



2022 [🌱] **Sustainability Report**



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About Korozo

About the Report

Korozo Group's 2022 Sustainability Report provides information on its performance in **environmental**, **social**, and **governance** areas, which are the main pillars of sustainability.


This report, in compliance with the Sustainability Reporting Standards published by GRI, the information specified in the GRI Content Index, covers activities between January 1, 2022, and December 31, 2022, and the company will continue to report on its future performance on an annual basis. This comprehensive report covers sustainability efforts and progress in the Environmental, Social, and Governance (ESG) areas and has been prepared in accordance with the updated 2021 GRI Standards.

With 50 years of experience,

Korozo Group aims to strengthen sustainability communication with its stakeholders and provide transparent communication through this report, including the wide stakeholder structure of 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).

Korozo Group, which values the principles of continuous development and solidarity, acts with an approach that believes in the power of working together for a sustainable world and the importance of responsible production awareness.

All policies, approaches, governance philosophy, and impact management described in this report cover Vitra NV and all its facilities and operations; however, Vitra NV is not included in the numerical data unless otherwise stated. Korozo Group is referred to as "the company" and/or "Korozo Group" throughout this report.

 **The Korozo Group, which adopted the principle of sustainable growth in light of current global developments,** carefully monitors the effects of the global climate crisis and environmental performance criteria that should be addressed as a priority issue. In this regard, greenhouse gas emissions and carbon footprint calculations have been meticulously performed and presented in detail within the context of this report.



Korozo Group always carefully observes the ethical and human rights framework of its business conduct. Our organization is subject to regular financial and social audits, keeping transparency and accountability at the highest level. This report, which we are pleased to share with our customers, business partners, and all stakeholders, demonstrates our dedication to creating a better world for future generations by placing sustainability at the core of Korozo Group's business strategy.

You can contact Korozo Group at sustainability@korozo.com.tr for any queries and comments on the sustainability approach adopted within the scope of this report and other issues. Korozo Group is pleased to receive your feedback and valuable comments.



Part of a Korozo Group since 2004, Korsini Ambalaj San. ve Tic. A.Ş. was transferred to the world's largest label company, Multi-Color Corporation (MCC), as part of Korozo Group's portfolio optimization initiative.

Therefore, this sustainability report for 2022 does not include initiatives and data related to Korsini. This transfer supports Korozo Group's efforts to further grow its core business and enables the company to take an integrated approach to corporate sustainability.

We would like to thank the Korsini team for their valuable contribution to Korozo since 2004. We believe that Korsini will continue to grow sustainably, and we also wish them continued success.

Korozo CEO Message

Dear Stakeholders,

As the global economy navigates the aftermath of the COVID-19 pandemic, we find ourselves confronted with inflation, supply imbalances, and price volatility. The lingering effects of the pandemic, coupled with the ongoing Russia-Ukraine conflict and the increasing frequency of climate-change-induced natural disasters, collectively contribute to these complex macroeconomic challenges. Along with other affected sectors, the flexible packaging sector was also affected by these difficulties with the supply shortage it faced in the first months of the year. However, even as our operations struggled because of these shifting global dynamics, we maintained our leading position in the flexible packaging industry while expanding our sustainability initiatives.

50 years in the global flexible packaging arena

In the landmark year of 2023, we proudly commemorate our 50th anniversary in the global flexible packaging arena. During these 50 years, we are proud to have reached an overall production capacity of 135,000 tonnes with the help of 2,300 team members! Our innovative approach and commitment to constant improvement have gained us numerous accolades and accreditations, including the prestigious WorldStar Global Packaging Awards in the Food & Non-Food Flexibles Category for 2022. All the while, our Lean Six Sigma and Operational Excellence teams have worked hard to make Korozo Group more efficient and sustainable than ever before. In our 50th year, we have cause for great celebration despite the hardships of the previous year.

Renovating the industry with a circular approach

Looking forward, we have even greater ambitions. To uphold an exceptional level of service for our valued customers, we have established a strategic roadmap. Incorporating sustainability into our business practices

with a focus on environmental, social, and governance (ESG) pillars, our trajectory remains rooted in innovation. In line with our commitment to making all our products recyclable or reusable by 2030, we will be renovating the industry with a circular approach.

Korozo's climate goals

We closely follow developments and emerging sustainability regulations, most notably the European Green Deal. The trend towards decarbonization is only accelerating, also at Korozo. Completing the UN Global Compact Climate Ambition Accelerator Program this year, we calculated our Scope 3 emissions for the first time and received verification for all emissions calculations to ensure transparency to our stakeholders. Korozo is committed to its climate goals, and to that end, we have made the initial moves toward establishing science-based targets to reduce emissions.

Energy efficiency

Energy efficiency is key to achieving global targets on the climate crisis, limiting global warming to 1.5°C. We ensured energy efficiency through considerable changes and extensive energy optimizations in our facilities. In this context, we will continue to increase energy efficiency through our efforts.

Health and safety is our priority

Through dedication and teamwork, we boost productivity, enhance quality, minimize waste, and standardize printing and extrusion processes. Our manufacturing and support units strive to deliver superior quality service to our clients, as well as competitive pricing, reliable procedures, practical tools, and, most importantly, safe working conditions. In this context, the frequency rate of occupational accidents decreased by 43%, and the severity rate decreased by 50% compared to the previous year. Our safety champions from each department continue to contribute to the process

along with our leaders and all organizations. We place health and safety at the core and improve our occupational safety culture every day with a behavior-based safety approach.

Collaborations with top institutions in the world

We collaborate on special projects with big brands both in Türkiye and abroad. We continue to strengthen our operations and have invested more than 50 million euros over the last two years. Regarding sustainability, we collaborate with some of the top institutions in the world, including ADELPHI, EBRD, and the Business Council for Sustainable Development Türkiye (the local network and partner of the World Business Council for Sustainable Development (WBCSD) in Türkiye).

Together with the management team, we continue to further develop the Korozo culture and Vision. Our 6 fundamental company values are Safety, Customer First, Excellence, Focus on Results, Sustainability and One Team. These cornerstone Korozo values are a guide for decision-making and individual behavior. They support us to accomplish our goals in difficult times.

I want to express my gratitude to all our stakeholders, particularly to our partners and employees, who are working hard to develop and deliver Korozo Group Sustainability Strategy. We are happy to present the 2022 Korozo Sustainability Report, highlighting our organization's approach to achieving success.

Best regards,

Filip Lens

**Chief Executive Officer
Korozo Group**



Korozo in Numbers



Organizational Structure

Korozo Group stands out in the sector as a leading packaging company. Korozo Flexibles has a broad partnership structure that includes different companies such as Koroplast, Sareks, and Vitra NV.



Korozo Group has operational control over all these enterprises despite differences in ownership and participation rates.

The company's industrial production operations continue as Korozo Flexibles at its **Istanbul-Esenyurt, Tekirdağ-Çorlu, and İzmir-Çiğli** facilities in Türkiye. The **Tekirdağ-Çerkezköy** facility is where the subsidiary company Sareks manufactures.

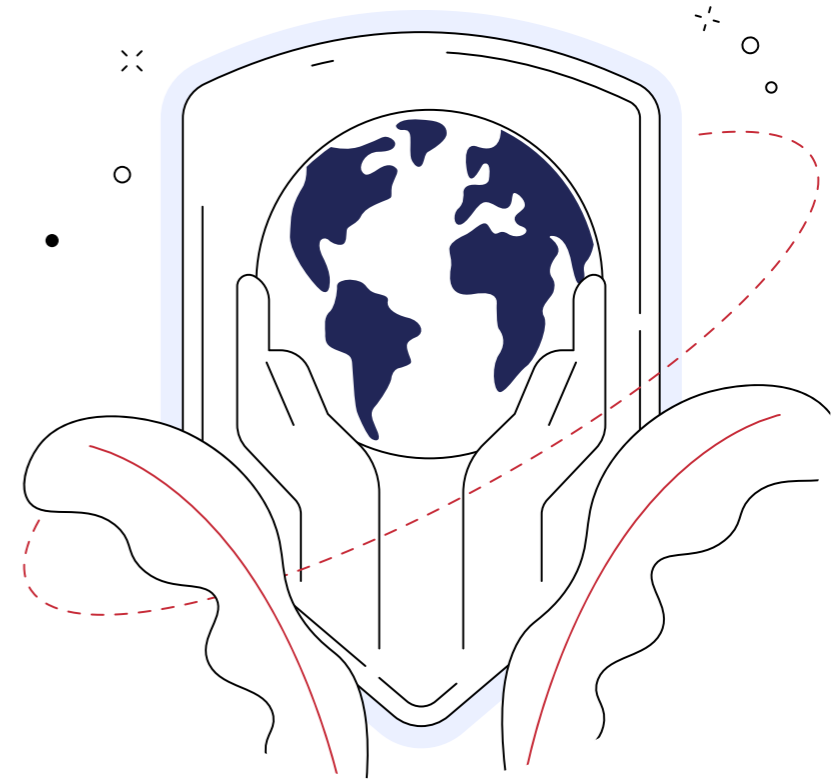
Koroplast, which began trading on the stock exchange on 28 July 2022, has one production facility in Istanbul-Esenyurt. Vitra NV carries out production in Antwerp, Belgium. As one of the leading players in the flexible packaging industry, Korozo Flexibles continues to grow by adopting the principle of sustainability.

Korozo Group's international sales offices, **Korozo GmbH, Korozo UK, Korozo SAS, Korozo**

LLC and Korozo Dış Ticaret A.Ş., are located in **Germany, England, France, Russia, and Türkiye**, respectively, and operate as a global brand through these offices.

The partnership structure of all companies under Korozo Group has various sub-companies operating in the flexible packaging sector. In the partnership structure, production is carried out in different facilities in line with the business model and marketing strategy unique to each sub-company, and different share ownerships are held.

Each company within Korozo Group aims to conduct its business in the most efficient manner and pursues a sustainable approach. The Board of Directors closely monitors the activities of each sub-company and ensures that the partnerships continue in a long-term and sustainable manner.





Production Facilities

Company	Location	Partnership Structure
 Korozo Flexibles	İstanbul-Esenyurt, Türkiye	Owner
	Tekirdağ-Çorlu, Türkiye	Owner
	İzmir-Çiğli, Türkiye	Owner
 Koroplast	İstanbul-Esenyurt, Türkiye	Subsidiary
 Sareks	Tekirdağ-Çerkezköy, Türkiye	Subsidiary
 Vitra NV	Antwerp, Belgium	Subsidiary



Sales Offices

Company	Location	Partnership Structure
 Korozo GmbH	Germany	Subsidiary
Korozo UK	United Kingdom	Subsidiary
Korozo SAS	France	Subsidiary
Korozo LLC	Russia	Subsidiary
Korozo Dış Ticaret A.Ş.	Türkiye	Subsidiary

Mission and Vision

At Korozo Group, we are committed to providing innovative products with an awareness of our economic, environmental, and social responsibilities.

Since 1973, the Korozo brand has become a leading force in the Turkish packaging industry, pioneering the sector by offering a wide range of product options, including flexible packaging, bags, films, and hygiene products to the food and non-food sectors.

Korozo Group's business strategy is based on providing innovative, market-leading products that set it apart from the competition, and it accomplishes this by investing in cutting-edge equipment and personnel who adhere to lean management principles.

To maintain its leadership in the global packaging industry, the company endeavors to excel in all its business procedures. Korozo Group attaches great importance to sustainable practices to minimize its impact on the environment and natural resources.

Additionally, Korozo Group is working to create a fully integrated supply chain with traceability at every step, from sourcing to distribution, rapid transformation, and a diversified supplier base.



Our Mission

To maintain our leading position in the global packaging industry, we are always acting responsibly towards our environment while enhancing our reputation for innovation, quality, and reliability.

Our Vision

We are committed to supporting our customers' success in the competitive market by ensuring product diversity in the sector through performing at a high level in line with our corporate values, and uncovering new opportunities with research and innovation for a better tomorrow.

History

In 1973, Korozo Group started its activities in the plastics industry, and thanks to its enterprising and innovative management, it has grown and developed continuously by becoming a company that easily competes with Europe and uses the latest technologies in a short period of time.

As a subsidiary of Korozo Group, Korozo Flexibles has pioneered the development of Türkiye's flexible packaging industry with its activities in the packaging sector and **today ranks 164th in the list of Türkiye's Top 500 Industrial Enterprises and exports to 75 countries.**

Korozo Group has 9 factories in key industrial regions of Türkiye and Belgium, and is on its way to becoming a global company with distribution and sales offices in the UK, Germany, France, and Russia. **Korozo Group employs around 2,300 people in total and is one of Europe's largest manufacturers of flexible packaging, film, hygiene, trash bag, and kitchen auxiliary products.**

Korozo Group signed a shareholding agreement with Türkiye's largest private equity investment company, Actera Group, in 2017 as part of its local and global growth plans. Continuing its investments without slowing down, the company started full-capacity production at its Çorlu factory, **Europe's largest integrated packaging facility.**

Korozo Group is one of the most exemplary organizations in its sector through its sustainability approach, practices that provide added value to the environment, economy and society, and social responsibility projects.

Did you know?

The term "**Korozo**" refers to the seeds of a palm tree found in South American rainforests, which are commonly used to make buttons.



History

About
Korozo

KOROZO GROUP
was established.

1973



Sefaköy Factory
started to produce.

1976



KOROPLAST's
Launching-
Korozo produced the first trash bag and refrigerator bag in Türkiye.

1981

Korozo received the industry's first **ISO 9001** certification.



1996



Saf Plastik was purchased from Huhtamaki.

1999



SAP system was installed.

2002

KORSINI &Saf partnership
UK office was established.

2004



BRC certification was received.

2005

SAREKS
Invested in hygiene components.

2006



Korozo received a **Sedex** membership.

2007

France office was established.

2008



2010
Korozo received **ISO 14001** certification.
ISO 22000 certification was received.

2011
Korozo became a **UN GLOBAL COMPACT** signatory.

2013
Korozo received **OHSAS 18001** certification.

2014
Construction of **Çerkezköy** and **Esenyurt K8 facilities** started.

2016
Korozo received **ISO 27001** certification.
Çorlu facility started to produce.

2017
Collaboration with **acteragroup**

2018
Korozo became a member of **CEFLEX**
Korsini was purchased.

2019
Vitrapack was purchased.
Korozo updated its OHSAS 18001 certificate and received **ISO 45001** certification.

2021
Korozo received **ISO 50001** certification.
Korozo received **PIW certification for COVID-19 measures.**
Korsini became a **HolyGrail 2.0** participant.

2022
Sustainability Committee was established.
Korsini was transferred to **Multi-Color Corporation (MCC)**.
Korozo received **ZWL (Zero Waste to Landfill)** certification.

Korozo Group at a Glance

About Korozo

In 1973, Korozo Group started its activities in the packaging sector, and thanks to its rapid growth, Korozo Group exports flexible packaging, film products, hygiene products, trash bags, and kitchen auxiliary products to 75 countries today. The company, one of Türkiye's leading industrial enterprises, has a factory in 9 regions in Türkiye and a factory in Belgium and is growing together with its sales and distribution offices in the United Kingdom, Germany, France, and Russia.

With a production capacity of more than 135,000 tonnes and a turnover of 354 million Euros, it takes its place in the production sector as one of the largest packaging manufacturers in Europe with the values it creates. Based on nearly 50 years of experience, the innovative packaging solutions developed in the flexible packaging sector have been recognized with many awards and accreditations.

Korozo Group carries out projects to minimize its environmental impact, optimize its social impact, and reinforce a sustainable organizational structure.

It integrates sustainable practices into both its approach to corporate responsibility and its way of doing business from start to finish. In addition to the most efficient use of natural resources, reduction of waste, and compliance with environmental legislations and international standards, the company also supports circular economy practices.

Efficient use of resources with a responsible production approach, social awareness, and full compliance with regulations form the basis of Korozo Group's sustainability approach. This approach not only ensures that the company fulfills its environmental responsibility but also reflects the company's commitment to leave a healthier world for future generations.

The company has played a pioneering role in the flexible packaging industry, breaking numerous barriers. Companies within the Korozo Group demonstrate their commitment to sustainability and reflect their eco-friendly approach by embracing an innovation-and-continuous-development-driven strategy.



Export to
75
countries



Factories in
9
regions



1
Factory
in Antwerp,
Belgium



Production capacity
of more than
135,000
tonnes

50
years of experience



Turnover of
354
million
Euros



Korozo Flexibles has an innovative and wide range of products offering flexible packaging solutions for food and non-food products.

🌿 **Food contact products** can be used in a wide range of applications, from cold meats to microwaveable bags, and ice cream packs with cold seals. In addition, a variety of products such as bread and bakery products, delivery bags suitable for hot and cold food, and instant drink packaging are also offered.

Non-food contact products include cosmetics, powdered drugs, diaper and sanitary pads, wet wipes, detergents, tablets, and capsules, medical packaging for devices or disposable clothing, security and carrier bags, and high-tech industrial films such as protective films, thermal lamination films, and silage films, as well as agricultural packaging products. It produces a wide range of packaging with barrier films, pouches, and flexible packaging and continues to satisfy its customers with its 11-color printing capacity to attract attention on the shelves. Thanks to its quality products, it contributes to increasing the shelf life of its customers' products.



Sareks, which produces hygiene components, has a wide range of products such as back sheets, frontal and side tape systems for babies, adult incontinence, and feminine care products.

🌿 The company, which has all complex production technology solutions such as **extrusion, lamination, coating, knitting, and printing** in its Çerkezköy and Çorlu facilities, is a leader in the global hygiene components industry in terms of innovation, quality, and sustainability with the awareness of our responsibility towards the environment.



The founder of Türkiye's trash bag and kitchen auxiliary products sector, Koroplast has always been a company that introduced trash bags to Turkish consumers for the first time in the 80s and has always been a pioneer in its sector with its planned investments.

🌿 Adopting the motto **"Easier Together,"** Koroplast offers many products that consumers may need under the same roof, such as trash bags and freezer bags, stretch film, aluminum and foil, zipper bags, oven bags, baking paper, microwave cooking bags, ice cube, and cooler bags.

In addition, trash bags with odor-trapping technology, Fresh Keeping Freezer Bags up to six times, and Wrap and Cook are among the innovative products Koroplast has recently introduced to the market.



Vitra NV and Creavit NV (Rask), founded in 1935 by the Laeremans family, specialize in the production of films, especially for food packaging.

🌿 Vitra NV produces **packaging for many end-user** markets such as bakery, confectionery, snacks, protein, and beverages using both flexo and rotogravure technologies at its modern production facility in Antwerp.

Creavit is the in-house **high-quality design and pre-press department** within Vitra. Creavit, flexographic and rotogravure printing. With a wide range of print and shape options, digital packaging models give an idea of what the final product will look like.

Awards

Korozo Flexibles and other Korozo Group firms distinguished themselves in 2022 with their award-winning packaging solutions provided to their clients and creative and ecologically friendly packaging portfolio, achieving success in their fields. These accomplishments and accolades, which are a result of the continuous improvement philosophy, demonstrate the company's high drive and the value it places on creative thinking.

Korozo was awarded in two categories by The WorldStar Global Packaging Awards "Food & Non-Food Flexibles" in 2022.

The Food Flexibles team won in the beverage category with the KORORCY Recyclable high barrier Flat Bottom Coffee Bag, one of the PE (polyethylene) based mono-material flexible packaging innovations and a sustainable alternative to traditional packaging products with 100% leak-proof properties.



The award was given to the Non-Food Flexibles team for its refill pouch, which is produced specifically for this innovative product with black spouts as opposed to just white spouts, as is typical for water bottles – with a security seal and a partial matt varnish application for increased visibility and

highlighting of the desired areas. The eco-friendly and refillable design of this product also contributed to a 78% reduction in plastic consumption.

Korozo was awarded by the ASD Turkish Packaging Manufacturers Association's **"Crescent and Stars for Packaging"** in 4 categories:

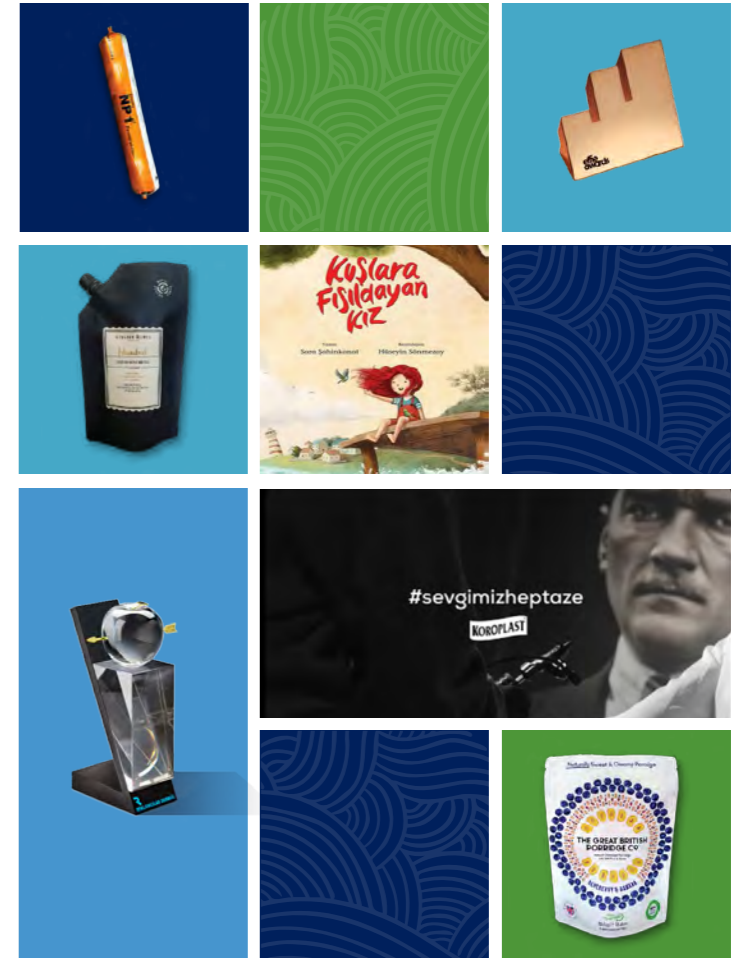
- 🌿 Silver award for the Spouted Pouch product,
- 🌿 Silver award for Sausage Packaging,
- 🌿 Bronze award for the Recyclable Stand-Up & Retort Pouch product,
- 🌿 Competence award for Recyclable Flat Bottom Coffee Pouch.

According to the results of social media studies conducted in 2022 and **Mediacat Trend Analysis**, Koroplast was among the most talked about brands of the week in the cleaning category on social media.

Koroplast won two awards at the **Istanbul Marketing Award** in the Digital Media Usage category with the digital version of the storybook **"The Girl Whispering to the Birds"** and in the Special Occasion category with the **"Our Love is Always Fresh"** advertising campaign, specially prepared to commemorate Atatürk on November 10, the anniversary of his death.

Koroplast was awarded the **Bronze Effie Award** at the Advertising Oscars Effie Awards organized by the Turkish Association of Advertising Agencies and Advertisers Association with its **"Easier Together with Koroplast"** advertising campaign.

Koroplast won the **Bronze award** in the **"Digital Special Days"** category at the **Crystal Apple festival**, Türkiye's most important creativity festival, with the **"Our Love is Always Fresh"** film prepared for the 10th of November.



At Korozo, we work with the best talent in the industry for the continued success of our company and value the people who consider joining our company. We are excited to announce that our company has been honored by **kariyer.net**, a leading job search site, with the **Respect for People Award** for both **2022** and **2023**. Winning this award is a testament to our commitment to treat every candidate with respect and respond quickly to job applications.

Projects

About
Korozo

Korozo Flexibles, a member of the Turkish Circular Economy Platform, participated in the **Circular Vouchers** program with the support of the **European Bank for Reconstruction and Development (EBRD)** and carried out a project with Adelphi.

Contributed to the **“Technical Assistance for Assessment of Türkiye’s Potential on Transition to Circular Economy”** carried out by the Ministry of Environment, Urbanization, and Climate Change with the co-financing of the Republic of Türkiye and the European Union in cooperation with the Sustainable Development Association (SKD).

The project of contributing to the **“Preliminary Research Report on the Circularity Potential of Five Sectors in Türkiye,”** which was completed in cooperation with BCSD Türkiye, KPMG Türkiye, KPMG France, and with the funding support of the French Development Agency (AFD), representing the plastics industry was one of the important projects of Korozo Flexibles in 2022.

Corporate Memberships

Turkish Packaging Manufacturers Association (ASD)



Lead Network Turkey (Koroplast)

Flexible Packaging Manufacturers Association (FASD)



The Business Plastic Initiative (İPG)

Turkish Plastic Industrialists Research, Development, and Education Foundation (PAGEV)



İstanbul Chemicals and Chemical Products Exporters’ Association (İKMİB)

ÇEVKO Foundation



İstanbul Mineral and Metals Exporters’ Association (İMMİB)

The Circular Economy for Flexible Packaging (CEFLEX)



Tüvana Foundation for Children Willing to Study (TOÇEV) (Koroplast)

Sustainable Development Association (SKD)



Advertisers Association (RVD) (Koroplast)

Sustainability Academy (Koroplast)



Türkiye Exporters Assembly (TİM)

İstanbul Chamber of Commerce (İTO)



İstanbul Chamber of Industry (İSO)

International Association Serving the Nonwovens and Related Industries (EDANA)



Sustainability Perspective

Korozo Group’s approach to sustainability is shaped by its corporate culture and values while producing solutions for current requirements and acting with the resolve to raise current standards to achieve future objectives.

Aware of future generations’ need for a habitable planet, the company acts responsibly and bases its goals on its **6 fundamental values.**



As a signatory of the United Nations Global Compact (UNGC) since 2011, Korozo Group considers the responsible use of natural ecosystem resources and the awareness of sharing the planet with other living beings, determines its sustainability policy with the awareness that resources belong to society and future generations and applies it in all business processes. Developing sustainability strategies in line with global trends, demands and needs, Korozo Group regularly reviews these strategies through its sustainability committee.

Korozo Group intends to become one of Europe’s leading businesses by 2030, utilizing a strategic and value-driven road map. To achieve these strategic goals, Korozo Group’s primary objectives are to support sustainable business, to pass the planet on to future generations by utilizing resources more efficiently and effectively, and to add value for all its employees and stakeholders.

To enhance its competitive edge, Korozo Group develops new products and solutions in line with global trends and invests in state-of-the-art technology based on human and environmentally friendly processes. The Group strives to meet the demands of customers and end-users to promote recyclable products and an environmentally friendly production approach. In this context, it aims to expand its packaging portfolio with innovative and environmentally friendly products and to make its packaging products 100% recyclable or reusable.

Korozo Group has added additional recyclable and recycled-content new products to its portfolio as part of its journey, as well as attaining essential certifications for its products and processes and partnering with major industry groups.

These activities reflect the goal of helping to create a circular economy in the packaging sector. In this context, the company aspires to be a part of the circular economy and to make a constructive contribution to the sector as it works toward its goals.

Throughout its 50 years of experience, Korozo Group has been adding value to its production processes through continuous improvement and optimization efforts. The sustainability strategy identifies opportunities by defining risk mitigation steps and is built on this foundation. The company continues to enhance its commitments to achieve the goals it has set with its sustainable way of doing business. In this process, it adopts the principle of acting as a team, contributing to the sustainability of the world, and moving forward on this path.



Sustainability Governance

Sustainability governance is the process of managing an organization’s sustainability-related strategies, policies, goals, and practices.

This process includes the steps of setting, implementing, monitoring, reporting, and improving sustainability goals. Sustainability governance aims to balance social, environmental, and economic impacts by adapting to the expectations of both internal and external stakeholders.



Sustainability governance is an essential strategic approach to support the long-term success and sustainable growth of organizations.

This approach offers a comprehensive perspective that seeks to reconcile economic gains with social and environmental impacts.



Under the direction of Korozo Group’s senior executives, the company’s sustainability governance and strategy are defined.

Setting sustainability objectives, establishing policies and processes, allocating resources, and monitoring and evaluating sustainability performance on a regular basis are the responsibilities of management and competent personnel appointed by the management. In addition, they administer comprehensive training and communication activities to raise employees’ and stakeholders’ awareness of sustainability issues within the supply chain.



Sustainability governance at Korozo Group creates a strong collaboration and partnership among all stakeholders of the company.

In this context, Korozo Group communicates effectively with its supply chain, business partners, customers, employees, community, and other stakeholders to receive feedback and work to create a shared sustainability vision.

This collaboration and stakeholder engagement will support Korozo Group’s efforts to achieve its sustainability goals and has the potential to create a broader impact. By integrating sustainability from top to bottom with an inclusive approach, Korozo Group aims to add value to customers, employees, suppliers, and other stakeholders while also making a positive contribution to the planet and society.

Sustainability Committee

The sustainability-related activities of Korozo Group are conducted by a committee designed in accordance with the company’s organizational structure and by joint decisions made with the approval of senior management.

The company established the sustainability committee in 2022 and established short, medium, and long-term environmental, social, and governance objectives to expand its sustainability strategy concurrently with its corporate and administrative structure.

At least four times per year, Korozo Group Sustainability Committee meets to manage issues related to the company’s environmental, social, and governance sustainability. The Sustainability Committee is chaired by the company’s CEO and directly reports to the senior management to make strategic decisions regarding sustainability. This structure provides the agility and competence to keep pace with constantly evolving sustainability regulations and best practices.

There are five working groups under the Sustainability Committee.

These sub-working groups are formed based on Korozo Group’s material issues and sustainability risks and opportunities and play a key role in line with the company’s sustainability goals.



The Circular Economy and Product Group

Aims to realize the circularity potential of the organization, contribute to the circular economy with innovative products, and monitors green certification processes.



The Sustainable and Responsible Procurement Group

Ensures that materials in supply chains are made from sustainable options, conducts efforts to reduce carbon emissions, and informs and evaluates suppliers on sustainability criteria.



The Ethics and Gender Equality Group

Organizes activities to promote a culture of ethics and equality within the organization and sets targets for gender equality.



The Resource Efficiency and Energy Group

Carries out resource efficiency studies by conducting feasibility studies for energy efficiency and renewable energy projects. It also implements carbon emission reduction projects against the climate crisis and performs annual carbon footprint calculations.



The Risk-Opportunity Assessment Group

Evaluates sustainability risks and opportunities in terms of the company’s activities and plans the necessary activities by following legal developments in the field of sustainability.

Sustainability Policy

Korozo Group's sustainability policy demonstrates the organization's efforts to mainstream the philosophy of sustainability in an integrated manner into its overall operations. Korozo Group's determination to shape its business strategies for the future and its goal of industry leadership are also declared in its sustainability policies. In corporate terms, this strategy combines operational excellence, product and service quality and innovation with economic, social and environmental sustainability. The sustainability policy is aligned with Korozo Group's other policies and takes into account the priorities of various stakeholders.

This policy encompasses a broad conceptual framework including human rights, business ethics, occupational health and safety, sustainable procurement, and environmental protection in accordance with both national and international standards and legislation. The Sustainability Committee is responsible for the policy's implementation, surveillance, and auditing. Under the direction of the Sustainability Committee, all employees and stakeholders engage in sustainability activities in accordance with this policy, and strategic objectives are established.

Within the framework of its sustainability approach, Korozo Group is committed to acting in accordance with the United Nations Global Compact and the law, adopting and developing sustainability awareness in all practices. Korozo Group also shares information and intends to raise awareness with stakeholders, providing a work environment that respects human rights, applying ethical principles, ensuring fair wage distribution and paying attention to occupational health and safety. The Company also aims to take measures to protect the environment and natural resources, use energy and water efficiently, adopt a circular economy and develop sustainable supplier relations.



You can find our current policies on the [Korozo website](#).

Sustainability Disclosures

To ascertain the quality of decisions made in the context of strategic sustainability and to establish objectives, Korozo Group measures and evaluates sustainability performance indicators in a deliberate manner.

Korozo seeks a holistic sustainability journey with steps taken in social, environmental, and economic areas. The work carried out in this respect includes the actions taken and the objectives derived from these actions. Korozo Group transparently shares information with its stakeholders using global frameworks and systems through annual progress reports shared with the UNGC, of which it is a signatory, the CDP climate survey, and Ecovadis assessment participation.



The United Nations Global Compact (UNGC) is a collection of corporate commitments to sustainable development objectives such as human rights, working conditions, the environment, and anti-corruption. As a signatory to this compact, Korozo has made a public commitment to these ten fundamental sustainability principles. Being a member of the UNGC is viewed as a strong commitment to embracing sustainability at all levels of corporate governance, strategy, and business models and as a crucial step toward making sustainability one of the business's fundamental values.



Non-profit organization CDP operates a global reporting system for investors, companies, localities, and governments to manage their environmental impact. Korozo Group responds to the CDP Climate Change questionnaire. By responding to the CDP Climate Change questionnaire, businesses can disclose their climate-related information, including carbon emissions, energy efficiency, and renewable energy use. Responding to the CDP Climate Change questionnaire offers the chance to demonstrate climate leadership to investors, customers, and other stakeholders, as well as to assess climate-related risks and opportunities. This platform also assists Korozo Group in preparing for future climate change challenges by facilitating strategic decisions regarding environmental impact reduction. The company's climate strategies are evaluated based on these CDP disclosures and the CDP perspective.



As a part of Korozo Group company that participates annually in the EcoVadis assessment to measure the maturity level of its sustainability operations, Korozo Flexibles obtained a bronze medal in 2022. This assessment assists the company in analyzing and highlighting its sustainability performance. Korozo Flexibles intends to participate in the EcoVadis assessment once more in 2023 to further strengthen its sustainability infrastructure and enhance its future performance based on the acquired knowledge and demonstrated resolve. Korozo Flexibles believes that the insights obtained from the EcoVadis assessment will guide future business strategies and contribute to the long-term viability of Korozo Group companies as the assessment's influence spreads. This process enables the organization to take strategic measures to improve its environmental and social impacts and remain on track to reach its sustainability objectives.



Risks and Opportunities in Sustainability

Korozo Group takes decisive steps towards the future based on sustainability principles and supports its strategy with insights regarding sustainability risks and opportunities.

Taking into account the TCFD (the Task Force on Climate-related Financial Disclosures) Risk & Opportunity approach, which specifically includes financial and climate risks, Korozo Group analyzes, monitors, and evaluates risk levels through risk management procedures.

As an approach that strengthens sustainability performance, this practice reflects the value of sustainability, one of the six core values of the company, in line with Korozo Group's corporate culture. The company thereby aims to achieve sustainable success in the future by aiming to both manage risks and seize opportunities by putting sustainability at its center. A detailed can be found in the annexes of the report.

Climate Change

Korozo Group employs an integrated risk management strategy that takes into consideration both the physical dangers and transition risks posed by climate change.

Operations and infrastructure may be negatively impacted by physical threats such as frequent and severe weather events, floods, droughts, and heat waves that may be brought on by climate change. Similar hazards associated with climate change include supply chain disruptions, elevated operating expenses, and probable facility damage.

Transition risks are associated with changes in climate-related policies and regulations. Existing and emerging regulations, such as the increased demand for environmentally favorable products or carbon pricing, may

have an impact on the company's operations and business practices. Such alterations could necessitate that Korozo Group reconsider its supply chain, production processes, product portfolio, and marketing strategies. Korozo Group takes a proactive approach to managing these climate change risks and capitalizing on opportunities.

In its risk management procedure, the company conducts a comprehensive assessment to identify, evaluate, and appraise the impacts of climate change-related risks and opportunities. In addition, it determines the most appropriate strategies and actions for all stakeholders, taking business unit and stakeholder feedback into consideration.

Korozo Group's efforts to manage climate change risks contribute to the company's achievement of its long-term sustainability objectives and reduction of its environmental and social impact. Moreover, these endeavors protect the company's financial performance and increase its resilience to future uncertainties. Consequently, Korozo Group takes climate change risks seriously and continuously integrates them into its management and strategic planning processes, with a concentration on constructing a robust and sustainable future structure.



Resource Efficiency



Ayhan Güven

COO

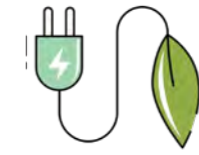
“ I’m pleased to highlight our remarkable achievements in optimizing energy and resource efficiency, yielding successful results that align with our commitment to responsible production. Our ongoing studies in this area, coupled with our mission to consistently ‘produce it right the first time,’ reinforce our dedication to sustainable practices and operational excellence.”

Like many other types of production, the production of plastic packaging is predominantly dependent on the availability of raw materials from natural resources. The greatest risk in this regard has been identified as over-reliance on a single source and the absence of sustainable alternatives, resulting in resource depletion and exposing the company to raw material and energy price increases.

In this context, Korozo Group adopts the principle of **Responsible Production and Circular Economy** and follows strategies based on this principle to minimize resource dependency and prevent resource depletion. To achieve circularity in this production process, it effectively applies methods such as waste management, recycling and recyclability, solvent recovery systems, and the use of closed-circuit water.

Energy is yet another essential production input derived from limited resources. As a consequence of the world’s reliance on fossil fuels, energy costs are facing increasing pressures in global markets. Geopolitical events and other factors can increase uncertainty in the energy market.

Such factors and global energy trends can provide an advantage to companies adopting renewable energy-based solutions. However, this opportunity comes with challenges, such as high entry costs, access to technology, and compatibility of company infrastructure.



Korozo Group plans the transition to renewable energy sources by creating future-oriented sustainability strategies

and working on alternatives to maximize the benefits of these sources. To increase energy efficiency and adopt solutions based on renewable energy, the company continuously determines its roadmap and focuses on moving towards sustainability.



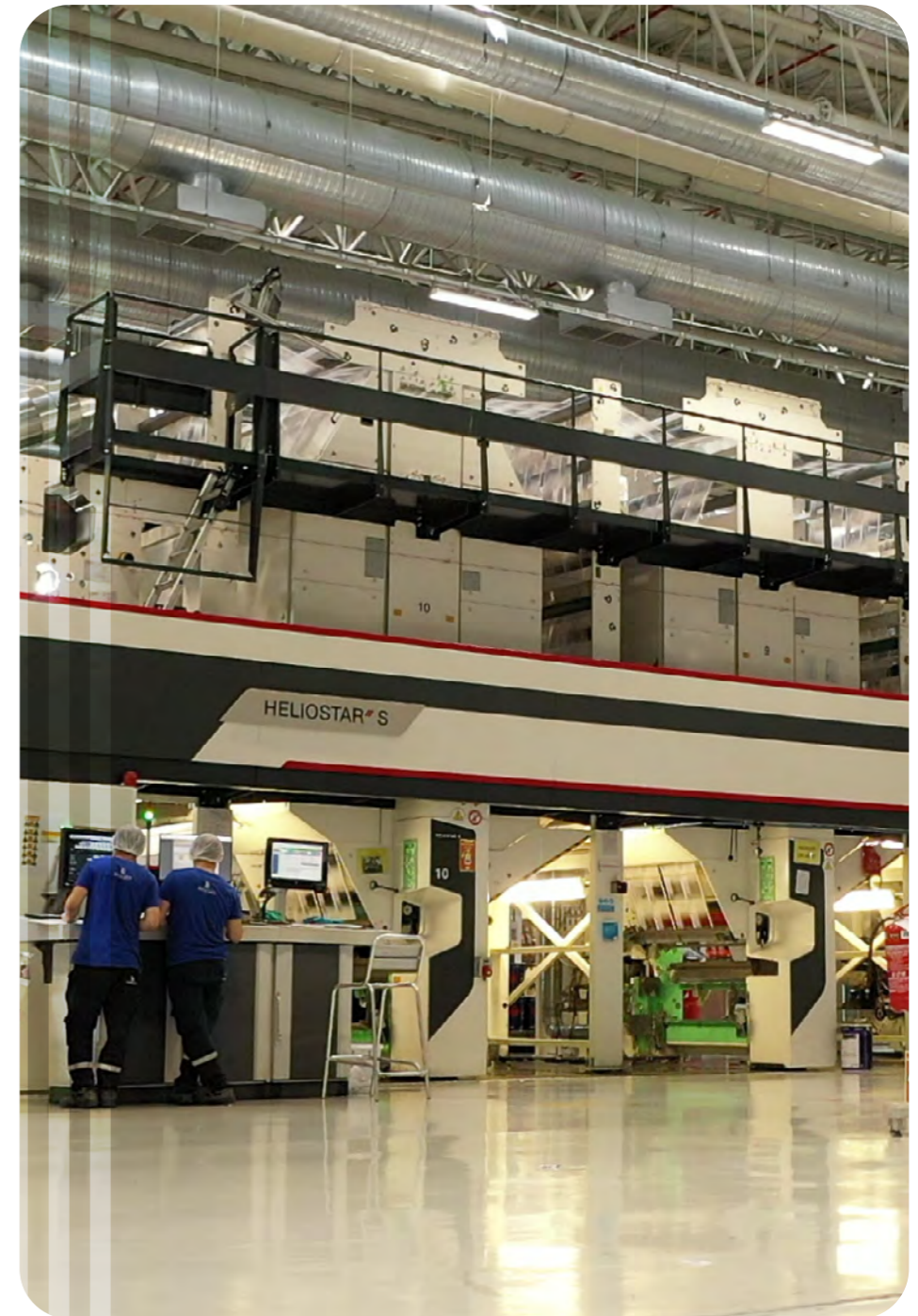
Innovation Opportunities

Consumer preferences and market dynamics are evolving as a result of the transition to a low-carbon economy. Climate change awareness and concern may contribute to an increase in demand for sustainable alternatives to traditional plastic packaging.



For packaging manufacturers that do not show determination to adapt to changing market demands, this can mean reduced market share and lower profitability. However, **this transformation of the plastic packaging industry offers opportunities for innovation for organizations like Korozo Group that adapt to market demands with a proactive approach.** As changing consumer expectations shape customers' preferences, the company is obliged to build the necessary capacity to respond to this changing demand.

To this end, Korozo Group carries out innovation activities in the use of recycled materials and recyclable product production processes. More information on Korozo Group's extensive work on recycled raw material content and recyclable materials and products can be found in the **Innovation** section of this report.



Supply Chain

The effects of climate change on global supply chains include extreme weather events, fluctuating resource availability, and rising logistics costs. The supply chain structure of Korozo Group for sourcing raw materials, production, and product distribution is multilayered.

Due to Korozo Group's activities spanning a wide geographical area, it is in direct contact with suppliers and markets in different countries. This may increase risks in the supply chain due to factors such as political or economic instability at the national or international level, natural disasters, trade restrictions, or customs regulations.

Korozo Group has established a comprehensive supply chain management system to prevent this risk. Backup supply methods are determined and abnormal and extraordinary situations in the supply chain are monitored.

The transparency and traceability of the activities within Korozo Group's supply chain is crucial for its ability to assess risks in the supply chain, manage risks effectively, and monitor sustainability goals. Lack of supply chain transparency can make identifying and managing risks difficult.

For Korozo Group, it is as important to develop activities to manage and mitigate downstream (source-directed) risks as it is to manage the company's upstream (customer-directed) risks.

Recognizing that more work is needed to increase the social responsibility of the packaging industry and reduce sustainability risks, Korozo Group aims to use sustainability communication tools to raise awareness and increase the responsibility of customers and consumers for the management of packaging waste.



In 2023, Korozo Group will start to evaluate all new suppliers on **Environmental and Management Systems (EMS)** issues and require the signing of supplier codes of conduct on sustainability.



In Korozo Flexibles, a Korozo Group company, the percentage of suppliers and subcontractors that signed contracts containing clauses on **Employee Rights, Occupational Health and Safety and Environmental Management Systems** was **89%** in the reporting year.



Korozo Group aims to evaluate **20%** of its active suppliers in the first year. This rate is targeted to be **30%** in the second year, while in the third year, it is aimed that **all of the company's active suppliers** will have signed Korozo Group supplier code of conduct.



These targets apply to all companies within Korozo Group. **Korozo Group aims to provide sustainable procurement training to 30% of its employees** working in the procurement department in order to increase the contribution of the supply chain to sustainability.

Compliance Risks

Companies in the packaging industry must comply with various environmental regulations and standards related to environmental compliance, such as waste management, recycling, emissions, and responsible resource consumption. Failure to comply can result in reputational damage and disruptions to business processes, as well as legal sanctions.



However, environmental impacts are not the only factor that must be regarded in the context of sustainability. Companies must also consider social and ethical concerns. Important factors include compliance with labor and human rights standards, ethical working conditions, and gender equality.

Lack of compliance in this area can result in violations of labor rights and unethical business practices, which can severely harm a company's reputation. Compliance Risks, along with the aforementioned risks, are identified and managed at Korozo Group with an emphasis on the company's sustainability strategy.



Important factors include compliance with labor and human rights standards, ethical working conditions, and gender equality.



Materiality Analysis and Our Stakeholders

In 2022, Korozo Group’s sustainability material issues were rigorously reviewed with significant changes to the company’s materiality methodology.

With the active participation of stakeholders, stakeholder views on relevant sustainability issues were collected in this process, which contributed significantly to the sustainability materiality analysis.

Korozo Group aims to integrate sustainability into its core corporate strategy, and in this context, it attaches importance to meeting the expectations of its stakeholders by taking their opinions into consideration. All stakeholder groups are regularly contacted through various communication channels, and work focused on creating value by considering their priorities, needs, and expectations.


Throughout the preparation of the Sustainability Report for 2022, stakeholder groups meticulously compiled their perspectives on material issues. These assessments constituted the basis of the materiality analysis.

Based on the company’s strategy, the opinions of internal stakeholders, the opinions of significant external stakeholders, and the results of the external environment analysis, material issues were identified. The evaluations were also influenced by reports published by national and international organizations.

During this process, a number of issues surfaced that would become the company’s primary sustainability strategy focal areas. On these issues, an open channel of communication was established with the company’s internal and external stakeholders, and their opinions and feedback were solicited. In addition, all stakeholders were asked what they expected from Korozo Group in terms of sustainability to help direct the company’s future endeavors.

Stakeholder Engagement

Korozo Group constantly dialogs with various stakeholder groups when setting sustainability strategies and making decisions to enhance sustainability performance. The company engages stakeholders on a regular basis to comprehend the perspectives, requirements, and expectations of the following stakeholder groups and to shape its processes accordingly.

 **Engagement with stakeholders is a continuous process for Korozo Group, not just during reporting periods.**

The company encourages stakeholder engagement and values the opinions and contributions of all sustainability-related parties. Thus, the company’s voyage towards sustainability is strengthened, more inclusive, and fruitful.

Stakeholder Engagement

	Stakeholder Groups	Expectations	Communication Type	Communication Frequency	Communication Method
INTERNAL STAKEHOLDER	Employees	A safe, healthy workplace, free from discrimination and harassment. A fair salary at market standards, in line with the principle of equal pay for equal work.	Two-way Dialog/Performance Monitoring	Regular	Intranet Portal
			Providing Information	Regular	Company Website
			Obtaining Information	Annual	Survey
			Providing Information	Annual	Sustainability Report
			Providing Information	Quarterly	Newsletters
			Two-way Dialog/Performance Monitoring	Annual	Annual Company Events
			Participant	Bimonthly	HSE Board Meetings
	Senior Management	Strong company performance, continuous development, commitment to ESG sustainability issues, meticulous follow-up of OHS measures, operational excellence, and compliance with policies and procedures.	Cooperation	Regular	Team Meetings
			Supportive	Regular	Decision-making Processes
Board of Directors, Investors/ Shareholders	The company creates value and generates profits for shareholders and investors.	Supportive	Quarterly	Board of Directors Meetings	
		Providing information	Monthly	Monthly Reports	
		Supportive	Monthly	Stakeholder Meetings	
		Providing information	Monthly	Monthly Reports	
		Negotiation	Quarterly	Performance Interviews	
		Providing information	Annual	Sustainability Report	
		Participant	Weekly	Teleconferences	

Stakeholder Engagement

	Stakeholder Groups	Expectations	Communication Type	Communication Frequency	Communication Method
EXTERNAL STAKEHOLDERS	Customers	Quality products, prices in line with market value, sustainability management, high ESG scores and assessments, and a favorable customer experience.	<ul style="list-style-type: none"> Participant Consultation Providing Information Providing Information Informing, Monitoring 	<ul style="list-style-type: none"> Regular When Necessary Regular Annual Regular 	<ul style="list-style-type: none"> Face-to-face Meetings Information Letters/ Bulletins Company Website Sustainability Reports Corporate Social Responsibility Projects
	Public Officials	Compliance with laws and regulations, open and transparent communication.	<ul style="list-style-type: none"> Two-way Dialog/Performance Monitoring Providing Information Providing Information 	<ul style="list-style-type: none"> When Necessary Regular Annual 	<ul style="list-style-type: none"> Meetings Company Website Sustainability Reports
	Opponents	Healthy competition in business ethics standards, developments that will drive innovation, and ethical pricing policies.	<ul style="list-style-type: none"> Monitoring Monitoring Informing, Monitoring 	<ul style="list-style-type: none"> Regular Regular Annual/Quarterly/Monthly/Regular 	<ul style="list-style-type: none"> Market Fluctuations Media Reports Company Progress Reports, Press Conferences, Newsletters
	Suppliers/Business Partnerships	Good communication and a favorable partnership, sustainable working methods, and good price.	<ul style="list-style-type: none"> Negotiation Providing Information Consultation Providing Information 	<ul style="list-style-type: none"> Regular When Necessary When Necessary Annual 	<ul style="list-style-type: none"> Face-to-face Meetings Information Letters/ Bulletins Audits and Surveys Sustainability Reports

Stakeholder Engagement

	Stakeholder Groups	Expectations	Communication Type	Communication Frequency	Communication Method
EXTERNAL STAKEHOLDERS	Memberships/ Non-governmental Organization	<ul style="list-style-type: none"> Participation in initiatives and projects, exchange of useful information, joint work, cash and non-cash contributions. 	<ul style="list-style-type: none"> Cooperation Cooperation Two-way Dialog/Performance Monitoring Obtaining Information Providing Information 	<ul style="list-style-type: none"> Annual When Necessary When Necessary Monthly/When Necessary Regular 	<ul style="list-style-type: none"> Annual Meetings Face-to-face Meetings Information Letters/ Bulletins Training Sustainability Reports
	Media	<ul style="list-style-type: none"> Informing about an issue/event that comes to the agenda, transparency. 	<ul style="list-style-type: none"> Providing Information Passive 	<ul style="list-style-type: none"> When Necessary -- 	<ul style="list-style-type: none"> Press Meetings --
	Society	<ul style="list-style-type: none"> Responsible use of our limited resources, which are our common value, making strategic decisions by taking future generations into account, creating value, creating jobs, and mobilizing the economy. 	<ul style="list-style-type: none"> Consultation Monitoring 	<ul style="list-style-type: none"> When Necessary Regular 	<ul style="list-style-type: none"> CSR Projects, Social Activities, etc. Social Events

Materiality Matrix

Materiality analysis is a vital component of Korozo Group's sustainability journey as a strategic tool.

The matrix facilitates the objective evaluation of the impact of the company's business model on environmental, economic, and social factors to identify areas that must be prioritized in terms of sustainability and to ensure that the company accomplishes maximum impact in these areas.

The materiality matrix is a vital component of this analysis procedure, as it provides a structured method for identifying and ranking sustainability issues.

During the design of the materiality analysis, **15 material sustainability issues** were identified by evaluating both the impact of Korozo Group activities on material issues and the prospective impact of material issues on Korozo Group activities, as well as by soliciting opinions from stakeholders.

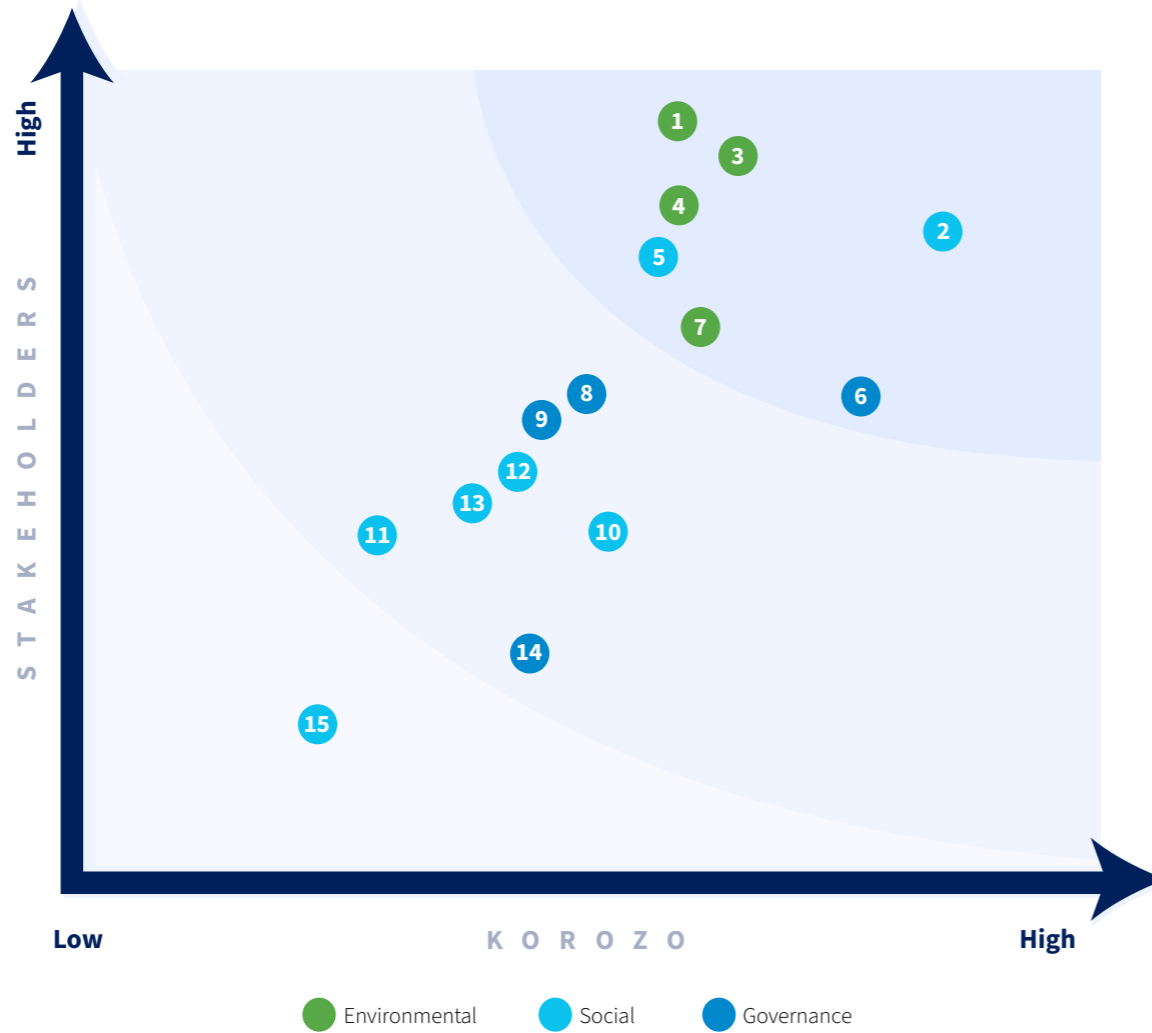
Internal and external stakeholders were asked to rank the significance of these issues when contemplating Korozo Group as part of a survey conducted to obtain stakeholder feedback. **There was a total of 100 responses to the survey.**

In addition to stakeholder views, global and sectoral trends, Korozo Group's own strategy, and the views of Korozo Group Senior Management were also evaluated. The weights given to the issues by EcoVadis and Refinitiv ESG assessment platforms, the Global Risk Report renewed annually by the World Economic Forum (WEF), the sectoral priorities of the Sustainable Accounting Standards Board (SASB), and the sector-specific material issue recommendations given by Morgan Stanley Capital International (MSCI) were taken into consideration within the scope of Korozo Group materiality analysis.

The analysis procedures were executed with attention and in consultation with outside specialists. In addition to the insights gained from all of these sources and references, the analysis identified **15 material topics for Korozo Group that were categorized as priority, high priority, and very high priority.**



The matrix aids in resource management by analyzing the prospective impacts and significance of each sustainability issue to the organization. When identifying the company's main issues and strategic priorities, the materiality matrix has a substantial effect on its sustainability strategy.



Korozo 2022 Materiality Issues

Very High Priority

- 1 Greenhouse Gas Emissions
- 2 Safety, Health, and Welfare
- 3 Waste Management
- 4 Energy Management
- 5 Human Rights
- 6 Product Quality
- 7 Circular Economy

High Priority

- 8 Innovation & Product Design
- 9 Corporate Governance & Risk Management
- 10 Sustainable Value Chain
- 11 Talent Management
- 12 Equal Opportunity
- 13 Values, Ethics, and Compliance
- 14 Digital Transformation & Information Security

Priority

- 15 Corporate Social Responsibility



Promoting a circular economy for flexible packaging.



Corporate Governance

Corporate Governance

Korozo Group is among the leading companies in Türkiye's Top 500 Industrial Enterprises list and exports goods to 75 countries.

With an annual packaging production capacity of over 135,000 tonnes and a turnover of approximately 354 million Euros, Korozo Group is among the largest packaging manufacturers in the Middle East and Europe. It employs around 2,300 people, including its regional offices. It is also the largest in terms of capacity and employment in the flexible packaging sector in Türkiye. The sectors it serves with its vast sales network are categorized as food or non-food, and hygiene.

Food

Food category covers everything from cold meats, microwaveable bags and ready meals, frozen foods, fresh produce, confectionery, snacks, and dry foods.

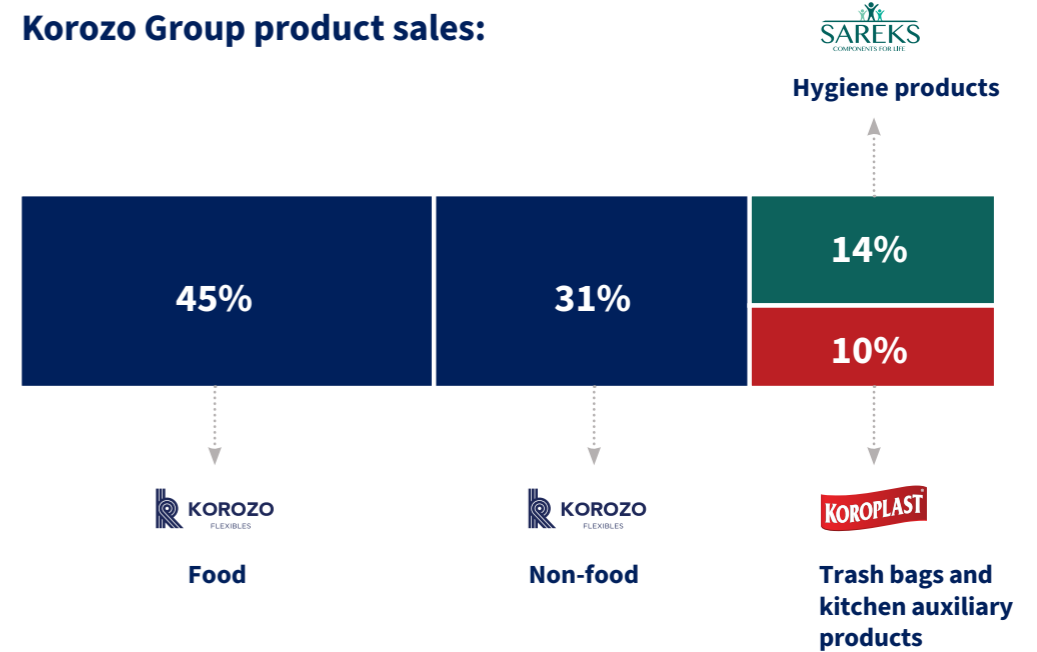
Non-Food Packaging

These include cosmetics, powdered drugs, diaper and sanitary pad bags, wet wipes, detergents, tablets, beauty and personal care, home care products, security, and carrier bags, as well as high-tech industrial films such as protective films, thermal lamination films, and silage films.

Hygiene

Solutions include back sheets, front tapes, and side tapes for diapers, adult incontinence, and feminine hygiene products.

Korozo Group product sales:



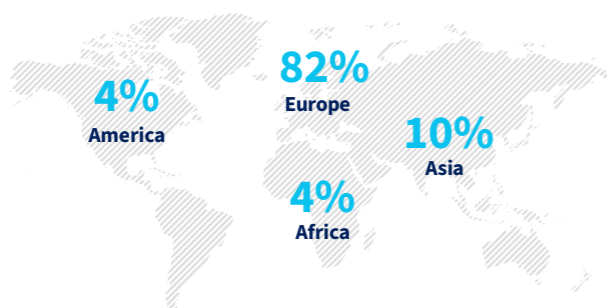
76% of Korozo Group product sales come from Korozo Flexibles, which produces flexible packaging, with 31% non-food and 45% food flexibles respectively, 10% from Koroplast household products, 14% from Sareks hygiene.



The company's customers are mainly from Europe, America, South Africa, and Türkiye's neighboring countries in the Middle East. 82% of the company's sales are made in Europe, offering products for both domestic and international markets.

The company maintains regular, in-person communication with its sales and after-sales technical assistance teams in numerous European nations, including **Germany, the United Kingdom, France, Belgium, and many others**. The company's main field of activity is the production of packaging. In addition, the company maintains continuous relations with its customers on issues such as ensuring that the packaging produced in their machines can operate according to the appropriate conditions, developing new products, informing customers about products, discussing the performance of products and services.

With a customer portfolio of more than 2,000 customers, 6 logistics centers in Europe, and 4 sales and distribution offices in Russia and Europe, it is essential for Korozo Group to maintain uninterrupted customer relations to achieve sustainable economic growth.



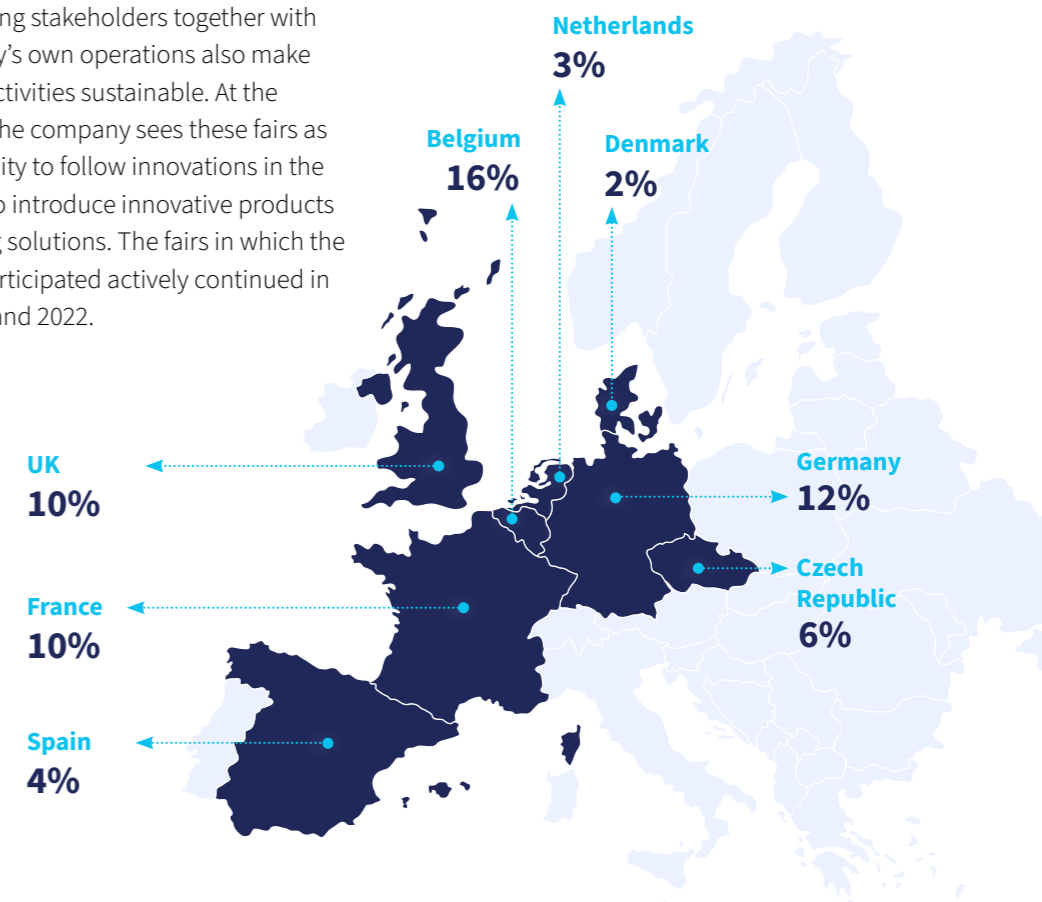
Korozo Group exports 82% of its products to Europe, 4% to the America, 4% to Africa and 10% to Asia. The company is also a major player in the European market, a region that emphasizes a high level of implementation of renewable energy and sustainability principles.

The breakdown of European countries is 16% Belgium, 12% Germany, 10% UK, 10% France, 6% Czech Republic, 4% Spain, 3% Netherlands, and 2% Denmark. Sales mainly to Belgium are sourced by Vitra NV, a subsidiary company of Korozo Group. It is seen that Korozo Group is consolidating its market share with Vitra NV and has found an opportunity for sustainable economic growth as a result of the economic-strategic decisions taken in advance.

Korozo Group continues its activities in line with its sustainability goals. Also, it continues to contribute to the society with the **Turquality** supports, government incentives, donations, and aids as well as the **CAPEX** investments it continues every year. Korozo Group continued to be an exemplary company in its sector with CAPEX investments between 2020-2022. **Data on CAPEX investments, donations & grants can be found in the report's annexes.**

Furthermore, Korozo Group enhances cooperation with its stakeholders, meets with industry experts, and establishes connections with participating importers, retailers, engineers, consultants, innovation experts, and other professionals through numerous fairs in which it regularly participates.

Stakeholder engagement, recognizing market expectations, and continuous participation in fairs to bring stakeholders together with the company's own operations also make marketing activities sustainable. At the same time, the company sees these fairs as an opportunity to follow innovations in the sector and to introduce innovative products in packaging solutions. The fairs in which the company participated actively continued in 2020, 2021, and 2022.



KOROZO 50 years

2020 Fairs:

- Agroprodmamsh
- Eurasia Packaging Fair

2021 Fairs:

- Outlook Lisbon
- Cfia Rennes
- Foteg Istanbul
- Packaging Innovations
- INDEX
- Fachpack
- Hispack
- Eurasia Packaging Fair

2022 Fairs:

- Cfia Rennes
- Hispack
- Interzoo
- Packaging Innovations
- Foteg
- Fachpack
- PackExpo Chicago
- Empack
- Outlook Malta
- Eurasia Packaging Fair
- Cfia Toulouse

Value Creation Model

The sustainable business model is an approach in which organizations manage their operations by considering environmental, social, and economic values.

In this model, companies aim to make a profit, but they also aim to use environmental resources efficiently, contribute to social needs, and achieve long-term success. **The sustainable business model combines environmental sustainability, social responsibility, and economic efficiency in a balanced way.** This approach increases companies' long-term resilience and enables them to create a business structure compatible with the environment and society.

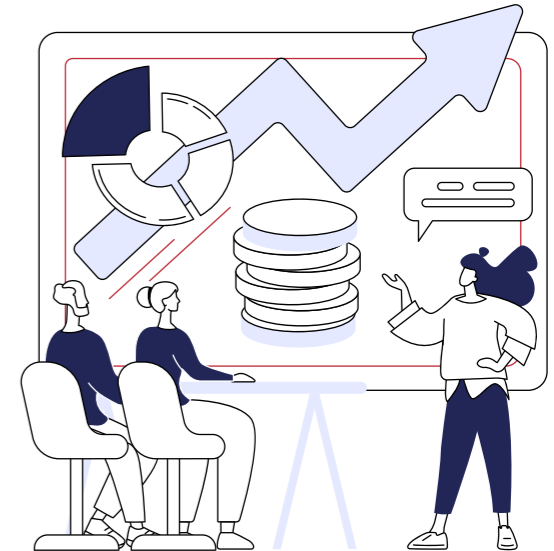
In this context, Korozo Group creates value by implementing sustainable business models. With the value creation models it has developed by focusing on the main elements such as the creation of environmental, social, and economic values as defined in sustainable business models, the company adopts an approach targeting operational excellence and optimizes its resource consumption and waste generation performance while increasing efficiency with a continuous improvement approach in all processes.

Korozo Group's 2022 sustainability report provides an in-depth analysis of the company's approach to doing business and business model through the lens of the six capital elements presented in the Integrated Reporting Framework, detailing which activities contribute to which outputs and providing a comprehensive analysis of the capital's role in the company's value creation processes.

With these six capital elements, a more comprehensive overview of Korozo Group's business model in terms of its capabilities and limitations is presented. In this context, it aims to convey the company's business model to stakeholders more informedly.

With the inclusion of these capital items, more transparency can be provided to stakeholders, increasing stakeholder trust and accountability. Including a wide range of capital is intended to better address the interests of various stakeholders, from investors and employees to customers and the community.

In addition, by considering all six capitals, Korozo Group has been able to further identify risks in different aspects of its business strategy and aims to position itself better to address these risks in the coming years.



Inputs

Activities

Outputs






Results

	Intellectual Capital	Human Capital	Social&Relational Capital	Natural Capital	Generated Capital	Financial Capital
	<ul style="list-style-type: none"> Patents, copyrights, trademarks Continuous improvement studies Innovation studies Corporate governance and corporate culture Skills and knowledge 	<ul style="list-style-type: none"> Nearly 2300 employees 1717 field employees 658 office employees 	<ul style="list-style-type: none"> Brand name Company reputation Supplier, potential supplier, customer, and potential customer networks Stakeholder opinions and suggestions 	<ul style="list-style-type: none"> Raw material Energy sources Lands where the facilities are located Climate and ecosystem balances More than 1000 tonnes of recycled content 	<ul style="list-style-type: none"> 9 production facilities Infrastructure and superstructures in the facilities Machines and tools used in production 6 logistics centers 4 sales offices Capex investment of €15,819,255 	<ul style="list-style-type: none"> Company assets Investments €3,289,073 worth of financial incentives Profit from sales Government/tax incentives
	<ul style="list-style-type: none"> 69 "TOP 10" projects 13 "LSS - Lean Six Sigma" projects and 12 green belts - 1 black belt Continuous development processes in product families 	<ul style="list-style-type: none"> Human resources management Employee fringe benefits Korodaş HR Buddy System Korozo Academy Code of ethics Women employment Diversity and inclusion 1920 hours of training 	<ul style="list-style-type: none"> Participation in 11 international fairs Customer relationship management Marketing activities Stakeholder communication activities Employee feedback system 	<ul style="list-style-type: none"> Alternative raw material studies Raw material recycling projects Carbon emission reduction efforts Energy management studies Korozo Group "Energy Challenge Year 2022" 	<ul style="list-style-type: none"> Purchases of new equipment and technology Solvent recovery facility Recycling facility 	<ul style="list-style-type: none"> Production Improving business processes Customer portfolio development Developing the product portfolio Human Resources management
	<ul style="list-style-type: none"> Experience and knowledge gained in LSS projects More than €2,500,000 in financial savings New product developments, innovative products A strong corporate culture, experience and technical expertise of the organization 	<ul style="list-style-type: none"> Employee health Employee engagement Employee satisfaction 	<ul style="list-style-type: none"> New stakeholders and brand recognition Ever stronger relationships with customers 78 completed survey results and expectations of our stakeholders Clear information on employee requests and complaints 	<ul style="list-style-type: none"> 394,890 sm³ natural gas savings 2,549,055 kWh electricity savings EcoVadis 2021 Silver Medal ability to manage impacts on natural capital OCS (Operation Clean Sweep) certification Blue Angel certification 50.4% Scope 1-2 emission reduction target 	<ul style="list-style-type: none"> Over 135,000 tonnes of packaging production capacity Export to 75 countries More than 2000 customer portfolios 1963 tonnes of solvent recovered 35.94% hazardous waste recycling 71% non-hazardous waste recycling 	<ul style="list-style-type: none"> €390,889,863 net sales CAPEX investment of €15,819,255 9,259 Euro worth of donations and grants
	<p>Greenhouse gas emission reductions were achieved by reducing resource consumption and achieving energy efficiency through savings. Projects are developing the company towards operational excellence. Company's reputation and sales opportunities increase with improvements in our product range. Sustainability of the organization is supported through strong corporate governance and corporate culture.</p>	<p>A work team that evolves, develops, and grows together with Korozo is created. Development opportunities are provided for each employee to advance in their careers. With the superior importance given to OHS, employees' health and peace of mind are protected.</p>	<p>New relationships with stakeholders are established and existing relationships are strengthened. As a result of the activities, corporate reputation and credibility, cultural diversity and social awareness have increased.</p>	<p>Sustainable Resource Management is carried out in the company by ensuring increased visibility in terms of sustainability. Greenhouse gas emission reduction targets have been set and SBTi-compliant target studies are in progress. Analysis and monitoring of sustainability impacts and increased awareness at all levels of the organization were ensured.</p>	<p>Efforts are carried out to contribute to society through environmentally friendly production processes and products, contributing to the United Nations Sustainable Development Goals.</p>	<p>Economic value, contribution to the national economy, and employment are provided through new collaborations and the financial value created on behalf of the company and its shareholders.</p>

Value Creation Model

The company also carries out quality processes within the activity and responsibility of the quality and assurance department.

In this context,

-  Monitoring of and compliance with the national and international legislations and best practices on which the management systems are based within the business model,
-  Verification in accordance with accredited systems,
-  Inspecting of documentation to ensure internal communication,
-  Internal and external audits,
-  Monitoring of changes that affect product quality and monitoring of the risks foreseen concerning raw material equipment changes,

Identification of evaluation criteria for the goods and services supplied at the point of providing assurance.

In addition, Korozo Group is very rigorous in selecting the suppliers. It works within procurement processes and shares sustainable approaches and best practices with its suppliers.

Additionally, **LPA (Layered Process Audits) audits** and business model-oriented monitoring audits ensure that quality and safety requirements are appropriately implemented in production processes.

Thanks to **the digitalization and monitoring of training**, employees' access to training is facilitated, and their follow-up is successfully realized. Employees are encouraged to focus on the goals and make continuous improvements by creating awareness of departmental goals and the evaluation procedure. Digitizing records enhances high quality, data accessibility, and traceability. Within the extent of Industry 4.0 activities, many studies are carried out to prevent complaints and internal errors, and the production process errors are reduced by using smart technologies.

Korozo Group conveys its efforts to create a strong culture on product safety and product & service quality to its employees in an effective and understandable manner by preparing visual training materials within the framework of the corporate culture plan updated every year.


The supplier management plan encourages suppliers to implement product safety standards and create a sustainable supply chain. Lean Six Sigma (LSS) programs seek to provide reliable output, increase resource efficiency, and reduce potential production defects by promoting workplace safety and high-quality production techniques. Within the frame of the SAP Project, each product group is reviewed, quality plans are recreated,

and product quality is managed by reducing process errors.

QDMS (Quality Document Management System)

automates Korozo Group's operations by the management system requirements, creating an internal certification infrastructure and helping manage all related activities. It facilitates document tracking within the company to realize business continuity systematically. It keeps a record of all newly prepared or revised documents while also being able to track verification and calibration data.

The management of business processes was made more secure by installing all modules of **SAP** in the company in 2002. The most critical functions, such as sales management, planning activities, purchasing, financial management, production, maintenance and quality processes, customer complaints, stock and shipment management, and traceability, are provided through adequate document and record management with SAP.

 **Korozo Group, which manufactures through certificates that comply with employee rights and safety issues under the headings of supply management, product safety, and quality in all operational and production processes, regards keeping the processes of the relevant facilities within these contexts under control through audits as a value within the boundaries of its business model, as demonstrated by its corporate governance approach.**

Risk Governance

Korozo Group, which determines risk management methods within the concept of managerial sustainability and progresses with the strength of the support of senior management by reporting to the Board of Directors, monitors the strategically important item of sustainability studies within the framework of corporate risk management.

In the risk management working group, which includes people selected from relevant departments, risk management activities are reviewed regularly through the internal auditor, acting with the principle of ensuring operational continuity as stated in the procedures. Transformative sustainability initiatives are evaluated as a valuable output of the work carried out for risk management.

The operations performed in risk opportunity analyses are carried out in all relevant business units and the results are monitored at the group's senior management level. These analyses are presented to the Board of Directors every quarter and are carried out in the form of financing or planning action points in the environmental, social, and governance areas, where necessary.

Due to the nature of its sector, Korozo Group identifies and assesses sustainability risks related to climate change and carries out prevention activities. Key Performance Indicators (KPIs) based on sustainability risks and targets set in this direction are included, as well as KPIs for evaluating opportunities in areas open to development. In terms of sectoral risks, the company also turns these risks into opportunities by setting KPIs.

Compliance and Audit

Korozo is committed to conducting all its activities following legal requirements and high ethical standards of business conduct. Company policies and programs place the ethical business principle at the heart of Korozo's business activities. The internal audit approach focuses on management's responsibilities, including creating an appropriate business environment, conducting risk assessments, and designing, implementing, and maintaining internal control.

Regular internal audits help verify that ethical business policies and best practices are being followed. In addition, with input from internal and external auditors, the Board of Directors and the Audit Committee continuously review management's activities and the effectiveness of existing control systems.

In addition to full compliance with national and international legislation, Korozo Group is a company certified under ISO Management Systems, an internationally recognized system for standardizing processes and ensuring a certain quality. The company maintains its service and product quality without interruption by strengthening business continuity through regular audits in quality, environment, and many other areas. Korozo Group has proven its full compliance in the areas of labor standards, health and safety, environment, and business ethics by conducting Social Compliance Audits within the company.

In 2022, within the context of external audits of Korozo Group companies, business continuity and quality are maintained to certain standards by recognized audits such as Provincial Environmental Audit conducted by the relevant Provincial Directorate of the Ministry of Environment, Urbanization and Climate Change; SEDEX (Supplier Ethical Data Exchange) audit on labor, health and safety, environmental performance, and ethics; Zero waste to landfill certificate audit with at least 99% diversion rate with **“Zero Waste to Landfill**

Certificate - demonstration of diversion over 99% of waste to landfill”; and EcoVadis and **“Covid-19 Safe Production”** audits. **In 2022, 25% of the company's facilities were subject to the SEDEX audit, which includes ethics and human rights issues.**

At Korozo Group, all facilities are subject to internal audits in line with the continuous improvement approach, and regular inspections and adjustments are carried out in all facilities. Korozo Group is subject to internal audits including ISO 9001 Quality Management Systems, ISO 14001 Environmental Management Systems, ISO 45001 Occupational Health and Safety Management Systems, ISO 27001 Information Security Management Systems, ISO 50001 Energy Management Systems, and BRC (British Retail Consortium) as well as external audits organized by public institutions and organizations, ISO 22000 Food Safety, management systems, social compliance and customer audits.

In addition to considering these audit and compliance requirements while conducting its activities, the company also contributes to sustainable business practices through the development of a self-audit mechanism. In the results of the audit reports, the company obtains outputs that evaluate its performance in areas such as reducing its environmental impact, protecting employee health and safety, respecting human rights, and acting responsibly in the supply chain. Subsequently, the company pays attention to take action on development areas by taking into account the suggestions for improvement.

Korozo Group adopts a systematic approach, which is also brought about by institutionalization with all these audits and the management modules it has put into practice. The successful progress of the established systems is measured through audits of the relevant standards by third-party organizations and customers.

Circular Economy

The circular economy is an approach developed as an alternative to the linear economy model, which proceeds along the produce-use-dispose line, to answer the increasing environmental pollution and resource deprivation in our world.



This model, which follows a **“reduce - reuse - recycle” cycle**, is designed to optimize resource use, reduce waste, and increase environmental sustainability.

The circular economy is vital for Korozo Group, a flexible packaging manufacturer. **Reduction, efficiency, closed-loop system integration, and recycling activities** are carried out with a circularity approach in production processes.

Korozo Group also considers its product portfolio within the framework of the global trend towards the transition to a circular economy. Accordingly, Korozo Group has set a target for its products to be 100% recyclable and therefore be integrated into the circular economy model by 2030. Customers, one of the key stakeholder groups, are supported and involved in achieving sustainability goals.

Korozo Group, as an intermediate producer, does not have direct communication with the end user, the company pays taxes for the recycling processes at the end of the life cycle of the products produced by the company. **With its substantial human capital, intellectual capital, R&D and innovation efforts, the company is one step closer to its yearly goal of 100% recyclable products.**

Considering the company’s commercial relations with other countries, especially the European Union countries, legislative developments regarding plastic waste management and the use of plastic products with recycled content are closely monitored.

Korozo Group endeavors to use recycled raw materials as much as possible, both as a precaution against legal regulations and as part of its environmental responsibility. Through collaborative efforts with the company’s stakeholders, the company participates in projects that facilitate and encourage other producers in the sector to use recycled raw materials likewise.

The complete list of our projects contributing to the circular economy and project details are presented under the **Circular Economy Management** heading.



Korozo Group has set a target for its products to be 100% recyclable and therefore be integrated into the circular economy model by 2030.

Operational Excellence

Operational excellence is a fundamental perspective that adopts principles, guidelines, and tools to create a culture of excellence within an organization. It is based on underlying principles such as improvement, standardization, efficiency, and sustainability, ensuring consistently high performance.

Operational excellence and lean practices, led by the Operational Excellence (OPEX) Directorate, focus on proactively removing obstacles to achieving Korozo Group’s goals by using effective, creative, productive ideas and techniques. By creating Korozo Group Operational Excellence System, it is possible to optimize resource consumption, maximize value and service levels, and make the principles of this system a culture within the company, making it possible for employees to achieve higher efficiency and satisfaction in their work.

The Operational Excellence System is built on a combination of core values such as best sustainability practices, acting in line with national and international standards, pioneering new practices in the industry, communication and team spirit, Lean philosophy, and transparency. Each of these approaches aims to improve Korozo Group’s customer-oriented service delivery and quality, reduce waste, increase energy efficiency, and be more beneficial to society.

Korozo Group is moving towards a sustainable future by combining the **“Lean Six Sigma”** methodology with a sustainability approach.

The **“Enhancing Employee Value”** concept, part of the Operational Excellence System, focuses on developing employees’ talents, unleashing their creativity, and making a difference for a sustainable future. Thus, OPEX improves business performance and plays an essential role in a sustainable future with its approach to continuous value creation.

In 2022;
a total of 82 projects were prepared for launch including

 **69 “Top 10 projects” and**

 **13 “Lean Six Sigma” projects.**

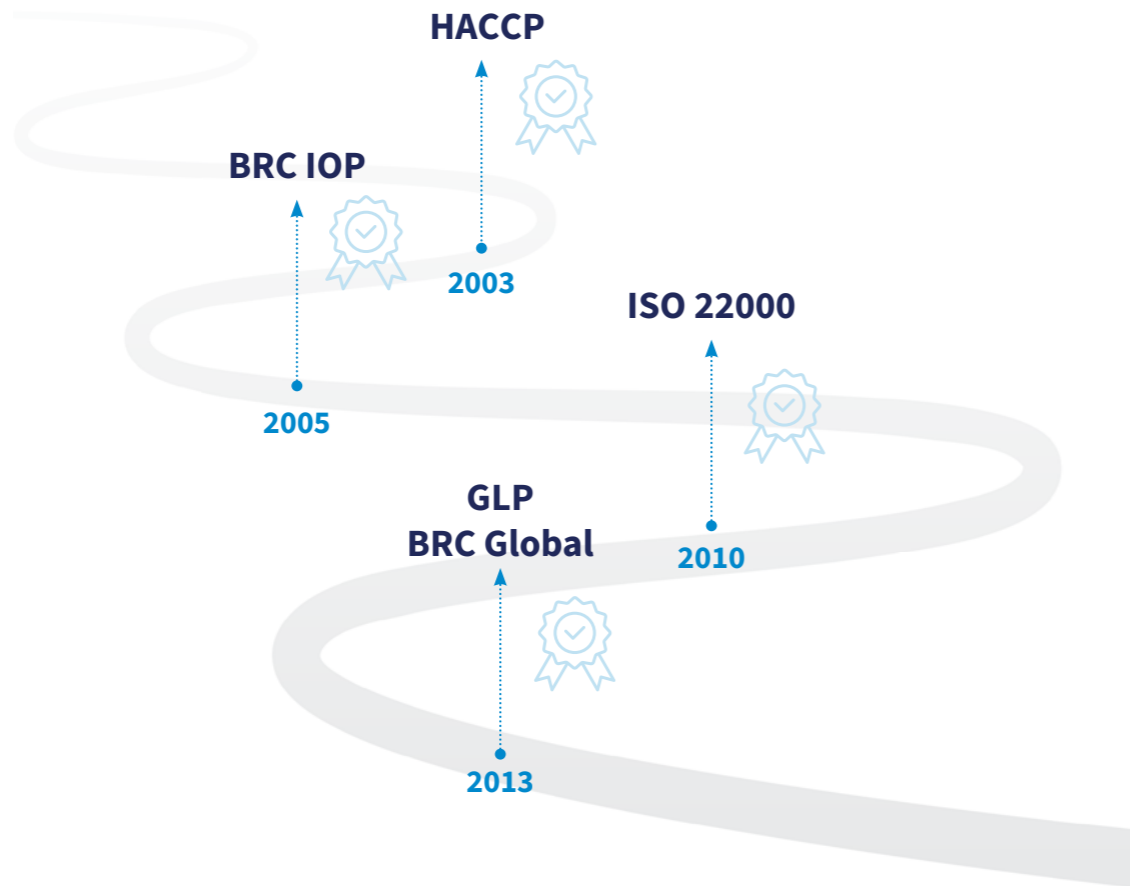
After completing the training courses regarding this methodology, 12 green belts and 1 black belt were awarded to employees in a total of 13 Lean Six Sigma projects in 2022. In addition to financial benefits above **€2,500,000**, these projects have also delivered environmental benefits such as reduced resource consumption, reduced carbon footprint through production and energy efficiency, and increased circularity through efficient use of resources.

In addition to the financial benefits of these projects, which exceeded EUR 2,500,000, environmental benefits such as reduced resource consumption, reduced carbon footprint through production and energy efficiency, and increased circularity efforts through efficient use of resources were also achieved.

Creating Value

Korozo Group is committed to maintaining a high level of performance in the areas of product safety, quality management system, information security, environment, health, and safety.

Since 1996, Korozo has been operating at international quality standards and supporting this with **ISO 9001** quality management certification. In this journey, Korozo focuses on continuous improvement and customer satisfaction and ensures that products are produced at high quality standards. The company, which meticulously carries out quality control processes, has aimed to ensure quality and product safety by establishing systems such as HACCP in 2003, BRC IOP in 2005, ISO 22000 in 2010, GLP and BRC Global in 2013.



Product Quality and Safety



Neşem Ağır

Quality Director

“ The basis of our motivation is to create value by producing responsibly and in cooperation with stakeholders to maintain the highest quality standards. This collective effort enables us to take our customer satisfaction to the next level and not only meet but exceed their expectations.”

Korozo Group, which considers product safety issues for food packaging in the flexible packaging sector in an integrated system with the aim of providing a reliable and high-quality product by taking into account customer feedback as well as the importance of product safety issues for both people and the environment, also carries out studies on product safety issues.

In order to produce and measure the quality and safety of its products in compliance with international standards and limits, Korozo Group has an **ISO 17025 Laboratory Accreditation Authorization Certificate certified and qualified testing and calibration laboratory**. Korozo Group acts in compliance with national and international legislation. The company has a business registration certificate from the Ministry of Agriculture and Forestry and a health certificate for its products in different countries with which it cooperates. There are qualified products documented with GLP certificates which are requested by OECD countries, where many of Korozo Group's customer stakeholders are located, especially in the medical product category.

Product Quality and Safety

Korozo Group conducts experimental and science-based measurements such as polymer chemistry analysis, instrumental analysis, inorganic chemistry analysis, optical analysis, migration analysis, and organoleptic analysis with approximately 90 different tests to check product quality and safety.

The follow-up of these measurements and control processes and pest control are carried out by the quality assurance and laboratory unit, which is the authorized department in this regard. In this way, Korozo Group is able to integrate quality processes into its organizational structure.

As a packaging film manufacturer that complies with regulations and does not jeopardize human health and environmental safety, the company acts with the awareness of conducting its own analysis while producing value as part of its responsible production approach, even if it works with suppliers that can be considered the largest in the industry on a global scale.

Korozo Group, which offers sustainable services thanks to its quality, product safety, and laboratory processes with accredited systems and is on a growth journey open to development, has embedded its efforts to ensure business continuity in these systems into its business model. In addition to governance processes, Korozo Group also works to measure suppliers' environmental, social, and governance approaches to corporate culture and sustainability.

Customer satisfaction measurement, training on quality, hygiene, food safety, root cause analysis when a problem is encountered in products, prevention of recurrence by determining the root cause analysis, and digitalization practices continue. The way of doing business, which is listed as calibration, product traceability, recall practices, and system development studies on the axis of corrective and preventive actions, is carried out under the leadership of the quality assurance unit.

Product Certificates

Korozo Group has to comply with the certifications or standards developed for specific packaging products by the domestic and international markets with which it cooperates. Korozo Group is a manufacturer of intermediate products and maintains production practices and certifications which verify that Korozo Group meets the expectations and quality assurance requirements of its customers, particularly those working with food and hygiene products.

These include factors such as environmental sustainability, resource efficiency, waste reduction, energy saving, and conservation of natural resources. Having certifications gives Korozo Group a competitive advantage and proves to customers that its products offer innovative solutions.

The company has certified its recyclability with internationally recognized certifications in various markets to offer more sustainable packaging solutions and meet customer demands.

The company has obtained **Cyclos-HTP** certification to set standards for traceability, quality control, and sustainability in the recycling and recovery certification process of packaging and packaging waste recycling. As an

excellent example of Cyclos-HTP certification since January 2022, the company has been developing single-material PP-based closure solutions for PP trays for packaging fresh meat products in Germany, the UK, and France to assist the PP recycling stream for these products.

Korozo Group also certifies its efforts to achieve sustainability and circular economy goals in the packaging industry. In this context, it has documentation of the **“Suez Circpack”** initiative, which includes the Circpack, “D4R” (Design for Recycling) guidelines developed by Suez, which encourages progress on these issues.

For the recycling facilities in İstanbul and İzmir, the **EU CertPlast** certification was obtained in 2021, which verifies that the plastic recycling facilities meet specific criteria and produce high quality recycled materials to ensure transparent traceability of recycled materials.

By reliably using recycled plastics in industrial and commercial applications in accordance with European standards, the solution is confirmed to be both flexible and compatible with the solid PE recycling flow.

Sustainable Value Chain

A sustainable supply chain operates in a manner in which environmental and social principles are applied across all production processes from start to finish.

Korozo cares about establishing fair, impartial, and transparent business relations with all its suppliers and business partners, and has measurement metrics that include procurement operations and the basic codes of conduct expected from suppliers. **As a part of the stakeholder chain extending from suppliers to customers, Korozo Group strives to create sustainable value on a common ground with its stakeholders.**

Korozo Group is recognized as a reliable business partner throughout the supply chain with the **'Authorized Economic Operator' (AEO)** or **Authorized Economic Operator Status** granted to companies that comply with customs regulations, keep proper records, and have financial solvency and security measures. Being an AEO enables the company to carry out export processes faster and smoother.

This status allows Korozo Group to avoid the administrative burden of customs controls and ship orders directly to customers from its facilities. With AEO status, Korozo Group secures business continuity by reaching another milestone in its **"Customer First"** journey.

Korozo establishes business relations with all its suppliers and business partners within a fair and ethical framework. Korozo establishes long-term and sustainable collaborations with suppliers who meet the selection criteria that the company has adopted and wants its suppliers to adopt. In particular, taking action against raw material supply risks, creating backup supply plans, and controlling safe stock levels ensure the continuity of raw material supply, which is essential for production.

Responsible Procurement

Korozo attaches great importance to two-way communication with stakeholders in order to continuously improve its focus areas and performance in its sustainability approach. In this context, Korozo gathers the expectations of its suppliers, the most important stakeholder group in terms of production, and incorporates these expectations into strategy development and decision-making processes.

Within the scope of medium and long-term targets set for sustainable procurement processes, the company aims to increase the amount of recycled raw materials purchased by 2030 and to increase the percentage of suppliers signing the supplier evaluation form by 2023.

In addition, climate-related risk assessments are renewed annually within the scope of management system requirements. In terms of ISO 14001 certification, sustainable raw material procurement for production and logistics of products are taken into consideration. Korozo Group strategy, risks, opportunities, road map, and performance criteria for the next 5 years are determined under the leadership of senior management regarding actions implemented in response to risks.

Planned improvements include disruption risks in the supply chain seen as high priority risks and action plans, sustainable and low-carbon product development and innovation projects, operational actions to ensure reduced greenhouse gas emissions and energy consumption, operational improvements ensuring reduced waste and higher efficiency.



The sustainable procurement policy was created by compiling procurement operations and supplier codes of conduct in compliance with national and international standards. Korozo Group, which covers business ethics, compliance with legal regulations, occupational safety, environmental protection, stance against discrimination, and observation of employee rights and working conditions within the policy, adopts a responsible supply chain approach by reflecting its sustainability approach to all suppliers and subcontractors. Communication tools can vary depending on the specific requirements of suppliers. **We do not rely on a single means of communication, but use both verbal and written communication methods.**

Responsible Procurement

Korozo Group acts in accordance with the supplier evaluation procedure that examines the competencies of different departments such as quality assurance, occupational health and safety, procurement and logistics.

In order to measure the maturity of its suppliers and business partners. **The Supplier Evaluation Form** is sent by the Procurement Department to the supplier companies evaluated in the high and medium risk class, which will be purchased for the first time, in order to check the competence of the relevant company.

In this evaluation form,

-  Management System Certificates and accreditations,
-  Approach to quality processes,
-  Food safety practices,
-  Health,
-  Safety and environmental conditions,
-  General factory standards,
-  Working conditions provided by the supplier company,
-  Perspective on human rights.

are evaluated to understand the supplier's competence and compliance status.

In this regard, a scoring system out of 100 is used with a questionnaire filled out by suppliers. These scoring results are meticulously checked and confirmed by authorized personnel at Korozo Group.

The performance of suppliers is evaluated according to their scores, and suppliers with scores below 70 are provided feedback by Korozo Group with a request for improvement. At the end of the process, if the suppliers evaluated and provided with feedback do not make improvements, the cooperation provided by Korozo Group may be terminated. In the evaluation results, suppliers with high performance in environmental and social issues are also highly prioritized at the point of preference.

The total number of suppliers evaluated is 671. Based on the metrics results, suppliers rated as high and medium risk are sent a supplier evaluation form for preliminary evaluation. 199 high and medium-risk suppliers are regularly evaluated. The 472 suppliers categorized as low risk are also subject to scoring by the relevant units within Korozo Group. Korozo Group carries out procurement processes with various approved suppliers from Türkiye and abroad to continue its operations.

In total, it is observed that 65% of the purchases are made from abroad and 35% from domestic suppliers.

The company's responsible production approach and its meticulous approach to supplier selection, which are directly affecting product quality, are taken into consideration and efforts are made to work with optimum suppliers in Türkiye and abroad.

Supplier audits can be performed on-site or online, and the company seeks to increase the number of suppliers that undergo on-site CSR audits.



Korozo Group, which currently provides trainings to 10% of its suppliers, aims to organize sustainability training for 10% of its medium-sized suppliers in 2023.

As part of our sustainability training programs in 2023, the company aims to provide sustainable procurement training courses to all employees in the procurement and sales departments of all our subsidiaries regarding training on sustainability. In addition, providing training courses for audited suppliers engaged in corrective actions or capacity building is also one of the practices targeted by 2023.

Innovation



Warren Shaw

Vice President Innovation

“ Innovation is the cornerstone of our sustainability journey, where our product and technology design is focused on building a circular economy for packaging. By reimagining the way our packaging is designed, manufactured, used, and reused, we not only reduce food and packaging waste but also create a future where sustainability and progress go hand-in-hand.”

Korozo Group is a corporation that continuously strives for improvement through innovative approaches that produce solutions in line with its corporate values. With its innovative perspective, it analyzes the development opportunities in its products and process optimizations and collaborates to carry out innovative works.

Taking a leading role in the promotion of circularity, Korozo Group uses up to 80% post-consumer recycled materials (post-consumer recycled raw materials) and post-industrial recycled materials (raw materials obtained by ISCC+ and EUCertPlast certified recycling of waste generated in production processes) in selected products.

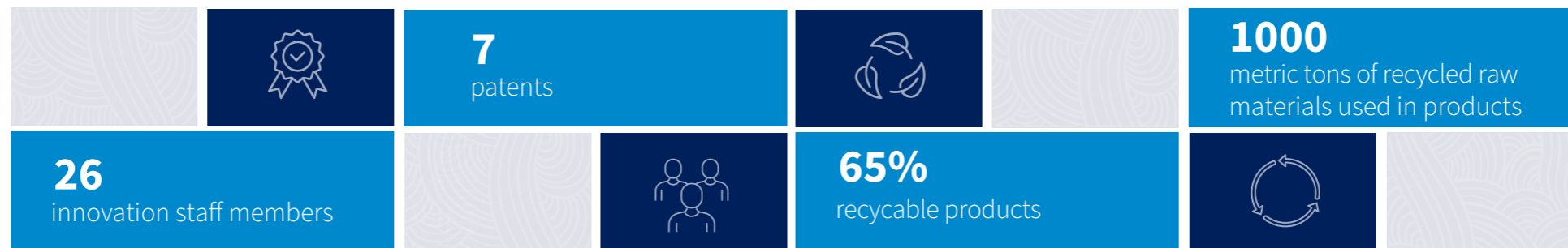
Korozo Group has continued to develop user-friendly solutions using technical films and engineered films by creating new products from the past to the present. While the primary function of the products in food packaging is to extend the shelf life of the items, the primary part of technical films has been to meet the requirements expected in the industry branches.

Continuous development methods are carried out in product groups to achieve these goals. Innovation studies and innovation activities are carried out with an approach that emphasizes quality, and this process is supported by product development projects

approved by the Scientific and Technological Research Council of Türkiye (TÜBİTAK). In this context, Korozo Group’s sustainable innovation efforts are based on a holistic approach that balances product quality, customer needs, and environmental impact while maintaining the company’s financial sustainability.

The innovation department, where the company’s innovation efforts and research and development activities are carried out, has 26 employees that have PhD, master’s or bachelor’s degrees. Research activities in innovation projects are carried out on machines in production units, which increases the recyclability rate of products.

In continuous development processes, the trial and approval processes of existing raw materials are also carried out by this innovation team. Field support is also provided to customers by offering application support to the machine lines of business partners for existing and newly developed products.



Innovation

In the GLM-certified laboratory, the technical specifications of the films developed and produced in these projects are evaluated and systematically recorded. In this way, an accessible and traceable permanent corporate innovation memory is created.

Keeping records regularly and assessing the outputs of retrospective experimental studies makes it easier to observe the effects of innovation studies and business processes, making Korozo Group's operations sustainable. All developments and trials are registered in the QDMS system and monitored online. All work carried out and intermediate and final products obtained are subject to relevant tests. The tests are carried out in the GLP-certified accredited laboratory within the company and recorded in the SAP system.

In this direction, Korozo Group benefits from a vast pool of knowledge and experience by collaborating with reputable institutions such as TÜBİTAK Marmara Research Center-Food Institute, TÜBİTAK Industrial Innovation Projects Support Program, İstanbul Technical University Department of Food Engineering, Gebze Institute of Technology Department of Chemical Engineering, İstanbul University Faculty of Aquatic Sciences Department of Fisheries Seafood Processing Technology, and Muğla University Faculty of Fisheries Department of Fishing Technology and Seafood Processing Technology and Çanakkale Onsekiz Mart University Department of Food Engineering. These collaborations include academic studies on packaging design, shelf life, hygiene, and new packaging technologies.

The sustainable innovation approach pays special attention to the efficient use of natural resources and energy, reducing carbon footprint and waste management. The development of new products and processes not only meets consumer needs but also minimizes the environmental impact of production.

Innovations in packaging technologies ensure that less material is used. Thus, less waste is generated, and natural resources are used more efficiently, while hygiene and shelf-life efforts contribute to sustainability by reducing food waste.

Korozo Group puts the principle of sustainability at the center of its innovation processes and continuously improves its products and processes. The interdependent effects of innovation activities established on environmental, social, and economic bases cannot be considered independently.



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

With a collective approach, developing recyclable and recycled content packaging is central to the company's innovation activities. This not only increases customer satisfaction but also has the potential to reduce the negative environmental impact of the company's products in the long term and accelerate its economic performance with a positive force.

Korozo Group's Innovation department aligns with the company's strategic goals and manages innovation to realize Korozo Group's vision. Innovation has become a core element of the company's business model. Innovation efforts help the company maintain and improve its competitive advantage, and developing new technologies and products provides market differentiation and tailored solutions to customers' needs.

Product Design

Korozo Group is committed to advanced and innovative product design to always lead in sustainability. The company prioritizes **customer satisfaction and demands, efficiency, sustainability, environmentalism, safety, and ergonomics** in the design and development of its products. In this perspective, the company produces designs such as recycled content personal care bags, spouted pouches, etc., made from innovative and environmentally friendly materials.

KORORCY

Korozo Group has developed a range of PE films that offer higher **recycling efficiency** and can be used to replace traditional BOPET, BOPA, and BOPP-based films. This solution provides a product range suitable for processing in existing European recycling facilities and includes more than 95% of flexible packaging products.

In addition to being compatible with modern recycling methods, including chemical recycling, this innovative product family provides more efficiency compared to existing laminates. This new range can produce various packaging solutions, from liner films to stand-up, flat-bottom pouches, and flowpacks. KORORCY's recycling capability has been certified by cyclos-HTP, Interseroh, and APR and won first prize at the 2021 Green Dot Industry Awards organized by ÇEVKO.



KOROFORM-RCY

Korozo Group also offers **environmentally friendly and recyclable solutions with a low carbon footprint and no PA** developed for packaging products such as meat, cheese, and vegetables. This thermoformed film performs equivalent to existing polyamide-based solutions and is certified by cyclos-HTP as fully recyclable, achieving a score of over 95%.



Product Design

Personal Care Bags with PCR content

Another area where Korozo Group has demonstrated leadership is in producing “wicked” bags for packaging personal care products. The company’s success in this area is based on its ability to use plastics post-consumer waste up to 50% in producing these bags without any performance loss.

This innovative approach reduces the product’s carbon footprint by up to 50%, reducing greenhouse gas emissions.



Spouted Stand-Up Pouch

Korozo Group’s other fast-growing product segment is spouted pouches, a flexible and lightweight alternative to traditional rigid packaging for liquid products. This award-winning packaging solution developed by Korozo Group improves material efficiency, reduces transportation costs, increases the product-to-package ratio, and helps reduce overall plastic waste.

These products generate **less waste**, are **resource-efficient**, and are produced within an **advantageous life cycle**. In addition to all these, Korozo Flexibles has been conducting LCA studies for its products since 2018, monitoring and managing their environmental and health impact.

Korozo Flexibles continued its LCA studies in 2022, taking into account market expectations and customer demands.

Korozo Group’s emphasis on sustainability, innovation, and efficiency in product design confirms its commitment to sustainability principles. The company’s dedicated approach plays a role in developing products supporting environmental sustainability and economic efficiency.



Customer Orientation



Selin Bahar Meşulam

Nonfood Flexibles Business Unit Director

“ We are dedicated to strengthening our partnership with customers for long-term relationships and fostering innovation as a collaborative team. Our unwavering openness and eagerness to embrace change are driving forces behind our ability to assist customers in achieving their sustainability objectives, ensuring a sustainable future for all.”

Korozo Group continuously monitors and aims to improve its main field of activity, which is packaging production, as well as its activities in areas such as ensuring the trouble-free operation of the produced product on the customer side, developing new products, informing about products, and negotiating the performance of products and services.

In order to understand the needs of its customers, meet their expectations, and ensure customer satisfaction, Korozo meticulously follows the issues of understanding customer demands, transferring these demands to the relevant processes, producing on time and in line with customer specifications, as well as tracking and communicating innovations to customers.

The aim of product safety practices carried out in this context is to review process management and ensure that processes are developed according to comprehensive product safety standards, including food safety issues.

In addition, customer satisfaction surveys are periodically conducted by an impartial survey company to evaluate and improve customer feedback. By understanding customer satisfaction levels and expectations, the company can gauge itself in terms of product and service quality for our customers, an important stakeholder group.

Additionally, customer satisfaction is measured through targets tracked on a monthly basis. Customer satisfaction is monitored through periodically monitored data such as targets set by the company based on satisfaction survey outputs, sales targets, quality targets, and operational efficiency targets while maintaining the efficiency of operations and taking timely actions where needed. Based on these results, products and services are developed in line with customers' needs, increasing customer satisfaction and loyalty.

Customer Orientation

Apart from customer satisfaction surveys, there are also customer recognition surveys, which are the first step in supplier evaluation programs.

The average annual number of these surveys requested is around 1650. Customers are informed about sales, process and quality steps, and applied management systems by providing detailed feedback within a maximum of 3 days.

In the reporting year, there was no recall of any product of any company operating under Korozo Group. For product feedback, root cause and corrective action plans are determined within a maximum of 5 days, and feedback is provided.

Korozo Group evaluates its customers within manageable and measurable systems. In addition, product and system performance reviews with BU (Business Unit) based customers and the integration of their results into the systems have an essential place in improvement efforts. Accordingly, quarterly meetings are held with many of the customers.

By updating **FMEA (Failure Modes and Effects Analysis)** analyses, corrective action periods are continuously improved with these analyses through guidance documents that can be easily accessed by everyone in the same way in a shorter time.



Korozo Group not only focuses on its sustainability but also contributes to the sustainability of its customers by embracing a customer-oriented approach.

Korozo organized machine shop trainings in customers' factories and participated in quality days organizations with customers' invitations. In addition, the company provides detailed information to customers on food and packaging interaction in new projects. In this way, participants gain more information and skills on sectoral issues.

Customers tend to form closer relationships with companies possessing customer-oriented sustainability values, such as Korozo Group, and are more likely to develop long-term collaborations. This approach is seen as a sign that increases customer loyalty.



Digital Transformation and Information Security

Digital Transformation

In today's world, digitalization of business processes and operational models is a powerful catalyst for achieving sustainability goals across all industries, including the packaging sector.

Digital transformation not only makes business processes more efficient, transparent, and effective, but also enables a more sustainable management of resources.

Innovative technologies and digital platforms facilitate better monitoring and management of the life cycle of products and services, as well as steps to optimize energy consumption, reduce waste, and improve operational efficiency.

Digitalization also helps to create more effective sustainability strategies by using the information obtained in areas such as data analysis and artificial intelligence. In this section, Korozo Group's approach and activities in this context are summarized.

Digitalization offers the potential to minimize costs while maximizing the efficiency of business operations by automating production processes.

Korozo Group makes the most of the opportunities in this area by focusing on strategic processes such as production, inventory management, logistics, and supply chain through the integration and automation of digital technologies.

In addition to increasing the efficiency of business processes, this approach, together with systemic automation efforts, reduces error rates and supports more effective use of energy and human resources.

In 2022, Korozo Group continued its efforts in this context. Korozo Group is focused on excelling customer satisfaction and order processes while reducing potential errors and increasing operational efficiency through increasing data accuracy and automating processes.



Güngör Bingül

IT/IS Director

“ Our strategic pursuit of digital transformation, including data security, advanced data analytics, and Industry 4.0 technologies, is pivotal in our commitment to sustainability. These innovations not only enhance our operational efficiency but also enable us to make data-driven decisions that reduce our environmental footprint, aligning technology with our sustainability goals.”

Digital Transformation and Information Security

Industry 4.0 Studies

Production Management and Operation System

The technical infrastructure of the Production Management System Software, which is used for the digitalization of the production site and operations, was renewed, modernizing the system's effectiveness and the technical facilities it provides to the company for new developments.

Through the integration of real-time product and production parameters in the production management system, efforts are ongoing to increase production efficiency by optimizing production parameters. In addition, data analysis and visualization studies are also underway for instant observation of production using real-time machine data to ensure that product quality is always within specified limit values.

Efforts to expand the scope of use of the Production Management System and to develop additional automation are in progress. These applications will enable Korozo Group to gain a competitive advantage by making its operational processes more efficient, fast, and reliable.

Mobilization of Production Field Operations

Quality control operations and field inspections at the production site were ensured to be carried out instantly via mobile devices. In this way, effective use of instant data in business processes on site, management of processes, analysis of data, and supporting decision-making processes were made possible.

For our mobile maintenance and repair system, our technological infrastructure has been renewed and new function developments went live. As part of the project, mobile devices have been renewed. Through this project, on-site maintenance and repair operations are carried out more effectively.

Digital Business Processes

In 2022, Korozo Group started a transformation project to upgrade the processes in its existing ERP system to world-class industry standards and optimize all business processes from sales order to collection.

The scope of this project includes effective management of production capacity and detailed planning processes. This project aims to simplify and execute our existing processes more effectively, increase Korozo Group's competitiveness, and improve customer satisfaction.

The project successfully went live at the İzmir-Çiğli factory in 2022. Efforts to expand the project to other factories of Korozo Group are ongoing.

🌿 Robotic Business Processes

In order to increase the effectiveness of Korozo Group employees and enable them to focus on more added-value tasks, daily repetitive business processes are transferred to digital solutions. These efforts help to increase employee satisfaction and loyalty.

🌿 Data Analytics

Data analytics is one of the most essential tools used to make more accurate and effective decisions. It plays an important role in monitoring current business processes and improving the company's performance through predictive alerts. In this context, new reports and dashboards are being developed and put into use every day.

Digital Transformation and Information Security

Information Security

As digital processes become more prevalent, cyber risks are on the rise. This process has become more critical, especially with the increased remote working after the pandemic.

Information security is the integrated measures to protect the company's information assets, information processing processes, and systems against threats such as unauthorized access, data loss, corruption, or destruction. Data sharing and transactions that come with digital transformation increase the responsibility of businesses to protect their most valuable assets.

Information security aims to ensure uninterrupted business operations and maintain the trust of all company stakeholders. Korozo Group considers the continuous protection, management, and improvement of information assets as one of the key requirements of sustainability. This approach includes identifying the security, needs, and risks of information assets and developing and implementing controls related to security risks. These controls ensure resilience against potential cyber security threats and risks on information assets.

Policies and certificates established within the context of compliance with ethical regulations, which are important for sustainability, constitute an important basis for managing information security risks. Korozo Group acts in compliance with the Personal Data Protection Law (KVKK Kişisel Verilerin Korunması Kanunu), which is the main regulation in Türkiye regarding the protection of the data the company needs and subsequently obtains from its

internal and external stakeholders with whom it cooperates due to business processes and regulatory requirements. Korozo Group, which has **ISO 27001** certification subject to international standards in management systems by the legislation and confidentiality, aims to prevent unauthorized viewing, access, or disclosure of information by unauthorized persons and to protect the integrity, accuracy, completeness, and unchanged information.

With the information security risk assessment, Korozo Group carries out **the follow-up and audit of all these processes by specifying the risk definitions, the facilities covered, the results of the risk, the existing controls, and the responsible persons for the actions to be taken** in accordance with ISO 27001.



This process, which is carried out to protect the company's information assets in line with sustainability, is carried out to identify and evaluate the company's information security risks and to manage these risks by taking appropriate measures. In addition to this risk management approach, Korozo Group provides regular training to its employees on cyber security awareness and data privacy in order to achieve its information security targets.

The importance of information security has increased even more as users worked remotely during the pandemic. In order to prevent possible risks, Korozo Group uses new generation anti-threat technologies.

From a sustainability perspective, the actions taken by the company to comply with the Personal Data Protection Law include **Data Controllers Registry Information System (Verbis)** registration procedures in accordance with the inventory, establishment of an authorized PDPL (Personal Data Protection Law) Board within the company, sharing the PDPL policies formed to support sustainability performance in terms of corporate governance with the public on the website of Korozo Group. In the reporting year, there were no confirmed information security incidents (breaches) within Korozo Group.



We strive to achieve net zero in our operations and throughout our supply chain.



Environmental Sustainability

Energy and Greenhouse Gas Emissions



Tuğçe Çevik

*Health, Safety, and Environment
(HSE) Director*

“ Building a sustainable future means embedding environmental, social, and governance principles into every facet of our operations. We believe that by integrating sustainability and HSE practices into our core operations, we can not only leave a positive footprint for the planet but also create lasting value for our stakeholders.”

Korozo Group aims to contribute to the protection of the world against global warming by reducing greenhouse gas emissions with a responsible production approach for a sustainable future and provides the necessary information and resources to realize its goals and objectives.



Korozo supports the procurement of energy-efficient products and services that affect energy performance, and is committed to improving energy intensity and energy performance in production processes.

In order to realize this core value, the company focuses on continuous improvement and sets its targets in accordance with these principles.

Accordingly, the company continuously measures, analyzes, and controls essential areas related to energy consumption. Korozo Group utilizes designs, equipment, and systems with higher energy efficiency by following the latest technological developments and applying advanced engineering practices. In addition, it supports an energy-efficient work culture by providing its employees with the training they need, raising their awareness, and ensuring that natural resources are used efficiently and with less waste.

With these values, it is among the company's goals to maintain its determination to reduce negative environmental impacts by increasing energy efficiency.

All Korozo Group operational facilities have been subjected to regular environmental and energy management risk assessments and all facilities are certified in accordance with the **ISO 14001 Environmental Management System** and **ISO 50001 Energy Management System** standards.



Energy Efficiency

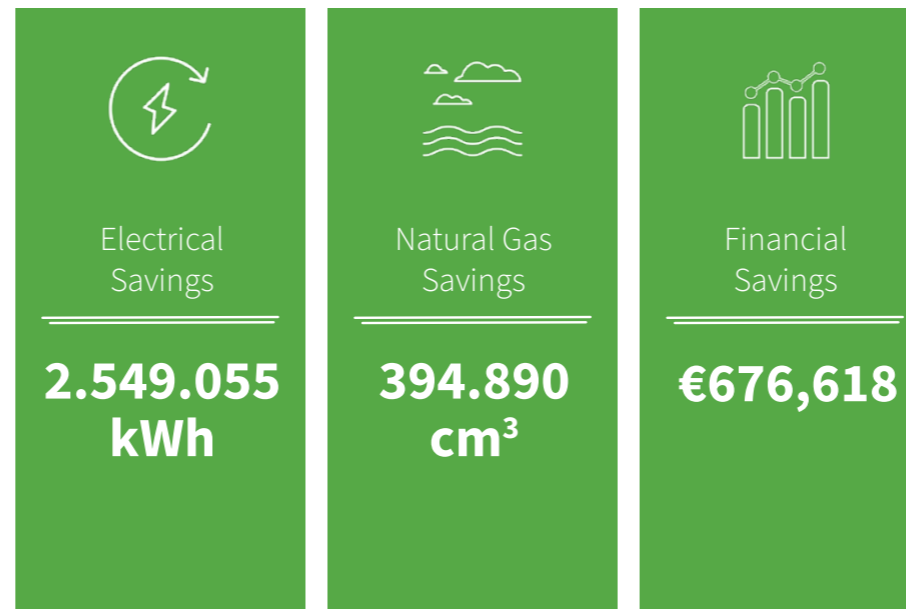
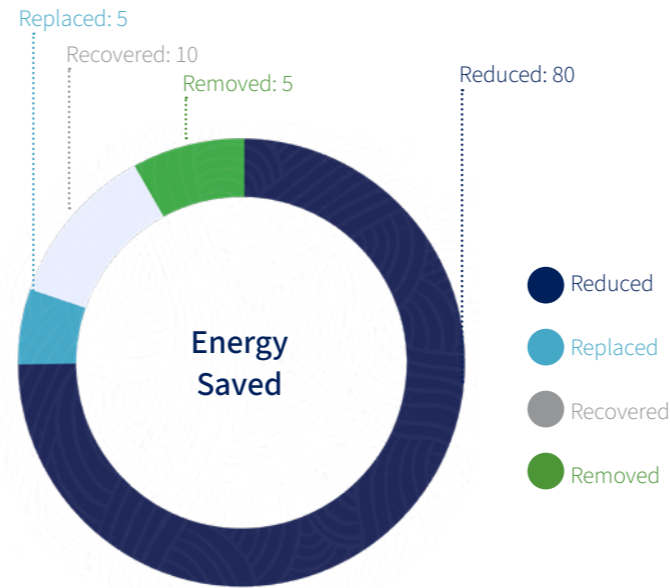


Korozo Group complies with legal regulations and other energy efficiency, use, and consumption requirements.

In addition, performance is monitored by setting targets with a proactive approach, and continuous improvement of energy performance and energy management systems in processes is ensured.

In 2021, the Energy Management Team was established. With the establishment of the ISO 50001 system, 2022 was declared the “**Energy Challenge Year**” for Korozo Group, considering the challenges faced on a global scale and the energy crisis. In 2022, most of the actions planned according to the roadmap created in 2021 were completed. Many projects aimed at saving natural gas and electricity were implemented. In this regard, Korozo Group has achieved its 2021 targets. As a result of dedicated efforts and valuable stakeholder contributions, a total of **€676,618 worth of energy savings** were achieved at Korozo Group facilities.

Today, changing consumer expectations and price volatility mean a green energy transition is vital for companies in many sectors. Therefore, Korozo Group focuses on accelerating the green energy transition through sustainable and eco-friendly practices for the future.



Renewable energy use at Korozo Group

The trigeneration systems in Korozo Group’s Istanbul-Esenyurt and Tekirdağ-Çorlu facilities convert natural gas energy into electricity, cold water, hot oil, and hot water energy.

The waste heat generated from electricity generation is thus recovered and the company’s dependence on external energy sources is reduced. The trigeneration facility converts the kinetic energy obtained using natural gas energy into electrical power with the help of an alternator, and the waste heat generated during this process into hot oil and hot water energy. In addition, this hot water energy is converted into cold water energy using Absorption Chiller. This system provides benefits at 4 different points by using a single potential energy.

Korozo Group has carried out pilot studies on the use of renewable energy and gained experience in this field. Korozo Group has been increasing the power of the solar energy panel installed at the Vitra NV facility in Belgium every year and continues feasibility studies on the use of renewable energy for all its facilities. These studies will assess the applicability of renewable energy sources, considering the needs of the facilities and local resources, and contribute to determining strategic steps.

Korozo Group Energy Management System Roadmap

2021

System Review

Gap Analysis

Monitoring and Reporting

Understanding Energy Consumption Distribution

İstanbul Esenyurt (K4 facility) and Tekirdağ - Çorlu facility ISO 50001 Energy Management System

2022

Energy Management Core Team

Kick-off Workshop

Site Based Action Tracking

Publishing and distribution of actions

Korozo Group Energy Challenge Year 2022

2023

Energy Workshop

ISO 50001

Energy project for better sustainability

Site Based Action Monitoring

İstanbul Esenyurt (K3 facility) ISO 50001 Energy Management System

Greenhouse Gas Emission Management

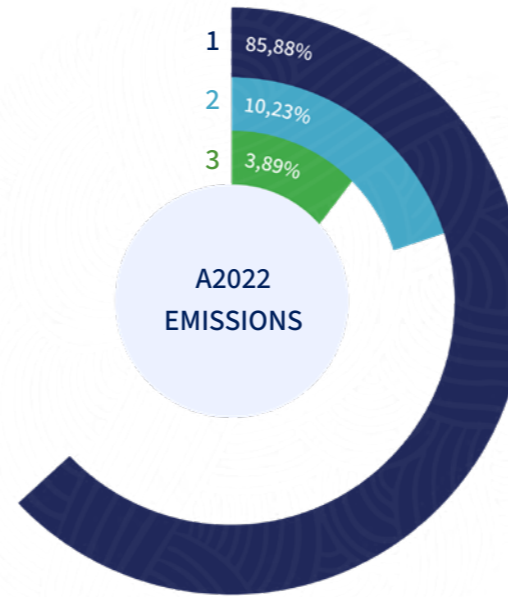
Korozo Group's climate change strategies

Korozo Group evaluates and develops strategies to mitigate risks associated with climate change. The Sustainability Committee has set priority targets to reduce greenhouse gas emissions and has created action plans to achieve these targets.

The company continuously monitors greenhouse gas results and emission intensities by calculating yearly greenhouse gas emissions. In addition, projects to reduce greenhouse gas emissions are carried out, and the company cooperates with the relevant departments at every stage of these projects. Korozo Group focuses on reducing greenhouse gas emissions by working on energy efficiency and use of renewable energy. The company continues its efforts to establish a greenhouse gas emission reduction target approved by SBTi (Science Based Targets initiative) in the future).

Climate-related risks and opportunities

In addition to the Scope 1 and Scope 2 Greenhouse Gas Emission calculations already completed, Scope 3 Greenhouse Gas Emission calculations were finished in 2022, raising awareness of climate-related risks and opportunities within the organization and taking a significant step toward setting a science-based greenhouse gas emission target. Korozo Group prioritizes greenhouse gas emissions at the highest level to manage its impact on global temperature rise and climate change. Relevant data can be found on the Materiality Matrix.



Scope of Emission	Korozo Group's Emission Amount
Scope 1	Equivalent of 13,817.21 tonnes CO ₂
Scope 2	Equivalent of 36,326.10 tonnes CO ₂
Scope 3-In full	Equivalent of 304,984.31 tonnes CO ₂
Total	Equivalent of 355,127.62 tonnes CO₂



Measures to be taken regarding greenhouse gas emission management are evaluated within the framework of risk management procedures and approved by the Sustainability Committee.

Korozo Group implements and continuously reviews its carbon management strategy with all stakeholders in a coordinated manner to achieve its environmental sustainability goals. Thus, the company acts with a vision for the future by minimizing its environmental impact through its dedication to greenhouse gas emission management and sustainability commitments.

Greenhouse Gas Emission Management

Korozo Group has accepted the 2022 inventory as the base year for greenhouse gas emission calculations. It has set a target of greenhouse gas emission reduction of “reducing Scope 1 and Scope 2 greenhouse gas emissions by 50.4% from the base year 2022 until 2032”.

This short-term (5 to 10 years) target covers all direct and indirect energy emissions in the Scope 1 and 2 GHG emission inventory. Additionally, in 2022, Korozo Group achieved a total reduction of 12% in its Scope 1 and 2 emissions in comparison to the previous year.

As of 2022, Korozo Group has joined the United Nations Global Compact’s **Climate Ambition Accelerator Program** and plans to set science-based targets according to SBTi criteria in the next two years. Accordingly, the company is committed to working decisively to achieve its short-term and long-term sustainability goals and to take responsibility in the fight against global climate change.



Keeping the value of sustainability at the center of all its activities, Korozo Group is committed to combating climate change.

The most effective way to do this is to reduce the company’s greenhouse gas emissions by avoiding activities that generate greenhouse gas emissions. It is an important issue for Korozo Group to neutralize unavoidable emissions. For this reason, Korozo Group contributed to a reforestation project verified by the Verra Registry in Uruguay to offset the flight emissions of its employees. Reforestation projects act as a “carbon sink” and contribute to significant carbon reductions in the long term. Korozo Group has neutralized 195 tonnes of emissions from flights in 2021, the year before the reporting year.

Clean Air

Korozo Group operates by prioritizing the right of all living beings to breathe clean air. This determination to fighting air pollution is transformed into concrete steps through environmental policies and approaches.

The company takes continuous measures to control air pollution and uses clean production methods are applied by closely following technological developments. Regular maintenance, control and emission measurement activities at the facilities reflect the responsibility of being a part of a sustainable environment. All emission sources are connected to the chimney system. Measurements are carried out by accredited independent organizations at regular intervals, ensuring compliance with all legislation.

Emission exit points are regularly checked. Measures are taken to prevent emissions from escaping outside the chimney, and reminders are made to keep the doors closed. Filter systems are used in our air handling units to reduce the effects of unavoidable air pollution.

The Solvent Recovery Process (SRU), which both ensures air cleanliness and contributes to the circular economy, captures solvent vapor from solvents inks and adhesives used in production from chimney exit points, brings it to our facility, separates it, and makes it possible to reuse it in production.

The distillation units distill the solvents generated during job changes and machine cleaning processes and reintroduce them into production in a continuous process. This method recovers solvents by collecting waste solvent vapors, significantly reducing potential air pollution. In addition to this system, the recovered solvents are reused, contributing to circularity in production processes.

At the solvent recovery facility

in **2020** → **1634** tonnes,

in **2021** → **1954** tonnes,

in **2022** → **1963** tonnes,

At the solvent recovery facility, annual figures for recovered solvent were: 1634 tonnes in 2020, 1954 tonnes in 2021, and 1963 tonnes in 2022. As a result, greenhouse gases are prevented from being released into the atmosphere, providing a decrease in emission values. Thus, Korozo Group aims to increase circularity by increasing the amount of waste solvent vapor recovery daily with the developing technology and projects implemented.

Sensitive to the environment and people

In addition to air pollution, Korozo Group also takes measures against noise pollution and odor formation as part of its sensitivity to the environment and people. Korozo Group production facilities are not located in residential areas but in industrial zones with noise exemption.

Prioritizing employee comfort

In order to ensure employee comfort, studies have been carried out using materials such as sound absorbers to prevent the noise generated during the removal of waste near the machines. Noise levels are regularly checked and risk studies are carried out.

As a result of all studies, risk analysis assessments, and regular measurements, it has been determined that noise level is not a significant risk factor for Korozo Group.

There is a ventilation system supported by robust suction systems in areas where odor-causing processes and materials are actively used to prevent any unpleasant odors that may be caused by production. Volatile chemicals are kept only in barrels in a controlled manner, and the lids are always kept closed when not in use. Due to its meticulous approach, Korozo Group has not received any complaints or warnings regarding foul or disturbing odors.

Waste Management



Correct and responsible waste management is of utmost importance at Korozo Group's facilities.

The company correctly separates hazardous and non-hazardous wastes at the source and recycles them back to the economy by prioritizing recovery and recycling methods.

The wastes generated are separated according to hazardous and non-hazardous categories and sent to licensed facilities, and mostly recovery and recycling methods are preferred to contribute to the circular economy. All wastes are sent to licensed companies in accordance with legal regulations and the shipments are recorded on the online environmental information system.



Zero Waste to Landfill (ZWL) Certificates

In addition, the company encourages all employees to use recycling bins for the separate collection of waste at its source and attaches importance to raising awareness through verbal and visual means. In this way, it is aimed to raise awareness on waste management not only within the company but also in the society at large.

Waste Management at Korozo Group is also certified with the "Zero Waste Certificate" and Zero **Waste to Landfill (ZWL)** certificates in all facilities. Korozo Group has a facility with a recycling license in İstanbul-Esenyurt location. Wastes generated during production are recycled and reused as raw materials to contribute to the circular economy.

All facilities within Korozo Group adopt the Zero Waste approach. In this regard, all Korozo Group facilities have waste bins in accordance with zero waste guidelines and employees are periodically trained.

Waste Management

Industrial Waste

As a manufacturing company, the most crucial category for Korozo Group is industrial waste. These wastes are separated into recyclable and non-recyclable wastes by adopting a circular economy approach. Hazardous and non-hazardous production wastes are generated at Korozo Group facilities. Wastes determined according to their hazardousness category are managed by separating them at source in defined areas and bins within the enterprise.

Hazardous and Non-Hazardous Waste

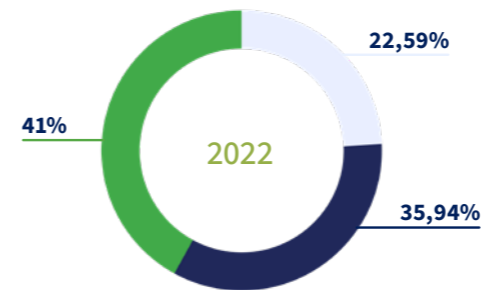
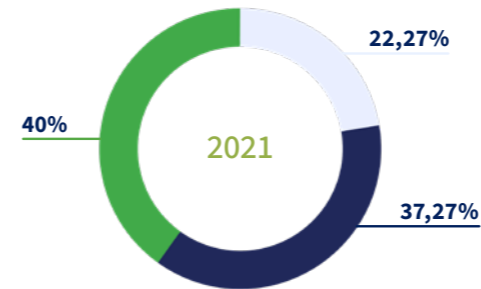
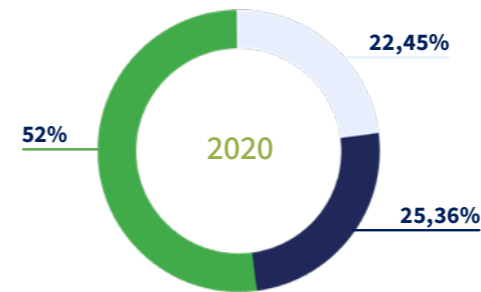
Hazardous wastes generally consist of chemical wastes (ink, glue, contaminated, etc.), while non-hazardous wastes include plastic packaging, production waste, paper/ cardboard, and wood waste. Hazardous and non-hazardous waste data can be found in the report's annex.

Technical measures are taken to prevent environmental spills, and employees are periodically trained. In this way, negative environmental impacts are minimized, and sustainable business management is ensured.

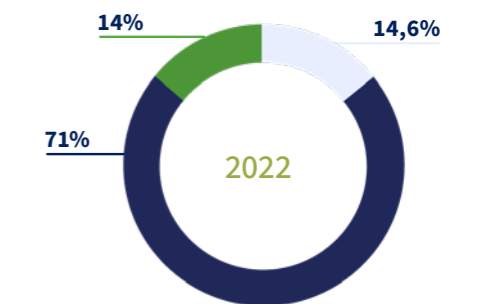
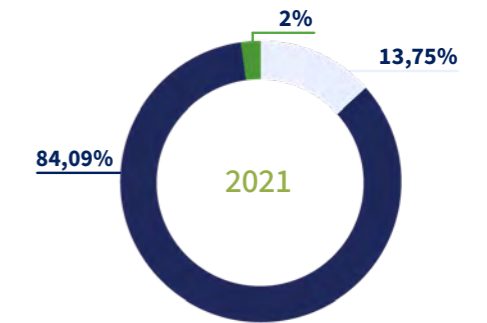
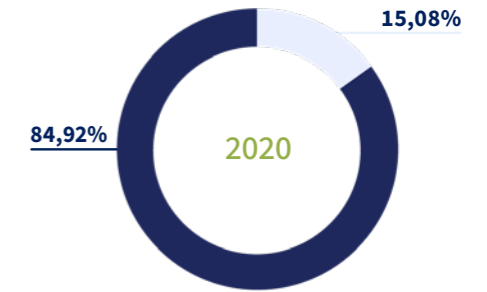


Waste collection day organized in collaboration with the Municipal Government of Çiğli

Hazardous Waste



Non-Hazardous Waste



NOTE: Values below 0.05% are considered 0%. Please refer to the Performance Data Index for more detailed data tables.

Water and Wastewater Management

Korozo Group maintains its commitment to minimizing water use in its industrial processes.

The water consumption of Korozo Group's companies is generally limited to domestic purposes. Monthly water consumption data is meticulously recorded and continuously monitored. As part of water saving projects, measures such as sensor faucets have been taken to use water more efficiently in common areas (sinks, showers, etc.). There are informative posters in the facilities encouraging the conscious use of water. In addition, all employees are regularly trained on natural resource consumption and water conservation. These environmental efforts are a reflection of Korozo Group's commitment to protect water resources and to assume responsibility for a sustainable future.

Korozo Group companies operate in industrial zones and do not draw water from water-stressed areas.

The domestic water in all facilities is supplied from the network in the region. Wastewater generated from use is discharged to the city sewerage or wastewater treatment facility in the area where the facilities are located by meeting the discharge parameters. Korozo Group companies do not discharge water directly to the receiving environment. An independent external laboratory regularly analyzes and continuously monitors the treated water sample from the wastewater treatment facility. Periodically, controls are also carried out by official institutions in the region where the facility is located, and no problems are encountered.

KOROZO GROUP	2020	2021	2022
Water Consumption (m³)	119.764	121.947	110.301
The total amount of water withdrawn from areas of water stress (m³)	0	0	0
Water Consumption Per Capita (m³/person)	53	54	49
Amount of water discharged (m³)	119.764	121.947	110.301



Istanbul-Esenyurt Facilities

The industrial wastewater generated at Korozo Group's İstanbul-Esenyurt and Tekirdağ-Çorlu European Free Zone facilities originates from the bath water used in prepress processes. There is a physical and chemical treatment facility for the treatment of this industrial wastewater before it is discharged to the receiving environment. In addition, all wastewater generated in the facilities, including the sections where water is used for cooling purposes, is discharged in accordance with the relevant legislation obligations.

Tekirdağ-Çorlu European Free Zone facilities

In Korozo Group's production facilities, water use in the chiller system for cooling purposes operates as a closed circuit. In this way, water consumption is minimized by reusing water and the environmental impact of operations is reduced. Korozo Group is committed to responsible water use. The company manages wastewater discharge in full compliance with environmental regulations and standards.

Circular Economy Management

Climate change, environmental inequality, and natural resources


Factors such as climate change, environmental inequality, and unsustainable use of natural resources indicate that current economic models are unsustainable. Korozo Group is aware of the importance of the transition to a circular economy, which is the key to a sustainable future and continuously improves its business culture and operational processes in this direction.

Water, electricity, solvents, and raw materials

In line with the importance attached to resource efficiency, resources such as water, electricity, solvents, and raw materials are used with maximum efficiency, contributing to a sustainable production model. In addition, internal training programs are organized to raise employee awareness on sustainable consumption.

Products with recyclable and recycled content

Through efforts to develop recyclable and recycled content packaging, circular economy principles are adopted, recycling is encouraged through minimizing waste generation, and environmentally friendly packaging alternatives are supported. Innovation department continues to work on designing and producing environmentally friendly products with a low carbon footprint and projects are planned in such a manner to contribute to sustainability goals.

 Resource Efficiency	Material Recoveries	Product design	Collaborations	Stakeholder interaction
<p> In 2022, raw material and energy efficiency has been increased with a total of 82 projects with 69 Top 10 projects and 13 Lean Six Sigma projects.</p> <p>In addition, the “Zero Waste to Landfill Certificate - demonstration of diversion over 99% of waste to landfill” certificate was obtained.</p>	<p> With the Solvent Recovery System, and recovering waste solvent vapors generated in the process, circularity in our production processes is increased, environmental pollution is prevented, and efficiency is ensured.</p>	<p> As part of the higher recycling efficiency PE film series KORORCY, a fully recyclable material, KOROFORM-RCY has been developed. This material makes it possible for tonnes of plastic waste to be recycled back into the economy.</p>	<p> Korozo Group is a member of the Türkiye Circular Economy Platform (Türkiye Materials Marketplace - TMM). In this digital circular economy platform, material exchange is encouraged and waste and by-products from one organization become raw materials for another organization.</p>	<p> Various activities are organized with the participation of our employees and their families. Individual contributions to the circular economy are also made by joining hands at waste collection events aimed at recycling.</p>
<p> The SAP LP project, one of the system improvement efforts and innovative software solutions, when completed, will help optimize business processes and increase the efficiency of human-based resources, one of the most important resources of the company, namely time and effort.</p>	<p> At Korozo Group’s Recovery Facility in İstanbul-Esenyurt, plastic production waste is recovered and used as raw material for Korozo Group’s own internal production process, as well as for sale to the economy.</p>	<p> OEKO-TEX certification was obtained for the fabric used for the production of hygiene products at Korozo Flexibles Tekirdağ -Çorlu facility and Sareks facility in Tekirdağ -Çerkezköy. *</p> <p><small>*The OEKO-TEX Certificate is issued for textile products and shows that the product does not contain any substances hazardous to human health. This internationally valid certificate is based on the standards developed by the OEKO-TEX organization for textile products.</small></p>		<p> A “Supplier Evaluation Form” is sent to all supplier companies we work and will work with to ensure company competence control and evaluation.</p>



We prioritize safety, diversity and talent.
People



Social Sustainability



Human Rights



Aziz Şahin








*Human Resources Director
(HR Director)*

“Our corporate values are the bedrock of our organization, guiding us to cultivate a culture of respect for people and inclusivity. We are committed to promoting responsible behaviors that not only empower our employees but also drive our sustainability efforts, fostering a brighter and more equitable future for all.”

Korozo Group’s Human Rights Policy is a concrete reflection of the company’s sustainability principles and ethical values. The policy also demonstrates the priority Korozo Group attaches to protecting and promoting human rights in its business and working environments.

The company’s Human Rights Policy follows international norms such as the United Nations (UN) Universal Declaration of Human Rights and the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work. In this context, Korozo Group adopts a global approach and follows business ethics in line with universal human rights.

Human dignity and respect for diversity are at the center of Human Rights Policy. The company rejects all forms of discrimination and all processes are based on equality and fairness in all processes, from recruitment to working conditions, from remuneration policies to career management. In this sense, concrete steps are taken to prevent discrimination based on various factors such as

-  Gender
-  Age
-  Race
-  Ethnic Origin
-  Religion
-  Language
-  Disability Status

and to provide equal opportunities. Occupational health and safety (OHS) is essential to Korozo Group’s Human Rights Policy. The company aims to provide its employees with a safe working environment in accordance with human dignity and values. The priority of occupational health and safety is part of Korozo Group’s goal of creating a sustainable business environment. Accordingly, the company’s OHS policies and practices are regularly reviewed and updated to protect the health and safety of employees and minimize potential risks in the workplace.

For Korozo Group, the ethical approach and practices adopted in these areas ensure a strong position as a sustainable company and play an essential role in raising awareness of human rights across the industry.

Occupational Health and Safety

Occupational health and safety at Korozo Group

Occupational health and safety is a top priority for Korozo Group and is one of the company's key values. This priority is based on the results of a rigorous materiality analysis. Korozo Group always regards occupational health and safety as the most important value and is committed to protecting the health and safety of its employees, suppliers, and customers.

Sustainability at Korozo Group

For Korozo Group, sustainability includes creating a safe, healthy, and supportive working environment for employees. For that reason, occupational health and safety is not only a necessity, but also a core value. Ensuring that all employees can return to their families in good health is one of the company's most important commitments and a value shared at all levels, starting with senior management.

ISO 45001 Occupational Health and Safety Management System

In this regard, the ISO 45001 Occupational Health and Safety Management System standard and globally recognized best practices are followed. Korozo Group's safety vision is defined as **“demonstrating world-class sustainable HSE (Health, Safety, Environment)”**

performance and creating a strong safety culture”. Therefore, monitoring occupational safety performance with proactive indicators and reactive indicators in occupational safety processes plays an important role in realizing improvements.

Korozo Group's OHS Goals

Korozo Group's top OHS priority is to ensure its employees and stakeholders are in a safe and healthy working environment. Consequently, they actively engage in various activities to minimize the risk of accidents. Regular risk assessment processes are carried out in line with these efforts, aiming to continuously improve by understanding the current situation in the facilities. The company also focuses on technical developments and improvements by implementing department-based occupational safety projects. The projects include, analyzing department-based risk, evaluating the technical conditions of the machines, processes for making necessary investments and improvements.

For Korozo Group, it is important that its people return home healthy and safe at the end of each day. To increase employee motivation, accident-free days are celebrated together with employees. Every day brings us closer to the “zero accident” target.

As Korozo Group, we had the opportunity to present on “Sustainability and Environmental Management” and “Cultural Transformation in Occupational Safety” at the 2022 Occupational Health and Safety Symposium organized by the Istanbul Chamber of Industry. We extend our gratitude to all those who have contributed to the success of this organization, with special recognition to the Istanbul Chamber of Industry.



OHS Management



At Korozo Group, there are various risks that need to be managed due to the nature of production processes and production.

These risks are minimized and hazards are eliminated with the applied occupational health and safety management. The company effectively implements occupational safety management systems using the most advanced technology and best practices available. The company continuously updates and improves these techniques to achieve its sustainability goals. In this way, commitments are maximized and a sustainable future is effectively created.

All processes at Korozo Group are managed in line with national and international legislation, industry best practices, and policies established in accordance with ISO 45001 Occupational Health and Safety Management System standard.

Korozo Group continues to work in collaboration with all departments to achieve goals and targets by acting in line with policies to identify threats to the environment, occupational health and safety, and to analyze risks.

Occupational safety management systems are managed as a whole in Korozo Group companies. In all facilities, policies, procedures, and instructions are implemented in an integrated manner in accordance with the structure of the process. With a strong and extensive document structure, effective health, safety, and environment team, and management support, occupational safety targets are achieved every year and a successful process is carried out.

Occupational safety practices are taken very seriously at Korozo Group and are regularly monitored through annual plans. This approach aims to protect the health and safety of employees at the highest level. Monitoring occupational safety practices through annual plans includes the following important processes:

1

Planning and Assessment:

The safety team assesses current risks and safety needs during the development of the annual plan. This assessment is a fundamental step to determine which areas require intervention.

2

Training and Awareness Programs:

The plan may include organizing safety training and awareness programs for employees. This ensures that employees are aware of safety and act in accordance with best practices.

3

Inspection and Control:

Occupational safety inspections and controls are carried out at regular intervals as part of the annual plan. These inspections help to assess the effectiveness of current practices and guide improvements.

4

Maintenance and Repair:

Maintenance and repair of equipment at the facilities is also part of the annual plan. The proper functioning and continuous maintenance of safety equipment is critical to prevent occupational injuries and accidents.

5

Emergency Preparations:

Emergency plans and drills are also part of the annual occupational safety plan, which ensures that employees are safe during emergencies. Drills are regularly conducted and emergency teams are trained for emergencies such as fires and earthquakes.

6

Reporting and Improvement:

After each audit and inspection, potential risks and opportunities for improvement are identified. This information forms the basis for updating future annual plans.

Korozo Group's systematic approach reflects its commitment to occupational safety and continuous improvement efforts. This ensures that employees are kept safe and that workplaces create a safer environment.

Risk Analysis Studies

Korozo Group adopts an extremely meticulous approach to occupational safety and risk management. Risk analysis studies are carried out at regular intervals as part of the company's safety culture. These studies include the following steps:

- 1 Risk Classification:**
 In the first step, risks are identified and categorized. This classification is used to better understand potential hazards and develop analysis strategies specific to each risk group.
- 2 Risk Analysis Methods:**
 Korozo Group uses reliable risk analysis methods such as Fine Kinney risk analysis method and COSHH chemical risk analysis method. These methods are utilized to assess risks in a systematic way and help to obtain objective results.
- 3 Employee Feedbacks and Participation:**
 Employee participation in the risk analysis process is of great importance. Employees are the people who know their jobs best. Their experience contributes greatly to the identification and assessment of potential risks. Accordingly, regular meetings are held with employees.
- 4 Action Plans:**
 Actions to be taken to mitigate potential risks are determined based on the results of the risk analysis. These actions are monitored through the software program and automatically assigned to those responsible. This ensures that actions are implemented in a timely and effective manner.
- 5 Action Status Analyses:**
 The status of actions is regularly monitored and shared with all employees. This helps to ensure that risks are mitigated and safety measures are effectively implemented throughout the company.



Korozo Group's risk analysis efforts reflect the company's commitment to occupational safety and continuous improvement efforts. In this way, potential risks in the workplace are minimized and employees are kept safe. It is also a significant step towards the company's sustainability and long-term success.

In all Korozo Group subsidiaries' operational facilities, 100% of employees are subject to health and safety risk assessments.

Employees of all Korozo Group subsidiaries have received occupational health and safety training. In addition, there are zero physiological or psychological occupational diseases resulting from company operations.

Visitor, Subcontractor, and Supplier Management

Visitors at Korozo Group

At Korozo Group, visitors, subcontractors, and suppliers are expected to act in accordance with the company rules within the boundaries of Korozo Group. For this reason, a **“Visitor Information Video”** was prepared with the participation of the families of employees to increase the awareness and knowledge of visitors, subcontractors, and suppliers. First of all, Korozo Group **“Life Saving Rules”** and Korozo Group Code of Conduct are communicated to all visitors as well as various information. Moreover, visitor behaviors are monitored by each employee as part of the company culture. In accordance with the behavior-oriented safety observation system implemented, each employee acts as a safety ambassador.

OHS communication

Occupational health and safety board meetings create an environment where the effectiveness of all existing work for Korozo Group is evaluated and all stakeholders such as employees, subcontractors and sub-employers share their suggestions about the process and discuss the actions that can be taken to perform better. In addition, inter-facility best practice sharing meetings are organized on various topics. At the annual management review meetings, the previous year’s performance is evaluated in detail and next year’s targets are set.

Occupational health and safety targets

In these meetings, the company’s occupational health and safety targets and performances are on the agenda and a high level of participation is ensured. As a natural consequence of this, the company is getting closer to achieving its targets with the valuable contribution of all employees at Korozo Group.



Employee Participation in OHS Issues

Employee participation in occupational health and safety practices is critical for establishing and maintaining a health and safety culture with a focus on Korozo Group.

The success of our occupational health and safety practices depends mainly on the extent to which employees are involved and take ownership of these practices in training. The high level of interest shown in management review meetings reflects Korozo Group's commitment to ensuring the participation of all levels of the organization and including their opinions and suggestions in decision-making mechanisms.

As a natural consequence of this culture and the principle of continuous improvement, the behavior-based safety observations program launched in 2019 encourages all employees at Korozo Group to provide feedback to each other. It contributes to the development of safe behavior methods collectively. With this occupational health and safety practice that strengthens communication, Korozo Group creates an environment of information sharing among employees on occupational safety.



As part of the annual communication plan, various tools are used to prioritize safety throughout the organization. Regular events such as weekly occupational safety talks cover current issues, and outputs are shared with all company employees. In addition to sharing current issues among the **Health - Safety - Environment week activities**, competitions, webinars, and training on various topics, award ceremonies, and online quizzes are organized to increase motivation throughout the company.

In addition, notifications for detecting 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 transparently sharing the critical and proactive approach taken to reinforce the commitment to safety.

Korozo Group Champions

Reducing employee accident risks

Korozo Group Champions are individuals who take a leading role to reduce the risk of accidents for employees in line with occupational safety targets. To ensure that the safety culture remains on the agenda of the entire organization, various tools such as weekly occupational health, safety, and environment speeches are used in the annual communication plan. The Health - Safety - Environment team, which works in coordination in this process, determines the topics for the weekly on-the-job talks and communicates them to all champions. By sharing these speeches with the teams for which they are responsible, champions become active contributors to the achievement of Korozo Group's occupational health and safety goals.

With their diverse competencies and the key roles they play, Korozo Group Champions believe that working safely is an advantage for themselves and other employees and see change as an opportunity.

They engage in conversations with colleagues about safety, highlight situations that are not in line with expected safe conditions/behaviors and offer suggestions for improvements. Korozo Group aims to increase behavior-based safety observation practices by adding an average of 10 people per month to its Korozo Champions.

These Champions take ownership of safety activities, facilitate its implementation, and support department management. In addition, the champions work with the Health - Safety - Environment team to conduct safety audits and share the learning from incidents that have occurred across Korozo Group businesses with their colleagues.

Korozo Group Champions are responsible for sharing safety performance monthly and communicating key safety messages in coordination with relevant units.

These Champions are field representatives of Korozo Group's effective management approach to strengthening the safety culture by striving to increase the safety awareness of employees. They play an active role in achieving Korozo Group's occupational safety and environmental targets and establishing an occupational safety and environmental culture.



Employee Benefits

Korozo Group attaches importance to the health and safety of all employees.

In this regard, many activities are carried out under the leadership of the health unit to protect, monitor, and improve the health and working environment of employees and to increase their physical and mental well-being. In this context, the company regularly carries out pre-employment examinations, regular periodic health checks, personal exposure and occupational hygiene measurements, appropriate job recommendations, and ergonomics studies.

In addition to regular health checks, informative seminars on health-related issues are organized to raise the awareness of employees. The health unit at the facilities is actively involved in informing and guiding employees on issues of need.

All these activities are of great importance to ensure that employees do not suffer from work-related illnesses. Precautions and awareness-raising seminars, especially for psychological and physical health factors, stand out in occupational health and safety practices for the protection of employee health:

Ergonomics Studies:

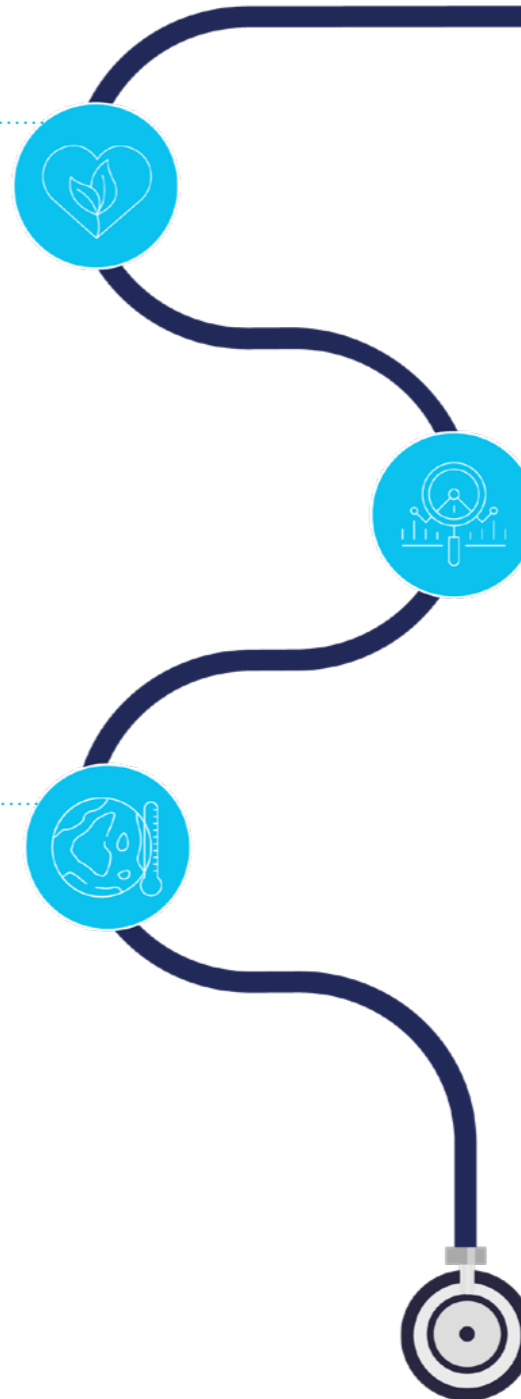
Most musculoskeletal diseases can be easily prevented or managed with an integrated approach and promotion of a culture of prevention among stakeholders. With the proper ergonomics practices, illnesses and accidents can be prevented, working comfort and productivity can be increased, and sustainability can be achieved. With this awareness, ergonomic risk analyses are carried out as part of the ergonomics project, which was implemented with the aim of improving the health and well-being of employees, making the workplace more comfortable and reducing the burden on national health systems.

Post-Pandemic Health Measures:

Although pandemic conditions have been deemed globally invalid at the time of writing this report, many of the habits and precautions taken during the pandemic are still part of company practices. As mentioned in the WEF Global Risk Reports, infectious diseases and viruses will continue to pose a risk in the later years of the 21st century. Korozo Group has also received the PIW certificate with many measures taken during the pandemic process. Employees and guests have easy access to sanitizers and hygiene materials at hygiene points, which are frequently located in Korozo Group facilities.

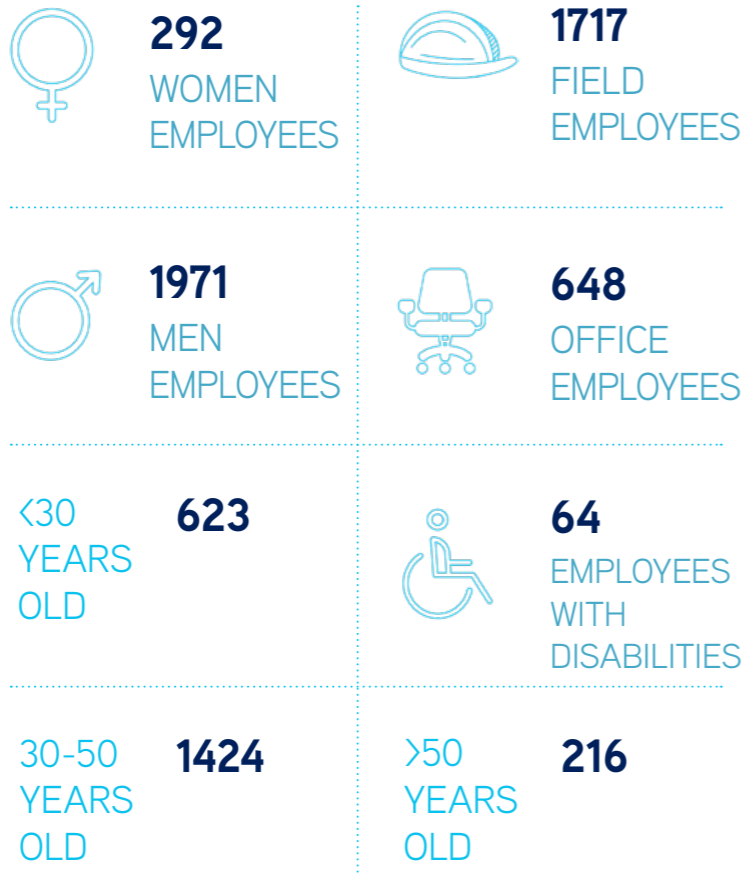
Health Seminars:

Efforts are made to raise awareness of employees on health issues through seminars and talks organized online. For example, in 2022, as part of Korozo Group health talks series, seminars and talks were organized by inviting experts in the fields of Infectious Diseases, Nutrition for a Strong Immunity and Working Life with Psychological Health Dimension.



Employee Profile

“The Most Important Company Value is Our Employees



Creating Value

Employees are the most important corporate value in Korozo Group’s organizational structure. Korozo Group continues to create value for society, satisfy its customers, develop new more environmentally friendly products, and grow its business with the help of its employees who play a role at every level of its business.

Korozo Group employs **approximately 2300 employees**, of which **292 are women and 1971 are men**. In addition, this number increases even more with the business partners we work with. New employees joining the company are given onboarding training before starting work and assigned support colleagues through the **KORODAŞ** system to facilitate their adaptation to company values, rules, and systems used. In addition to the KORODAŞ system, in-house career, and personal development trainings are offered through Korozo Academy training platform.

As part of these briefings, the “Korozo Code of Ethics” are introduced to new members of Korozo Group family. For the sustainability of Korozo Group, it is crucial that all employees and representatives of the company demonstrate an equitable approach, awareness of development, personal consistency, environmental awareness, social responsibility, professional responsibility, and utilization of professional and technical knowledge.

Korozo Group human resources policy is based on the motto **“The most important corporate value is our employees”**:

- First, by recognizing that every employee is a talent, it is aimed to create processes that will unlock their potential. In these processes, the practices implemented to nurture human capital include supporting employees to discover and develop their unique talents.
- Secondly, Korozo Group stands by and supports its employees with its philosophy of continuous training and development. Development opportunities are provided for each employee to advance in their careers.
- Thirdly, the company has an ethical understanding of “having an employee profile that cares about the society and ethical values”. Korozo Group believes that responsible and ethical employees are a cultural asset.
- Finally, Korozo Group has an approach that prioritizes anti-discrimination and equal opportunity philosophy in all processes.

The company strives to create a work environment where every employee has equal rights and opportunities. These fundamental principles aim to support the success and sustainable growth of the company by encouraging employees to maximize their potential, continuously develop and create a workforce that adds value to society.

In all Korozo Group facilities, our employees can work a maximum of 270 hours per month. All employees of Korozo Group, who have never violated any legal regulations, work between 160-270 hours per month without ever violating any legal regulations. Company employees use all of their annual leave.

Diversity and Inclusion

Diversity and inclusion in the employee profile, which has become an important focal point in today's business world, makes itself felt especially in recruitment processes.

Korozo Group encourages recruitment processes to include individuals from different backgrounds, experiences, talents, and perspectives and to value them in the workplace. Throughout the recruitment process, candidates and employees are treated fairly, without prejudice and equally, without any discrimination based on birth or acquired status.

The company maintains its equitable stance in the employment of foreign nationals, which is common in the modern world. If there is no legal obstacle for foreign citizens to work in the Republic of Türkiye, foreign citizens also have the right to work within Korozo Group without being subjected to any discrimination policy. Likewise, no discrimination is observed in matters such as remuneration, promotion, right to education, and retirement.

This principle demonstrates a focus on promoting diversity and inclusion in human resources processes and the work environment. It is important to evaluate employees based on their skills and abilities and to provide equal opportunities. Each employee is evaluated according to their qualifications and hired on a fair basis and their career progression is ensured.

Thanks to this approach, Korozo Group benefits from the contributions of its employees at the highest level and achieves outputs with high added value. With the motivation provided by equal opportunity, employees are rewarded according to their skills and performance. All employees are encouraged and supported to play an important role in the success of the company. This creates a positive atmosphere in the work environment and fosters a culture of mutual respect and cooperation among employees.



Gender Equality

Women's employment is of great importance in the employee profile and in the business world in general.

Korozo Group believes that through women's participation in the workforce, it gains different perspectives and increases the number of qualified employees, which helps to increase problem solving, creativity, and innovation.

In this regard,
as of **2022**,
45% of office employees
&
14% of all employees
are women.

Korozo Group strongly opposes discrimination and actively promotes women's employment. The fact that nearly 50% of office employees at Korozo Group are women is a clear indication of the company's commitment to a culture of equal opportunity and non-discrimination in their human resources practices. Korozo Group takes an active stance against discrimination and actively supports women's employment.

Organizing training programs that emphasize gender equality and women's rights

One of the highest social priorities is to support women's employment and create a safer and more comfortable environment for them in the field. Regular activities include organizing training programs that emphasize gender equality and women's rights, as well as updating internal policies. There are suggestion and complaint channels available for submitting suggestions and complaints, as well as initiatives to raise employee awareness. These mechanisms serve as preventive measures.

Raising social awareness

At the same time, reliable support mechanisms are being provided, encouraging women to give their voices to raise social awareness and ensure safety in the workplace. The company takes responsible measures to contribute to the creation of an equal and fair working environment by protecting the rights of women employees.

Within the scope of gender equality efforts,

Korozo Group joined the **Business Against Domestic Violence Network (BADV)** in 2022. With the participation in the Train-the-Trainer program provided by UNDP in 2022, the best practices acquired were adapted to the company structure and gender equality policies were developed the goal is to raise awareness against all forms of violence/discrimination. Planned training are organized to disseminate the knowledge gained in this training throughout the organization.

Korozo Group is a member of the Women's Employment and Equal Opportunity working group as a member of the **Business Council for Sustainable Development Türkiye (SKD)**. We continue to work actively with the association.

In addition, we participated in the '**Future of Work and Women's Employment Project**' survey conducted jointly by BCS D Türkiye and **Klynveld Peat Marwick Goerdele (KPMG)**. Also, studies have been carried out to develop a roadmap.



Employee and Human Rights

Korozo Group fully supports employees' freedom of expression and opposes violence or harassment and unethical practices such as debt bondage through labor.

Fair remunerations are ensured among employees, and working hours are regulated in accordance with standards and legislation set by the **International Labour Organization (ILO)**. While Korozo Group respects the rights and well-being of employees, it has a strict attitude against unethical practices.

In 2022, there were no incidents of discrimination or harassment or corruption at Korozo Group facilities. Korozo Group strives to keep this number at zero by maintaining its uncompromising stance on ethical issues and monitors these metrics.

Employee Satisfaction and Development

To increase employee motivation, Korozo Group invests in employee development. Human resources policy and working conditions are continuously improved and employees are encouraged to remain in long-term cooperation. Employee loyalty increases in proportion to the increase in employee satisfaction. Employee satisfaction-enhancing practices that lead Korozo Group to success create an environment for low turnover rates and innovative ideas. Employee happiness is one of the critical keys to Korozo Group's sustainable success.

Keeping employees happy and satisfied in their work environment is important. Therefore, Korozo Group Employee Engagement Survey is conducted annually to assess employee satisfaction within the company. This survey provides an opportunity for employees to evaluate their experience of their jobs, working conditions, level of communication and support, relationships with colleagues, and other work factors. This data is examined by Korozo Group management team. Necessary improvements are made based on employee feedback.

In October 2022, the results of Korozo Group Employee Engagement Survey were analyzed by an independent consultant firm. This was followed by focus group discussions, one-on-one interviews, an engaged leaders meeting, and action workshops involving employees.

According to the results of the survey, Korozo Group's most highly evaluated areas are Occupational Health and Safety Practices, Suitability of Work for Skills and Experience, and Social and Environmental Sensitivity.

Korozo Group aims to maximize employee satisfaction by managing the processes with an independent consultant company for the actions resulting from the Employee Engagement Survey. At the same time, employees will be informed about the work carried out in this process.

Korozo Group organizes a **traditional plaque ceremony** every year to recognize the contributions of its employees. This ceremony helps strengthen team spirit and reinforces the company's passion for its business. During the special ceremony held **in 2022, 74 employees** who have dedicated **15, 25, and 35 years** to Korozo Group were recognized and honored with plaques for their loyalty and valuable contributions to the company. After the presentations and plaque ceremonies, a concert was organized to foster solidarity and motivation among employees.

All Korozo Group employees are subject to regular performance and career development reviews.



Employee Fringe Benefits

In addition to basic salary rights, employees are supported socially and economically by offering various fringe benefits and opportunities.

These fringe benefits and opportunities include

cafeteria, shuttle service, fuel allowance, shopping vouchers (3 times a year), bonus payment, monthly premium payment to all blue-collar personnel by dividing 2 salaries a year by 12, Korozo night organized every year (plaque awarding), OPEX “I have a suggestion” award, accident-free day celebration and hazardous situation/near miss award ceremonies and championship system **monthly gift** ceremonies.

The results of the **satisfaction surveys** conducted regularly to increase employee loyalty and satisfaction in October 2022 are evaluated by the management, and actions are taken. In line with these actions, career opportunities are pursued through rotation, promotion, and internal recruitment processes. Employees’ professional development is supported through performance-based and needs-based training, which contribute to their career growth.

It is among the ethical principles of Korozo Group to ensure **equal pay among men and women employees** and a fair wage distribution. Parental leave is recognized for both men and women employees by fulfilling all requirements within the legal regulations.

All these practices aim to ensure employee satisfaction in the work environment and improve career opportunities.



Training Opportunities

Training opportunities are one of the key elements for continuous development and innovation under Korozo Group.

100% of Korozo Group employees complete OHS training and Korozo Group will continue to provide OHS training to all employees. In addition, by 2023, each Korozo Group subsidiary aims to provide training on Gender Equality and Ethics to at least 30% of its employees.

In addition to legal and mandatory training, Korozo Group employees can improve themselves in every field by being supported with technical and process training, personal and managerial development training that enable them to increase their business performance. The training programs organized within the company are gathered under the name of Korozo Academy.

This academy offers many options for employees to participate in training at any time through online and mobile platforms. In addition to classroom training, the platform includes resources such as interactive training applications, webinars, digital library, and technical dictionary.

In addition, by 2023, each Korozo Group subsidiary aims to provide training on Gender Equality and Ethics to at least 30% of its employees.

Korozo Academy offers training under 7 different main categories where employees can improve their technical skills and competencies. These categories include orientation, health, safety, quality, information technologies, human resources, professional and technical development, personal and managerial development.

In addition, environmental training are regularly planned and online training on sustainability are also offered through Korozo Academy. It is a source of pride for Korozo Group and all subsidiary companies that the implementation rate of planned training on labor or human rights issues in all company operations is at 100%.

An orientation program and training on health, safety, and environment, corporate values are provided to interns.

General information about Korozo Group, business processes, and practices are also conveyed to students during school visits. Factory tours are organized, workflows and processes are shown on-site, and information is transferred to students. **Korozo Group training data can be examined in the annex of the report.**



Values, Ethics, and Compliance



Seda Tunca

Internal Audit Director

“ To be truly sustainable, organizations must adhere to a high standard of ethics. A reflection of this is that when it comes to actions and behaviors, institutions and individuals can always take accountability with confidence. As Korozo, which has left behind a successful 50 years in the industry, we will always maintain our commitment to responsible and correct behavior.”

Korozo Group Business Ethics Policy represents a structure in which the principle of sustainability and business ethics issues are particularly prioritized. The company considers its ethical values and practices in a broad framework that touches all employees, suppliers, and other stakeholders with whom the company has business relations.

Since ethical issues consist of sensitive principles that pose a particular risk, risk management is an important element in business ethics policy.

The company’s approach to risk management is tracked in risk analysis documents with the relevant process, risk definition, and existing controls. Risk definitions are made on issues related to corruption risk assessment and anti-competitive practices, employees are informed together with the teams and audits are conducted annually through the internal audit mechanism.

When necessary, disciplinary proceedings are carried out in accordance with the procedures as a result of any suspicious situation or detection of behaviors contrary to ethical rules. There were no confirmed cases of corruption in any Korozo Group company in the reporting year. All Korozo Group subsidiary companies conduct risk assessments of business ethics issues followed by internal audits. The number of reports related to whistleblowing procedures in all Korozo Group companies is zero.

Based on the principles of transparency and accountability, the ethics policy, constitutes the fundamental component of Korozo Group’s management approach. Respect for human rights, prevention of corruption and bribery, conflicts of interest, competition ethics, confidentiality and protection of internal information, and an honest and fair approach are at the center of our ethics policy. These principles are the steps taken to lay the foundation for Korozo Group’s future sustainability and success.

Based on the principles of protecting the rights of employees and sustainability, this policy does not allow discrimination and is inclusive of all stakeholders. Ethical principles are applied in all areas of activity in Korozo Group companies. Starting from senior management, all Korozo Group employees act in accordance with these principles. Korozo Group applies the “equal pay for equal work” policy to all its employees.

Employees and other interested parties within Korozo Group can report ethical issues, such as anti-competitive practices, sensitive transaction violations, anti-corruption due diligence infractions, and third-party breaches like child or forced labor, by sending an email to etik@korozo.com.tr. Additionally, they can make a **24/7 voice call** to the ethics hotline at **0212 866 66 25**. No action will be taken against the reporting persons during the investigation of possible violations of ethical principles, and maintaining confidentiality is crucial. Violations are identified by Korozo Group Ethics Committee and the breaches are evaluated by the Discipline Committee. All employees of Korozo Group receive training on Business Ethics, first at orientation and periodically thereafter.

Values, Ethics, and Compliance

The business ethics policy is made available to all stakeholders and all ethical practices and decisions are published in a visible and transparent manner for stakeholders.

Business ethics, a fundamental part of sustainability efforts, plays a key role in ensuring the sustainability of Korozo Group. While a sustainable understanding of business ethics increases the efficiency of operational and administrative processes, it is also critical in maintaining corporate reputation and trust. Korozo Group is committed to conducting its activities in an ethical and honest manner that complies with the law and international standards and respects human rights.

This commitment is an extension of the ethics policy's culture of trust and integrity and a reflection of the company's stance on ethical business practices and compliance with the law. The ethics policy serves as a guide where all stakeholders are expected to respect ethical principles and behavior. This policy is reviewed annually and updated in accordance with procedures when necessary.

Korozo Group provides ethical principles and rules training to all its employees with a content that covers all the issues mentioned in the ethics policy and shared publicly, including respect for human rights and safety, corruption, bribery prevention and conflict of interest, competition ethics, confidentiality and protection of internal information, honest and fair approach.



Along with this training presentation, Korozo Group also shares accessibility information on reporting ethical violations.

In 2022, a total of 1980 hours of training was provided to all employees, an increase of more than 10 times since 2020.

Corporate Social Responsibility

Koroza Flexibles, a Koroza Group company, is a member of the **Business Council for Sustainable Development (BCSD)**. BCSD Türkiye (SKD) is the local network in Türkiye and partners with the **World Business Council for Sustainable Development (WBCSD)**. SKD has a strong collaboration with the parent organization. The Council shares its knowledge and experience on sustainability with its members and stakeholders through working groups.

Koroza Flexibles is actively involved in four working groups: Transition to Low Carbon Economy and Efficiency, Sustainable Industry and Circular Economy, Women's Employment and Equal Opportunity, Sustainable Finance and Risk Management.

Koroza Flexibles, representing Koroza Group, contributed to the "Preliminary Research Report on the Circularity Potential of Five Sectors in Türkiye" completed in 2022 with the cooperation of BCSD Türkiye, KPMG Türkiye, KPMG France, and with the funding support of the French Development Agency (AFD), by representing the plastics industry and participated in the launch presentation.

The aim of this project is to conduct sector-level research and perform circularity calculations at the company level based on sector leaders, companies, researchers, and relevant publications to identify and assess the risks and opportunities for each sector in Türkiye. **The Circular Transition Indicators (CTI)** developed by the **World Business Council for Sustainable Development (WBCSD)** were used in the calculations.

In addition, another project realized by Koroza Group with BCSD Türkiye in 2022 is the "**Technical Assistance Project for the Assessment of Türkiye's Potential for Transition to Circular Economy (DEEP)**".

This project aims to improve Türkiye's institutional and technical capacity in the transition to circular economy. During the project, Türkiye's potential for transition to circular economy will be assessed, the management capacities of national and local governments in terms of integrated waste management will be improved, and a "**National Strategy and Action Plan**" will be developed in line with the EU Circular Economy Model. Koroza Group has also supported this important project by contributing it.



Circular Economy Project

As a member of the Turkish Circular Economy Platform and in collaboration with Adelphi, Korozo Group initiated a joint project study under the Circular Vouchers program in 2022. This initiative received support from the European Bank for Reconstruction and Development (EBRD). The project involved reviewing the strategy and governance assessment for the company's transition to circular economy practices. It also examined best practices and resource efficiency opportunities in the sector.

Additionally, the analysis focused on the resource use of both current and future operations. At the same time, a sustainable packaging program was created by examining international best practices in the field of plastic Packaging and especially the details of EU regulations.

A roadmap for sustainability and circular economy practices was determined by assuming a leadership role with a strong governance structure, while determining the necessary measures for compliance on how it will affect the company's exports to EU countries. This project work has enabled Korozo Group to take a leadership role in circular economy and sustainable packaging practices and to direct its future operations in a more environmentally friendly and resource efficient manner.

Contribution to the Education of Our Children

Korozo Group, which has prioritized signing works that will contribute to the lives of future generations in the field of education since its establishment, opened its kindergarten in 2022 after Korozo Primary School in İstanbul. Emphasizing the importance of early childhood education with the opening of the kindergarten, Korozo Group management stated that they will continue their support for education to ensure that children have easy access to education based on equal opportunities.

In addition to Korozo Group management, senior officials from the Ministry of National Education, the Ministry of Labour and Social Security, UNICEF Türkiye, and the Delegation of the European Union to Türkiye attended the opening ceremony held as part of the **“Increasing Quality of and Access to Early Childhood Education Services (ECE) Project”** in cooperation with the Ministry of National Education and UNICEF.



Easier Together

A Korozo Group company Koroplast organized “Easier Together”, a social responsibility project that takes children on a recycling journey as part of waste collection activities. With the help of “Easier Together” sustainability project, important steps were taken by meeting with children by company’s collaborations.

Within the “Easier Together” sustainability project, **47 Recycling Workshops** were conducted with many brands and institutions.

Within the “Easier Together” sustainability Project; **a total of 7,508 students in 21 schools in 6 provinces participated in an online recycling training that started in March in the 2021-2022 academic year** with the cooperation of TOÇEV and the announcement of the Ministry of National Education. Special recycling units were sent to training provided schools, supporting the first step to put learning into practice.”

With these projects, Korozo Group aims to raise children as individuals with an awareness of sustainable living and fulfills its responsibility to leave a livable world for future generations.

2022 Environment Week Events

The collected waste was used to create a children’s book called “The Girl Whispering to the Birds”. This book tells the adventures of Kora, who aims to learn about recycling and waste utilization. It also aims to reach more children with book available in digital format.



University Collaborations

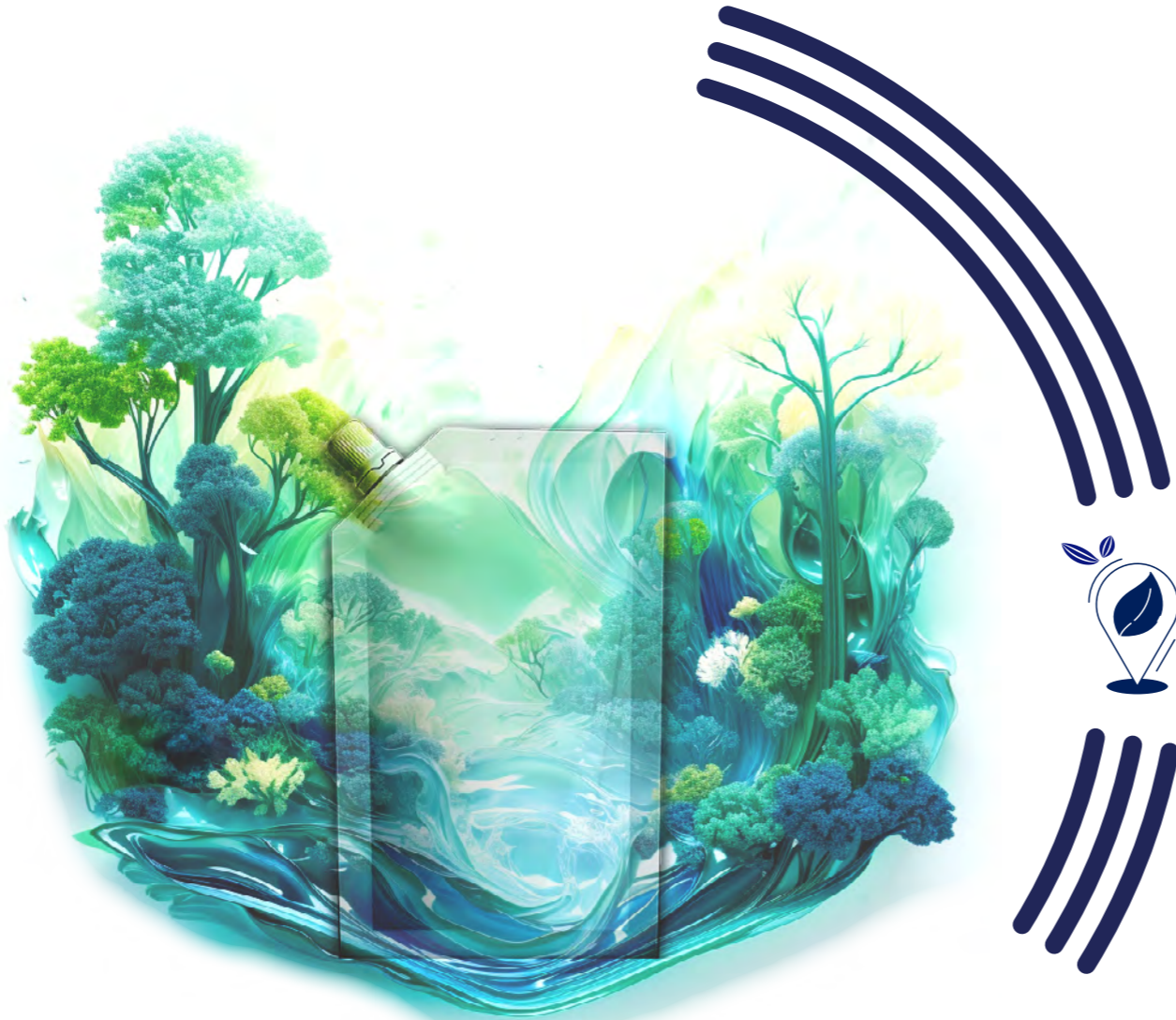
In 2022, Korozo Group continued to meet with students who will shape the **future of the packaging industry** at universities and career events. Korozo Group executives met with **Aydın University Food Technology Department** students and provided information on “**Sustainable Packaging**” and answered their questions about the sector. This collaboration also included inviting students to the facilities to observe the production processes on site.

In addition, Korozo Group Human Resources team participated in the **Career Fair** organized by **Yıldız Technical University Business Club**. At this event, students had the chance to explore internship and career opportunities at Korozo Group.

TOS+H Expo Turkish Occupational Health and Safety Exhibition

At the **İstanbul Chamber of Industry Occupational Health and Safety Symposium** organized within the scope of the **TOS+H Expo Turkish Occupational Health and Safety Exhibition**, Korozo Group HSE Manager Reyhan Cin and Korozo Group HSE Director Tuğçe Çevik participated by giving presentations on Applications within the Scope of Environmental & Sustainability Management and Cultural Transformation in Occupational Safety, respectively.





Annexes



Glossary

- **AEO**-Authorized Economic Operator
- **AFD**-Agence Française de Développement
- **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
- **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 Labor 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
- **PE**-Polyethylene
- **PDPL**-Personal Data Protection Law
- **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**-Turkey 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 Data

Korozo Group Financial Data

	2020	2021	2022
Donations & Aids (Euro)	11,740	9,966	9,259
CAPEX Investments (Euro)	23,687,837	17,717,109	15,819,255
Incentives (Euro)	3,719,474	2,896,093	3,289,073
Net Sales* (Euro)	286,652,591	324,967,755	390,889,863

**Net sales data is independently audited financial information.*

Environmental Performance Data

Energy Consumption Data

Korozo Group Energy Consumption

	2020	2021	2022
Electricity (kWh)	147,081,761.6	142,147,215.2	292,740,171.2
Natural gas (kWh)	127,533,047	168,788,083	78,874,716
Diesel (lt)	23,514.68578	18,579	126,411

**The data for this table have been verified by a third party within the scope of CDP statements.*

Reduction as part of 2022 Energy Efficiency Studies

Electricity Saving	Natural Gas Saving	Financial Savings
2,549,055 kWh	394,890 sm ³	676,618 EUR

Korozo Group Energy Intensity and Reduction Data

	Korozo Group	Korozo Flexibles
2022 Total Energy Consumption	141,024 MWh	132,675 MWh
2022 Energy Intensity	1.80 MWh/Tonne	1.90 MWh/Tonne
2023 Energy Intensity Target	1.77 MWh/Tonne	1.87 MWh/Tonne

Emission Data

Korozo Group Greenhouse Gas Emissions for 2022

Emission Scopes	Unit	Korozo Flexibles			Sareks	Koroplast	Total
		İstanbul-Esenyurt	Tekirdağ-Çorlu	İzmir-Çiğli	Tekirdağ-Çerkezköy	İstanbul-Esenyurt	
Scope 1	tonne CO ₂ e	2,798.35	9,445.68	264.30	857.61	451.30	13,817.24
Scope 2	tonne CO ₂ e	15,036.94	11,221.53	4,075.16	2,835.60	3,156.86	36,326.09
Scope 3 -Goods and services purchased	tonne CO ₂ e	88,935.51	92,234.23	16,391.25	17,745.29	19,887.12	235,193.40
Scope 3 -Capital goods	tonne CO ₂ e	0.79	1.98	4.32	30.14	2.21	39.44
Scope 3 -Fuel and energy activities	tonne CO ₂ e	6,353.38	6,046.65	1,630.33	1,174.80	1,324.90	16,530.06
Scope 3 -Upstream transportation and distribution	tonne CO ₂ e	13,447.86	18,911.67	4,080.75	3,502.34	672.11	40,614.73
Scope 3 -Operational waste	tonne CO ₂ e	145.86	202.59	14.10	33.92	12.20	408.67
Scope 3 -Business trips	tonne CO ₂ e	159.65	32.26	0.00	12.02	37.50	241.43
Scope 3 -Employee transportation	tonne CO ₂ e	658.41	2,270.88	79.42	64.43	0.00	3,073.14
Scope 3 -Downstream transport	tonne CO ₂ e	2,440.77	2,500.70	635.87	651.85	1,022.36	7,251.55
Scope 3 -End of life of products sold	tonne CO ₂ e	619.31	531.83	115.69	141.56	223.52	1,631.91
Total Amount of Emissions		130,596.83	143,399.99	27,291.19	27,049.56	26,790.07	355,127.64

*The data for this table have been verified by a third party within the scope of CDP statements.

Korozo Group Scope 1-2-3 Consolidated Greenhouse Gas Emissions for 2022

Location	Scope 1	Scope 2	Scope 3	Total (CO ₂ e)
Korozo-İstanbul	2,798.35	15,036.94	112,761.54	130,596.83
Korozo-Çorlu	9,445.68	11,221.53	122,732.79	143,399.99
Korozo-İzmir	264.30	4,075.16	22,951.73	27,291.19
Sareks	857.61	2,835.60	23,356.35	27,049.56
Koroplast	451.30	3,156.86	23,181.92	26,790.07
Korozo Group	13,817.24	36,326.09	304,984.33	355,127.64

*The data for this table have been verified by a third party within the scope of CDP statements.

Korozo Group Long Term Emission Reduction Targets

Scope	Korozo Group			Korozo Flexibles		
	2022 Current Value	2030 Reduction Target	2030 Target	2022 Current Value	2030 Reduction Target	2030 Target
Scope 1	13365.92 tonnes CO ₂ e	50.4%	23,081.43 tonnes CO ₂ e	12508.32 tonnes CO ₂ e	50.4%	21,249.61 tonnes CO ₂ e
Scope 2	33169.23 tonnes CO ₂ e			30333.64 tonnes CO ₂ e		
Scope 3	281802.4 tonnes CO ₂ e	Follow-ups and measurements will continue.		258446.05 tonnes CO ₂ e	Follow-ups and measurements will continue.	

Korozo Group Short Term Emission Reduction Targets

Scope	Korozo Group			Korozo Flexibles		
	2022 Current Value	Annual Reduction Target	2023 Reduction Target	2022 Current Value	Annual Reduction Target	2023 Reduction Target
Scope 1	13365.92 tonnes CO ₂ e	8%	3722.81 tonnes CO ₂ e	12508.32 tonnes CO ₂ e	8%	3427.36 tonnes CO ₂ e
Scope 2	33169.23 tonnes CO ₂ e			30333.64 tonnes CO ₂ e		
Scope 3	281802.4 tonnes CO ₂ e	Follow-ups and measurements will continue.		258446.05 tonnes CO ₂ e	Follow-ups and measurements will continue.	

Waste Data

Total Waste (tonnes)

	2020	2021	2022
Hazardous Wastes			
Korozo Flexibles	1,764.67	1,735.35	1,766.56
Sareks	77.51	55.14	75.77
Koroplast	1.95	5.35	4.69
Total Dangerous	1844.125	1795.839	1847.014
Non-Hazardous Wastes			
Korozo Flexibles	11,296.78	14,533.68	14,157.98
Sareks	1,639.90	1,388.09	1,444.16
Koroplast	878.73	677.20	530.714
Total Hazard Free	13815.408	16598.97	16132.846
Total Waste			
Korozo Group	15,659.533	18,394.809	17,979.860

 **Total Amount of Hazardous Waste by Disposal Methods (tonnes)**

	Year	Reuse	Reuse (%)	Recycling	Recycling (%)	Incineration	Incineration (%)	On-Site Storage	On-Site Storage (%)	TOTAL
Korozo Flexibles	2020	406.143	23.02%	421.117	23.86%	936.69	53%	0.72	0.04074%	1,764.67
	2021	393.779	22.69%	642.521	37.03%	698.62	40%	0.43	0.02449%	1,735.35
	2022	402.952	22.81%	636.287	36.02%	726.46	41%	0.86	0.04874%	1,766.56
Sareks	2020	7.817	10.09%	46.123	59.51%	23.48	30%	0.09	0.11354%	77.51
	2021	4.105	7.44%	26.106	47.34%	24.89	45%	0.04	0.07979%	55.14
	2022	11.98	15.81%	26.618	35.13%	37.15	49%	0.02	0.03035%	75.77
Koroplast	2020	0.128	6.58%	0.487	25.04%	1.33	68%	0.00	0.00000%	1.95
	2021	2.006	37.51%	0.603	11.28%	2.74	51%	0.00	0.00000%	5.35
	2022	2.244	47.89%	0.857	18.29%	1.582	34%	0.003	0.06402%	4.69
Korozo Group	2020	414.088	22.45%	467.727	25.36%	961.503	52%	0.807	0.04376%	1844.125
	2021	399.89	22.27%	669.23	37.27%	726.25	40%	0.469	0.02612%	1795.839
	2022	417.176	22.59%	663.762	35.94%	765.189	41%	0.887	0.04802%	1847.014

Total Amount of Non-Hazardous Waste by Disposal Methods (tonnes)

	Year	Reuse	Reuse (%)	Recycling	Recycling (%)	Incineration	Incineration (%)	On-Site Storage	On-Site Storage (%)	TOTAL
Korozo Flexibles	2020	1744.403	15.44%	9552.157	84.56%	0.22	0.0%	0.00	0.0%	11296.78
	2021	1925.554	13.25%	12267.345	84.41%	340.78	2.0%	0.00	0.0%	14533.68
	2022	2016.649	14.24%	9832.955	69.45%	2,308.37	16.0%	0.00	0.0%	14157.98
Sareks	2020	82.37	5.02%	1557.461	94.97%	0.07	0.0%	0.00	0.0%	1639.90
	2021	114.587	8.26%	1255.83	90.47%	17.67	1.0%	0.00	0.0%	1388.09
	2022	159.423	11.04%	1269.519	87.91%	15.22	1.0%	0.00	0.0%	1444.16
Koroplast	2020	256.64	29.21%	622.092	70.79%	0.00	0.0%	0.00	0.0%	878.73
	2021	241.89	35.72%	435.307	64.28%	0.00	0.0%	0.00	0.0%	677.20
	2022	179.28	33.78%	351.434	66.22%	0.00	0.0%	0.00	0.0%	530.71
Korozo Group	2020	2083.411	15.08%	11731.71	84.92%	0.287	0.0%	0.00	0.0%	13815.408
	2021	2282.031	13.75%	13958.482	84.09%	358.457	2.0%	0.00	0.0%	16598.97
	2022	2355.352	14.60%	11453.908	71.00%	2323.586	14.0%	0.00	0.0%	16132.846

Environmental Impacts of Product Use

	Korozo Group	Korozo Flexibles
Average amount of energy consumed during product use	0	0
Average amount of water consumed during product use	0	0
Average lifetime of the product	Single Use	Single Use
Rate of reparability of products or percentage of successful repairs	Single Use	Single Use

Water Performance Data

Water Resources

Company	Location	Water Supply
Korozo Flexibles	İstanbul-Esenyurt	İSKİ Network
	Tekirdağ-Çorlu	European Free Zone Network
	İzmir-Çiğli	Çiğli Organized Industrial Zone Network
Sareks	Tekirdağ-Çerkezköy	Çerkezköy Organized Industrial Zone Network
Koroplast	İstanbul-Esenyurt	İSKİ Network

Water Consumption (m³)

	2020	2021	2022
Korozo Flexibles	106,194	111,392	96,592
Sareks	8,828	4,001	6,267
Koroplast	4,742	6,554	7,442
Korozo Group Consolidated	119,764	121,947	110,301

Water Discharge (m³)

	2020	2021	2022
Korozo Flexibles	106,194	111,392	96,592
Sareks	8,828	4,001	6,267
Koroplast	4,742	6,554	7,442
Korozo Group Consolidated	119,764	121,947	110,301

*The amount of water discharged is considered the same as the amount of water consumed.

Water Consumption Per Capita (m³/person)

	2020	2021	2022
Korozo Flexibles	60.4	59.85	53.87
Sareks	16.5	22.5	25.5
Koroplast	19.6	20.4	24.3
Korozo Group Consolidated	32	34	35

Social Performance Data

Total Number of Employees of All Korozo Group Subsidiaries

Company	Number of Employees
Korozo Flexibles	1708
Sareks	186
Koroplast	306
Vitra	102
Korozo Group	2263

Annexes

Employee Profile

Number of Employees by Gender and Employment Type

Demographic Breakdown												
Year	Women	Men	Office Employee	Field Employee	Women Office Employee	Men Office Employee	Women Field Employee	Men Field Employee	Full-time Women Employee	Full-time Men Employee	Part-time Women Employee	Part-time Men Employee
2020	259	1901	596	1661	233	324	26	1577	259	1901	0	0
2021	271	2067	629	1809	236	351	35	1716	271	2065	0	0
2022	292	1971	648	1717	256	350	36	1621	292	1971	0	0

Employee Ratios by Gender and Employment Type

2022	Korozo Group		Korozo Flexibles	
	Women	Men	Women	Men
Blue-Collar	2%	98%	3%	97%
White-Collar	45%	55%	45.4%	54.6%
Total	14%	86%	13%	87%

Annexes

Employee Breakdown by Education Level

Total Number of Employees by Education Level			
Year	Primary Education	High School	University and Above
2020	891	657	612
2021	880	772	686
2022	806	756	701

Employee Breakdown by Age Group

Year	<30 Age Number of White-Collars	31-50 Age Number of White-Collars	> 50 Age Number of White Collars	<30 Age White-Collar Rate	31-50 Age White-Collar Rate	> 50 Age White-Collar Rate	<30 Age Number of Blue-Collars	31-50 Age Number of Blue-Collars	> 50 Age Number of Blue-Collars	<30 Age Blue-Collar Rate	31-50 Age Blue-Collar Rate	> 50 Age Blue-Collar Rate
2020	132	364	61	5.83%	16.08%	2.70%	523	978	102	23.11%	43.22%	4.51%
2021	144	185	258	6.36%	8.17%	11.40%	546	332	873	24.13%	14.67%	38.58%
2022	149	391	66	6.58%	17.28%	2.92%	474	1033	150	20.95%	45.65%	6.63%

Annexes

Korozo Group Disabled Employee Data

Year	Number of White-Collar Employees with Disabilities	Number of Blue-Collar Employees with Disabilities	Total Number of Employees with Disabilities	Employees with Disabilities Rate
2020	4	42	46	1.95%
2021	4	56	60	2.54%
2022	4	60	64	2.71%

Korozo Flexibles Data on Employees with Disabilities

Year	Number of White-Collar Employees with Disabilities	Number of Blue-Collar Employees with Disabilities	Total Number of Employees with Disabilities	Rate of Employees with Disabilities in the Workforce
2020	2	33	35	2.07%
2021	1	42	43	2.41%
2022	2	45	47	2.75%

Annexes

Korozo Group Senior Management Structure by Gender

Year	Number of Women Senior Executives	Number of Men Senior Executives	Rate of Women Senior Executives	Rate of Men Senior Executives
2020	4	5	44%	56%
2021	2	10	17%	83%
2022	3	10	23%	77%

Breakdown of Women Senior Executives Including Board of Directors

2022	Rate of Women on the Board of Directors	Rate of Women in Senior Executive Positions (Excluding Board of Directors)
Korozo Group	22%	28.5%
Korozo Flexibles	22%	24%

Training Data

Total Training Hours Provided

Demographic Breakdown						
Year	Number of Women Employees Trained	Total Hours of Training Provided to Women Employees	Number of Men Employees Trained	Total Hours of Training Provided to Men Employees	White-Collar	Blue-Collar
2020	519	2524.9	13910	33107.8	7881.2	27751.45
2021	3368	3288.6	21282	31244.1	9323.7	25209.1
2022	5361	5710.0	30763	47101.8	12043	40770.8

Hours of Training for Personal Development of Employees

Education Breakdown			
Year	Women	Men	Total Hours of Training
2020	678.4	1943	2621.4
2021	249.1	1201.9	1451
2022	498.1	552.1	1050.2

Total Time Allocated for Training, Meetings, and Events on Ethics

Year	Total Time Allocated for Ethics Training
2020	120 hours
2021	960 hours
2022	2009 hours

Types and Amounts of Training Provided

2022		Korozo Group		Korozo Flexibles	
Training Breakdown	Number of Employees	Hours	Number of Employees	Hours	
Environmental Training	1277	3718.2	1089	3202.2	
Mentor Training	17	160	15	140	
OHS Training	1659	10060	1309	7960	
Technical Training	1319	5739.85	1156	3262.95	

Average Training Hours per Employee

Employee Group	Korozo Group	Korozo Flexibles
Blue-Collar	23.4	21.3
White-Collar	21.7	20.6

Employee Satisfaction

Korozo Group Employee Satisfaction Survey

2022	
Participation Rate in Satisfaction Survey	83%
Employee Satisfaction Rate	69%

Employee Loyalty and Turnover

2022	Korozo Group	Korozo Flexibles	Target
Average Time in Service	7.6 years	-	-
Number or percentage of employee departure and turnover (resignation-voluntary turnover)	18%	18%	15%
Number or percentage of internal hiring, job transfers, departmental changes, etc.	9%	10%	8%

Employee Turnover by Breakdown

Year	Number and Percentage of New Employees Recruited						Number/Percentage of Departures - Involuntary Turnover						Departure - Voluntary Turnover Number/Percentage					
	Women	Men	<30	31-50	>50	Total	Women	Men	<30	31-50	>50	Total	Women	Men	<30	31-50	>50	Total
2020	17	409	271	155	0	426	11	173	62	97	25	184	18	208	127	95	4	226
2021	42	302	194	148	2	344	33	222	105	121	29	255	42	250	168	118	6	292
2022	43	174	136	74	7	217	28	235	104	131	28	263	37	314	206	139	6	351

Safety and Compliance

Core OHS Metrics

2022	Korozo Group	Korozo Flexibles
Lost-time Injury (LTI) Frequency Rate for Direct Labor	11.3	12.8
Lost-time Injury (LTI) Severity Rate for Direct Labor	149.82	170.0

Annexes


Product and Customer Safety Data

2022	Korozo Group	Korozo Flexibles
Number of Customer Health and Safety Incidents	0	0
Number of Product Recall Incidents	0	0
Number of Recalled Products	0	0

Korozo Group Human Rights Violations Data

	2022
Number of Reported Incidents of Child Labor and Forced Labor	0
Number of Annual Inspections of Factories on Child Labor and Forced Labor	0
Public Disclosure of Findings on Child Labor, Forced Labor, or Compulsory Labor in the Company's Operations	-

GRI Content Index

Statement of Use	Korozo Group, has reported in accordance with the GRI Standards for the period January 1, 2022, and December 31, 2022.	 CONTENT INDEX ESSENTIALS SERVICE	2023
GRI 1 Used	GRI 1: Foundation 2021		

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report	4
	2-2 Entities included in the organization's sustainability reporting	About the Report, Korozo Group at a Glance	4, 12-13
	2-3 Reporting period, frequency and contact point	About the Report	4
	2-4 Restatements of information	This is the company's first report in compliance with GRI standards.	
	2-5 External assurance	Environmental Performance Data, GHG Verification Statement	89-91, 121
	2-6 Activities, value chain and other business relationships	Organizational Structure, Supply Chain, Sustainable Value Chain	7,24,44-45
	2-7 Employees	Human Rights, Employee Profile	67, 74
	2-8 Workers who are not employees	Supply Chain, OHS Management	24, 69
	2-9 Governance structure and composition	Organizational Structure, Sustainability Governance, Corporate Governance	7,17,33- 34
	2-10 Nomination and selection of the highest governance body	Sustainability Committee	18

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Sustainability Committee	18
	2-12 Role of the highest governance body in overseeing the management of impacts	Risk Goernance, Compliance and Audit, Sustainable Value Chain	39,44
	2-13 Delegation of responsibility for managing impacts	Sustainability Committee	18
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, Stakeholder Engagement, Materiality Matrix	17, 27-29,31
	2-15 Conflicts of interest	Values, Ethics and Compliance	80
	2-16 Communication of critical concerns	Sustainability Perspective, Risk Governance	16, 39
	2-17 Collective knowledge of the highest governance body	Sustainability Committee	18
	2-18 Evaluation of the performance of the highest governance body	Risk Governance	39
	2-19 Remuneration policies	Human Rights, Values, Ethics and Compliance	67, 80
	2-20 Process to determine remuneration	Employee Profile, Employee Satisfaction and Development	76, 77
	2-21 Annual total compensation ratio	Not disclosed for reasons of confidentiality.	
	2-22 Statement on sustainable development strategy	Korozo CEO Message, Sustainability Perspective	5,16
	2-23 Policy commitments	Sustainability Policy, Sustainable Value Chain, Information Security, Human rights, OHS Management, Employee Profile, Values, Ethics and Compliance	19, 44-45, 54, 67, 69, 74, 80-81
	2-24 Embedding policy commitments	Sustainability Governance, Sustainability Policy, Compliance and Audit, Clean Air, Employee Satisfaction and Development	17,19,39,61,77
	2-25 Processes to remediate negative impacts	Risk Governance, Risks	39,117

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	Value Creation Model, Compliance and Audit, Employee Profile, Employee Satisfaction and Development	37, 39, 74-76, 77
	2-27 Compliance with laws and regulations	Compliance Risks, Compliance and Audit, Product Quality and Safety	25, 39, 43
	2-28 Membership associations	Corporate Memberships	15
	2-29 Approach to stakeholder engagement	Materiality Analysis and Our Stakeholders, Stakeholder Engagement	26-31
	2-30 Collective bargaining agreements	Human Rights	67
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis and Our Stakeholders, Materiality Matrix	26, 30-31
	3-2 List of material topics	Materiality Analysis and Our Stakeholders, Materiality Matrix	26, 30-32
Economic Performance [Circular Economy]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance, Value Creation Model, Circular Economy, Risks	33, 36-38, 40, 117-120
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance Data	88
	201-2 Financial implications and other risks and opportunities due to climate change	Risks and Opportunities in Sustainability, Risks	21-25, 117
	201-4 Financial assistance received from government	Corporate Governance, Value Creation Model, Economic Performance Data	33,36,88
Indirect Economic Impacts [Circular Economy]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Korozo Group at a Glance, Sustainability Committee, Value Creation Model, Circular Economy Management, Risks	12, 18, 36, 65, 117

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Projects, Product Certificates, Waste Management, Circular Economy Management, SDG Index	15, 43, 63, 65, 114-116
	203-2 Significant indirect economic impacts	Value Creation Model, Corporate Social Responsibility, Environmental Performance Data	37, 82, 89
Procurement Practices [Sustainable Value Chain]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain, Creating Value, Sustainable Value Chain	24, 42, 44-45
Anti-corruption [Values, Ethics, and Compliance]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Values, Ethics, and Compliance	80-81
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Values, Ethics, and Compliance, Risks	81, 117
	205-3 Confirmed incidents of corruption and actions taken	There were no cases of corruption at any Korozo Group facility during the reporting year	
Anti-competitive Behavior [Values, Ethics, and Compliance]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Values, Ethics and Compliance	80-81
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Values, Ethics and Compliance	80
Materials [Circular Economy, Innovation & Product Design]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Policy, Circular Economy, Innovation, Product Design	19, 40, 46-48
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Environmental Performance Data	93-94
	301-2 Recycled input materials used	Environmental Performance Data	93-94

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
Energy [Energy Management]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Policy, Energy and Greenhouse Gas Emissions, Energy Efficiency	19,56,57
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Performance Data	89
	302-3 Energy intensity	Environmental Performance Data	89
	302-4 Reduction of energy consumption	Energy Efficiency, Environmental Performance Data	57,89
	302-5 Reductions in energy requirements of products and services	Energy Efficiency	57
Water and Effluents [Safety, Health, and Welfare]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Water and Wastewater Management	64
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water and Wastewater Management	65
	303-2 Management of water discharge-related impacts	Water and Wastewater Management	66
	303-3 Water withdrawal	Water and Wastewater Management	67
	303-5 Water consumption	Water and Wastewater Management	68
Emissions [Greenhouse Gas Emissions]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy and Greenhouse Gas Emissions, Greenhouse Gas Emission Management	56,59,60
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance Data	90,91
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance Data	90,91
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance Data	90,91
	305-4 GHG emissions intensity	Greenhouse Gas Emission Management	59
	305-5 Reduction of GHG emissions	Energy and Greenhouse Gas Emissions, Greenhouse Gas Emission Management	56,59,60

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
Waste [Waste Management]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Innovation, Waste Management, Water and Wastewater Management, Circular Economy Management	46,62,64,65
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Innovation, Circular Economy Management	46,65
	306-2 Management of significant waste-related impacts	Waste Management	62
	306-3 Waste generated	Circular Economy Management	65
	306-5 Waste directed to disposal	Environmental Performance Data	93,94
Supplier Environmental Assessment [Sustainable Value Chain]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain, Sustainable Value Chain	24,44,45
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain	24
Employment [Human Rights]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights, Values, Ethics and Compliance	67,81
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Performance Data	102
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Satisfaction and Development	78
	401-3 Parental leave	Employee Satisfaction and Development	78

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
Labor/Management Relations [Corporate Governance & Risk Management]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Risks and Opportunities in Sustainability, Risk Governance	21,39
Occupational Health and Safety [Health and Welfare]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety	68,69
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	68,69
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	70
	403-3 Occupational health services	Occupational Health and Safety	68,69
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	72
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	79
	403-6 Promotion of worker health	Occupational Health and Safety	68,69,73
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	68,69
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	68,69
	403-9 Work-related injuries	Social Performance Data	103
	403-10 Work-related ill health	Occupational Health and Safety	70
Training and Education [Talent Management]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Satisfaction and Development	77,79

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social Performance Data	100
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Satisfaction and Development	79
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Satisfaction and Development	77
Diversity and Equal Opportunity [Equal Opportunity]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and Inclusion	75,76
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Profile, Social Performance Data	74,99
Non-discrimination [Human Rights]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights, Employee Profile	67,75
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Profile	74
Child Labor [Sustainable Value Chain, Human Rights]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Values, Ethics and Compliance	80,81
Forced or Compulsory Labor [Sustainable Value Chain, Human Rights]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Values, Ethics and Compliance	80,81
Local Communities [Corporate Social Responsibility]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Social Responsibility	82-85

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
Supplier Social Assessment [Sustainable Value Chain]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Value Chain, Occupational Health and Safety	44-45,71
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Value Chain, Social Performance Data	44,103
	414-2 Negative social impacts in the supply chain and actions taken	Risks	117
Customer Health and Safety [Safety, Health, and Welfare,Product Quality]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Quality and Safety, Compliance and Audit, Customer Orientation	39,43,50
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Quality and Safety, Customer Orientation	43,50-51
Marketing and Labeling [Innovation & Product Design]			
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Quality and Safety, Customer Orientation	43, 48-49, 50-51
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product Quality and Safety	43
Customer Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Digital Transformation and Information Security	52-54

SDG Mapping



SDG Mapping

Sustainable Development Goals	Projects/Applications	Location	Page Number	
Good Health and Well-Being	Ergonomics Studies, Health Seminars, Post-Pandemic Health Measures	Employee Benefits	73	
Quality Education	Contribution to the Education of Our Children	Corporate Social Responsibility	83	
	2022 Environment Week Events	Corporate Social Responsibility	84	
	Easier Together Project	Corporate Social Responsibility	84	
	University Collaborations	Corporate Social Responsibility	85	
Gender Equality	Business Council for Sustainable Development (BCSD) Studies	Corporate Social Responsibility	82	
	Business Against Domestic Violence Network (BADV) Participation	Gender Equality	76	
	Future of Work and Women's Employment Project	Gender Equality	76	
Clean Water and Sanitation	Solvent Recovery Systems, and the Use of Closed-Circuit Water	Resource Efficiency	22	
	Informative Posters in the Facilities Encouraging the Conscious Use of Water	Water and Wastewater Management	64	
Affordable and Clean Energy	Energy Benefit Applications at 4 Different Points Using a Single Potential Energy in the Facility with the Use of Trigenation System	Energy Efficiency	57	
	EnMS RoadMap	Energy Efficiency	57	
Decent Work and Economic Growth	Projects Approved by the Scientific and Technological Research Council of Türkiye (TÜBİTAK)	Innovation	46	
	Operational Excellence and Lean Practices	Operational Excellence	41	

Sustainable Development Goals	Projects/Applications	Location	Page Number	
Industry, Innovation and Infrastructure	Raw Material and Energy Efficiency Top 10 Projects and Lean Six Sigma Projects	Circular Economy Management	65	
	With the Solvent Recovery System, Recovering Waste Solvent Vapors Generated in the Process, Circularity in Our Production Processes is Increased	Circular Economy Management	65	
	A Fully Recyclable Material, KOROFORM-RCY Development	Circular Economy Management	65	
	SAP LP Project and Activities within this Scope	Circular Economy Management	65	
	Activities Carried Out in the Recovery Facility Located in Korozo Group's İstanbul-Esenyurt Facility	Circular Economy Management	65	
	Ownership of OEKO-TEX Certificate for the Fabric Used in Hygiene Products Production Departments within Korozo Ambalaj	Circular Economy Management	65	
	Circular Economy Project	Corporate Social Responsibility	83	
	The Solvent Recovery Process (SRU), which both Ensures Air Cleanliness and Contributes to the Circular Economy	Clean Air	61	
	Up to 80% Postconsumer Recycled Materials (Post-Consumer Recycled Raw Materials) and Post-Industrial Recycled Materials (Raw Materials Obtained by ISCC+ and EUCertPlast Certified)	Innovation	46	
Reduced Inequalities	Easier Together Project	Corporate Social Responsibility	84	
	Business Council for Sustainable Development (BCSD) Studies	Corporate Social Responsibility	83	
	Business Against Domestic Violence Network (BADV) Participation	Gender Equality	76	
	Future of Work and Women's Employment Project	Gender Equality	76	
Sustainable Cities and Communities	Activities Carried out in the Recovery Facility Located in Korozo Group's İstanbul-Esenyurt Facility	Waste Management	62	

Sustainable Development Goals	Projects/Applications	Location	Page Number	
Responsible Consumption and Production	2022 Environment Week Events	Corporate Social Responsibility	84	
	Activities Carried out in the Recovery Facility Located in Korozo Group's İstanbul-Esenyurt Facility	Waste Management	62	
Climate Action	Reducing Scope 1 and Scope 2 Greenhouse Gas Emissions by 50.4% from the Base Year 2022 until 2032	Greenhouse Gas Emission Management	60	
	The United Nations Global Compact's Climate Ambition Accelerator Program Participation	Greenhouse Gas Emission Management	59	
	A Reforestation Project Verified by the Verra Registry in Uruguay to Offset the Flight Emissions of its Employees	Greenhouse Gas Emission Management	60	
Life on Land	A Reforestation Project Verified by the Verra Registry in Uruguay to Offset the Flight Emissions of its Employees	Greenhouse Gas Emission Management	60	
Partnership for the Goals	Technical Assistance Project for the Assessment of Türkiye's Potential for Transition to Circular Economy (DEEP)	Corporate Social Responsibility	82	
	Support from the European Bank for Reconstruction and Development (EBRD)	Corporate Social Responsibility	83	
	The Cooperation of BCSD Türkiye, KPMG Türkiye, KPMG France, and with the Funding Support of the French Development Agency (AFD), by Representing the Plastics Industry and Participated in the Launch Presentation.	Corporate Social Responsibility	82	
	ÇEVKO Foundation	Corporate Memberships	15	
	The Circular Economy for Flexible Packaging (CEFLEX)	Corporate Memberships	15	
	Sustainable Development Association (SKD)	Corporate Memberships	15	
	The Business Plastic Initiative (IPG)	Corporate Memberships	15	
	Tüvana Foundation for Children Willing to Study (TOÇEV) (Koroplast)	Corporate Memberships	15	
Türkiye Circular Economy Platform (Türkiye Materials Marketplace - TMM)	Circular Economy Management	65		

Risks


Risk Name	Risk Definition	Risk Disclosure	Created Value
Operational Risks			
Supply Chain and Logistics Operations	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 are ongoing to secure purchasing volumes in the supplier network, or substitute suppliers or to produce alternative raw materials. Climate-related risks and opportunities in the supply chain were studied as part of the CDP survey in 2022 and contributed to the company's strategy and roadmap. Access to raw materials, energy crises, impacts of climate-related natural disasters on supply (e.g., material shortages in raw materials, energy crises, impacts of climate-related natural disasters on supply, sustainable raw material supply are considered among supply chain risks.	Financial Capital Natural Capital
Scarcity and Availability of Raw Materials	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 non-recyclable raw materials in the long term.	Dependence on petroleum-based raw materials, which are limited and subject to market volatility, may increase operational expenditures (OPEX) expenses as a result of higher raw material costs. Global policies affecting the availability or price of raw materials and existing and emerging regulations on the use of biodegradable, recyclable, or recycled content raw materials are being evaluated.	Financial Capital Natural Capital
Business Continuity	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 available and are continuously maintained and controlled. The facilities in different locations of Korozo Group support each other. Work can be done to compensate each other. When earthquake events occur and production processes stop, the facilities at risk will be able to move production to safe facilities in different locations according to long-term plans.	Financial Capital, Intellectual Capital, Natural Capital, Manufactured Capital
Information Security	Threats such as information security / cyber-attacks 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.	There are studies/training where information gaps are evaluated and managed effectively, with backup studies having investment plans, studies against external risks. ISO 27001 Information Security Management System is included.	Intellectual Capital, Financial Capital
Epidemic Diseases	It refers to the pandemics and infectious diseases affecting the world on a global scale, especially the deformation of economic and social structures observed in society and company activities.	Proactive studies are carried out, 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


Risk Name	Risk Definition	Risk Disclosure	Created Value
Economic Risks			
Financial Risks	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 lines 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
Emerging and Existing Legal Regulations	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.	In this context, it is assessed that 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 Regulation Mechanism, may also fail to develop adaptation capacity in line with national and international developments and policies. Even with pricing mechanisms that are unlikely to come before 2030 for Türkiye, long-term risks are taken into account. However, in the event of a regulation on the use of 100% recycled plastics in the European Union, Korozo Group may be affected, loss of customers and impact on turnover. Innovation efforts are transforming this risk into an opportunity.	Financial Capital, Natural Capital
Changing Consumer Habits	As end-consumers in the market become more aware and stop using single-use plastics, the demand from the company's customers as an intermediate product manufacturer decreases for non-sustainable products and services, while the demand for energy-efficient, low-carbon products and services increases. In this case, it represents the risk that the company will not be able to meet the demand for sustainable products.	In line with this demand, Korozo Group is turning to innovative solutions such as "circular economy, innovation studies, alternative raw material trials, recycled product percentage studies" in its production processes. In line with the current demands from customers, studies on the use of recycled materials in product content are carried out. R&D studies are also requested by the supplied products, and these requests are fed by the work of the innovation teams. Projects are developed through R&D and innovation as a result of requests from customers.	Financial Capital, Natural Capital
Customer Satisfaction	Failure to meet the sustainability expectations of customers, considering conditions outside the company's operations or sphere of influence, is expressed as loss of turnover and reputation.	Failure to meet compliance requirements may result in reduced customer satisfaction and indirect loss of turnover and reputation as a result of not meeting the expectations of customers and investors to provide environmentally friendly technologies. To meet sustainable market expectations, continuous improvement, development, and expansion of the product range are carried out.	Financial Capital, Natural Capital

Risk Name	Risk Definition	Risk Disclosure	Created Value
Social Risks			
Human and Labor Rights	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. The company's OHS policies and practices are regularly reviewed and updated to protect the health and safety of employees and minimize potential risks in the workplace.	Human Capital, Social and Relational Capital
Employee Engagement	Due to the inability to maintain a work-life balance within the company and to ensure employee satisfaction in finding suitable and competent employees for the current needs, the departure of employees is explained as difficulties that may be experienced.	Actions are taken in line with the outputs of the employee satisfaction survey. Ergonomic risk analyses are carried out within the content of Korozo Group ergonomics project to increase working comfort and productivity. Efforts are made to raise employee awareness on health issues through online health seminars and interviews. In-house career and personal development training are offered through the Korozo Academy training platform. Supporting women's employment and making the field a safer and more comfortable environment for women are among the company's top priorities.	Human Capital, Social and Relational Capital
Gender Inequality in the Business World	The gender to which company employees feel they belong, discrimination, and unethical behaviors they are exposed to in business due to their identity are explained.	As part of gender equality efforts, Korozo Group joined the Business Against Domestic Violence Network (BADV) in 2022. With the participation in the Train-the-Trainer program provided by UNDP in 2022, the best practices acquired were adapted to the company structure and gender equality policies were developed. Planned training are organized to disseminate the knowledge gained in this training throughout the organization.	Human Capital, Social and Relational Capital
Social Differences and Employee Profile	It can be defined as the deepening of differences in areas such as equality of opportunity, access and living standards due to inequalities in income, education, health, employment, and other social and economic factors within society.	The company's ethical values and practices in risk management are monitored in risk analysis documents with the relevant process, risk definition, and existing controls. Korozo Group, which has the ethical principle of "having an employee profile that gives importance to society and ethical values", has an understanding that prioritizes the philosophy of anti-discrimination and equal opportunity in all processes. It is important to evaluate employees based on their talents and skills and to provide equal opportunities.	Human Capital, Social and Relational Capital


Risk Name	Risk Definition	Risk Disclosure	Created Value
Environmental Risks			
Anthropogenic Impacts	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 production by developing recyclable and recycled content packaging used in production through innovation studies. Reduction, efficiency, closed circuit system integration, and recycling activities are carried out with a circularity approach in production processes.	Financial Capital, Natural Capital
External Dependence on Energy	It refers to the difficulties that may be experienced in the supply of raw materials such as water and energy due to the inability to continue production in the event of a possible war or energy crisis as a result of working with energy dependent on fossil fuels and not using alternative renewable resources.	Korozo Group works in compliance with legal regulations and other requirements regarding energy efficiency, energy use, and energy consumption. In addition, performance is monitored by setting targets with a proactive approach, and continuous improvement of energy performance and energy management systems in processes is ensured. In 2022, many projects aimed at saving natural gas and electricity were implemented. As a result of dedicated efforts and valuable stakeholder contributions, a total of EUR 676,618 worth of energy savings were achieved at Korozo Group facilities.	Financial Capital, Natural Capital
Climate Crisis	The company is exporting 80% of its products to European countries, and the new regulations that may be coming in the plastic sector pose a risk to the Packaging sector. High temperatures and extreme weather events in the context of the obligations to reduce greenhouse gas emissions through various legislation and practices that come into force due to emerging local and global developments due to climate change in many regions represent risks.	Korozo Group identifies its risks in terms of working across different variations, modeling transition and physical risks, and increasing resilience in strategic plans. GHG emission reduction commitments are expected by financial institutions and emission reduction metrics are expected to access finance. In the future, the company is working to establish a SBTi (Science Based Targets initiative) approved greenhouse gas emission reduction target. The emission reduction target is set 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

GHG Verification Statement

 TÜRK LOYDU Evlîya Çelebi Mah. Tersaneler Cad. No:26/1 34944 Tuzla-İSTANBUL Phone: +90 216 581 37 00, Fax: + 90 216 581 38 20, e-mail: tlbb@turkloydu.org, web: www.turkloydu.org			
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 TÜRK LOYDU Evlîya Çelebi Mah. Tersaneler Cad. No:26/1 34944 Tuzla-İSTANBUL Phone: +90 216 581 37 00, Fax: + 90 216 581 38 20, e-mail: tlbb@turkloydu.org, web: www.turkloydu.org			
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Annexes


TÜRK LOYDU

KOROZO GROUP

CARBON DISCLOSURE PROJECT

2022 YEAR
GHG VERIFICATION STATEMENT

TL Project No: 2023-0411

Form No: SGDF 15-00/13.06.2017

Form No: SGDF 15-00/13.06.2017

1. SCOPE

Türk Loydu Uygunluk Değerlendirme Hizmetleri A.Ş. performed verification of conformity of the voluntary assertion relevant to the GHG Inventory of the Korozo Group for the period 1st January 2022 to 31st December 2022. Verification activities including process analysis were conducted for the 5 production plants addressed below (all in TÜRKİYE) on June and July 2022.

These studies had been carried out in order to provide a verification opinion that the Korozo Group 2022 GHG Inventory Report, which includes Scope 1 (direct) and Scope 2 (energy indirect) greenhouse gas emissions does not contain significant errors with reasonable assurance and Scope 3 (other indirect) greenhouse gas emissions are verified with limited assurance level in accordance with ISO 14064-3:2019 Greenhouse Gases-Part 3: "Specification with guidance for the validation and verification of greenhouse gas assertions".

Türk Loydu Uygunluk Değerlendirme Hizmetleri A.Ş. consent to release of this assertion by Korozo Group to the Carbon Disclosure project in order to satisfy the terms of CDP disclosure requirements.

The organisation has included, within the operational boundaries, production plants at the address given below.

Address:

Korozo Ambalaj Sanayi ve Ticaret A.Ş. - Kıraç Plant & Head Office

Atatürk Mah. Orhan Veli Cad. No:12 34522

Kıraç, Esenyurt-İSTANBUL

Koroplast Temizlik Ambalaj Ürünleri San. ve Dış Tic. A.Ş. - Kıraç Plant

Atatürk Mah. Orhan Veli Cad. No:12/1 Esenyurt-İSTANBUL

Korozo Ambalaj Sanayi ve Ticaret A.Ş. - Çorlu ASB Plant

Karamehmet Mah. Avrupa Serbest Bölgesi Avrasya Bulvarı

No:16 59860 Ergene-TEKİRDAĞ

Sareks Ambalaj Sanayi ve Ticaret A.Ş. - Çerkezköy Plant

Çerkezköy OSB. Karaağaç Mah. Fatih Bulvarı

No:34 Kapaklı, TEKİRDAĞ

Korozo Ambalaj Sanayi ve Ticaret A.Ş. - İzmir Plant

10036 Sokak No:9 İAOSB, Çiğli-İZMİR

2. TOTAL GHG STATEMENT

The GHG assertions verified were the following:

- That the 2022 GHG Inventory of the Korozo Group has been developed in accordance with common industry practice, including the Greenhouse Gas Protocol and the Carbon Disclosure Project Reporting Guidance.
- That the calculated Scope 1 GHG emissions for the 2022 are **13,817.21 tCO₂e**.
- That the calculated Scope 2 GHG emissions for the 2022 are **36,326.10 tCO₂e**.
*The emissions from this category are calculated by location-based approach. Market-based approach n/a.
- That the calculated Scope 3 GHG emissions for the 2022 are **304,984.31 tCO₂e**. The emission sources included for each category has been given below.

- Purchased goods and services	: 235,193.40 tCO ₂ e
- Capital goods	: 39.44 tCO ₂ e
- Fuel-and energy-related activities	: 16,530.05 tCO ₂ e
- Upstream transportation and distribution	: 40,614.73 tCO ₂ e

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TÜRK LOYDU

Evliya Çelebi Mah. Tersaneler Cad. No:26/1 34944 Tuzla-İSTANBUL
Phone: +90 216 581 37 00, Fax: +90 216 581 38 20, e-mail: tlbb@turkloydu.org, web: www.turkloydu.org

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- Waste generated in operations : 408.67 tCO₂e
- Business travel : 241.42 tCO₂e
- Employee commuting : 3,073.15 tCO₂e
- Downstream transportation and distribution : 7,251.55 tCO₂e
- End of life treatment of sold products : 1,631.90 tCO₂e

3. ASSURANCE LEVEL

Greenhouse gas inventory verification activity was conducted with 5% level of assurance.

The verification task was to form an opinion at a reasonable or limited level of assurance about the above GHG assertions, regarding:

- 1- Conformance with the general requirements of Greenhouse Gas Protocol and the Carbon Disclosure Project Reporting Guidance.
- 2- Reasonableness of the calculated Scope 1 and Scope 2 emissions for the 01.01.2022-31.12.2022.
- 3- Limitation of the calculated Scope 3 emissions for the 01.01.2022-31.12.2022.

4. VERIFICATION ACTIVITIES

The GHG verification activities performed by Türk Loydu Uygunluk Değerlendirme Hizmetleri A.Ş. applied ISO 14064-3:2019 International Standard for GHG verifications.

The following verification activities were conducted:

- a. Review of calculation documentation, procedure and methodologies, including inventory report,
- b. Assessment of risks and verification planning,
- c. Assessment of documentation, control and methodologies, including the facility quality management systems,
- d. Assessment of verification findings and outstanding issues in inventory report,
- e. Assessment and review of resolutions to outstanding issues in inventory report,
- f. Issuance of verification statement and completion of verification.

5. VERIFICATION OPINION

Türk Loydu planned and performed verification studies to obtain the information, explanations and evidence that we considered necessary to provide a reasonable or limited assurance level based on the process and procedures conducted.

Türk Loydu's approach is risk-based, drawing on an understanding of the risks associated with calculating GHG emission information and the controls in place to mitigate these risks. Our studies included assessment, on a sample basis, of evidence relevant to the reporting of emission information.

GHG statement has been prepared based on the objective evidence examined, recalculations and interviews in verification activities carried out in accordance with the requirements of the Greenhouse Gas Protocol and the Carbon Disclosure Project Reporting Guidance.

The greenhouse gas emission information (Scope 1 and 2) disclosed in the Korozo Group 2022 GHG Inventory Report as a result of verification held on the basis of international standards has been verified with reasonable assurance.

Form No: SGDF 15-001/13.06.2017



TÜRK LOYDU

Evliya Çelebi Mah. Tersaneler Cad. No:26/1 34944 Tuzla-İSTANBUL
Phone: +90 216 581 37 00, Fax: +90 216 581 38 20, e-mail: tlbb@turkloydu.org, web: www.turkloydu.org

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The greenhouse gas emission information (Scope 3) disclosed in the Korozo Group 2022 GHG Inventory Report as a result of verification held on the basis of international standards has been verified with limited assurance.

Additionally the GHG information of 5 production plants for the period 1 January 2022 to 31 December 2022 is given below.

The GHG assertions verified for Korozo Ambalaj - Kırac Plant are given following:

Korozo Ambalaj - Kırac Plant 2022 GHG Information		
Scope 1 GHG emissions	2,798.35	tCO ₂ e
Scope 2 GHG emissions	15,036.94	tCO ₂ e
<i>*The emissions are calculated by local-based approach.</i>		
Scope 3 GHG emissions – Purchased goods and services	88,935.51	tCO ₂ e
Scope 3 GHG emissions – Capital goods	0.79	tCO ₂ e
Scope 3 GHG emissions – Fuel and energy-related activities	6,353.38	tCO ₂ e
Scope 3 GHG emissions – Upstream transportation and distribution	13,447.86	tCO ₂ e
Scope 3 GHG emissions – Waste generated in operations	145.86	tCO ₂ e
Scope 3 GHG emissions – Business travel	159.65	tCO ₂ e
Scope 3 GHG emissions – Employee commuting	658.41	tCO ₂ e
Scope 3 GHG emissions – Downstream transportation and distribution	2,440.77	tCO ₂ e
Scope 3 GHG emissions – End of life treatment of sold products	619.31	tCO ₂ e
TOTAL:	130,597	tCO₂e

The GHG assertions verified for Koroplast - Kırac Plant are given following:

Koroplast - Kırac Plant 2022 GHG Information		
Scope 1 GHG emissions	451.30	tCO ₂ e
Scope 2 GHG emissions	3,156.86	tCO ₂ e
<i>*The emissions are calculated by local-based approach.</i>		
Scope 3 GHG emissions – Purchased goods and services	19,887.12	tCO ₂ e
Scope 3 GHG emissions – Capital goods	2.21	tCO ₂ e
Scope 3 GHG emissions – Fuel and energy-related activities	1,324.90	tCO ₂ e
Scope 3 GHG emissions – Upstream transportation and distribution	672.11	tCO ₂ e
Scope 3 GHG emissions – Waste generated in operations	12.20	tCO ₂ e
Scope 3 GHG emissions – Business travel	37.50	tCO ₂ e
Scope 3 GHG emissions – Employee commuting	0.00	tCO ₂ e

Form No: SGDF 15-001/13.06.2017



TÜRK LOYDU

Evliya Çelebi Mah. Tersaneler Cad. No:26/1 34944 Tuzla-İSTANBUL
Phone: +90 216 581 37 00, Fax: + 90 216 581 38 20, e-mail: tlbb@turkloydu.org, web: www.turkloydu.org

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Scope 3 GHG emissions – Downstream transportation and distribution	1,022.36	tCO ₂ e
Scope 3 GHG emissions – End of life treatment of sold products	223.52	tCO ₂ e
TOTAL:	26,790	tCO₂e

The GHG assertions verified for Korozo Ambalaj - Çorlu ASB Plant are given following:

Korozo Ambalaj - Çorlu ASB Plant 2022 GHG Information		
Scope 1 GHG emissions	9,445.68	tCO ₂ e
Scope 2 GHG emissions <i>*The emissions are calculated by local-based approach.</i>	11,221.53	tCO ₂ e
Scope 3 GHG emissions – Purchased goods and services	92,234.23	tCO ₂ e
Scope 3 GHG emissions – Capital goods	1.98	tCO ₂ e
Scope 3 GHG emissions – Fuel and energy-related activities	6,046.65	tCO ₂ e
Scope 3 GHG emissions – Upstream transportation and distribution	18,911.67	tCO ₂ e
Scope 3 GHG emissions – Waste generated in operations	202.59	tCO ₂ e
Scope 3 GHG emissions – Business travel	32.26	tCO ₂ e
Scope 3 GHG emissions – Employee commuting	2,270.88	tCO ₂ e
Scope 3 GHG emissions – Downstream transportation and distribution	2,500.70	tCO ₂ e
Scope 3 GHG emissions – End of life treatment of sold products	531.83	tCO ₂ e
TOTAL:	143,400	tCO₂e

The GHG assertions verified for Sareks Ambalaj - Çerkezköy Plant are given following:

Sareks Ambalaj - Çerkezköy Plant 2022 GHG Information		
Scope 1 GHG emissions	857.61	tCO ₂ e
Scope 2 GHG emissions <i>*The emissions are calculated by local-based approach.</i>	2,835.60	tCO ₂ e
Scope 3 GHG emissions – Purchased goods and services	17,745.29	tCO ₂ e
Scope 3 GHG emissions – Capital goods	30.14	tCO ₂ e
Scope 3 GHG emissions – Fuel and energy-related activities	1,174.80	tCO ₂ e
Scope 3 GHG emissions – Upstream transportation and distribution	3,502.34	tCO ₂ e
Scope 3 GHG emissions – Waste generated in operations	33.92	tCO ₂ e
Scope 3 GHG emissions – Business travel	12.02	tCO ₂ e
Scope 3 GHG emissions – Employee commuting	64.43	tCO ₂ e

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TÜRK LOYDU

Evliya Çelebi Mah. Tersaneler Cad. No:26/1 34944 Tuzla-İSTANBUL
Phone: +90 216 581 37 00, Fax: + 90 216 581 38 20, e-mail: tlbb@turkloydu.org, web: www.turkloydu.org

GHG VERIFICATION STATEMENT

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Scope 3 GHG emissions – Downstream transportation and distribution	651.85	tCO ₂ e
Scope 3 GHG emissions – End of life treatment of sold products	141.56	tCO ₂ e
TOTAL:	27,050	tCO₂e

The GHG assertions verified for Korozo Ambalaj - İzmir Plant are given following:

Korozo Ambalaj - İzmir Plant 2022 GHG Information		
Scope 1 GHG emissions	264.30	tCO ₂ e
Scope 2 GHG emissions <i>*The emissions are calculated by local-based approach.</i>	4,075.16	tCO ₂ e
Scope 3 GHG emissions – Purchased goods and services	16,391.25	tCO ₂ e
Scope 3 GHG emissions – Capital goods	4.32	tCO ₂ e
Scope 3 GHG emissions – Fuel and energy-related activities	1,630.33	tCO ₂ e
Scope 3 GHG emissions – Upstream transportation and distribution	4,080.75	tCO ₂ e
Scope 3 GHG emissions – Waste generated in operations	14.10	tCO ₂ e
Scope 3 GHG emissions – Business travel	0.00	tCO ₂ e
Scope 3 GHG emissions – Employee commuting	79.42	tCO ₂ e
Scope 3 GHG emissions – Downstream transportation and distribution	635.87	tCO ₂ e
Scope 3 GHG emissions – End of life treatment of sold products	115.69	tCO ₂ e
TOTAL:	27,291	tCO₂e

H. Uğur AYKAC
Responsible Manager

Onur YILMAZ
Greenhouse Gas Lead Verifier



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For additional information please contact:
sustainability@korozo.com.tr

Center Office

Address: Atatürk Mahallesi, Orhan Veli
Caddesi, No:12 34522 Kır a ,
Esenyurt, İstanbul/T rkiye

Phone: +90 212 866 66 66



**Reporting Consultant &
Report Design**

E-mail: info@semtrio.com

Web: www.semtrio.com