







**ABOUT  
REPORT**

# About the Report

Korozo Group's 2023 Sustainability Report is prepared to disclose its environmental, social, and governance (ESG) achievements and operations to all stakeholders. This report provides a detailed account of the steps taken, challenges encountered, and successes achieved during Korozo Group's sustainability journey and reaffirms its commitment to contributing to a better future for the planet and society. The report has been prepared in compliance with the 2021 updated Global Reporting Initiative (GRI) Standards and offers an in-depth overview of Korozo Group's sustainability initiatives and progress within the scope of ESG issues. The information included in the report and the accompanying GRI content index covers activities carried out between 1 January 2023 and 31 December 2023. Korozo Group intends to continue its practice of reporting sustainability performance on an annual basis.

**Thanks to its over 50 years of experience and extensive shareholding structure, Korozo Group publishes all sustainability reports with all stakeholders on its website to enhance its sustainability communications and ensure transparency.**

Korozo Group operates a broad portfolio of products and an extensive international network through its subsidiaries, including Korozo Ambalaj San. ve Tic. A.Ş. (Korozo Flexibles), Koroplast Temizlik Ambalaj Ürünleri San. ve Dış Tic. A.Ş. (Koroplast), Sareks Ambalaj San. ve Tic. A.Ş. (Sareks), and Belgium-based Vitra NV (Vitra NV).

As a global brand, Korozo Group has international sales offices in Germany under Korozo GmbH, in the United Kingdom under Korozo UK, in France under Korozo SAS, and in Türkiye under Korozo Dış Ticaret A.Ş., actively engaging in global markets through these offices.

This sustainability report includes data gathered from Korozo Group's headquarters and production facilities in Türkiye and covers Korozo Flexibles, Koroplast, Sareks, and Vitra NV. Unless otherwise specified, numerical data included in the report exclude Koroplast and Vitra NV. Although Vitra NV's data are included in the consolidated financial statements, they are not within the scope of this report.

Financial reports are prepared by taking the first and last dates of each year as a basis, as is the case with our sustainability reports, ensuring a comprehensive evaluation of all financial transactions and performance during the reporting period.



## Actera Group

As a private company, Korozo Group signed a shareholder agreement with Actera funds in 2017 to advance its local and global growth objectives and has operated under the Actera Group ever since.



## Headquarters

The company headquarters are located in Türkiye, and its industrial production operations are conducted under the Korozo Flexibles brand at facilities in İstanbul-Esenyurt, Tekirdağ-Çorlu, and İzmir-Çiğli.



## Sareks

Additionally, its subsidiary Sareks carries out production operations at its facility in Tekirdağ-Çerkezköy.



## Koroplast

Koroplast, which has been listed on the stock exchange since 28 July 2022, operates a production facility in İstanbul-Esenyurt.



## Vitra NV

Vitra NV conducts its production operations in Antwerp, Belgium.

Our financial statements are adjusted as necessary to protect the rights of minority shareholders and to ensure fair representation of their interests.

The interests of shareholders who own shares beyond the company's control are accurately reflected, guaranteeing that financial statements remain fair and transparent for all stakeholders. Additionally, significant transactions such as mergers, acquisitions, and asset disposals are conducted with transparency and clarity.

Such transactions are evaluated in accordance with the company's accounting policies and international accounting standards. Following mergers and acquisitions, the fair values of assets and liabilities are identified and included in the consolidated financial statements.

Disposals are similarly accounted for, ensuring that all financial information is reported accurately and reliably.



Please contact us at

[sustainability@koroza.com.tr](mailto:sustainability@koroza.com.tr)

for further information about our sustainability report and to submit any feedback or questions.

## External Assurance

Koroza obtains external assurance services to enhance the accuracy and reliability of the disclosed information, in line with its commitment to transparency. Data verified by an independent third party helps build trust among investors, customers, employees, and other stakeholders.

The Board of Directors and senior management play an active role in decisions related to selecting the assurance provider and determining the scope of assurance. While external assurance is not currently obtained for the sustainability report, we plan to take necessary steps to implement it in the future.

In the external assurance process, financial data and carbon emissions are prioritised. This process is carried out by our independent auditor, and our consolidated reports are prepared based on the results of these audits. External audit services are provided by DRT Bağımsız Denetim ve SMMM A.Ş., while carbon emissions are verified by the Türk Loydu Foundation. During the reporting period, there were no conflicts of interest or other relationships that could compromise the independence of the assurance process.

As part of the carbon footprint verification process, a greenhouse gas emissions verification report is prepared for our Çorlu ASB (European Free Zone) facility, and we regularly publish such reports. Social compliance and regulatory compliance are ensured through SEDEX audits, whereas compliance with

quality, food safety, energy management, occupational health and safety and environmental management systems is verified through independent third-party audits

The four main topics of SEDEX-SMETA audits are defined as Labour Standards, Health & Safety, Environment, and Business Ethics. Each audit is conducted by independent third-party auditors who evaluate these topics in detail. During the SEDEX-SMETA audit conducted for Koroza Group, no non-compliances were identified under any of these four main topics. Koroza Group monitors and evaluates its environmental, social, and governance (ESG) performance through various sustainability KPIs (Key Performance Indicators). The social KPI framework tracks critical issues such as child labour, forced labour, and human trafficking. These metrics are reported and monitored through SEDEX audits.

As a member of the UN Global Compact, Koroza maintains a clear and uncompromising stance against child labour and forced labour. We do not employ anyone under the age of 18, and young people are only employed in internship positions. The company ensures that all employees are enrolled in official insurance programs, effectively preventing practices of child labour and forced labour. Providing a working environment in compliance with ethical and legal regulations, as well as earning and maintaining the trust of all stakeholders, are among our primary objectives.

In addition to the independent audit processes conducted in accordance with the Turkish Commercial Code (TCC), Koroza voluntarily obtains reporting services in accordance with International Financial Reporting Standards (IFRS).



# Message from the CEO



**Adam Barnett**  
CEO / Korozo Group

## Dear Stakeholders,

In an era marked by global economic challenges, environmental crises, and financial volatility, sustainability is no longer just an option—it is a fundamental necessity. It is vital to securing the future of our business and our planet. At Korozo, we understand the importance of building a more sustainable and resilient world, and we are committed to managing today with a clear focus on tomorrow.

Sustainability is at the heart of our business, guiding our actions and shaping our future. We are dedicated to minimising our environmental impact and acting responsibly for the benefit of current and future generations. Our goal is to lead on sustainability, particularly within the packaging industry, and we are committed to achieving this with complete transparency.

A key priority is ensuring our products reach consumers safely while fulfilling our environmental responsibilities. Our commitment to reducing greenhouse gas emissions is not just a promise—it's a tangible demonstration of our dedication to a sustainable future. We continuously develop the necessary knowledge and resources to align our internal procedures and activities with this vision. At Korozo, sustainability principles—such as efficient resource use, waste prevention, and recycling—are core values. We actively engage in projects to reduce greenhouse gas emissions, working closely with key stakeholders, as teams together.

## Supporting the Circular Economy,

We are committed to enhancing our competitiveness by staying in step with global trends. Our investments in cutting-edge technologies ensure that our processes prioritise both human health and environmental sustainability. By meeting the growing demand for recyclable products and eco-conscious production, we are expanding our packaging portfolio with innovative, sustainable solutions.

We have successfully incorporated recyclable products and those made from recycled materials into our portfolio. For example, KORORCY, our recyclable flexible packaging range, was entirely developed in-house. In addition, through partnerships with leading industry organisations and obtaining recognised sustainability accreditations, we are demonstrating our commitment to advancing the circular economy in the packaging sector and we will continue to contribute positively by achieving our objectives step by step.

## Valuing Social Responsibility and Sustainable Growth

At Korozo, we place great emphasis on both economic growth and social sustainability. Our strong commitment to social responsibility is reflected in projects that benefit all segments of society. We strive to make a positive impact by addressing key issues such as human rights, education, and gender equity.

In response to the February 2023 earthquakes that deeply affected Türkiye,

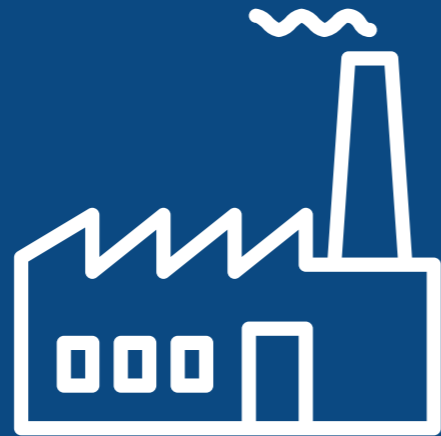
Korozo acted swiftly to provide essential items such as laundry facilities, containers, hygiene materials, trash bags, shrouds, and foil films to those in need. On 8 March, International Women's Day, we stood in solidarity with those affected by the disaster by providing hygiene kits on behalf of each of our women employees. In education, we have partnered with Huber Group to deliver a mentorship project supporting the professional development of high school students studying print, and we contributed to children's education through the Korozo School and Kindergarten. These initiatives clearly reflect our commitment to society and our deep sense of social responsibility.

As Korozo Group, we will continue to prioritise safety, exceed our customers' expectations, and ensure excellence in every aspect of our business while fulfilling our societal responsibilities with a sustainability-focused approach. Believing in the power of collaboration, we are committed to achieving our goals as a united team and building upon our successes.

I extend my heartfelt thanks to all our stakeholders who have supported us on this meaningful journey, especially our valued partners and dedicated teammates who have worked tirelessly to shape and implement the Korozo Group Sustainability Strategy. Together, we will continue to work towards a better world with unwavering dedication and commitment.

**Sincerely,**





# ABOUT KOROZO





**A Global Leader in the  
Flexible Packaging Market**

# Korozo Group at a Glance

Certificates and Partnerships;



ISO 50001 ISO 22000  
ISO 14001 ISO 45001  
ISO 9001 ISO 27001



BRC: Food Safety System



GLP: Good Laboratory Practices Certificate



Recyclclass Recycling Process Certificate



Halal Certificate




OCS (Operation Clean Sweep): Plastic Loss Prevention Programme



Recyclclass Traceability Certificate



Sedex: Supplier Ethical Data Sharing Certificate



WEPs (Women's Empowerment Principles): Signatory to the WEPs



ZWL: Zero Waste to Landfill Certificate



ISCC+ Certification: International Sustainability and Carbon Certification



UN Global Compact İmzacılığı



Blue Angel: Environmentally Friendly Products Certificate



Interseroh: Recycling and Waste Management Certificate


Over **50** years  
of experience 


**137,000**   
**metric tonnes**  
Annual production  
capacity

  
**201.698 m<sup>2</sup>**  
Total closed area

**2,200 people**   
Total employment

**82%**  
of sales to Europe  


Export to   
**75** countries


Domestic operations  
in **9 regions** and  
overseas operations  
in **1 region** 


**B Score**   
in the CDP climate  
assessment

 **Silver Medal**  
in EcoVadis ESG rating


**64%** of our   
total production  
is recyclable  
packaging


Continuous  
improvement with  
**13 Lean Six Sigma**  
**projects** and **12**  
**Top 10 projects**

Use of   
**1,400 metric**  
**tonnes**  
of recycled materials


**16%**  
reduction in  
our Scope 1 and   
Scope 2 emissions  
compared to the  
previous year

In our solvent  
recovery facility,  
**1368 tonnes**  
of solvent was  
recovered 


 Saving electricity:  
1,037,792,45 kWh

 Saving natural gas:  
21,176,56 sm<sup>3</sup>

**41,92%**   
recycling of  
hazardous waste

**79,17%**   
recycling of non-  
hazardous waste

 2023 total OHS  
training duration:  
**19,015 hours**

Contribution  
to society  
and economic  
development  
through donations  
and aid 

## Organisational Structure and Operations

**Korozo Group is a leading packaging company with an extensive partnership structure encompassing Korozo Flexibles, Koroplast, Sareks, and Vitra NV.**

While ownership percentages vary among these companies, all operational management is controlled by the Korozo Group. Each subsidiary operates independently, producing solutions tailored to diverse market needs based on their unique business strategies and marketing approaches.

Founded in 1973 in the packaging sector, Korozo Group exports flexible packaging, hygiene products, trash bags, and kitchen utility items to 75 countries as of 2023.

As one of Türkiye's leading industrial enterprises, we continue to grow with our domestic operations, our factories in Belgium, and our sales and distribution offices in the United Kingdom, Germany, and France. With a production capacity exceeding 137,000 metric tonnes and an impressive revenue of 307 million pounds, we are one of Europe's largest packaging manufacturers.

- Production Facilities
- Sales Offices
- Production Facilities and Sales Offices

Korozo UK (Subsidiary)  
*The United Kingdom*

Vitra NV (Subsidiary)  
*Antwerp, Belgium*

Korozo GmbH (Subsidiary)  
*Germany*

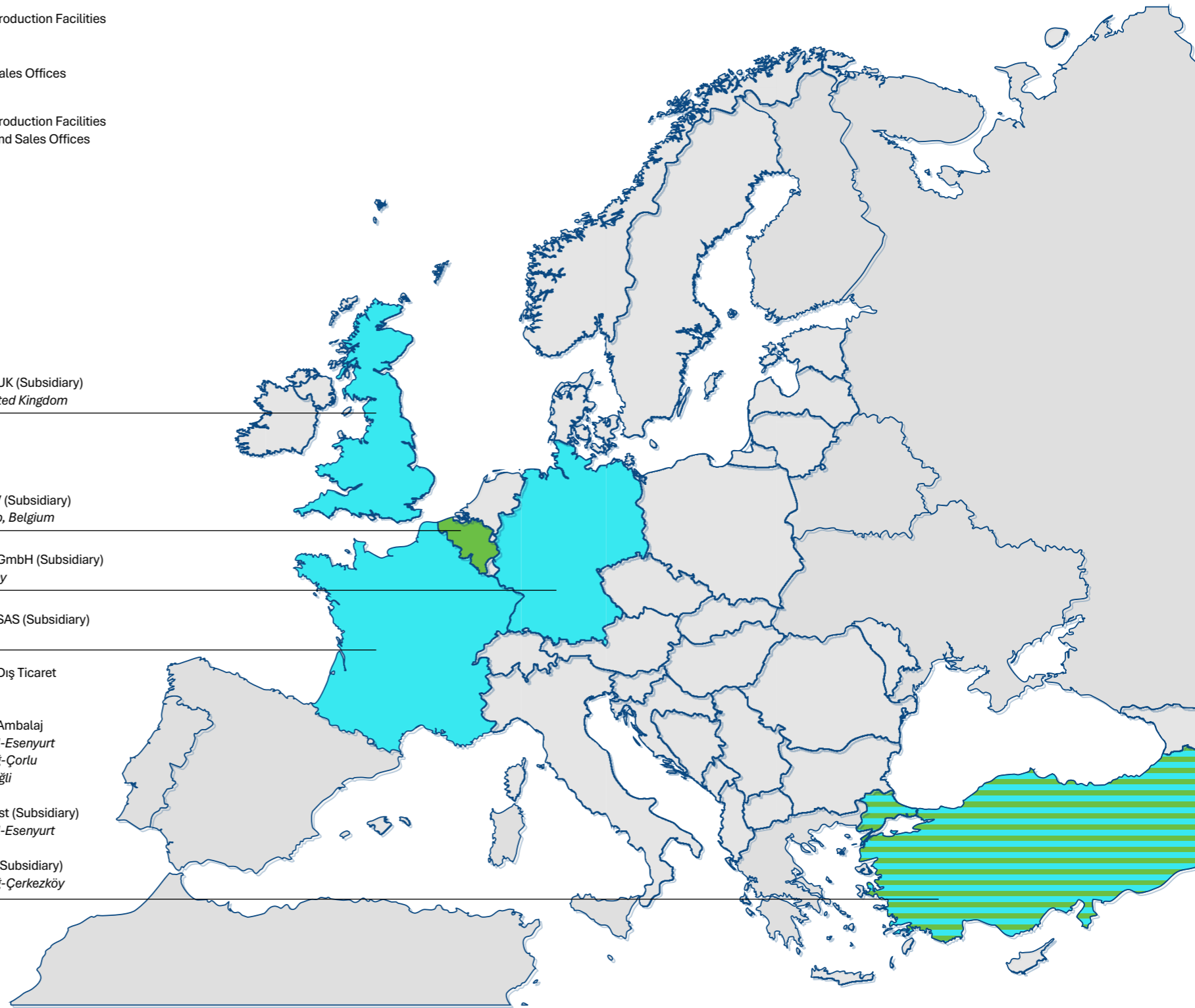
Korozo SAS (Subsidiary)  
*France*

Korozo Dış Ticaret  
*Türkiye*

Korozo Ambalaj  
*İstanbul-Esenyurt*  
*Tekirdağ-Çorlu*  
*İzmir-Çiğli*

Koroplast (Subsidiary)  
*İstanbul-Esenyurt*

Sareks (Subsidiary)  
*Tekirdağ-Çerkezköy*



## Organisational Structure and Operations

With over 50 years of experience, we develop innovative solutions in the flexible packaging sector. Korozo Flexibles offers a broad and innovative range of packaging solutions for food and non-food products. Our food-contact packaging is suitable for various applications, including cold cuts, microwaveable bags, ready meals, frozen and fresh foods, confectionery, snacks, dry goods, pet food, and ice cream packaging with cold seals. Additionally, we provide various products such as bread and bakery packaging, delivery bags for hot and cold foods, and instant beverage packaging.

Our non-food product portfolio includes cosmetics, powdered pharmaceuticals, diaper and pad bags, wet wipes, detergents, tablets and capsules, medical packaging for devices or disposable garments, security and transport bags, high-tech industrial films such as protective films, thermal lamination films, and silage films, as well as agricultural packaging products. Our high-quality offerings help extend the shelf life of our customers' products.

At our Sareks facility, where we produce hygiene components, we offer a wide range of products, including backsheets, front and side tapes for baby and adult diapers, as well as feminine care products. Under our Koroplast brand, we provide a comprehensive selection of consumer products, such as trash bags, freezer bags, cling film, aluminium foil, zip-lock bags, oven bags, baking paper, microwave cooking bags, ice bags, and frozen food bags—all under one roof.

Additionally, we stand out in the market with innovative offerings like odour-trapping trash bags and storage bags that keep food fresh for up to six times longer, along with products like Sar Pişir (Wrap & Cook). Vitra NV, operating from its modern Antwerp facility, utilizes flexographic and rotogravure printing technologies to produce packaging for end-user markets such as bakery products, confectionery, snacks, proteins, and beverages. By offering innovative solutions in this field, Vitra NV effectively meets the needs of its customers.

Our customers are primarily located in Europe, the USA, South Africa, and neighbouring Middle Eastern countries of Türkiye.

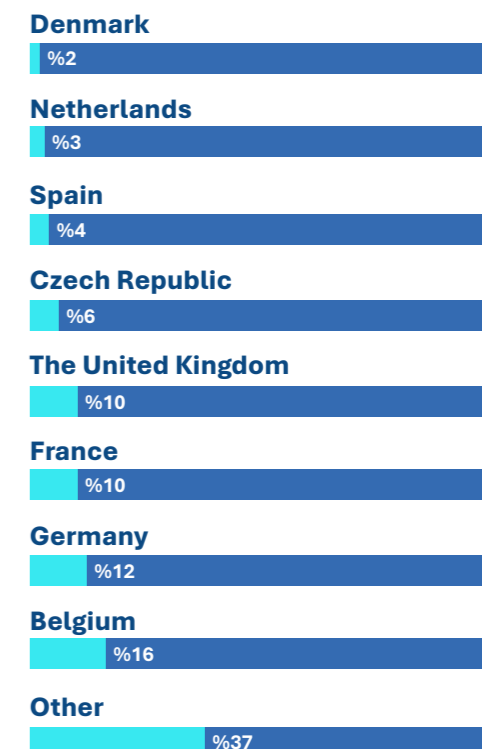
**Our company, which offers products for both domestic and international markets, directs 82% of its sales to Europe.**

We generate 16% of our sales from Belgium, 12% from Germany, 10% from the UK, 10% from France, 3% from the Netherlands, 4% from Spain, 6% from the Czech Republic, and 2% from Denmark. Other European countries account for 37% of our total sales. We also operate in the markets of Asia, Africa, and the Americas, where we derive 18% of our total sales. With six logistics centres in Europe and four sales and distribution offices in Europe, we provide fast and efficient services to our customers.

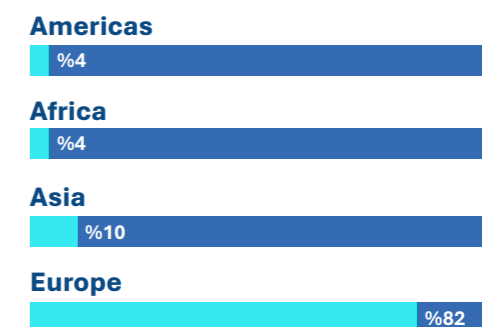
We undertake various projects to minimize our environmental impact, optimize our social impact, and strengthen a sustainable organizational structure. Our goals include using natural resources efficiently, reducing waste, and complying with environmental regulations and international standards while promoting circular economy practices.

Our commitment to responsible production—grounded in resource efficiency, social awareness, and full compliance with regulations—forms the foundation of our sustainability approach. This approach not only enables us to fulfil our environmental responsibilities but also reflects our pledge to leave a healthier planet for future generations. We play a leading role in the flexible packaging industry, setting numerous benchmarks with our innovative approaches and commitment to continuous improvement. Our cutting-edge packaging solutions have been recognised with numerous awards and accreditations. Our dedication to sustainability and environmentally friendly practices is evident at every stage of our operations.

### Sales Breakdown by European Countries (%)



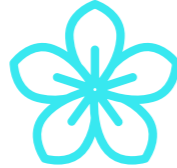
### International Sales Breakdown by Geography (%)



## Group Companies



### Over 50 Years of Leadership in Türkiye's Flexible Packaging Industry



Leaving behind its 50th year of success, Korozo continues to lead the Turkish flexible packaging industry with its investments and innovations. Ranked 241st in Türkiye's Top 500 Industrial Enterprises list, Korozo plays an active role in the global market by exporting to 75 countries.

Sustainability strategies are at the core of Korozo's growth. The company is committed to adopting a greener approach while actively working to reduce the environmental impact of its operations, as well as the products it develops, sells, and ultimately disposes of as waste. In this context, innovative packaging solutions are being developed to minimize the environmental footprint of its products.

Korozo offers a wide range of packaging solutions for the food industry. Its portfolio includes barrier films, pouches, and flexible packaging for a variety of food products, ranging from cold cuts to microwaveable ready meal packaging, frozen foods, and fresh produce, as well as confectionery, snacks, and dry goods. The company also produces packaging for pet food and cold-sealed ice cream. Additionally, Korozo manufactures packaging films suitable for both hot and cold food applications, including bread, bakery products, and ready-to-drink beverages.

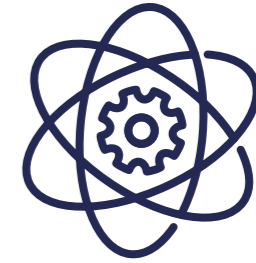
In the non-food packaging category, Korozo's extensive product portfolio includes packaging for the medical, chemical, and agricultural

pharmaceutical industries, as well as detergent packaging, personal and home care product packaging, security and transport bags, medical packaging, and protective films for specialised industrial applications. Additionally, Korozo offers solutions for the agricultural sector, such as silage films.

Korozo's innovative approach includes a variety of packaging options such as compartmentalized pouches, valve bags, resealable pouches, and quad-seal bags, along with user-friendly features like recloseable films, peelable films, and easy-open laser scoring. Additionally, Korozo offers cutting-edge printing solutions, including holograms, 3D effects, and promotional code printing, to meet the diverse needs of its customers.



## Group Companies



### Innovative Solutions Specialised in Food Packaging Production



Founded in 1935 by the Laeremans family, Vitra NV and Creavit NV (Rask) specialize in film production, particularly for food packaging. Vitra operates a state-of-the-art production facility in Antwerp, utilizing both flexographic and rotogravure technologies to manufacture packaging for various end-user markets such as bakery products, confectionery, snacks, proteins, and beverages. These technologies ensure high-quality packaging tailored to meet customer demands.



Within Vitra, Creavit stands out as a unit focusing on premium design and prepress processes. Creavit creates digital print simulations for both flexographic and rotogravure printing, providing clear insights into how packaging will appear on the final product. With a wide range

of printing and shaping options, its digital packaging models offer flexible solutions that align with customer expectations.



The collaboration between Vitra and Creavit enables the delivery of innovative, high-quality packaging solutions, allowing them to serve diverse markets within the food industry. This customer-focused and adaptable approach strengthens their leadership position in the sector by developing tailored solutions that meet market demands.



## Group Companies



### The Founder and Pioneer of the Trash Bag and Kitchen Utility Products Sector in Türkiye



Koroplast, the pioneer of the trash bag and kitchen aid products sector in Türkiye, revolutionised the market in the 1980s by introducing Turkish consumers to trash bags for the first time. Through strategic investments and an innovative approach, Koroplast has achieved numerous industry firsts since its inception. With its product variety and quality, it has established itself as the leading brand in the market.

Embracing the motto “Easier Together,” Koroplast offers a comprehensive range of products to meet all consumer needs under one roof. Its product portfolio includes trash bags and freezer bags as flagship items, along with kitchen aid products such as cling film, aluminium

foil, zip-lock bags, oven bags, baking paper, microwave cooking bags, ice bags, and frozen food bags.

Koroplast stands out in the industry with its innovative products. Recent offerings include odor-trapping trash bags, Fresh-Keeping Bags that maintain freshness up to six times longer, and Sar Pişir (Wrap & Cook) bags designed for convenient cooking. These innovations highlight Koroplast’s commitment to providing practical and functional solutions for consumers.





## Group Companies



### Leading the Hygiene Products Industry with a Wide Product Range and Advanced Manufacturing Technologies in Quality and Sustainability



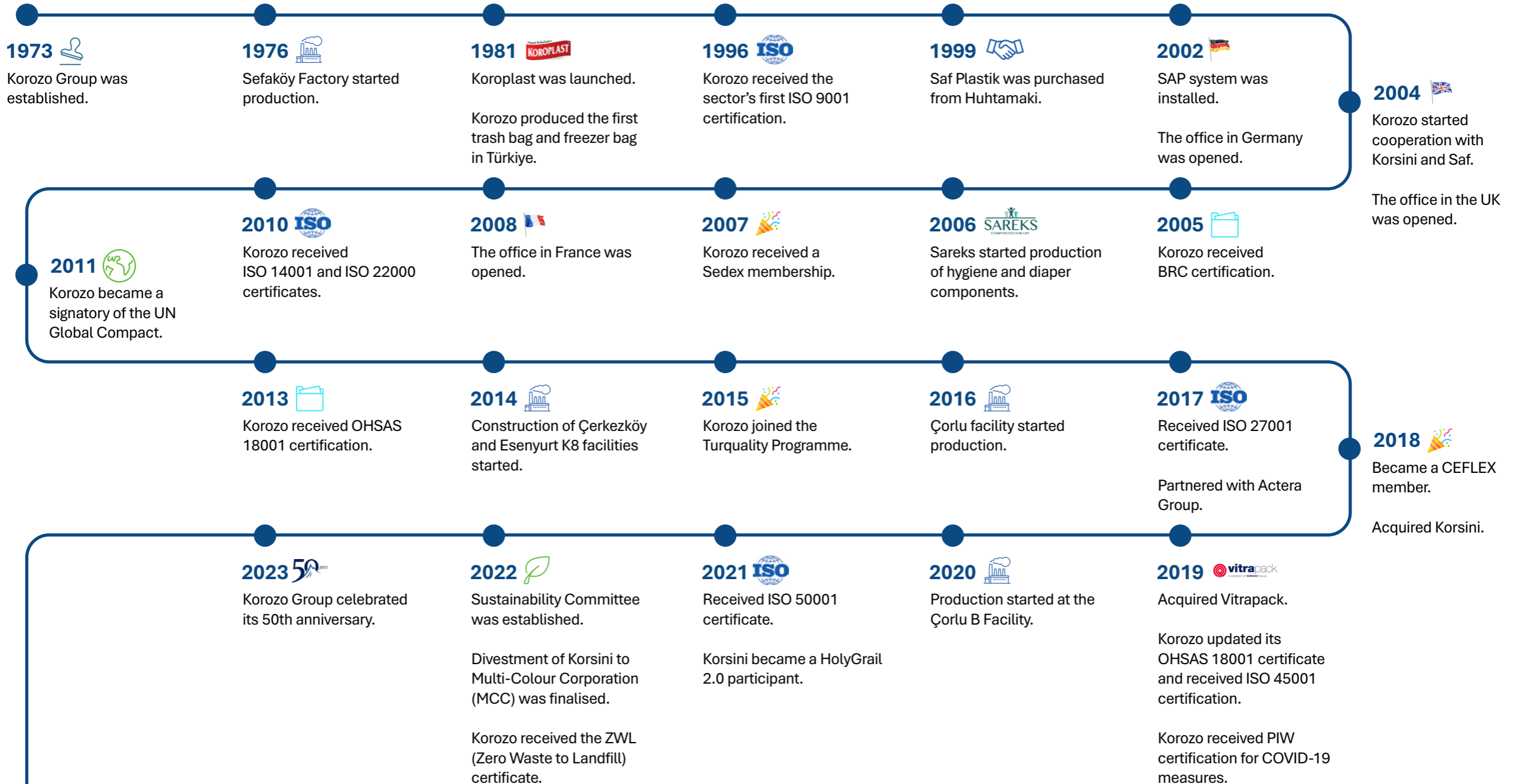
Korozo Hygiene Components, produced at Sareks, offers a wide range of products, including backsheets, front and side tapes for baby and adult diapers, as well as feminine care products. The company's facilities in Çerkezköy and Çorlu utilize advanced manufacturing technologies such as extrusion, lamination, coating, knitting, and printing. By integrating all these production processes in-house, Sareks strengthens its position as an industry leader with a quality- and innovation-focused approach.

principles. The company develops innovative solutions, pioneering in the hygiene components sector in both local and global markets. Its dedication to quality and eco-friendly production further solidifies Sareks' leadership in the industry while ensuring the highest levels of customer satisfaction.



Operating with a strong commitment to environmental responsibility, Sareks aligns its activities with sustainability

# Our History



# Vision, Mission and Values

## A Strategy for Success in the Global Packaging Industry

As Korozo, we have become a leading force in the Turkish packaging industry since 1973. We lead the global industry with our flexible packaging, bags, films and tailor-made solutions for food and non-food sectors.

We have built our business strategy on offering innovative and market-leading products that create a competitive advantage. We make a difference in the sector with our investments in state-of-the-art equipment and our staff working in accordance with lean management principles. We work diligently to maintain our leadership in the global packaging industry and to perfect all our business processes.


**We attach great importance to sustainable practices that aim to minimise our environmental impact and the use of natural resources.**

**Efficient use of natural resources, reduction of waste, compliance with environmental laws and regulations, recycling and reuse are at the centre of our activities.**

**In addition, we pay attention to diversifying resource distribution, rapid transformation and creating a fully integrated and traceable supply chain.**


## Vision and Mission

We are committed to delivering innovative products with a strong awareness of our economic, environmental, and social responsibilities.



**Vision**

We believe that every high-quality product package should bear the Korozo signature. Our goal is to maintain and further strengthen our leadership and reliability in the industry.



**Mission**

Through continuous research and innovation, we aim to help our customers enhance their product differentiation and brand recognition, enabling them to expand their market share.



## Values

Our strategy serves as a commercial guide for the regions and customers we aim to grow with. Our operational and support functions are designed to deliver superior quality and service to our customers, ensuring cost competitiveness, robust processes, effective tools, and, most importantly, safe practices. We are committed to minimizing our environmental impact in all our activities. We developed and executed transformative and tactical action plans to effectively implement our strategy.



# Awards & Achievements

With our innovative and eco-friendly packaging portfolio, we stand out in the industry by offering award-winning packaging solutions to our customers. Korozo Flexibles and other Korozo Group companies gained recognition in 2023, as in 2022, for their sustainability-focused efforts and received numerous awards. These achievements and accolades, resulting from our commitment to continuous improvement, highlight our high motivation and dedication to innovative thinking.

In 2022, our food and non-food flexible packaging teams won awards in two categories at the **WorldStar Global Packaging Awards**. The **Food Flexibles** team received recognition in the beverages category for the **KORORCY Recyclable High-Barrier Flat-Bottom Coffee Bag**, a PE (polyethylene)-based mono-material flexible packaging innovation. It is a sustainable alternative to traditional packaging products and features 100% leak-proof properties.

The **Non-Food Flexibles** team was awarded for its innovative **Refillable Pouch** product, designed with a black cap featuring a safety seal instead of the traditional white caps typically used for water bottles. Enhanced with a partial matte varnish for improved visibility, this product stands out for its eco-friendly and refillable design, which has reduced plastic consumption by 78%.

In 2022, the company won awards in four different categories at the **Turkish Packaging Manufacturers Association's Crescent and Stars for Packaging Awards**:

- Silver award for the **Spouted Pouch** product,
- Silver award for **Sausage Packaging**,
- Bronze award for **the Recyclable Stand-Up & Retort Pouch** product,
- Competence award for **Recyclable Flat Bottom Coffee Pouch**.

In 2022, **Koroplast** was ranked among the most talked-about brands in the cleaning category on social media,

according to the **Mediacat Trend Analysis** results. Additionally, at the **İstanbul Marketing Awards**, Koroplast won two awards: one in the Digital Media Usage category for the digital version of the storybook "Kuşlara Fısıldayan Kız" (The Girl Whispering to the Birds) and another in the Special Occasion category for the "Our Love is Always Fresh" advertising campaign, created to pay tribute to Atatürk, founder of the Republic of Türkiye, on the anniversary of his death on November 10.

At the **Effie Awards**, Koroplast received the Bronze Effie Award for its "Easier Together with Koroplast" advertising

campaign. Additionally, the brand won a Bronze award in the "Digital Special Days" category at the **Crystal Apple Creativity Festival** for its "Our Love is Always Fresh" film, created for November 10.

As Korozo Group, we place great importance on working with talented individuals and fostering the development of our employees. With this commitment, we were honoured with the **Respect for People Award** by **Kariyer.net** in both 2022 and 2023. This award reflects our dedication to treating candidates with respect and providing prompt and effective responses to job applications.

In 2023, as Korozo Group, we achieved significant milestones through our innovative projects and unwavering commitment to sustainability.

**At the WorldStar Awards, we demonstrated our innovative approach in the industry once again by winning awards for our Flat-Bottom Pouch and Spouted Pouch products.** Additionally, our **MonoPE 30% PCR Recyclable Flexible Packaging** project earned the **PAGÇEV Plastic Recycling Award** for its contributions to recycling. These achievements highlight not only our response to today's environmental challenges but also our vision for shaping the sustainable packaging solutions of the future.



# Memberships and Projects

## Corporate Memberships



## Partnerships & Commitments



### Women's Empowerment Principles (WEPs)

We signed the 'Women's Empowerment Principles' developed by the United Nations Women (UN Women) and the United Nations Global Compact (UN Global Compact), which promote the empowerment of women in business life and in the economic field.



### UN Global Compact

The United Nations Global Compact is an initiative launched in 2000 to promote sustainable business practices and ensure the adoption of universal principles in the areas of human rights, labour, environment and anti-corruption. As Korozo, as a signatory of the United Nations Global Compact (UN Global Compact - UNGC) since 2011, we observe the responsible use of natural resources and act with the awareness of sharing our planet in harmony with other living beings.



### BADV

The Business Against Domestic Violence (BADV) project is implemented by the Sabancı University Corporate Governance Forum in collaboration with TÜSİAD and supported by the Sabancı Foundation and the United Nations Population Fund (UNFPA). The project aims to establish support mechanisms in workplaces to address domestic violence, make violence against women more visible, and identify prevention and support strategies by leveraging the managerial and organizational capabilities of the business sector.



### SEDEX

Supplier Ethical Data Exchange (SEDEX) is one of the world's largest collaboration platforms for ensuring compliance with ethical and social responsibility standards in supply chains.

## Projects

As a member of the Circular Economy Platform of Türkiye, Korozo Flexibles was included in the Circular Vouchers programme with the support of the European Bank for Reconstruction and Development (EBRD). Within the scope of this programme, we carried out a project study with Adelphi. In this project, while evaluating the strategy and governance for the company's transition to circular economy practices, best practices and resource efficiency opportunities in the sector were reviewed and the resource use of current and future operations was analysed.

Within the scope of our cooperation with the Sustainable Development Association (SKD), we contributed to the Technical Assistance Project for the Assessment of Türkiye's Potential for Transition to Circular Economy, which is carried out by the Ministry of Environment, Urbanisation and Climate Change with the co-financing of the Republic of Türkiye and the European Union. We contributed to the 'Preliminary Research Report on the Circularity Potential of Five Sectors in Türkiye', which was completed with the cooperation of BCSD Türkiye, KPMG Türkiye, KPMG France and the support of the French Development Agency (AFD), representing the plastics industry and constituted one of the important projects of Korozo Flexibles in 2022.







# OUR SUSTAINABILITY STRATEGY:

PEOPLE — PACKAGING — PLANET

# Sustainability Approach

**At Korozo Group, sustainability is not merely an aspect of our business but a fundamental pillar of our corporate culture and values. Whilst we deliver solutions to meet the demands of today's world, we act with a broader vision for the future. Our aim is to elevate standards starting now and create a more liveable world for generations to come.**

Since 2011, as a signatory of the United Nations Global Compact (UN Global Compact), we have consistently prioritised the responsible use of natural resources and the awareness of sharing the planet with other living beings. With the understanding that resources belong to us, society, and future generations, we shape our sustainability policy and act with this awareness in every step we take.

At Korozo, we advance with sustainability strategies that are continually updated and refined to align with evolving global trends, demands, and needs. We regularly review these strategies and work closely with our sustainability committee to take steps toward improvement.

**Our goal is to become one of Europe's leading companies in the packaging industry by 2030.**

To this end, we place sustainability at the heart of our operations, aiming to use our resources more efficiently and to pass our planet on to future generations in the best possible condition.

Developing innovative products and environmentally friendly solutions not only strengthens our competitive edge but also helps us fulfil our responsibilities to the planet. We are dedicated to meeting our customers' demands for recyclable products and continually expanding our packaging portfolio.

Our goal is to ensure that all our packaging products become fully recyclable or reusable, contributing to the circular economy. On this journey, we have developed recyclable and recycled-content products and earned numerous key certifications while collaborating with leading organisations in the industry.

We are committed to contributing to the circular economy, taking a leading role in the packaging industry, and leaving a positive impact on our planet. Drawing on over 50 years of experience, Korozo actively optimises its production processes to create value through continuous improvement and innovation.

We reduce risks, seize opportunities, and embrace sustainable business practices to face the future with greater confidence.

Working as a team, we join forces to support the planet's sustainability. As Korozo Group, we will continue to act and contribute to building a better world together.

**We share all our goals and**

**sustainability strategies transparently with the public through our sustainability reports, ensuring that all our stakeholders are informed about our environmental and social responsibilities.**



# Sustainability Governance

At Korozo, we shape the success of our sustainability strategies through a robust governance approach. Sustainability governance encompasses the effective management of strategies, policies, and practices to balance our company's social, environmental, and economic impacts. Within this framework, we define our sustainability goals, take the necessary steps to achieve them, and integrate processes for regularly monitoring and improving our progress.

Our sustainability governance model is built on the principles of responsible growth, ensuring our long-term success. While responding to the expectations of both internal and external stakeholders, we strive to balance our economic gains with our social and environmental impacts. This holistic approach supports our company in achieving its future objectives and aims to create positive outcomes for society and the planet.

Under the leadership of our senior executives, Korozo established a robust governance structure to implement our sustainability strategies. Our management and designated teams are responsible for setting sustainability goals, developing relevant policies and processes, ensuring efficient resource use, and regularly monitoring and evaluating our performance. Additionally, we conduct comprehensive training programs and communication initiatives

to raise awareness about sustainability among our employees and stakeholders within our supply chain.

Sustainability governance provides a foundation for Korozo to foster strong collaboration and partnerships with all its stakeholders. This interaction—spanning our supply chain, business partners, customers, employees, and the wider community—enables us to extend our sustainability vision to a broader audience. Stakeholder engagement supports our efforts to achieve our sustainability goals and enhances our potential to create a more significant and lasting impact.

**At Korozo, we place sustainability at the core of our business processes, aiming to create value for our employees, customers, suppliers, and all stakeholders, while also striving to make a positive contribution to the environment and society.**



## Sustainability Committee

Korozo Group carries out its sustainability initiatives through the Sustainability Committee, which is integrated into the company’s organizational structure and operates under the strategic decisions approved by senior management.

Established in 2022, this committee has set short-, medium-, and long-term environmental, social, and governance (ESG) goals to align and expand Korozo’s sustainability strategy with its corporate and administrative framework.

The committee meets at least four times yearly to coordinate activities to achieve the company’s environmental, social, and governance (ESG) sustainability goals. Led by the company’s CEO, the committee reports directly to senior management, facilitating the adoption of key strategic decisions. This structure enables Korozo to maintain the agility and expertise needed to adapt to rapidly evolving sustainability regulations and best practices.

The five working groups operating under the Sustainability Committee have been established based on Korozo Group’s material sustainability topics and risk-opportunity assessments. These groups are critical in helping the company achieve its sustainability goals.

These structures enhance the effectiveness of Korozo Group’s strategic decision-making processes while bringing its sustainability vision to life and supporting its alignment with ever-evolving global standards.



## Sustainability Policy

**At Korozo Group, sustainability is one of the cornerstones of how we conduct business. Guided by our vision to shape the future, we integrate sustainability into all our operations, striving for leadership in our sector while fulfilling our economic, environmental, and social responsibilities.**

Our sustainability policy places sustainability at the core of every stage of our business processes, emphasizing operational excellence, innovation, and the quality of our products and services.

Our policy has been developed in alignment with Korozo’s other business strategies and policies, considering the priorities of our stakeholders. We fully comply with national and international standards and regulations, providing a comprehensive framework for human rights, business ethics, occupational health and safety, sustainable supply chains, and environmental protection.

The Sustainability Committee oversees implementing, monitoring, and auditing our sustainability policy. The committee guides all employees and stakeholders to align their efforts with these objectives by setting strategic goals. In this context, all our business units conduct their sustainability activities in accordance with the policy, continuously enhancing their performance through a commitment to ongoing improvement.

Since 2011, Korozo Group has been a signatory of the United Nations Global Compact (UNGC), upholding the responsible use of natural ecosystem resources and fostering awareness of sharing the planet with all living beings. With a clear understanding that resources belong to society and future generations, the Group defines its sustainability policy and applies it across all business processes. Developing sustainability strategies in line with global trends, demands, and needs, Korozo Group regularly reviews these strategies through its Sustainability Committee.

We remain committed to fostering sustainability awareness at every level, enhancing information sharing through open communication with our stakeholders, creating a workplace that respects human rights, adhering to ethical values, implementing fair wage policies, and prioritising occupational health and safety.

We also focus on protecting the environment and natural resources by promoting efficient energy and water use, transitioning to a circular economy, and establishing sustainable supply chains. In line with our environmental responsibilities, we invest in projects that enhance resource efficiency and reduce our carbon footprint, aiming to leave a sustainable legacy for future generations.

Korozo Group's sustainability policy reflects our commitment to the future through a continuous improvement approach. We will continue working tirelessly toward a more sustainable future with all our stakeholders.

## Sustainability-related Disclosures

**While developing its sustainability strategy, Korozo Group places great importance on the phases of measurement, evaluation, and goal setting across all business processes, making decisions with a deliberate and informed approach.**

**By integrating sustainability into the core of its operations, Korozo adopts a holistic sustainability journey through actions and goals focused on social, environmental, and economic dimensions.**

These initiatives aim to enhance the company's sustainability performance continuously. Committed to transparency and accountability, Korozo shares its sustainability performance with stakeholders through annual progress reports aligned with the United Nations Global Compact (UNGC), responses to the CDP Climate Change questionnaire, and EcoVadis assessments, demonstrating its adherence to global sustainability standards.

**As of 2022, Korozo Group successfully prepared and shared its GRI-approved sustainability report for 2023 with stakeholders. This report includes detailed information on GHG-related activities, such as greenhouse gas emission results, targets, and evaluations.**

**By transparently sharing this data with our internal stakeholders, we can develop strategic plans and create roadmaps aligned with the set targets.**

**In addition, the GHG verification process for 2023 has been successfully completed, contributing to a better understanding of our environmental impacts by stakeholders and fostering a shared commitment to achieving our sustainability goals. The feedback received during this process enables continuous improvement of our sustainability strategies.**

Korozo Group demonstrates its commitment to the 10 principles of the UN Global Compact (UNGC), pledging to contribute to international sustainability goals in human rights, labour standards, the environment, and anti-corruption.

Membership in the UNGC strongly indicates Korozo's determination to make sustainability a core element of its corporate governance and business strategies. This membership serves as a roadmap, ensuring that sustainability is embraced at all company levels and becomes an integral part of its business model.

Korozo Group actively participates in the CDP platform, which is key in combating climate change and effectively managing climate risks and opportunities. Participation in the CDP Climate Change questionnaire enables Korozo to transparently share its climate-related data, such as carbon emissions, energy efficiency, and renewable energy usage. In doing so, Korozo fulfils its accountability to investors and other stakeholders, while also making strategic decisions to minimize its environmental impact and remain prepared for future challenges related to climate change.





**In 2023, we achieved a B rating in the CDP (Carbon Disclosure Project) climate assessment.**

We analyze our responses to the CDP, compare them with best practices across all sectors, and identify areas for improvement. Based on these analyses, we plan the necessary actions to progress to a higher level.

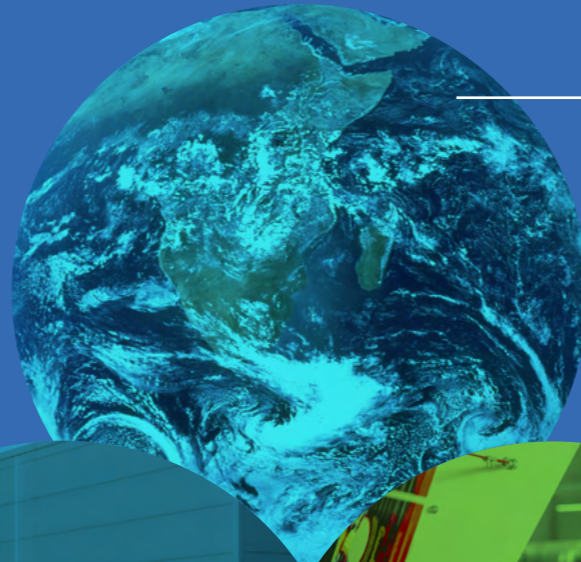
Korozo Group regularly monitors its sustainability performance and participates annually in the EcoVadis sustainability assessment. In 2022, Korozo Packaging was awarded a Bronze Medal in this assessment, and in 2023, it demonstrated significant progress by earning a Silver Medal. This achievement highlights the company's

commitment to strengthening its capabilities in sustainability and advancing its performance. Korozo Flexibles aims to build on this success by further enhancing its sustainability infrastructure. The company is confident that these results will guide Korozo Group's strategic decisions and contribute to its overall sustainability performance.

Korozo Group's sustainability journey grows stronger each year through strategic steps taken to enhance its environmental and social impact. These actions reinforce the company's commitment to achieving its sustainability goals.



# Sustainability Goals: People, Packaging, Planet



## Planet

Our planet-focused strategy prioritizes our environmental responsibilities, aiming to reduce our carbon footprint and use natural resources responsibly. We are actively working on transitioning to renewable energy, reducing emissions, and achieving our goal of net zero carbon by 2050. Within this framework, our corporate policies—such as the Sustainability Policy, Energy Management System Policy, Environmental Policy, and Deforestation Policy—translate our commitment to sustainable environmental management into concrete actions. These policies align with strategies designed to enhance energy efficiency, optimize resource use, and minimize our environmental impact.



## Packaging

Our packaging strategy embraces an approach centred on the circular economy. We aim to make all our packaging recyclable and to develop innovative solutions that reduce plastic usage. These goals are supported by projects under our Sustainability Policy, which will align all our packaging with circular economy principles by 2030. At the same time, we prioritize product innovations that enhance environmental sustainability throughout this process.



## People

Under the People topic, our employees' well-being, safety, and ethical values are among our top priorities. To this end, we actively promote diversity and inclusion in the workplace, support the personal development of our employees, and integrate respect for human rights into all our business processes. These goals are clearly outlined in our Ethics Policy, Occupational Health and Safety Policy, and Human Rights Policy, which form the foundation of Korozo's business.



People

**Ethical Behaviour, Preventing Corruption, Bribery and Conflict of Interest**

Related Policy: Ethics Policy  
 Goal Setting: 2024  
 Goal Deadline: 2025 and onwards

100% of our employees have received training on the behaviours specified in the ethical policy since orientation.

%100 of employees received prevention training about bribery and corruption.

**Respect for Human Rights and Safety**

Goal Setting: 2024  
 Goal Deadline: 2030

Related Policy: Occupational Health and Safety Policy,  
 Zero accident

Related Policy: Human Rights Policy  
 There were zero cases of harassment, and 100% of reported cases were investigated.

**Confidentiality and Protection of Internal Information, PDPL**

Related Policy: Information Security Policy  
 Goal Setting: 2024  
 Goal Deadline: 2025 and onwards

Every year, information security training is completed or updated for 100% of our employees.

**Diversity, Equity and Inclusion**

Related Policy: Human Rights Policy  
 Goal Setting: 2024  
 Goal Deadline: 2025 and onwards

Providing gender equity training.

Monitoring of WEP's performance indicators by 2030, the number of blue-collar women employees will reach 5%.



Planet

**Renewable Energy Policy**

Related Policy: Environment and Deforestation Policy  
 Goal Setting: 2024  
 Goal Deadline: 2032

Switching to 100% renewable energy in all facilities.

**Emission Reduction**

Related Policy: Environment and Deforestation Policy  
 Goal Setting: 2024  
 Goal Deadline: 2032

Reduction of Scope 1 and 2 emissions by 50.4% compared to 2022.

Reduction of Scope 3 emissions by 30% compared to 2022.

**Net Zero**

Related Policy: Environment and Deforestation Policy  
 Goal Setting: 2024

Achieving the net zero target in 2053.

Goal Deadline: 2053

Ensuring stakeholder engagement and capacity building, particularly for suppliers, on environmental matters.

Goal Deadline: 2025 and onwards

**Stakeholder Engagement and Sustainable Supply Chain**

Related Policy: Sustainable Supply Policy  
 Goal Setting: 2024  
 Goal Deadline: 2025 and onwards

Within the scope of sustainable procurement, the Supplier Code of Conduct is shared with all suppliers and compliance is monitored.

Conducting at least three on-site supplier audits annually.

Conducting supplier surveys with 30% of active suppliers.

Providing sustainability training to 30% of active suppliers.



Packaging

**Circular Economy and Sustainable Products**

Related Policy: Sustainability Policy  
 Goal Setting: 2024  
 Goal Deadline: 2030

Designing and optimising all our products to be recycle-ready by 2030.

Increasing the proportion of recycled content:  
 By 2030: Achieving 10% recycled content in food-contact products and 35% in non-food products.  
 By 2040: Achieving 25% recycled content in food-contact products and 65% in non-food products.

At Koroza, we not only define our sustainability strategy as a vision but also bring it to life by integrating it into our business processes through concrete and measurable steps guided by an ever-evolving sense of responsibility. Following our “People, Planet, and Packaging” strategy, we embed our goals into all business processes, transforming our corporate culture and operational workflows accordingly.

transforms its responsibilities—ranging from human rights to eco-friendly production processes, ethical values to the circular economy—into concrete goals and reinforces these goals through corporate policies. Each objective supports our long-term sustainability vision and forms the foundation of our efforts to leave a better legacy for future generations.

This table illustrates how Koroza

\*WEPs: Women’s Empowerment Principles - Kadının Güçlendirilmesi Prensipleri.



# Materiality Analysis

At Korozo, we base our sustainability strategies on the **double materiality** approach. This methodology allows us to conduct a comprehensive materiality process by considering not only the operational impacts of our company but also stakeholder expectations and industry developments. Feedback from our stakeholders plays a vital role in shaping our strategic goals. We continuously review and refine our sustainability strategy through surveys and other participatory processes to align with evolving priorities and expectations.

With this approach, Korozo's sustainability goals are restructured to align with our corporate interests and the needs of our stakeholders, aiming for continuous improvement to deliver environmentally, socially, and economically sustainable solutions.



## Review of the Materiality Analysis



We revisited last year's materiality analysis, carefully reviewing the feedback gathered from our stakeholders. Using these insights to inform our strategic decisions, we refined and updated our sustainability strategy. This process ensures that our material topics remain both relevant and strategically aligned.



## Identification of Strategic Issues



We identified the sustainability topics most important to our company before initiating a new analysis process. We clarified our strategic goals by closely monitoring industry trends and conducting sector and stakeholder analyses. Additionally, we considered the following key global trends:

- Sustainable Development Goals (SDGs),
- Global Economic Forum's Global Risk Report,
- Sustainable Accounting Standards Board (SASB) and
- Sector-specific sustainability issues identified by Morgan Stanley Capital International (MSCI).

We identified the critical areas for our sector and included them in our strategy.



## Reassessment of Stakeholder Views:



We revisited the feedback received from stakeholders during last year's survey, ensuring their expectations regarding sustainability remain a key focus. We consistently consider their insights throughout this ongoing process of regular stakeholder engagement. These perspectives were gathered from external and internal stakeholders, such as employees and the board of directors. This approach allows us to account for the influence of both external and internal stakeholders in shaping our strategic decisions.



## Determination of the Main and Sub-topics



We went beyond identifying the main topics by detailing the subtopics under each one. This approach enabled us to refine our strategy into more precise, actionable steps. Defining these subtopics allowed us to take focused actions that brought us closer to achieving our strategic goals.



## Prioritisation and Categorisation



For 2023, we categorised the sustainability topics we have identified into three main categories in order of priority:

- **Very Highly Material Topics:** 8 pieces
- **Highly Material Topics:** 6 pieces
- **Material Topics:** 3 pieces

This prioritisation process clearly identified the areas that require greater focus, allowing us to take targeted action accordingly.



## Integration into Company Strategy:



We have begun integrating the findings from our materiality analysis into our company strategy. We ensure these focus areas are reflected in our operational processes by placing the identified priorities at the core of our business practices and strategic roadmap. This alignment enables us to work effectively toward achieving our sustainability goals.

## Material Topics List



### Subtopic

- 1** Combating Climate Change
- 2** Air Quality
- 3** Material Management
- 4** Product Lifecycle
- 5** Chemical Security
- 6** Social Dialogue
- 7** Environmental Practices for Suppliers
- 8** Social Practices for Suppliers
- 9** Financial Performance
- 10** Effective Risk Management
- 11** Child Labour, Forced Labour, Human Trafficking

This strategic prioritisation enables us, as Korozo, to progress more clearly and confidently in our sustainability journey. Meeting stakeholder expectations and adapting to industry developments will always remain key priorities as we uphold both our environmental and social responsibilities.

## Stakeholder Engagement

As Korozo Group, we maintain ongoing communication with various stakeholder groups throughout the process of defining our sustainability strategies and in all efforts to enhance our sustainability performance. We regularly engage with the stakeholder groups outlined below to understand their views, needs, and expectations, tailoring our processes accordingly.

**Stakeholder engagement is not limited to reporting periods but is an ongoing process for us.**

We actively encourage stakeholder participation and highly value the insights and contributions of all parties involved in sustainability. This approach enables us to advance our sustainability journey in a stronger, more inclusive, and successful manner.

**Bu sayede, sürdürülebilirlik yolculuğumuza daha güçlü, kapsayıcı ve başarılı bir şekilde devam ediyoruz.**

At Korozo Group, we continuously engage with our stakeholders, considering their expectations, needs, and contributions when shaping our sustainability strategies and performance. To this end, we hold regular stakeholder interactions and

consider their input key in our decision-making processes and operations.

**Stakeholder engagement is not confined to specific periods but is a strategic process maintained throughout the year.**

The communication processes, expectations, and methods used by Korozo Group in engaging with its internal and external stakeholders are detailed below:

## Stakeholder Groups

## Expectations

## Communication Type

## Communication Frequency

## Communication Management

### Employees

A safe, healthy, and discrimination- and harassment-free workplace; fair and market-standard compensation aligned with the principles of equal and transparent pay.

Two-Way Dialogue/  
Performance Monitoring  
Information Sharing  
Information Gathering  
Participant

Annually  
Regularly  
Quarterly  
Bimonthly

Annual Company Events  
Intranet Portal  
Official web site  
Bulletins  
Sustainability Report  
Survey  
Ethics Committee Meetings, Sustainability Committee Meetings, Disciplinary Committee Meetings, and bimonthly social compliance meetings with social compliance representatives.

### Senior Management

Strong company performance, continuous improvement, commitment to ESG sustainability issues, diligent adherence to OHS measures, operational excellence, and compliance with policies and procedures.

Collaboration  
Supporter

Regularly

Team Meetings  
Decision-Making Processes

### Board of Directors, Investors / Shareholders

Creating value for the company while generating profits for shareholders and investors.

Supporter  
Information Sharing  
Participant

Quarterly  
Monthly  
Weekly

Board Meetings  
Stakeholder Meetings  
Monthly Reports  
Performance interviews  
Teleconferences

### Customers

Quality products, prices in line with market value, sustainability management, high ESG scores and assessments, favourable customer experience.

Participant  
Advisory  
Information Sharing

Necessarily  
Regularly  
Annually

Face-to-face meetings  
Information letters/bulletins  
Official web site  
Sustainability Reports

### Public Officials

Compliance with legal and regulatory requirements, open and transparent communication

Two-way dialogue/  
performance monitoring  
Information Sharing

Necessarily  
Annually  
Regularly

Meetings  
Sustainability Report  
Official web site

### Components

Healthy competition in ethical standards, developments that will push innovation, ethical pricing policies.

Monitoring  
Information Sharing/  
Monitoring

Regularly  
Annually/Quarterly/Monthly/Regularly

Market fluctuations  
Media Reports  
Company progress reports, press conferences, newsletters

### Suppliers / Business Partnerships

Good communication and a favourable partnership, sustainable working methods, good price

Negotiation  
Advisory  
Information Sharing

Regularly  
Necessarily  
Annually

Face-to-face meetings  
Audits and Surveys  
Information letters/bulletins  
Sustainability Reports

### Memberships / Non-Governmental Organisations

Participation in initiatives and projects, exchange of useful information, joint work, cash and non-cash contribution

Collaboration  
Two-way dialogue/  
performance monitoring

Annually  
Necessarily

Annual Meetings  
Face-to-face meetings  
Information letters/bulletins

### Society

Responsible use of limited resources, which is the priority of common values, making strategic decisions taking into account future generations, creating value, creating jobs, mobilising the economy

Advisory  
Monitoring

Necessarily  
Regularly

CSR Projects, Social Activities, etc  
Social Events

### Media

Informing about an issue/event that has come to the agenda, transparency

Information Sharing

Necessarily

Press Meetings

# Sustainability-related Risks and Opportunities

As Korozo Group, we shape our sustainability strategy in line with long-term objectives, carefully addressing both sustainability risks and opportunities. By adopting the Risk and Opportunity approach outlined by the Task Force on Climate-related Financial Disclosures (TCFD), which focuses on climate and financial risks, we regularly analyse, monitor, and evaluate these risks within the framework of our

risk management procedures. The core pillars of our strategy are creating a safe, inclusive, and diversity-supportive work environment, integrating our packaging into circular economy principles, and adopting a responsible production model that minimises resource use and emissions. To this end, we continuously implement improvement processes to enhance our employees' well-being and safety, while developing corporate policies that promote inclusivity. At the same time, we ensure our packaging is recyclable within the framework of the circular economy and maximise resource efficiency to minimise our environmental impact.

As part of our commitment to sustainability, we are implementing comprehensive projects aimed at reducing greenhouse gas emissions.

These initiatives focus on enhancing energy efficiency and increasing the use of renewable energy sources, working in close coordination with relevant departments. Our efforts to lower greenhouse gas emissions not only minimise our environmental impact but also enhance the sustainability of our operational processes.

**In this context, we are progressing with our goal-setting process to align our current emission reduction targets with the 1.5-degree scenario, as part of the Science Based Targets initiative (SBTi).**

By ensuring our targets comply with SBTi criteria, we aim to establish a science-based roadmap and ground our sustainability strategy on more concrete foundations. This approach enables us to minimise climate risks while taking decisive steps to capitalise on significant global opportunities through energy efficiency and renewable energy projects.

This approach not only strengthens our sustainability performance but

also ensures that we manage risks and seize opportunities in alignment with our corporate culture. Accordingly, we proactively address risks and opportunities to achieve our sustainability goals, aiming for lasting success in the future.

You can review the detailed Risk-Opportunity table in the appendices section of our report.

## Climate Change

**As Korozo Group, we adopt a comprehensive and holistic approach to addressing the physical and transition risks posed by climate change.**

The uncertainties brought by climate change present a range of risks and opportunities that can directly impact our operational processes and long-term strategies. In this context, managing climate risks, which lies at the heart of our sustainability strategy, is integral to our long-term success and our environmental responsibilities.

**The physical risks associated with climate change—such as increasingly frequent and severe weather events, flooding, droughts, and heatwaves—pose significant challenges to our operational activities.**

These risks have the potential not only to disrupt our infrastructure and operational processes but also to lead to supply chain interruptions and higher operational costs. To strengthen our ability to manage these risks, we are taking proactive steps to enhance supply chain security, improve the resilience of our infrastructure, and optimise cost management. Leveraging innovative technologies and advanced analytical tools, we anticipate potential threats and implement the most effective solutions to mitigate them. This approach ensures that our production processes continue uninterrupted and prepares us to address potential disruptions within our supply chain effectively.

Transition risks, on the other hand, arise from global measures and policy changes addressing climate change. Factors

such as carbon pricing, new regulations targeting emission reductions, and the growing demand for environmentally friendly products require us to reassess our business models. In this context, we continuously review our production processes, supply chain, and product portfolio, developing innovative and sustainable solutions to align with market demands and regulatory requirements. By adopting an agile and flexible approach to transition risks, we quickly adapt to changing regulations while strengthening our leadership in the development of eco-friendly products.

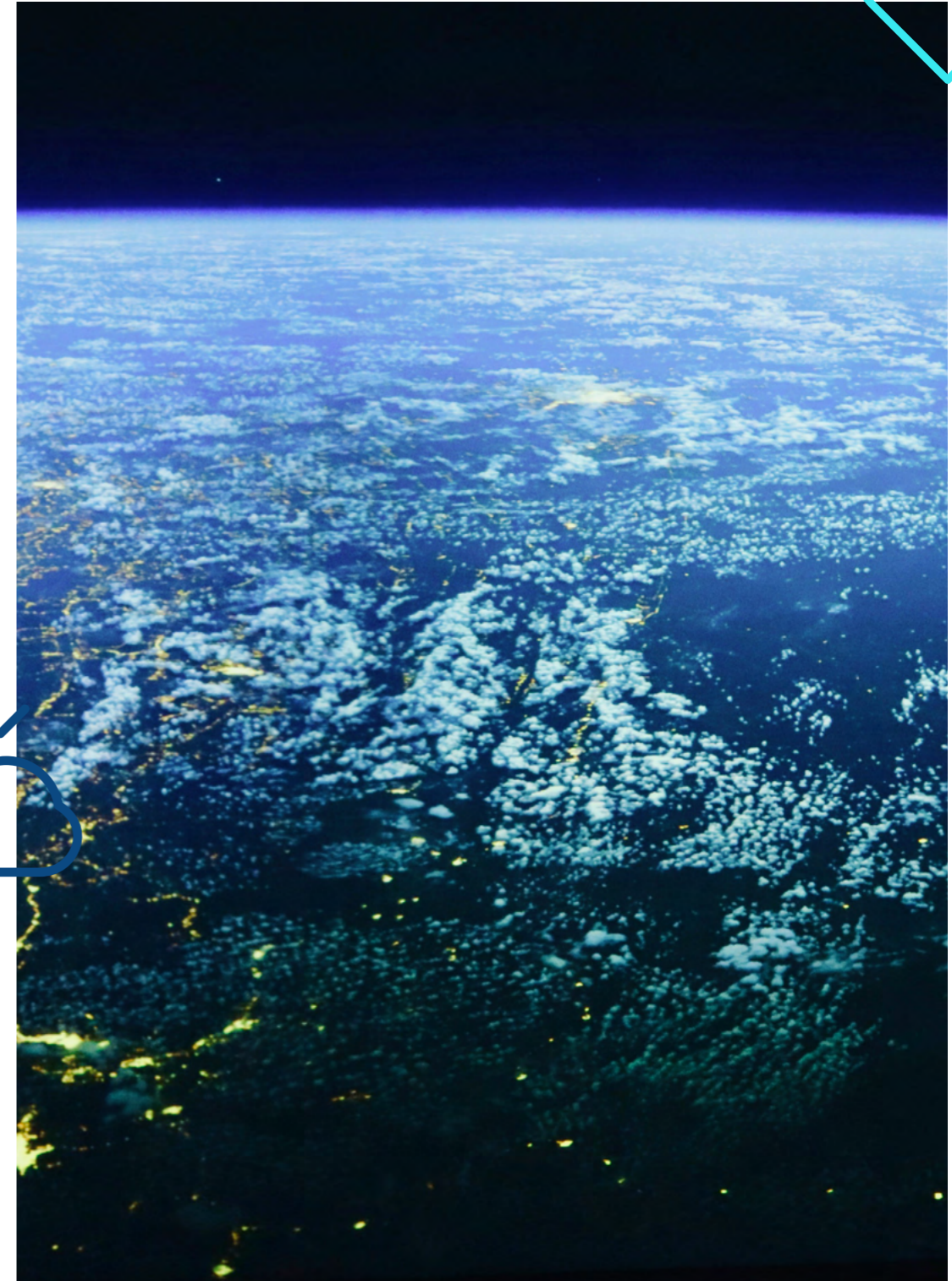
This approach enables us to comply with legal requirements and gain a market advantage through sustainable innovation.

**To effectively manage the physical and transition risks associated with climate change, we adopt a dynamic risk management approach. In this process, we systematically identify, evaluate, and comprehensively analyse all climate-related risks and opportunities.**

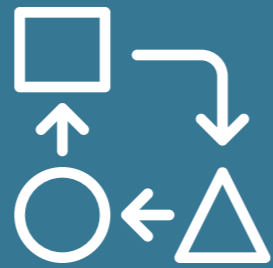
Additionally, we incorporate feedback from our business units and stakeholders to determine and implement the most effective strategies. This approach not only minimises our environmental impact but also enhances our operational efficiency, helping us maintain strong financial performance.

**In conclusion, we take climate change risks seriously, integrating them into our strategic planning and working steadfastly towards our long-term sustainability goals.**

These efforts not only enable us to reduce our environmental and social impacts but also help us build greater resilience against future uncertainties. As Korozo Group, we regard climate change risks as a strategic priority in building a sustainable future and remain committed to advancing in this direction.







# OUR VALUE CREATION MODEL

**INPUT**

**Financial Capital**

- Financial management strategies and cost-optimisation-focused projects.
- Capital investments and energy efficiency projects (ISO 50001).
- Financial modelling to increase the rate of return on investments.
- Resource planning and capital efficiency for long-term growth strategies.

**Human Capital**

- Broad and skilled workforce
- Supporting employee diversity through equal opportunity and inclusion policies
- Health and safety-focused processes (ISO 45001)
- Development programs aimed at enhancing employee satisfaction (training, career planning)
- WEPs principles supporting women employees and inclusive human resources management

**Social Capital**

- Global business relations with a wide network of suppliers and customers
- Active participation in social responsibility projects (donations and aid)
- Ethics certifications in supply chain management (Sedex, CDP B- score)
- Strategies to enhance customer satisfaction and loyalty
- International business partnerships based on transparency and sustainability principles

**Intellectual Capital**

- 50 years of experience and industry know-how
- A management culture focused on continuous improvement and innovation
- Patents, trademarks, and intellectual property rights
- ISO 27001 Information Security Management System
- Acceleration of technological innovations and digitalisation processes

**Manufactured Capital**

- Modern production facilities and advanced technology investments
- Recycling and efficiency-enhancing processes in production (Recyclclass certifications, traceability, and recycling practices)
- Increasing production capacity through continuous maintenance and optimisation processes
- Eco-friendly solutions in packaging production and the use of recyclable materials

**Natural Capital**

- Environmental management systems and sustainable production processes (ISO 14001)
- Energy efficiency projects and the use of renewable energy sources
- OCS (Operation Clean Sweep) program to prevent plastic loss
- Recycling processes and waste management strategies
- Zero waste initiatives in line with the zero waste goal (ZWL certification)



**OUTPUT**

- 307 million Euro turnover
- 269.224.996 Euro net sales
- 137,000 tonnes production capacity
- 82% sales to Europe
- Export to 75 countries
- 9 local, 1 international operation regions

- 19,015 hours of OHS training
- 2,200 employees
- Percentage of suppliers with contracts including environmental, labor, and human rights requirements: 77%

- Exports to 75 countries
- 31,881 EUR for social responsibility donations
- Percentage of suppliers with contracts including environmental, labor, and human rights requirements: 77%
- Sustainability and supplier ethics practices applying to all suppliers
- Collaborations with universities and institutional memberships
- Signatory of WEPs and UN Global Compact

- 13 Lean Six Sigma projects
- 12 Top 10 projects
- 7 approved patents
- Reduction of resource consumption and savings of over 1 million EUR through projects such as increased material reuse, logistics optimisation and reduced consumption of specific energy resources.

- 137,000 tons of annual production capacity
- 6 logistics centers in Europe and 4 sales offices in Russia and Europe
- 201,698 square meters - Total indoor area

- 1,400 tons of recycled material used
- 64% recyclable packaging production
- 16-ton reduction in Scope 1 and Scope 2 emissions
- B score on the CDP platform
- 1,368 tons of solvent recovered in the solvent recovery facility
- Electricity savings: 1,037,792.45 kWh
- Natural gas savings: 21,176.56 sm<sup>3</sup>

**CREATED VALUE**

- Energy efficiency and cost saving projects supported financial sustainability.
- The company's profitability was strengthened by increasing capital efficiency.
- Long-term growth strategies were supported by increasing the rate of return on investment.

- The Company's investments in its employees have increased employee satisfaction and loyalty.
- Training programmes improved the quality of the workforce and contributed to the company's productivity in the long term.
- Thanks to equal opportunities and inclusion policies, the ratio of female employees was increased and social sustainability was ensured.

- The Company's participation in social responsibility projects has strengthened its brand reputation.
- International market share was expanded by increasing customer satisfaction and loyalty.
- Business partnerships were made sustainable through transparency and ethical trade practices in the supply chain.

- With continuous innovation and R&D investments, the company has increased its competitiveness.
- Strengthening information security processes contributed to the acceleration of digital transformation.
- By protecting its know-how through patents and trademarks, the Company sustained its leadership in the sector.

- Üretim kapasitesi artırılarak pazar taleplerine daha etkin yanıt verilmiştir
- Geri dönüşüm süreçleri ile üretimde çevresel etkiler azaltılmış, sürdürülebilirlik sağlanmıştır
- Verimlilik artırıcı yatırımlar sayesinde maliyet avantajı yaratılmış, şirketin rekabet gücü korunmuştur

- Production capacity was increased to respond more effectively to market demands.
- With recycling processes, environmental impacts in production are reduced and sustainability is ensured.
- Thanks to productivity-enhancing investments, cost advantage was created and the Company's competitive power was maintained.

**RELEVANT MATERIAL TOPICS**

- Energy Management
- Sustainable Value Chain and Responsible Purchasing
- Corporate Governance

- Workforce and Talent Management
- Equal Opportunity and Fair Working Conditions
- Human Rights
- Safety, Health and Welfare

- Sustainable Value Chain and Responsible Purchasing
- Human Rights
- Values, Ethics and Compliance
- Corporate Social Responsibility

- Innovation and Product Design
- Digital Transformation and Information Security
- Corporate Governance

- Circular Economy
- Product Quality and Safety

- Emissions and Climate Change
- Waste Management
- Biodiversity
- Water and Wastewater Management
- Energy Management
- Circular Economy
- Biodiversity

**CONTRIBUTED SDGS**







# OUR BUSINESS: PACKAGING



**SAREKS**  
HAYATI KOLAYLAŞTIRAN DEĞERLER

Beks

**Advancing Sustainability  
in Our Business**

# Corporate Governance

The Board of Directors is our highest governance body, forming the basis of our company's management structure. The Board of Directors is responsible not only for making strategic decisions of our company, but also for supervising our executives and effectively managing the economic, environmental and social impacts of our operations. This responsible structure enables Korozo to achieve its long-term sustainability goals and enables us to strictly adhere to corporate governance principles.

Various committees operating under the Board of Directors play a critical role in terms of sustainability and corporate governance. These committees include the Sustainability Committee, the Ethics Committee, and the Audit Committee, each of which contributes to the effective management of our company. While the Sustainability Committee manages our environmental and social impacts, the Ethics Committee plays an active role in ensuring compliance with our corporate values. The Audit Committee strengthens corporate transparency and accountability by monitoring the company's financial reporting and internal audit processes.

To enhance the effectiveness of the Board of Directors, the Steering Committee, chaired by our CEO, also has a critical function. Steering members support the integrity and transparency of the management structure by reporting directly to the Board of Directors. This ensures that strategic decision-making

processes proceed quickly and efficiently. In our management approach, diversity and independence stand out as fundamental corporate governance elements. Our Board of Directors includes representatives of Actera Group, Türkiye's largest private equity investment company, as well as independent members. This structure ensures objectivity and impartiality in strategic decision-making processes and encourages the participation of independent perspectives. Furthermore, the importance we attach to gender diversity in our Board of Directors is concretely demonstrated by the 22% representation of women members. This diversity contributes to the promotion of a balanced and comprehensive perspective in the strategic management of the company and supports an inclusive management approach.

As a result, Korozo's governance structure focuses on securing the financial performance and long-term success of our company, while at the same time managing our environmental and social impacts in a sustainable manner. Through our Board of Directors and committees, we implement a management approach that strictly adheres to both corporate governance principles and social responsibilities. This strong management structure carries our company to a more resilient and sustainable future.

## Economic Performance

**As Korozo Group, when we started our activities in the packaging sector in 1973, our main goal was to establish a strong presence in global markets.**

Today, we continue to take firm steps forward in line with this vision. As of 2023, we are exporting flexible packaging, hygiene products, trash bags, and kitchen auxiliary products to **75 countries**, which demonstrates our determination and success in achieving this goal. This success is based on our **production capacity of 137,000 tonnes** and our **modern production facilities with a covered area of 201,698 square metres**. In the reporting period, we have further consolidated our leadership in the sector with a turnover of **307 million EUR** and **2,200 employees**.

Korozo Group has a particularly strong presence in the **European market**. As of 2023, 82% of our total sales are to European countries. We serve a wide customer network in Europe, mainly in Belgium (16%), Germany (12%), UK and France (10% each), Czech Republic (6%), Spain (4%), Netherlands (3%) and Denmark (2%). The remaining 37% of our sales are distributed to other European countries. We provide fast, efficient, and uninterrupted service to our customers through 6 logistics centres across Europe and 4 sales and distribution offices in Europe. This comprehensive structure enables us to expand our operations

not only in Europe but also in different geographies such as Asia, Africa and America.

As in the **European market**, we continue to display a strong performance in global markets. Our sales in the Asian market account for 10% of our sales, while our sales in the American and African markets account for 4% each. This wide geographical coverage is part of our strategy to serve our customers from the closest point and enables us to respond quickly and effectively to customer demands with our flexible production and distribution capabilities. We aim to sustain our growth by maximising customer satisfaction through our global operations.

As Korozo Group, this strong economic performance in global markets is one of the most important indicators of our sustainable growth and leading position in the sector. We will continue to grow with our innovative products and customer-oriented service approach, both maintaining our strength in existing markets and seizing growth opportunities in new markets. By further strengthening our position in the global packaging sector, we will continue our mission to be one of the leading companies in the sector in the future.

## Effective Risk Management

At Korozo Group, the importance we attach to sustainability is not limited to managing the environmental and social impacts of our operations; we also place this understanding at the centre of our strategic management processes. The strong integration between sustainability and risk management is one of the most important elements of our management structure as it secures the long-term success and future resilience of our company. In this context, we continuously improve our risk management approaches, involve all departments of the company in the process, and support our sustainability goals with concrete steps.

Under the leadership of our Board of Directors, we carry out a comprehensive analysis process for sustainability risks and opportunities and determine our strategic direction through regular reports. With the contributions of senior management, strategically important areas of our sustainability efforts are closely monitored and tracked within the framework of corporate risk management. Our **risk management working group** consists of experts selected from relevant departments, ensuring that risk management procedures are determined and operational continuity is ensured in cooperation with the internal audit unit. In this process, we integrate our risk opportunity analyses into our operational activities and monitor the results at the senior management level. Action points for ESG issues are presented to the Board of Directors every quarter and managed in a planned manner in terms of financing and necessary measures.

This structure ensures that risks are handled with a dynamic approach and opportunities are utilised more effectively in our sector, where climate change and sustainability risks are becoming increasingly important. At the same time, we develop strategies in line with **Key Performance Indicators (KPIs)** to capitalise on emerging opportunities. As Korozo Group, we see risk management not only as a tool to minimise threats, but also as a strategy to create opportunities and generate value; we aim for sustainable growth in this regard.

Our group's managerial understanding of sustainability progresses with an approach that strengthens the synergy between risk management and sustainability. While managing risks effectively to ensure the operational continuity and long-term success of our company, we also shape our sustainability targets within this framework.

## Values, Ethics, and Compliance

As Korozo Group, we place business ethics and sustainability principles at the centre of our way of doing business, and we are committed to adhering to these values in all our activities.

Our ethics policy is one of the cornerstones of our corporate governance approach and **aims to ensure that not only our employees but also our suppliers and other stakeholders act in accordance with these principles.**

Accordingly, the business ethics policy we have established within Korozo Group is based on the principles of transparency, accountability and fairness while protecting and developing our ethical values within a broad framework.

Our ethics policy has been incorporated into our corporate culture as a concrete indicator of the importance we attach to **business ethics and compliance processes.** We have established a **whistleblowing mechanism** for our employees and stakeholders to report unethical behaviour in a safe and confidential manner supports our company's principles of transparency and accountability. The whistleblowing procedure implemented in our company ensures that all reports are carefully recorded and necessary investigations are initiated.

This mechanism enables us to adopt a proactive approach to business ethics issues while enabling the rapid and effective resolution of ethical violations within the company. At the same time, our internal audit and risk management processes carry out detailed evaluations on ethical issues, thus preventing possible violations.

All risks related to business ethics are regularly evaluated and internal audits are carried out in our subsidiaries, as well as in our company. Owing to our effective business ethics practices, there were no confirmed cases of corruption and no reports of whistleblowing procedures in Korozo Group companies during the reporting period. This zero report status demonstrates the effectiveness of our ethics policy and the commitment of all our employees to high ethical standards.

Our ethics policy covers many important elements such as **respect for human rights, prevention of corruption and bribery, prevention of conflicts of interest, competition ethics, information security, anti-money laundering and anti-fraud policies.** In addition, confidentiality and protection of internal information and an honest and fair management approach are at the centre of our ethical policy. All our employees who act in line with these principles protect and strengthen our company's reliability and ethical stance in the way we do business.

This policy is built on the protection of employee rights and sustainability principles, does not tolerate discrimination, and adopts an inclusive approach for all stakeholders.

**'equal pay for equal work'**

**policy guarantees a fair remuneration system among our employees and reinforces our commitment to providing a working environment that respects human rights.**

Our management approach is based on ethical principles and shapes not only our relations within the company but also our interactions with society.

In order to increase the implementation and traceability of our ethical principles, we have established various channels through which all our employees and stakeholders can safely report ethical violations. All ethical issues, especially anti-competitive practices, sensitive transaction violations, information security violations, harassment and pressure, corruption and third-party violations such as child or forced labour, can be reported via the e-mail address [etik@korozo.com.tr](mailto:etik@korozo.com.tr) or the ethics hotline number **0212-866-66-25**, which is available 24/7.

Violations and breaches detected by our Ethics Committee are evaluated by our Disciplinary Board. In addition, the request and complaint boxes located at various points are also used to collect feedback from employees, and these notifications are also analysed by the Ethics Committee. Under the responsibility of the **Internal Audit Director**, all departments are audited within the framework of ethical rules. In addition, the opinions and notifications of employees are collected, and evaluations are made at meetings organised through employee representatives.

Our business ethics policy is accessible to all stakeholders and is carried out in a transparent manner. All ethical practices and decisions are openly shared. Business ethics, which is one of the fundamental elements of Korozo Group's sustainability approach, increases the efficiency of our operational and administrative processes and plays a key

role in protecting corporate reputation and trust. Our determination to carry out our activities in full compliance with the laws and international standards, respecting human rights, in an ethical and honest manner stands out as a critical element in ensuring the long-term sustainability of Korozo Group.

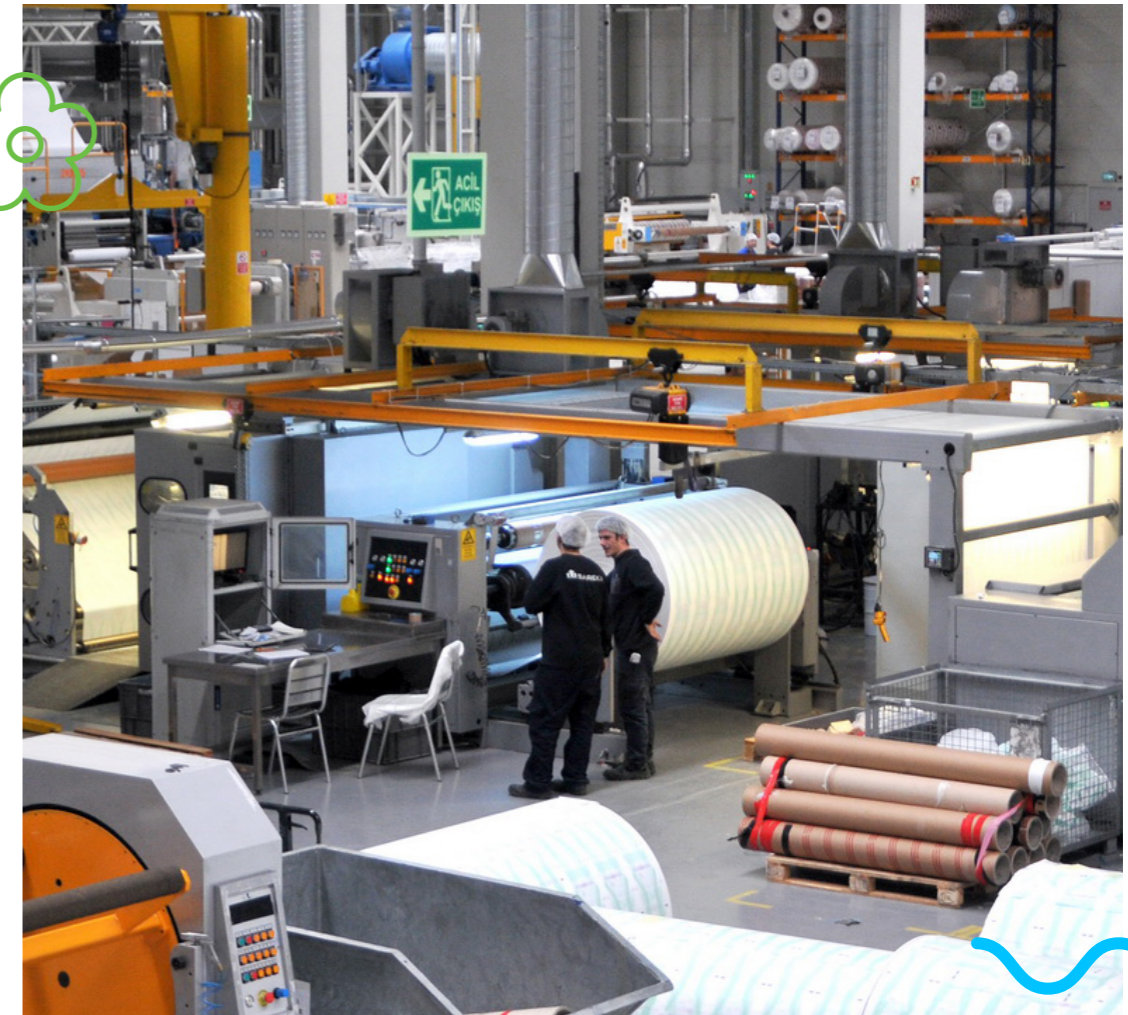
This determination is an extension of our ethical policy's culture of trust and honesty and a reflection of our company's stance on ethical business practices and compliance with the law. Our ethics policy is a guide that we expect all our stakeholders to respect regarding ethical principles and behaviours. We review this policy every year and update it in accordance with the procedures when necessary. We offer training on ethical principles and rules to all our employees, which cover topics such as respect for human rights, security, prevention of corruption and bribery, conflicts of interest, competition ethics, confidentiality and protection of internal information, anti-fraud and anti-money laundering policies, fair competition, information security, and an honest and fair approach, which are mentioned in our ethical policy and shared publicly. Along with these training programmes, we also share information on the accessibility of reporting ethical violations with our employees.

**In 2023, a total of 1185 hours of business ethics training was organised, and basic ethical values such as human rights, occupational safety, prevention of corruption and bribery, conflicts of interest, competition ethics, confidentiality and information security were conveyed in these training sessions.**



**In 2023, a total of 1185 hours of business ethics training**

Our ethics training aims to ensure that our employees internalise our business ethics policy and that these values become a part of Korozo Group's corporate culture. All our new employees undergo this training during the orientation process and are periodically informed on these issues. With these training programmes, it is ensured that ethical principles are disseminated throughout the company and that our employees act in accordance with these values.



## Combating Bribery and Corruption

As Korozo Group, we adopt the principles of transparency, accountability, and strict adherence to ethical values at every stage of our business processes. In this respect, the Anti-Corruption and Anti-Bribery Procedure has been established within the scope of the Korozo Ethical Principles and aims to prevent bribery, corruption and other inappropriate behaviours in financial terms. This procedure, which we have integrated into our company's way of doing business, covers not only our employees but also our managers, board members and business partners, creating a wide area of responsibility. The protection of ethical values not only ensures that our company achieves its sustainability goals, but also ensures the continuity of our credibility in the business world.

Our Anti-Corruption and Anti-Bribery Procedure covers all persons acting on behalf of Korozo and has been extended to include not only bribery and corruption, but also embezzlement, breach of trust and other financial misconduct. This comprehensive procedure sets out clear rules and responsibilities to prevent unethical behaviour and intervene when necessary, ensuring that our business processes are conducted in a reliable and ethical manner.

Since ethical issues are one of the sensitive areas that pose a particular risk, Korozo Group considers this issue as an important element of our risk management strategy. Lack of compliance can lead to labour rights violations and also damage the reputation of our company. Therefore, we identify and manage compliance risks at the

centre of our sustainability strategy, just like our other strategic risks. Within the scope of internal audit activities, risks are carefully analysed and presented to senior management. Necessary procedures are developed to prevent possible corruption and conflicts of interest and are monitored within our risk management system. Monitoring and evaluation of relevant processes, risk definitions, and existing controls play a critical role in risk analysis documents.

We inform our employees and raise their awareness on these issues by making detailed risk definitions, especially on issues related to corruption risk assessment and anti-competitive practices. Through our internal audit mechanism, these risks are monitored through annual audits and, when necessary, disciplinary processes are put into action if ethical violations are detected. This approach ensures that risks are minimised and also encourages all our employees and business partners to act in line with ethical rules.

With our internal audit unit, audits are carried out to prevent corruption and bribery and to prevent conflicts of interest, and necessary arrangements are made in the processes. In addition, possible reports received by our ethics hotline are investigated and evaluated in detail.

## Objectives of the Internal Audit Department

Ensure the accuracy and integrity of financial and operational information

Ensure compliance with legal regulations, contracts and company processes

Ensure the prevention of errors and irregularities

Ensure that processes are organised and audited for proper and effective governance

Within the scope of the **Anti-Corruption and Anti-Bribery Procedure**, Korozo Group employees, suppliers and business partners must not accept or offer illegal payments, donations, bribes, gifts or other improper benefits in their commercial transactions. It is clearly stated that no personal relationship that may lead to a conflict of interest should be entered into, and the company name should not be used for personal benefit. In line with this principle, the ethical code of conduct is conveyed in detail within the scope of the **Human Resources Orientation Programme** in order to raise the awareness of our employees on ethical issues and to internalise our corporate principles. This training ensures that our employees adopt ethical principles and strengthen their stance against corruption and bribery in business processes.

In order to emphasise ethical principles during the recruitment process, our company presents the Anti-Bribery and Anti-Corruption Procedure to our new employees and also provides **competition law training**. As Korozo Group, we adopt a 'zero tolerance' approach to combating corruption and bribery and are committed to conducting our activities in a fair, transparent, and legal framework. In this context, we demand that not only our employees but also our business partners and suppliers act in accordance with these policies.

The **Customer and Supplier Code of Conduct** published by Korozo Ambalaj A.Ş. aims to ensure that all parties with whom we have a business relationship act in accordance with ethical principles and support our company's sustainability goals. All our suppliers are required to ensure that they act in full compliance with the anti-corruption and anti-bribery laws in the regions in which they operate and to take all measures in this area.

During the reporting period, there were no contracts that were terminated or not renewed due to corruption violations, and there were no corruption lawsuits filed against our company or our employees. These results clearly demonstrate Korozo Group's commitment to business ethics policies, its fight against corruption and bribery, and the ethical stance that it successfully implements.

## Competition Ethics

Within the framework of **our business ethics policy**, we refrain from all agreements and behaviours that aim to restrict or distort competition. This principle covers all actions that may prevent competition both directly and indirectly. We are committed to creating a **fair competitive environment** by staying within legal and ethical boundaries. In particular, we take a clear stance on not sharing commercially sensitive information with our competitors and avoiding any anti-competitive discussions or communications.

Our company attaches great importance to maintaining healthy and fair competition and carries out our activities in this direction. Competition law and ethical rules are the cornerstones of Korozo Group's way of doing business. We also adopt a careful approach to protect commercially sensitive data such as **customer and product information**. When collaborating with our competitors, we are committed to fully complying with the legal framework and avoiding all practices that violate these limits.

In this context, we contribute to the maintenance of a healthy and ethical competitive environment in the business world by avoiding all practices contrary to **competition ethics**. Our commitment to conduct our activities in accordance with both legal and ethical rules not only ensures our commitment to business ethics, but also the reputation and long-term success of our company.

## Information Security

Our business ethics policy sets high standards on security and privacy issues and provides clear rules to protect the information of our organisation and our stakeholders.

**Our business ethics policy** aims to clearly define the security rules in all activities carried out within the company. Ensuring that third parties carry out their work in a secure framework is part of our corporate responsibilities, as well as ensuring that our business processes are effective and reliable. In this context, confidentiality and protection of internal information are also an important part of our policy. **Confidential and private** information, trade secrets, financial information, the personal information of personnel and the data of our customers are carefully protected in line with our ethical policy. It is of great importance in terms of protecting the reputation and reliability of our company that this information is not misused in any way and not disclosed in a way that may create a competitive disadvantage.

Accordingly, within the scope of the **Law No. 6698 on Personal Data Protection (PDP Law)**, we carry out all our privacy and data security processes in compliance with the law. We take all necessary care to protect the information belonging to our company and regularly raise awareness of our employees on this issue. Protecting confidentiality and ensuring data security is not only a part of our business ethics policy, but also a critical element for the corporate security and sustainability of our company.



# Sustainable Operations

## Product Quality and Safety

As Korozo Group, we consider high performance in the areas of product safety, quality management, information security, environment, health and safety among our areas of high responsibility. Since 1996, we have been carrying out our activities in accordance with international quality standards and in this context, we support our work with **ISO 9001 Quality Management System** certification. This approach allows us to adopt a management approach focused on **continuous improvement** and **customer satisfaction** and reinforces our goal of achieving high quality standards at every stage.

**Our quality control processes** are carried out rigorously to ensure product safety. In this context, we continuously improve our quality and safety standards by implementing **HACCP (Hazard Analysis and Critical Control Points System)** in 2003, **BRC IOP (Global Standard for Packaging and Packaging Materials)** in 2005, **ISO 22000 Food Safety Management System** in 2010 and **GLP (Good Laboratory Practices)** and **BRC Global Standard** systems in 2013.

Our aim is to provide the most reliable and high-quality products to our customers by maintaining **high quality standards**.

Creating value in partnership with our stakeholders with a responsible production approach is one of the main motivation sources of Korozo Group. This approach enables us to keep our customer satisfaction at consistently high levels, while at the same time enabling us to achieve results that exceed our customers' expectations.

In the **flexible packaging sector**, our product safety efforts, especially for food packaging, are carried out with great sensitivity. We adopt an integrated system approach by taking into account customer feedback and aim to offer reliable, high-quality products in this area, which is of critical importance for both human health and the environment. To keep our quality and safety standards at an international level, we carry out a wide range of tests in our **ISO 17025 General Requirements for the Competence of Testing and Calibration Laboratories** certified and approved laboratories. We continuously check the quality and safety of our products with 90 different testing methods including **polymer chemistry, instrumental analyses, inorganic chemistry, optical and migration analyses**.

In addition, our company operates in **full compliance with national and international legislation** and reinforces its reliability in the sector by having all necessary health certificates

for our products. Our company has the Business Registration Certificate of the Republic of Türkiye Ministry of Food, Agriculture and Livestock and holds health certificates certifying the safety of our products in the countries we operate and fully complies with all regulations.

In the **medical product category**, we offer solutions in accordance with the **standards accepted by OECD countries**, especially by producing qualified products certified with the **GLP (Good Laboratory Practices)** certificate. In this way, we continuously strengthen our international reliability. To keep the quality of our products at the highest level, we carry out **rigorous inspection processes** through our quality assurance and laboratory units, using a wide range of tests. In these audits, operations such as **pest control** are also carefully monitored as an integral part of our quality processes.



## As a result,

Korozo Group is moving towards a **sustainable growth** target by adopting a production model that protects human health and the environment and fully complies with national and international regulations. The importance we attach to product safety and quality management makes us a company that reaches the highest standards in the sector and continuously ensures the trust of our customers and business partners. Thanks to our responsible production approach and rigorous quality control processes, Korozo Group continues to achieve high performance and sustainable growth in both local and global markets..



## Chemical Safety

Along with the great responsibilities of the packaging industry, **chemical safety** is a critical area where the Korozo Group's **Packaging and People** building blocks intersect. As a company, we require certificates of compliance with the **SVHC (Substances of Very High Concern)** list in accordance with the Reach directive from our suppliers, and we regularly check these documents in line with the **ECHA** list, which is updated at least twice a year. We also have the capacity to conduct tests for some specific banned chemicals in our laboratories. In addition, we do not allow the use of substances containing allergens, and we require allergen-free certificates from our suppliers.

In our chemical tests, the chemical structures of the raw materials (granule, film, ink, glue) we use periodically are examined, and these tests are carried out with advanced analysis methods such as **FTIR, DSC and GC MS. Solvent residue** controls are also carried out during the printing and solvent lamination stages to ensure product safety.

In addition, **microbiological tests** are carried out in accredited external laboratories on final products and the water used, and **total migration** and **heavy metal analyses** are performed for food packaging. In our GLP-certified laboratory, these analyses are carried out together with their validation in accredited external laboratories.

## Laboratory Tests and Safety Procedures

To ensure the highest level of **product safety** and **quality** in our supply chain, detailed product-based assessments are conducted through the SAP system. These assessments are carried out **monthly** based on critical criteria such as product conformity to specifications, on-time delivery performance, quantity compliance and packaging compliance.

The efficiency and reliability of our processes are continuously monitored and improved through regular analyses based on these values, ensuring that our quality standard is maintained at all stages of our supply chain.

In addition, product quality is rigorously controlled through extensive testing in our laboratories, ensuring that our products meet customer expectations.

**Our laboratories** are located in the **Roto, Çorlu** and **Çerkezköy** plants and are specially designed for testing flexible packaging, masterbatch and hygiene components.

## These GLP-certified laboratories are divided into three main sections with proven reliability:

### 1. Instrumental Analysis Department:

Structural analysis of packaging materials is carried out using advanced analytical methods. In this department, advanced techniques such as spectroscopy, mass spectrometry, thermal analysis, chromatography and microscopy are used for detailed structural analysis of materials.

### 2. Mechanical and Optical Testing Department:

The physical durability and performance of packaging materials are rigorously tested in this department. In addition, the performance of the packaging in the production machines of our customers is evaluated, and the effectiveness of the material in the conditions used is analysed.

### 3. Chemical Testing Department

The chemical purity and suitability of the materials are evaluated through comprehensive chemical analysis, and the materials are tested for compliance with the specified quality standards



## Chemical Safety Training

We see **chemical safety** training as a critical element of our **Packaging and People** motto, which is one of the cornerstones of our sustainable way of doing business. We offer regular and comprehensive training on the safe use of chemicals to increase the occupational safety and environmental awareness of our employees, as well as to maintain the highest safety standards in our operations. These training sessions not only ensure safety in our business processes, but also directly contribute to our goal of minimizing our environmental impact.

In addition to environmental training, we organise special training programmes for critical risks such as **explosive atmosphere hazards and safety precautions when working with chemicals**. With these training sessions, we aim to increase our employees' awareness of chemical safety and teach them the correct intervention methods against potential hazards. In addition, we aim to prevent chemicals from harming the environment and minimise the risk of spills with **applied granule and chemical loss prevention** training. Our **spill response** training also contributes to minimising occupational safety risks and environmental risks by ensuring that our employees learn fast and effective response techniques in case of spills or leaks.

These training programmes are an important indicator of Korozo Group's commitment to both maintaining occupational safety standards and fulfilling its environmental responsibilities.

## Product Certificates

Korozo adopts a pioneering approach to sustainability and quality management in the sector and considers it a corporate responsibility to fully comply with the standards and certification requirements set in the local and international markets in which we operate. In order to fully meet the quality assurance demands of our customers, especially in the field of **food and hygiene** products, we carry out production at the highest standards. The certificates we hold demonstrate not only the reliability of our business processes, but also that the products we offer comply with internationally recognised quality and safety standards.

These certificates cover important factors such as **environmental sustainability, resource efficiency, waste management, energy saving and protection of natural resources**. By taking these factors into account in our business processes, we both strengthen our sustainability targets and gain competitive advantage by offering innovative and environmentally friendly packaging solutions to our customers.

To offer more sustainable product solutions, we have certified our **recyclable products** with internationally recognised certificates. With the **Cyclos-HTP** certificate, we ensured **traceability and quality control** and meet sustainability criteria in the recycling process of packaging waste. As of 2022, we have strengthened our environmental responsibilities by developing **PP trays** and **single-material PP lid solutions** for fresh meat products in the **German, UK, and French** markets.

These solutions contribute to the recycling process and reinforce our commitment to the circular economy.

To fulfil our sustainability commitments, we are certified in accordance with the **D4R (Design for Recycling)** guidelines under the **Circpack initiative**. These documents improve our recycling processes and minimise the environmental impact of our sustainable packaging designs.

In addition, the **Recyclclass Recycling Process** certificate we have obtained for our recycling facilities in İstanbul and

Izmir ensures the traceability of recycled materials. This certificate confirms that our facilities operate in accordance with European Standards and that recycled plastics can safely find their place in industrial uses.

With these certificates, we demonstrate our high standards in sustainability and environmental responsibility while responding to customer demands. We continue to achieve a strong position in the sector in both local and global markets by developing environmentally sensitive business models.



## Operational Excellence

As Korozo Group, which adopts a sustainable vision for the future of packaging and the planet, we make operational excellence not just a goal, but a fundamental element of our way of doing business. While integrating our products in the **packaging** sector into the circular economy, we realise responsible production processes for the planet. In this direction, the operational excellence and **Lean practices** we carry out under the leadership of the OPEX (Operational Excellence) Directorate place a sustainability, efficiency and innovation-oriented approach at the centre of our corporate culture. While optimising resource consumption, we maximise our value and service level and aim to increase our contribution to society by continuously improving our waste and energy efficiency processes.

As Korozo Group, we are taking steps towards continuous improvement by combining the **Lean Six Sigma (LSS)** methodology with our sustainability approach.

In this context, we implemented **13 Lean Six Sigma projects and 12 Top 10 projects in 2023.**



These projects enabled us to take important steps to increase our company's operational efficiency and environmental sustainability.

## Our three important projects implemented under OPEX management are as follows:

### 1. Increased reuse in extruder production:

After analysing semi-finished product formulations, we identified which production scraps can be reused in the production of specific products and in what quantities. The amount of reuse in the extruder was increased by sorting the scrap stocks, and an improvement of 6% was achieved compared to the previous year.

### 2. Resource savings through logistics optimisation:

By analysing and improving the costs of shipped packaging materials, costs were reduced by maximising vehicle occupancy rates in shipments.

### 3. Reduction of specific energy consumption (SEC):

Energy consumption analyses were performed on a machine and plant basis. Improvements were made, and energy consumption was reduced.

Within the scope of OPEX management, we saved a total of **€1.179** million through projects we implemented in areas such as increasing reuse, optimising logistics and reducing energy consumption. These projects optimised our resource use and reinforced our company's capability in sustainability and efficiency.

In our company, we carry out production with a make-to-order structure, and due to our high product diversity, we focus on minimising process waste (especially setup waste) instead of continuous flow. We reduce the final wastage rates and make continuous improvements by reusing the waste in our own products or in products compatible with the specified matrices.

Within the scope of Lean philosophy, we are focused on minimising non-value-added work steps and reducing Muda (waste). We analyse in detail the scrap and production stoppages that occur in all our production processes, record them on the basis of cause/order and carry out improvement works.

**In this context, we also integrate circular economy principles into our**

**business processes; we proceed with the 'reduce - reuse - recycle' model to optimise resource use, reduce the amount of waste, and increase environmental sustainability.**

**OEKO-TEX certification has been obtained for the fabrics used in the production of hygiene products at the Korozo Ambalaj Tekirdağ-Çorlu facility and the Sareks facility in Tekirdağ-Çerkezköy.**

In this way, the compliance of the materials used in our hygiene products with health and safety standards is also ensured.

With our continuous improvement approach, we continue to take decisive steps to improve our operational performance and contribute to a sustainable future.



# Digital Transformation & Information Security

## Digital Transformation

In today's business world, digital transformation plays a critical role not only in increasing operational efficiency but also in achieving sustainability goals. As Korozo Group, with this awareness, we carry out our strategic efforts for digital transformation in a way to cover data security, advanced data analytics, and Industry 4.0 technologies. This innovative approach forms a fundamental part of our sustainability goals, making technology an effective tool for reducing our environmental footprint and making more informed, data-driven decisions.

While digitalisation makes our business processes more efficient, transparent and effective, it also enables us to manage our resources more sustainably. We see digitalisation as a powerful catalyst in achieving sustainability goals in all industries, especially in the packaging sector. Through innovative technologies and digital platforms, we are able to better monitor the life cycle of our products and services, optimise energy consumption, and take the necessary steps to reduce waste and increase operational efficiency. In this way, we achieve more effective results by integrating our sustainability strategies with digital transformation.

Digital tools such as data analytics and artificial intelligence allow us to make more effective decisions at every stage

of our business processes. As Korozo Group, we incorporate the integration and automation of digital technologies into our strategic processes from production to logistics, from inventory management to supply chain, reducing error rates in our business processes and ensuring more efficient use of energy and human resources. This digitalisation journey is also in line with our efforts to increase customer satisfaction and perfect order processes.

Throughout 2023, we further advanced our digitalisation projects that we launched in 2022. By improving our automation processes, we increased data accuracy and further enhanced our capacity to prevent potential errors. While these efforts increased our operational efficiency, they also played an important role in achieving our sustainability targets. At the same time, we strengthened our strategies to minimise our environmental impact by optimising energy consumption with the data analyses we obtained through digitalisation.

As a result of all these practices, we address our digital transformation and sustainability goals together, harmonising technology with our environmental responsibilities and increasing the efficiency of our business processes. Digitalisation continues to play a critical role in our sustainable growth journey while maximising the efficiency of our operations.

## Industry 4.0 Activities

As Korozo Group, we aim to strengthen our competitiveness by increasing efficiency in our production and operation processes with our digital transformation and Industry 4.0 efforts. By integrating technology into our operations, optimising our processes and taking our way of doing business to a more sustainable level has become an integral part of our business model.

With our **Production Management and Operation System** projects,

We have taken important steps to digitalise the production area and operations. In addition, by modernising our technical infrastructure with the Production Management System Software, we have enabled real-time monitoring of our production processes and parameter integration. With this digitalisation, we are able to continuously monitor product quality, observe processes with real-time data, and intervene immediately against possible deviations. By analysing machine data during production, we ensure that our quality standards are upheld and high efficiency is maintained at every stage of the production process. These improvements have become a critical tool in increasing our competitiveness by making our production processes faster, more reliable, and more flexible.

With the **Mobilisation of Production Field Operations**,

By instantly managing our quality control and inspection operations in the field via mobile devices, we have ensured that processes are **more efficient** and **faster**. This system encourages the use of real-time data and has accelerated our decision-making processes, while at the same time contributing to the minimisation of errors in operational processes. In addition, by developing our mobile maintenance and repair system, we ensured that operations in the field are carried out more effectively and flexibly. Ensuring that our operations are carried out safely and smoothly by renewing mobile devices and technologies has emerged as a natural extension of this process.

These projects have been implemented within the framework of **Korozo Group's** digitalisation strategy and allow us to create a more agile and competitive business model as well as increasing the efficiency of production processes. By putting technology at the centre of our operations, we manage our processes more effectively with **real-time data** analyses and automation systems. These innovations enabled by digitalisation serve as an important tool for our company to achieve its strategic goals and move towards sustainable growth.

As a result, the digitalisation of our production management and field operations plays a fundamental role in making **Korozo Group's Industry 4.0 vision** a reality and increasing our company's competitiveness. With our digital transformation projects, we continue to build a strong foundation for the future by creating a more efficient, reliable and sustainable business model.

### Robotic Business Processes and Data Analytics

As part of our digital transformation strategy, we have implemented **Robotic Process Automation (RPA)** and **Data Analytics** applications within our Group to make our business processes more efficient and innovative. These projects enable our employees to focus on more strategic and value-added tasks by reducing manual workload, thereby increasing operational efficiency and strengthening **employee satisfaction** and **loyalty**.

At the same time, using **advanced data analytics tools**, we make more accurate and data-driven decisions in our business processes. This approach increases operational efficiency and also contributes to our goal of maximising **customer satisfaction** by responding to customer needs more quickly and effectively.

### Information Security

Within the framework of our information security approach, as Korozo Group, we aim to rigorously protect our company's

information assets, information processing operations and systems. In addition to existing threats, our data security strategy also covers the new risks brought about by the rapidly increasing data sharing and processing processes with digital transformation. In this context, we take holistic and proactive security measures against potential threats such as unauthorised access, data loss, corruption and destruction.

The increase in our data volume with our digital transformation projects makes our information security responsibility even more critical. Accordingly, we continuously update and strengthen our systems and data processing operations and act in line with advanced technologies and international security standards against cybersecurity risks. Our Personal Data Protection statement, which includes customer confidentiality, is available on our website and in various areas of our organisation. This policy is accessible to everyone and is periodically reviewed to ensure its effectiveness and compliance.

**Our company has not identified any substantiated complaints of breach of customer privacy or loss of customer data during the reporting period.**

**We are pleased that we have not received any negative feedback regarding the effectiveness**

**of our security measures and the processes that we have implemented to protect our customers' data and ensure their privacy.**

We aim to ensure information security, to provide both the uninterrupted execution of our operations and the security of all our stakeholders in a sustainable manner. In this context, we aim to strengthen our sustainability in terms of information security by protecting our information assets and improving our management systems.

**We regularly conduct risk assessments to manage and control information security risks and**

**continuously improve our control mechanisms to create resistance against these risks.**

**By identifying additional security measures that may be needed, we provide effective protection against risks.**



Within the framework of our information security policy, as Korozo Group, we take preventive measures to provide strong protection against possible threats. In this context, we maintain data security at the highest level by using **complex encryption methods** and **two-factor authentication systems**. In addition, we keep our systems under constant protection with **advanced end-user and server protection software**.

In the event of a security breach, our **ISO 27001 Information Security Management System** is activated to quickly bring the situation under control and carry out the necessary interventions. This system plays a critical role in minimising potential breaches and sustaining the effectiveness of our information security processes.

In addition, we have established a **feedback mechanism** for our **stakeholders** to voice their concerns about information security. Based on the principle of transparency and accountability, this mechanism allows our stakeholders to communicate any issues and concerns regarding **information security** within the framework of ethical rules.

Accordingly, our actions regarding information security are handled and carefully managed in parallel with our **ethics and compliance** procedures. Information security violations can be reported to the **Ethics Whistleblowing Hotline**, a confidential reporting system where our employees can anonymously report their concerns about business practices 24 hours a day, seven days a week.

Our employees can access information on topics such as ISO 27001 Information Security Management System, ISO 27001 ISMS Policy, Information Security, Types of Cyber Attacks, Information Security Breach Notification, Clean Desk Clean Screen Policy, PDPL and Duties of All Employees via the 'Information Security' tab on

[portal.korozo.com.tr](http://portal.korozo.com.tr)

In this way, we increase the awareness of our employees on information security and provide all necessary information.

### Information Security Risk Management

As a Group, we have established the Information **Security Risk Assessment Procedure** to determine the security standards related to the work of all parties involved in the activities carried out within our organisation. This procedure aims to define the **risk analysis method** for the information assets included in the asset inventory and is applied to all business processes within the scope of our company's **Information Security Management System (ISMS)**. We expect our suppliers and business partners, which constitute important components of our value chain, to fully comply with these rules and relevant legislation, and we ensure that the relevant security policies are communicated to them.

Compliance with ethical regulations in line with our **sustainability goals** constitutes a critical basis for the management of information security risks. As Korozo Group, we act in full compliance with the Turkish **Personal Data Protection Law (PDPL)** in order to ensure the security of all data we obtain from our internal and external stakeholders and process in our business processes. In this context, we have **ISO 27001 Information Security Management System Certificate**, which is subject to international standards, with our management systems that comply with confidentiality and legislative requirements. Our ISO 27001 certificate ensures the integrity, accuracy and confidentiality of information by protecting information assets against unauthorised access, disclosure or changes. In this way, the reliability and sustainability of our business processes are ensured, while the expectations of our customers and stakeholders regarding information security are met at the highest level.

Our information security protection process consists of important steps to protect our company's information assets in line with sustainability principles. In this process, we identify and assess information security risks and aim to manage these risks with appropriate measures. To support the success of our risk management approach and to achieve our information security targets, we attach importance to increasing the cybersecurity awareness and data privacy knowledge of our employees. To this end, we organised a total of 525.7 hours of information security training in 2023, improving the information security competencies of our employees. These

training sessions both ensure effective management of risks and make security awareness a part of our corporate culture.

**As Korozo Group, we manage our information security risk assessments in line with international standards.**

**Within the framework of ISO 27001 Information Security Management System, we clarify the scope and potential consequences of these risks by defining risks; we evaluate existing controls and determine the actions to be taken. By regularly reviewing these processes, we diligently carry out continuous improvement activities to achieve our information security targets.**

The integration of digitalisation and technological developments into the way we do business brings with it cyber threats and information security risks. Accordingly, threats that may cause information security violations, especially cyberattacks, are addressed in detail and taken under control with advanced security measures integrated into our business processes. To protect

the accuracy of information, prevent unauthorised changes in its content and prevent information theft, our employees make a commitment to comply with the Information Security Management System Procedure during the recruitment process. Violations of this procedure are considered as a serious disciplinary violation as they will jeopardise our information security, and sanctions such as dismissal are applied when deemed necessary.

In the risk assessment process, weak points that may lead to the emergence of possible threats are analysed in detail. A comprehensive assessment is made by accounting for the importance of information assets, the likelihood of threats, and the effectiveness of existing security measures. In this process, we act by considering the following factors:

- **Criticality of information assets**
- **Possible threats and the probability of occurrence**
- **Vulnerabilities and factors that increase risks**
- **Adequacy and effectiveness of existing security controls**

With the widespread use of remote work during the pandemic, we further strengthened our measures against information security risks. We continued to maintain our information security standards at the highest level by using next-generation technologies and advanced security systems to prevent potential threats brought by this new working model.



In line with our sustainability perspective, we regularly update our Data Controllers Registry Information System (VERBIS) registration to comply with the Personal Data Protection Law (PDPL) in force in Türkiye. In addition, our internal inventory management and PDPL compliance processes are shared in an accessible manner on our public websites. Our internal audit mechanisms are regularly activated to prevent information security breaches and keep risks under control. As a result of all these risk management efforts, there were no confirmed information security breaches within Korozo Group during the reporting period of 2023.

In this context, we continue to contribute to our sustainability goals by maintaining the security of both our employees and stakeholders at the highest level with our information security management system and cybersecurity measures.

# Innovation & Product Design

## R&D and Innovation

Innovation is one of the cornerstones of Korozo Group's sustainability journey and has a strategic importance in product and technology design based on a circular economy approach. We not only design products, but also consider the use, reuse, and recycling phases of these products and offer environmentally sustainable packaging solutions. This approach is directly linked to Korozo's People, Packaging, Planet strategies, and innovation and continuous improvement are essential to furthering these strategies.

As Korozo Group, we continue our R&D activities unabated to ensure continuous development and improvement by focusing on process and product innovations in food, non-food, and hygiene packaging. Our innovation approach aims not only to increase the efficiency of our existing products and services, but also to develop sustainable solutions that conserve the planet's resources and add value to society.

In this context, by adhering to the principles of circular economy, we aim to minimize the environmental impact of our packaging products throughout their life cycle and produce innovative solutions that are recyclable, reusable, and increase resource efficiency. With our innovation power, Korozo Group

takes our sustainability goals even further and continues to strengthen our People, Packaging and Planet-oriented strategies with technology and innovation.

With the flexible packaging films we produce, we offer innovative solutions to our customers and their sales channels to contribute to their sustainability goals. As Korozo, we design and produce multilayer films in a recyclable and value-added way. In this context, we focus on developing flexible packaging to replace rigid plastics, producing sustainable structures instead of non-recyclable plastics and increasing the use of recycled materials. For example, the Kororcy film we developed not only reduces the use of raw materials but also makes a significant contribution to the circular economy by being recyclable.

**By 2030, we aim to design and transform our packaging so it becomes recycle-ready. In 2023, 64% of our total production was made up of recyclable packaging and we reduced our environmental footprint by using 1,400 tonnes of recycled materials.**

## Our Featured Innovative Projects:

### Recyclable and Flexible Cheese Package with Deep-Drawn Properties:

Recyclable flexible cheese packaging offers a solution that replaces traditional packaging and minimises the passage of oxygen, water vapour, and chemicals thanks to its barrier properties.

### MonoPE Recyclable Spouted Up Pouch:

Designed using 67% less packaging material than rigid packaging, this solution is made entirely of polyethylene material and is designed to be recyclable to contribute to the circular economy.

### MonoPE Recyclable Powder Detergent Refill Bags with 30% PCR:

This packaging solution with 30% PCR is suitable for packaging powder detergent in different sizes and makes a significant contribution to the circular economy. Collaboration across the supply chain has resulted in high quality packaging without compromising on product quality and efficiency.

### MonoPE Recyclable Zipper Pouch:

This recyclable polyethylene laminated, zip and stand-up bag saves material compared to rigid single packs and offers a material reduction of up to 75%. It also provides 33% less logistical requirements.

These projects are important steps towards Korozo Group's circular economy goals and demonstrate how our innovation-oriented approach overlaps with environmental sustainability.

Based on the principles of circular economy, we develop sustainable solutions that increase the efficient use of resources. In this direction, we fulfil our environmental responsibilities by using

up to 80% post-consumer recycled raw materials and post-industrial recycled raw materials obtained by recycling waste from production processes with ISCC+ and Recyclclass Recycling Process certificates in selected products. This approach contributes to our sustainability goals by enabling more efficient use of resources and reducing waste.



Our technical films and engineered films offer user-friendly solutions that meet industry standards. Especially in food packaging, we aim to extend the shelf life of products, while our technical films are designed to meet industrial demands.

Basing our innovation processes on the principle of continuous improvement, we integrate all our trial and development activities into the QDMS system and monitor these processes online. All our products are tested in our GLP-certified laboratories and subjected to quality assurance processes, and at the same time, their traceability is ensured by recording them in the SAP system.

The trial and approval processes of existing and newly developed raw materials are carefully managed by our expert innovation team. We optimise production processes with the machine line integration support that we provide to our business partners and minimise waste and natural resource consumption by using less material with innovative packaging technologies. In this context, we make significant contributions to reducing food waste with our hygiene and shelf life-oriented solutions, especially in food packaging.

This strategic approach enables our innovation-based business model to progress in line with our sustainability goals and enables us to offer solutions that add value to our business partners.

While offering innovative solutions in packaging technologies with our patented products, we integrate developing technologies into our business processes with our understanding of sustainability and circular economy.

## Our Patents

Year	Patent No.	Product
2019	TR20190000998	Production of Hooding Packaging Material Using Cyclic Olefin Copolymer, Polyethylene, and Pet Materials
2019	TR20180018581	Fully Recyclable Laminated Packaging Production Method
2015	WO2015TR00142	A Lateral Tape Application For Sanitary Diapers/Pads And The Production Method Of Said Lateral Tape
2014	EP20100788160	High-Strength Loop Piece Formed to be Used on the Straps of Diapers for Babies and Adults
2011	WO2010TR00193	Durable Semi-Rigid Main Carrier Used On Side Connection Strap Of Baby And Adult Diapers And Method Of Forming The Same
2007	TR20070006579	Looped Film Obtained by Forming a Loop on Thermoplastic Film
2007	TR20060007411	A New Method of Silicone Coating on Sanitary Pad Packages

## Strengthened Collaborations

As of 2024, as part of our innovation and sustainable growth strategy, we have started our **R&D centre** establishment activities. This strategic step represents the beginning of a new era in Korozo Group's **research and development** activities and aims to strengthen our innovation capabilities and consolidate our leadership in the industry. In this process, our expert innovation team includes specialists with **PhD, master's** and **bachelor's** degrees and continues to work with the aim of developing innovative solutions in three main areas: **food and non-food packaging**, and **hygiene components**.

**Our academic collaborations** are at the centre of our innovation process, and we develop strong partnerships that bring the industry and academia

together. Our projects with reputable institutions such as **TÜBİTAK Marmara Research Centre - Food Institute, İstanbul Technical University, Gebze Institute of Technology**, and **Çanakkale Onsekiz Mart University** support our research and development activities focusing on packaging design, shelf life, hygiene, and new packaging technologies. With the full operation of our R&D centre, we aim to further expand these collaborations and implement important projects that will contribute to the sector.

In the international arena, our collaborations with global organisations such as **Ceflex, Recyclclass** and **Interseroh** further advance our vision of developing **sustainable packaging solutions**. These collaborations contribute to innovative projects in the fields of waste management, recycling

and resource efficiency in accordance with circular economy principles. As a result, Korozo Group realises product and technology innovation through its R&D activities and also continues to add value to the industry and achieve sustainable growth targets through academic and industrial collaborations. With our mission to develop **innovative packaging solutions**, we are determined to contribute to environmental and technological developments both nationally and internationally.

## Product Design

As Korozo Group, we shape our **product design** processes with a sustainability and innovation-oriented approach; thus, we fulfil our environmental responsibilities and offer high added value to our customers. **Efficiency, use of environmentally friendly materials, safety, and ergonomics** are the basic principles we prioritise in product design. Our aim is not only to increase functionality but also to minimise our environmental impact by offering sustainable solutions.

We attach great importance to circular economy principles in **packaging design**. Aiming to make all our products recyclable, we follow the following steps in the design process:



**1. We focus on producing our products with recycled materials, thereby reducing waste and using resources more efficiently.**



**2. We develop thin film technologies to minimise the use of plastics and produce next-generation packaging solutions that reduce material consumption.**



**3. During the design phase of our products, we also consider reuse and recycling processes, thus extending the life of the packaging and contributing to environmental sustainability.**

The recycled content packaging we have developed finds wide application, especially in personal care and hygiene products. Ergonomic and environmentally friendly packaging solutions, such as stand-up pouches with lids, reduce resource consumption and enable us to offer the most appropriate and innovative solutions to meet our customers' needs.



## KORORCY

To further improve recycling efficiency, Korozo Group has developed a range of PE films that can be used in place of traditional BOPET, BOPA, and BOPP-based films. This product offers a range of products suitable for processing in existing recycling plants in Europe and includes more than 95% of flexible packaging products.

This innovative product family offers higher efficiency compared to existing laminated products and is also compatible with modern recycling technologies such as chemical recycling. A wide range of products can be produced with this new material, from liner films to stand-up pouches, flat bottom pouches, and hanger packs. KORORCY's recyclability has been recognised by Cyclos-HTP, Interseroh and APR and won first prize in the Green Dot Industry Awards.

## KOROFORM-RCY

Korozo Group is a pioneer in the industry with its PA-free, low carbon footprint, environmentally friendly and recyclable solutions for packaging products such as meat, cheese and vegetables. This thermoformed film has been certified by cyclos-HTP as fully recyclable, achieving a score of over 95%, providing equivalent performance to existing polyamide-based solutions.



## Personal Care Bags with Recycled Content

Another area in which Korozo Group leads is the packaging of personal care products. The 'wicked bag' products in this segment are manufactured using up to 50% recyclable plastics and make significant contributions to environmental sustainability without any loss of performance. This innovative approach reduces the carbon footprint of the product by up to 50% and reduces greenhouse gas emissions.

## Spouted Stand-Up Pouch

Another fast-growing product of Korozo Group is stand-up pouches, which are flexible and an alternative for liquid products. This award-winning packaging solution increases material efficiency, reduces transport costs, and helps reduce plastic waste. In 2023, LCA (Life Cycle Analysis) studies continued in line with customer demands and market expectations. These products generate less waste and contribute to environmental sustainability by extending their life cycle.

# Customer Centricity

Establishing strong and long-term business partnerships with our customers and encouraging innovation with a collaborative team approach are at the centre of our strategic goals. With our flexible and adaptable structure, we contribute to our customers' sustainability goals, and in this process, we offer solutions that account for environmental responsibilities. The mission of building a more sustainable future together is one of the most important forces guiding our work.

In addition to packaging production, which is our main field of activity, we aim to ensure that the products we produce work smoothly for our customers, support new product development processes, provide information about our products, and continuously observe and improve product and service performances. We follow these processes carefully and focus on continuous improvement. As Korozo, we attach great importance to strengthening our relationships with our business partners within the framework of sustainability-oriented practices.

In order to understand the needs and expectations of our customers and ensure their satisfaction, we accurately analyse their demands, transfer these demands to the relevant processes, and carry out timely production in accordance with their needs. We follow innovations and transfer these innovations to our customers in the most appropriate way. Our main priority in our product safety activities is to regularly review and

improve our processes. In this context, we continuously develop and optimise our processes in accordance with comprehensive product safety standards, particularly food safety. With this approach, customer health and safety will always remain our top priority.

The fact that no incidents of non-compliance, fines, or warnings related to customer health and safety have been received in the last three reporting periods clearly demonstrates the effectiveness and success of our product safety processes. This result is a direct reflection of Korozo's meticulous product safety management and continuous improvement efforts. The production of our products at high standards and the strict control of our processes increase customer confidence and minimise health risks.

To effectively evaluate customer feedback, we regularly conduct customer satisfaction surveys through an impartial survey company. These surveys enable us to further improve our product and service quality by analysing the satisfaction levels, expectations, and experiences of our customers. These evaluations based on customer feedback show that our product safety and customer satisfaction-oriented strategy is successfully implemented and reinforces our sustainable quality approach.

We continuously review and improve our processes by adopting an approach that targets long-term success in

customer satisfaction and product safety management. We set monthly targets to measure customer satisfaction and monitor **sales, quality, and operational** efficiency in line with these targets. The data obtained from customer satisfaction surveys serve as a guide for operational improvement, and necessary actions are taken quickly in light of this data. This process is managed within a framework that aims to continuously increase customer satisfaction and loyalty.

**Furthermore, by placing customer centricity at the heart of our business model, we aim to contribute to not only our own sustainability but also to the sustainability goals of our customers.**

**We are committed to producing innovative solutions and establishing long-term relationships in our business partnerships.**

**In this context, we conduct approximately 1,650 customer satisfaction surveys every year and provide detailed**

**information about our product quality and management systems by responding to our customers within 3 days at the latest.**

In product safety management, we provide rapid information to our customers and all relevant parties and implement the necessary steps without delay with the Product Recall Procedure, which is quickly activated in the event that the products pose any risk after shipment. This procedure clearly defines the responsibilities and actions steps in product recall processes, enabling effective management of the processes. With our accredited quality and safety systems, product safety risks are quickly identified, and preventive actions are quickly implemented. Calibration, traceability, recall procedures, and corrective and preventive actions are integral parts of these processes.

In these processes, customer complaints, product quality controls and the need for product recall, if necessary, based on external audit results are quickly evaluated. Our customers are provided with 24-hour emergency lines for possible emergencies, and in case of any complaint, the Quality Assurance and Laboratories Manager is immediately informed. At this stage, samples are analysed, and necessary steps are taken according to the results. During the

reporting period, there were no product recalls, customer feedback was analysed within maximum 5 days, and solutions are quickly implemented.

To continuously improve the process, we identify possible errors in advance with analysis methods such as FMEA (Failure Modes and Effects Analysis) and create action plans that will quickly take corrective actions. As a result of these analyses, guiding documents are created for all teams, and processes are accelerated. In addition, we organise on-machine application training for our customers and participate in quality day organisations upon their request.

With such events, we establish stronger collaborations by sharing our sectoral know-how with our business partners. We attach great importance not only to internal processes but also to the supply chain in product safety. We procure materials from our suppliers in accordance with REACH rules, and we are not obliged to prepare Safety Data Sheets (SDS) for the products manufactured at Korozo according to the REACH Directive. However, we prepare SDS at the request of our customers. SDS are available for all chemicals we use, and these documents are regularly checked. In addition, SDS are carefully examined, and materials with the cleanest, sustainable content are preferred.

**As Korozo, we support the transition to less hazardous chemicals and direct our supply choices accordingly.**

Within the scope of environmental activities, risk analyses are conducted to control impacts and hazards, and action plans are developed based on these analyses. Potential non-conformities, occupational accidents, and dangerous situations are monitored in our production processes; circular economy, innovation activities, alternative raw material trials, and innovative solutions to increase the percentage of recycled products are implemented. Our waste is processed by separating it into material groups suitable for recycling and disposal processes.

These processes are recorded in SAP and QDMS systems and managed in accordance with the relevant legislation. We develop projects by conducting R&D and innovation activities in line with recycled material requests from customers and focus on increasing the use of recycled materials in product content. We also feed our product development processes by making innovation requests of our suppliers.

These strategic approaches are fundamental elements in achieving our goals of customer satisfaction, product safety, and sustainable growth, and strengthen our efforts to create value together with our business partners.



# Sustainable Value Chain and Responsible Procurement

We adopt a **sustainability and quality-oriented** approach in supply chain management and are in constant communication with our suppliers. In this direction, within the framework of the **supplier approval standards** that we have determined, we expect our suppliers to provide competence in social responsibility, environment, and safety issues, especially in quality. We closely monitor our processes through **supplier surveys and procedures**, and regularly check compliance with the environmental and social criteria. In addition, we have a supplier diversity programme that we implement for all our suppliers worldwide, and we ensure that our supply chain is fully compliant with sustainability and quality standards.

Our supply chain management is carried out in full compliance with our **Sustainability Policy, Sustainable Procurement Policy, Supplier Code of Conduct, Ethics Policy, and Occupational Health and Safety Policy**. These policies ensure that all our processes from our suppliers to our business partners are managed within the framework of ethical and sustainable values.

Having a wide supply network in different geographies may expose us to risks such

as political and economic instabilities at national and international levels, natural disasters, trade restrictions, or customs regulations. We have established a comprehensive supply chain management system to prevent these risks. By developing backup procurement methods, we effectively monitor unexpected situations in the supply flow and ensure that the process continues uninterrupted.

We are also committed to respecting and protecting the land rights of local communities and external stakeholders in our procurement processes. We adopt as a priority principle that our suppliers do not harm these rights in the regions where they operate. This approach is a reflection of the importance we attach to social responsibility.

We attach great importance to establishing fair, impartial and transparent business relationships at every stage of our supply chain. We apply measurement metrics that include the basic rules of behaviour in our purchasing operations and expectations from our suppliers, thus establishing strong and reliable relationships with our stakeholders. We endeavour to create sustainable value in the entire chain from suppliers to customers.

With Authorised Economic Operator (AEO) status, we are recognised as a reliable business partner in the supply chain. In addition to speeding up our export processes, our AEO status increases our operational efficiency and enables orders to be shipped directly from our facilities to customers. This status strengthens our business continuity and operational security, while reinforcing our position in international trade.

Establishing long-term and sustainable collaborative relationships with our suppliers is at the centre of our strategy. We ensure the continuous supply of critical raw materials for production by creating backup supply plans and keeping safe stock levels under control, especially against the risks that may arise in the supply of raw materials. In this way, we are able to continue our production activities without interruption.

In line with the goal of continuously improving our sustainability performance, we emphasise two-way communication with our stakeholders. We take into account the feedback of our suppliers, which play an important role in our production processes, and integrate this data into our strategy development and decision-making processes. In line with

our medium and long-term goals, we aim to increase the use of recycled raw materials by 2030 and to increase the ratio of our suppliers signing the supplier evaluation form by 2023.

**We renew our climate risk assessments every year and attach importance to sustainable raw material supply and product logistics within the scope of ISO 14001 certification.**

**The actions taken to prevent risks in our supply chain are guided by Koroza Group's senior management, and risks, opportunities and performance criteria for the next 5 years are determined.**

High materiality risks include disruptions that may occur in the supply chain. The action plans we have developed to address these risks, our low-carbon

product development projects, our operational actions to reduce greenhouse gas emissions and energy consumption, and our activities aimed at increasing efficiency through waste management are ongoing.

To create a sustainable value chain, we manage our supply chain responsibly and consider environmental and social principles throughout all our processes. We implement our procurement operations in compliance with national and international standards and our supplier code of conduct within the framework of our sustainable procurement policy. We reflect our policies on business ethics, compliance with legal regulations, occupational safety, environmental protection, stance against discrimination and respect for employee rights to all our suppliers and subcontractors.

**The performance of suppliers is evaluated based on scoring, and suppliers with a score below 70 are provided feedback from Korozo Group in line with improvement requests.**

Suppliers that do not make the necessary improvements despite these requests may be subject to termination of partnership. On the other hand, while the decision is made to continue business relations with suppliers with a score of 70 and above, suppliers with high performance in environmental and social responsibility areas are prioritised

in partnership processes. In material purchases that affect product quality, the Procurement Department notifies suppliers in writing of the criteria required for the product and requests declarations of conformity and product specifications for the materials to be supplied. In addition, if possible, samples are taken from the suppliers, and necessary controls are carried out by the quality and production units.

**If the sample evaluation result is “positive” the supplier becomes a candidate to be added to the Workable Supplier List. If the result is “not suitable” the supplier is notified of the control result and requested to make the necessary corrections.**

The initial evaluations made with the Supplier Evaluation Forms are finalised by calculating the question groups formed under four headings with equal weight. This system ensures the protection of our sustainability standards and the establishment of long-term, value-oriented relationships with our suppliers.

## Environmentally Responsible Supplier Practices

As Korozo Group, we adopt various strategies to create our sustainable supply chain in a structure that is sensitive to environmental impacts and aims to use natural resources efficiently. Our supplier evaluation procedure prioritises closely monitoring the environmental performance of our suppliers and supporting their continuous improvement.

**By 2023, we are taking steps to increase the use of sustainable raw materials and encourage our suppliers to prioritise recyclable raw materials. Our goal is to include all of our suppliers in this process by 2030.**

**As of 2024, we aim to start requesting carbon emission quantities and reduction targets from our suppliers.** In this context, we take the first steps with sustainability surveys to better understand the sustainability approaches of our business partners in our supply chain.

**In addition, we continue our ongoing collaboration with our suppliers on Scope 3 emissions and sustainability-based projects and closely monitor their progress in these areas.**

Thus, we aim to raise awareness of carbon emissions and encourage sustainability efforts in our supply chain.

We organise sustainability-focused training programmes for our suppliers to continuously improve their environmental performance. We have already provided these training programmes to 10% of our suppliers, and we aim to increase this rate by 30% for medium-sized suppliers by 2025. We also take steps to minimise the amount of waste by preferring environmentally friendly products in purchasing processes. We improve our relations with our suppliers on the basis of sustainability and increase the ratio of our suppliers signing contracts covering elements such as employee rights, occupational health and safety, and environmental management systems.

**In this context, the ratio of our contracts including subcontractors and suppliers reached 88%, and the ratio of our contracts including subcontractors, suppliers and transporters reached 77%.**

Our logistics processes are also part of our strategies to reduce our environmental impact. Logistics plays an important role at every stage, from the shipment of raw materials to our production facilities to the delivery of finished products to distribution centres or directly to customers.

**The most important environmental impact in our supply chain is carbon dioxide (CO<sub>2</sub>) and other greenhouse gases released into the atmosphere as a result of transport and logistics activities. In this context, we monitor environmental compliance processes and impacts by conducting supplier evaluation surveys. We also make supplier visits, evaluate possible and existing environmental impacts, and create action plans.**

In these processes, we have implemented different projects to reduce emissions and focus on resource optimisation. These projects include reducing the use of equipment in warehouses, reducing emissions through internal shipment optimisation, increasing efficiency by increasing the volume per shipment, and expanding environmentally friendly shipment options. We also reduce resource consumption by minimising pallet separators and reuse pallets from suppliers. As a result of these efforts, we have achieved tangible improvements in our logistics processes.

As part of our efforts to reduce our environmental impact, we measure downstream transport emissions within the framework of Scope 3 emissions and closely monitor climate risks in our supply chain. In 2023, as in 2022, we evaluated

this data through the CDP survey, and these analyses made significant contributions to our company strategy and roadmap. This process enables us to manage our environmental impacts more comprehensively and supports us in achieving our sustainability goals.

Access to raw materials, energy crises, and climate-related natural disasters are the main risk factors we consider for the sustainability of our supply chain. Minimising the impact of climate change and related natural disasters on raw material supply processes is at the heart of our company's efforts to secure sustainable raw material supply.

The management of these risks is of critical importance for the continuity of our supply chain and our environmental responsibilities. We prioritise our responsibility towards the environment and human health by requesting REACH certificates from our suppliers, and we consider this document as a determining factor in supplier selection. With this certificate, we ensure the safe use of chemicals in our supply chain and support both legal compliance and our sustainability targets.

We aim to maximise customer satisfaction and create long-term value by striving to offer environmentally friendly and healthy products. In this respect, we continue our efforts to minimise climate risks in our supply chain and aim to secure sustainable raw material supply.

**At Korozo Group, visitors, subcontractors, and suppliers are expected to act in accordance with company rules within the boundaries of Korozo Group. In this context, a 'Visitor Information Video' was prepared with the participation of the families of our employees in order to raise their awareness.**

**Visitors are informed about Korozo Group's 'Life Saving Rules' and 'Code of Conduct' and these rules are communicated to them. In addition, as part of our company culture, each employee monitors the behaviour of visitors and acts as a security ambassador by making security-oriented observations.**

## Socially Responsible Supplier Practices

Adhering to social responsibility principles in our supply chain is an integral part of our business strategy. Comprehensive audit processes are conducted to ensure that our suppliers meet high standards in social practices such as business ethics, employee rights, occupational health and safety, and environmental protection. To this end, both on-site and online audits focus,

**particularly on Corporate Social Responsibility (CSR) criteria, and we aim to increase the number of**

**suppliers that pass these audits every year.** The results of these audits are monitored for targets such as capacity building and awareness raising in our suppliers; in this context, development activities are maintained by recording corrective actions, documentary processes, training, and follow-up audits.

Our procurement processes are carried out in compliance with national and international standards. Critical issues such as business ethics, compliance with legal regulations, environmental protection, occupational safety and protection of employee rights are among the material topics. Strict monitoring and auditing mechanisms have been established to ensure that our suppliers operate in accordance with the social responsibility criteria that we have determined in these areas. Within the scope of social practices, our suppliers are expected to demonstrate full compliance with international laws and local legislation on issues such as child labour, forced labour, oppression, harassment, discrimination, human trafficking, freedom of association, full compliance with ethical business practices (zero cases of bribery and corruption, ethical trade, conflict of interest, fraud, money laundering, etc.) and high human rights standards. In addition, in line with our commitments to fair and equal remuneration practices, providing regular training to employees, and raising awareness, we ensure that all our business partners meet high standards in these matters.

These social practices ensure that our supply chain is aligned with sustainability goals and ensure that all our business partners adhere to ethical standards.



These relationships with suppliers support our goal of developing long-term and sustainable business partnerships and reinforce our commitment to social responsibility.

Our supplier code of conduct has been created and shared with all our suppliers in order to disseminate our business ethics and sustainability standards throughout our supply chain. Digital solutions have been developed to ensure that these rules are easily accessible and applicable by suppliers. Tools such as Microsoft Forms, QR codes, and automatic e-mail notifications enable our suppliers to access these rules quickly and effectively.

This process enables our stakeholders in our supply chain to fully comply with our corporate principles, while at the same time creating a stronger basis for collaboration on sustainability and business ethics. The use of digital access methods makes our supplier relations more productive, increases the efficiency of operational processes, and strengthens transparency. These practices support Korozo Group's goal of creating a supply chain that fully complies with sustainability and business ethics strategies and make a significant contribution to the sustainability of our corporate performance in the long term.

We conduct our relations with our suppliers and business partners with a responsible supply chain approach based on sustainability principles. We establish a strong dialogue both verbally and in writing by using communication tools appropriate to the needs of suppliers. We expect our suppliers and business partners to refuse corruption, bribery and

other improper benefits in all commercial transactions with Korozo Group and to act in accordance with the laws in this regard. At the same time, in order to avoid conflicts of interest, we require avoiding personal relationships and acting in accordance with our code of ethics. To ensure the implementation of these rules, we encourage all our stakeholders, including our suppliers, to report any impropriety they encounter to our ethics hotline.

**As of 2023, in addition to starting to send questionnaires to understand the sustainability-related work of our suppliers and to monitor their compliance with the supplier code of conduct, all suppliers working at Korozo sites have long been determined and monitored to act in accordance with Korozo rules. In this context, uninsured workers are not allowed on site, child labour is strictly prohibited, and our suppliers are expected to pay attention to environmental rules and waste management. In addition, surveys are conducted for all our material suppliers, and these suppliers are expected to act in accordance with their commitments. We do not collaborate with suppliers who perform unregistered work.**

**Supplier Evaluation Forms** are sent by our Procurement Department to the supplier companies evaluated in the high and medium risk class, from which will be procured for the first time, to check the competence of the relevant company. In addition, our procurement team received sustainability training to increase their awareness and competences regarding

social and environmental issues in the supply chain.

In this evaluation form,

The supplier's authorisation and compliance with the Management System Certificates and accreditations in matters like the following are evaluated:

- Approach to quality processes,
- Attention to food safety,
- Health,
- Safety and environmental conditions,
- General standards of the factory,
- Working conditions provided by the supplier company, and
- Perspective on human rights.

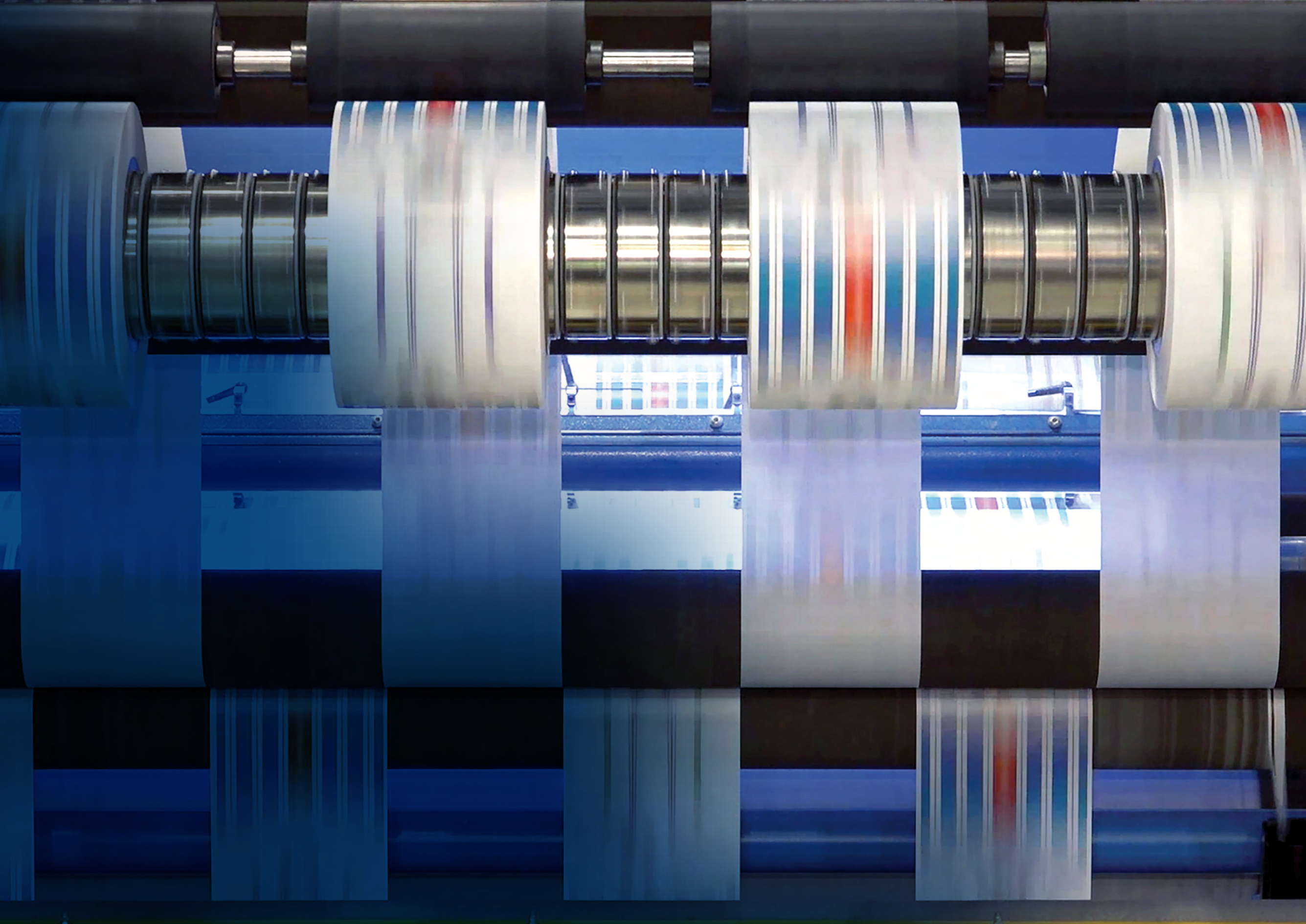
As of 2023, a total of 805 suppliers were evaluated. While 258 of these suppliers were included in the high and medium risk categories, 547 were included in the low-risk category. While high and medium risk suppliers are evaluated at regular intervals, low risk suppliers continue to be scored by our relevant units. Korozo Group continues to work with various approved suppliers from local and foreign markets for the sustainability of its operational processes.

When we look at our procurement processes, 65% of the total amount is procured from abroad and 35% is procured domestically. This ratio reflects the rigorous approach we show in the selection of optimal suppliers, which directly affects product quality and is in line with our company's responsible production approach. Although our supplier audits can be carried out on-site or online, on-site audits are preferred in order to maintain efficiency.

In line with our commitment to social sustainability principles, we show great sensitivity in improving the working conditions of our suppliers and protecting human rights. One of our most important expectations is that our suppliers bear ethical responsibility and act transparently in matters such as occupational safety, working hours and remuneration. In our supplier evaluation processes, we carefully examine the safety and health conditions they provide to their employees and the practices for the protection of labour rights.

We also expect our suppliers to take an active role not only in occupational health and safety issues, but also in participating in social responsibility projects. Accordingly, we provided sustainability training to 10% of our suppliers as of 2023. By 2025, we aim to reach 30% of our active suppliers and ensure wider participation. Thus, we aim to spread social sustainability awareness in our supply chain and ensure that all our business partners take an active role in this process.

As Korozo Group, we create a transparent, fair and sustainable partnership model by increasing social responsibility awareness in our supply chain. With this support we give to our suppliers, we ensure that our business partners also carry out their activities by adhering to sustainability principles, and we work together for a better future.





**OUR PLANET**

**We Use Resources Responsibly and  
Reduce Our Environmental Impact**



# Emissions and Climate Change

As Korozo Group, we have established subcommittees operating under our sustainability committee, which focus on our material topics to implement our sustainability strategies and objectives effectively.

These subcommittees meet regularly to address sustainability issues and incorporate emission-reduction actions and targets into our processes. The subcommittees are dedicated to enhancing the organisation's environmental, social, and economic performance. Meeting minutes are disclosed so that follow-up actions can be tracked, and relevant personnel are assigned to ensure a smooth process.

Our sustainability team manages **data collection and calculation processes**, closely monitoring our emissions targets and assessing improvement opportunities. Additionally, **during management review meetings** held with the collaboration of managers, the amount of greenhouse gas emissions, reduction targets, and associated budgets are reviewed, leading to strategic decision-making.

**The Resource Efficiency, Energy, and Carbon Management Group** conducts feasibility studies for energy efficiency and renewable energy projects for resource efficiency and implements carbon reduction projects against the climate crisis. The group calculates our organisation's carbon footprint annually, contributing to our sustainability targets.

Aforementioned practices allow our sustainability initiatives and environmental responsibilities to be prioritised at the management level. Our management team plays a pivotal role in addressing sustainability matters and is responsible for developing and implementing strategies necessary to meet greenhouse gas reduction targets. Achieving these targets not only reduces our environmental impact but also serves as a critical criterion in the performance evaluations of our management team. This approach demonstrates our company's dedication to long-term sustainability commitments and its awareness of the environmental issues. Furthermore, senior management supports sustainable approaches and technological systems that reduce greenhouse gases.



## Combating Climate Change

**As Korozo Group, we are steadfastly focused on the goals of responsible production, efficient use of resources, and reducing greenhouse gas emissions, based on the Planet pillar of our sustainability strategy.**

**To mitigate our environmental impact, we implement projects aimed at reducing emissions in line with science-based targets while optimising the use of our resources.**

**In this context, we have adopted the Science Based Targets approach, aiming to fulfil our environmental commitments through emission reduction programmes and transparent reporting processes.**

Combating global warming and climate change is central to our operations and we are strongly committed to reducing greenhouse gas emissions and minimising

our environmental impact on the world.

Accordingly, the targets we set are designed not only to mitigate adverse environmental effects but also to create lasting value for our stakeholders. Throughout 2023, we took significant steps towards calculating and reducing Scope 1, Scope 2, and Scope 3 emissions. The economic, environmental, and social impacts of greenhouse gas (GHG) emissions are among our main concerns. Thus, while investing in clean energy technologies to mitigate the rising costs of energy and the adverse effects of air pollutants, we strive to minimise environmental risks by considering the direct threats posed by climate change to natural habitats and biodiversity.



Taking 2022 as a baseline, we have set a target to reduce our Scope 1 and Scope 2 emissions by 50.4% by 2032. This strategy not only focuses on reducing our carbon footprint in the short term but also lays the foundation for our long-term sustainability objectives within the framework of the Science Based Targets initiative (SBTi). Our targets are designed in line with the 1.5°C scenario and are implemented to align with global climate goals. In this context, our Scope 1, 2, and 3 emission targets, developed in accordance with SBTi criteria, are currently in the process of approval.

We have achieved a 16% reduction in our Scope 1 and Scope 2 emissions compared to the previous year thanks to the steps we have taken as of 2023.

This progress demonstrates our strong commitment to achieving our long-term targets and fulfilling our responsibility in combating global climate change. Additionally, we joined the United Nations Global Compact's Climate Ambition Accelerator programme in 2022, and in the coming years, we will further strengthen our emission reduction strategies in line with SBTi criteria. In managing greenhouse gas emissions, we aim to control Scope 1 and Scope 2 emissions in the short term through energy efficiency projects and to clarify our carbon reduction targets in the long term by transitioning to renewable energy sources. To this end, we have completed the verification processes for greenhouse gas emissions by calculating all consumption data using the net values obtained from invoices.

We have enabled the process management in the monitoring and evaluation of the consumption data to be more effective, by adopting technological advancements such as BI analysis tools. All such processes are regularly audited through internal inspections, ensuring the accuracy of the data.

Additionally, we take concrete steps in emission management across the supply chain in our efforts to calculate and manage Scope 3 emissions by collaborating with our suppliers. In line with this strategy, we aim to continue investing in environmental sustainability projects and fulfilling our responsibilities in combating global climate change.


Our efforts to improve sustainability and reduce greenhouse gas emissions are an essential part of Korozo Group’s long-term sustainability strategy and demonstrate our commitment to aligning with global climate goals.

Scope Of Emissions	Amount Of Korozo Group’s Emissions
Scope 1	11,372 tonnes of CO <sub>2</sub> equivalent
Scope 2	31,687 tonnes of CO <sub>2</sub> equivalent
Scope 3 (Total)	309,588 tonnes of CO <sub>2</sub> equivalent
<b>TOTAL</b>	<b>352,647 tonnes of CO<sub>2</sub> equivalent</b>

Scope Of Emissions	Distribution Of Emissions (%)
Scope 1	%3
Scope 2	%9
Scope 3	%88

### Our Climate Change Strategy

At Korozo Group, we cautiously evaluate the risks associated with climate change and develop strategies to mitigate these risks. We have set priority targets for reducing greenhouse gas emissions and developed action plans through our Sustainability Committee to attain these goals.



**We closely monitor emission intensities and their outcomes by conducting annual greenhouse gas emission calculations.**

We carry out various projects to reduce greenhouse gas emissions and collaborate with relevant departments at every stage. We aim to reduce our emissions by focusing on projects that increase energy efficiency and the use of renewable energy in particular. In this regard, we continue our efforts to set SBTi greenhouse gas reduction targets.

Measures taken for greenhouse gas emission management are meticulously evaluated within the framework of our risk management procedures and approved by the Sustainability Committee.

At Korozo Group, we implement our carbon management strategy in coordination with all stakeholders to achieve our environmental sustainability goals and review our approach regularly. Thanks to this approach, we minimise our environmental impact by maintaining our commitment to managing greenhouse gas emissions and pursue a sustainable vision for the future.

As of 2022, in addition to calculating Scope 1 and Scope 2 greenhouse gas emissions, we have also performed Scope 3 greenhouse gas emission calculations, raising awareness within the organisation about climate risks and opportunities.

These efforts mark a significant step towards setting science-based greenhouse gas emission reduction targets. As Korozo Group, we continue to prioritise greenhouse gas emissions at the highest level to manage our impact on global warming and climate change effectively.

In our journey to transform into a low-carbon business model, we are in the process of creating a time-bound, comprehensive action plan. In this regard, we are conducting a detailed analysis of the company’s current carbon footprint, identifying the largest sources of emissions, and pinpointing improvement opportunities in these areas.

Strategic steps such as developing energy efficiency projects, transitioning to renewable energy sources, and increasing the use of sustainable materials are at the core of our plans.



**Our action plan is structured around short-, medium-, and long-term targets, with carefully defined steps and budgets allocated for each timeframe. We also regularly monitor and report our progress throughout this process.**

**Based on the feedback received and results obtained, we make necessary revisions under the principle of continuous improvement, ensuring our strategies remain dynamic.**

**In this way, we aim to place sustainability at the heart of our business model while working towards our low-carbon goals.**

As Korozo Group, we see combating climate change as one of our fundamental responsibilities, integrating sustainability into all our operations. The most effective way to combat climate change is by avoiding activities that generate greenhouse gas emissions and reducing the company's emissions. For emissions that cannot be avoided, offsetting them is of great importance to us.

In our efforts to reduce our carbon footprint, we are implementing various transportation strategies. For employee commuting, we provide shuttle services instead of individual car use, aiming to reduce reliance on private vehicles. For inter-factory shipments, we consolidate requests to enhance logistical efficiency through car-sharing methods. By expanding remote working opportunities, we reduce the frequency of employees commuting to the workplace. Additionally, we regularly provide training to our employees on sustainable transportation methods to raise awareness and encourage their adoption.

Through these initiatives, we aim to minimise our environmental impact and establish a sustainable business model.

**As Korozo Group, we remain committed to environmental sustainability and continue to play an active role in combating climate change.**

## Air Quality

At Korozo Group, we consider the right of all living beings to breathe clean air a main priority and we fulfil our environmental responsibilities with determination in this regard. We transform our commitment to combating air pollution into concrete action through environmentally sensitive policies and practices. To control air pollution, we utilise the latest technologies, adopt clean production methods, and implement continuous improvement strategies. Regular maintenance, inspections, and emission measurements conducted at our facilities reflect our commitment to preserving a sustainable environment.

In our production facilities, emission measurements for air pollutants originating from chimneys are carried out within the timeframes specified under

the Air Pollution Control Regulation to ensure compliance with legal limits. To maintain full adherence to environmental legislation, these processes are regularly audited, and associated environmental risks are closely monitored.

To reduce the spread of dust and particulate matter in our production processes, we have increased the use of industrial dust extraction systems and vacuum equipment. We improved the dust extraction systems on spool-cutting machines in particular, enhancing their efficiency and effectiveness. Additionally, wet tile-cutting equipment is preferred during excavation, demolition, and construction activities to minimize dust formation.

Regular cleaning operations are carried out at scheduled intervals to remove accumulated dust from our factories and

ensure the cleanliness of work areas. These processes are conducted with great diligence to uphold occupational health and safety standards and to minimise adverse environmental impact. Guided by our commitment to continuous improvement, we persist in monitoring and enhancing air quality across all our facilities, aiming to protect our employees' health and contribute to environmental sustainability.

## **Emission Management and Monitoring**

Korozo Group adopts a **strategic approach to emission management** with a strong sense of environmental responsibility, aiming to minimise the impact of our operations on nature. Emission outlets are regularly monitored, and comprehensive measures are implemented to minimise the release of harmful components such as **NO<sub>x</sub>, SO<sub>2</sub>, VOCs (Volatile Organic Compounds), and PM (Particulate Matter)** into the atmosphere. To prevent emissions from escaping into the external environment, we enforce a strict policy to keep the doors closed in our operational areas and continuously educate our employees in this regard.

We take additional precautions using advanced filtration systems for unavoidable emissions. The filter systems integrated into the air conditioning units at our facilities are continuously reviewed and improved to mitigate the adverse effects of air pollution.

Biannual emission reports demonstrate our commitment to sustainability by measuring and monitoring the





environmental impact of our operations. The most recent emission analysis conducted in 2022 will be renewed in 2024. Emissions from our chimneys are regularly monitored, and meticulously monitored to ensure their compliance with legal limits.

Although regulations do not mandate continuous monitoring, we systematically maintain emission control through **periodic measurements** and manage our environmental impacts proactively. This approach not only fulfils our environmental responsibilities but also directly contributes to our goals of improving **air quality**.

Additionally, we develop innovative solutions aligned with the principles of the circular economy by using **distillation units to recycle liquid solvent-based ink waste**. Through the **Solvent Recovery Unit (SRU)**, solvent vapours from inks and adhesives used in production are collected from chimney outlets, reintroduced into our facility, separated, and made reusable. This method reduces **VOC** emissions and embeds circular economy principles at the core of our operations by recovering waste solvents for reuse in production processes.

The processes applied under this framework aim to **significantly prevent air pollution by recovering and reusing waste solvent vapours** while contributing to environmental sustainability and enhancing production efficiency.

### Solvent Recovery Unit Data

In our solvent recovery unit, 1954 tonnes of solvent was recovered in 2021, 1963 tonnes in 2022 and 1368 tonnes in 2023. This process has significantly reduced the amount of greenhouse gas emissions. Thus, Korozo Group aims to bolster circularity by increasing the amount of recovered solvents thanks to developing technologies and projects in place.



Thanks to these recoveries, we positively impact the environment by preventing greenhouse gas emissions from being released into the atmosphere. Thanks to our developing technologies and the projects we implement, our goal is to increase the amount of waste solvent vapour recovery every day and to make circularity sustainable.

### We Care About the Environment and People

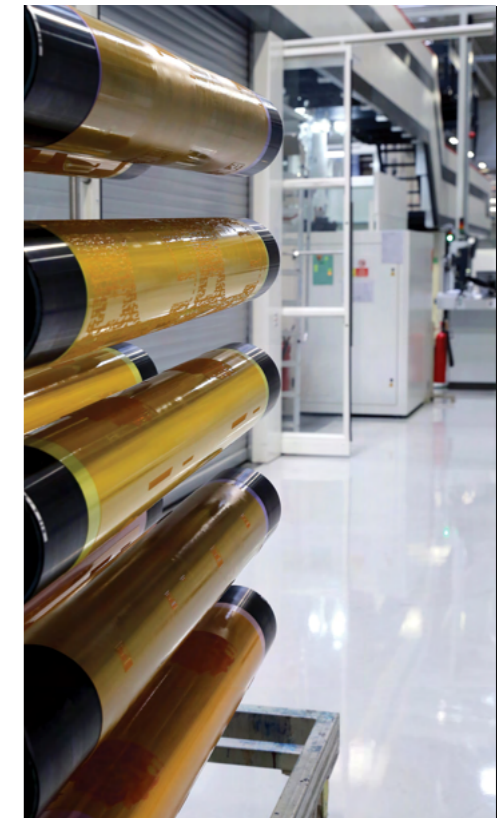
In addition to addressing air pollution, we also take measures against noise pollution and odour formation as part of our commitment to caring for the environment and people. Our production facilities are located outside residential areas and are situated in industrial zones exempt from noise regulations. Furthermore, we minimise noise levels in our production processes by using sound insulation and noise-reducing technologies on machinery. We construct noise-absorbing and dampening rooms for operations with high noise levels and conduct regular indoor noise measurements. These measurements are repeated whenever there are operational or machinery changes.

We use sound-absorbing materials to mitigate noise generated around our machines to ensure employee comfort. Additionally, we raise awareness among our employees about using personal protective equipment (PPE) in high-noise areas and promote its effective use. To reduce noise during waste collection, we implement sound-absorbing solutions. We regularly monitor noise levels and conduct risk analyses. Based on our efforts and regular measurements, we have determined that noise is not a significant risk factor for us.

To prevent any unpleasant odours that may arise from production processes, we use ventilation systems equipped with powerful extraction units in areas where odour-producing processes and materials are actively used. Volatile chemicals are stored exclusively in barrels, with

their lids kept tightly closed when they are not in use. Thanks to this meticulous approach, we have not received any complaints or warnings regarding odours to date.

Moreover, from a human rights perspective, we recognise that air pollution can threaten public health and that environmental changes may drive migration. To address these challenges, we aim to improve community living standards and promote environmental justice through our sustainable practices. With the measures we take, we uphold our responsibility to protect the right to live in a healthy environment not only for our facilities but also for the surrounding communities.



# Energy Management

Improving energy efficiency and performance is a cornerstone of Korozo Group's sustainability vision and Planet strategy. The conscious and efficient use of energy resources is critical to achieving our environmental sustainability goals. Accordingly, we aim to minimise adverse environmental impacts and further strengthen our circular economy approach by integrating energy efficiency solutions into our systems.

To bring this core value to life, we adopt a continuous improvement approach and set our goals based on these principles. We regularly measure, analyse, and monitor critical areas of energy use. Additionally, we keep pace with the latest technological advancements, continuously improving our processes by employing advanced engineering practices, and using energy-efficient designs, equipment, and systems.

To promote a culture of energy efficiency, we provide our employees with the necessary training and increase their awareness. This encourages the use of natural resources more efficiently and with minimal waste. These initiatives reflect our commitment to reducing adverse environmental impacts and contribute to our sustainability goals by enhancing energy efficiency.

As Korozo Group, we have undertaken various awareness and training initiatives to educate employees on energy savings and climate action.

These include:



**Posters and mailing campaigns** were conducted **to raise awareness of energy savings**. Employees were informed about the efficient use of **thermostatic radiator valves** through instructions made accessible **via a QR code, facilitated by technological enhancements**.

**The importance of the sustainability approach** was highlighted during annual environmental training sessions. Weekly "Monday Talks" included discussions on topics such as **"How to Calculate Our Carbon Footprint,"** raising awareness of workplace safety and environmental issues.

**During Health, Safety, and Environment (HSE) Week, mailing and poster campaigns** on sustainability topics were organised for all employees.

At our operational facilities, environmental and energy management risk assessments are regularly reviewed. 100% of our facilities are certified with **ISO 14001 Environmental Management System** and **ISO 50001 Energy Management System** certifications, demonstrating that we implement energy management systems effectively and optimise our processes with a continuous improvement mindset.

## Energy and Emission Reduction Initiatives

One of the most critical aspects of **Korozo Group's** sustainability strategy is to reduce energy consumption and greenhouse gas (GHG) emissions. In this context, the **Energy Management Team** and **Sustainability Committees** hold meetings regularly. These meetings focused on the progress of processes, the evaluation of ongoing projects, and the identification of areas for improvement. **Energy efficiency** and **GHG emissions reduction**—key pillars of our sustainability approach—were addressed meticulously during these discussions.

All consumption data were measured using the net values from invoices to accurately calculate and manage GHG emissions and Scope 1, Scope 2, and Scope 3 emissions were successfully verified. To enhance the accuracy of calculations, we utilised advanced technological tools such as **BI Analytics**, improving data collection

processes. Additionally, internal audits were conducted within relevant departments to ensure the processes were managed correctly and efficiently, guaranteeing their integrity and accuracy.

Aligned with our goals of improving energy efficiency and optimising energy consumption, we operate in full compliance with legal regulations and international standards. Through the implementation of the **ISO 50001 Energy Management System**, we aim to build a more resilient structure in response to the global energy crisis. Established in 2021, our **Energy Management Team** is responsible for the strategic management of this process, taking significant steps to continuously improve energy performance and enhance the efficiency of our operational processes.

Our declaration of 2022 as the “Energy Challenge Year” reflects our proactive approach to turning challenges into opportunities in energy management. Within this framework, we continue to develop forward-looking strategic projects to optimise energy performance, ensure the efficient use of resources, and minimise our carbon footprint. These sustainability-focused efforts support **Korozo Group’s** commitment to both its **environmental responsibilities and energy efficiency goals**.

Following the roadmap established in 2021, we have successfully implemented the majority of our planned actions. By completing numerous projects aimed at saving natural gas and electricity, we have achieved our energy efficiency targets. As a result of our intensive and dedicated efforts, we saved a total of



**676,618 EUR** in energy costs in 2022. In 2023, we further built on this success, achieving an additional total energy saving of **147,728.59 EUR**.

The changing expectations of consumers and the instability in energy markets highlight the critical importance of the green energy transition. Aware of this, Korozo Group has prioritised accelerating its transition to green energy as one of its top goals to build a sustainable future. Within the framework of our environmental responsibilities

**We are steadfast in our efforts to use energy resources more efficiently and reduce our carbon footprint.**

### Energy Management and Efficiency Initiatives

Energy consumption in the plastics sector supports economic growth but also confronts us with high costs and environmental impacts. For this reason, Korozo Group develops sustainable projects to enhance energy efficiency, promote recycling, and reduce environmental impacts.

Additionally, we have initiated efforts towards obtaining **International Renewable Energy Certificates (IREC)** to increase the use of renewable energy.

In our energy consumption data calculation processes, we base our methodologies on the **ISO 50001 Energy Management System** international standard. We prioritise monitoring methodologies starting with the highest energy consumption points, detailing them in descending order.

This includes measurements performed using fixed meters, portable measuring devices, and audits conducted under specialised services. For simpler energy consumption analyses, we widely use Excel and other spreadsheet software.






Our electricity consumption is allocated to production processes, lighting, and information technology equipment, while fossil fuels like oil are primarily used for heating, industrial processes, and transportation. By considering energy consumption both within and outside the company, we perform calculations that encompass our entire value chain.

### For energy management, we utilise data sources provided by institutions such as the Energy Market Regulatory Authority (EPDK) and the Ministry of Energy and Natural Resources (ETKB).

Additionally, we monitor our energy consumption through in-house data analysis tools and automation systems. Under the coordination of the **Transformation Office (TO)**, we develop energy efficiency projects through focused initiatives and specialised calculation software. Our sector-specific evaluations aim to optimise our energy consumption.

Using 2022 as the base year, we calculate the reductions achieved in energy consumption relative to this baseline. Our energy reduction and efficiency projects cover all forms of energy, including electricity, heating, cooling, steam, and fuel. Within this framework, we continuously develop energy efficiency projects and improve our sustainable energy consumption strategies.

As part of our projects aimed at improving energy efficiency through technology and equipment upgrades, we achieved:

 <b>Compressed air monitoring:</b>	<p>A monitoring system has been established to prevent leaks and unnecessary consumption of compressed air.</p>
 <b>Efficient use of the trigeneration plant:</b>	<p>Efforts have been undertaken to ensure the proper and efficient utilisation of the trigeneration plant.</p>
 <b>Water softening system:</b>	<p>Energy efficiency has been improved by replacing the resins in the water softening system.</p>
 <b>Energy savings in fresh air units:</b>	<p>Projects have been implemented to reduce electricity consumption in fresh air units.</p>
 <b>Chiller optimisation</b>	<p>The operation of chiller systems has been optimised.</p>

### Planned Projects for 2024:



#### Energy optimisation in the solvent recovery plant:

Initiatives are planned to reduce the energy consumption of the solvent recovery plant.



#### Compressed air set point adjustment:

Energy savings are targeted by lowering the compressed air set point.

#### Renewable Energy Use

At Korozo Group, we convert natural gas energy into electricity, chilled water, hot oil, and hot water using trigeneration systems installed at our İstanbul-Esenyurt and Tekirdag-Corlu facilities.

By recovering the waste heat generated during electricity production, we enhance energy efficiency and reduce our reliance on external energy sources. Our trigeneration plants convert the kinetic energy from natural gas into electricity, while the waste heat is transformed into hot oil and hot water energy.

Additionally, the hot water energy is further converted into chilled water

energy using an **absorption chiller**, enabling four different benefits from a single energy source.

Our renewable energy efforts began with solar panels installed at the Vitra NV facility in Belgium, and we continue to expand this capacity each year.

**The Resource Efficiency, Energy, and Carbon Management group conducts feasibility studies for energy efficiency and renewable energy projects**, advancing resource efficiency initiatives.

Feasibility studies are ongoing across all our facilities to promote the widespread use of renewable energy. **In response to the climate crisis, we are implementing carbon emission reduction projects and conducting annual carbon footprint calculations.** By considering the energy needs of our facilities and local resources, we evaluate the feasibility of renewable energy sources and take strategic steps accordingly.

**Korozo Group has gained valuable experience through pilot projects in renewable energy use and has outlined a roadmap to enhance energy efficiency in this area.**



**In 2023, we achieved;**

**1,037,792.45 kWh  
Electricity Savings**

**21,176.56 sm<sup>3</sup>  
Natural Gas Savings**

**147,728.59 EUR  
Financial Savings**



# Waste Management

## Zero Waste and Recycling Practices

At Korozo Group, ensuring environmental, economic, and social sustainability in our waste management processes is a vital part of our operations.

In this regard, we adopt a Zero Waste approach across all our facilities, separating waste at its source and prioritising recovery and recycling methods. Proper waste management is a fundamental element of our Planet strategy and plays a critical role in achieving our circular economy goals and conserving natural resources.

In compliance with Zero Waste guidelines, we carefully separate hazardous and non-hazardous waste at its source and send it to licensed recycling facilities. We monitor the waste disposal process via the Environmental Information System, ensuring full compliance with all legal requirements throughout.

Our facilities with Zero Waste to Landfill (ZWL) certification prevent waste from being sent to landfill, thereby contributing to the preservation of natural resources.

At Korozo Group, we maintain the highest standards in waste management with a strong sense of responsibility.

**In 2023, our total waste recycling rates reached**

**41.92% for hazardous waste and 79.17% for non-hazardous waste.**

We track and record our waste data monthly and ensure timely submission of annual facility-based waste declarations, supported by data checks and

verifications. To improve the efficiency of these processes, we have developed technological systems such as **BI Analytics**.

**Compared to 2022, we successfully reduced our total waste volume by 15% in 2023.**

## Waste Management and Monitoring Systems

At all our facilities, waste management processes are monitored using waste flow maps. These systems enable the segregation of waste at its source, integration into recycling processes, and reduction of environmental impacts.

The waste bins used within the company are organised according to specifications, with different colours and waste codes assigned for each waste category. This systematic approach ensures the proper management of waste while minimising its negative effects on the environment.

## Spill and Chemical Waste Management

Within our group, special precautions are taken in units where spills may occur. All units, except for solvent tank areas and waste zones, are located indoors and operate on specially selected leak-proof flooring made of mixed concrete or epoxy coatings.

These surfaces are specifically chosen to prevent chemical spills and protect the environment.

Solvent tank areas and waste zones are stored outdoors in leak-proof containment pools. These areas are designed to ensure safety against chemical leaks and are subject to regular inspection processes.



### Industrial Waste

Industrial waste generated during our production processes is a significant category of waste for Korozo Group. We manage this waste with a circular economy mindset and in accordance with the principle of recyclability.

All production-related waste is classified as hazardous or non-hazardous. While hazardous waste is sent to licensed facilities, non-hazardous waste is recovered.

We exercise great care in separating waste at its source within our facilities, conducting this segregation in designated collection areas and bins.



### Hazardous and Non-Hazardous Waste

We classify hazardous waste as chemically based materials such as ink, adhesives, and contaminated substances. This category also includes production scraps, paper/ cardboard, and packaging waste.

Hazardous and non-hazardous waste is managed separately in compliance with environmental regulations and sent to licensed facilities. To minimise environmental impacts, we implement special precautions against the risks of spills and leaks.

Additionally, we educate our employees about these processes and take protective measures to ensure a safe working environment. By doing so, we manage waste in accordance with both environmental and occupational health and safety standards.

Waste zones at our facilities are inspected by designated personnel. Blind pits outside the waste zones are also regularly checked to minimise potential risks from spills and ensure continuous monitoring.

In the event of a spill, we act in accordance with our Spill Response Procedure, which defines every step of the response, the equipment to be used, and the personal protective equipment (PPE) required. Employees are trained on this procedure. The protocol outlines methods to minimise environmental pollution caused by spills of chemicals, oils, or fuel products that may occur on land at factories and storage facilities.

It also details the communication processes with local authorities and company senior management, as well as the responsibilities involved. All spill incidents are documented using an Incident Form, analysed, and archived.

This ensures that each incident is thoroughly examined and necessary measures are implemented to prevent similar occurrences in the future. Chemical waste accumulating in pools and blind pits is pumped into barrels using explosion-proof pumps and then transported to waste zones. Depending on the size of the pool or pit, waste may also be pumped directly into tankers. This process is meticulously managed by Korozo teams, with all steps closely monitored and regularly followed up.

## Training and Awareness Initiatives

We continuously raise awareness among our employees about waste management. At all our facilities, we provide periodic training sessions to encourage employees to properly separate waste at its source and contribute to recycling processes.

In addition to training, we use verbal and visual tools to keep our employees informed and increase their awareness of waste management. As part of the “Monday Talks,” a programme prepared weekly by the HSE unit and shared in small groups across all departments, we address environmental topics. We also organise events such as World Environment Day and Health, Safety, and Environment Week, emphasising efforts to promote environmental awareness both within the company and in society.

In 2023, for World Environment Day, we implemented various activities to raise awareness about environmental sustainability and waste management. For instance, we designed special zero-waste menus featuring food items that either produce no waste or allow for the reuse of generated waste, aiming to enhance environmental sensitivity among our employees. This initiative not only increased internal awareness but also marked a significant step in integrating our sustainability strategy into daily operations.

To support social awareness, we organised impactful projects such as the Izmir Sasali Bird Sanctuary Poma Lagoon Waste Collection Project, aimed at spreading awareness about

environmental protection. These projects not only directly contributed to environmental cleanliness but also sought to strengthen the sense of environmental responsibility within our communities.

In collaboration with the Packaging Manufacturers Association, we held webinars that provided our employees with in-depth knowledge on recycling and environmental sustainability. Through these educational efforts, we aim to enhance environmental sensitivity among our workforce and further embed sustainable business practices into our operations.

## Recycling and Innovative Packaging Projects

**At Korozo Group, we develop innovative projects to enhance our contributions to recycling processes and strengthen our support for the circular economy.**

In 2023, we launched the Mono-PE with 30% PCR Flexible Packaging project, producing packaging solutions containing 30% recycled materials. These packaging structures, being recyclable, contribute to environmental sustainability while supporting our circular economy goals.

Our project was recognised with an award at the PAGÇEV Plastic Recycling Awards and is expected to recover 135 tonnes of PCR materials by 2024, making our

packaging more environmentally and economically sustainable.

**As part of this project, we provide sustainable packaging solutions for seven major brands in Central and Eastern Europe, aiming to reach 18.5 million consumer units, equivalent to 450 tonnes of plastic.**

**This effort not only boosts our contributions to the circular economy but also creates a critical opportunity to improve the quality of recycled products.**



## Environmental and Social Impact

As a group, we contribute to the conservation of natural resources by implementing effective waste management practices, reducing water, air, and soil pollution, and supporting environmental sustainability. Additionally, we minimise environmental risks by ensuring the proper disposal of hazardous waste. However, we are aware that improper waste management can cause significant environmental harm and negatively impact recycling processes by increasing the consumption of resources such as energy and water. With this understanding, we continuously monitor our waste management processes through training, awareness initiatives, and internal and external audits to enhance process efficiency.

From a human rights perspective, our effective waste management practices play a crucial role in protecting the health and safety of both our employees and surrounding communities. We take all necessary safety precautions to minimise the risk of exposure to hazardous materials and ensure that this awareness is deeply instilled among our employees through regular training. At the same time, we support fair working conditions, maintaining our commitment to occupational safety and workers' rights.

## Third-Party Audits and Continuous Improvement

We monitor our waste management processes not only through internal audits but also by engaging third-party firms. These firms are rigorously evaluated for compliance with legal regulations and industry standards, and their activities are tracked through periodic audits. In cases where non-conformities are identified, firms are informed, and necessary corrective actions are taken.

This process is supported by feedback mechanisms and forms part of our continuous improvement philosophy.

The steps of waste collection and monitoring—source segregation, quantification, data recording, and reporting—are carefully managed. All data is digitally recorded in our SAP system and reported in compliance with internal management protocols and legal requirements. The Zero Waste to Landfill (ZWL) certification obtained for our Kiraç facility highlights the international standard of these processes.

This approach reflects our commitment to achieving our goals in environmental sustainability, social responsibility, and economic efficiency.





# Circular Economy

At Korozo Group, we embrace the circular economy approach to support our sustainability goals.

**We expect all of our products to be fully recyclable and to become a part of the circular economy by 2030.**

Circular economy offers an alternative to the linear economy model, addressing issues of increasing environmental pollution and resource scarcity. This approach is based on the principles of “reduce, reuse, and recycle” to optimise resource use, minimise waste, and enhance environmental sustainability.

As a flexible packaging producer, Korozo Group maintains its commitment to circular economy principles across all aspects of our operations. Through closed-loop system integration, recycling, and efficiency initiatives, we ensure the sustainable management of resources in our production processes.

We involve our customers in our sustainability journey, supporting them in achieving their circular economy goals. While our direct interaction with end-users is limited as an intermediary manufacturer, we take responsibility for contributing to recycling processes after the lifecycle of our products.

With our strong human capital and R&D

and innovation efforts, we are making steady progress toward these objectives every year.

We closely monitor legal regulations regarding plastic waste management and the use of recycled plastic products in countries where we have commercial relationships, particularly in the European Union. At our plastic recycling facilities, production scraps are converted into granules and reintroduced into the production cycle, with these granules certified for recycling. To fulfil both legal compliance and our environmental responsibilities, we strive to increase the use of recycled raw materials in packaging without compromising quality and performance.

Furthermore, we actively collaborate with other manufacturers in our sector, participating in projects that promote and facilitate the use of recycled raw materials. Through our commitment to the circular economy, we not only optimise our processes but also encourage other stakeholders in the industry to adopt sustainable solutions.

**As Korozo Group, we embrace the circular economy approach to enhance resource efficiency, minimise waste, and contribute to environmental sustainability.**

The projects we have developed in this context cover a wide range of areas, from raw material usage to recovery, product design, and collaborations.

In each project, we integrate innovative and eco-friendly solutions into our business processes, embedding circularity throughout.



Below is a detailed list of our projects contributing to the circular economy:

These projects not only ensure the more efficient use of resources but also make our business processes more sustainable within the framework of the circular economy.

**We continue to take significant steps toward achieving our 2030 goals.**



### Resource Efficiency

**In 2023, we implemented 13 Lean Six Sigma projects and 12 Top 10 projects.**

These initiatives enhanced our operational efficiency and environmental sustainability while increasing raw material and energy efficiency. Additionally, we achieved a “Zero Waste to Landfill Certificate (ZWL),” ensuring that at least 99% of waste is diverted from landfills.



### Material Recovery

Through the Solvent Recovery System, solvent vapours were reclaimed, increasing circularity and efficiency in production processes. At our licensed Recycling Facility in İstanbul-Esenyurt, plastic waste was recycled and reintegrated into production.



### Product Design

**The recyclable KORORCY Film series introduced fully recyclable packaging solutions to the market.**

These innovative packages contributed to sustainability and played a significant role in reducing waste.



### Collaborations

Our partnership with the Türkiye Circular Economy Platform facilitated significant projects aimed at promoting circular economy principles and enhancing circularity across the supply chain.



### Stakeholder Engagement

Through events and training organised for our employees and suppliers, we have increased recycling awareness and encouraged active participation in this process.

**We support eco-friendly practices using the “Supplier Evaluation Form.”**

## Materials Management and Product Lifecycle

As Korozo Group, we manage the use of plastic materials with a sustainable approach, considering the negative effects on the environment and human health. **By adopting a circular economy approach, we implement a production model that reduces raw material consumption and minimises waste.**

With this approach, we aim to produce sustainable products that do not adversely affect the health and safety of the environment, customers, and end consumers. In this way, we increase environmental sustainability while minimising the risks that may occur along the value chain.

**In order to measure the carbon footprint of our products, we carry out Life Cycle Assessment (LCA) studies in accordance with ISO 14067 standard.**

**This study covers four stages according to ISO 14040/44 standard:**

- a) Purpose and scope definition,
- b) Life cycle inventory,
- c) Life cycle impact assessment,
- d) Life cycle interpretation.

**In this way, we aim to increase sustainability by analysing the environmental impact of our products.**

By encouraging the use of recycled plastics, we contribute to the

conservation of natural resources and energy saving. We take important steps in the field of circular economy and sustainability through the effective use of recycled products, the preference for new technologies, and the minimisation of waste generation.

**We adopt a balanced approach in the use of plastics and carry out sustainable and ethical practices to minimise negative impacts while maximising positive impacts.**

**Accordingly, we increased the recyclability rate of our products to 64% as of 2023.**

**In addition, we used a total of 1400 tonnes of recycled materials for the use of recycled raw materials (909 tonnes of FW - 65%, 193 tonnes of PIR - 13%, 300 tonnes of PCR - 21%).**

In line with our circular economy strategy, we continue to work towards making our products recyclable and increasing the use of recycled raw materials. Our supplier management plan encourages our suppliers to comply with product safety standards while supporting our efforts to create a sustainable supply chain.

Within the scope of carbon footprint, we develop projects for emission reduction in collaboration with our suppliers in line

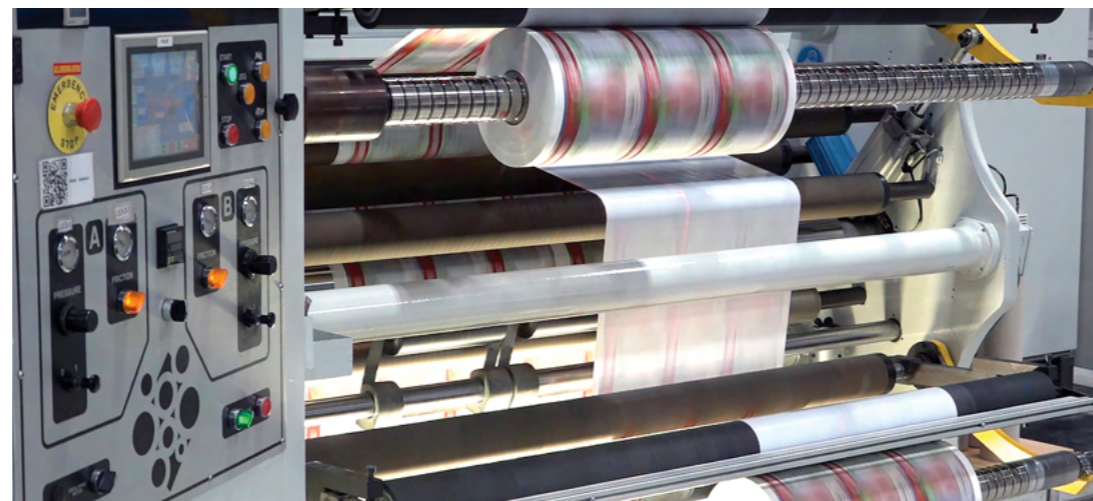
with Scope 3 emission calculations. Within the scope of our sustainable procurement policy, we send questionnaires to suppliers, carry out on-site audits, and measure their sustainability levels.

At the same time, we closely monitor the development of our suppliers in the fields of social, environmental, and human rights.

Accordingly, **we have implemented our Supplier Code of Conduct** supplier policy and sent it to our suppliers for their signature. We use **SAP's existing modules and tools** to more effectively monitor the recyclability rates and other environmental performances of our products.

**We have collaborated with our IT department to develop a new module on SAP to centralise product information and monitor recyclability data instantly from the design stage of the products.**

When these activities are completed, **all recyclability data will be recorded and monitored through a single module starting from the product design process.** This step will be an important milestone in achieving our recyclability targets.



# Water and Wastewater Management

As Korozo Group, we resolutely maintain our commitment to minimise water use. The water consumption of our companies is generally limited to domestic purposes, and water consumption in all our facilities is carefully recorded and continuously monitored on a monthly basis. As part of this process, consumption data is verified from invoices, and our environmental impact is analysed by calculating water consumption within the scope of the Greenhouse Gas Protocol (GHG). Water saving projects have also been implemented, and technological measures such as sensor faucets have been implemented to ensure more efficient use of water in common areas. In addition, information posters are placed in our facilities to encourage the conscious use of water, and all our employees are regularly trained on natural resource consumption and water saving.

## Industrial Water Use and Discharge Processes

Our facilities are located in industrial zones, and water is not withdrawn from areas where water stress is experienced. The water used in all our facilities is supplied through the local network. The wastewater generated after use is sent to the city sewerage or wastewater treatment plants in the regions where we are located by providing the necessary discharge parameters. No water is

discharged directly into the receiving environment. Treated water samples are regularly analysed by independent laboratories and are under constant monitoring. In addition, controls are carried out periodically by official institutions, and no problems have been experienced so far.

## Tekirdağ-Çorlu ASB Facilities and Water Saving Projects

In our Tekirdağ-Çorlu ASB facility, the project initiated to reduce water consumption is planned to be implemented in 2024. Within the scope of this project, the blowdown water used in the SRU chiller tower will be treated with the reverse osmosis method and returned to the tower, thus reducing water consumption. In the studies carried out, the number of regeneration processes will be reduced by changing the resin in the water softening system, and it is planned to save 40% in water consumption.

## Industrial Water Treatment and Circular Water Utilisation

In our facilities, water management is carried out in accordance with the operation and maintenance instructions of our industrial wastewater treatment plants. To ensure the circularity of water in production processes, we effectively implement systems such as closed-

circuit water use, waste management, recycling, and solvent recovery. We also use trigeneration systems to convert natural gas energy into electricity, hot water, cold water, and hot oil energy. In this way, we increase our energy efficiency and reduce our dependence on foreign energy by recovering the waste heat generated from electricity generation.

## Su Tüketimi ve Deşarj Verileri

Korozo Group's annual water consumption and discharge data are as follows:

Year	Water Consumption (m <sup>3</sup> )	Water Withdrawn from Water Stressed Areas (m <sup>3</sup> )	Water Consumption Per Capita (m <sup>3</sup> /person)	Amount of Water Discharged (m <sup>3</sup> )
2020	115.022	0	60,73	115.022
2021	115.393	0	59,14	115.393
2022	102.859	0	54,30	102.859
2023	94.227	0	52,84	94.227

Based on these data, we continue our efforts to minimise water consumption and effectively manage the amount of water discharged.

## Wastewater Management and Environmental Measures

We rigorously fulfil our environmental responsibility by reporting our wastewater amounts, information on our treatment plants, and wastewater analysis results to the relevant Ministry through the **Integrated Environmental Information System** at regular intervals every year. We carry out our wastewater management effectively with our pre-treatment facility at our Kıraç plant and our pre-treatment process in Çorlu. Following the pre-treatment processes, the wastewater from our Kıraç facility is directed to the İSKİ channel, while the wastewater from our Çorlu facility is directed to the ASB channel. This water is treated by the relevant institutions and is finally discharged to receiving environments. As Korozo Group, we do not discharge wastewater directly to receiving environments, and we ensure full compliance with the legislation by regularly updating all our channel connection permits.

Our wastewater management is carried out in accordance with the **Industrial Wastewater Treatment Plant Operation and Maintenance Instruction**. The wastewater generated at our facilities is sent to city sewers or wastewater treatment plants in accordance with legal discharge criteria. This process is tracked and continuously monitored with treated water samples regularly analysed by independent external laboratories. In addition, our facilities undergo comprehensive checks during periodic inspections carried out by official institutions, and no non-conformities have been detected so far.

## Efforts to Improve Wastewater Quality

We carefully manage wastewater not only from our kitchens but from all processes to improve wastewater quality. We use grease traps in the kitchens to prevent the oils in the wastewater generated in our facilities from reaching the discharge line, and we increase the cleaning frequency of these traps in line with the principle of continuous improvement. In addition, we aim to raise the level of awareness of the processes by providing regular information to our kitchen staff.

Our industrial treatment plants (where the water from the processes is treated) are designed in accordance with high standards to improve the quality of industrial wastewater. In these facilities, wastewater is checked by periodic analyses conducted by expert companies, and water quality is regularly monitored. Our wastewater quality is also regularly monitored by İSKİ and ASB, and necessary inspections are carried out diligently.

The wastewater from our kitchens is treated with grease traps and physical filtration methods, and these grease traps are regularly cleaned at certain intervals. Oily wastewater is disposed of by licensed companies in an environmentally friendly manner. These processes not only increase efficiency in wastewater management, but also reinforce our commitment to fulfil our environmental responsibilities. In addition, we collect rainwater in our ASB facilities with a separate channel system and direct it to the ASB channel. This system further increases the efficiency of our wastewater management processes by preventing rainwater from mixing with wastewater lines.



# Biodiversity

As Korozo Group, we integrate our commitment to protect biodiversity into all our activities within the framework of our Environment and Deforestation Policy. Protection of natural ecosystems and species diversity is one of the key components of our environmental sustainability strategy. In this direction, we aim to carry out all our operations without harming living species and biodiversity, and we demonstrate our responsibility towards nature with concrete actions.

**We are also committed to the protection of forest land, the prevention of environmental pollution, and the sustainable management of natural resources.**

We are committed to preventing deforestation, taking all necessary measures to protect the environment and minimising the impact of our activities on nature.

## **Our Sustainable Business Model and Approach to Biodiversity**

As Korozo Group, our primary goal is to create added value with a sustainable business model and to protect our planet by ensuring more efficient and effective use of resources. Biodiversity and other climate-related issues are included

as agenda items in our management review meetings (when appropriate). We also review and analyse biodiversity issues as part of our annual ESG reports, particularly in connection with our new investments.

**To date, we have not identified any issues related to our operations and investments that threaten biodiversity.**

## **Operation Clean Sweep (OCS) Programme**

As Korozo Group, we are proud to be the first company in Türkiye to be certified under the OCS programme, a global initiative to prevent plastic granules and particles from spreading into the environment and entering groundwater.

This programme encourages companies operating in the plastics industry to prevent the uncontrolled release of plastic granules (pellets, flakes, or other small plastic particles) into the environment and is of great importance for environmental sustainability.

On 25 December 2023, as Korozo Ambalaj San. ve Tic. A.Ş., we took our environmental responsibility one step further with the OCS certificate that we received. In this context, we implement best practices and procedures to prevent leakage into the environment during the production, processing, and transport

of plastic pellets, flakes and powders. Recognising that plastic pollution causes serious environmental damage to aquatic and terrestrial ecosystems, we also diligently undertake our responsibility to protect biodiversity.

Plastic particles harming wildlife, entering the food chain, and degrading habitats are among the environmental threats that need to be addressed on a global scale.

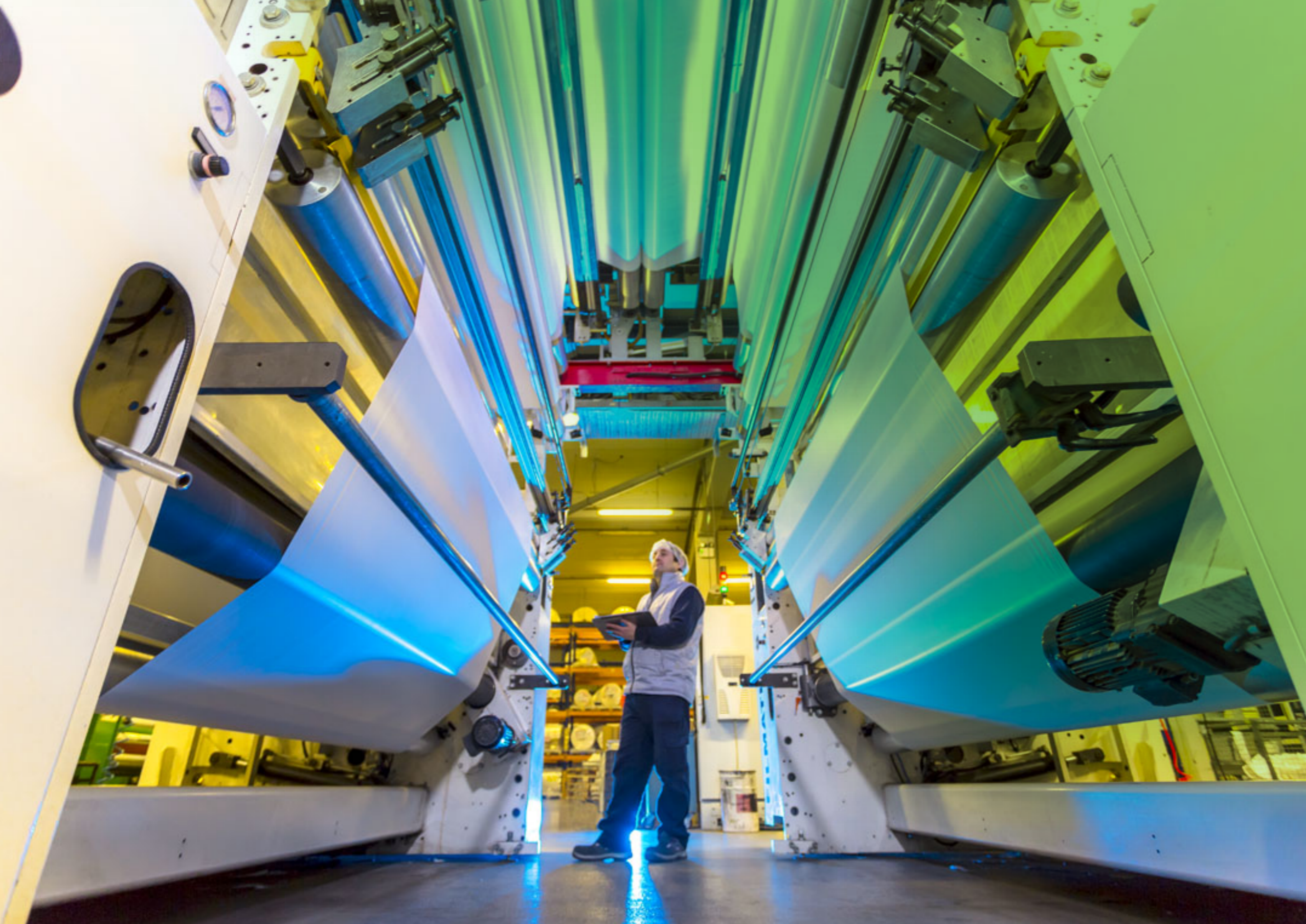
In line with this responsibility, we signed the Plastic Granule Loss Prevention Commitment and implemented our OCS policy. Within the framework of our policy, information and training programmes are organised for all our personnel throughout the year. Information forms and annual target tables are also prepared for our business partners.

**In addition, we continuously improve our processes by conducting risk assessments together with our departments within the company.**

Our work within the framework of the OCS programme is evaluated and audited by an independent audit firm every year.

In line with our responsibility to the environment and society, we are reinforcing our commitment to protect biodiversity and create effective solutions on a global scale.







**OUR PEOPLE**





**We Value People and Work  
for a Sustainable Future**

# Safety, Wealth and Welfare

Within our Group, we regard occupational health and safety not merely as a legal obligation but as an integral part of our duty to our employees and our approach to doing business. With this perspective, our Occupational Health and Safety (OHS) Management System encompasses all our operations, employees, and workplaces.

**We aim to create a safe, healthy, and inclusive working environment and ensure its ongoing continuity.**

**In line with our human-centred sustainability strategy**, we continuously carry out improvement processes to achieve our **zero-accident** target and instil a strong safety culture throughout our organization. In this context, we encourage active employee participation and conduct regular training sessions and hands-on drills to enhance their awareness of workplace safety.

We also regularly monitor our occupational health and safety performance and conduct compliance assessments in line with legal requirements. To minimise workplace

risks, we take necessary precautions, encourage the use of safety equipment, and continuously raise our safety standards by leveraging technological innovations. In our work environment, which promotes **diversity, equity, and inclusion**, creating a space where everyone can work safely is one of our foremost responsibilities.

As part of our sustainability goals, we create a safe, healthy, and supportive working environment for everyone. We prioritize occupational health and safety to ensure our employees return home healthy each day.

We actively establish healthy working conditions and take preventive actions against workplace accidents to achieve this. For example, we prevent potential accidents using fall arrest systems and horizontal lifelines in operations involving work at heights (such as on extruders or in waste areas). Similarly, we minimise accident risks in shared forklift and pedestrian areas by implementing collision prevention and stopping systems.

We ensure that our employees undergo regular health checks and take necessary precautions by identifying risks in the workplace. In addition, to prevent unpleasant odours that may occur during production, we use ventilation systems supported by powerful suction systems in

areas where processes with the potential to create odours are located.

We regularly train our employees on health and safety risks, good working practices, and emergencies and support employees who experience work accidents or occupational diseases.

We conduct regular health screenings for our personnel and perform risk assessments specific to each department to help prevent work-related health issues. We conduct regular tests and analyses as needed.

No occupational diseases have been reported so far, and we take proactive measures to prevent any potential cases. Through risk analyses and chemical and ergonomic assessments, we implement necessary precautions against possible health risks. Every employee across all Koroza Group operational facilities undergoes health and safety risk assessments.

Every new employee undergoes a health examination before starting their role and begins work only after their insurance coverage is in place. Additionally, all employees receive annual health check-ups. As part of this process, entry health screenings, personal exposure and workplace hygiene assessments, and ergonomic evaluations are conducted on a regular basis.

Our company covers examination costs by partnering with authorised healthcare providers and directs employees to these

**In 2023, we conducted health screenings for all personnel and organised informative webinars on health topics.**

centres. Through agreements with private healthcare institutions, we offer discounts to our employees, along with private health insurance for white-collar staff. Our healthcare services are provided by qualified specialists, including our on-site doctor and other medical staff. The relevant department also assesses weekly meal menus for caloric content and health suitability.

In 2023, we hosted webinars on office ergonomics and exercises suitable for the workplace and offered guidance on protection from extreme heat, sleep health, flu prevention, and measles vaccinations.

## Occupational Health and Safety Management System

We comply with national and international standards to ensure the quality of our services. In this context, we complete the training and certification processes of our occupational health professionals by conducting regular audits and evaluations.

We aim for continuous improvement by receiving feedback from our employees. In line with ISO standards and the International Labour Organization (ILO) guidelines, compliance with relevant standards and legislation is ensured, and these processes are carried out in coordination with the relevant departments.

The percentage of our operating facilities certified according to ISO 45001 or other labour or human rights management standards is 100%.

### Korozo Group follows the ISO 45001 standard and globally recognised best practices in occupational health and safety management.

Our safety vision is defined as 'demonstrating world-class sustainable health, safety and environment (HSE) performance and creating a strong safety culture'. In line with this vision, we monitor our performance and make continuous improvements in our occupational safety processes by using both proactive and reactive indicators.

For example, as of 2023, we have started to use KIM (Kinematic Inertial Method) and Job Cycle Check (JCC) methods in ergonomics risk analyses.

These risk analyses reflect our commitment to occupational safety and our continuous improvement efforts. Thus, we ensure the safety of our employees by minimising potential risks

in the workplace. These studies are also of great importance for the sustainability and long-term success of our company. All of our employees in all operational facilities of Korozo Group undergo health and safety risk assessments.

The efforts made in this area directly impacted our occupational health and safety performance. In 2023, we reduced

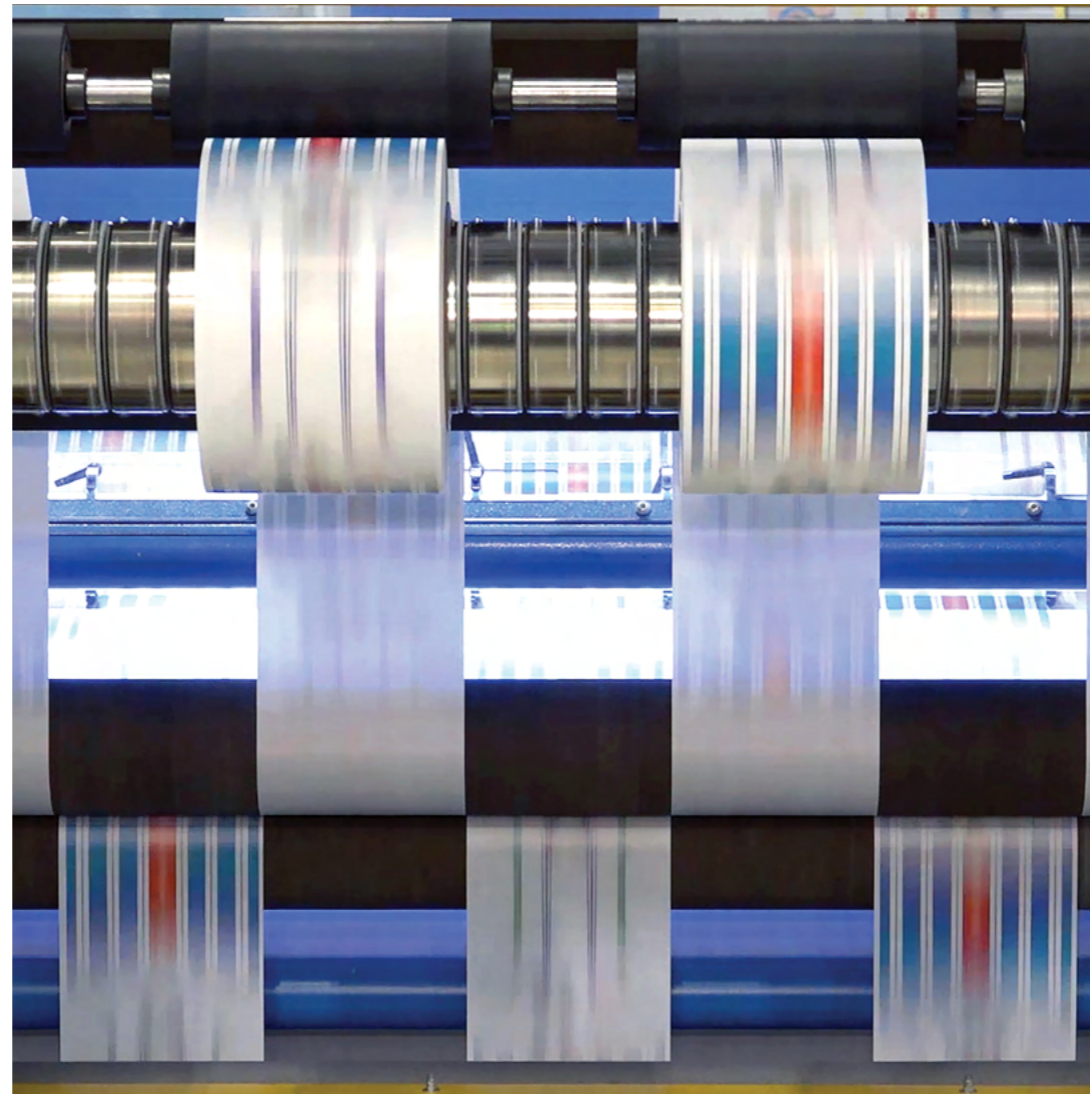
lost workdays by 67.2%, cut the number of accidents by 56.1%, and lowered the accident frequency rate (AFR) by 65.6% compared to the previous year. These positive developments in workplace safety safeguarded our employees' wellbeing and enhanced the long-term success and efficiency of our operations.

Seminars focused on psychological and physical health, as well as preventive measures, play an important role in our occupational health and safety practices. To help protect employee health, we have organised a series of seminars in collaboration with healthcare providers.

### Topics covered include "Stress Management and Delaying Ageing," "Office Ergonomics," "Cervical Cancer Awareness," and "Breast Cancer Awareness."

Thanks to our company's responsible and meticulous practices, we have not experienced any physiological or psychological occupational illnesses within our operations.

These awareness activities demonstrate our commitment to employee health and align with our goal of maintaining the highest occupational health and safety standards.



## Visitor, Subcontractor and Supplier Management

At Korozo Group, we see it as a basic requirement that all our visitors, subcontractors, and suppliers comply with the company rules within the boundaries of Korozo Group. In this context, Korozo's Life Saving Rules and Code of Conduct are effectively communicated to all our stakeholders. To raise the awareness of visitors, subcontractors and suppliers, these rules are communicated in a clear and understandable manner through the Visitor Information Video, which was prepared with the participation of our employees' families. In line with our company culture, each employee acts as a safety ambassador by observing visitor behaviour and contributes to the dissemination of occupational health and safety awareness through a behaviour-oriented safety observation system.

This approach reflects Korozo Group's commitment to occupational health and safety and its dedication to strengthening a safety culture. Informational videos and the communication of behavioural guidelines help uphold occupational health and safety standards within Korozo Group and across our supply chain.

To ensure that our suppliers adhere to these standards, we have enhanced our Supplier Code of Conduct to detail our expectations regarding social (including labour and human rights, ethics, and sustainable procurement practices) and environmental processes.

Suppliers receive regular updates on these guidelines, and we conduct

a Supplier Evaluation Survey to carefully assess their performance in workplace safety, social responsibility, environmental impact, and sustainability. Through these efforts, we aim to minimise risks and uphold high health and safety standards across all our operations.

## Employee Participation in Occupational Health and Safety Issues

As part of our annual communication plan, we use a range of tools to prioritise occupational health and safety across the organisation. Current topics are addressed through regular initiatives, such as weekly safety talks, with outcomes shared companywide.

During Health, Safety, and Environment Week, we also highlight current issues and organise activities to boost engagement, including competitions, webinars, and training sessions on various topics. Additionally, we hold award ceremonies and online quizzes to motivate employees further and reinforce a strong safety culture throughout the company.

In addition, notifications of near misses and hazardous situations, which are among the prominent metrics in Korozo Group occupational health and safety assessments, are rewarded, and accident-free working days are celebrated. In non-routine activities, a job hazard analysis approach is used to identify and manage risks with the participation of all company stakeholders, thus demonstrating a proactive approach shared transparently to reinforce the commitment to safety.

## Monitoring of Occupational Health and Safety Practices

Monitoring of occupational safety practices through annual plans involves various critical processes:

### Planning and Assessment

The occupational safety team develops annual plans by assessing current risks and safety needs, which is a key step in identifying areas requiring intervention. Risk assessments are conducted through various methods, including workplace inspections and audits, accident and incident records, employee interviews and surveys, compliance with standards and regulations, literature reviews, chemical analyses, and ergonomic evaluations. Additionally, past accidents and employee experiences are considered to identify potential hazards thoroughly. Ergonomic risk analyses are carried out to address repetitive strain injuries, and corrective actions and improvements are implemented for cases where results exceed threshold values.

### Training and Awareness Programmes

The company organises occupational safety training and awareness programmes to enhance employees' safety awareness and ensure adherence to best practices. Building on the training activities launched in 2022, the company introduced new training topics and increased the frequency of certain sessions. Additional training subjects are identified through field inspections, risk analyses, accident case reviews, and reassessments of hazardous situations. These sessions are interactive and

practical, aiming to protect employees' health by addressing psychological and physical risk factors and providing awareness-raising seminars. In 2023, participation in OHS training rose to 8,287 employees, with total training hours increasing to 19,015—a significant rise from the 1,309 participants and 7,960 training hours recorded in 2022.

### Inspection and Control

Occupational safety audits and controls are carried out at regular intervals. These audits are critical to assess current practices' effectiveness and identify improvement opportunities. Although periodic inspections of equipment are carried out annually as required by the legislation, these inspections are repeated every 6 months within Korozo Group. Monthly site inspections and GEMBA tours are one of the control criteria.

### Maintenance and Repair

The maintenance and repair of equipment are crucial for occupational safety and are carried out regularly as part of the annual plans.

### Emergency Preparations

At Korozo Group, we carry out a comprehensive risk management process for emergencies such as fire, earthquake, flood, and chemical spillages that may be encountered in our production sites. Our emergency plans and drills are a fundamental part of our annual occupational safety plan and aim to raise awareness of our employees, minimise damages and ensure a rapid

response. These plans aim to ensure the correct flow of information in an emergency, to mobilise teams effectively and ensure operational continuity. In addition, calculations are made for the **Prevention of Major Industrial Accidents (BEKRA)**, and the status of our facilities within this scope is regularly updated.

In this context, regular drills are carried out for emergencies such as fire and earthquake and special training is provided to emergency teams. Necessary equipment is placed in common areas and all our processes are carried out meticulously with the priority of **protecting human life**.

### Reporting and Improvement

Potential risks and opportunities for improvement are identified after audits and inspections. This information is used to update future annual plans. The occupational accident follow-up list is monitored in the targets and KPI table. Korozo Sustainability KPI table includes metrics used to monitor and evaluate the environmental, social and governance performance of the organisation. In the Social KPI table, these data are monitored under the heading of occupational health and safety.

### Risk Analysis and Management Activities

Korozo Group adopts an extremely rigorous approach to occupational safety and risk management. Risk analyses are conducted regularly as part of our safety culture and include the following steps:

#### Risk Classification

The team identifies and categorises risks into different classes to better understand potential hazards and develop tailored analysis strategies for each risk group. For instance, hand injuries represent the most common type, while slips, trips, falls, and foreign bodies in the eye occur less frequently.

#### Risk Analysis Methods

Korozo Group uses reliable risk analysis methods such as the Fine Kinney risk analysis method, the COSHH chemical risk analysis method, and the KIM ergonomic risk analysis. These methods enable the systematic evaluation of risks and ensure the achievement of objective results.

#### Employee Feedback and Participation

Employee engagement is of great importance in the process of identifying and assessing potential risks. In this context, regular meetings are held with employees and their experiences are utilised. In addition, employees take part in occupational health and safety committees, share their suggestions regarding the process and evaluate performance.

#### Action Plans

Based on the results of risk analyses, action plans are developed to mitigate potential risks and are tracked through software programs. This process ensures the timely and effective implementation of actions and allows responsibilities

to be assigned automatically. Measures required to reduce potential risks are determined in line with the outcomes of the risk analyses.

#### Action Status Analyses

The status of the determined actions is regularly monitored and shared throughout the company. Thus, it is ensured that risks are minimised and safety measures are implemented effectively. All employees are trained on the health and safety precautions to be taken when working with chemicals and on the transport of dangerous goods within the scope of ADR. In addition, chemical filters, compliance of measurement results such as VOC, compliance of waste areas with the legislation are ensured and additional personal protective equipment (PPE) is provided to the personnel working in these areas.

**Objectives and targets are projected annually and monitored with the 'Environmental and Occupational Health and Safety Performance Monitoring Table.' Within the scope of the table, issues such as air, water, soil pollution, hazardous wastes, use of natural resources, and occupational accidents are evaluated.**

In waste management processes, hazardous and non-hazardous wastes are separated and sent to licensed facilities, contributing to the circular economy through recycling methods. Employees are made aware of separating wastes at source and all wastes are recorded in the environmental information system.

Action plans developed in line with environmental and occupational health and safety (OHS) risks are implemented through measures such as hazard elimination, substitution, engineering controls, and the use of personal protective equipment (PPE). These measures ensure the achievement of safety and sustainability goals.

### Employee Participation and Safety Culture

At Korozo Group, we build occupational health and safety on a robust safety culture that actively promotes employee participation. We establish Occupational Health and Safety Committees as key platforms where employees share process-related suggestions, evaluate performance, and discuss improvement areas. Through annual management review meetings, we assess the previous year's performance and set new objectives for the upcoming period.

Korozo's **Occupational Health and Safety Champions** lead the creation of a safe working environment and promote a sustainable safety culture across the organisation. They regularly organise events to raise awareness in the field of occupational health and safety, work to enhance employees' safety consciousness, and focus on reducing accident risks. These efforts ensure the continuity of the safety culture, encourage employees to actively participate in safety processes, and translate their contributions into tangible outcomes.

## Committees and Employee Representatives

Korozo Group has various committees prioritising occupational health and safety, with the **Occupational Health and Safety Board, the Champion System Committee** and the **Sustainability Committee** being the most prominent.

Employee representatives participate actively in social compliance and safety processes, attending committee meetings and sharing their input after being selected through a nomination process. These representatives, who encompass 2% of the workforce, serve across a broad spectrum of roles. Meanwhile, the **Sustainability Committee** typically comprises white-collar employees and a leadership group of mentors and managers under the **Champion System**, which is responsible for ensuring the effective implementation of occupational safety systems.

## Security Procedures and Behaviour Based Safety Observation System

The systems introduced at Korozo Group, such as **Life-Saving Rules** and **Behaviour-Based Safety Observations (BBS)**, play a crucial role in ensuring the safety of employees. The effectiveness of these processes is continuously monitored and enhanced through internal audits and regular training programmes. New starters are assigned to day shifts only until they complete their induction process and wear special uniforms to indicate they are undergoing

training. Furthermore, employees carry out an average of 10 behaviour-based safety observations each month, actively supporting occupational health and safety practices and contributing to ongoing improvements in this area.

## Proactive Safety Approach and Continuous Improvement

The sustainability of Korozo's safety culture is based on a proactive approach. Champions conduct regular safety audits and share lessons learnt from incidents with colleagues to spread awareness.

Adhering to the principles of the Hierarchy of Controls, we rigorously implement measures such as hazard elimination, substitution methods, engineering and administrative controls, and consider the use of personal protective equipment as a last option. In addition, additional safety measures are taken through machine-based analyses, and operational safety standards are maintained regularly.

This comprehensive approach to occupational health and safety not only ensures employees' safety but also significantly contributes to achieving Korozo's sustainability and long-term success goals. We use technological innovations to increase communication and awareness and encourage the active participation of our employees in the process through tools such as hazardous situation notifications, WhatsApp groups, and behaviour-oriented safety observations.



# Human and Employee Rights

At Korozo Group, we are dedicated to fostering a fair, safe, and healthy working environment that upholds human rights. We take a meticulous approach to the rights, social and economic support, and working conditions we provide to our employees. Respect for human dignity and full compliance with national and international legal standards are fundamental to our operations. Guided by this commitment, we strive to maintain the highest standards for both our employees and our business practices.

## 1 Insurance and Fringe Benefits

In addition to providing employees with their salary entitlements, Korozo Group offers various fringe benefits and opportunities to support them socially and economically. A range of additional benefits and incentives are available for both blue- and white-collar employees:

- Shopping vouchers three times a year, chocolates on holidays, bagels on holy days and winter fuel allowance.

In addition, as part of the Operational Excellence awards, events such as the “I Have a Suggestion” award, zero-accident day celebrations, and near-miss/hazard recognition award ceremonies are organised. During these events, employees are given gift vouchers. The company also offers employees who qualify for retirement the option to continue working in a retirement status, subject to managerial approval. Employees may choose to take advantage of this option or discontinue working upon retirement if they prefer.

- We offer our employees various benefits such as health insurance, pension plans, meal allowances and transport support. These benefits aim to improve the well-being of our employees and support work-life balance.
- Two gross salary bonuses are paid annually for blue-collar employees.
- As part of the performance system, bonuses are awarded. Blue-collar employees receive performance-based bonuses linked to attendance and achieving specific targets.

# Human and Employee Rights

## 2 Working Conditions and Overtime

Korozo Group adopts an approach that ensures full compliance with international standards and local regulations when structuring working conditions. The company believes that protecting the well-being and health of its employees is just as important as maintaining productivity.

Accordingly, work hours are meticulously planned. Flexibility is provided for employees at our facilities, with monthly working hours ranging from 160 to

270 hours, depending on workload. This flexible work arrangement enables employees to maintain a healthy work-life balance and fosters a more supportive and sustainable working environment.

Ensuring that our employees receive fair and timely compensation for their efforts is among Korozo Group's top priorities. In this regard, overtime payments are calculated at a minimum rate of 125% in strict compliance with local regulations and are paid in full and on time. By guaranteeing that employees

receive the wages they deserve, our company also strives to boost motivation and productivity in the workplace.

Understanding the vital importance of rest and rejuvenation for employee health, Korozo Group actively encourages all employees to fully use their annual leave entitlements. Utilizing leave effectively protects employees' physical and mental well-being and boosts their long-term job performance. This approach increases

employee satisfaction while securing business continuity and productivity. All working hours and working hours are regularly monitored by card reader systems and these data are periodically analysed. In this way, each employee's hours are accurately recorded and any possible problems are immediately detected and resolved. Advanced tracking systems ensure efficient workforce management and contribute to maintaining full compliance with labour laws. This holistic approach is part of Korozo's commitment to providing a fair, transparent, and sustainable working environment by prioritizing the health and well-being of its employees.





# Human and Employee Rights

## 3 Remuneration Policy

Korozo Group adopts a fair and equitable compensation policy, determining wages transparently and ensuring no discrimination based on gender, age, ethnicity, or other factors. As a group, we regularly analyse market conditions and update wages as needed to maintain competitive levels. This approach ensures employees receive fair compensation for their efforts while we sustain our competitiveness in the labour market.

We regularly review wages and benefits, sharing all updates transparently with employees. Our internal audit mechanisms rigorously monitor payroll processes, ensuring they are managed in full compliance with legal regulations. Employees can use our open communication channels to raise questions or provide feedback on their payroll, actively contributing to process improvements.

The salaries we pay our employees exceed the minimum wage, with 95% of our total workforce earning above this standard, ensuring that every employee receives the recognition they deserve. We implement a performance-based bonus system for our white-collar employees, while blue-collar employees are similarly rewarded with bonuses and additional incentives. This structure aims to boost employee motivation and promote a performance-driven work culture.

This comprehensive and transparent compensation approach reflects Korozo Group's commitment to employee satisfaction, business ethics, and legal compliance. The fair remuneration we provide to our employees is viewed not only as a financial benefit but also as a strategic element that supports their personal development and job motivation.

# Human and Employee Rights

## 4 Parental Leave and Flexible Working Arrangements

Korozo Group provides comprehensive parental leave and flexible working opportunities to both male and female employees within the framework of legal regulations:

- For women employees, 3 months of maternity leave is defined and there is also the right to breast-feeding leave.
- Men employees are granted 5 days of paternity leave.

The company also implements a flexible working arrangement, allowing employees in many departments to work flexibly at least twice a week. Additional flexible working days can be arranged with managerial approval. Remote employees must adhere to workplace rules and remain accessible during working hours.

In 2023, 1,560 employees at Korozo Group were eligible for parental leave.

- Both men and women employees are entitled to part-time work until the child reaches school age.
- After the statutory leave period expires, employees who request it are entitled to an additional 6 months of unpaid leave.

Among them, 77 employees utilised this entitlement. All employees who completed their leave returned to their roles and resumed their duties seamlessly. This reflects Korozo Group's commitment to providing its employees with a flexible and supportive work environment.



# Human and Employee Rights

## 5 Unions, Employee Representation and Freedom of Speech

Although no trade union exists in Korozo Group, employees reserve the right to join trade unions. The employee representation system operates as a structure where employees can convey their opinions and suggestions. In addition, there is also a **social compliance representation system**, which facilitates communication between employees and management.



**Korozo Group fully supports the freedom of speech of its employees.** Our company is committed to providing its employees with a fair, equitable and safe working environment.

## 6 Employee Termination Processes

Termination processes are managed in strict compliance with all legal regulations. In cases where employees are dismissed without fault or misconduct, all legally mandated severance payments are made.

The company ensures fairness in separation processes and protects the rights of all employees.



# Human and Employee Rights

## 7 Career Development and Training Opportunities

At Korozo Group, we actively carry out rotation, promotion and internal recruitment processes to provide career development for our employees. We aim to support our employees to advance in their careers by organising professional development-oriented trainings according to performance and needs.

We provide our employees with detailed information about payroll processes,

their rights and how to read payroll information upon their recruitment. In addition, our managers responsible for payroll processes continuously improve their knowledge and skills by receiving regular training on current legal regulations and best practices.

Our policy of providing equal remuneration and career development opportunities for our female and male employees applies to all our white-collar and blue-collar employees.

## 8 Environment and Social Compliance Activities

Our company regularly organises Health, Safety, and Environment (HSE) festivals to enhance employee social engagement and strengthen the culture of workplace health and safety.

These events are enriched with competitions, training sessions, and activities designed to raise awareness and reinforce safety consciousness among employees. Active participation is encouraged, with initiatives such as

zero-accident celebrations and awards for near-miss and hazard reporting recognising employees' contributions to workplace safety.

Supported by various prizes and bonuses, these events boost employee motivation and help establish safety and environmental awareness as a lasting organisational culture. Through such initiatives, our group highlights its achievements in occupational health and safety while honouring employees' vital role in these successes, viewing it as a core corporate responsibility.

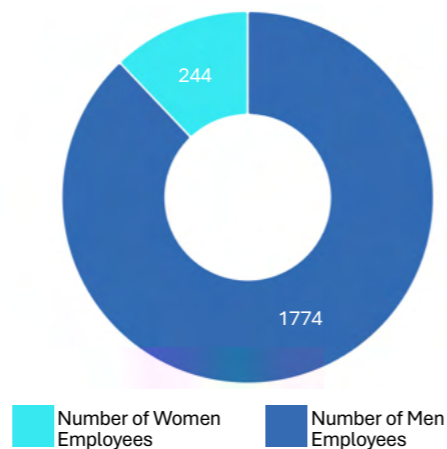
# Workforce and Talent Management

At Korozo Group, we regard our human resources as the company's most valuable asset and view the talents of our employees as the cornerstone of our organisation's sustainable success.

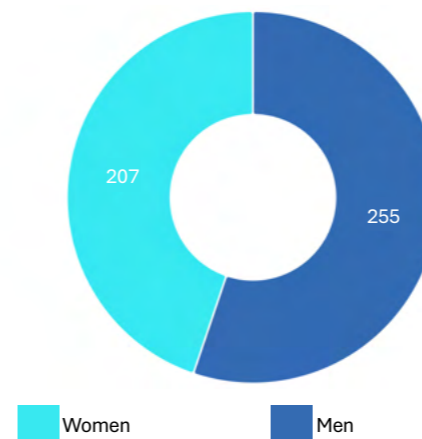
This perspective lies at the heart of Korozo's long-term growth strategies, with a strong emphasis on consistently investing in the individual skills and development of our workforce. Instead of relying on part-time or temporary staff, Korozo Group focuses on nurturing young talent, offering high school and university internship opportunities. Through these programmes, we aim to create career opportunities for future generations and support young professionals in entering the business world.

Our company empowers employees at all levels to develop innovative and environmentally friendly solutions, highlighting the crucial role these contributions play in Korozo Group's growth and success. The dedication and commitment of our employees, combined with Korozo Group's mission to create value for society, drive our ambition to deliver sustainable solutions to our customers even further.

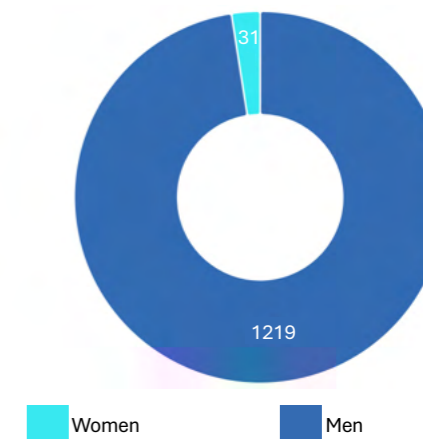
**Total Number of Employees**



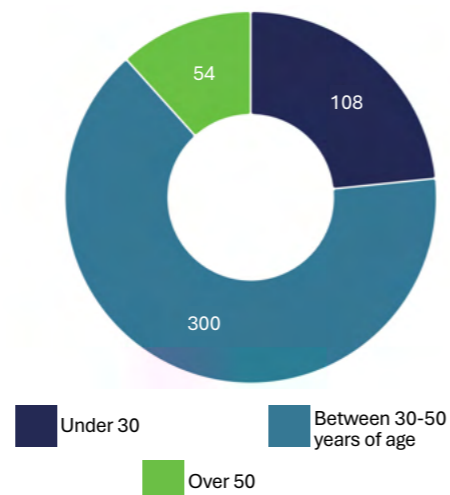
**Distribution of Employees as White Collar**



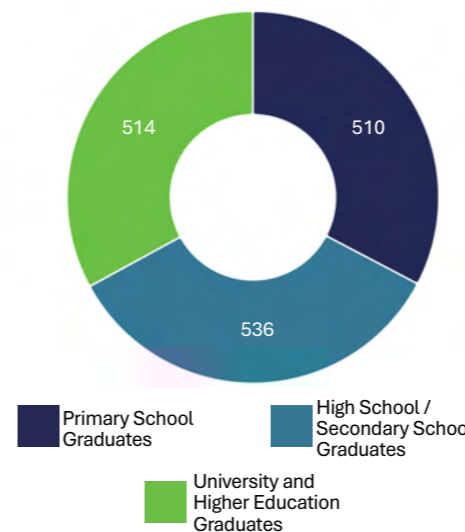
**Distribution of Employees as Blue Collar**



**Age Based Distribution**



**Employee Distribution by Education Status:**



**Total Number of Employees with disabilities: 41**

## Training and Development Processes

Korozo Group offers comprehensive training and development programmes to enhance its employees' skills and advance their careers. Embracing continuous learning and growth as one of its core principles, the company provides all new hires with on-the-job orientation training. Through the KORODAŞ system, each employee is assigned a buddy, facilitating their swift adaptation to processes while ensuring alignment with the company's values, rules, and systems.

Korozo's digital training platform, Korozo Academy, supports employees' professional and personal development by offering various training programmes under seven main categories. These categories include orientation, occupational health and safety, quality, information technology, human resources, professional and technical development, and personal and managerial development. The training sessions are conducted in both e-learning and in-person formats. Additionally, regular occupational health and safety updates are provided to help employees comply with workplace safety standards. This approach is designed with great

care to ensure that each employee receives the necessary training for career progression. While providing MYK certificates and vocational certificates to our blue-collar employees, we offer our white-collar employees various development opportunities such as leadership training, black and green belt training, and energy management, where they can develop their careers.

In addition, our HSE team also received Korozo-supported Sustainability Management training, assumed a more effective role in our sustainability processes, and increased their competencies in this field.

Furthermore, Korozo Group takes a clear stance against discrimination in talent management and the opportunities it offers employees. The company ensures equal rights and opportunities for all its employees. In line with this commitment, in-person and online training sessions are organised to support their career and personal development and are delivered through the Korozo Academy platform.

Korozo recognises that every employee is a talent and creates processes to support the development of these talents. Training programmes are planned in accordance with the career paths of the employees and it is aimed to reveal their potential. Investments made in these training and development processes make significant contributions to employees' self-development, increase their performance and the long-term success of the company.

## Performance Management and Career Development

Korozo Group aims to create a workplace that offers equal rights and opportunities to its employees. To ensure that employees can maximize their potential and advance in their careers, the company conducts regular performance evaluations.

These evaluations are carried out based on KPIs set at the beginning of the year

and reviewed at year-end to guide career development and promotion processes. The performance and potential of white-collar employees are assessed systematically once a year.

Promotion, rotation, and internal recruitment processes are effectively managed at Korozo Group. When a new position becomes available, current employees are given priority, supporting their career development through internal promotions or rotation opportunities.

This approach not only enhances employee motivation but also provides a chance to further develop their skills. Additionally, performance-based bonus systems are implemented for managerial-level employees, reinforcing a culture focused on achievement and success.

Korozo's success in this field was acknowledged with the **Respect for People Award** from one of Türkiye's leading job portals, **kariyer.net**, in both 2022 and 2023. This accolade reflects Korozo's dedication to responding to job applications promptly and attentively, treating candidates with respect, and managing recruitment processes transparently.

Additionally, **the Selection and Placement Procedure** defines the methods and responsibilities required to identify and recruit the most suitable candidates for open positions, in line with workforce planning and annual personnel budgets.

**The performance of employees in the highest governing body is evaluated by senior management.**

**These assessments are based on measurable Key Performance Indicators (KPIs), with individual performance evaluations considering not only financial metrics but also long-term sustainable development, environmental and social impacts, and adherence to corporate governance principles (ESG policies).**

**Conducted twice a year, these evaluations result in actions to address areas requiring improvement or intervention, ensuring continuous development.**

## Social Dialogue

Korozo Group developed a comprehensive management and feedback system to enhance employee satisfaction and engagement. This system incorporates employee representatives, suggestion/complaint mechanisms, and regular surveys to ensure that employees' opinions are heard.

Employee representatives participate in the Occupational Health and Safety Committee, sharing their views on workplace safety, working conditions, and other social matters with management. These meetings, held every two months, provide a platform to discuss safety findings thoroughly, identify shortcomings, and outline detailed action plans.

The company also has social compliance representatives who participate in Social Compliance Committee meetings to address topics such as working conditions, hours, and administrative requests. In both committee meetings, these representatives share employees' feedback with management and propose suggestions to improve the work environment. This process is key in shaping the company's strategies to enhance employee satisfaction and engagement.

Another key tool Korozo Group uses to boost employee satisfaction is its regular employee satisfaction and engagement surveys. The results of the Employee Engagement Survey conducted in October 2022 were analysed by an independent consultancy firm, and improvement plans were developed based on the findings.

In 2023, no new survey was conducted due to the recency of the previous one. Instead, the company focused on the improvement areas identified in the 2022 survey, creating concrete roadmaps to address them.

These plans aim to enhance employees' satisfaction with their work environment continuously.

**Korozo Group has also established various feedback mechanisms to ensure effective communication between employees and management.**

**Through platforms such as the “Ethics Hotline” and “I Have a Suggestion,” employees can directly share their suggestions and complaints with management, fostering a continuous feedback loop.**

### Complaints that can be submitted via the Ethics Hotline include:

- Unethical practices,
- Behaviour towards bribery and corruption,
- Flows of money of unknown origin and intended for laundering proceeds of crime,
- Conflict of interest,
- Personal data breach,
- Information security breach,
- Anti-competitive practices,
- Fraud,
- Threat,
- Forgery,
- Child labour, forced labour,
- Pressure and harassment, discrimination,
- Inhuman or ill-treatment, human trafficking,
- Prevention of freedom of association,
- Wages and working conditions, occupational health and safety measures, risks and emergencies, employee and stakeholder concerns.

The company hosts annual traditional plaque ceremonies to recognise employees who have shown a long-term commitment to Korozo Group. These events are seen as vital steps in

enhancing employee motivation, fostering team spirit, and strengthening loyalty among staff.

Through the “Championship System” implemented within the company, employees are supported in their responsibilities related to workplace safety, quality, and orderliness (3S).

This system encourages employees to take leadership and initiative and contributes to the positive development of the internal company culture. Champions are key in improving workplace safety and employee behaviours by implementing Behaviour-Based Safety (BBS) practices. The BBS system aims to foster a positive shift in safety culture, helping employees develop habits that promote a safer work environment.

Respect for human rights is one of Korozo Group's fundamental principles, and the company continuously monitors its performance in safeguarding and enhancing employee rights. As part of this commitment, human rights data is incorporated into sustainability KPI tables and reported regularly.

Indicators such as social dialogue and unionization rates are regarded as key measures of progress in creating a workplace rooted in human rights.

# Equal Opportunity and Fair Working Conditions

Korozo Group places its commitment to human rights and the principle of equal opportunity at the core of its business strategies. Our Human Rights Policy is designed in alignment with international standards such as the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We are committed to respecting universal human rights across all our activities and unequivocally reject all forms of discrimination. These principles are rigorously applied throughout our processes, from recruitment and working conditions to compensation and career management. Our employees and managers are expected to adhere to this policy in all their actions.

We are committed to fostering a workplace free from discrimination based on sexual orientation, ethnicity, religion, age, or any other factor. In line with the principle of “equal pay for equal work,” a fair compensation policy is implemented to safeguard the rights of all employees. This system, structured fairly based on workload and performance, also aims to maintain the highest standards of occupational health and safety, creating a secure, healthy, and

harassment-free working environment. The Ethics Committee closely monitors the prevention and management of harassment cases. As part of this effort, regular surveys, employee consultations, and training programs are conducted to ensure a respectful and inclusive workplace.

In addition, every new employee is informed about our ethical principles and our commitment to respecting human rights during onboarding processes. Our zero-tolerance policy against harassment, bullying, and all forms of discrimination is strictly enforced across all operations. In cases where a breach of ethical rules is identified, disciplinary procedures are promptly initiated, and, if necessary, measures such as the termination of employment contracts are implemented.

Our recruitment processes are free from discrimination based on race, gender, age, religion, language, ethnicity, or sexual orientation. This principle is carefully upheld across all evaluation, compensation, and termination procedures. In alignment with Diversity, Equity, and Inclusion (DEI) principles, we implement a hiring strategy that embraces individuals with diverse experiences and talents. Qualified candidates are selected

collaboratively and assessed based on objective criteria, ensuring a fair and inclusive process.

The “Respect for People Award,” which we earned consecutively in 2022 and 2023, confirms our commitment to responding promptly to job applications and treating candidates respectfully. Transparency and a responsible approach

toward candidates are fundamental principles that underpin our human resources practices and recruitment processes.

While Korozo Group currently does not employ foreign personnel, any foreign employees hired in the future will be treated under the same rights and conditions as all other employees.





## Diversity, Equity and Inclusion

At Korozo Group, we view respecting human rights and upholding the principle of equal opportunity as one of our core responsibilities. International standards shape our **Human Rights Policy**, including the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. In this context, we reject all forms of discrimination throughout our recruitment and employment processes, striving to create a fair and equitable working environment.



We are committed to continuously improving the working conditions of our employees with disabilities and ensuring their full participation in professional life.

In compliance with legal requirements, we employ individuals with disabilities and regularly conduct risk analyses to make the workplace more accessible.

Additionally, we develop emergency response plans and effectively manage

communication systems to meet the support needs of our employees with disabilities.

As part of our commitment to **gender equity**, we are taking significant steps under our gender equity policy. In 2022, Korozo Group joined the **Business Against Domestic Violence (BADV) Network** and participated in the Train the Trainer program led by the United Nations Development Programme (UNDP). Through this program, we integrated best practices to strengthen our gender equity policies and raise awareness about discrimination. We are also active members of the Women's Employment and Equal Opportunity Working Group in collaboration with the Business World and Sustainable Development Association (BCSD). Additionally, by participating in the UN Global Compact SDG Innovation Accelerator, we launched the **KOROWEP** project to increase women's employment and promote equal opportunities in the business world. To further support gender equity, we contributed to the **Future of Work and Women's Employment Project** survey, reinforcing our commitment to creating a more equitable work environment.

As part of our efforts to increase women's participation in the workforce, 7 of our employees are actively serving as mentors in the **EU-funded Developing Women Empowerment Models in Manufacturing Industry Project**, conducted in collaboration with **TISK, UNDP**, and the **Ministry of Industry and Technology**.

Additionally, we partner with the **TurkishWIN** network, contributing to projects aimed at strengthening the role of women in professional life.

We organize ethical training sessions within our company, focusing on diversity, discrimination, and harassment. These training programs are offered to our employees via the **Korozo Academy** platform and include awareness sessions on gender equity and women's rights as part of the curriculum.

We maintain active feedback channels to ensure that our female employees work in a safe, fair, and equitable environment. Aligned with our goal of increasing women's employment, we also

play an active role in BCSD's Women's Employment and Equal Opportunity Working Group.

We use a Sustainability KPI table to closely track our organization's environmental, social, and governance (ESG) performance to continuously monitor and improve our sustainability goals. As part of this effort, we monitor the gender distribution within management and supervisory roles and identify areas for improvement. Within its **Human Rights Policy** framework, Korozo Group is firmly committed to protecting employee rights, ensuring equal opportunities, and maintaining a resolute stance against discrimination.



## Child Labour, Forced Labour and Human Trafficking

At Korozo Group, ensuring that our employees, suppliers, and business partners work in a fair, safe, and ethical environment remains one of our core responsibilities under the Human focus of our sustainability strategy. In line with this commitment, we implement policies that address key ethical and social responsibility principles, such as preventing **child labour, forced labour, and human trafficking and combating discrimination and harassment**. During the onboarding process, we provide **awareness training** on these topics to ensure all employees are informed.

**Additionally, ETI Base Code posters are displayed across our workplaces, and both managers and employees have received compliance training aligned with these standards.**

**Sedex audits and external inspections** independently assess our compliance with social responsibility standards. In addition, our internal audits focus on preventing child labour, forced labour and human trafficking, conducting risk assessments to ensure the work environment is established and maintained in line with ethical standards. To date, no violations or instances of non-compliance have been identified during these audits.

**Our Ethics Committee** regularly implements measures to prevent violations related to child labour, forced labour and human trafficking. Employees and other stakeholders can report unethical practices they encounter by emailing etik@korozo.com.tr. All reports are handled confidentially, and it is guaranteed that no adverse action will be taken against the reporting individual, provided the report is made in good faith. Should any misconduct be identified, our **Disciplinary Committee** will promptly initiate the necessary actions.

**As a member of the UN Global Compact, we explicitly state that no employees under the age of 18 are accepted, with young workers only employed in internship positions.**

These policies are rigorously monitored during internal audits. Additionally, we expect all our suppliers and subcontractors to adhere to the **same high ethical standards**, regularly verifying compliance through **supplier surveys** and **social compliance audits**.

At Korozo Group, we use a range of sustainability KPIs (Key Performance Indicators) to monitor and evaluate our environmental, social, and governance performance. Our social KPI table specifically tracks critical issues such as child labour, forced labour and human trafficking. These metrics are reported and monitored through Sedex audits.

### Child Labour and Protection Policies

At Korozo Group, we do not allow the employment of individuals under the age of 18. Our child labour prevention policies aim to protect children's rights to education and development, in this direction, we have written policies on the prohibition of child labour in our factories and these policies are meticulously implemented. As a result of our full compliance with the legislation on child labour, we have not experienced any non-compliance cases related to the subject. The road map we have determined against a possible situation in line with our zero-tolerance perspective in child labour is as follows:

#### Authentication and Age Control

The identity documents of all candidates are carefully examined and their ages must be verified. Identity photocopies and birth dates of our employees are kept in accordance with the Law on the Protection of Personal Data (PDPL) to ensure that no child labour under the age

of 18 is employed in our workplace.

#### The Process to be Applied if Child Labour is Detected

If a child labourer under the age of 15 is detected, action must be taken immediately. Firstly, collect the identity and personal information of the child and investigate whether the situation has developed without the knowledge of our company. If necessary, our processes should be reviewed and strengthened. Contact the child's legal guardians and ensure that the child is safely returned to his/her family.

#### Our Policies on Combating Forced Labour and Human Trafficking

At Korozo Group, we adhere to a zero-tolerance policy regarding forced labour and human trafficking. Ensuring that all employees work entirely on a voluntary basis and strictly prohibiting any form of forced labour are among our core principles. Working hours are meticulously regulated in full compliance with legal requirements and internal company policies.

All employees' legal rights and official payments are fulfilled completely and on time, with no tolerance for forced labour in any capacity. Should such a situation be identified, immediate action is taken, and the matter is promptly addressed and resolved.

We clearly communicate our expectation that suppliers and subcontractors adhere to the same ethical standards.

Accordingly, all subcontractors' Social Security Institution (SGK) documents are carefully reviewed, and individuals without insurance or under the legal working age are not permitted entry to Korozo sites. Suppliers and subcontractors must comply fully with company rules while at our facilities. Identity and age verification are conducted at facility entrances, and access is granted only after all documentation has been thoroughly checked.

In addition, through our sustainability surveys for suppliers, we clearly communicate our social compliance requirements and regularly audit the working conditions of select suppliers. The measures we take against forced labour and human trafficking apply not only to our employees but also to all stakeholders, including subcontractors and visitors.



# Corporate Social Responsibility

Our group places sustainability at the core of every stage, from sourcing and production to post-use recycling of our products. This approach is embraced as an internal principle, and we are actively developing policies to encourage our customers to adopt the same awareness. We believe our products significantly contribute to addressing critical global and national challenges, including water wastage and pollution, food waste, and unnecessary waste generation, by targeting these issues on three fronts.

Koroplast's baking papers, produced by one of Koroza's group companies, significantly reduce the need for washing by keeping baking trays cleaner, thereby lowering water consumption. This also decreases the use of chemical cleaning products. In the same category of kitchen auxiliary products, cooking bags and wrap-and-cook products promote energy efficiency by allowing food to cook faster.

Regarding food wastage, our storage products (freezer bags, fresh-keeping bags, ziplock bags, and cling film) ensure that food is preserved for longer and healthily.

Especially considering that most of the annual meat production in Türkiye takes place during the Eid al-Adha period, we fulfil the need for long-term and healthy meat storage. Since ziplock bags are reusable, they also reduce the amount of

household waste.

In terms of waste management, the waste bags we produce offer a controlled waste collection method. This reduces environmental pollution and ensures that waste is properly collected and sent to the relevant waste collection centres.

Oxo-degradable trash bags we produce are an environmentally friendly product as they decompose into nano-parts as a result of contact with the sun and air for two years and contribute to the reduction of environmental pollution in this respect.

Aligned with our sustainability goals, we have been implementing social responsibility projects since 2001, aiming to make each initiative long-lasting. In this context, we collaborate with NGOs working on sustainability, environmental cleanliness, and recycling efforts, using our products to support these initiatives. Our projects are designed to facilitate waste collection, raise awareness about recycling, reduce environmental pollution, and promote the reuse of waste through recycling.

To reduce environmental pollution, Koroza collaborated with municipalities and non-governmental organizations on numerous projects to clean streets and coastlines. As part of these efforts, Koroza partnered with Beyoğlu Municipality on the Beyoğlu'nu Temiz Tutmak Elinizde (Keeping Beyoğlu

Clean is in Your Hands) campaign and supported TURMEPA's coastal cleaning initiative in 2012 by donating 50,000 trash bags, contributing to the collection of 650,000 kilograms of waste in tourist bays.

Additionally, in the same year, Koroza facilitated the Clean Up the Med (Akdeniz'i Temiz Tutalım) campaign at Caddebostan Beach, an initiative conducted simultaneously across Mediterranean countries, including Türkiye, with the support of environmentally focused NGOs.

**Aligned with the same goals, Koroplast has provided trash bag support to İstanbul Metropolitan Municipality, Bodrum Municipality, and Gündoğan Municipality, as well as garbage apparatus support to Sarıyer Municipality, Adalar Municipality, and Kadıköy Municipality. Since 2014, Koroplast has also supported Fatih Municipality's Yedikule Animal Shelter by supplying trash bags for caring for cats and dogs.**





### #trashtagtürkiye Social Media Campaign:

We have been running the #trashtagtürkiye social media campaign since 2019. This campaign has turned into a sustainable project with the main roof discourse 'Easier Together' in line with our recycling and waste reuse goals.



### Recycling Training and Workshops

In cooperation with ÇEVKO and TOÇEV, recycling training was provided to 9,000 students in 40 schools in the 2022 and 2023 academic years. Storybooks were distributed to these schools, and recycling units were sent to raise awareness.

Surveys showed that students' recycling awareness increased by 94.1%. In addition, 10,066 children were reached through 90 'Recycling Workshops' organised at Kidzania and Migros events.



### Plastic Reduction Targets

Within the scope of the Business World Plastics Initiative (iPG), we achieved the 360 tonnes of plastic reduction target we set for 2023 by 131% and reached 472 metric tonnes.



### The Girl Whispering to Birds Project

The children's book The Girl Whispering to Birds, created by recycling waste, was launched in March 2022. 1,000 outer covers of the book were produced by recycling collected waste. The book has been delivered to 31,000 children and its digital version has received 135,000 visits. In addition, the storybook was adapted to the theatre play and met with 941 children in 13 plays. In 2024, it will continue to be staged in cooperation with DasDas. The digital version of the book is available on [www.koroplast.com](http://www.koroplast.com) and children can listen to a narrator simultaneously while reading the book.



### Artificial Intelligence Supported Campaign

In 2023, we launched the campaign "Yapay Zeka ile Genişletildi, İnsan Eli ile Kırletildi" (Expanded by Artificial Intelligence, Polluted by Human Hands) to raise awareness on environmental awareness. This campaign received over 35 million views and won awards at the Social Benefit Awards and İstanbul Marketing Awards.



### Waste Collection Movements at 40 Different Points

In 2021, we established a team with NGOs, municipalities and volunteers within the scope of the 'waste collection movement at 40 different points' we started in 2021, and we worked to raise awareness in many provinces of Türkiye. In August and September, beaches, nature parks, and green areas in İstanbul, Adana, İzmir, Antalya, Kocaeli, and Mersin were cleaned by a team of Koroplast employees and volunteers. A total of 18,257 recycling bags and 8,000 kg of waste were collected and delivered to the recycling facilities of the relevant municipalities and sorted.



### Awards

Koroplast received numerous awards for its sustainability and social responsibility projects. At the **Brandverse Awards**, it won a bronze award in the "Social Responsibility and Sustainability" category under the "**Combatting Waste and Recycling**" section. Additionally, in 2023, our campaign "**Yapay Zeka ile Genişletildi, İnsan Eli ile Kırletildi**" an award at the **İstanbul Marketing Awards** and was recognised as one of the year's most admired projects by **Marketing Türkiye**.



### Support after Earthquake:

The earthquake disaster in our country brought profound sorrow to our society. As Korozo Group, we continued to provide support with a heightened sense of responsibility during these challenging times. Believing in the power of community solidarity, we focused our efforts on helping to heal the affected region and rebuild lives. To address immediate needs, we provided hygiene products and shelter solutions, making a significant contribution to the emergency relief process.

On March 8th, International Women's Day, we further highlighted the resilience of women and the importance of solidarity by supplying hygiene kits specifically for women affected by the earthquake in honour of each of our female employees.

These efforts reflect our commitment to going beyond immediate aid, aiming to provide sustainable contributions to long-term recovery and the rebuilding of society.



### The Transformation Kitchen and the Transformation Hero

Since 2022, we have been continuing the "**Transformation Kitchen**" series with Aydan Üstkanat. Additionally, through the "**Transformation Hero**" video series, we provide educational content to encourage children to take concrete actions in recycling.





# APPENDICES

# Glossary

- AEO: Authorised Economic Operator
- AFD: Agence Française de Développement
- ASB: European Free Zone
- BADV: Business Against Domestic Violence Network
- BRC: British Retail Consortium
- BOPET: Biaxially Oriented Polyethylene Terephthalate
- BOPA: Biaxially Oriented Polypropylene
- BOPP: Biaxially Oriented Polyamide
- BU: Business Unit
- CAS: Card Access System
- CEFLEX: Circular Economy for Flexible Packaging
- COSHH: Control of Substances Hazardous to Health
- CSR: Corporate Social Responsibility
- CTI: Circular Transitional Indicators
- ÇEVKO: ÇEVKO Foundation
- DEEP: Technical Assistance Project for the Assessment of Türkiye's Potential for Transition to Circular Economy
- DNS: Domain Name System
- EBRD: European Bank for Reconstruction and Development
- EDR: Endpoint Detection and Response
- ERP: Enterprise Resource Planning
- ESG: Environmental, Social, Governance
- EU: European Union
- FMEA: Failure Modes and Effects Analysis
- GLP: Good Laboratory Practice
- GRI: Global Reporting Initiative
- HSE: Health, Safety, and Environment
- ILO: International Labour Organization
- ISCC: International Sustainability and Carbon Certification
- ISO: International Organization for Standardization
- ITSM: Information Technology Service Management
- LSS: Lean Six Sigma
- MCC: Multi-color Corporation
- MEB: Ministry of National Education
- MES: Manufacturing Execution System
- MSCI: Morgan Stanley Capital International
- OECD: Organisation for Economic Cooperation and Development
- OHS: Occupational Health and Safety
- OHSAS: Occupational Health and Safety Assessment Series
- PDPL: Personal Data Protection Law
- PE: Polyethylene
- PP: Polypropylene
- PIW: Public Infrastructure Works
- QDMS: Quality Document Management System
- SAP: Systems Analysis and Program Development
- SASB: Sustainable Accounting Standards Board
- SBTi: Science Based Targets initiative
- SDG: Sustainable Development Goals
- SEDEX: Supplier Ethical Data Exchange
- SIEM: Security Information and Event Management
- SKD: BCSD Türkiye
- TMM: Türkiye Materials Marketplace
- TOÇEV: Tüvana Foundation for Children Willing to Study
- TÜBİTAK: Scientific and Technological Research Council of Türkiye
- UN: United Nations
- UNDP: United Nations Development Programme
- UNGC: United Nations Global Compact
- UNICEF: United Nations Children's Fund
- VERBİS: Data Controllers Registry Information System
- WBCSD: World Business Council for Sustainable Development
- WEF: World Economic Forum
- ZWL: Zero Waste to Landfill



# Economic Performance Indicators

Korozo Group Financial Data (Euro)	2021	2022	2023
Donations & grants	9.966	9.259	31.881
CAPEX investments	17.717.109	15.819.255	5.617.033
Incentives	2.896.093	3.289.073	1.705.919
Net sales	324.967.755	390.889.863	269.224.996

# Environmental Performance Indicators

ENERGY			
Energy Consumption Data	2021	2022	2023
Total renewable energy consumption (MWh)	-	-	-
Electricity consumption (kWh)	64.916.753,39	88.130.107,54	72.015.854
Natural Gas (kWh)	168.788.083	78.874.716	47.957.516
LPG (L)	-	-	1.162.000
Diesel (L)	18.579	126.411	194.406
Gasoline (L)	-	-	52.041
Total energy consumption (MWh)	-	141.024	129.590
Energy intensity (MWh/ton)	-	1,8	1,91
Reducing Energy Consumption	2021	2022	2023
Electricity savings (kWh)	-	2.549.055	1.037.792,45
Natural gas savings (sm <sup>3</sup> )	-	394.890	21.176,56
Financial savings (EUR)	-	676.618	147.728,59

WATER				
Water consumption data (m <sup>3</sup> )		2021	2022	2023
<b>Korozo Flexibles</b>	Total water consumption (m <sup>3</sup> )	11.392	96.592	87.995
	Water discharge (m <sup>3</sup> )	11.392	96.592	87.995
	Water density (m <sup>3</sup> /employee)	59,9	53,9	56,6
<b>Sareks</b>	Total water consumption (m <sup>3</sup> )	4.001	6.267	6.232
	Water discharge (m <sup>3</sup> )	4.001	6.267	6.232
	Water intensity (m <sup>3</sup> /employee)	22,5	25,5	44,2
<b>Korozo Consolidated Group</b>	Total water consumption (m <sup>3</sup> )	15.393	102.859	94.227
	Water discharge (m <sup>3</sup> )	15.393	102.859	94.227
	Water intensity (m <sup>3</sup> /employee)	59,14	54,3	52,84
	Total water recycled and reused (m <sup>3</sup> )	1.809	1.809	1.297

EMISSIONS					
Emission data (tonne CO <sub>2</sub> equivalent)			2021	2022	2023
Korozo Flexibles	İstanbul Esenyurt	Scope 1	-	2.798,35	4.203,44
		Scope 2	-	15.036,94	13.080,32
		Scope 3	-	112.761,54	131.608,30
		Scope 3 Purchased goods and services	-	88.935,51	112.204
		Scope 3 Capital goods	-	0,79	2
		Scope 3 Fuel and energy activities	-	6.353,38	5.041
		Scope 3 Upstream transportation and distribution	-	13.447,86	12.636
		Scope 3 Operational waste	-	145,86	152
		Scope 3 Business travel	-	159,65	246
		Scope 3 Employee transportation	-	658,41	530
		Scope 3 Downstream transportation	-	2.440,77	259
		Scope 3 End-of-life of products sold	-	619,31	537
		<b>Total amount of emissions (Scope 1-2-3)</b>		-	<b>130.596,83</b>

EMISSIONS					
Emission data (tonne CO <sub>2</sub> equivalent)			2021	2022	2023
Korozo Flexibles	Tekirdağ Çorlu	Scope 1	-	9.445,68	6.520
		Scope 2	-	11.221,53	12.498
		Scope 3	-	122.732,79	146.378
		Scope 3 Purchased goods and services	-	92.234,23	121.726
		Scope 3 Capital goods	-	1,98	21
		Scope 3 Fuel and energy activities	-	6.046,65	5.550
		Scope 3 Upstream transportation and distribution	-	18.911,67	15.955
		Scope 3 Operational waste	-	202,59	157
		Scope 3 Business travel	-	32,26	168
		Scope 3 Employee transportation	-	2.270,88	653
		Scope 3 Downstream transportation	-	2.500,70	1.702
		Scope 3 End-of-life of products sold	-	581,83	446
		<b>Total amount of emissions (Scope 1-2-3)</b>		-	<b>143.400,00</b>

EMISSIONS					
Emission data (tonne CO <sub>2</sub> equivalent)			2021	2022	2023
Korozo Flexibles	İzmir Çiğli	Scope 1	-	264,30	238
		Scope 2	-	4.075,16	4.064
		Scope 3	-	22.951,73	22.551
		Scope 3 Purchased goods and services	-	16.391,25	17.053
		Scope 3 Capital goods	-	4,32	5
		Scope 3 Fuel and energy activities	-	1.630,33	1.475
		Scope 3 Upstream transportation and distribution	-	4.080,75	3.619
		Scope 3 Operational waste	-	14,10	16
		Scope 3 Business travel	-	0,00	0
		Scope 3 Employee transportation	-	79,42	79
		Scope 3 Downstream transportation	-	635,87	185
		Scope 3 End-of-life of products sold	-	115,69	118
		<b>Total amount of emissions (Scope 1-2-3)</b>	-	<b>27.291,19</b>	<b>26.853</b>
	İstanbul Esenyurt + Tekirdağ Çorlu + İzmir Çiğli	Reduced Greenhouse Gas Emissions (Scope 1-2)	-	3.427,36	2.238

EMISSIONS					
Emission data (tonne CO <sub>2</sub> equivalent)			2021	2022	2023
Sareks	Tekirdağ Çerkezköy	Scope 1	-	857,61	410
		Scope 2	-	2.835,60	2.045
		Scope 3	-	23.356,35	9.051
		Scope 3 Purchased goods and services	-	17.745,29	6.188
		Scope 3 Capital goods	-	30,14	52
		Scope 3 Fuel and energy activities	-	1.174,80	791
		Scope 3 Upstream transportation and distribution	-	3.502,34	1.387
		Scope 3 Operational waste	-	33,92	20
		Scope 3 Business travel	-	12,02	52
		Scope 3 Employee transportation	-	64,43	62
		Scope 3 Downstream transportation	-	651,85	384
		Scope 3 End-of-life of products sold	-	141,56	115
		<b>Total amount of emissions (Scope 1-2-3)</b>	-	<b>27.049,56</b>	<b>11.506</b>

EMISSIONS					
Emission data (tonne CO <sub>2</sub> equivalent)			2021	2022	2023
Korozo Consolidated Group	Korozo Ambalaj + Sareks	Scope 1	-	13.365,94	11.372
		Scope 2	-	33.169,23	31.687
		Scope 3	-	281.802,41	309.588
		Scope 3 Purchased goods and services	-	215.306,28	257.171
		Scope 3 Capital goods	-	37,23	80
		Scope 3 Fuel and energy activities	-	15.205,16	12.857
		Scope 3 Upstream transport and distribution	-	39.942,62	33.598
		Scope 3 Operational waste	-	396,47	345
		Scope 3 Business travel	-	203,93	466
		Scope 3 Employee transport	-	3.073,14	1.325
		Scope 3 Downstream transport	-	6.229,19	2.530
		Scope 3 End-of-life of products sold	-	1.458,39	1.216
		<b>Total amount of emissions (Scope 1-2-3)</b>	<b>-</b>	<b>328.337,58</b>	<b>352.647,23</b>
		Greenhouse gas mitigation rate (Scope 1-2)	-	8%	16%
		Greenhouse gas mitigation target* (Scope 1-2)		50,4%	50%
		Greenhouse gas emission intensity (tonnes CO <sub>2</sub> /employee)	-	173,36	203
		<b>Total weight of air pollutants (tonnes) **</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
		SOx emissions	-	-	0,0301
		NOx emissions	-	-	12,82871
		VOC emissions	-	-	1,118705
PM emissions	-	-	1,783223		

WASTE							
Amount of waste (tonnes)			2021	2022	2023		
Korozo Flexibles	<b>Total amount of waste</b>		<b>16.269</b>	<b>15.925</b>	<b>13.859</b>		
	Hazardous waste		1.735	1.767	1.415		
	Prepared for reuse	394	23%	403	23%	310	22%
	Recycling	643	37%	636	36%	594	42%
	Incineration	698,62	40%	726,46	41%	511,09	36%
	On-site Collection	0,43	0,02%	0,86	0,04%	0,05	0,00%
	<b>Non-hazardous waste</b>		<b>14.534</b>	<b>14.158</b>	<b>12.443</b>		
	Prepared for reuse	1.926	13%	2.017	14%	1.590	13%
	Recycling	12.267	84%	9.833	69%	9.805	79%
	Incineration	340,78	2%	2.308,4	16%	1.048,1	8%
	On-site Collection	0	0%	0	0%	0	0%

ATIK							
Amount of waste (tonnes)		2021		2022		2023	
Sareks	<b>Total amount of waste</b>	<b>16.269</b>		<b>15.925</b>		<b>13.859</b>	
	Hazardous waste	1.735		1.767		1.415	
	Prepared for reuse	394	23%	403	23%	310	22%
	Recycling	643	37%	636	36%	594	42%
	Incineration	698,62	40%	726,46	41%	511,09	36%
	On-site Collection	0,43	0,02%	0,86	0,04%	0,05	0,00%
	<b>Non-hazardous waste</b>	<b>14.534</b>		<b>14.158</b>		<b>12.443</b>	
	Prepared for reuse	1.926	13%	2.017	14%	1.590	13%
	Recycling	12.267	84%	9.833	69%	9.805	79%
	Incineration	340,78	2%	2.308,4	16%	1.048,1	8%
	On-site Collection	0	0%	0	0%	0	0%
	Korozo Group	<b>Total waste</b>	<b>16.269</b>		<b>15.925</b>		<b>13.859</b>
Total hazardous waste		1.790		1.842		1.472	
Total non-hazardous waste		15.922		15.602		13.255	
Total prepared for reuse (Total weight of recycled input materials)		2.438		2.591		2.012	
Total recycling (Total weight of recovered waste)		14.192		11.765		11.111	

OTHER			
	2021	2022	2023
Percentage of recycled input materials *	-	-	61%
Production amount (tonnes)	76.938	71.442	63.237
Percentage of environmental risk assessments among all operational facilities	-	100%	100%
Percentage of new suppliers assessed using environmental criteria (%)**	-	100%	100%
Number of suppliers whose environmental impacts are assessed	-	671	805
Number of suppliers assessed as high and medium risk	-	199	258
Number of suppliers assessed as low risk	-	472	547
Other indicator of the percentage of environmental actions implemented in all company operations	100%	100%	100%

# Social Performance Indicators

EMPLOYMENT							
Number of employees		2021		2022		2023	
Korozo Ambalaj	<b>Total number of employees</b>	<b>1786</b>		<b>1708</b>		<b>1566</b>	
	Women	186	10,40%	204	11,90%	230	14,68%
	Men	1600	89,59%	1504	88,06%	1336	85,31%
	<30	99	25,00%	108	26,02%	100	23,20%
	30-50	50	12,63%	252	60,72%	279	64,73%
	>50	247	62,37%	55	13,25%	52	12,06%
	<b>Number of white-collar employees - total</b>	396		415		431	
		Women	Men	Women	Men	Women	Men
		152	244	169	246	194	237
	<b>Number of blue-collar employees - total</b>	1390		1293		1129	
		Women	Men	Women	Men	Women	Men
		34	1356	35	1258	30	1099
	Number of white-collar disabled employees	1		2		1	
	Number of blue-collar disabled employees	42		45		41	
Total number of disabled employees	43		47		41		
Proportion of disabled employees	2,41%		2,75%		2,56%		

EMPLOYMENT							
Number of employees		2021		2022		2023	
Sareks	<b>Total number of employees</b>	<b>165</b>		<b>186</b>		<b>152</b>	
	Women	10	6,06%	12	6,45%	14	9,21%
	Men	155	93,94%	174	93,55%	138	90,79%
	<30	6	19,35%	6	18,75%	8	25,81%
	30-50	24	77,42%	26	81,25%	21	67,74%
	>50	1	3,23%	0	0,00%	2	6,45%
	<b>Number of white-collar employees - total</b>	31		32		31	
		Women	Men	Women	Men	Women	Men
		9	22	11	21	13	18
	<b>Number of blue-collar employees - total</b>	134		154		121	
		Women	Men	Women	Men	Women	Men
		1		1	153	1	120

EMPLOYMENT							
Number of employees		2021		2022		2023	
Korozo Consol- idated Group	<b>Total number of employees</b>	<b>1951</b>		<b>1894</b>		<b>1712</b>	
	Women	196	10,05%	216	11,40%	244	15,76%
	International - Women	-		-		37	
	Men	1755	89,95%	1678	88,60%	1474	84,24%
	International - Men	-		-		28	
	<b>Number of white-collar employees - total</b>	427		447		462	
	<b>Number of blue-collar employees - total</b>	1524		1447		1250	
	<b>By education level</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>			
	Primary School	663	600	510			
	High School / Secondary School	627	592	536			
	University and Higher Education	496	516	514			
	<b>Employee Turnover</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>			
	<b>Number of Newly Recruited Employees</b>	<b>344</b>	<b>217</b>	<b>192</b>			
	Women	42	43	38			
	Men	302	174	154			
	<30	194	136	119			
	30-50	148	74	71			
	>50	2	7	2			

EMPLOYMENT							
Number of employees		2021		2022		2023	
Korozo Consol- idated Group	<b>Employee Turnover</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>			
	<b>Number of Newly Recruited Employees</b>	<b>344</b>	<b>217</b>	<b>192</b>			
	<b>Total Employee Turnover - Involuntary Turnover</b>	<b>255</b>	<b>263</b>	<b>343</b>			
	Women	33	28	24			
	Men	222	235	319			
	<30	105	104	120			
	30-50	121	131	191			
	>50	29	28	32			
	<b>Total Employee Turnover - Voluntary Turnover</b>	<b>292</b>	<b>351</b>	<b>278</b>			
	Women	42	37	41			
	Men	250	314	237			
	<30	168	206	130			
	30-50	118	139	138			
	>50	6	6	10			
	Employee Turnover Rate	Blue-collar 21,22 White-collar 19,24	Blue-collar 19,84 White-collar 19,84	Blue-collar 13,9 White-collar 16,40			
	<b>Percentage of employees who quit or transfer (resignation-volunteer)</b>	-	<b>18 %</b>	<b>14%</b>			
	<b>Percentage of events such as internal recruitment, job transfer, department change</b>	-	<b>9 %</b>	<b>14%</b>			
	<b>Participation in Satisfaction Survey*</b>	-	<b>83%</b>	-			
<b>Employee Satisfaction Rate</b>	-	<b>69%</b>	-				



EMPLOYMENT				
Number of employees		2021	2022	2023
Korozo Consol- idated Group	<b>Parental Leave</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Number of employees on parental leave (Number of employees leaving for maternity leave)</b>	<b>132</b>	<b>119</b>	<b>77</b>
	Women	7	12	23
	Men	125	107	54
	<b>Number of employees returning to work after parental leave (Number of employees returning to work after maternity leave)</b>	<b>158</b>	<b>119</b>	<b>77</b>
	Women	7	12	23
	Men	151	107	54

OCCUPATIONAL HEALTH AND SAFETY			
	2021	2022	2023
Percentage of the total workforce in all positions represented in formal joint management-occupational health and safety committees (%)	100%	100%	100%
Number of deaths as a result of work-related injuries	0	0	0
Number of high-severity work-related injuries (excluding fatalities)	0	0	0
Number of days lost due to work-related injuries, deaths and illnesses	1520	729	490
Number of work-related accidents	112	57	32
Accident Frequency Rate (AFR) - Korozo Ambalaj		12,8	8,4
Accident Severity Rate - Korozo Ambalaj	332	170	127,2
Number of hours worked	4.407.553	4.200.025	3.827.705
Percentage of all operational facilities with employee health and safety risk assessments	100%	100%	100%
Percentage of the total workforce in all locations covered by formal collective agreements on working conditions	0%	0%	0%
Percentage of the total workforce in all positions covered by formally elected employee representatives	2%	2%	2%

<b>CAREER AND TRAINING</b>			
<b>Number of employees receiving training</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total number of women employees receiving training	3.368	5.361	4.160
Total number of men employees receiving training	21.282	30.763	21.853
<b>Total hours of training provided</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
White-collar	9.324	12.043	15.674
Blue-collar	25.209	40.771	35.958
Women	3.289	5.710	7.238
Men	31.244	47.102	42.633
<b>Total training hours per employee</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Average training hours per white-collar employee	-	21	32
Average training hours per blue-collar employee	-	21	28
Total Working Hours			

<b>CAREER AND TRAINING</b>			
<b>By training categories</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Hours of training for the personal development of employees	1451	1050	978
Women	249	498	513
Men	1202	552	465
Total hours allocated for ethics training	960	2009	1185
Percentage of total workforce receiving training on diversity, discrimination and/or harassment	-	77%	66%
Number of employees receiving environmental training - total	-	1098	2091
Percentage of total workforce trained (internally or externally) on environmental issues at all locations	-	64%	90%
Total hours allocated for Environmental Training	-	3202	3810
Number of employees receiving Trainer Training - total	-	15	-
Total hours allocated for Trainer Training	-	140	-
Number of employees receiving OHS Training - total	-	1309	8287
Total hours allocated for OHS Training	-	7960	19015
Number of employees receiving technical training - total	-	1156	4287
Total hours allocated for Technical Training	-	3263	14291
Percentage of total workforce in all locations that undergo regular performance and career development reviews	-	-	37%
Senior Management			9%
Middle Management			91%
Percentage of total labour force receiving career or skill-related training in all locations	100%	100%	100%

OTHER			
Other social indicators	2021	2022	2023
Percentage of all operating facilities that have been subjected to human rights reviews or human rights impact assessments	-	25%	100%
Other indicator on the percentage of implementation of labour or human rights actions in all company operations/workforce	-	100%	100%
Average salary difference rate by gender	1	1	1
Percentage of workers from minority groups and/or vulnerable workers employed in relation to the whole organisation	0%	0%	0%
Percentage of employees from minority groups and/or vulnerable employees in senior management positions (excluding the board of directors)	0%	0%	0%
Business ethics	2021	2022	2023
Percentage of total workforce trained (e.g. through e-learning) in business ethics issues	-	-	100%
Number of confirmed cases of corruption	-	0	0
Percentage of all operating facilities with a certified anti-corruption management system	0	0	0
Total number of reported cases of discrimination	0	0	0
Number of reports on the whistleblowing procedure	-	0	0
Percentage of operating facilities with internal audits/risk assessments related to business ethics issues	-	100%	100%
Number of child labour and forced labour incidents reported	0	0	0
Number of annual inspections of factories regarding child labour and forced labour	0	0	0
Number of confirmed information security incidents	0	0	0
Percentage of all operating facilities with an information security system (ISMS) certified according to ISO 27000	100%	100%	100%

OTHER			
Procurement practices	2021	2022	2023
Percentage of suppliers that have signed the sustainable supply contract/supplier code of conduct	-	-	-
Percentage of suppliers with contracts that include provisions on environmental, labour and human rights requirements*			77%
Number of suppliers assessed for social impacts		671	805
Number of suppliers assessed as high and medium risk		199	258
Number of suppliers assessed as low risk		472	547
Percentage of suppliers that have undergone a CSR assessment (e.g. survey)	-	0%	0%
Percentage of suppliers undergoing on-site CSR audit	-	-	9,9%
Percentage of procurement department employees trained in sustainable procurement across all locations	0%	30%	100%
Number of audited/assessed suppliers engaged in corrective actions or capacity building	-	-	80
ISO 27000'e göre sertifikalandırılmış bilgi güvenliği sistemi (ISMS) olan tüm işletme tesislerinin yüzdesi	100%	100%	100%

Diversity of the Board of Directors	2021	2022	2023
Number of women members			2
Proportion of women on the board of directors - Koroza Group	-	22%	22%
Number of men members		7	7
Proportion of women in senior management positions (excluding board of directors) - Koroza Group	-	28,5%	29%

Senior Management Structure	2021	2022	2023
Number of women in senior management	2	3	4
Number of men in senior management	10	10	10
Proportion of women in senior management	17%	23%	28%
Proportion of men in senior management	83%	77%	72%
Proportion of women in senior management positions (excluding Board of Directors) - Korozo Ambalaj	-	24%	28%

Product Safety	2021	2022	2023
Total number of health and safety non-compliance incidents	0	0	0
Number of product recalls (mandatory + voluntary)	0	0	0

Customer Confidentiality	2021	2022	2023
Total number of substantiated complaints of breaches of customer privacy	0	0	0

# Table of Risks

## Operational Risks

Risk Name	Risk Definition	Risk Disclosure	Created Value
<b>Supply Chain And Logistics Operations</b>	It refers to problems in the supply chain that may arise in delivery and indirectly in production due to transportation of raw materials and administrative failures.	Efforts to secure the purchasing volumes in the supply network or to produce substitute suppliers or alternative raw materials continue. Climate-related risks and opportunities were studied within the scope of the CDP survey in 2022 and added to the company's strategy and roadmap. Access to raw materials, energy crises, the effects of climate-related natural disasters on supply (e.g. material shortages in raw materials), and sustainable raw material supply are considered among the supply chain risks.	Financial Capital Natural Capital
<b>Scarcity And Availability Of Raw Materials</b>	As a product of the petrochemical industry, it refers to the inability to maintain stability in the use of plastics due to regulatory restrictions on raw materials and the minimization of the use of nonrecyclable raw materials in the long term.	Dependence on petroleum-based raw materials, which are limited and subject to market volatility, may increase operational expenditure (OPEX) costs as a result of higher raw material costs. Global policies and biopolicies affecting the availability or price of raw materials, different legislation, and emerging regulations on the use of recyclable or recycled content raw materials are evaluated.	Financial Capital Natural Capital
<b>Business Continuity</b>	It refers to potential events or conditions that could disrupt the regular functioning of a company, such as any natural disaster and emergencies such as epidemics.	Emergency action plans are available and kept up to date. Emergency notification and control systems are in place and are continuously maintained and controlled. Korozo Group's facilities in different locations are structured to compensate for each other. When earthquake events occur and production stops, business processes in facilities at risk have been made available for relocation.	Financial Capital Intellectual Capital Natural Capital Manufactured Capital
<b>Information Security</b>	Threats such as information security/cyberattacks are evaluated as a result of digitalization and developments in the field of internet through the company's adaptation of technological developments to the way of doing business.	Improvement of information disclosure with investment plans on data backup activities, activities against external risks, and effective management activities/training are available. ISO 27001 Information Security Management System is in place.	Intellectual Capital Financial Capital
<b>Epidemic Diseases</b>	It refers to the impact of pandemics and infectious diseases affecting the world on a global scale on economic and social structures, as observed in society and in the activities of the company.	Proactive activities are carried out, and monitoring, control and observations are provided through the Workplace Health Units within Korozo Group. Periodic health checks are carried out for employees.	Human Capital Financial Capital Social and Relational Capital

## Economic Risks

Risk Name	Risk Definition	Risk Disclosure	Created Value
<b>Financial Risks</b>	It refers to the risks of general fluctuations in financial markets, price movements, volatility increases, interest rate changes, fluctuations in foreign exchange rates, or other market factors with all assets and value of the company.	Maintaining a strong balance sheet and establishing credit limits for financial flexibility is an important requirement for a company to manage financial risks. Raw material price increases, energy crisis and energy prices, changes in exchange rates, access to capital are defined as situations that can affect the assets and liabilities on the company's balance sheet.	Financial Capital
<b>Emerging And Existing Legal Regulations</b>	It refers to situations that may have a financial impact on operational processes during the company's activities in business processes and in the future projection, regarding the renewed legislation.	Within this framework, adaptation mechanisms are evaluated in line with national and international developments and policies in social arrangements included in employee rights, such as the European Green Deal, the Paris Climate Agreement, and emission pricing to be introduced by the Carbon Border Adjustment Mechanism. Even if there are pricing mechanisms that are unlikely to enter into force before 2030 for Türkiye, long-term risks are taken into account. However, if challenges arise in the European Union regarding the use of 100% recycled plastics, the situations that the Korozo Group will be affected are defined as risks. These risks are turned into opportunities through innovation efforts.	Financial Capital Natural Capital
<b>Changing Consumer Habits</b>	The awareness of the end consumers in the market and the abandonment of the use of single-use plastics means the risk of not being able to meet the demands of the company's customers as an intermediate product manufacturer in the event of a decrease in demand for non-sustainable products and services	In line with this demand, Korozo Group conducts innovative studies such as "circular economy, innovation studies, alternative raw material trials, recycled product percentage studies" in its production processes. There are efforts to increase the use of recycled materials in product content according to customer demands. R&D and innovation studies are carried out at each level of the supply chain to respond to this demand and to develop new product ranges.	Financial Capital Natural Capital
<b>Customer Satisfaction</b>	When conditions outside the company's activities or sphere of influence are taken into consideration, it refers to the risk of an inability to meet customer expectations and the loss of reputation.	Failure to meet compliance requirements may result in customer dissatisfaction and indirect loss of turnover and reputation as a result of failure to meet the expectations of customers and investors for the development of environmentally friendly technologies. In order to meet the expectations of sustainable markets, continuous improvement and development and product range expansion are carried out.	Financial Capital

## Social Risks


Risk Name	Risk Definition	Risk Disclosure	Created Value
<b>Human And Labour Rights</b>	It is associated with the importance the company attaches to the protection of fundamental human rights and occupational health and safety practices, both by its employees and suppliers.	Regular safety audits are conducted to ensure a safe working environment, and OHS standards are adhered to. All employees are provided with appropriate PPE. There is a zero-tolerance policy against discrimination and harassment, and all employees are regularly trained. Employee health programs are developed as part of the Health, Safety and Environment long term plan.	Human Capital Social and Relational Capital
<b>Employee Engagement</b>	This refers to employees leaving the company due to the inability to maintain work-life balance and employee satisfaction within the company and difficulties in finding competent and suitable employees.	Actions are taken in line with the outputs of the employee satisfaction survey. Korozo Group has conducted ergonomic risk analyses to increase employee comfort and productivity. Women's career and personal development policies are developed and new training are provided.	Human Capital Social and Relational Capital
<b>Gender Inequity In The Business World</b>	It is related to discrimination and unethical behaviours that company employees are exposed to due to their gender identity.	Within the scope of gender equity activities, Korozo joined the Business Against Domestic Violence Network (BADV).	Human Capital Social and Relational Capital
<b>Social Differences And Employee Profile</b>	It is defined as the deepening of the differences experienced by employees due to inequalities in income, education, health, employment and other social and economic factors within the society.	The company maintains its values and practices with a risk management approach and risk minimising activities.	Human Capital Social and Relational Capital

## Environmental Risks

Risk Name	Risk Definition	Risk Disclosure	Created Value
<b>Anthropogenic Impacts</b>	Packaging wastes generated as a result of all activities of the company will also have an impact on the climate crisis, which means acting responsibly in production and post-consumption processes.	Korozo Group conducts research and studies on sustainable product manufacturing through innovation efforts to develop recyclable and recycled content packaging used in production. Efficiency, closed environment system integration and recycling activities are carried out with a circularity approach in production processes.	Financial Capital Human Capital
<b>External Dependence On Energy</b>	As a result of working with energy dependent on fossil fuels, it is stated that in the event of a possible war or energy crisis, energy supply problems may occur if production cannot continue, and alternative renewable resources are not used.	Korozo Group works in accordance with legal regulations and other requirements regarding energy efficiency, energy use and energy consumption. In addition, energy performance and energy efficiency in processes are ensured in management systems by setting targets with a proactive approach. In 2022, many projects aiming to save natural gas and electricity were completed.	Financial Capital Natural Capital
<b>Climate Crisis</b>	Since the company exports 80% of its products to European countries, new regulations affecting plastics pose a risk to the packaging sector.	Korozo Group identifies risks by modelling transition risks and physical risks and increasing resilience through strategic plans. It creates results in line with scientific studies with its targets including greenhouse gas emission reduction commitments. It has set its emission reduction target as "reducing Scope 1 and Scope 2 greenhouse gas emissions by 50.4% from the base year 2022 to 2032".	Financial Capital Natural Capital Manufactured Capital



# GRI Content Index

GRI CONTENT INDEX		
For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the Turkish version of the report.		
<b>Statement Of Use</b>	Korozo Ambalaj San. ve Tic. A.Ş. has reported in accordance with the GRI Standards for the period January 1 - December 31, 2023.	
<b>Gri 1 Used</b>	GRI 1: Foundation 2021	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/ OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>MATERIAL TOPICS</b>				
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	About the Report	4	
	2-2 Entities included in the organization's sustainability reporting	About the Report	4	
	2-3 Reporting period, frequency and contact point	About the Report	4	
	2-4 Restatements of information		No correction of information has been made.	
	2-5 External assurance	About the Report	5	
	2-6 Activities, value chain and other business relationships	Organisational Structure and Operations	12- 13	
	2-7 Employees	Social Performance Indicators	119	
	2-8 Workers who are not employees		There are no subcontracted employees in the Company's operations.	
	2-9 Governance structure and composition	Corporate Governance	43	
	2-10 Nomination and selection of the highest governance body	Corporate Governance	43	
	2-11 Chair of the highest governance body	Sustainability Governance, Corporate Governance	28, 43	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	27- 28	
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance	27- 28	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance	28	
	2-15 Conflicts of interest	Combating Bribery and Corruption	46	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>MATERIAL TOPICS</b>				
<b>GRI 2: General Disclosures 2021</b>	2-16 Communication of critical concerns	Child Labour, Forced Labour and Human Trafficking	106	
	2-17 Collective knowledge of the highest governance body	Sustainability Governance	27	
	2-18 Evaluation of the performance of the highest governance body	Workforce and Talent Management	102	
	2-19 Remuneration policies	"Human and Employee Rights; Equal Opportunity and Fair Working Conditions"	97, 104	
	2-20 Process to determine remuneration	Human and Employee Rights	97	
	2-21 Annual total compensation ratio	Human and Employee Rights	97	
	2-22 Statement on sustainable development strategy	Message from the CEO	6	
	2-23 Policy commitments	Korozo Group at a Glance; Sustainability Goals: People, Packaging, Planet	10, 31-32	
	2-24 Embedding policy commitments	Corporate Governance	44- 46	
	2-25 Processes to remediate negative impacts	Effective Risk Management, Table of Risks	44- 46, 125- 128	
	2-26 Mechanisms for seeking advice and raising concerns	Values, Ethics, and Compliance; Social Dialogue	44-45, 103	
	2-27 Compliance with laws and regulations		There were no compliance violation.	
	2-28 Membership associations	Corporate Memberships	22	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	34- 35	
	2-30 Collective bargaining agreements		There is no collective labor agreement in our company.	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>MATERIAL TOPICS</b>				
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Materiality Analysis	33	
	3-2 List of material topics	Material Topics List	34	
<b>Sustainable Value Chain and Responsible Purchasing</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Sustainable Value Chain and Responsible Procurement	62-65	
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Sustainable Value Chain and Responsible Procurement	62	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Environmental Performance Indicators	118	
	308-2 Negative environmental impacts in the supply chain and actions taken	Environmentally Responsible Supplier Practices	63- 64	
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Social Performance Indicators	123	
	414-2 Negative social impacts in the supply chain and actions taken	Socially Responsible Supplier Practices	64-65	
<b>Values, Ethics and Compliance</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Values, Ethics, and Compliance	44- 47	
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Combating Bribery and Corruption	46	
	205-2 Communication and training about anti-corruption policies and procedures	Combating Bribery and Corruption	46	
	205-3 Confirmed incidents of corruption and actions taken	Values, Ethics, and Compliance; Social Performance Indicators	44, 123	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>MATERIAL TOPICS</b>				
<b>Circular Economy</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Circular Economy	81-83	
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Environmental Performance Indicators	118	
	301-2 Recycled input materials used	Environmental Performance Indicators	118	
	301-3 Reclaimed products and their packaging materials	Materials Management and Product Lifecycle	83	
<b>Energy Management</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Energy Management	74- 77	
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Energy Management, Environmental Performance Indicators	76, 114	
	302-3 Energy intensity	Environmental Performance Indicators	114	
	302-4 Reduction of energy consumption	Energy Management, Environmental Performance Indicators	74- 77, 114	
	302-5 Reductions in energy requirements of products and services	Energy Management	74- 76	
<b>Water and Wastewater Management</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Water and Wastewater Management	84- 85	
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Water and Wastewater Management	84- 85	
	303-2 Management of water discharge-related impacts	Water and Wastewater Management	84	
	303-3 Water withdrawal	Water and Wastewater Management	84	
	303-4 Water discharge	Environmental Performance Indicators	114	
	303-5 Water consumption	Water and Wastewater Management, Environmental Performance Indicators	84- 85, 114	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>MATERIAL TOPICS</b>				
<b>Biodiversity</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Biodiversity	86	
<b>GRI 304: Biodiversity 2016</b>	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity	86	
<b>Emissions and Climate Change</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Emissions and Climate Change	69- 73	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Combating Climate Change, Environmental Performance Indicators	70- 71, 115- 117	
	305-2 Energy indirect (Scope 2) GHG emissions	Combating Climate Change, Environmental Performance Indicators	70- 71, 115- 117	
	305-3 Other indirect (Scope 3) GHG emissions	Combating Climate Change, Environmental Performance Indicators	70- 71, 115- 117	
	305-4 GHG emissions intensity	Combating Climate Change, Environmental Performance Indicators	71, 117	
	305-5 Reduction of GHG emissions	Combating Climate Change, Environmental Performance Indicators	70- 72, 117	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Combating Climate Change, Environmental Performance Indicators	72, 117	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>MATERIAL TOPICS</b>				
<b>Waste Management</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Waste Management	78- 80	
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Waste Management	78- 80	
	306-2 Management of significant waste-related impacts	Waste Management	78- 80	
	306-3 Waste generated	Environmental Performance Indicators	117- 118	
	306-4 Waste diverted from disposal	Environmental Performance Indicators	117- 118	
	306-5 Waste directed to disposal	Environmental Performance Indicators	117- 118	
<b>Workforce and Talent Management</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Workforce and Talent Management	101- 103	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Social Performance Indicators	120	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human and Employee Rights	95	
	401-3 Parental leave	Human and Employee Rights, Social Performance Indicators	98, 121	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Social Performance Indicators	122	
	404-2 Programs for upgrading employee skills and transition assistance programs	Social Performance Indicators	102	
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance Indicators	122	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>MATERIAL TOPICS</b>				
<b>Safety, Health and Welfare</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Safety, Health and Welfare	90-94	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Occupational Health and Safety Management System	91	
	403-2 Hazard identification, risk assessment, and incident investigation	Safety, Health and Welfare	93-94	
	403-3 Occupational health services	Monitoring of Occupational Health and Safety Practices	92	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safety, Health and Welfare	92- 94	
	403-5 Worker training on occupational health and safety	Monitoring of Occupational Health and Safety Practices	92	
	403-6 Promotion of worker health	Safety, Health and Welfare	90	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Proactive Safety Approach and Continuous Improvement	94	
	403-8 Workers covered by an occupational health and safety management system	Safety, Health and Welfare; Social Performance Indicators	90, 121	
	403-9 Work-related injuries	Risk Analysis and Management Activities; Social Performance Indicators	93, 121	
	403-10 Work-related ill health	Safety, Health and Welfare; Social Performance Indicators	90, 121	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>MATERIAL TOPICS</b>				
<b>Equal Opportunity and Fair Working Conditions</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Equal Opportunity and Fair Working Conditions	104-107	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Diversity, Equity and Inclusion; Social Performance Indicators	105, 119-120	
	405-2 Ratio of basic salary and remuneration of women to men	Social Performance Indicators	123	
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Social Performance Indicators, Social Risks	123, 127	
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	Child Labour, Forced Labour and Human Trafficking	106- 107	
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Child Labour, Forced Labour and Human Trafficking	106- 107	
<b>Human Rights</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Human and Employee Rights	99- 100	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human and Employee Rights	99	
<b>Product Quality and Safety</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Product Quality and Safety	48	
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Sustainable Operations	48-51	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Centricity	60	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>MATERIAL TOPICS</b>				
<b>Digital Transformation &amp; Information Security</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Digital Transformation & Information Security	52-55	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Digital Transformation & Information Security	53	
<b>Innovation &amp; Product Design</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Innovation & Product Design	56-59	
<b>Corporate Governance</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Corporate Governance	43-47	
<b>Corporate Social Responsibility</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Corporate Social Responsibility	43-47	

# SDG Mapping

Sustainable Development Goals Index				
	SDG's	TOPIC TITLE		PAGE NUMBER
	3	Good Health and Well-being	Safety, Health and Welfare	90-94
	4	Quality Education	Workforce and Talent Management	101- 103
	5	Gender Equality	Equal Opportunity and Fair Working Conditions	104-105
	6	Clean Water and Sanitation	Water and Wastewater Management	84- 85
	7	Affordable and Clean Energy	Sustainable Operations, Energy Management	51, 74- 77
	8	Decent Work and Economic Growth	"Sustainability Approach, Human and Employee Rights, Workforce and Talent Management"	26, 99- 100, 101- 103
	9	Industry, Innovation and Infrastructure	Digital Transformation & Information Security, Innovation & Product Design	52-55, 56-59
	10	Reduced Inequality	Equal Opportunity and Fair Working Conditions	104-107
	11	Sustainable Cities and Communities	Emissions and Climate Change	69- 73
	12	Responsible Consumption and Production	"Sustainable Value Chain and Responsible Procurement, Waste Management, Circular Economy "	62-65, 78- 80, 81-83
	13	Climate Action	Sustainabilityrelated Disclosures, Sustainability-related Risks and Opportunities, Emissions and Climate Change	29-30, 36- 37, 69- 73
	15	Life on Land	Biodiversity	86
	16	Peace and Justice Strong Institutions	Values, Ethics, and Compliance	44- 47
	17	Partnerships to achieve the Goal	Korozo Group at a Glance	10- 11

# GHG Verification Statement

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**KOROZO GROUP**

DELIVERING SUSTAINABILITY, PACK BY PACK

