

Sustainability Report 2024



Contents

02 Introduction and About the Report

04 CEO Message

05 General Manager Message

07 About Kibar Holding

08 About Us

09 Vision & Mission – Values

10 Highlights of 2024

11 Awards We Won in 2024

12 Our Products

13 Sustainability at İspak

15 Our Sustainability Strategy: Vision 2030

24 Initiatives We Support

25 Stakeholders

- Customer Satisfaction
- Product/Solution Quality and Safety
- Research and Development and Innovation
- Digitalisation and Data Security
- Supply Chain Management
- Risk Management
- Business Continuity

39 Environment

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

55 Social

- Occupational Health and Safety
- Employee Development and Satisfaction
- Gender and Opportunity Equality
- Social Responsibility
- Corporate Governance Practices
- Business Ethics

66 Appendices

- Stakeholder Communication
- Performance Tables
- GRI Content Index



About the Presentation and Report

With our third sustainability report published this year, we aim to share our performance in economic, social and environmental areas and our approach to sustainability with all our stakeholders. The information presented in the report concerning the period from 1 January 2024 to 31 December 2024 covers all our areas of operation.

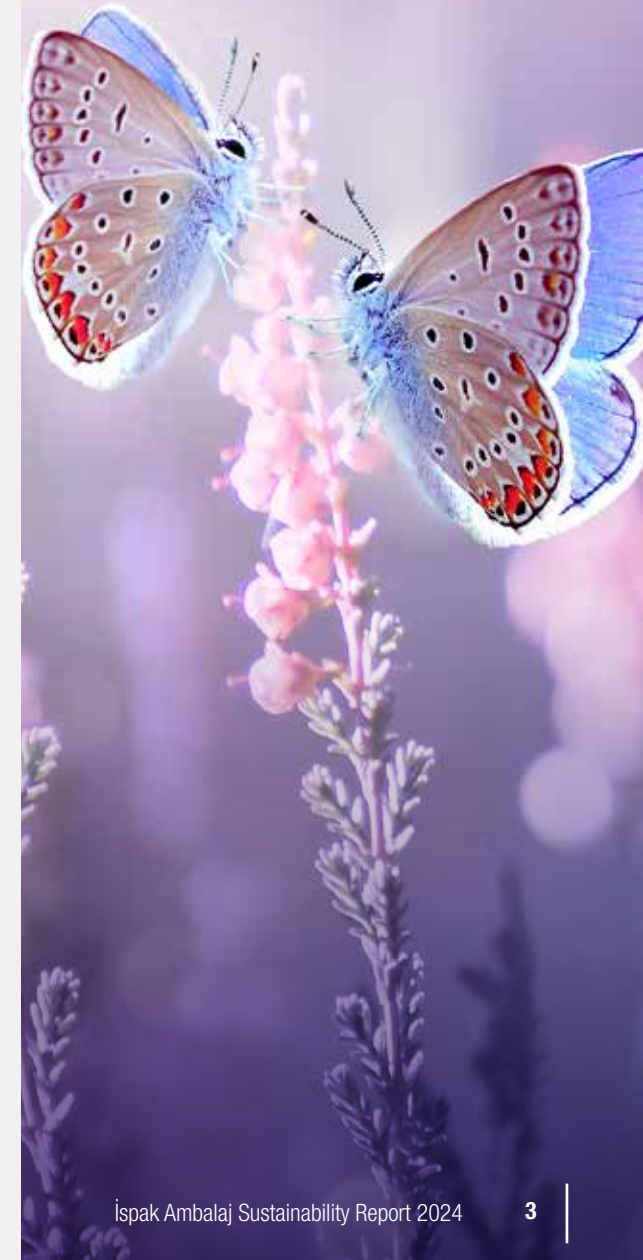
Prepared in accordance with GRI Standards, the report also includes our contributions to the United Nations Sustainable Development Goals and our performance under the United Nations Global Compact (UNGC).

In our 2024 report, we have maintained the three-part structure we created in line with our sustainability strategy, 'Vision 2030'. Under the heading 'Stakeholders,' we have included our efforts in customer satisfaction, product quality and safety, R&D, innovation, digitalisation, data security, supply chain, risk management, and business continuity.

In the 'Environment' section, we summarised our environmentally friendly products, energy and resource management, emissions, waste and water management, as well as our circular economy and biodiversity initiatives.

In the 'Social' section, we shared our efforts in occupational health and safety, employee development and satisfaction, social responsibility, equal opportunities, corporate governance and business ethics.

You can send us your feedback and suggestions regarding the report via info@ispak.com.



Message from the CEO

Esteemed Stakeholders,

We are living in a period of rapid change, where social expectations are diversifying and the risks facing our planet are becoming more visible. In such an environment, we are entering a new era where organisations are defined not only by their economic success but also by their environmental and social impact. As Kibar Community, in 2024, we remain committed to accurately interpreting the spirit of this era, redefining our business practices in line with sustainability principles, and creating long-term value for all our stakeholders.

We are delighted to share İspak 2024 Sustainability Report with you. This report reflects the concrete steps we have taken in the field of sustainability, the principles we have adopted, and our vision for the future.

We position sustainability as one of the fundamental elements of our long-term value creation approach. As the Kibar Community, we address economic growth in every sector we operate in a holistic manner in line with sustainability principles, and systematically manage our environmental, social and governance impact. We integrate all sustainability-focused risks and opportunities, particularly climate change, into our decision-making processes; we focus on using natural resources efficiently, contributing to the circular economy, and developing sustainability-focused products through innovative solutions and environmentally friendly technologies.

Kibar Group has developed its 2025 Sustainability Strategy in line with the United Nations Sustainable Development Goals and is resolutely pursuing the targets it has set in this direction. We approach sustainability with a holistic understanding that encompasses economic development, environmental responsibility, and social contribution, and we work together with our stakeholders to embed this approach throughout our entire value chain. The steps we have taken to achieve these goals by 2024 have enabled us to make significant progress in areas such as integrating innovative technologies into our business operations, expanding environmentally friendly production practices, and increasing our contributions to society.

With its facility that is the largest single flexible packaging investment ever made in Turkey, İspak is one of the strategically important companies of the Kibar Group. It ranks among the leading companies in its sector with its production infrastructure that complies with international standards, automation-focused processes and high technology level. Committed to sustainability across all its operations, İspak distinguishes itself through its environmentally conscious approach, innovative structure, and flexible production model tailored to customer needs. Operating in line with Industry 4.0 principles, İspak continues its activities with the vision of being a preferred business partner and employer, driven by its dynamic and solution-oriented structure.

İspak contributes to its customers' efforts to reduce their carbon footprint by offering sustainable products and production processes through its R&D Centre, Solvent Recovery Plant, and the İspak Green brand, which provides recyclable and biodegradable product options. These efforts aim to optimise resource use and reduce environmental impact in line with circular economy goals. Offering its employees a safe, inclusive and continuously improving work environment, İspak considers its human resources to be its most important asset and views employee happiness as a critical factor for long-term success. Additionally, İspak actively supports social responsibility projects of the Kibar Group, prioritising the creation of social value.

I would like to express my pride on behalf of our Group for the investments made by İspak, which is advancing towards becoming a leading player in the flexible packaging sector both in Turkey and in our region, in line with this vision. I would like to express my sincere gratitude to all our business partners, customers, stakeholders and valued colleagues who have contributed to this journey of success.

Haluk Kayabaşı
CEO
Kibar Holding



Message from the General Manager

Esteemed Stakeholders,

2024 was a year marked by global economic fluctuations and risks linked to the climate crisis, while in our country, social and economic developments played a decisive role. In this dynamic environment, as İspak Ambalaj, we acted with a sense of environmental, social and economic responsibility; we remained committed to both maintaining our operations without interruption and focusing on our long-term goal of creating sustainable value. We believe that every step we take in line with our community's sustainability vision contributes meaningfully not only to our company but also to the society and environment in which we operate.

We are proud to share our third sustainability report with you, transparently detailing our progress and goals in this area.

We are taking concrete steps to combat climate change.

As İspak, we have been operating for over 50 years with a commitment to sustainable growth and creating value for our stakeholders. In line with our sustainability goals, we have committed to the Science Based Targets initiative (SBTi) to play a more active role in combating climate change in 2024, thereby becoming an official participant in this area. This step not only deepens our environmental responsibilities but also reinforces our commitment to leaving a tangible legacy for the future.

Turkey's packaging sector: We are demonstrating our resilience despite global economic challenges.

2024 was a year in which global economic uncertainties and trade challenges also had an impact on the Turkish economy. Despite these challenging conditions, Turkey's packaging sector achieved a small increase in exports compared to the previous year, reaching 6.95 billion dollars. Although exports decreased by 8% in terms of volume, the trade surplus increased to 2.68 billion dollars, positively impacting the sector's trade balance. Plastic packaging continued to be the largest component of exports, accounting for 64% of the total. 2024 was recorded as a year in which Turkey's packaging sector increased its trade surplus, demonstrated resilience despite challenging economic conditions, and continued to strengthen its position in global markets.

We are accelerating the green transition and increasing our environmental responsibility.

The transition to a green economy in the wake of climate change brings both risks and significant opportunities for the packaging sector. With regulations such as the European Green Deal and Carbon Border Adjustment Mechanism, proactively managing climate risks is becoming a necessity for all sectors. At İspak, we are analysing the impact of this transformation on our operations and making our business plans resilient with alternative scenarios. Increasing environmental awareness, hygiene sensitivities, and trends like e-commerce are accelerating our efforts to develop sustainable packaging solutions, while demand for products with a low carbon footprint and recyclability is opening new growth opportunities for the sector.



Message from the General Manager

As İspak, we place innovation at the heart of our green transformation strategy in line with our goal of reducing our environmental impact. In 2024, we have allocated a significant portion of our innovation budget to products with reduced environmental impact. Under the İspak Green brand, we offer sustainable products that provide our customers with environmentally friendly options, while our collaboration with TIPA (Transparent and Flexible Compostable Packaging) enables us to offer compostable packaging solutions in the flexible packaging market (2023). TIPA's high-barrier laminates, available in transparent and metallised options, strengthen our environmentally friendly product portfolio. Additionally, our Solvent Recovery Plant at our İzmit factory recovers 4,000 tonnes of solvent annually, repurposes it for energy, and reduces primary solvent usage, thereby contributing to resource efficiency.

We ensure energy and emission efficiency.

We have also made progress in energy and emissions efficiency. In 2024, we managed to reduce our energy intensity by 1% and our emissions intensity by 1.3% compared to the 2020 base year. During the same period, we increased the amount of waste we recycled by 32% compared to the 2020 base year, reaching 5,204 tonnes. These concrete achievements demonstrate that we are systematically fulfilling our environmental responsibilities and are steadfastly moving towards a more sustainable production model.

We focus on the well-being of our employees and our social contributions.

As İspak, we continue to create a safe, equal and flexible working environment for our employees. In 2024, we aim to strengthen this culture by continuing our investments in occupational health and safety. Additionally, in line with our commitment to increase the proportion of female employees, we have raised the percentage of female employees to 18% and the percentage of female managers to 25%. The percentage of female white-collar employees stands at 47.8%.

In order to adapt to the changing business world after the pandemic, we launched the 'Work is Ours, Life is Ours' project in 2022 and expanded its scope in 2023 to make flexible working models permanent. With this model, we aim to increase the productivity of our employees by maintaining their work-life balance.

We continue our social responsibility projects with the aim of contributing to the improvement of social welfare in the regions where we operate. In 2024, we continued to spread the sustainability approach in our value chain through the K-STAR Supplier Development Programme carried out within Kibar Holding.

We continue to work for a better future. At İspak, we are committed to providing reliable products, being a good employer for our employees, a reliable business partner for our suppliers, and making sustainable contributions to the country's economy. I would like to express my sincere gratitude to all our colleagues who have contributed to this process with their hard work, as well as to our customers, business partners, and stakeholders who have placed their trust in us. With their support, we will continue to work together to achieve a better future.

Best regards,
Hakan Koçoğlu
General Manager
Kibar Holding



About Kibar Holding

Founded in 1972, Kibar Holding is one of Turkey's leading business groups, operating in six different sectors. Since its inception, it has made a significant contribution to the country's economy and the improvement of social welfare.

As of the end of the year, Kibar Group operates in the metal, automotive, packaging, construction materials, real estate, logistics, energy and services sectors with over 20 companies and more than 5,000 employees. It exports to over 100 countries across five continents and holds a leading position in its sector.

Among Kibar Group's global business partners are world-leading brands in their respective industries, including Hyundai, POSCO, Seoyon E-Hwa, and Heritage. Kibar Holding and its group companies contribute significantly to the Turkish economy through their high production capacities, employment opportunities, exports, and investments in the community.



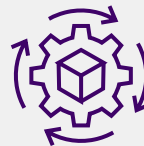
6 different
sectors



5,000 +
employees



export to over **100** countries
in **5** continents



high
production capacity

About Us

With over 50 years of experience and R&D work, İspak Ambalaj is one of Turkey's most established manufacturers, offering integrated packaging and technical foil production, from raw material procurement to coating, lamination and extrusion processes, printing and slitting processes, and delivery of special packaging products.

In the İzmit Asım Kibar Organised Industrial Zone, we have increased our production capacity to 35,000 tonnes per year in our factory equipped with an automatic warehouse, hygienic production areas and solvent recovery systems, which is the most significant investment ever made in the flexible packaging sector in a single phase, and designed with Industry 4.0 technologies. With our expertise in flexible packaging production and our ability to offer a wide range of production applications, we manufacture packaging solutions for chocolate, confectionery, dairy products, beverages, dried fruits and snacks, medical supplies and pharmaceutical packaging, hygiene products, pet food, and tobacco products. We also offer products designed to meet industry-specific requirements for engineered foils used in climate control and insulation products.

At İspak, we proudly serve many large Turkish and international companies. At the core of our business is always producing high-quality, sustainable, cost-effective, and user-friendly products.

High Technology and Quality

With our factory, which is the largest single investment in flexible packaging in Turkey, we manufacture products that meet international standards, supported by automation, high technology and quality.



Izmit production factory



Istanbul/Tuzla production facility



Izmir sales office



Istanbul/Ataşehir sales office



Exports to 70 countries
and 5 continents



2 Production Groups



2 Production Facilities



50 Years of Experience

Vision & Mission – Values

Vision:

To be an innovative, fast and global solution partner

Mission:

With our globally conscious and value-adding approach, we offer products and solutions that make life easier in the flexible packaging, climate control and insulation sectors.

Values:



TRUST:

Trust comes from our expertise and our passion for our work. We aim to work in a way that ensures trust in ourselves and our organisation under all circumstances. The trust we have built with all our stakeholders over the years is at the core of the values that make us who we are.



FLEXIBILITY AND AGILITY:

We follow global developments, adapt to change and develop flexible solutions accordingly.



RESPECT:

We respect work, effort, and different ideas and opinions. We embrace impartiality and demonstrate a fair and honest approach.



INNOVATION:

We strive for continuous improvement through R&D, develop a vision and create technological products and innovative projects.

2024 Highlights



Production Capacity:
35,000 tonnes



Capacity Utilisation Rate:
71%



Total Production Volume:
24,962 tonnes



Number of Employees:
427



Export Ratio:
35%



Total Hours of Occupational Safety
and Health Training Provided to Employees:
2,762 hours



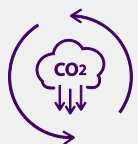
Local Supplier Ratio:
89%



Recycled/Recovered Waste Ratio:
96%



Reduction in Energy Intensity:
1%*



Reduction in Emission Intensity:
1.3%*



Share of Environmentally Friendly Products
in the Product Development Budget:
50%



EcoVadis Gold Medal

*Change rates are based on 2020 figures.

Awards in 2024

Asim Kibar Blue Drop Awards – Winner of Customer Changemakers Category

Single Ply Paper Inner Liner Packaging:

The cigarette inner wrapping packaging, which currently consists of a composite structure made of aluminium and paper, has been produced in a single-layer paper structure with this project. As a result, the entire cigarette package is now made of fully recyclable paper/cardboard.

Asim Kibar Blue Drop Awards – Innovators Shaping the Future Category Second Place

RefBack Plus: An Alternative to Metal Sheet:

Within the scope of this project, a more affordable alternative consisting of durable aluminium and cardboard with similar strength to sheet metal was developed for refrigerator structures using sheet metal rear panels. İspak sole registered patent was also obtained with this project.



EcoVadis 2024 – Gold Medal

In 2024, we achieved a score of 73 in the EcoVadis assessment, placing us in the top 5% of reporting companies, and were awarded the Gold Medal. This award demonstrates the global recognition of our effective sustainability practices and vision for development. EcoVadis is an independent sustainability rating platform that evaluates companies' environmental, social, and ethical performance on a global scale.

Our Products

Flexible Packaging

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



Engineered Foils

- Climatization
- Isolation
- Refrigerator Back Panel



Sustainability at İspak

At İspak, our approach to sustainability is based on a balanced economic growth model that takes social and environmental factors into account, the adoption of sustainability as a way of doing business and its integration into our corporate culture, the development of necessary policies and strategies, the institutionalisation of related activities, the integration of sustainability into all operations and processes, and the encouragement of stakeholders in the area of sustainability.

We are committed to developing sustainable products and becoming an employer and business partner of choice. We operate with a vision of being an innovative, fast and global solution partner, and we embrace sustainability as our brand value. We integrate our economic, social and environmental impacts into all decision-making processes and adopt a participatory, innovative, reliable, environmentally conscious and people-oriented management approach.

We shape our sustainability philosophy in line with the sustainability principles of the Kibar Group, under whose umbrella we operate, the United Nations Global Compact, which we have signed, and the sectoral requirements and expectations of our stakeholders.

How Did We Set Our Priorities?

We identified our sustainability priorities in 2022 as part of our prioritisation process to develop our sustainability strategy. In 2023, we reviewed the priorities we set in 2022 and made some updates in line with industry requirements. While our list of priority issues remained

the same, we grouped the corresponding focus areas under three headings: 'Social,' 'Environmental,' and 'Stakeholder.' We included the priority issues we reassessed in 2024 in our Prioritisation Matrix.



Our Sustainability Strategy: Vision 2030

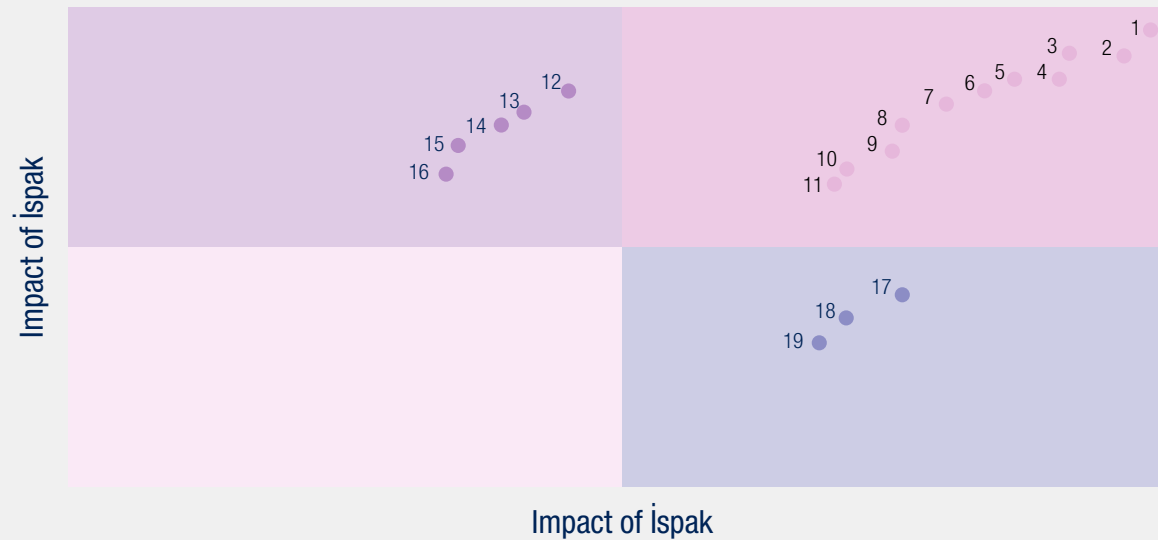
We have defined our Vision 2030, which sets out our sustainability priorities and roadmap for the period 2022-2030, focusing on the axes of 'Social', 'Environment' and 'Stakeholders'.

What Are We Targeting?

In line with our Vision 2030 strategy, we aim to improve our sustainability performance and contribute to the UN Sustainable Development Goals for the 2022-2030 period through the targets we have set. Within the framework of our sustainability strategy, we have set targets and performance indicators for our main performance areas. These targets can be accessed from the relevant pages.



İspak Prioritization Matrix



Very High Priority

1. Customer Satisfaction
2. Environmentally Friendly Products
3. Occupational Health and Safety
4. Business Ethics
5. Research and Development (R&D) and Innovation
6. Energy and Emissions Management
7. Digitalisation and Data Security
8. Product/Solution Quality and Safety
9. Supply Chain Management
10. Circular Economy
11. Waste Management

High Priority

12. Water Management
13. Risk Management
14. Business Continuity
15. Gender and Opportunity Equality
16. Social Responsibility

Priority

17. Corporate Governance Practices
18. Employee Development and Satisfaction
19. Biodiversity



Our Sustainability Strategy: Vision 2030

Social

Occupational Health and Safety
Employee Development and Satisfaction
Gender and Opportunity Equality
Social Responsibility
Business Ethics
Corporate Governance Practices

Vision 2030

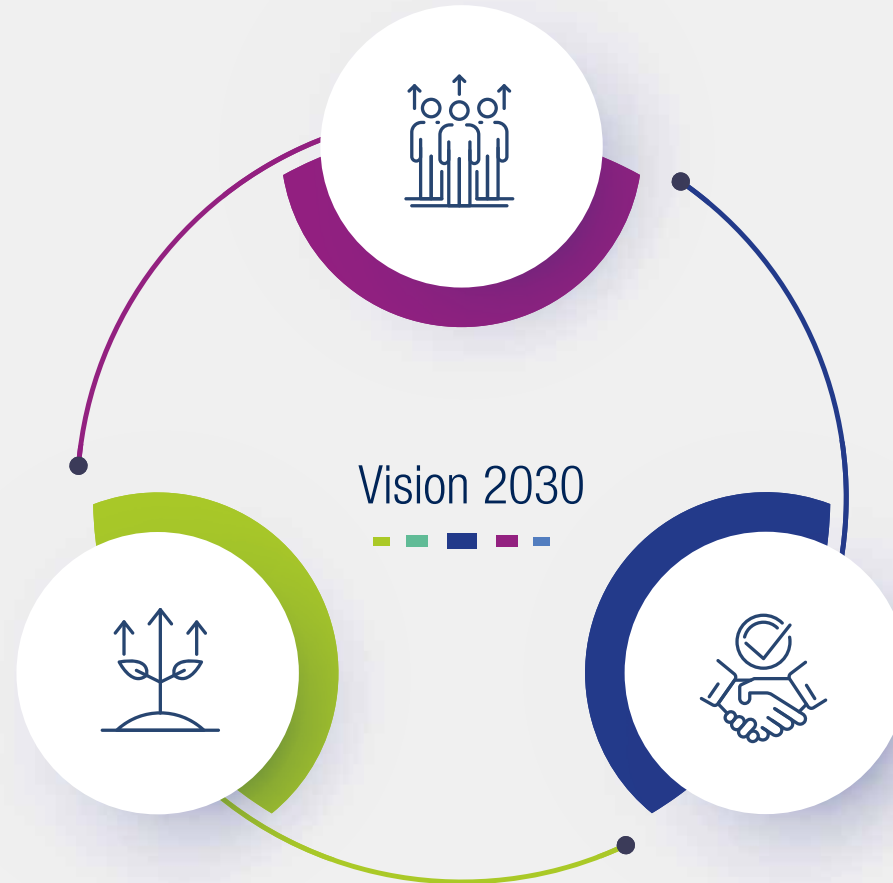


Environment

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

Stakeholders

Customer Satisfaction
Product and Solution Quality and Safety
R&D and Innovation
Digitalisation and Data Security
Supply Chain Management
Risk Management
Business Continuity



Sustainability Trends in 2024 and İspak's Approach

In 2024, the packaging industry has undergone a major transformation in line with sustainability goals. This change presents both a necessity and an opportunity to gain a competitive advantage for flexible packaging manufacturers such as İspak.

Transition to Monomaterial Packaging

Instead of multi-layered structures, single-material (monomaterial) solutions that facilitate recyclability have come to the fore.

Opportunities for İspak:

- Development of single-layer packaging solutions based on PE or PP
- Adding value to brands by offering structures that are easier to integrate into the recycling chain
- Facilitating compliance with regulations in Turkey and Europe

Related Product:

- "RecycleReady PE" and "Mono PE" solutions are perfectly aligned with this trend. These products offer monomaterial structures that maintain high barrier properties, particularly in food packaging.

Bioplastic and Compostable Materials

PLA, PHA, starch or cellulose-based biodegradable films have become more accessible.

Opportunities for İspak:

- Producing compostable solutions for food packaging
- Reducing carbon footprint with bio-based alternatives
- Strengthening green marketing strategies

Related Product:

PLA-based solutions developed under the 'BioFlex' product family are suitable for brands that prioritise sustainability, especially in products with a short shelf life.

Carbon Footprint Calculation and Transparency

Our customers are increasingly demanding transparent data on the carbon footprint of packaging and engineered foils. This is encouraging companies to invest in LCA (Life Cycle Assessment) and environmental declarations.

Opportunities for İspak:

- Establishing a carbon footprint calculation infrastructure on a product basis
- Gaining a competitive advantage by transparently sharing LCA results
- Including measurable indicators in sustainability reports

Our Related Process:

The 'GreenMeter' labelling system can be integrated as a tool that provides customers with information about the carbon footprint of packaging.

Circular Economy-Focused Design

There is a growing trend towards reusable, refillable and recyclable packaging designs, moving away from single-use structures.



Sustainability Trends in 2024 and İspak's Approach

Opportunities for İspak:

- New product types such as refillable pouches and reusable sachets
- R&D-focused solutions based on the principle of design for recyclability
- Product design integrated with recycling infrastructure in collaboration with customers

Related Product:

Reusable doypack solutions developed under the 'LoopFlex' concept are leading the way in this field.

Use of Green Chemicals (Ink and Lamination)

Solvent-free laminations, water-based inks and environmentally friendly adhesives are becoming more widespread.

Opportunities for İspak:

- Switching to water-based ink
- Widespread use of solvent-free systems in lamination lines
- Differentiation with products that have a high chemical sustainability profile

Related Product:

The 'EcoLam' series directly supports this trend with its product range that optimises solvent-free lamination and water-based ink use.

Regulatory Compliance and Reporting Requirements

The EU Green Deal and Turkey's Zero Waste regulations require companies to become transparent and traceable in terms of sustainability.

Opportunities for İspak:

- Gaining a competitive advantage by complying with regulations in advance
- Accelerating sustainability labelling and product certification
- Achieving a leading position in corporate sustainability reporting

Related Products:

The entire 'EcoSeries' product range has been designed in accordance with local and international regulations, and its recyclability rates can be documented.

Sustainability Management

A Sustainability Committee has been established to determine İspak's sustainability approach, develop policies and strategies, prepare action plans, set targets and monitor sustainability performance. This committee meets every three months to evaluate the progress of sustainability activities within the company and make guiding decisions for necessary improvements. The members of the Sustainability Committee include the Strategy and Process Development Manager, Senior Sustainability Specialist, HR Director, Marketing Manager, Supply Chain Manager, Project and Technical Maintenance Manager, R&D and Applied Engineering Manager, Sales Director, Digital Transformation Manager, and Senior Quality Management Systems Specialist.

At İspak, the Sustainability Unit, which operates under the Strategy Directorate, is responsible for monitoring the company's sustainability goals and performance. This unit is also tasked with raising awareness of sustainability within the company, strengthening coordination, monitoring external activities, and ensuring that best practices in sustainability are integrated into company processes. Twice a month, reports on sustainability-related activities are submitted to senior management, feedback is gathered, and new plans are developed based on this feedback.

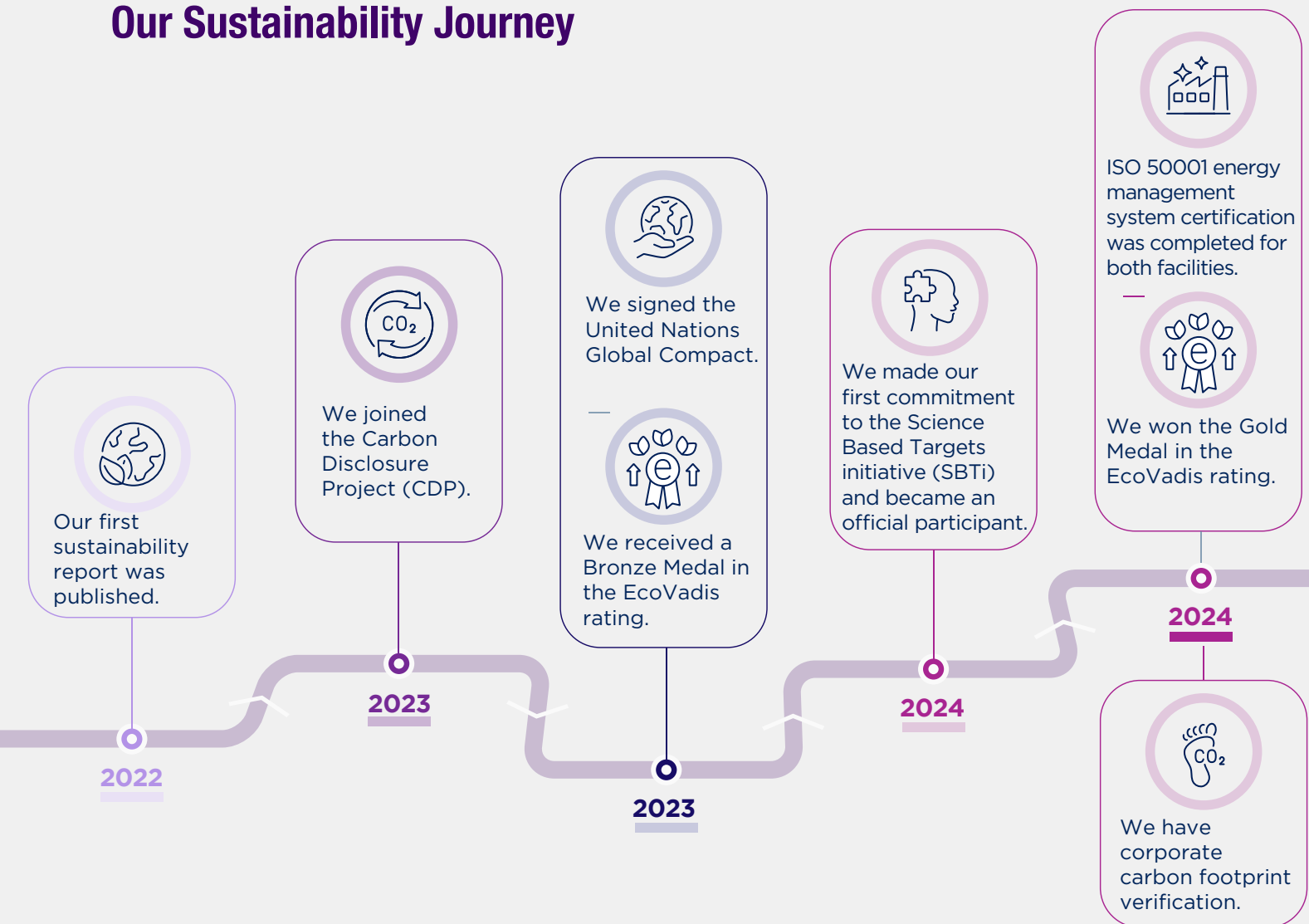
İspak is also a member of the Kibar Holding Sustainability Committee and Sustainability Working Group. The Committee, which is responsible for determining the sustainability strategy and setting the goals of the Kibar Group, consists of the holding's functional managers and the general managers of the group companies. The Sustainability Working Group consists of managers from Human Resources, Finance, Strategy, Procurement, Internal Audit, Information Technology, Corporate Communications, Sales, and Marketing departments of the Holding and its companies. This group implements action plans in line with the strategy set by the Committee, monitors sector-specific sustainability activities, and coordinates sustainability efforts based on the functions they represent.











Our Sustainability Management Structure



Our Sustainability Journey



Our Contribution to the Sustainable Development Goals

Contributed SDG	İspak's Approach	Related projects and applications	Priority Topic	Strategic Area
	We provide the safest possible working environment for our employees through our occupational health and safety practices.	<ul style="list-style-type: none"> • ISO 45001 Occupational Health and Safety Management System • Health Insurance and Consulting Services • Ergonomic Working Conditions 	Occupational Health and Safety, Social Responsibility	Social
	We prepare our employees for the skills of the future with development programmes focused on their professional and personal growth. We contribute to improving the quality of education in our country through our social benefit investments in education.	<ul style="list-style-type: none"> • K-Team Young Talent Internship Programme • K-Start Young Talent Internship Programme • Power Is in Us Development Platform Supporting Continuous Learning • Management Development Programme • Leadership Development Programme • Game Changers • Work Is Ours, Life Is Ours • Courteous Volunteers Programme 	Employee Development and Satisfaction, Social Responsibility	Social
	We are implementing practices that support and empower women's employment, and increasing the proportion of female employees and managers. We are carrying out various practices and awareness-raising activities to encourage women's active participation in working life.	<ul style="list-style-type: none"> • We Are Equal Programme • Diversity and Inclusion Training • Kibar Volunteers Programme • Gender and Opportunity Equality Policy • Equal Salary Certificate (Kibar Holding) • Equal Opportunity Commitment in Job Advertisements 	Gender and Equal Opportunity, Social Responsibility	Social
	We work to create value for all our stakeholders and build an inclusive economy. We adhere to international standards in our supply chain and place great importance on preventing child labour and forced labour and ensuring fair working conditions. We produce value-added products through our investments in R&D and innovation.	<ul style="list-style-type: none"> • Lean Management Project • MES Project and RPA Processes • Sustainable Product Projects • Joint Project Development Work with 25 Customers • Annual Risk Maps and Crisis Drills 	Customer Satisfaction, Product/Solution Quality and Safety, R&D and Innovation, Supply Chain Management, Risk Management, Business Continuity, Occupational Health and Safety, Employee Development and Satisfaction, Social Responsibility	Stakeholder Social
	At our R&D Centre, we develop high-performance, customised, value-added products that support a low-carbon economy. Strengthening our R&D capabilities is one of our key strategic objectives.	<ul style="list-style-type: none"> • R&D and Innovation Activities • Lean Management System Project • FDA and IMS Certification Processes 	Customer Satisfaction, Product/Solution Quality and Safety, R&D and Innovation, Supply Chain Management, Risk Management, Business Continuity, Environmentally Friendly Products, Energy and Emission Management, Waste Management, Employee Development and Satisfaction, Social Responsibility	Social
	We support a low-carbon economy and have adopted a production model based on circular economy and innovation. We increase reuse through effective waste management and prefer environmentally friendly disposal methods. We help our customers choose the right products by providing them with technical support.	<ul style="list-style-type: none"> • Lean Management System Project • Customer-focused R&D Projects • Quality and Traceability Systems • Digital Quality Tracking and CRM Systems • Product Safety and International Regulatory Compliance • Chemical Management and KKDİK Compliance Process • Labelling and Information Processes • Waste Management and Recycling Processes • Energy and Water Consumption Monitoring System 	Customer Satisfaction, Product/Solution Quality and Safety, R&D and Innovation, Digitalisation and Data Security, Supply Chain Management, Risk Management, Business Continuity, Environmentally Friendly Products, Waste Management, Biodiversity, Occupational Health and Safety, Social Responsibility, Corporate Governance Practices	Stakeholder Environment Social
	We assess the impact of climate change on our operations in our risk processes. We are improving energy efficiency and reducing our energy and emission intensity.	<ul style="list-style-type: none"> • R&D-focused Environmentally Friendly Products • Solvent Recovery Facility • Waste Management and Fire Reduction Project • Energy Efficiency Applications • Biological Diversity Applications 	Research and Development, Innovation, Supply Chain Management, Risk Management, Business Continuity, Environmentally Friendly Products, Waste Management, Biodiversity, Social Responsibility	Stakeholder Environment Social
	As a member of the Kibar Group, we embrace the principles and objectives of the United Nations Global Compact. We do not compromise on our principles of business ethics and corporate governance.	<ul style="list-style-type: none"> • Promotion of Ethical Rules/Courteous Community Ethical Rules • Ethical Consultancy and Ethical Hotline • Ethical Committee Oversight • Internal Control and Audit Activities • Sedex/Smeta and EcoVadis Ethical Audits • Compliance with UNGC Principle 10 	Supply Chain Management, Occupational Health and Safety, Social Responsibility, Corporate Governance Practices, Business Ethics	Stakeholder Social

Initiatives We Support

We support the Business World Plastic Reduction Initiative in conjunction with the UN Global Compact (UNGC) and the UN Women's Empowerment Principles (UN WEPs), of which Kibar Holding is a signatory.

As İspak, we signed the UN Global Compact (UNGC) in 2023. Additionally, we committed to the Science-Based Targets Initiative (SBTi) in 2024.

Organizations we are members of



United Nations
Global Compact



skd Türkiye



TÜRKİYE ALÜMİNYUM SANAYİCİLERİ DERNEĞİ



ESNEK AMBALAJ
SANAYİCİLERİ DERNEĞİ

ecovadis



A CIRCULAR ECONOMY FOR FLEXIBLE PACKAGING








alufoil
European Aluminium
Foil Association

Sedex



Stakeholders

We aim to achieve a position of high competitive strength by developing innovation-focused, innovative products at all stages from product safety to customer satisfaction, and by quickly adapting to new technologies and systems, with the goal of growing on a global scale. As İspak, we deliver value to the industry through our solutions prioritising product quality and customer satisfaction, and contribute to sustainable growth through our R&D and innovation-driven business approach.

	Our Priority Topics	2030 Target	2024 Realization
	Customer Satisfaction	Ensure 100% customer satisfaction	Our customer satisfaction score was 86%.
	Product and Solution Quality and Safety	Ensure the continuity of product and process certifications	Two new certifications were successfully obtained in 2024.
	R&D and Innovation	Develop the product portfolio with a sustainability approach	In 2024, 43% of new product development efforts were focused on sustainable products.
	Digitalisation and Data Security	Complete infrastructure work and digitalisation processes within the scope of the 'Digital Transformation Roadmap'	In 2024, the MES system was completed at a rate of 90%.
	Supply Chain Management	Create a sustainable supply chain	In 2024, the number of local suppliers increased by 10% compared to the previous year.



Joint projects
with **25**
customers



20
R&D
projects



32
R&D
employees



2,243
Number of
active suppliers



89%
Local supplier
ratio

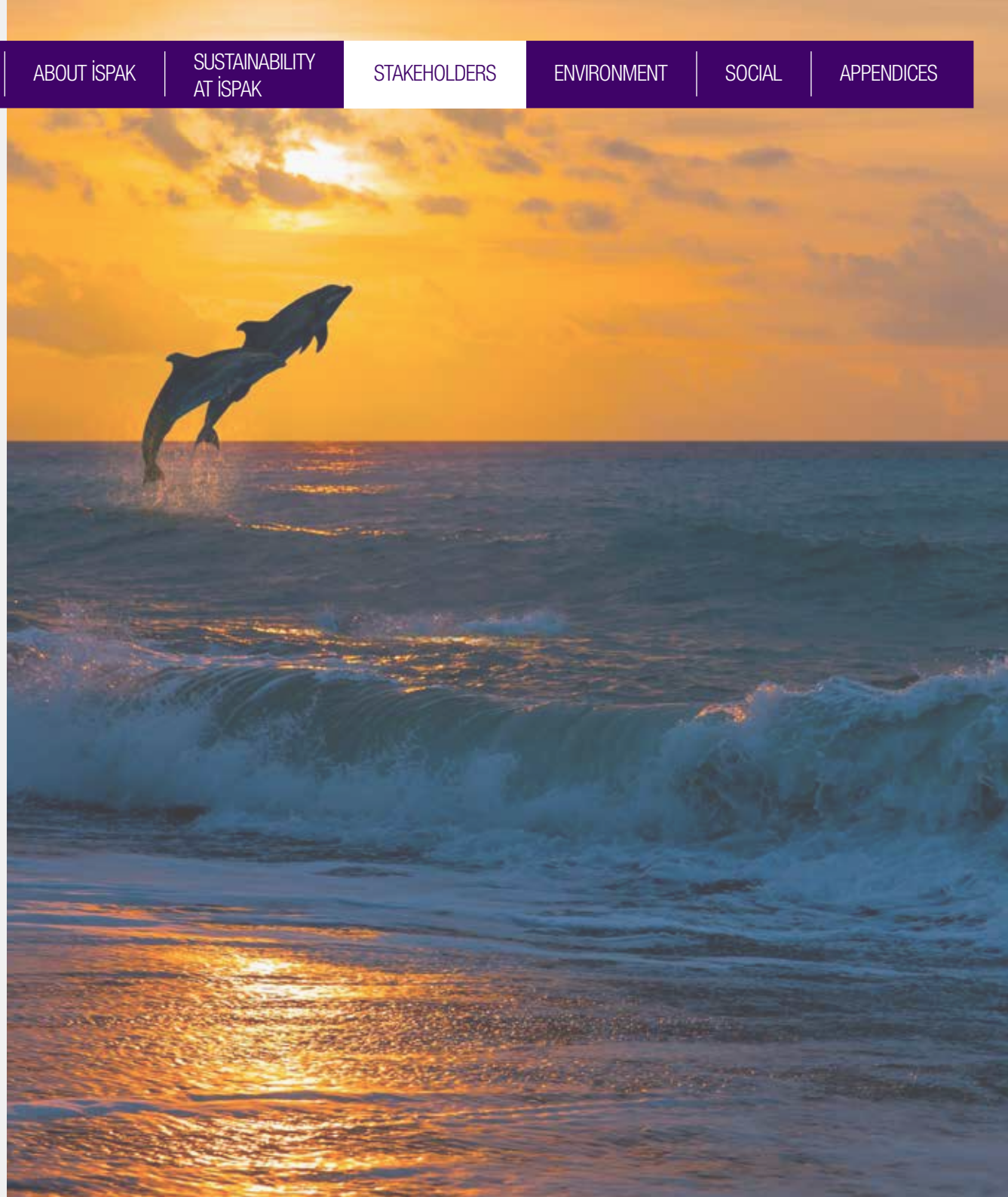
Customer Satisfaction

At İspak, we prioritise customer satisfaction and do not compromise in this area. We work closely with our customers, taking their thoughts and requests into consideration, and develop collaborative solutions. During the reporting period, we provided solutions to the requests of 238 customers. In 2024, 42 of our customers participated in our annual customer satisfaction survey, with a satisfaction score of 86%.

After delivering products to our customers, İspak technical teams provide on-site support during prototype testing prior to product launch. During this process, any potential issues are immediately assessed and necessary interventions are made.

We collaborate with our customers on R&D-focused joint projects to resolve identified issues or address their specific requests. Throughout 2024, we have carried out joint projects with 25 of our customers.

We continue our work with the vision of being an innovative, fast and global solution partner.



Product/Solution Quality and Safety

At İspak, we consider sharing accurate and complete information about our products to be a corporate responsibility. We work diligently to deliver the right product to the right customer.

We provide our customers with a quality certificate that includes all technical specifications and measurement results along with the product. This certificate details the tests performed on the product, the standards on which the tests are based, and the results obtained. We ensure end-to-end traceability at every stage of production through our Quality Control Unit.

At İspak, we apply test methods that comply with international standards such as the International Organisation for Standardisation (ISO) and the American Society for Testing and Materials (ASTM). When necessary, we obtain expert support from accredited external laboratories. We conduct our audit processes regularly and continuously through certified internal auditors.

In terms of product safety, in accordance with the statements received from suppliers,

- Declarations of compliance with the REACH 1907/2006/EC directive are regularly requested and archived for all raw materials used. Our products comply with REACH requirements.
- We guarantee that the packaging materials we produce do not contain any Substances of Very High Concern (SVHC) listed in the most recent candidate list published by the European Chemicals Agency (ECHA) in Annex XIV at a concentration exceeding 0.1% (w/w).
- We produce products that comply with the requirements of Directive 2017/2102/EU on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS).
- We request supplier declarations for conflict minerals.

In new product trials and alternative raw material selection, we manage/continue our production processes with products that comply with these international standards we have set. We are continuing our compliance efforts under the Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) with the support of expert consultants. We request Material Safety Data Sheets (MSDS) from our suppliers for all chemical substances used in production processes and maintain regular communication regarding the registration processes. We are continuing our compliance efforts in this area without interruption.

Standards that we, as İspak, follow in terms of product safety:

- ISO 22000: 2018 Food Safety Management System
- BRCGS PM Global Standard for Packaging and Packaging Materials Version 7
- TS OIC/SMIIC 1 General Requirements for Halal Food
- TS 13572 Specific rules for the application of TS OIC/SMIIC 1 regarding halal food packaging and packaging materials
- TSE ISO/TS 22002-4 Food safety prerequisite programmes – Part 1: Food packaging production
- Kosher
- HACCP Hazard Analysis and Critical Control Points Management System (HARA)

We regularly analyse solvent residues, a critical control point in packaging products, using a GC (Gas Chromatography) device at the end of each production process. These analyses enable us to systematically evaluate our products and release them with confidence.

We conduct outsourced product safety analyses in accordance with TFC and EU regulations. We include the following topics in these analyzes;

- Total migration analysis
- 23 specific metal migration
- Bisphenol A (BPA) analysis
- Phthalate analysis
- Primary Aromatic Amines (PAA) analysis
- Coneg analysis - Cd, Pb, Hg, Cr (VI)
- Paper analysis

We comply with Good Manufacturing Practices (GMP) for materials and substances that come into contact with food, the Turkish Food Codex (TGC), European Union (EU) regulations, the US Food and Drug Administration (FDA) and the German Federal Institute for Risk Assessment (BfR).

If our customers have requests in line with different country regulations, we conduct the necessary research on raw materials and finished products and provide declarations of conformity.

In accordance with the amendment to the regulation on the use of bisphenol A (BPA) and other bisphenols and bisphenol derivatives, as per the Commission Regulation (EU) 2024/3190 dated 19 December 2024, we have collected updated compliance statements from all our suppliers and are continuing to carry out external analyses.

Together with all our raw material suppliers, we have conducted studies to determine the presence or absence of PFAS in our products, taking into account the EU Packaging and Packaging Waste (PPWR) Regulation.

As İspak, we continue to implement the BRC Global Standard Packaging Materials standard, which was updated with its seventh revision published in the last quarter of 2024.

In order for our products to freely circulate in the American market, we entered the American Food and Drug Administration (FDA) & Integrated Management System (IMS) certification process in 2024 and earned our first certificate. We have had monthly microbiological analyses of our products conducted at an external analysis laboratory in the United States.

To ensure sustainable product quality, we manage the following activities at İspak:

- Keeping track of legislation and regulations,
- Internal and external audits (certification and customer audits)
- Supplier - raw material food compliance declarations
- Quality, hygiene and food safety training,
- Traceability and recall drills,
- External product safety analyses in accordance with TGC and EU regulations
- HACCP - Critical Control Point (CCP) measurements
- Calibration and verification activities
- Pest control system
- Corrective and preventive actions, root cause analysis
- Digitalisation initiatives (tracking quality data and Sales Force-CRM applications)
- Continuous improvement through university-industry collaborations
- Customer Satisfaction Survey - Documentation control

We regularly monitor industry-specific food and food packaging labelling regulations and, in line with these, we check the accuracy of allergen information as an integral part of our printing processes. We ship all our products with roll labels containing content and identifying information. These labels include the product name, customer-specific order number, quantity, and certain physical measurements. For export shipments, we provide a packing list detailing the contents of the shipment. In 2024, no complaints or non-compliance issues related to product labelling or product content were reported to us.

Lean Management System Project

Transforming Operational Success with Lean Management: Bringing a Culture of Continuous Improvement to the Company

With the Lean Management System Project, which we launched in 2022, we aim to develop our employees' problem-solving skills, effectively implement lean tools in the field, and transform this discipline into a permanent corporate culture.

In line with our main goal of increasing operational efficiency, we focused particularly on rotogravure printing processes. We aimed to achieve a 65% improvement in OEE (Overall Equipment Effectiveness), one of the most critical indicators in this process, and a 30% reduction in scrap rates.

The results clearly demonstrate the success of this approach. In 2022, the OEE value for rotogravure machines was only 31.5%, but by 2025, this figure had reached 46.9%. This is not just an increase in a number; with an improvement of 48.88%, it is one of the most concrete indicators of the potential for teams to learn and develop together. Moreover, this development was not limited to OEE. In 2022, the average Base/Actual Mechanical Setup Time for printing machines was 48.40 minutes, but thanks to the implementation of lean techniques and the involvement of employees in the process through a suggestion system, this time was reduced to 29.95 minutes in April 2025. This represents an improvement of 42%. Even more striking was the improvement in ink setup time. The Base/Actual Ink Setup Time, which was measured at 49.59 minutes in 2022, dropped to 8.89 minutes in just two years thanks to lean tools and on-site problem-solving practices. This improvement rate reached an extraordinary level of 81.08%. During this transformation process, we drew strength not only from simple tools, but also from the contributions of all our team members in the field, every idea card, and every suggestion. We embraced improvement not as a project, but as a fundamental part of how we do business.

For us, every idea is a kaizen.

At this point, it is not only our numerical achievements that are a source of pride, but also the awareness of all our employees to take ownership of the process. Lean transformation is not limited to our production lines, but extends to our meeting rooms, planning processes and even our daily communication. For us, the word 'problem' no longer means a deficiency, but rather an opportunity for development.

R&D and Innovation

We base our R&D and innovation strategies on increasing efficiency, improving product quality and variety, reducing resource use and waste, producing new business models and technologies that add value to our stakeholders, and developing environmentally friendly and high value-added products.

At İspak, we conduct our R&D and innovation activities in our in-house Quality and R&D laboratories. We pursue reliable, long-lasting, environmentally friendly and sustainable solutions and integrate these innovations into our production processes.

We are continuing our product lightweighting efforts without interruption in order to contribute to a low-carbon economy. Within this scope, we aim to remove one or more of the layers that make up the final product while maintaining its physical, mechanical and chemical performance. Reducing the number of layers also decreases the number of processes required in production equipment, enabling us to focus on minimising carbon emissions generated during production processes.

When designing our sustainable products, we prioritise the recyclability of the raw materials used. To this end, we utilise guidelines prepared by non-profit organisations. In our production processes, we strive to reduce the use of chemicals, shift towards raw materials obtained from renewable sources, and ensure that our products are recyclable or biodegradable.

To support low carbon emissions and create a sustainable supply chain, we are developing localisation projects to source products from the Far East and abroad through local suppliers. In this way, we aim to reduce logistics-related emissions and contribute to environmental and economic sustainability by supporting local producers.

In order to support our sustainable economic growth and increase our production capacity in the market, we implement projects that add new product groups to our company every year. With these projects, we expand our product portfolio and strengthen our presence in the market by increasing our competitive power.

Our Leading R&D Projects in 2024

As İspak, in line with our focus on developing environmentally friendly products, we have allocated 43% of our R&D new product development budget for 2024 to environmentally friendly projects.

Recyclable Tea Packaging

The production of products designed as part of the initiative to make composite tea packaging recyclable has been carried out on İspak machine lines. This project aims to reduce plastic usage and support paper recycling in the final product by producing the outer pouch envelopes, which currently contain single-use loose tea and are made of composite material, as barrier-coated single-layer paper. By 2024, our project partner customer, who has placed an order for a long-run machine trial of the original product, and all customers producing such products, plan to transition to a supplier role for this sustainable product by 2025.

Compostable Coffee Packaging

At İspak, studies have been conducted to develop compostable coffee packaging using bio-based raw materials. The trial productions and tests carried out in this direction have yielded successful results. The compostable packaging has made a positive contribution to the expectations of the sector and customers from an environmental perspective.

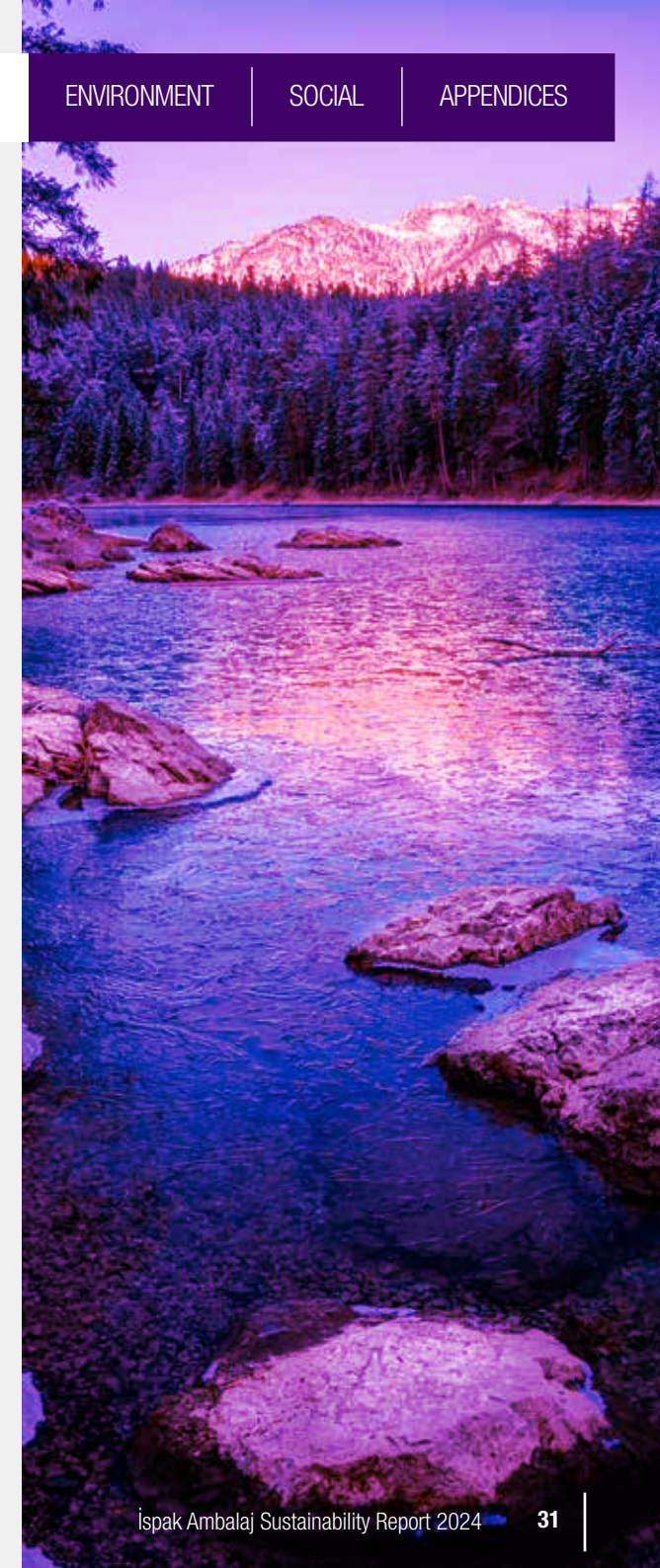
With our 'Single-Layer Paper Innerliner Packaging Project' completed in 2024, we developed a completely paper-based, recyclable solution to replace the composite structure made of aluminium and paper. Thanks to this innovative application, the inner wrapping of cigarette packs is now produced using a single-layer paper structure, making the entire packaging recyclable.

Localisation of Adhesive Sealing Caps Using Induction Effect

Work has begun on the local production of seals used to close bottles for products such as squeezable polymer-based ketchup and mayonnaise bottles, granulated coffee or spice containers, and mineral oil, with the aim of ensuring leak-proof and freshness-preserving closures. The first commercial order for this product was received in 2024. With this product, the company has become a local supplier for all customers producing similar products. The products developed and manufactured under this project are being tested by customers with different product filling requirements, with the aim of becoming the primary supplier for these customers as well.

Localisation Project for Coatings Used in the Finstock Industry

Finstock materials used in climate control products consist of stacked aluminium foil layers that provide good heat transfer. Although aluminium foil has high thermal conductivity, it has low resistance to corrosion caused by condensation during heating and cooling processes. Therefore, special coatings must be applied to its surface. Currently, these coatings are entirely sourced from abroad. By the end of the project, through collaborations with local suppliers, the objectives are to reduce the carbon footprint, support sustainable production practices, and strengthen innovative product development processes.



Digitalization and Data Security

As İspak, we continuously improve our products to meet the needs of our customers through our regular R&D activities and innovative investments. Thanks to our production infrastructure established in line with Industry 4.0 principles, we offer solutions that meet both current and future demands. In this context, we embrace digitalisation as a strategic transformation tool that increases operational efficiency, accelerates decision-making processes and supports sustainability.

Our digitalisation strategy is supported by applications such as predictive maintenance systems, real-time production monitoring panels and energy consumption tracking. With this infrastructure, which integrates automation, data analytics, IoT, and artificial intelligence technologies, we aim to achieve a production model that is agile, flexible, and highly resource-efficient. This transformation is not only technological; it also encompasses the development of corporate culture with digital competencies. In this regard, we are creating training programmes and a participatory culture for our employees.

We systematically manage information security asset risks by implementing the ISO 27001 Information Security Management System in all our facilities and offices. We provide information security training to new employees during the orientation process and to existing employees on a regular basis throughout the year. We also take a comprehensive approach to information security with measures such as encryption, antivirus, firewalls, access controls, and physical security applications. The security process is supported by confidentiality agreements with all stakeholders.

At our İzmit factory, we have been implementing digitalisation-focused processes at every stage of production with our Smart Warehouse system, which has a capacity of 10,000 pallets and has been in use since 2019. Laminated products are cured and stored in rooms with specific temperature and humidity standards. A scrap management system is in place for the digital management of product curing processes. Our field sales team has mobile access to all customer-related data through Salesforce CRM..

Our future goals include integrating all our production facilities with digital twin models, ensuring end-to-end traceability of supply chain processes, and developing sustainability-focused digital dashboards that enable real-time monitoring of carbon emissions. In addition, we aim to create more predictable decision support mechanisms with AI-powered demand forecasting and production planning systems.



Our Featured Digitalization Practices in 2024

MES (Manufacturing Execution System)

We aim to create a platform where data is collected from the field and production confirmations are made with the MES system, which we see as an important step in our Industry 4.0 journey. Within the scope of the project, quality control results, line stoppages and material consumption are designed to be linked in real time with machine parameters. Once the project is implemented, data is automatically collected from the field, and information obtained from sensors is matched with products. Incompatibilities that may arise between products, materials used, and machine parameters are thus identified, contributing to increased efficiency.

Our company, which aims to manage all production systems through MES, is initially putting 10 machines into operation to establish the infrastructure for matching product and machine parameters. Integration efforts for the remaining 15 machines are ongoing. The project, which began in 2021, is currently 90% complete as of 2024. The goal is to identify any incompatibilities between product materials and machine parameters and optimise efficiency.

RPA (Robotic Process Automation)

To reduce labour requirements and increase efficiency, processes requiring no interpretation were selected for pilot implementation in the Finance department, where robotic process automation was used to automate data entry and system checks. Following the successful results, and with the aim of expanding the system to other departments, our Human Resources department was included in the process in line with our digitalisation and automation vision as of 2024. Seven RPA applications were implemented in Human Resources processes (possibly in applications), and onboarding and offboarding processes were transferred to a digital platform. With these applications, we aim to enhance the company's efficiency Resources processes.

Supply Chain Management

At İspak, we aim to integrate our corporate ethics and sustainability approach into our supply chain.

We require all our suppliers to comply with the Purchasing Ethics Rules set out in corporate documents and procedures, which are an integral part of the Kibar Community Ethics Rules.

Business Ethics Principles, Anti-Corruption and Anti-Bribery, Forced Labour, Child Labour, Harassment, Compensation, Working Hours, Non-Discrimination, Occupational Health and Safety, Environment, Biodiversity, Integrity, Quality and Continuous Improvement, and Information Security are detailed in the guidelines that all suppliers must adhere to.

The selection of candidate suppliers is carried out in accordance with the rules set out in the Community Procurement procedure and the Approved Supplier List detailed below. The following factors are taken into consideration when selecting a supplier company:

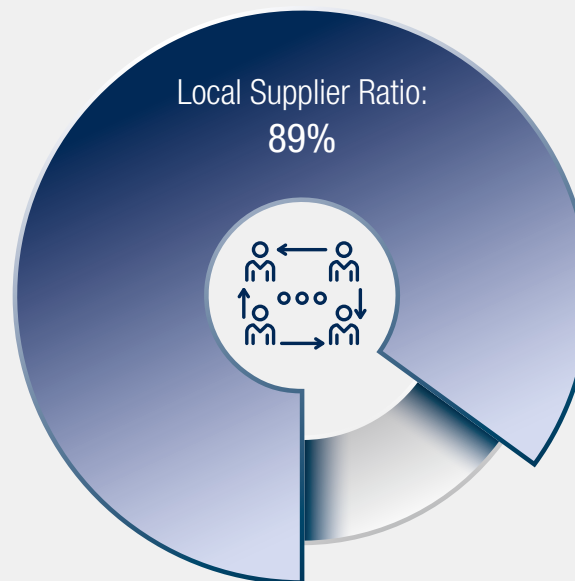
- Development
- Future, stability and continuity
- References, reputation and experience
- Flexibility and support
- Quality assurance
- Financial structure
- Licences, distribution, agency and other authorisation documents
- Technological capability
- Partnership structure and other factors required by the relevant business area



Number
of Active
Suppliers:
2,243



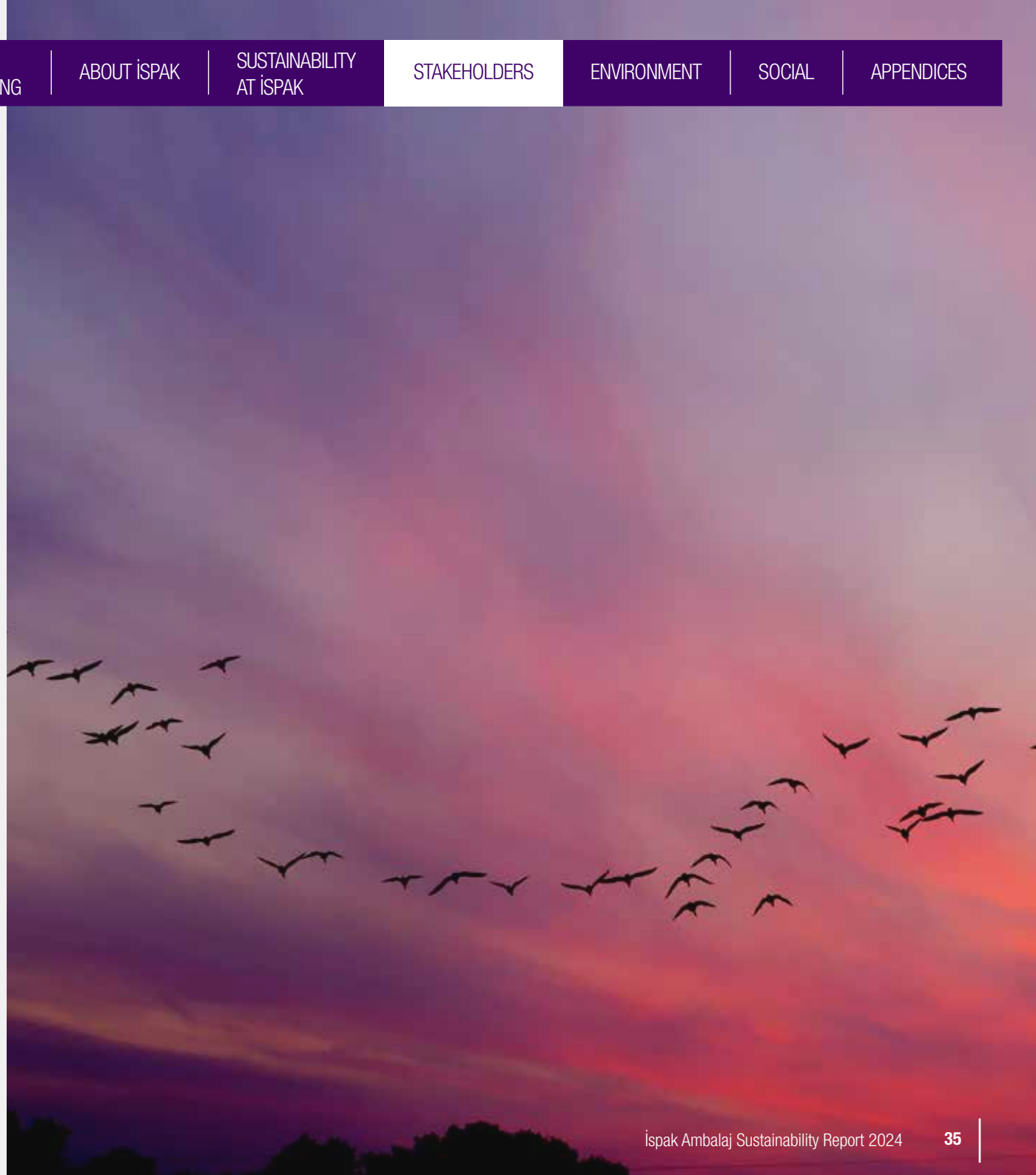
Number
of Local
Suppliers:
1,994



For purchase items that may affect production, a preliminary meeting is held between the prospective supplier and the purchasing and relevant departments (quality/technical team, etc.) before the company is added to the approved supplier list. Companies deemed suitable and beneficial are either audited by the Quality and Supply Chain departments or required to complete and approve a Supplier Evaluation Form. Companies that achieve the required score proceed to sample production and testing processes. Following all these stages, suppliers that receive a positive evaluation are included in the approved supplier list.

During the supplier selection process, companies are classified according to the criticality of information security. The necessary audits are carried out for the candidate company to obtain approved supplier status. Following the analysis of the candidate company, the Framework Agreement and Confidentiality Agreement are sent to the company by the Purchasing Manager with the approval of the Purchasing Management. The company is evaluated in terms of its compliance with information security criteria. During the selection phase, the Community Purchasing Code of Conduct is also shared with the supplier company, and compliance with these rules is monitored regularly. The Framework Agreement and Ethical Guidelines documents cover various principles such as environmental compliance, sustainability, and working conditions. Companies that successfully complete all these processes are registered in the system as approved suppliers.

Developed in accordance with the United Nations Global Compact, Kibar Holding's Procurement Procedures cover issues such as not employing child labour or forced labour, ensuring fair working conditions and reducing environmental impacts.



Supplier Audits

As İspak, we expect our suppliers to act in accordance with the Business Ethics Principles and to demonstrate compliance with industry standards. In this context, we regularly conduct supplier audit and evaluation processes.

In supplier performance evaluations, we analyse trade, quality, and environmental aspects, create action plans based on the scores obtained, send evaluation cards to suppliers, and provide feedback on areas for improvement.

In 2024, none of our suppliers had their contracts terminated due to non-compliance with environmental criteria or negative impacts. No negative findings were identified in the performance evaluation process in terms of environmental criteria.

As İspak, we support the Kibar Group's vision for a sustainable supply chain and comply with the criteria and practices defined within the K-STAR Supplier Sustainability Programme implemented across the Group. In this context, we continuously improve our responsible purchasing approach and actively contribute to efforts aimed at enhancing our sustainability performance in collaboration with our suppliers.

Kibar Group Supplier Sustainability Programme (K-Star)

In order to increase and accelerate the contribution of the Kibar Community's approximately 7,000 active suppliers from different sectors and of various sizes to the United Nations Sustainable Development Goals and the Group's sustainability targets, the Supplier Sustainability Programme (K-STAR) was launched in 2022 under the principle of 'WE ENCOURAGE OUR STAKEHOLDERS' with the aim of disseminating sustainability principles, objectives and targets and transforming responsible purchasing principles into business practices.

Key stages of the K-Star Project;

- Analysing suppliers' needs within the framework of sustainable procurement,
- Determining sustainable procurement rules, evaluation criteria, process steps and programme monitoring structure,
- Designing a supplier reward and incentive approach,
- Implementing, monitoring and evaluating the programme.

Under the K-STAR Sustainability Programme, suppliers have been divided into four main segments, taking into account sectoral dynamics: (A) Emission-intensive sectors, (B) Food, Beverage, Consumer Goods and Technology sectors, (C) Service sector and (D) Transportation sector. Our categories have been strategically aligned with the Sustainability Accounting Standards Board (SASB) sector classification, and climate-related critical issues have been addressed through sector-specific assessments. Within this scope, suppliers' maturity levels have been analysed in detail, and defined actions have been assigned to systematically track sustainability developments on a sector-by-sector basis.

Based on the results of the K-STAR Supplier Sustainability Maturity Survey and Performance Evaluation conducted in 2024, suppliers to be audited in accordance with the Group Procurement Procedure have been determined. Suppliers with sustainability maturity that is open to improvement and falls into the critical category will undergo on-site audits every two years, while those with a performance score between 60 and 75 will undergo remote audits. In line with this, a field audit plan has been prepared for 17 critical suppliers, and on-site audits were conducted for the first three suppliers in January. The purpose of the audits is to strengthen collaboration and jointly identify solutions for areas of improvement in sustainability. A list of suppliers to be subject to remote audits has been created, and procedures have been defined for conducting additional on-site audits when necessary.

Within the scope of the K-STAR Programme, the K-STAR Business Partner Project has been launched to support supplier development by the end of 2025, featuring training content and social responsibility projects specific to environmental, social and governance topics.

Risk Management

At İspak, we embrace Kibar Holding's corporate governance approach. Kibar Holding attaches great importance to the early detection and effective management of corporate risks in order to provide the highest value to its stakeholders. In this regard, corporate risk management is integrated into company strategies and corporate culture, ensuring that all employees focus on their performance as well as their compliance with risks, opportunities and obligations during their daily operations. This approach aims to contribute to the company's sustainable growth. Any changes are addressed and managed within the framework of this policy. In the event of a conflict of interest, the protection of human life and the environment is prioritised during risk management.

Kibar Holding holds ISO 31000 Risk Management and ISO 22301 Business Continuity Management system certifications. The risk management framework is structured in accordance with ISO 31000 and similar international standards, integrated into company strategies and corporate culture, and aims to be internalised by all employees as an important component of corporate sustainability. The Kibar Holding Risk Management Standard and Policy serves as the primary guide for corporate risk management activities, which encompass the assessment of strategic, operational, financial, and legal internal and external risks and opportunities that may arise in relation to the company's processes and strategic objectives, as well as prioritisation efforts in line with company strategy and preferences based on the results of such assessments.

Our senior management teams and executives establish the necessary platforms for the early detection, accurate assessment and effective management of all risks to the company; determine strategies and actions for the effective management of such risks; participate in risk assessment activities and monitor the implementation of risk management action plans and they are responsible for establishing company-specific policies and procedures related to risk management and monitoring that processes are managed in accordance with these policies and procedures; preparing risk management reports; and ensuring that risk management data is analysed accurately, completely and in a timely manner and shared with relevant parties.

The Risk Management unit operates under the umbrella of the Holding and works in collaboration with the Risk Management representative within İspak to organise monthly meetings. The İspak Risk Management representative has sectoral experience, knowledge of risk management and its applications, keeps abreast of current developments and changes, and is competent in interpreting the standard requirements of management systems.

The company's risk definition includes risks related to all processes. These risks cover the risks of Human Resources, Production, Quality, R&D, Maintenance, Supply Chain, Finance and Sales processes.

Corporate Risk Maps are updated annually. Every three months, process owners are requested to provide information on progress actions for high-risk areas, which is then reported to the Holding Risk Management Unit. Social, environmental, ethical and human rights risks have been included in our risk assessments under sustainability risks, and work in this area is ongoing.



Business Continuity

At İspak, we effectively manage our operational risks through coordination between the Risk Management, Insurance Management and Risk Engineering units within the Kibar Group.

The Risk Engineering department, established within the Group's insurance and brokerage company, identifies factors that create operational risks in production areas and makes recommendations for improving these risks.

Action plans for managing operational risks are prepared with the participation of all relevant departments, and in the event of an incident, the management of such risks is communicated to all employees.

Business continuity plans have been developed and implemented at İspak to ensure the continuity of business processes, products and services during interruptions, crises or disasters, and to return all business processes to normal operation within the planned timeframes. The effectiveness of business continuity programmes is aimed to be increased through annual drills and training sessions.

In this context, backup and recovery plans and drills have been prepared for critical data, systems and applications. These plans are of great importance in minimising data loss and quickly returning to normal business processes. Backup systems are regularly tested to verify their reliability. Additionally, backup centres have been established in different geographical regions to ensure business continuity in the event of natural disasters, fires, or other emergencies that render the primary data centres inoperable.

Redundant and highly available infrastructures (Network & Data Centre) have been established, with the aim of ensuring uninterrupted operation of systems and minimising the impact of failures that may occur at a single point. Systems and networks are continuously monitored and threats are assessed to enable early detection of potential risks. This process is supported by systems such as service tree, SOC, SOAR, XDR, Sandbox, and NDR. Since technology and infrastructure are important factors in ensuring business continuity, regular staff training and awareness-raising activities are carried out. These activities aim to strengthen the technology infrastructure to ensure business continuity and to be prepared for disaster situations.

Our company, which has management procedures and plans for emergencies, carries out preventive measures for high-risk events such as natural disasters, fires, and pandemics. Regular drills are conducted as part of an annual plan to ensure that all necessary equipment is always ready for use in potential emergencies, with monitoring and measurement plans in place to verify this readiness. Our emergency response teams are fully trained and equipped to handle any extraordinary situation.

In 2024

Number of planned stops: 4,318

Number of unplanned stops: 58,405

Planned stop duration (hours): 52,714

Unplanned stop duration (hours): 26,341



Environment

As İspak, we conduct various studies to minimise the environmental impact of our products from the design stage to the end of their life cycle. In this regard, we develop environmentally friendly products, use natural resources consciously, and support the circular economy approach. While managing our environmental impacts, we ensure compliance with all relevant environmental regulations in accordance with our monitoring and measurement plan.

Within the framework of our environmental management system, our Tuzla and İzmit locations have obtained ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System Certification.

Our Approach to Environmental Protection

Measurement & Evaluation: We regularly measure our environmental impacts throughout all our processes and take the necessary measures to reduce negative impacts.

Innovation: We actively pursue R&D and innovation activities to develop sustainable products.

Investments: We always consider environmental impacts in our investment processes and manage these impacts. We allocate 43% of our innovation budget to developing products with reduced environmental impact.

Partnerships: We collaborate with our customers, suppliers and Kibar Community companies to reduce our environmental impact. We believe in the power of collective intelligence and action when it comes to protecting the environment.

	2030 Targets	2024 Realization
Eco-friendly Products	Expanding the product portfolio	In 2024, 43% of our product portfolio consisted of recyclable products.
Energy and Emission Management	Reducing energy intensity by 15% by 2030 compared to the 2020 base year	We achieved a 1% reduction in 2024.
Water Management	Reducing water intensity by 5% by 2030 compared to the 2021 base year	There was a 22% increase in 2024.
Circular Economy	Ensuring sustainable management and efficient use of resources	Solvent recovery reached 81% in 2024.
Waste Management	Reducing waste intensity by 15% by 2030 compared to the base year 2020 on the basis of production amount	Waste density remained stable in 2024.

Highlights



Energy intensity:
9,64 GJ/tonnes



5,204 tonnes amount of
recycled waste



Water intensity:
2.46 m³/tonnes



Emissions intensity:
0.76 ton CO₂e/tonnes



Waste intensity:
0.22 tonnes/tonnes

Managing Climate-related Risks and Opportunities

At İspak, we consider climate change to be an issue that has the potential to create operational and financial risks. We are closely monitoring this issue, adopting a risk and opportunity-focused approach.

Our risk culture is based on a proactive approach that encourages the integration of climate-related risks and opportunities into our strategic decision-making processes. We develop training programmes, policy frameworks and governance mechanisms to increase risk awareness at all levels, from senior management to operational units. We consider climate risks to be as important as financial and operational risks and incorporate them into our corporate risk management processes, conducting regular stress tests and scenario analyses. Additionally, we follow a transparent communication policy to increase the participation of our employees and stakeholders in sustainability and encourage innovative solutions to achieve our sustainable growth targets. This approach supports our company in complying with current regulatory requirements and gaining a competitive advantage in the long term.

Due to climate change, there are some risks and opportunities that may arise in our sector in the medium and long term.

In the short term;

Risks:

- *In line with the EU Action Plan for the Circular Economy, companies are expected by customers and investors to develop roadmaps for transitioning from a linear economy to a circular economy. The unforeseen financial and time-related expenses associated with the additional obligations required to meet this requirement,
- *The use of grid electricity as an energy source, with fossil fuels as the primary source of this electricity, increases indirect emissions. The inability to utilise clean energy due to the lack of renewable energy sources,
- *The increasing frequency of relatively rare natural events (floods, flash floods, extreme rainfall, forest fires) associated with climate change.

Opportunities:

- *Timely and rapid provision of resources for sustainability practices contributes positively to İspak's corporate sustainability activities and helps it gain a competitive advantage in this area.
- *Increased use of renewable energy reduces dependence on external sources and energy costs.
- *Fulfilling environmental responsibilities strengthens brand image.
- *The development of new products and services that contribute to combating climate change meets market demands.
- *Infrastructure improvements can reduce costs by saving energy.
- *Compliance with climate-related laws and regulations helps avoid potential penalties.

In the mid term;**Risks**

*Compliance with carbon pricing regulations may require significant administrative resources, and non-compliance may result in penalties or sanctions.

*It is anticipated that the European Green Deal (EGD) and regulatory changes will have a significant impact on Turkey, which has strong trade relations with the EU. Among these impacts, the shift in European customers' demand for products and services towards low-carbon products and services is at the forefront.

*The increasing use of natural resources, electricity consumption, etc., resulting from İspak Ambalaj's expanding operations will also increase greenhouse gas emissions and the carbon footprint.

Opportunities;

*Compliance with carbon pricing regulations contributes to the creation of a sustainable supply chain in the eyes of customers.

*Unlike competitors who are experiencing or may experience difficulties in complying with the regulations, full and timely reporting positively affects İspak's position in the market.

* Low-carbon products offer advantages such as cost savings and energy efficiency, which can enhance a company's competitive edge.

* Government support and incentives can accelerate the return on sustainable investments. * Organising informative campaigns targeting consumers to highlight the environmental benefits of these products provides an effective way to increase customer loyalty.

In the long term;**Risks**

*Loss of reputation in the eyes of customers and end consumers if sufficient steps are not taken to combat climate change

*Competitors adapting more quickly to climate change-related risks, particularly transition risks, and finding more effective solutions to customer expectations. This poses a risk of a decline in İspak's market competitiveness.

Opportunities;

*Sustainability activities attracting new customers to the company

*Meeting customer expectations more quickly through sustainability-focused digital transformation efforts

*Developing entry strategies for markets where competitors are weak

*Expanding sustainable product activities through R&D efforts

At İspak, we use Climate Scenario Analysis methods to assess risks and opportunities under different climate scenarios in the short, medium and long term. These analyses are conducted in accordance with the guidelines of the IPCC (Intergovernmental Panel on Climate Change) reports, the SBTi (Science Based Targets initiative), and the TCFD (Task Force on Climate-related Financial Disclosures). We take various actions to manage the risks we identify.

We set emission reduction targets within the framework of carbon management and align these targets with the SBTi. We are transitioning to lower carbon intensity production processes to improve energy efficiency. In addition, we work with low-carbon suppliers and increase the use of sustainable materials in line with our green supply chain strategy. We are making infrastructure investments to enhance resilience against climate risks in our operational processes. To ensure transparency in all these processes, we report through platforms such as EcoVadis and CDP (Carbon Disclosure Project) to provide regular information to our stakeholders.

We report periodically to the Kibar Holding Board of Directors through the 'Sustainability Committee' and 'Risk Committee' operating at the senior management level. These committees analyse and make recommendations on issues such as greenhouse gas emissions monitoring, emission reduction strategies, low-carbon technology investments and compliance plans. During annual strategy meetings, we discuss topics such as climate scenarios, carbon regulations (e.g., SKDM), and sustainable product development. Additionally, we review critical indicators such as carbon footprint, energy efficiency, and compliance with sustainability targets (e.g., SBTi commitment) at least twice a year to assess our progress.

In 2024, we became an official participant by committing to the Science Based Targets initiative (SBTi) for the first time. As part of this commitment, we have pledged to reduce our carbon emissions in line with scientific targets.



Environmentally Friendly Products

At İspak, we place sustainability at the heart of our corporate strategy. Our goal is to contribute to a more sustainable world, and in line with our sustainability strategy, the focus of our new product development processes is on designing products with minimal environmental impact. In 2024, we allocated 43% of our new product development budget to environmentally friendly products.



İspak Green

With our İspak Green brand, we continue to add value to the environmental economy through our sustainability-focused approach, ecological efficiency and innovative solutions. By commercialising our sustainable and circular economy-supporting products under the İspak Green brand, we offer our customers the opportunity to make more sustainable choices. As of 2024, we are contributing to sustainable packaging production with our recyclable and compostable packaging solutions, and encouraging our stakeholders to develop in this area. We are creating more environmentally friendly end-of-life products with our BIO Film and PLA-based compostable packaging.

Sectoral Trends in Green Packaging

The production of packaging from sustainable sources and the integration of the circular economy into processes are among the most important trends in our industry in recent years aimed at reducing environmental impacts. In this context, the design of recyclable packaging has gained significant importance. However, since only a small portion of recyclable packaging is produced from sustainable sources, biodegradable packaging is also emerging as an important trend.

Since establishing our R&D Centre in 2018, we have focused our efforts on developing environmentally friendly products, concentrating on specifications that are recyclable and biodegradable. Throughout this process, we ensure compliance with all necessary standards and regulations. We follow the EN 13432 standard for biodegradable packaging. By developing environmentally friendly packaging solutions at every stage of the product life cycle, we aim to minimise environmental impacts. We strive to reduce our environmental impact to the lowest possible level with recyclable and biodegradable products. The compostable products we have developed complete their life cycle without leaving a trace in nature, while our recyclable products can be returned to the economy without becoming waste after their use.

The sustainable products we develop are stored separately after the end of their useful life and returned to the raw material production process to be included in new production processes. In addition, not only the parts used as packaging in customer filling machines, but also the scrap parts that would otherwise be discarded can be included in these production processes. These features enable us to provide environmental benefits to our customers.

In our sustainable product studies;

- We are working to produce single-layer packaging by combining raw materials with different structures and properties. If multiple layers are required, we design using raw materials produced from the same base to facilitate recycling.
- We are reducing the use of chemicals and plastics.
- We prefer paper raw materials certified by FSC and PEFC.
- We closely monitor developments in natural raw material sources.
- In our sustainability efforts, we design in accordance with the guidelines of organisations such as CEFLEX, RecyClass, 4evergreen, and CPI.

We are committed to contributing to the circular economy of flexible packaging through extensive collaboration, innovation and investment. In line with this commitment, we are shaping our work based on CEFLEX's recommendations for circularity.





Our Sustainable Solutions

Recyclable

Compostable

Paper Based

Alum. Based

Plastic Based

Paper Based

Polymer Based



Compostable Film Packaging

For dry foods that do not require barriers and product groups suitable for powder filling, we offer products compatible with sachet and doypack packaging types, featuring alternative production options such as extrusion coating and film lamination, compatible with rotogravure and flexo printing techniques, 100% compostable, compliant with the EN 13432 standard, and certified by TÜV Austria 'Ok to Compost: Industrial'.

Sustainable Paper Based Chewing Gum / Candy Packaging

In studies conducted for chewing gum inner and outer packaging tests, new packaging designs suitable for recycling have been developed instead of packaging structures such as al/paper laminates, wax-coated paper, and silicone-coated paper, which are not suitable for recycling. Following successful results from machine line tests and aging tests, CEPI recyclability tests were conducted. Additionally, efforts are ongoing to expand the application of this approach to different chewing gum products and packaging types.

Compostable Packaging Designs for Products Requiring Barriers

We are developing a product designed with special raw materials for products that require moisture or oxygen barriers and can be composted at the end of its life cycle. The development process for structures designed with bio-based raw materials, such as compostable coffee packaging, healthy snack bar packaging, and double-layered laminated pouch packaging, has been completed.

Cardboard Food Container

As part of our efforts to convert cardboard/PE food containers into a recyclable monolayer structure by transforming them into a cardboard/barrier lacquer structure, for the current non-recyclable thermoformable food containers made of cardboard/PE, we are designing a structure that is suitable for deep drawing, resistant to sauces, acids, oils, and liquids, and compatible with machine lines, with a lacquer coating that can be recycled. One of the critical and challenging aspects is ensuring that the lacquer used for coating meets all these requirements while also complying with the SUP (Single-Use Plastics) Directive. Currently, supplier companies cannot provide a SUP Directive declaration for the lacquer products they have developed due to the composition of their formulations. Within the scope of the project, we have applied the barrier lacquer developed by our supplier, who is our project partner, to cardboard samples. Samples sent to the customer in A2 size were deemed suitable in the initial phase, and further development was requested. Studies on the compliance of the lacquer, which is resistant to moisture, oxygen, oil, and acidic foods, with the SUP Directive are ongoing. Trial productions are planned.

Single Ply Recyclable Top Foil

A significant portion of environmental pollution is caused by packaging waste, the majority of which consists of metal-containing and composite materials. In this study, we aimed to redesign composite packaging structures produced using aluminium metal in an environmentally friendly and recyclable manner while maintaining their existing properties. The study also includes the tray sauce top foil product, which is widely used in the packaging industry. We transformed the existing aluminium/polyester laminated composite packaging into a sustainable and recyclable structure using only aluminium material. In the designed structure, a thermally adhesive lacquer was applied to the food-contacting surface of the single-layer aluminium material to serve as a separator.

This packaging, designed for single-use sauces such as ketchup and mayonnaise that belong to the fast-moving consumer goods category, has been tested in trial productions using aluminium materials of different thicknesses and alloys. Experimental results have shown that the newly developed structure is corrosion-resistant like existing packaging, that the adhesion performance during the filling process has been improved, thereby reducing the adhesion temperature and saving energy, and that the waste generated during food packaging can be stored in an organised manner and sent for recycling. Additionally, it was concluded that the designed packaging demonstrates performance capable of replacing aluminium/polyester laminated composite packaging currently available in the market.

Sustainable Cardboard Cups

In the relevant project, we aimed to convert single-use cardboard/PE cups into single-layer structures suitable for recycling. This will both reduce the number of layers and prevent the presence of different base materials that hinder recycling. Similar to food containers, for cardboard cups that are not recyclable due to their polyethylene-coated cardboard structure; we aimed to design a recyclable structure by applying a barrier-coated lacquer coating to the cardboard surface that has barrier properties, heat and cold resistance, resistance to acidic beverages and soups, and is suitable for ultrasonic bonding and food contact and following supplier meetings and research, laboratory studies were conducted, and suitable products were tested against customer machine performance. At the same time, during the quality tests, the product with suitable machine performance was subjected to a cup test and showed leakage problems, which led to the development of a lacquer. The cardboard sample to which we applied the barrier lacquer developed by our supplier, who is our project partner, worked without any problems on the customer's line and was successfully moulded into cups. Based on the tests conducted, new trial productions with different lacquer grammages for hot and cold beverages were requested. It was reported that the initial phase was 70% successful. The goal is to develop a product that meets all quality test expectations and complies with the SUP Directive regulations, which is currently being tested on the customer's machine.



Sustainable RefBack

In order to maintain our leading position in the production of refrigerator rear panels, we are conducting research on more cost-effective and lower-grammage (lower carbon emission) alternatives to replace the single type of cardboard currently used. In addition, work has begun on new structures that will serve as alternatives to sheet metal rear panels. Within the scope of the project, different composite structures with higher strength and improved fire resistance have been developed. The quality suitability and fire tests of these structures have been conducted in a laboratory environment. Structures that pass the fire tests in accordance with IEC 60335-2-24 will undergo performance testing on customer machines through production trials.

PP Based High Barrier Extrusion Laminated Chips Packaging Project

This project involves the development of high-barrier, recyclable chip packaging using PP-based extrusion lamination instead of standard adhesive lamination packaging. Within the scope of the project, products with different PP ratios were designed and produced on İspak machine lines, and ageing tests were successfully completed on products filled and packaged on customer lines. We are continuing our efforts with our customers to commercialise the product and secure its place on store shelves. For further studies involving increased PP ratios, it is necessary to design a symmetrical structure to meet customer test conditions and expectations. Production and machine feasibility studies for this structure are currently ongoing.

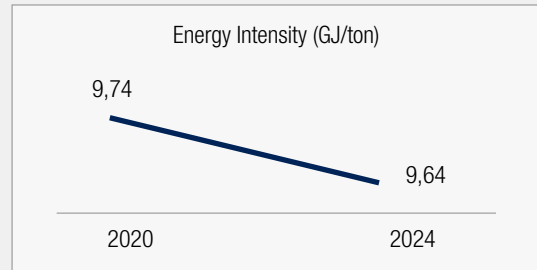
Energy and Emission Management

We are aware of the importance of effective energy and emissions management in combating climate change. As İspak, we act in line with this understanding and take the necessary steps to reduce our carbon footprint and increase our energy efficiency. In this context, we develop systems to monitor our energy consumption and reduce emissions to the lowest possible level, and integrate sustainable energy solutions into our operations.

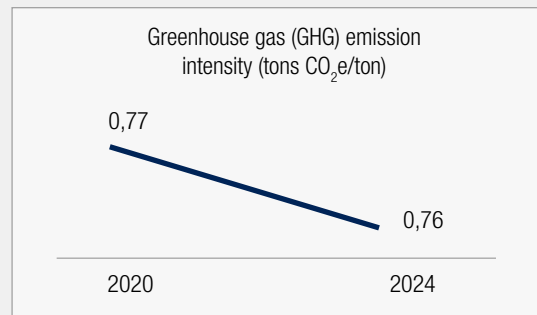
We calculate and record our greenhouse gas emissions in accordance with the ISO 14064 Standard. We have initiated corporate carbon footprint calculation and third-party verification activities. We continue to conduct product-based emission calculation and reporting activities within the scope of the Carbon Border Adjustment Mechanism (CBAM) implemented in the fourth quarter of 2023.

By continuously monitoring energy consumption, we implement projects aimed at reducing consumption and prefer high energy efficiency options in all our investments. In addition, we optimise our operations with innovative technologies and sustainable solutions to save energy and minimise our environmental impact.

Our energy intensity decreased by 1% in 2024 compared to 2020.



Our emission intensity decreased by 1.3% compared to 2020.



Our Energy Efficiency Initiatives for 2024

Implementation of the Energy Management System

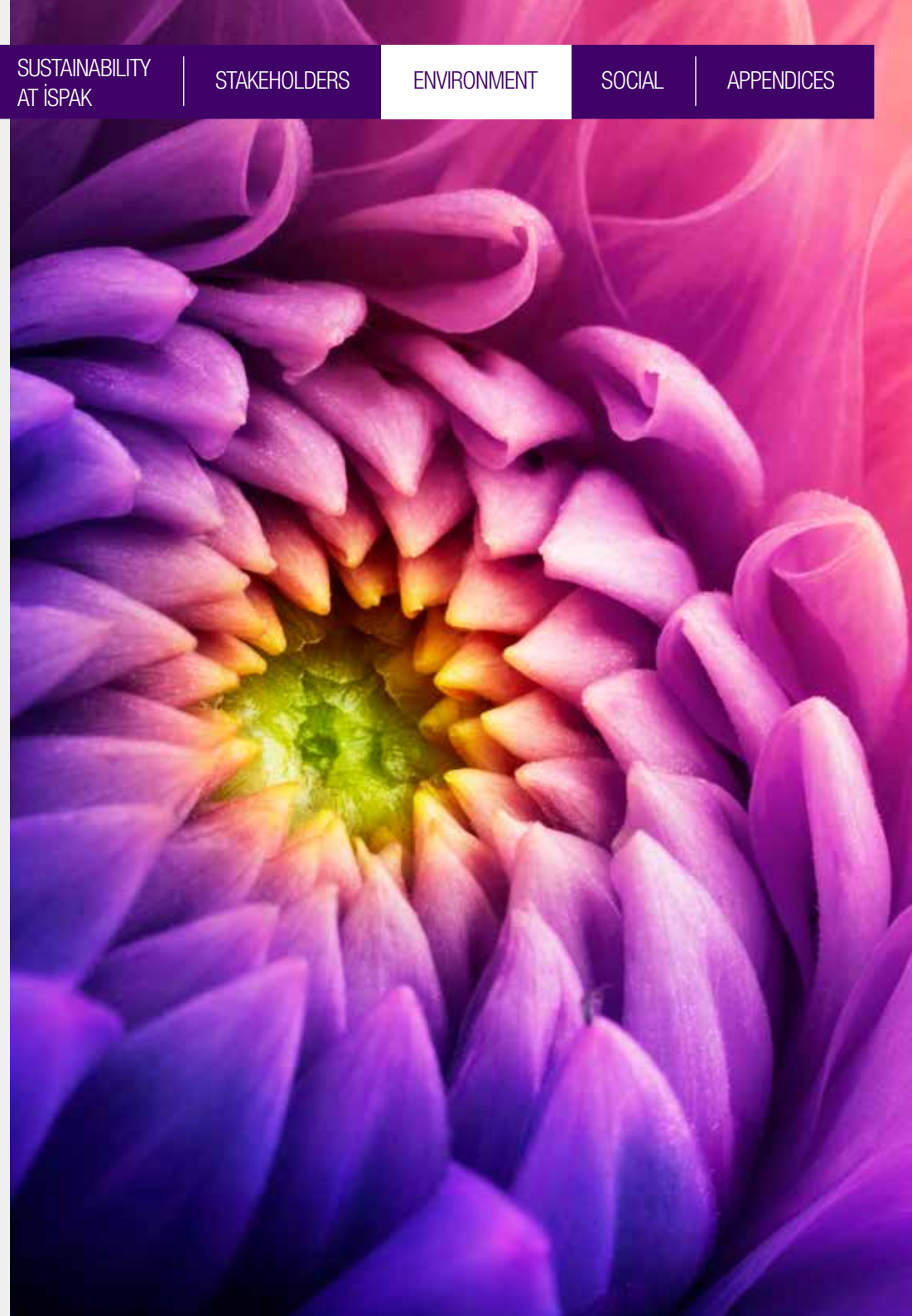
We have implemented an Energy Management System (EnYS) to increase energy efficiency, reduce energy costs and minimise environmental impacts. Designed in accordance with the ISO 50001 standard, this system aims to continuously improve energy performance by conducting process-based energy consumption analyses to identify energy-intensive areas.

Within the scope of Energy Management System:

- We made energy consumption data across the facility trackable.
- We defined energy performance indicators.
- We integrated measurement devices into critical equipment and processes to enable real-time monitoring.
- We conducted energy audits to identify short-, medium- and long-term improvement projects.

With the implementation of the system, we updated our energy policy and organised awareness training for all employees. In addition, we integrated our energy targets into our corporate sustainability strategy and began monitoring them during management review meetings. In this context, our energy management system has been transformed into a strategic tool that not only ensures legal compliance but also contributes to operational excellence.

We have implemented a total of 55 projects across 12 production lines and other departments within the factory. These projects aim to achieve a more efficient production system.



Waste Management

As one of the core elements of our environmental responsibility, we take waste management very seriously at İspak. We work to manage the entire process, from waste generation to disposal, in the most efficient manner possible, ensuring that it does not harm the environment or human health. In line with this approach, we implement innovative production models and support the reuse of waste and the sustainable use of resources through our circular economy approach.

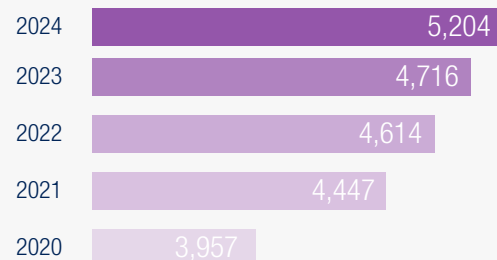
Our waste management approach is based on minimising waste, recycling and disposing of waste in an environmentally friendly manner. In line with this, we regularly review our production processes with the aim of ensuring that all waste generated is re-evaluated. Thanks to our Solvent Recovery Plant, which we established with the aim of reducing resource consumption and increasing energy efficiency, we do not release solvents used in the production process into the atmosphere; instead, we recover them for energy purposes and reduce our natural gas consumption. Additionally, we analyse chemicals that are not suitable for recycling using innovative approaches and conduct studies to replace these materials with environmentally friendly and recyclable alternatives.

We are continuing our efforts to reduce the use of hazardous substances with determination. In some of our production processes, we are testing the use of water-based alternatives instead of solvent-based products. In this way, we aim to increase work safety and minimise environmental impacts by replacing solvent-based materials with high fire and explosion risks with water-based products.

In 2024, our waste intensity was 0.22 tonnes/tonne.

The amount of waste we recycled in 2024 reached 5,204 tonnes, representing a 32% increase compared to the base year of 2020.

Amount of Recycled/Recovered Waste (tons)



Circular Economy

As İspak, we consider the integration of a circular economy approach, which focuses on the efficient use of natural resources, minimising waste generation, and extending the life cycle of products, into all our business processes as a strategic priority. In line with this, we are moving away from the 'use-and-throw' model throughout the value chain, from product design to production, logistics and end-user, and adopting a production and consumption model based on reuse, recycling and biodegradability. We are constantly reviewing our processes and products to comply with the European Union's Circular Economy Action Plan. In particular, in the packaging sector, solutions developed using recyclable, compostable, and low-carbon footprint raw materials form the foundation of our circular economy goals.

We systematically implement initiatives such as fire reduction projects to increase efficiency and reduce waste in our production processes. We collaborate with our suppliers to ensure sustainable material sourcing. Our circular economy approach not only provides environmental benefits but also delivers strategic gains such as cost advantages, regulatory compliance, and enhanced brand value.

We conduct training programmes, R&D projects and internal communication campaigns for our employees to raise awareness of the circular economy within the organisation. Among our future-oriented goals are increasing the circularity rate of our products, maximising raw material efficiency, and using life cycle assessments (LCA) as a systematic decision-making tool. The circular economy approach is one of the cornerstones of our organisation's sustainability vision.

One of the projects we have carried out in this context is the solvent recovery plant we established at the İspak Ambalaj İzmit Factory in 2019. Solvents used in production processes and contained in other chemicals, which are generated during production, are collected and processed at the recovery plant. The processed solvents are then made suitable for reuse in production. This reduces the amount of solvents we need to purchase externally and supports the circular economy. Since we established our solvent recovery facility, we have been sourcing only 19% of our solvent needs externally, while the remaining 81% is obtained through solvent recovery methods.

As İspak, we invest in R&D for recyclable and compostable packaging solutions in line with our circular economy approach. We aim to reduce environmental impacts by using biodegradable and naturally degradable materials instead of fossil-based plastics. By enhancing material innovation and improving production processes to increase the recyclability of packaging, we contribute to the circular economy. Additionally, by reducing the number of layers in our standard products and/or producing them from the same raw material, we make their recycling processes more efficient and enable the reuse of resources in line with the circular economy approach.



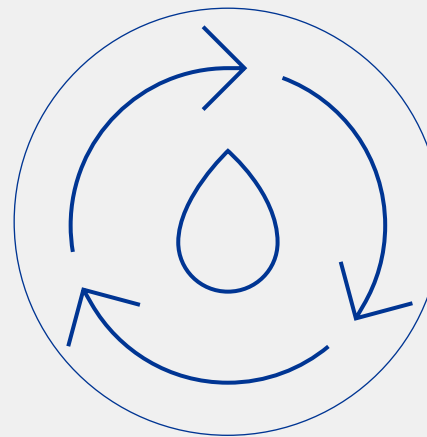
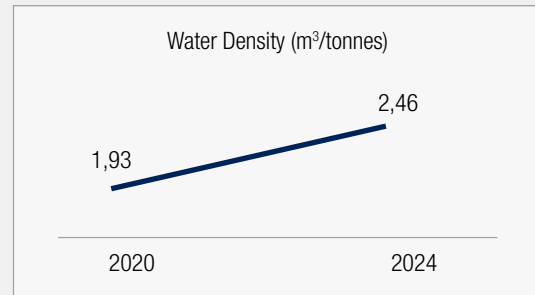
Water Management

At İspak, we prioritise the efficient use and sustainable management of water, recognising the importance of water management in reducing our environmental impact. Since we do not have production processes that require intensive water use, we do not interact with local/general water resources. We only consume water for domestic use, and all of the water we consume is supplied by the municipal network. We treat the water we use in accordance with established environmental standards and discharge it into receiving environments or wastewater treatment facilities. We adhere to the standards of the Asım Kibar Organised Industrial Zone for water discharge. We discharge wastewater after pH balancing to meet the relevant standards.

Our indirect impacts are related to water consumption in our raw material supply chain and in our customers' product use processes. We use scientific methods such as Life Cycle Analysis (LCA), ISO 14046 Water Footprint Analysis and global water risk mapping tools to determine our water-related impacts.

As a company, we are committed to protecting natural resources and have developed projects to reduce water consumption, as well as providing regular awareness training for our employees. As İspak, within the scope of our Lean Management System – Kaizen project, we have made a new investment in a washing area connected to the printing lines. This investment enables us to use more advanced solutions for washing equipment exposed to ink in the printing area, thereby achieving water and energy savings.

In 2024, our water intensity per unit of production volume increased by 27% compared to 2020.



Biodiversity

Climate change, pollution, overconsumption of natural resources, unsustainable resource use and rapid population growth are leading to a decline in biological diversity. As İspak, we aim to reduce the negative impacts of factors affecting biodiversity through our operations and product development activities. We carefully monitor the effects of our activities on the natural balance and implement the necessary measures and practices to minimise these effects. We do not carry out production in areas that are sensitive and protected in terms of biodiversity. We assess the potential impacts on biodiversity in all our investment and procurement decisions.

As part of our efforts to protect biodiversity, we are committed to working with suppliers who do not contribute to deforestation by using raw materials certified by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). Additionally, we continuously review the environmental and social impacts of the raw materials we source through traceability systems and supplier evaluation mechanisms, and support regenerative agriculture practices. In line with our climate goals, we actively combat deforestation by investing in projects that reduce carbon emissions and protect biodiversity.

In line with the United Nations Global Compact, which we signed in 2023, we continue our efforts to contribute to the protection of biological diversity and sustainability goals.



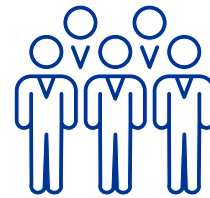
Social

As İspak, we embrace a work culture based on solidarity and sharing, in line with Kibar Holding's 'WE' approach, which represents the power of sharing success and life. We carry out continuous improvement and development-oriented work with the aim of providing our employees with a strong, innovative, safe and peaceful working environment.

	2030 Targets	2024 Realization
Occupational Health and Safety	Working with a "0" accident target	In 2024, the injury rate improved by 64% compared to the previous year.
Employee Development and Satisfaction	Increase participation in programmes that support the development of employees and leaders for an organisation that shapes the future	In 2024, a total of 152 hours of training was provided to 27 participants at managerial level and above.
Gender and Equal Opportunity	Ensuring equality between women and men in employment and employee income, increasing the number of women working in the field by 10% or more	The ratio of female employees in the field was increased from 5% to 7% in 2024.
Social Responsibility	Realize a social responsibility project every year in our activity area	At the 46th Istanbul Marathon, 20 of our volunteers ran in the marathon to support the projects of NGOs working in the fields of environment and education, namely Darüüşşafaka, TEMA and UNICEF.

Highlights

- Our number of employees increased by 40% compared to the base year of 2020.
- The percentage of female employees is 18%, the percentage of female white-collar employees is 47%, and the percentage of female managers is 25%.
- We provided 2,603 hours of training to our employees.



Occupational Health and Safety

At İspak, we consider providing a safe working environment for our employees to be one of our most fundamental responsibilities. With this understanding, we adhere to the ISO 45001 standard in occupational health and safety management and implement a comprehensive management system in line with this standard, which also involves third parties. We address occupational health and safety risks within the framework of the OHS Hazard Identification and Risk Management Procedure. The risk assessment process is carried out in a manner that includes the identification of hazards, analysis of risks, determination of control measures, documentation, regular updates, and renewal when necessary, starting from the design and implementation phase of an activity or change and continuing throughout the entire process. These procedures apply to all our employees and suppliers.

At İspak, we consider protecting our employees from workplace accidents and occupational diseases to be our top priority. To this end, we have a full-time occupational physician and medical staff on duty 24 hours a day, 365 days a year at our facilities. We enhance our employees' knowledge through occupational health and safety training and support their awareness through in-house notice boards. Additionally, we provide regular updates and training content to our employees through remote training via our LMS system.

To support the health and quality of life of our employees, we offer complementary and special health insurance plans and a hospital referral system. Thanks to our on-site mobile laboratory services, our employees can have tests conducted at their workplace. Additionally, we provide regular health counselling services to our employees through weekly check-ups conducted by a dietitian, psychologist, and internal medicine specialist.

In order to improve office ergonomics, we regularly measure lighting, noise and thermal comfort conditions. To support the health and comfort of our employees, we also encourage the use of laptop stands and external mice.

OHS Knowledge Contest

To raise our employees' awareness of occupational health and safety, we hold a monthly quiz that they can access on their mobile devices. The aim is to remind our employees of OHS information relevant to their work and to educate them on these topics. We aim to increase participation rates in the quiz each month and to increase the number of employees who achieve a score of 100. As part of this initiative, we successfully completed the Kibar Holding OHS Knowledge Quiz, held during OHS Week from 4 to 10 May.

As İspak, we came first this year, just like in 2023, in the OHS Knowledge Competition held throughout Kibar Holding.

Risk	Precaution
Chemical exposure	Effective ventilation, source reduction and provision of personal protective equipment (PPE)
Noise	Mechanical improvements and PPE
Ergonomic issues	Lifting equipment, training, PPE
Falling from a height	Life line, safety harness, training



Employee Development and Satisfaction

At İspak, we strive to provide our employees with a participatory work environment where they can develop themselves, acquire the skills of the future, and feel peaceful and happy. In addition, we provide comprehensive orientation training to all new employees to help them quickly adapt to the organisation.

Every year, we collect our employees' training needs and requests through relevant departments and evaluate them accordingly. We also actively participate in development programmes organised by Kibar Holding Human Resources.

We aim to increase employee satisfaction through initiatives such as 'Something's Happening at İspak' events and special days in the cafeteria. We also conduct regular meetings with employee representatives, organise Kibar Sports Festivals, and implement ethical committee practices to strengthen employee participation and commitment.

Our company has adopted a performance approach focused on continuous improvement based on the Objectives and Key Results (OKR) approach. We provide regular performance feedback to all our employees through a lean, transparent, and agile system that encourages high performance.

K-team Young Talent Internship Program

Every year, through the 'K-team Young Talent Internship Programme', Kibar Group offers final-year university students a one-year long-term internship opportunity and the possibility of permanent employment at the end of the internship. Guided by the motto 'A real career starts with a real internship', we introduce young talents to the professional world from their very first steps, providing them with genuine experience and preparing them for a successful career.

K-Start Young Talent in the Field Internship Program

With our motto 'There is a Future in the Field!', we have launched the 'K-Start Young Talent Programme in the Field' to offer final-year vocational school students a six-month internship opportunity, providing them with a development opportunity to experience production processes from start to finish before graduation. Young talents gain the chance to apply what they learn in real-world settings while shaping their careers under the guidance of our leaders; successful candidates at the end of the internship are offered employment opportunities.



“Power Is in US” Development Platform

Through the ‘Power Is in Us Development Platform’ launched by Kibar Holding in 2020, we support our employees’ personal and professional development journeys. Thanks to this digital platform, our team members can track their individual development and access various training content without any time or location restrictions. The platform also promotes a culture of continuous learning while enabling digitalisation, automation and efficiency in training processes. Currently, all new employees receive orientation training, and training requests from departments are collected and budgeted annually. To enhance the leadership competencies of our employees holding managerial titles, we implement the ‘Effective Management and Leadership Development Programme’. For employees in director-level and above positions, we offer special training programmes focused on brand and ‘executive presence’.

As part of the ‘Power Is in Us 2.0 Field Leadership Programme’ implemented for field workers managing teams in the field, we address important issues such as diversity & inclusion and gender equality. In addition, we design development programmes suitable for every level within the Power is in Us 2.0 programme.

Continuous Learning Development Platform

With the Continuous Learning Development Platform, which offers programmes in various fields ranging from leadership development to internal trainer and mentor training, the continuity of the development process is ensured and the culture of learning from one another is promoted.

Managerial Development Program

The Management Development Programme aims to contribute to the development of first and middle managers and to create a common leadership model and culture. The content of the programme, which covers all managers and directors, is determined based on employee expectations as identified through focus group studies. Newly appointed or promoted managers and directors are supported through the ‘We in Management’ module, while managers and directors who lead or do not lead teams are offered a training programme with content tailored to their specific level. Twenty-eight people from İspak participated in the programme organised in 2024.

Expert Development Program

As part of the programme aimed at developing the competencies of our employees in the positions of Assistant Expert, Expert and Senior Expert, analyses are conducted to determine the development needs of employees and training catalogues are created for the areas where there is a need. In this regard, we organise training courses under the headings ‘We are innovative’, ‘We make decisions’, ‘We achieve results’, ‘We work together’, ‘We act in a planned manner’ and ‘We are customer-focused’. Employees can participate in these training programmes by selecting from a catalogue under the Expert Development Programme and Manager Development Programme. Every year, requests from departments are collected through the Training Request Form and budget planning is carried out. Participants engage in the process through the Güç BİZde Development Platform, choosing training courses that align with the BİZSmart Performance System Development Goals. As part of the programme, 14 hours of training per person were provided to employees at the expert level in 2024.

Leadership Development Programme

The Leadership Development Programme offers development opportunities for directors and above to redesign the leadership culture across the community and create the right climate. Within the scope of the programme, we organise various workshops and training courses to develop leadership competencies and closely follow current developments and leadership trends. Additionally, we support our employees' growth not only in their professional lives but also in other areas of life by offering rich content on non-work-related topics under the 'Life Skills' module. In 2024, based on feedback from employees who participated in the programme, the programme's recommendation score was 8.8 out of 10.

Game Changers

Launched in 2020 under the Kibar Community, Game Changers is a specially designed, exclusive development programme for participants. With this programme, we aim to help our colleagues gain different perspectives, adapt to the changing business world, and contribute to their personal development. Our experts and managers who are eligible to participate in the programme benefit from many development opportunities such as development planning, one-on-one coaching sessions, online classroom training, mentoring, project work, and interaction with senior management. In 2024, three senior experts and one manager participated in the programme, which consisted of four modules totalling 8 days, including 56 hours of classroom training and two days of online training. In addition to the training, online workshops were also organised.

Work Is Ours, Life Is Ours

With our 'Work Is Ours, Life Is Ours' project, which we launched in 2022, we aim to support our employees' work-life balance. In line with this, we have implemented flexible working models based on task-based evaluations. Drawing on the remote working experience we gained during the pandemic, we aim to make these practices permanent, thereby increasing both productivity and employee satisfaction. We launched this initiative in 2022 and are continuing to expand it in 2024. Under the programme, we offer three different flexible work models: 'Remote+', 'Hybrid,' and 'In-Office/On-Site'.

As of 2024, we have strengthened our employee-friendly practices with new additions to the project. We have started implementing 14 days of paternity leave, provided childcare assistance, and launched the 'Life is Ours Leave' programme. Thanks to this new leave programme, our employees who do not currently have annual leave can now take additional leave in special circumstances.



Achievers Together

At meetings held every three months, which bring together all Human Resources units within the Kibar Community, employee well-being, process and system improvements, and development issues are evaluated within the framework of Human Resources.

We care about our employees' mental health as well as their physical health, and we make sure they have a good social life. With facilities such as a gym, relaxation and recreation areas, table tennis and billiards tables, we encourage our team members to both exercise and socialise. We strengthen team spirit through company-wide football tournaments and sports events organised as part of the Kibar Festivals.



In addition, we enhance social interaction through our 'Something's Happening at İspak' event series, cafeteria special celebrations, and monthly birthday parties. During Ramadan, we organise iftar dinners with senior management and breakfast meetings with the General Manager, fostering direct and sincere communication with our employees and encouraging sharing and participation. Meetings with employee representatives and our ethics committee initiatives aim to strengthen employee loyalty and a sense of belonging to the organisation.

Through our internal communication activities, we strive to ensure that all our team members internalise the importance of a collaborative work culture and strengthen our sense of belonging.

Through our internal digital communication network Porttakai, our company magazine Kibarca, and our mobile application Mobiliz, we have established an effective communication network both within İspak and across the Kibar Community. With our 'The Future Is Ours' meetings, our General Manager meets directly with our employees on a quarterly basis to encourage mutual information sharing. To strengthen our employer brand, we actively utilise social media platforms, participate in university events and fairs to connect with young talent, aiming to increase interest in the sector and become an employer of choice.

We regularly measure employee satisfaction through surveys conducted by independent research firms and use the data we obtain to improve our practices. As of 2024, our employee satisfaction score stands at 66%, while our employee engagement score is 55%. Additionally, following the survey results, we conduct focus group workshops with our employees to gather more in-depth feedback and plan our actions accordingly.

Gender and Equal Opportunity

At İspak, we stand against all forms of discrimination and provide a working environment based on equality and justice. We support the United Nations Principles for the Empowerment of Women.

As part of the We Are Equal project, the We Are Equal Committee works to identify actions on diversity and inclusion. Established in 2022, the committee comprises seven participants from various departments and levels. While the 2024 performance targets include increasing the number of female employees, the 2025 performance targets will include projects aimed at retaining female employees.

With the We Are Equal Programme, we offer programmes that focus on development needs without gender discrimination. To support gender equality, we implement necessary initiatives using tools such as the Gender Equality Guide, the Domestic Violence and Workplace Violence Awareness Guide, the AÇEV Fatherhood Support Programme, and the Corporate Social Responsibility Policy Against Violence.



In 2024:

- Our inclusivity policy and social equality guide have been published on the kibar.com website.
- The percentage of female employees in our office is 47%, in the field is 7%, and overall is 18%.
- In 2024, 17% of field employees and 44% of office employees were female.
- The service routes for female employees working night shifts have been reviewed to ensure their safety.
- All committee members have received Diversity and Inclusion Training.
- The Human Resources team has completed Zero Tolerance for Violence Training.

At İspak, we determine and implement our remuneration policy based on the principle of gender equality, taking into account the potential and performance of each employee in an objective and fair manner. In line with our employer brand motto, 'We Are Strong Together', we work in collaboration with all our colleagues, candidates, and internal and external stakeholders. We offer equal opportunities to all applicants who apply for our job postings, regardless of factors such as race, religion, language, gender, colour, national or social origin, sexual orientation, disability status, political views, pregnancy, or marital status. During the reporting period, no cases of discrimination were identified within our company.

EQUAL-SALARY Foundation's EQUAL-SALARY Certificate

Kibar Holding voluntarily applied for the EQUAL-SALARY Certification process provided by the EQUAL-SALARY Foundation in Switzerland and audited by PricewaterhouseCoopers Switzerland in 2024. Following a detailed review process, it was awarded the certificate for its equal pay for equal work policy. Kibar Holding became the first holding company in Turkey to receive this certification.



Social Responsibility

At İspak, we place great importance on improving the well-being of the community we live in, and we carry out various activities with the aim of creating value for our stakeholders and society. We actively participate in the Kibar Volunteers Programme, organised by Kibar Holding, which enables employees of Kibar Holding and its community companies to volunteer in social responsibility projects.



Our Kibar Volunteers in 2024:

- During the Career Information Event we organised for students in Alikahya, İzmit, our volunteers introduced children to various professions of today while sharing their own educational journeys, inspiring them for the future and helping them learn about different career paths.
- At the mobile café set up by KAÇUV Umut Cafe and İspak, İspak volunteers supported the café's operations for a day. Throughout the day, volunteers introduced KAÇUV to their colleagues and supported the sale of tea, coffee, lemonade, and homemade cookies at the café, with the proceeds going to children undergoing treatment.
- At the 46th Istanbul Marathon, 20 of our volunteers ran in the marathon for the Darüüşşafaka, TEMA, and UNICEF associations, supporting the projects of NGOs active in the fields of environment and education.
- As sponsors of Alikahya Primary School, our volunteers organised a trip to the Rahmi Koç Museum and Miniaturk for the 4th-grade students as a graduation gift. Through this event, our volunteers supported the students in learning about historical sites and preserving cultural heritage.

Corporate Governance Practices

At İspak, our management approach aims to adapt quickly to rapidly changing global conditions and create sustainable value for our stakeholders. We strive to be an agile, innovative, people- and environment-focused, reliable organisation. We have built our management principles on resource efficiency, effective leadership and transparent communication, and we conduct all our activities in line with these principles.



Corporate Governance

As İspak, we adopt an accountable, ethical and transparent management approach. Our Board of Directors consists of a total of seven members, three of whom are professional members, and is the highest strategic decision-making body of our company. The Board is responsible for setting corporate objectives, ensuring compliance with corporate governance principles, identifying and managing strategic directions, and ensuring the proper implementation of risk management and control systems. The Board of Directors also establishes the company's sustainability strategy and policies, aligns them with long-term goals, and communicates these strategies to senior management in accordance with ESG (Environmental, Social, Governance) principles. Strategies are translated into operational plans and disseminated to relevant departments.

The General Manager of İspak, as the company's highest governance body, ensures that the defined strategies are implemented and, as a signatory to the Global Compact, commits to improving the company's impact on the economy, environment and people. This responsibility is delegated within a specific structure and process. Reporting to the General Manager, the Strategy Manager leads corporate sustainability activities and reports on relevant areas at biweekly senior management meetings. All departments are responsible for reducing their carbon footprint and supporting circular economy practices. While human resources focuses on workplace safety and employee rights, the R&D and product development departments work to develop more environmentally friendly solutions.

Internal Audit and Control

At İspak, our internal audit and control activities aim to ensure compliance with legislation, corporate policies and principles, and defined strategic objectives. Internal audit and control processes are regularly carried out by the Internal Audit Department under the coordination of Kibar Holding and are conducted in accordance with International Internal Audit Standards and Kibar Holding's Code of Ethics. Audits conducted by the Deputy Head of Internal Audit are carried out using a risk and process-oriented approach. Audits are conducted in four main areas: process audit, compliance audit, financial audit, and information technology audit. Risks identified during the audit process are communicated to the relevant units, and improvement recommendations are provided. Internal controls are an integral part of the management process and are integrated with the management function.

In 2024, as in 2023, all audits took into account issues of corruption and fraud. During the reporting period, no penalties were imposed or cases of corruption or fraud were identified due to any violation of the law.



Business Ethics

The fundamental guideline document for business ethics at İspak is the Kibar Group Code of Ethics. These ethical rules define the responsibilities towards laws, internal and external stakeholders, principles of conduct in the workplace, and the fundamental rights and responsibilities of employees.

The Kibar Community Code of Ethics is organised under seven main headings: honesty, confidentiality, fairness, quality and continuous improvement, conflict of interest, our responsibilities, and accepting/giving gifts. Each heading is addressed in detail. The Code of Ethics document includes examples of incidents related to these headings and explains the expected behaviour with concrete examples.

At İspak, Ethics Advisors are assigned to respond to all questions and needs of employees in order to support the implementation of the Code of Ethics. An Ethics Hotline is available to provide support for any needs and questions that may arise in the event of a violation of the Code of Ethics. The hotline can be accessed both internally and externally. Reports submitted through this line are forwarded directly to the Ethics Committee, and all submissions made via phone, email, or post are handled and evaluated with strict confidentiality. The appropriate departments are assigned to take necessary actions, and all related investigations are conducted with the utmost care and attention to detail.

During the onboarding process at Kibar Group companies, employees are provided with an 'Ethics Handbook' that explains the ethical principles of the Kibar Group and illustrates them with examples, both in booklet form and via the portal. The final page of this handbook is signed by the employee to confirm that it has been read and understood, and then submitted to the Human Resources Department. Additionally, ethical training sessions are conducted for all employees at regular intervals. The Kibar Holding Ethics Handbook outlines the expected behaviour from employees and the relevant rules and regulations.

The Ethics Committee takes the necessary measures to prevent any retaliation, pressure or intimidation against persons reporting ethical violations.

Every year, we successfully complete Sedex/SMETA Ethics Management Audits and EcoVadis Reporting as part of our regular social compliance audits, and we also achieve high ratings from EcoVadis.



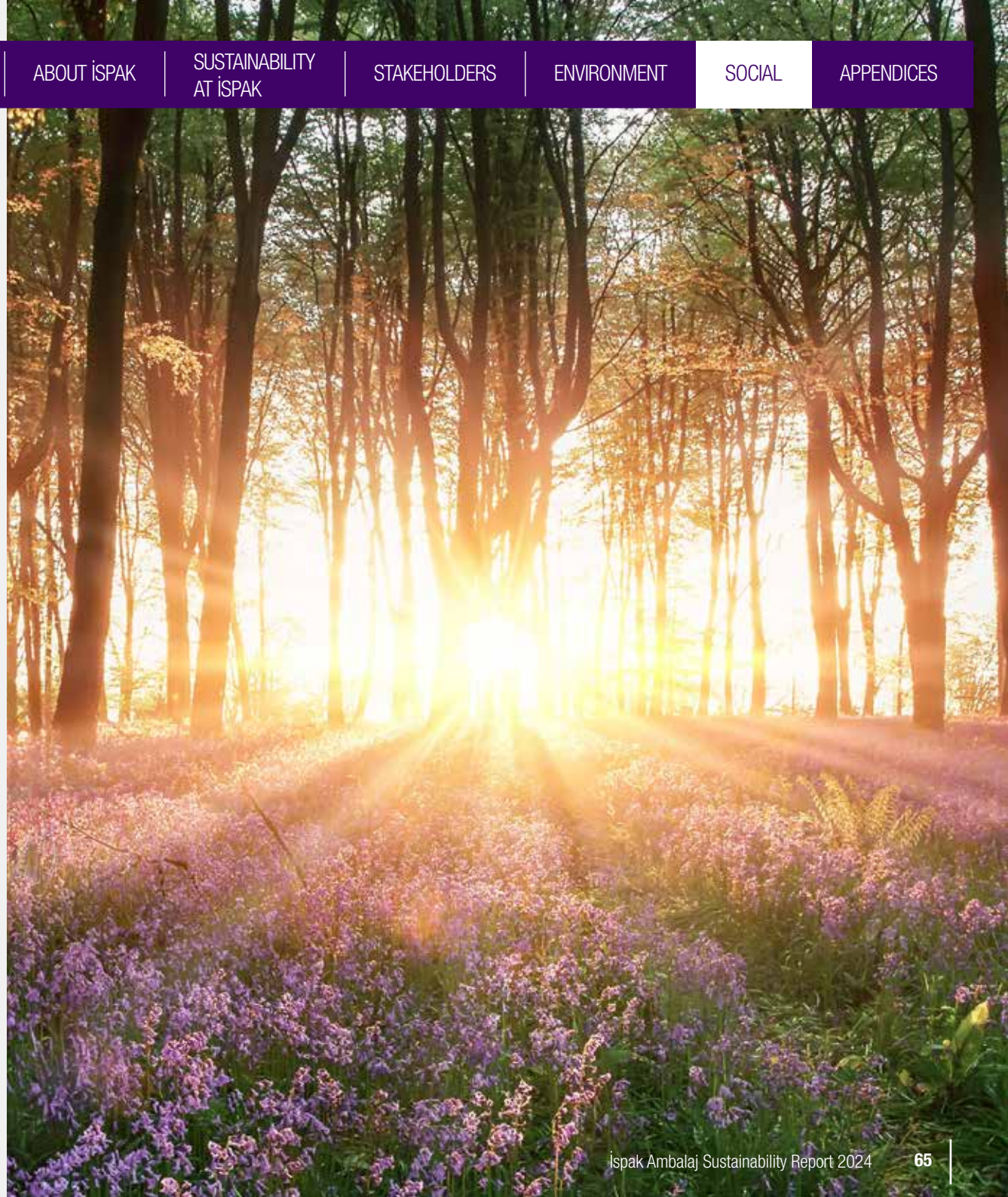
Non-Toleration of Bribery and Corruption

As a company with high ethical standards, İspak does not tolerate bribery and corruption. Our approach to combating bribery and corruption is clearly defined in the Kibar Holding Code of Ethics. Compliance with the Code of Ethics is the responsibility of all İspak managers and employees. Our employees are obligated to report any suspected violations of ethical rules or instances of bribery and corruption. Our commitment to combating bribery and corruption extends beyond our employees to all our stakeholders, including suppliers and business partners.

The Kibar Community Code of Ethics also covers the area of anti-corruption, and the Code of Ethics is reviewed annually. Our company's corporate risk map includes the risk of abuse, and risk assessments are carried out. The effectiveness of the internal control environment regarding corruption risks is evaluated during process audits and investigation activities, and the results are reported. Additionally, during the independent audit services we receive annually, auditors present the risks they encounter and their recommendations, and our business practices are continuously improved in line with these contributions to meet the needs.

As one of the UNGC signatory companies in 2024, we are fully compliant with Principle 10. This principle requires UN Global Compact participants not only to avoid bribery, coercion and other forms of corruption, but also to develop policies and concrete programmes against corruption.

In 2024, there are no confirmed cases of corruption.



Appendices

Communication with Our Stakeholders

At İspak, we consider providing accurate and timely information to all our stakeholders as a corporate responsibility – we maintain maintain two-way communication through various platforms we have created specifically for different stakeholder groups. We take into account internal and external stakeholder notifications received through these platforms and integrate feedback into our processes. We continuously develop our corporate knowledge base through our membership and support of numerous civil society organisations, as well as global and sectoral initiatives. Our sustainability report, participation in trade fairs and events, social media content, website, interviews and news articles in the press, one-on-one customer meetings, technical training and university partnerships are among our most important communication tools.

Stakeholder Group	Communication Methods	Communication Frequency	Relevant Sustainability Issues
SUPPLIERS	One-on-one meetings and visits	Continuous	Efforts to create a sustainable supply chain
	Audits	Annual	
	Supplier evaluation surveys	Annual	
	Trade fairs	Periodic	
	Business partnerships and development	Periodic	
CUSTOMERS	Visits to customers	Continuous	Supporting sustainable product production
	Visits by customers	Continuous	
	Customer satisfaction surveys	Annual	
	Audits	Periodic	
	Trade fairs	Periodic	
	Corporate communication activities	Continuous	
	Social media activities	Continuous	
NGOs	Memberships	Continuous	Compliance with applicable regulations
	Joint Projects	Periodic	
UNIVERSITY STUDENTS	Long-term internship programmes	Annual	Efforts to increase talent acquisition and young employee ratios
	Social media activities	Continuous	
PRESS	Trade fairs	Periodic	Sector-based environmental impact and carbon footprint
	Corporate communication activities	Continuous	
	Social media activities	Continuous	

Stakeholder Group	Communication Methods	Communication Frequency	Relevant Sustainability Issues
BANKS/FINANCIAL INSTITUTIONS	Technical evaluations	Periodic	Sustainable finance risk assessments
GROUP COMPANIES	One-on-one meetings and visits	Continuous	Sustainable supply chain management, product development studies
	Supplier evaluation surveys	Annual	
EMPLOYEES	Internal meetings	Continuous	Ethical values, employee engagement, employer brand management
	Employee engagement surveys	Continuous	
	Evaluation meetings	Continuous	
	Corporate communication activities	Continuous	
	Social media activities	Continuous	
LOCAL GOVERNMENT	Visits and corporate communication activities	Periodic	Sector-based environmental impact
PUBLIC INSTITUTIONS/REGULATORS	Regulatory compliance	Continuous	Implementation of regulations on environmental working conditions, ethics, etc.
SUBCONTRACTORS/CONTRACTOR EMPLOYEES	One-on-one meetings and visits	Continuous	Business development activities
	Supplier evaluation surveys	Annual	
KIBAR HOLDING AND SUBSIDIARIES	One-on-one meetings and visits	Continuous	Sustainable supply chain management, product development, sustainable management development
	Supplier evaluation surveys	Annual	
	Collaborations - business development	Periodic	

Appendices

Environmental Performance Indicators					
Natural Resource Utilization	2020	2021	2022	2023	2024
Production quantity (tonnes)	18,457	21,924	25,677	24,536	24,962
Quantity of raw materials consumed (tonnes)	23,624	28,364	33,240	30,880	31,713
Quantity of recycled/recovered raw materials used as input (tonnes)					
Percentage of recycled/recovered raw materials used as input (%)					
Use of raw materials with low environmental impact compared to alternatives					
Use of environmentally certified raw materials					
Use of raw materials in line with circular economy principles					
Water Management (m³)					
Amount of well water consumed (m³)	0	0	0	0	0
Amount of municipal water consumed (m³)	35,668	44,826	40,974	55,886	61,431
Total Water Consumption (m³)	35,668	44,826	40,974	55,886	61,431
Water Density (m³/ton)	1.93	2.04	1.60	2.28	2.46
Water Density (m³/ton)	118	141	113	141	144
Waste Management					
Total amount of hazardous waste (tons)	683	632	713	797	901
Energy Recovery	22	146	97	114	151
Recovery (tonnes)	661	486	616	683	748
Landfill (tonnes)	0.03	0.05	0.00	0.02	0.04
Waste Incineration	0.00	0.00	0.00	0.00	2.74
Other	0.00	0.00	0.00	0.00	0.00
Total amount of non-hazardous waste (tons)	3,454	4,005	4,083	4,134	4,516
Energy Recovery	744	538	669	880	151
Recovery (tonnes)	2,529	3,277	3,232	3,038	4,156
Landfill (tonnes)	180	190	182	198	210
Waste Incineration	0	0	0	0	0
Other	0	0	0	0	0
Total Waste (tonnes)	4,137	4,637	4,796	4,931	5,417
Recycled/recovered waste amount (tonnes)	3,957	4,447	4,614	4,716	5,204
Recycled/recovered waste ratio (%)	96%	96%	96%	96%	96%
Waste Density (tonnes/tonnes)	0.22	0.21	0.19	0.20	0.22

Appendices

Climate Change Mitigation					
Direct Energy Consumption (GJ)	2020	2021	2022	2023	2024
Natural Gas	120,394	141,413	155,271	149,765	163,193
Diesel	386	476	418	390	431
Petrol	1,442	1,755	2,729	3,103	3,030
Other	-	-	-	-	-
Total Direct Energy Consumption	122,222	143,643	158,419	153,258	166,654
Indirect Energy Consumption (GJ)					
Electricity	57,607	64,243	66,331	67,898	74,069
Total Indirect Energy Consumption	57,607	64,243	66,331	67,898	74,069
Total Energy Consumption					
Total Energy Consumption (GJ)	179,828	207,887	224,750	221,156	240,723
Energy Intensity (GJ/ton)	9.74	9.48	8.75	9.01	9.64
Renewable Energy Production					
Renewable Energy Production (GJ)	-	-	-	-	-
Emissions					
Scope 1 Emissions (tonnes CO ₂ e)	6,883	8,090	8,931	8,646	9,397
Scope 2 Emissions (tonnes CO ₂ e)	7,265	8,461	8,457	8,714	9,053
Scope 3 Emissions (tonnes CO ₂ e)	256	336	384	431	521
Greenhouse gas (GHG) emission intensity (tonnes CO ₂ e/tonne)	0.77	0.75	0.69	0.73	0.76
Number of Trees Planted					
	0	0	0	0	0
Environmental training (hours)					
Environmental training provided to group employees					
Environmental training provided to contractor personnel					

Appendices

Employee Demographics*					
Employees	2020	2021	2022	2023	2024
Total number of employees	303	319	362	395	427
Total number of female white-collar employees	30	36	47	55	54
Total number of male white-collar employees	41	47	45	52	59
Total number of female blue-collar employees	4	5	7	15	23
Total number of male blue-collar employees	228	231	263	273	291
Total number of female employees	34	41	54	70	77
Total number of male employees	269	278	308	325	350
Proportion of female employees	11%	13%	15%	18%	18%
Proportion of white-collar female employees	42%	43%	51%	51%	48%
Number of employees by age groups					
Number of employees under 30	44	37	64	79	97
Number of employees aged 30-50	246	254	270	292	293
Number of employees aged 50 and over	13	28	28	24	37
Total number of senior managers					
Number of female managers	3	5	4	4	5
Number of male managers	10	11	12	16	15
Ratio of Female Executives (%)	23%	31%	25%	20%	25%
Number of employees by education level					
Primary education	33	35	38	35	40
High School	170	167	193	187	237
University and Above	97	118	133	142	199
Employee Circulation Rate					17%
Workforce Covered by Collective Bargaining (Number)					-
Maternity Leave					
Number of female employees on maternity leave	2	1	2	1	1
Number of male employees on paternity leave	16	18	26	16	16
Number of female employees returning from maternity leave	2	1	2	1	1
Number of male employees returning from paternity leave	16	18	26	15	16
Employee Development					
Trainings					
Employee Trainings – Number of Participants (person)					
Blue Collar	488	1,111	369	6,424	1,774
White Collar	322	709	274	2,308	910
Woman	202	358	173	1,744	597
Male	608	1,462	470	6,988	2,087
Total	810	1,820	643	8,732	2,684

Appendices

Employee Trainings - Total Hours (hours)	2020	2021	2022	2023	2024
Blue Collar	1,430	1,587	175	4,166	1,199
White Collar	790	1,766	542	2,334	2,420
Woman	448	899	337	2,145	1,382
Male	1,760	2,454	380	4,355	2,237
Total	2,208	3,353	717	6,500	3,619
Training Hours per Person	7.29	10.51	1.98	0.74	1.35
Employee Suggestion Systems					
Number of Suggestions Made	-	-	-	-	-
Number of Suggestions Implemented	-	-	-	-	-
Number of Employees Participating in Performance Evaluation					
Blue Collar		-	-	-	-
White Collar		82	79	98	99
Female		37	38	50	48
Male		45	41	48	51
Total		82	79	98	99
Occupational Health and Safety					
Injury Rate					
Direct Employment				43.48	15.51
Female	0.00	0.00	9.66	7.34	13.12
Male	27.82	29.26	18.33	50.59	16.51
Accident Weight Ratio					
Direct Employment				0.58	386.77
Female	0.00	0.00	0.10	0.13	91.90
Male	0.67	0.33	0.11	0.67	448.57
Occupational Disease Rate (ODR)					
Direct Employment					
Female	0	0	0	0	0
Male	0	0	0	0	0
Contractor Company Employee					
Female	0	0	0	0	0
Male	0	0	0	0	0

Appendices

Number of Work-Related Deaths	2020	2021	2022	2023	2024
Direct Employment					
Female	0	0	0	0	0
Male	0	0	0	0	0
Contractor Company Employee					
Female	0	0	0	0	0
Male	0	0	0	0	0
Occupational Health and Safety Trainings					
	2020	2021	2022	2023	2024
Total number of employees participating in OHS training	335	320	954	1,462	882
Total number of contractor employees participating in OHS training	196	291	470	86	340
Total number of hours of OHS training provided to employees	2,583	1,685	1,393	6,196	2,762
Total number of hours of OHS training provided to contractor employees	122	153	235	165	877
Occupational Health and Safety Management					
	2020	2021	2022	2023	2024
Number of OHS Committees Established	1	1	6	6	6
Total Number of Members in Board OHS Committees	17	10	11	11	12
Number of Employee Representatives in Board OHS Committees	3	3	4	4	4
Supply Chain Management					
	2020	2021	2022	2023	2024
Number of Local Suppliers	1,181	1,483	1,674	1,817	1,994
Number of Foreign Suppliers	107	169	202	238	249
Local Supplier Ratio (%)	92%	90%	89%	88%	89%
Foreign Supplier Ratio (%)	8%	10%	11%	12%	11%

Appendices

Economic Indicators and Annexes					
	2020	2021	2022	2023	2024
Sales					
Percentage of Sales (Turkey, International)	85%	78%	69%	66%	65%
Ratio of Exported Regions	15%	22%	31%	34%	35%
Product Quality and Safety					
Regulatory Oversight			14	23	24
Gender and Equal Opportunity					
Number of female employees hired			17	24	21
Ratio of female employees in recruitment			27%	29%	28%
Employee Development and Talent Management					
Number of Performance Feedbacks			80		99
Total Training Hours					
Environmental Education					132
Our Future from Within			4	2	0
The Power Is in Us Development Programme				47	53
Management Development Programme				20	28
Specialist Development Programme				20	28
Leadership Development Programme				7	5
Development Ambassadors				2	0
Employee Engagement and Communication					
Employee Satisfaction Score			69%	66%	
BizPlus			368	398	414
Bizflex			78	90	94
K-team			5	9	8
Kibar Sports Festival					99
Sustainability in the Supply Chain					
Number of Companies Audited					

GRI MARK

Content Index – GRI Services for Essentials. The GRI content index has been reviewed to ensure that it is presented in accordance with the reporting requirements of the GRI Standards and that the information in the index is clearly presented and accessible to stakeholders. The service was provided based on the Turkish version of the report.

GRI CONTENT INDEX

Declaration of Use	İspak Ambalaj has reported in accordance with GRI Standards for the period January 1, 2024 - December 31, 2024.
GRI 1 Usage	GRI 1: Baseline 2021
Applicable GRI Sector Standard(s)	/

GRI STANDARD / OTHER SOURCE	INDICATOR	DESCRIPTIONS AND PAGE NUMBERS	EXCLUSIONS		
			Excluded Requirements	Reason	Explanation

General Explanations

GRI 2: General Explanations 2021	2-1 Details about the organisation	About Us, page 8			
	2-2 Organisations included in sustainability reporting	Introduction and Report, page 3			
	2-3 Reporting period, frequency and contact information	Introduction and Report, page 3			
	2-4 Restatement of information	GRI Content Index: No information has been restated in the report.			
	2-5 External assurance	GRI Content Index: No external assurance has been obtained.			
	2-6 Activities, value chain and other business relationships	About Kibar Holding, page 7 About Us, page 8 https://www.ispak.com/tr-tr/kurumsal/hakkimizda			
	2-7 Employees	Performance Indicators, Employee Demographics, page 70-73			
	2-8 Contractor employees	GRI Content Index: Security, cleaning, catering and service services are outsourced. The number of employees in this scope is xx.			
	2-9 Management structure and composition	Corporate Management, page 62-63			
	2-10 Nomination and election of the highest governance body	Corporate Management, page 62-63			
	2-11 Chair of the highest governance body	Corporate Management, page 62-63			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Management, page 20-21			

GRI Content Index

GRI STANDARD / OTHER SOURCE	INDICATOR	DESCRIPTIONS AND PAGE NUMBERS	EXCLUSIONS		
			Excluded Requirements	Reason	Explanation
General Explanations					
GRI 2: General Explanations 2021	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, page 20-23			
	2-15 Conflicts of interest	Business Ethics, page 64			
	2-16 Communication of critical concerns	About Presentation and Report, page 3 Employee Development and Satisfaction, page 57-60 Communication with our Stakeholders, page 66-67			
	2-17 Collective knowledge of the highest governance body	Sustainability Management, page 20-21			
	2-18 Evaluation of the performance of the highest governance body	Corporate Management, page 62-63			
	2-19 Compensation policies	Gender and Equal Opportunity, page 61 https://www.ispak.com/tr-tr/insan-kaynaklari/ucret-ve-yan-haklar			
	2-20 Compensation determination process	https://www.ispak.com/tr-tr/insan-kaynaklari/ucret-ve-yan-haklar			
	2-21 Annual total compensation ratio	GRI Content Index: Since İspak is not a publicly traded company, remuneration information is not disclosed.			
	2-22 Explanation of the sustainable development strategy	Sustainability at İspak, page 13-14	2-21 a; 2-21 b; 2-21 c	Confidentiality constraints	İspak does not disclose this information due to confidentiality reasons.
	2-23 Policy commitments	Sustainability at İspak, page 13-14 Desteklediğimiz Girişimler sayfa 24			
	2-24 Implementation of policy commitments	Sustainability at İspak, page 13-14			
	2-25 Processes for mitigating adverse impacts	Sustainability at İspak, page 13-14			
	2-26 Mechanisms for seeking advice and raising concerns	About Presentation and Report, page 3 Employee Development and Satisfaction, page 57-60 Communication with our Stakeholders, page 66-67			
	2-27 Compliance with laws and regulations	Internal Audit and Control, page 63 Business Ethics, page 64 Opposition to Bribery and Corruption, page 65			
	2-28 Memberships	Organizations We Are Members of, page 24			
	2-29 Stakeholder participation approach	Communication with our Stakeholders, page 66-67			
	2-30 Collective Bargaining Agreements	GRI Content Index: There is no collective bargaining agreement at İspak.			
	2-30 Toplu İş Sözleşmeleri	GRI İçerik İndeksi: İspak'ta toplu iş sözleşmesi bulunmamaktadır.			

GRI Content Index

GRI STANDARD / OTHER SOURCE	INDICATOR	DESCRIPTIONS AND PAGE NUMBERS	EXCLUSIONS		
			Excluded Requirements	Reason	Explanation
Priority Issues					
GRI 3: Priority Issues 2021	3-1 Process for identifying priority issues	Sustainability at İspak, page 13-14			
	3-2 Priority issue list	Our Sustainability Strategy: Vision 2030, page 15-17			
Occupational Health and Safety					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Occupational Health and Safety, page 56			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	Occupational Health and Safety, page 56			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page 56			
	403-3 Occupational health services	Occupational Health and Safety, page 56			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 56			
	403-5 Occupational Health and Safety Training	Performance Indicators, Occupational Health and Safety Trainings, page 72			
	403-6 Protection of worker health	Occupational Health and Safety, page 56			
	403-7 Management, prevention and reduction of OHS impacts	Occupational Health and Safety, page 56			
	403-8 Scope of the OHS management system	Occupational Health and Safety, page 56			
	403-9 Work-related injuries	Performance Indicators, Occupational Health and Safety, page 71-72			
	403-10 Work-related diseases	Performance Indicators, Occupational Health and Safety, page 71-72			

GRI Content Index

GRI STANDARD / OTHER SOURCE	INDICATOR	DESCRIPTIONS AND PAGE NUMBERS	EXCLUSIONS		
			Excluded Requirements	Reason	Explanation
Employee Development and Satisfaction					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Employee Development and Satisfaction, page 57-60			
GRI 404: Education and Training 2016	404-1 Training Hours per Employee per Year	Employee Development and Satisfaction, page 57-60			
	404-2 Talent management and lifelong learning programs	Employee Development and Satisfaction, page 57-60			
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Development and Satisfaction, page 57-60			
Gender and Equal Opportunity					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Gender and Equal Opportunity, page 61 https://www.ispak.com/tr-tr/insan-kaynaklari/ucret-ve-yan-haklar			
GRI 401: Employment 2016	401-1 New hires and employee turnover	Gender and Equal Opportunity, page 61 Performance Indicators, Employee Demographics, page 70-73			
	401-3 Parental leave	Performance Indicators, Employee Demographics, page 70-73			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and staff	Performance Indicators, Employee Demographics, page 70-73			
GRI 406: Anti-Discrimination 2016	406-1 Incidents of discrimination and corrective measures taken	Gender and Equal Opportunity, page 51 https://www.ispak.com/tr-tr/insan-kaynaklari/ucret-ve-yan-haklar			
Social Responsibility					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Social Responsibility, page 62			
Customer Satisfaction					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Customer Satisfaction, page 26			
Product and Solution Quality and Security					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Product/Solution Quality and Safety, page 27-29			
GRI 417: Marketing and Labeling 2016	417-1 Product and service information and labeling requirements	Product/Solution Quality and Safety, page 27-29			
	417-2 Incidents of non-compliance related to product and service information and labeling	Product/Solution Quality and Safety, page 27-29			
	417-3 Incidents of non-compliance related to marketing communications	Product/Solution Quality and Safety, page 27-29			

GRI Content Index

GRI STANDARD / OTHER SOURCE	INDICATOR	DESCRIPTIONS AND PAGE NUMBERS	EXCLUSIONS		
			Excluded Requirements	Reason	Explanation
R&D and Innovation					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	R&D and Innovation, page 30-31			
Digitalization and Data Security					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Digitalization and Data Security, page 32-33			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints of breach of customer privacy and loss of customer data	During the reporting period, there were no substantiated complaints regarding breach of customer confidentiality and loss of customer data			
Tedarik Zinciri Yönetimi					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Supply Chain Management, page 34-35			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers screened using environmental criteria	Supply Chain Management, page 34-35 Supplier Audits, page 36			
	308-2 Negative environmental impacts in the supply chain and measures taken	Supply Chain Management, page 34-35 Supplier Audits, page 36			
GRI 408: Child Labor 2016	408-1 Activities and suppliers identified as posing a risk with regard to child labour	Supply Chain Management, page 34-35 Supplier Audits, page 36			
GRI 409: Forced / Compulsory Labor 2016	409-1 Operations and suppliers at significant risk with regard to cases of forced or compulsory labour	Supply Chain Management, page 34-35 Supplier Audits, page 36			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	Supply Chain Management, page 34-35 Supplier Audits, page 36			
	414-2 Negative social impacts in the supply chain and measures taken	Supply Chain Management, page 34-35 Supplier Audits, page 36			
Environmentally Friendly Products					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Eco-friendly Products, page 43-48			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of categories of products and services	Eco-friendly Products, page 43-48			
	416-2 Incidents of non-compliance related to health and safety impacts of products and services	Eco-friendly Products, page 43-48			
Energy and Emissions Management					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Energy and Emission Management, page 49-50			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environmental Performance Indicators, page 68-69			
	302-2 Energy consumption outside the organisation	Environmental Performance Indicators, page 68-69			
	302-3 Energy intensity	Environmental Performance Indicators, page 68-69			
	302-4 Reduction of energy consumption	Energy and Emission Management, page 49-50			

GRI Content Index

GRI STANDARD / OTHER SOURCE	INDICATOR	DESCRIPTIONS AND PAGE NUMBERS	EXCLUSIONS		
			Excluded Requirements	Reason	Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	Environmental Performance Indicators, page 68-69			
	305-2 Indirect (Scope 2) greenhouse gas emissions	Environmental Performance Indicators, page 68-69			
	305-3 Other (Scope 3) greenhouse gas emissions	Environmental Performance Indicators, page 68-69			
	305-4 Greenhouse gas intensity	Environmental Performance Indicators, page 68-69			
	305-5 Reduction of greenhouse gas emissions	Energy and Emission Management, page 49-50			
Water Management					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Water Management, page 53			
GRI 303: Water and Wastewater 2018	303-1 Interactions with water as a shared resource	Water Management, page 53			
	303-2 Management of impacts related to water discharge	Water Management, page 53			
	303-3 Water withdrawal	Environmental Performance Indicators, page 68-69			
	303-4 Water discharge	Environmental Performance Indicators, page 68-69			
	303-5 Total water consumption	Environmental Performance Indicators, page 68-69			
Circular Economy					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Circular Economy, page 52			
GRI 301: Ingredients 2016	301-1 Raw Material Used	Environmental Performance Indicators, page 68-69			
Waste Management					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Waste Management, page 51			
GRI 306: Waste 2020	306-1 Waste generation and significant impacts related to waste	Waste Management, page 51			
	306-2 Management of significant impacts related to waste	Waste Management, page 51			
	306-3 Waste generated	Environmental Performance Indicators, page 68-69			
	306-4 Waste disposed of	Environmental Performance Indicators, page 68-69			
	306-5 Waste directed for disposal	Environmental Performance Indicators, page 68-69			

GRI Content Index

GRI STANDARD / OTHER SOURCE	INDICATOR	DESCRIPTIONS AND PAGE NUMBERS	EXCLUSIONS		
			Excluded Requirements	Reason	Explanation
Biodiversity					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Biodiversity, page 54			
İş Etiği					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Business Ethics, page 64			
GRI 205: Anti- Bribery and Corruption 2016	205-1 Activities assessed in terms of corruption risks	Anti-Bribery and Anti-Corruption, page 65			
	205-2 Communication and training on anti-corruption policies and procedures	Anti-Bribery and Anti-Corruption, page 65			
	205-3 Confirmed incidents of corruption and measures taken	GRI Content Index: No incidents of corruption occurred during the reporting period.			
Corporate Management Practices					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Corporate Management, page 62-63			
Risk Management					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Risk Management, page 37			
Business Continuity					
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Business Continuity, page 38			

