2</sub> e)	256	336	384
Greenhouse gas (GHG) emission density (tons, CO <sub>2</sub> e/ton)	1.40	0.77	0.69
Number of trees planted	0	0	0

# GRI Content Index

## GRI MARK

GRI Services reviewed this report to confirm that the GRI content index for Content Index – Essentials Service is presented in a clear manner consistent with the applicable standards and the references related to the descriptions from 2-1 to 2-5 as well as 3-1 and 3-2 comply with the relevant sections of the report. This service was provided in reference to the Turkish version of the report.

### GRI CONTENT INDEX

Declaration of Use	İspak Ambalaj issued this report covering the period between January 1st, 2022 and December 31st, 2022 in accordance with GRI Standards.
GRI 1 Use	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	/

GRI STANDARD/ OTHER REFERENCE	DESCRIPTION	SECTION	EXCLUDED		
			Excluded Requirements	Reason	Description
<b>General Disclosures</b>					
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us, page 6			
	2-2 Entities included in the organization's sustainability reporting	Introduction & About The Report, page 2			
	2-3 Reporting period, frequency and contact point	Introduction & About The Report, page 2			
	2-4 Restatements of information	GRI Content Index: There is no restatement of information in the report.			
	2-5 External Assurance	GRI Content Index: External assurance was not provided.			
	2-6 Activities, value chain and other business relationships	About Kibar Holding, page 6 About Us, page 6 <a href="https://www.ispak.com/tr-tr/kurumsal/hakkimizda">https://www.ispak.com/tr-tr/kurumsal/hakkimizda</a>			
	2-7 Employees	Performance Indicators, Employee Demographics, page 38			
	2-8 Workers who are not employees	GRI Content Index: Security, cleaning, catering, and shuttle bus services are provided externally by subcontractors. The number of subcontractor workers are 41.			



GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Corporate Governance, page 34			
	2-10 Nomination and selection of the highest governance body	Corporate Governance, page 34			
	2-11 Chair of the highest governance body	Corporate Governance, page 34			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Management, page 11			
	2-13 Delegation of responsibility for managing impacts	Sustainability Management, page 11			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, page 11			
	2-15 Conflicts of interest	Business Ethics, page 36			
	2-16 Communication of critical concerns	Introduction & About the Report, page 2 Communication with Our Stakeholders, page 13 Employee Development and Satisfaction, page 31			
	2-17 Collective knowledge of the highest governance body	Sustainability Management, page 11			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance, page 34			
	2-19 Remuneration policies	Gender Equality and Equal Opportunities, page 32 <a href="https://www.ispak.com/tr-tr/insan-kaynaklari/ucret-ve-yan-haklar">https://www.ispak.com/tr-tr/insan-kaynaklari/ucret-ve-yan-haklar</a>			
	2-20 Process to determine remuneration	<a href="https://www.ispak.com/tr-tr/insan-kaynaklari/ucret-ve-yan-haklar">https://www.ispak.com/tr-tr/insan-kaynaklari/ucret-ve-yan-haklar</a>			
	2-21 Annual total compensation ratio	GRI Content Index: Since İspak is not a publicly listed company, remuneration information is not disclosed.			
	2-22 Statement on sustainable development strategy	Sustainability at İspak, pages 9-11			
2-23 Policy commitments	Sustainability at İspak, pages 9-11 Initiatives We Support, page 14				

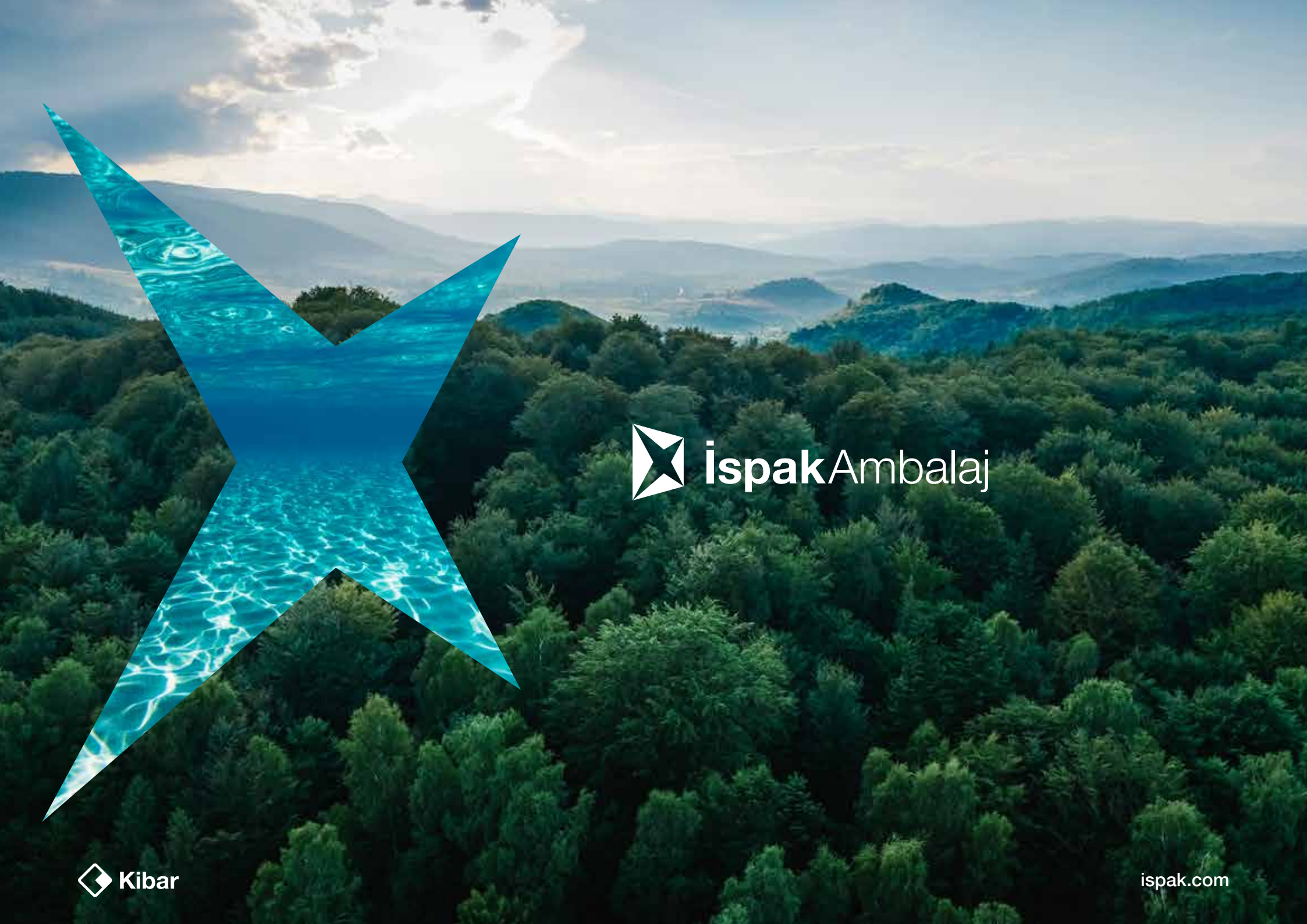
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Sustainability at İspak, pages 9-11			
	2-25 Processes to remediate negative impacts	Sustainability at İspak, pages 9-11			
	2-26 Mechanisms for seeking advice and raising concerns	Introduction & About the Report, page 2 Communication with Our Stakeholders, page 13 Employee Development and Satisfaction, page 31			
	2-28 Membership associations	Affiliated Organizations, page 14			
	2-29 Approach to stakeholder engagement	Communication with Our Stakeholders, page 13			
	2-30 Collective bargaining agreements	GRI Content Index: There is no collective bargaining agreement at İspak.			
<b>Prioritized Issues</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability at İspak, pages 9-11			
	3-2 List of material topics	Our Sustainability Strategy: Vision 2030, pages 10-11			
<b>Occupational Health &amp; Safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health & Safety, pages 30-31			

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health & Safety, pages 30-31			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health & Safety, pages 30-31			
	403-3 Occupational health services	Occupational Health & Safety, pages 30-31			
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	403-5 Worker training on occupational health and safety	Performance Indicators-Occupational Health and Safety Training, page 40			
	403-6 Promotion of worker health	Occupational Health & Safety, pages 30-31			
	403-7 Prevention and mitigation of OHS impacts directly linked by business relationships	Occupational Health & Safety, pages 30-31			
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development and Satisfaction, pages 31-32			
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 **İspak**Ambalaj