



KOROZO GROUP
Sustainability Report 2022



KOROZO GROUP

CARRIES YOUR IMAGE



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Objective of The Report

With an aspiration to remain at the forefront of global packaging while acting responsibly towards our environment, we are committed to building a sustainable business for our employees, stakeholders and communities.

In this sustainability report, we provide our stakeholders with a summary of our environmental, social and corporate governance commitments, initiatives, objectives and performance results. This report covers the operations and sustainability performance of all Korozo Group companies in 2021.

The content of the report has been prepared in accordance with the results of materiality assessment conducted during the reporting period. The UN Sustainable Development Goals (SDGs) are used as reference to identify Korozo's material issues, commitments, activities and reporting scope. Along with the SDGs, The UN Global Compact, signed by Korozo Group in 2011, represents a framework for our sustainability efforts.



The United Nations Global Compact is a non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. Korozo, as the first signatory from Turkish Packaging industry in 2011, pioneers the industry and stays committed to Global Compact principles.



The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

CEO Message

Dear Stakeholders,

2021 has been another challenging year for the world with the continued effects of the COVID 19 pandemic, high inflation, raw material and other supply chain shortages. In this context of constant change, it has become existential to be flexible, adapt and build sustainable foundations. Collectively, we also stand at a crossroads where we can choose to move towards a regenerative future. Korozo has decided to be an active participant of climate actions and minimize the negative impact on the planet. We promote social, ecological, economic and cultural regeneration, using the most sustainable materials and approaches, and moving towards a paradigm shift in a circular economy.

Notwithstanding these challenges, Korozo has performed well in 2021 and all together, we have achieved great progress.

Significant supply chain choke points were exposed by COVID-19. In order to ensure smooth and uninterrupted operations, we constantly evaluate risks and opportunities and take actions accordingly. Customer production output typically depends on the availability of packaging products, on time and in good quality. This also applies to hygiene components which are an integral part of the product.

Korozo draws on a range of supply chain solutions ranging from direct supply from Turkey or offering a localised service via sales and distribution offices in Germany, France, the UK and Russia. We have a network of distributors which are located across the globe to market and supply products. We also carefully select raw materials and suppliers to ensure end to end availability of our products. During the pandemic, we successfully maintained our delivery performance without any major disruption by closely monitoring and responding quickly to risks and opportunities.

Despite all the challenges, our business has performed well in 2021. We have improved product quality while reducing waste at the same time. We have invested €22 million in our plants, in Çorlu as well as in IML in Izmir and in Belgium. In hygiene components, we have historically primarily supplied the baby diapers and incontinence market, but we will also enter the feminine care market in a very substantial way. We also plan to become a larger supplier to global players while maintaining our share in the Middle East and Africa. All these efforts have contributed to growing our revenue by 15%.

We also invest in new technologies to lower our impact on the environment. In this regard, in our Çorlu plant we capture solvents with high-tech air filters in our Solvent Recovery Unit and recycle solvents for re-use. This way we reduce solvent-based emission by 2,200 tonnes every year. Further, Korozo generates its own energy efficiently and sufficiently with two tri-generation units. This way the company decreased its CO₂ emissions by about 1800 tonnes. In 2020, initially as a pilot project at Korsini, we started using sustainable green electricity supplied from renewable resources and generated from wind power. By 2021, we covered both plants' electricity needs with I-REC Green Electricity Certificated energy supply. With this project, we reduced our Scope 1 and 2 carbon footprint by 88% in these pilot sites.

With notable influence on sustainability, the use of circular packaging design concepts accelerated in 2021 and this will continue in future years. Investments towards behaviour changes to encourage recycling, reuse and returns, will play key roles in the future of the industry. We are committed to harnessing a greener approach and set on reducing our impact on the environment, both in our own operations as well with respect to the products that are developed, sold and ultimately disposed of.

With this vision, we use our production experience to add value to our planet, economy, society, business partners and employees. We are committed to ensure that all our plastic packaging will be fully recyclable and thus being a solid contribution to developing circular economies. While developing new products and solutions to enhance our competitiveness, we make sure that these are environmentally friendly. We simplify film structures that are difficult to recycle, we increasingly use both recycled production waste as well as PCR (post-consumer waste) in our product formulations. Our aim is to develop easy-to-recycle structures for all food and non-food packaging applications including low, medium and high barrier films and laminates, for automated packaging lines as well as for pre-made bags and stand-up pouches. Korozo focuses on product design to help decrease the loss of food and other packed products.

During the pandemic, our priority has been to keep our employees safe. We have been closely monitoring the guidance of both local authorities and World Health Organization (WHO) to ensure the well-being of our colleagues and business continuity.

We kept our employees and valued business partners informed continuously about the measures we have taken as well as about the situation of our operations. Our best practice measures have been certified with Prevention of Infection at Workplace Certificate by an external auditing organization. More than 99% of our employees, have been vaccinated, which has enabled us to protect our workforce, operate normally and continue to serve critical industries such as food and hygiene. I am very proud that everyone has been responsive and responsible during pandemic.

Workplace culture is very important for us and a key to achieve the desired culture is to develop our most critical asset – employees. We've developed several initiatives to increase training via our Korozo Academy in 2021. We will continue to strive for a healthy mix of internal talent rotation and new talent from outside the company to create a talent pool required to keep at pace with the ever-changing demands of the industry. Although we have recruited more than 500 new colleagues to support our growth, who all had to be trained and adapt to the culture, we have reduced the safety frequency index by 14% in 2021, reaching 68% reduction in last 3 years, a truly great achievement. Active engagement of all levels in safety improvements contributes to the success in our safety performance. We are committed to achieve our ZERO ACCIDENT vision.

To bring goals and ambitions to life, people need to act in a coherent way for a sustained period of time. For this purpose, we have spent time and effort to articulate the Korozo Values, i.e. Safety, Customer first, Excellence, Focus on Results, Sustainability and One Team. Our efforts will continue in future years to implement these Values so that they are more than just words on paper. They are the foundation of what makes us Korozo. As we have done in the past, also in the future we will constantly adapt our Strategy and implementation road map to develop our business and our people, as well as reduce the impact of our operations and products on the environment.

I would like to take this opportunity to thank all our stakeholders; especially our employees and partners who have put a great deal of work into transforming our business, towards achieving ever greater success.



FILIP LENS / CEO

KOROZO: A Major Player in the Global Flexible Packaging Market

KOROZO was established in 1973 and has grown to become one of Turkey's leading industrial powers, exporting flexible packaging and film products to around 88 countries worldwide. Operating out of nine factories in various locations in Turkey and one in Belgium, we strive to expand with sales and distribution offices in the UK, Germany and France as well as in Russia.

KOROZO has one of the largest manufacturing facilities in the Middle East and Europe with a production capacity exceeding 125,000 tonnes, a turnover of €345 million and employing around 2750 staff including regional offices. The company's success in developing innovative solutions in the packaging world has been recognised with many awards and accreditations.

KOROZO is committed to sustainable practices to minimise its impact on the environment. The company strives to make the most efficient use of natural resources, to reduce waste and complies with environmental laws and regulations while supporting recycling and re-use activities.



Korozo At A Glance



Established in
1973

by Duvenyaz
brothers

Owned by
Private Equity Firm

actera group

€345 million
Total Revenue

Ranked as the 80th
largest exporter
in Turkey

Packaging
industry leader in
international sales

86% Sales in
Europe

Annual
Production Capacity

125,000
Tonnes

Exports to
more than

88
Countries

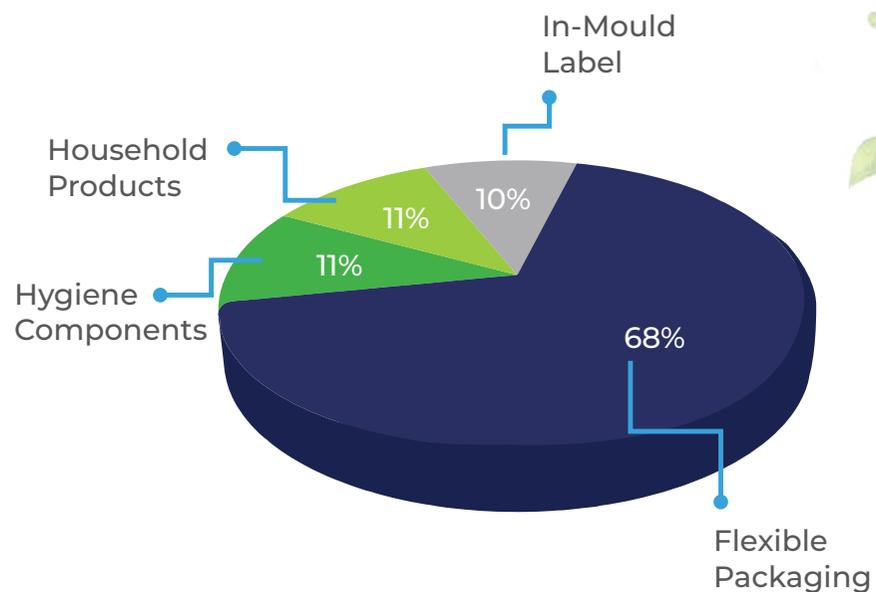
Number of
Employees

2750

Total Closed
Area

234,000
Square meters

Strong Presence in a Diversified Product Base



Continuous Investments

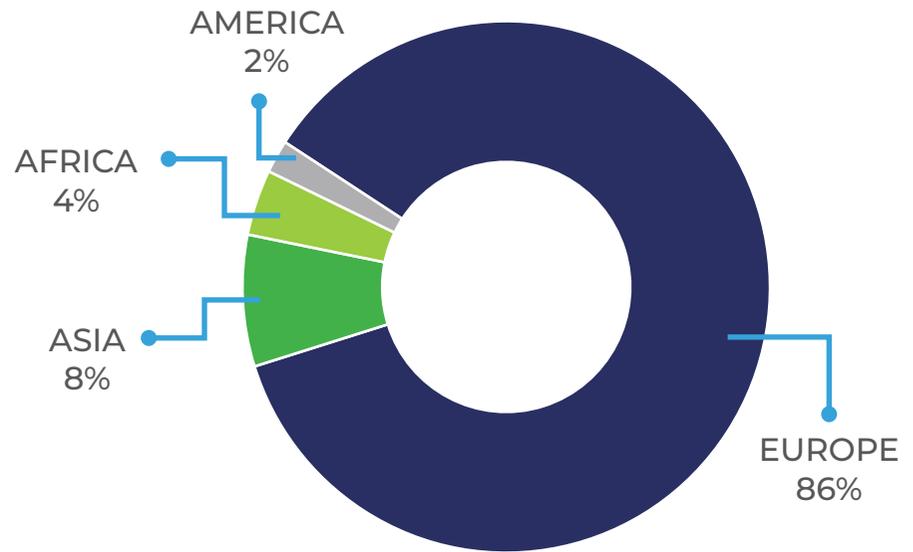
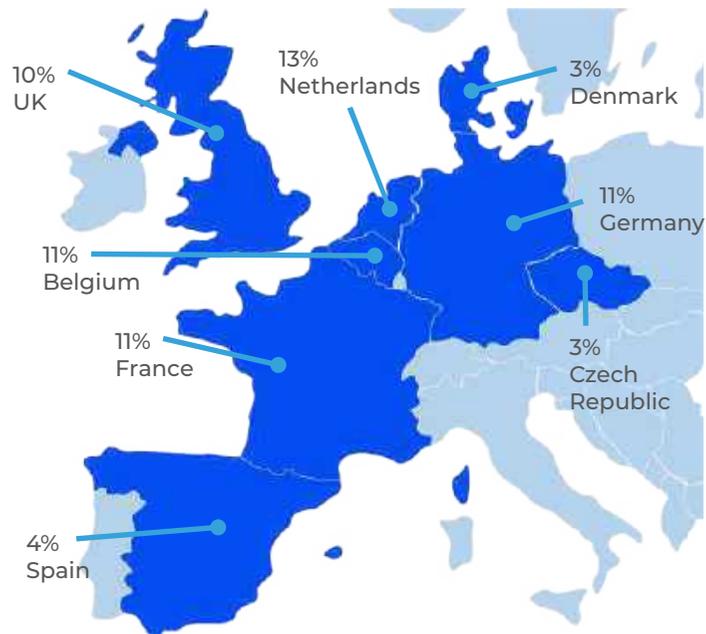
€213 M

Investment in the last 5 YEARS

Sales Breakdown by European Countries



International Sales Breakdown by Geography

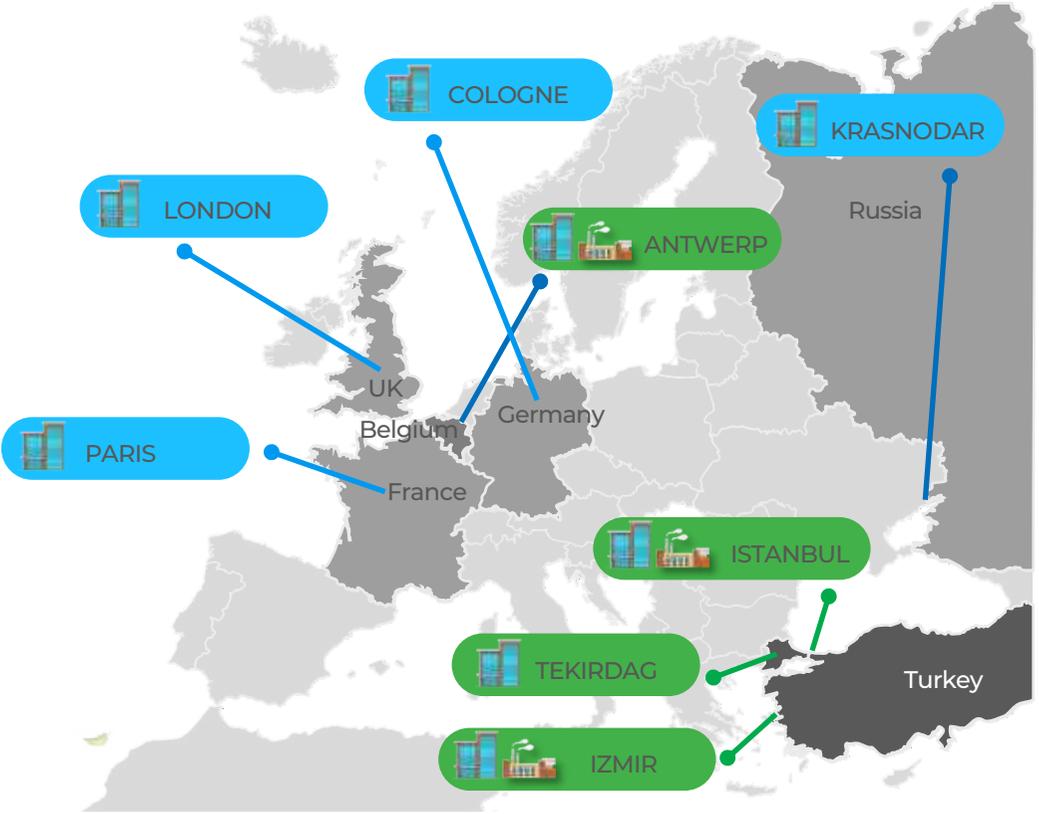


Factories 

Offices 

Where Do We Operate?

234,000 m²
Production Area





Group Companies



Food and Non-Food Flexible Packaging



Flexible Packaging



Hygiene Components



In-Mould Label



Kitchen Consumables



KOROZO PACKAGING

Flexible packaging for food and non-food products

KOROZO has over 49 years of experience in the flexible packaging industry and can produce a huge variety of high quality and cost-effective options that are sure to meet its customers' food and non-food requirements.

Sustainability is at the heart of Korozo's growth. The company is committed to harnessing a greener approach and is set on reducing its impact on the environment, both in its own operations as well with respect to the products that are developed, sold and ultimately disposed of.

Korozo supplies barrier films, bags and flexible packaging – with printing of up to 11 colours for stand-out shelf-appeal – for anything ranging from cold meats, to microwaveable bags and ready meals, frozen food and fresh produce to confectionery, snacks and dried food as well as pet food pouches and ice cream packs with cold seals.

Bread and bakery items can also be catered for along with a selection of instant drink packaging, flexible pouches, deli bags suitable for both hot and cold food products. Non-food items include beauty & healthcare, personal care, home care products packaging such as cosmetics, powdered drugs, diaper & sanitary pad bags, wet wipes, detergents, tablets & capsules; medical packaging for devices or disposable wear; security and carrier bags as well as high-tech industrial films such as protective films, thermal lamination films and agricultural packaging such as silage films.

KOROZO also has the capability to create divided pouches, pouches with valves, spout pouches, quadro bags and re-closable films as well as a variety of materials and print options such as easy-opening laser scribing, holograms and 3D effects and promotional code printing.

KORSINI

Absolute Packaging

Korsini is one of the world's largest label manufacturing companies. Committed to high quality, innovation and sustainable business practices, Korsini offers products and services to the world's biggest brands in more than 40 countries.

SAREKS

Hygiene components manufacturer for disposable hygiene market

KOROZO's SAREKS brand is specialized in the production of closure tape & frontal tape systems, breathable & non-breathable backsheets, elastic ears and films for underpads providing reliable services to global manufacturers of baby diaper, adult incontinence and feminine care products.

SAREKS offers strong customer services, worldwide deliveries, short lead times, customized product development and all in one plant product integration.

KOROPLAST

A market leader in kitchen consumables

Koroplast is the 'go to' KOROZO brand for its popular range of aroma reducing garbage bags, aluminum foils, freezer bags, storage bags, cooking bags for disposing of waste and the storing of food and non-food items.

A market leader in kitchen consumables – your house is probably filled with our products – Koroplast improves the quality of life for consumers with specialised household goods, that are constantly being upgraded through innovation. Examples include garbage bags with odour trap technology or scented bags to eliminate the smells associated with waste products.

To prevent waste and prolong freshness of food items, we also offer a vast selection of Koroplast multi-purpose solutions. These include zipper bags, slider bags with zipper and double zipper, ice cube bags, cooler bags, bakery papers and breastmilk storage bags.

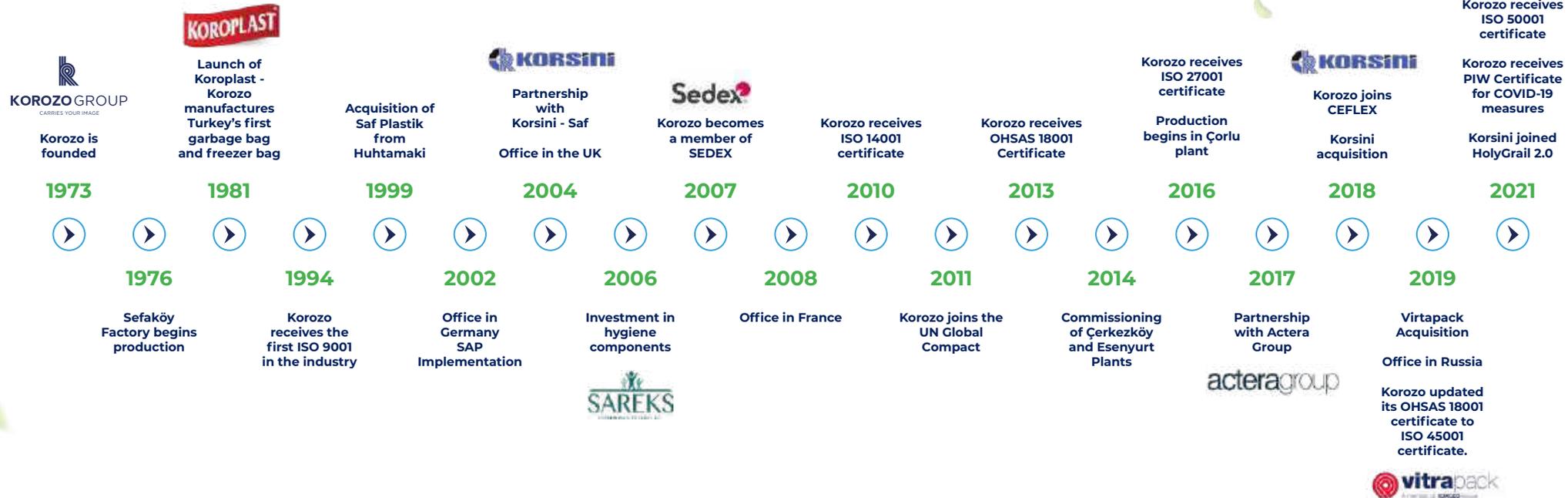
VITRA NV - CREAVIT RASK NV

Vitra/Creavit was founded in 1935 in Antwerp, Belgium, by the Laeremans family and is specialized primarily in film conversion for packaging applications in thin film packaging, labels on rolls and small sized bags. Acquired by Korozo in 2019, Vitra has been producing high quality packaging materials for a number of end use markets including bakery, confectionery, snacks, protein and beverages in its modern manufacturing facility in Antwerp equipped with both flexographic and rotogravure technologies. Creavit (Rask) is the in-house design and pre-press department of Vitra.

Creavit creates digital printed mock-ups simulating flexo or rotogravure printing. Digital packaging mock-ups with multiple printing options and shapes give a clear idea of what the finished product will look like.



KOROZO PACKAGING'S SUSTAINABILITY JOURNEY





We are committed to offering innovative products while delivering on our economic, environmental and social responsibilities.

« **Our Mission**

To remain at the forefront of global packaging, by enhancing our reputation for innovation, quality and reliability, while acting responsibly towards our environment.

Our Vision

To support our customers' market achievements by providing product differentiation, and to introduce new opportunities through research and innovation. »



Our Sustainability Approach

Sustainability forms the essence of corporate culture and values of Korozo. As a signatory to the United Nations Global Compact, Korozo adopts a sustainability policy with the awareness that our planet and its natural resources belong to the society as a whole and future generations.

We design and continuously review our sustainability strategy for potential enhancements, in accordance with global trends, demands and needs. With a roadmap founded upon our strategy and values, we aim to become one of the top 10 companies in our industry in Europe by 2030. We restructured all of our business processes, investments and organizational structures to accelerate the progress to meet our strategic targets.

Our primary goal is to create added value through sustainable business, ensure more efficient and effective use of resources to safeguard our planet for future generations and add value to all our employees and stakeholders.

While developing new products and solutions in parallel to global trends to improve our competitiveness, we also pay attention to human and environment-friendly processes and invest in state-of-the-art technology based on efficiency. Our stakeholders such as customers and end-users expect our company to encourage recycle-ready products and an environment - friendly approach in all our processes. This is why we expand our packaging portfolio with innovative and eco-friendly products and we aim to make our packaging products 100% recyclable or reusable.

Improving our production processes continuously over the past 49 years, we add value to the planet, economy, society, business partners and employees. We base our sustainability strategy upon this foundation and we remain committed to meet our targets.



Materiality Assessment

Korozo aims to create value for its stakeholders while protecting the planet and resources. The material issues of the sustainability strategy constitute the priorities highlighted in this report.

Materiality assessment is a process of identifying, reviewing, and assessing potential issues that could affect businesses, and/or stakeholders, and condensing them into a short-list of topics that drive the company's sustainability strategy, initiatives, and reporting. During Korozo's materiality assessment, strategic priorities, global trends, international reports on the sector, our customers' material topics and objectives were reviewed.

Following the initial assessment, Korozo's strategic priorities were shortlisted by the executive committee and the Sustainability Committee taking into account sustainability risks and opportunities. The material issues addressed in this report are grouped under 3 sections referring to the environmental, social and governance pillars of sustainability. Korozo embraces the United Nations Sustainable Development Goals (SDGs) and developed its sustainability strategy and material issues in line with the SDGs, which are highlighted below in each related section.





Governance Acting for Sustainable Business

- › Corporate Governance
- › Internal Control
- › Risk Management
- › Values, Ethics & Compliance
- › Innovation
- › Product Design
- › Digital Transformation
- › Information Security
- › Operational Excellence
- › Product Quality
- › Sustainable Supply Chain



Environment Acting for Planet

- › Environmental Compliance
- › GHG Emissions
- › Energy Management
- › Waste Management
- › Circular Economy



Social Acting for People

- › Safety, Health & Wellbeing
- › Human Rights
- › Talent Attraction & Engagement
- › Performance Management
- › Career development
- › Equal Opportunities



Stakeholder Engagement

In order to continuously improve our sustainability approach, focus areas and performance, two-way communication with stakeholders is of paramount importance. With this mindset, we gather stakeholder expectations and incorporate them into our strategy development, enhancement and decision-making processes.

In this context, we maintain our dialogue with our stakeholders on different platforms ensuring a suitable frequency and tool.

Korozo's performance regarding sustainability priorities defined with materiality assessment is regularly shared with related stakeholders through sustainability reports. The issues brought forward by our business partners, global trends and needs and feedback obtained from various channels are used to enhance performance and are reviewed to identify our strategy.

Corporate Memberships

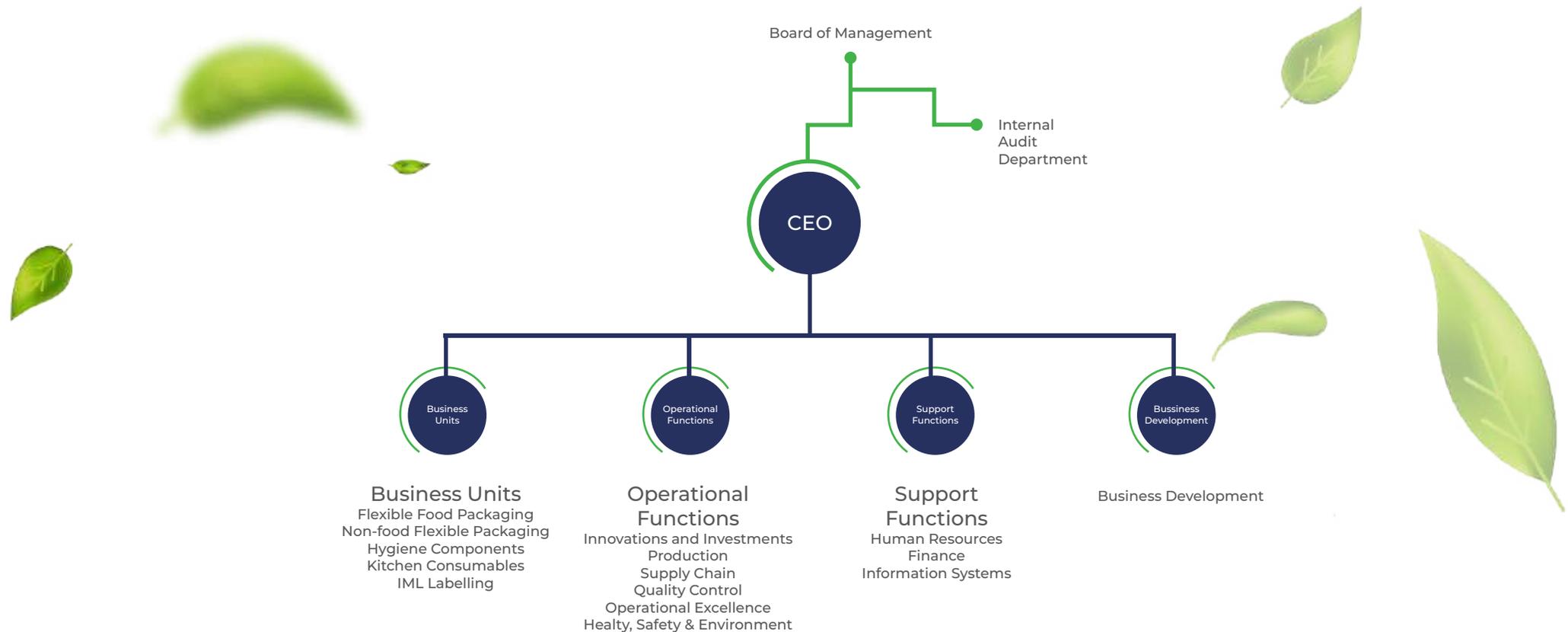


Stakeholder Engagement

Stakeholder	Platform /Tool	Frequency
Employees	Intranet portal Corporate website Surveys Sustainability Reports Internal Bulletins Annual corporate event HSE committee meetings	Continuously Continuously Annually Annually Quarterly Annually Monthly
Board of Management, Investors / Shareholders	Shareholders Meetings Monthly Reports Board Meetings Performance Review with related functions Sustainability Reports Teleconferences	Monthly Monthly Quarterly Quarterly Annually Weekly
Customers	One to one meetings Information letters/bulletins Corporate website Sustainability Reports Corporate Social Media Accounts	Continuously When required Continuously Annually Continuously
Public Authorities	Meetings Corporate website Sustainability Reports	When required Continuously Annually
Suppliers / Business Partners	One to one meetings Information letters/bulletins Audits and surveys Sustainability Reports	Continuously When required When required Annually
Associations, Non-governmental organizations	Annual meetings One to one meetings Information letters/bulletins Sustainability Reports	Annually When required When required Annually



**Acting For
Sustainable
Business**



Corporate Governance, Risk Management and Internal Control

Following significant success with its local and global growth strategy, Korozo has underpinned its future development by signing a partnership agreement with Actera Group, Turkey's largest privately-owned investment company in 2017.

Korozo has previously partnered with large and powerful groups such as the European Bank for Reconstruction and Development (EBRD) and Esas Holdings, in order to nurture a management and organisational model that reflects the company's global vision.

The corporate organizational structure is divided into four essential commercial business groups in order to meet the expectations of all business partners and to speed up decision-making processes.

Good risk management and compliance are the cornerstones of sound and sustainable business. It is important that risks are managed effectively and kept under control to safeguard the interests of Korozo's stakeholders, including customers and society.

Effective management of risks is crucial for Korozo's sustained profitability. Maintaining risk awareness in the organization is an integral part of our business strategy.

Internal Audit

Korozo promotes a culture that strives to attain the highest standards of ethical business conduct and compliance with all laws and regulations wherever it operates. Our policies and programs align with our objective to operate ethically in all Korozo business activities.

Korozo has an integrated approach for internal control. The management is responsible for setting the appropriate tone from the top, performing risk assessments, and owning the design, implementation and maintenance of internal control.

Korozo conducts internal audits each year to provide assurance that its ethical business policies and practices are being followed. The Board and the Audit Committee oversee the actions of the management and monitor the effectiveness of the established controls, assisted by assurance provided by the external and internal auditors.



Values

Our strategy is a commercial guide to our target growth regions and customers Our operational and support functions aim to provide excellent quality and service to our customers, cost competitiveness, robust processes, tool sand most importantly safe practices We aim to minimize the impact we create on the environment in all our activities. In order to execute our strategy, we have prepared and are executing transformational and tactical action plans.

Company Values are an important pillar to develop the culture that will support us in delivering on our strategy Korozo's values are solid foundations which will inspire our talented employees to take decisions and continuously develop new actions and will remain at the core of daily behaviours.



Ethics & Compliance

Korozo is committed to conducting business legally, ethically and with integrity. Korozo's Code of Business Conduct reflects an extension of our culture of trust and integrity and our continued commitment to ethical business practices and complying with the law.

Ethics Line

Korozo has established processes and reporting channels for questions or concerns. Employees are encouraged to raise concerns to their managers, Human Resources and Internal Audit, about any potential issues including those pertaining to known or suspected.

- ▶ Fraud by or against Korozo
- ▶ Unethical business conduct
- ▶ Violation of legal or regulatory requirements
- ▶ Substantial and specific danger to health and safety
- ▶ Violation of Korozo's corporate policies and guidelines, particularly our Code of Conduct

The Ethics Line (via phone or e-mail) is a confidential reporting system that is accessible 24 hours a day, seven days a week and employees may report concerns about business practices anonymously. Korozo has a clearnon retaliation policy as a part of Code of Business Conduct.

Our Code of Conduct;

holds employees accountable for their behaviour and helps employees decide when to seek advice and how to obtain it.



KOROZO Group's sustainability approach strictly relies on consistency. We believe sustainability is a journey rather than a competition and we seek to make a positive contribution to building a circular economy for packaging step by step.

During our journey in 2020 and 2021, we were able to add new recyclable and recycled content containing products to our portfolio, receive important certification for our products and operations, and collaborate with important industry bodies. Here is our journey, join us.

« We aim to achieve 100% recyclability or reusability in our packaging production by 2030 »

Recycle-Ready Product Developments

KORORCY

KORORCY is a newly developed range of PE films which replace conventional BOPET, BOPA and BOPP substrates (which are known disruptors to mechanical recycling processes) in common flexible packaging solutions. KORORCY thereby enables the manufacture of flexible packaging products which are > 95% PE and therefore able to be sorted and recycled in existing material recycling facilities at industrial scale across Europe. KORORCY solutions are also suitable for emerging recycling technologies such as chemical recycling with a higher yield than current industry standard laminates based on BOPET and BOPA.

Our business partners already benefit from the performance and eye-catching appeal of multiple packaging solutions based on KORORCY, such as lidding films, stand-up pouches, flat bottom pouches and flow packs. These KORORCY-based solutions have been certified as recyclable by HTP-Cyclos, Interseroh, and APR (see later).

Our KORORCY Recyclable Packaging Project has won the first prize in the 2021 Green Dot Industry Awards organized by the Environmental Protection and Packaging Recovery and Recycling Foundation: ÇEVKO.

Motivated by this recognition, Koroza strives to continue developing innovative products.

KOROFORM-RCY

An environmentally friendly PE-based recyclable solution, KOROFORM-RCY is a soft thermoforming film which replaces conventional polyamide (PA) based films as the bottom web for the packaging of food products such as meat, cheese and vegetables. KOROFORM-RCY matches the performance of existing PA-based solutions in critical areas such as deep-drawing, gloss, transparency and is even suitable for demanding applications such as pasteurisation. It is currently being industrialised with selected business partners and has been certified by cyclos-HTP as fully recyclable with a score above 95%.



PA Free



Recyclable



Lowered Carbon Footprint

Product Developments Which Reduce Environmental Impact

Personal Care Bags with Recycled Content

KOROZO is a world leader in the production of wicketed bags to package personal care products such as baby diapers and adult incontinence care products. We have successfully industrialised the use of up to 50% recycled plastic from post-consumer sources as a replacement for virgin plastic in the manufacture of these bags without a loss in performance or consumer convenience. By doing this, we have lowered the product's carbon footprint by up to 50%, reduced GHG emissions during manufacture and reduced the demand for virgin plastic.



Spouted Stand-up Pouches

Flexible stand-up pouches with spouts are a growing part of KOROZO's portfolio and are a smart light-weight substitute for conventional rigid packaging for liquid products. By transitioning from rigid cannisters to spouted stand-up pouches, our customers experience multiple advantages such as material efficiency, lowered transport costs, a much higher product-to-packaging ratio, and an overall reduction of plastic waste.



Resource Efficient



Transportation Benefits



High Product / Package Ratio



Reduced Materials to Landfill



Beneficial Life Cycle Metrics



Lightweight



Certification For Our Products and Operations

EU CertPlast Certificates

The availability of high quality recycled plastics and implementation of these in our products is critical not only to promote a circular economy for flexible packaging but also to mitigate taxation for our customers in many European markets. KOROZO operates multiple in-house material recycling facilities which mechanically recycle both post-industrial and post-consumer waste plastic to produce high quality recycled resins for our production. To ensure full transparency and traceability of materials recycled in our Istanbul and Izmir facilities, we obtained certification by EU CertPlast in 2021. EU CertPlast focuses on the traceability of plastic materials through the entire recycling value chain according to European Standard EN 15343:2007 and the organisation already covers 1,2 MT of certified recycled plastics in 2021.

Recyclass Recycled Content Claim Standard

Declaration of the amount of recycled content introduced into packaging products should be evidence-based, not self-declared. The Recyclass Recycled Content Claim Standard enables recycled content verification across the whole plastic value chain and, more specifically, allows recipe-based traceability of our EU CertPlast Certified regrulate, based on the EN 15343 standard.

Our business partners can benefit from a logo indicating the quantity and type of recycled plastic (e.g. post-consumer recycled or pre-consumer recycled content) for better consumer recognition.



Certified by RecyClass

80% RECYCLED PLASTIC

Certified by RecyClass

50% RECYCLED PLASTIC

*50% pre-consumer origin



Product Certifications

We certify the recyclability of our products in various markets through certification bodies such as Cyclos-HTP and Suez circpack.

A good example of Cyclos-HTP certification are our monomaterial PP-based lidding solutions for PP trays for the packaging of fresh meat, which help enable the development of a PP recycling stream for these products in Germany, the UK (since January 2022) and soon France.

For our monomaterial PE-based solution of thermoformed tray combined with a reclosable lid for meat & dairy applications, we utilise Suez Circpack certification to illustrate that sustainably lowering the environmental impact of packaging should not mean a loss of consumer convenience. The solution is certified as compatible with both the flexible and rigid PE recycling stream.



Collaboration with Industry Bodies

CEFLEX Activities

The Circular Economy for Flexible Packaging (CEFLEX) is an initiative, with industry membership from all parts of the flexible packaging value chain, to promote development of a circular economy for flexible packaging. KOROZO has been an active member of CEFLEX since 2018.



The most recent developments of CEFLEX which will have an impact on our future developments for a circular economy are the Quality Recycling Process, an initiative to produce film-grade quality recycled PE and PP polymers from post-consumer waste by special sorting, filtration and deodorisation processes; and the work of the Guidelines Alignment Team, which seeks to align the Design for a Circular Economy guidelines of both RecyClass and CEFLEX.

Digital Transformation

Digital technologies are fundamentally shaping how businesses operate and deliver value. Through integration into business processes, existing systems are exposed to cultural, organizational, and operational change. We believe digitalization will become more critical than ever to differentiate our business from the competition and to take swift and accurate action to meet the ever-changing business demands. We constantly monitor and transform our operations according to these developing trends and changing behaviours powered by digitalization.

Our digitalization strategy mainly focuses on industrial process digitalization (Industry 4.0) and digitalization of business processes. Industry 4.0 is also rapidly transforming market practices across the globe. The results of digitalization can be seen in all fields, from customer relations to mobility in the workforce, from optimization of manufacturing processes to the transformation of goods and services.

Current projects like the optimization of the order to cash process and supply chain management are major digital transformation initiatives. These initiatives will improve the effectiveness of our business processes.

Information Security – Korozo is ISO 27001:2013 Certified

The ever-evolving digital world brings growing cyber risks and strict privacy policies. It is not enough to protect our environment, people, and economic resources to achieve a sustainable business without considering the possible impacts of cybersecurity failures and IT infrastructure breakdowns. Hence, there are essential actions to be prepared and manage the potential risks. Korozo Group has created the Information Security Management System to protect its Confidentiality, Integrity and Accessibility, which has been assessed and certified with ISO/IEC 27001:2013.

Korozo Group undertakes to meet and consistently improve specified information security Targets in order to:

- ▶ Manage information assets, to define security values, needs and risks of assets, and to develop and apply controls on security risks
- ▶ Meet any legal and legislative requirements stipulated by its governing national or industrial regulations, to meet its contractual liabilities, and to meet information security requirements arising from its corporate responsibilities both against internal and external parties;
- ▶ Mitigate the effects of information security threats against business sustainability and to contribute to such sustainability; and
- ▶ Improve corporate reputation and to protect it from information-based adverse impacts.

We remain committed to our information security targets and deliver annual trainings to our employees to raise cybersecurity awareness and data privacy.



Digital Transformation at Korozo



Digital and Mobile Platforms For the Shopfloor

- ▶ Digital platforms for operators and supervisors
- ▶ Machine online monitoring with IoT devices and sensors
- ▶ Paperless processes
- ▶ RFID tracking and automation



Data Visualization and Reporting

- ▶ Digital dashboards with real-time machine data
- ▶ Automation of regular reporting



Digital Laboratory

- ▶ Digital laboratory system with integration shopfloor
- ▶ In-process testing
- ▶ Real-time raw-material consumption data



Robotic Process Automation

- ▶ Robotization of Routine Processes



Digital Maintenance

- ▶ Digitized work-order process
- ▶ Condition-based and predictive maintenance
- ▶ Digital shutdown planning and execution



Production Machine Parameter Optimization

- ▶ Performance-deterioration warning
- ▶ Advanced analytics for yield and throughput optimization



Digital E-sourcing

- ▶ Supplier collaboration
- ▶ Digital tender management



Advanced Planning

- ▶ Dynamic scheduling of production lines
- ▶ Long-term capacity planning
- ▶ Warehouse put-away locations optimized by advanced analytics



Reaching Operational Excellence with Continuous Improvement Mindset

Korozo Excellence System

Operational excellence is an essential mindset that embraces principles, guidelines and tools to create a culture of excellence within an organization. Managed under Operational Excellence (OPEX) Directorship, our operational excellence and lean practices focus on making improvements to proactively remove the obstacles in the way of achieving Korozo's goals by using effective, creative, productive ideas and techniques.

As Korozo, we established the Korozo Excellence System for a continuous development culture that will ensure value and service level maximization while optimizing resource consumption. Korozo Excellence System builds on the foundational values below;

- ▶ Sustainability and Standardization
- ▶ Continuous Improvement
- ▶ Pioneering New Applications In The Industry
- ▶ Communication and Team Spirit
- ▶ Lean Philosophy
- ▶ Transparency
- ▶ Increasing Employee Value
- ▶ Maximum Service Level
- ▶ Continuous Value Maximization
- ▶ Maximum Stakeholder Satisfaction

After completing Lean Six Sigma training courses, Korozo teams completed 47 improvement projects. Led by certified 7 Black Belt, 34 Green Belt and 174 Yellow Belt team members, financial benefit brought by these projects exceeded €2,500,000 along with the environmental benefits including reduced resource consumption, reduced carbon footprint through energy efficiency and increasing circularity by utilizing idle stocks.

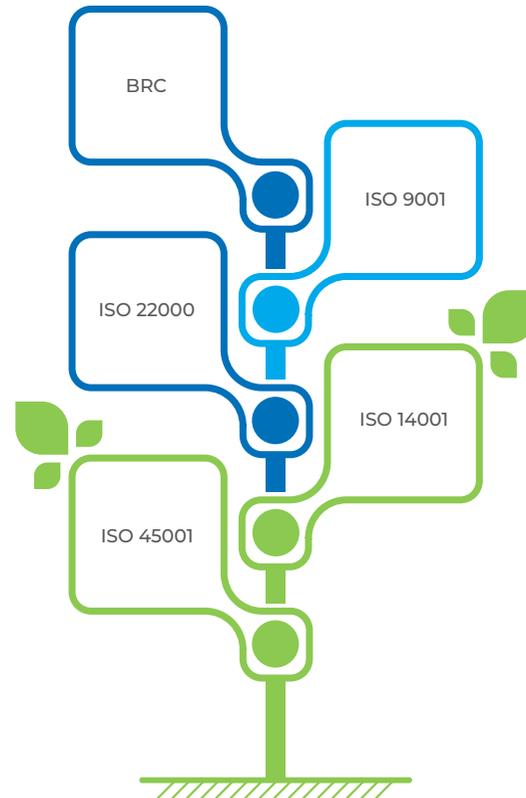


Product Quality

Quality management systems help organizations reach their sustainability goals by providing them with tools to measure performance against specific standards, identify areas where improvements are needed to ensure a higher level of quality, evaluate and improve efficiency, reduce waste, improve management processes, increase customer satisfaction thereby growing the business and ultimately improving overall sustainability performance.

Korozo's quality journey started back in 1996 with ISO 9001 certification. It continued with food and product safety management, which is the vision for packaging industry. Korozo has adopted an internal approach to carry out all processes in accordance with international methodologies and standards. For this reason, Korozo established and documented HACCP management systems in 2003, BRC in 2005, ISO 22000 in 2010, and GLP in 2013.

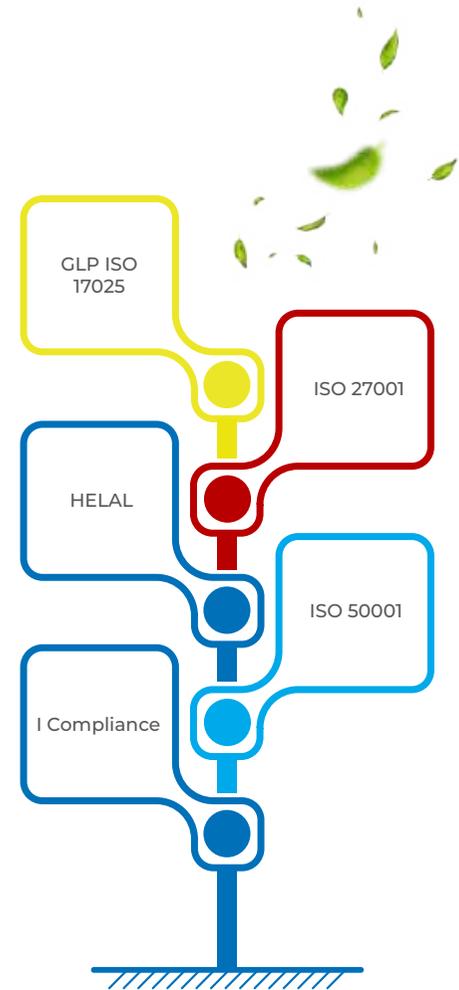
Like regulated industries such as pharmaceuticals, cosmetics and food, we adopt 3 methods for a sustainable quality system.



- Product Safety and Quality Management System
- Quality Management System
- Environmental, Health & Safety Management System
- Information Security Management System
- Good Laboratory Practices

Others

- ▶ Republic of Turkey Ministry of Food, Agriculture and Livestock Business Registration Certificate
- ▶ Health Certificate for different countries



Product Quality

On our sustainable development and growth journey, offering products and services which meet global quality and standards, the most important benefit of quality & product & laboratory accreditation systems is customer satisfaction. In order to maintain these systems, we focus our efforts on the following key areas:

- ▶ Following the regulations and legislations,
- ▶ System implementation and validation,
- ▶ Documentation control (internal communication)
- ▶ External (~400 customer and system audits) and internal audits,
- ▶ Supplier performance control and audits,
- ▶ Root cause analysis,
- ▶ Corrective and preventive actions,
- ▶ Customer satisfactory measurement,
- ▶ Trainings on quality, hygiene, food safety
- ▶ Change management system,
- ▶ Calibration,
- ▶ Traceability and recall practices,
- ▶ Pest control system,
- ▶ Development efforts (e.g. digitalization)
- ▶ Continuous development program through university-industry collaborations
- ▶ Product development with 7 major projects approved by The Scientific and Technological Research Council of Turkey (Tübitak)

In addition to all the quality efforts carried out in its facilities and laboratories, Korozo also cooperates with various organizations for academic studies. Academic studies on special packaging design, shelf life and hygiene studies, and development of new packaging technologies have been published in cooperation with the institutions below.

- ▶ TÜBİTAK- Marmara Research Center – Food Institute
- ▶ TÜBİTAK Industry R&D Projects Support Program
- ▶ İstanbul Technical University, Food Engineering Department
- ▶ Gebze High Technology Institute, Chemical Engineering Department
- ▶ İstanbul and Muğla Universities, Faculty of Aquaculture, Processing Technology Departments
- ▶ Çanakkale Onsekiz Mart University, Food Engineering Department





Creating Value Through Supply Chain

Sustainable supply chain practices are vital to create a cascaded sustainability approach and practices that flow smoothly throughout the value chain of organizations.

At Korozo, we seek to address risks and define opportunities in our supply chain continuously, while at the same time carrying out many initiatives to ensure high environmental, social and governance standards in all our operations.

Korozo has sustainable procurement practices which are integrated into our standard sourcing and management processes and determine the way we work with our suppliers and business partners. The conditions of a contract document, which needs to be agreed upon before working with each supplier, includes our expectations regarding regulatory compliance, working conditions, human rights, operational health and safety, environment and quality standards.

Following the initial agreement, it is also vital to monitor the actual performance to ensure consistency with our expectations and to decide whether to collaborate with the supplier organization in the future. The conditions of a contract document includes the sanctions and terms of contract termination in case of a failure to meet environment, social and governance criteria. We provide supplier trainings to support our suppliers in building capacity and improving their performance. Self-assessment surveys and supplier audits help strengthening performance. With this approach, we work together to create value for all our stakeholders in our supply chain.

Reducing the environmental footprint of our operations is another area that we work on in coordination with our suppliers. There are many projects and initiatives that create value and reduce resource consumption and environmental footprint.

Moreover, both inbound and outbound logistics, transporting raw materials to production facilities and moving finished goods to distribution centres or directly to customers, play a role across all phases of a product's lifecycle, as well. This is why, in order to reduce our environmental impact, we focus on reducing emissions associated with transportation, storage and distribution facilities and optimizing of on-site resources. We have initiated many projects that create value and reduce resource consumption at various levels. Examples include equipment reduction at warehouses after optimization studies, intercompany shipments optimization and increasing volume by shipment to reduce emissions, increasing the percentage of environment friendly shipment options, reducing resource consumption by minimizing the pallet separators and re-using materials such as wooden side covers, pallets received from suppliers etc. where applicable.

In line with our responsible production approach, we will continue to work with all our stakeholders to monitor and mitigate the possible impacts of our supply chain operations and work to expand the reach of our sustainability practices to cover our value chain.



Acting For The Planet



« As a signatory to the United Nations Global Compact, Korozo adopts a sustainability policy with the awareness that the earth belongs to all of us and future generations. »

Today, as environmental awareness increases, integrating sustainable business models into corporate strategies and determining commitments providing environmental, economic and social benefits becomes an inevitable responsibility for all stakeholders.

At Korozo, with our investments to achieve resource efficiency, we aim to use natural resources such as raw materials, energy and water more effectively and to create more value with less input. We strive to contribute to reducing the environmental impact of our business partners with our sustainable products. Reducing waste at the source, adapting correct disposal practices and adopting circular economy principles are critical for sustainability. At Korozo, we collect, recycle and reuse our waste in production thanks to our in-house licenced recycling facility. With our solvent recovery facility, distillation units and plastic waste recovery facility, we contribute to a circular economy. We act in accordance with our Environment Management Policy and Principles while defining our objectives, goals and initiatives.



We are committed to;

- ▶ Comply with the relevant National and International regulations and other requirements,
- ▶ Conduct the necessary activities to raise awareness among our employees, our business partners and public,
- ▶ Ensure the participation at all levels of the organization as well as our business partners and to include their opinions and suggestions in the decision-making mechanism,
- ▶ Conduct studies to assess the potential risks regarding environmental impact and to take measures against identified risks,
- ▶ Take adequate measures for the protection of the environment and the prevention of environmental pollution caused by processes and products, to reduce the amount of waste generated as a result of our activities, collect, reuse and recycle waste,
- ▶ Use energy and natural resources efficiently,
- ▶ Manage environment related risks and opportunities when investing in current or new assets,
- ▶ Monitor our performance by setting goals through a proactive approach and to ensure continuous improvement in all our processes.





Managing Greenhouse Gas Emissions – Transition to a Low Carbon Economy

Corporate organizations primarily need to focus on low carbon economy and efficiency in combating climate change. Climate change is a shared and the most urgent problem our planet is faced with. The use of fossil fuels and carbon emissions pose a great threat to humanity. Combating climate change can only be possible if all stakeholders work together and join forces for a low-carbon economy.

Priority issues in transition to a low carbon economy are:

- ▶ energy efficiency;
- ▶ use of renewable energy resources,
- ▶ resource efficiency in processes;
- ▶ alternative energy resources, and an advanced technology for revealing and developing these; and
- ▶ implementation of strong financial mechanisms for bringing this transformation into practice in the economy and all business processes.

Managing and reducing greenhouse gases from our activities is only one of the many steps we take to enhance sustainability. We completed our carbon footprint calculation in compliance with the ISO 14064-1 standard. We aim to reduce our carbon footprint continuously for a sustainable world and we are taking firm steps to reach our target.

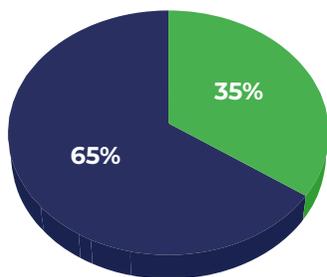
Korozo Group's total GHG emission was reduced by 5% compared to previous reporting year.

Renewable Energy for a Sustainable Planet

We continue to use solar energy installed at our plants as pilot projects. As of 2020, taking our Korsini plants as pilot, we also started to use sustainable green electricity supplied from renewable resources and generated from wind power. We cover both plants' electricity needs with I-REC Green Electricity Certificated energy supply. With this project, we reduced our Scope 1 and 2 carbon footprint by 88% in pilot sites.

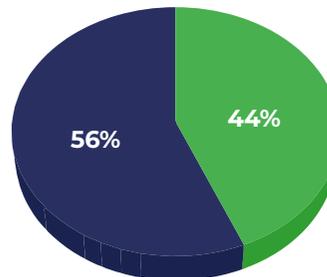
We continue our efforts to reduce greenhouse gas emissions from our activities and to ensure efficient use of natural resources with our sustainability approach which forms the core of our corporate culture as one of our corporate values. We embrace responsible production activities for a sustainable world.





- Scope 1
- Scope 2

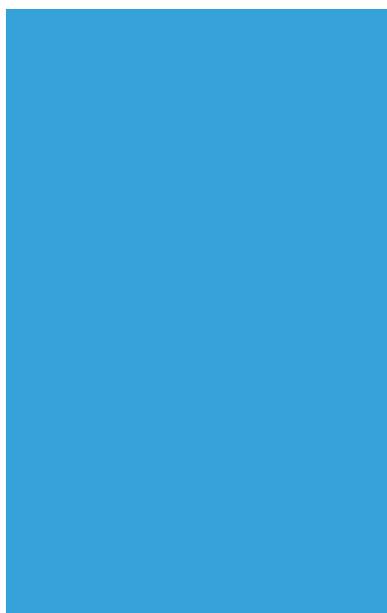
2020



- Scope 1
- Scope 2

2021

Total GHG Emissions



68.010
Ton CO₂e



➤ 2020



64.594
Ton CO₂e



➤ 2021



Reducing Our Emissions with Energy Management

Increasing energy efficiency is one of the key enablers in mitigating our impact on the environment and to ensure effective use of resources.

We aim to save the future our planet by using our energy efficiently through sustainable policies and with support from the entire organization. With this aim, Korozo Energy Management Core team tracks and improves Korozo's operational energy efficiency by identifying areas that require upgrades or improvements in more efficient alternatives. We regularly provide energy efficiency awareness training and communication materials for our colleagues using various channels.

Korozo Successfully Obtained the ISO 50001-2018 Energy Management System Certification.

ISO 50001-2018 is the management system which specifies the requirements for establishing, implementing, maintaining and improving an energy management system that enables an organization to follow a systematic approach to continuously improve energy performance.

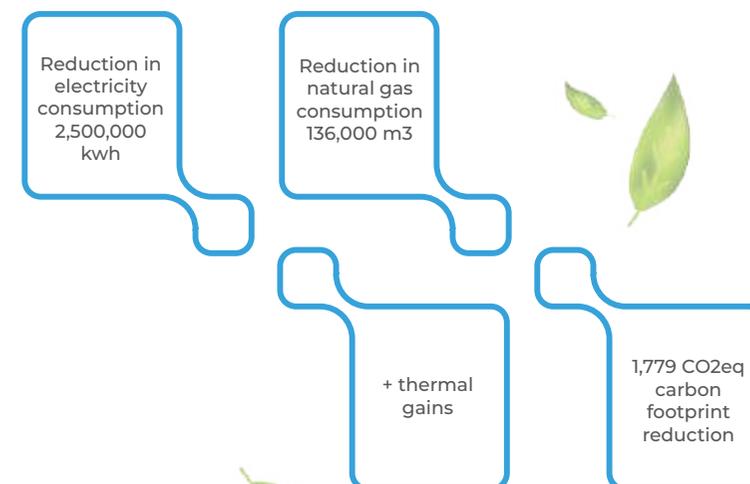
Following system review and gap analysis efforts, Korozo's energy management system core team created the required monitoring and reporting tools and KPIs. We continue tracking site based actions and raising awareness through trainings and communication.

ISO 50001-2018 Energy Management System Certification certifies our efforts to optimize energy consumption in all processes and disciplines; from raw material supply to product dispatches to our customers. It also supports the business in its efforts to use natural resources wisely while providing guidance in resource efficiency.

Reducing Our Footprint with Energy Management

Energy efficiency and carbon reduction projects

- ▶ Line pressure balancing pump in hot oil system
- ▶ Centralization and optimisation of process cooling systems
- ▶ Centralization and optimisation of hot oil boilers
- ▶ Thermal oil circulation pump pressure optimization
- ▶ Compressed air pressure optimization
- ▶ Indoor and outdoor illumination intensity optimization
- ▶ Ventilation system pressure controlled frequency setting
- ▶ Dry cooler automation
- ▶ Compressed air pressure optimization
- ▶ Hot oil heat recovery recuperator system
- ▶ High-efficiency central chillers
- ▶ Aquarex machine water drying roller with air knife
- ▶ Timmer application heaters on rest area
- ▶ Energy savings with astronomic relay application
- ▶ SRU plant optimization studies
- ▶ Auditting and repairing air leaks



Reducing Our Footprint with Life Cycle Assessments (LCA)

In order to support our customers in achieving their sustainability goals, we conduct LCA – Life Cycle Assessment on our products in accordance with the ISO 14040/ 44 standards.

A life cycle assessment according to ISO 14040/44 is a method to calculate, measure, report the environmental impact of a product or service over its entire life-cycle – from resource extraction to production, use and disposal.



Advantages of Life Cycle Analysis:

- ▶ Measuring and managing product sustainability over its entire life-cycle
- ▶ Determining the environmental impact of products in every stage of the life-cycle
- ▶ Measuring the environmental impact of each production process and determining the contributors
- ▶ Supporting the decision making processes for potential improvements and investments
- ▶ Comparing product sustainability in production and making improvements.
- ▶ Being a guide in preparing sustainability roadmaps, managing risks and potential liabilities
- ▶ Encouraging demand for products with a smaller environmental impact
- ▶ Optimizing supply processes and competitive advantage



We capture and recover solvent in our solvent recovery facility preventing air pollution. We reuse the recovered solvent, thereby fully implementing a circular economy approach. In 2021, we recovered ~2000 tons of solvent at our solvent recovery facility, resulting with reduced CO₂ emissions prevented from being released into the atmosphere.

Solvent Recovery Process (SRU) collects solvent vapor formed by the evaporation of solvents coming from directly purchased solvents and inks and glues used in production, brings it to the facility, decomposes it and return to the production. The distillation units ensure that solvents formed during job changeovers and machine cleaning processes are distilled and reintroduced into production with a continuous process.

The distillation unit ensures that the solvents formed during job change and machine cleaning are distilled and reintroduced into production. This work continues with an endless loop.

Electricity, cold water and hot water are produced in our trigeneration system at Kiraç and Çorlu facilities.

Solvent Recovery Unit
2000 ton / year

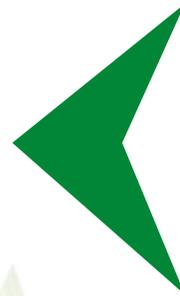
Distillation Unit
1.500 ton / year





**GOING GREEN IN
MANUFACTURING
WITH A ZERO WASTE
MANAGEMENT SYSTEM**

**EVERY DAY IS E♻️RTH
DAY FOR KOROZO**



Waste Management

ZERO WASTE SYSYEM

Zero Waste is a target defined as a waste management philosophy that includes preventing waste, using resources more efficiently, preventing or minimizing waste generation by reviewing the causes of waste generation, and collecting and recycling waste separately at the source.

Large fractions of resources are lost as a result of a lack of capacity to recycle, recover and reuse. Rising population and living standards inevitably increase consumption, which increases the pressure on our natural resources and disrupts the balance of the world. Our limited resources cannot meet this unlimited demand.

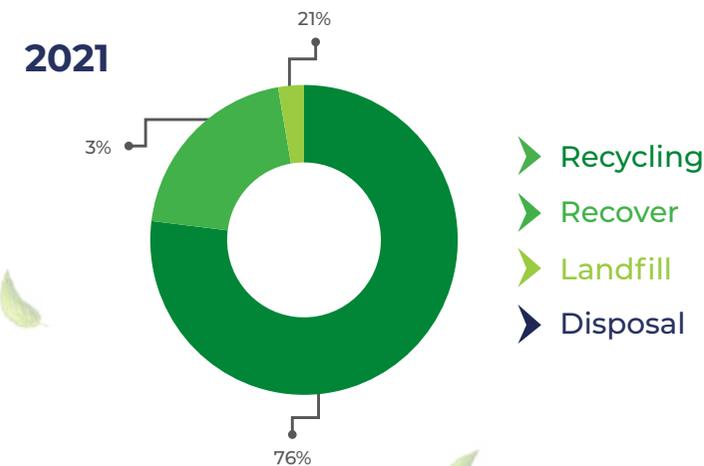
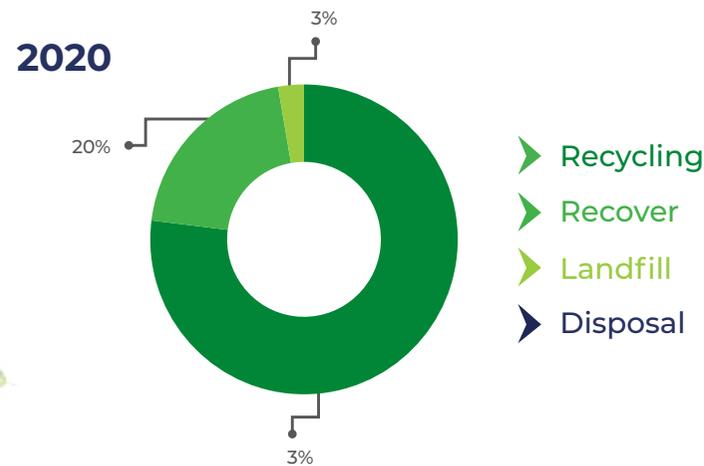
Given this reality, the importance of efficient use of natural resources becomes even more evident. For this reason, in recent years, zero waste implementation efforts have become widespread all over the world.

Benefits of a zero waste approach as a basis includes but not limited to the points below;

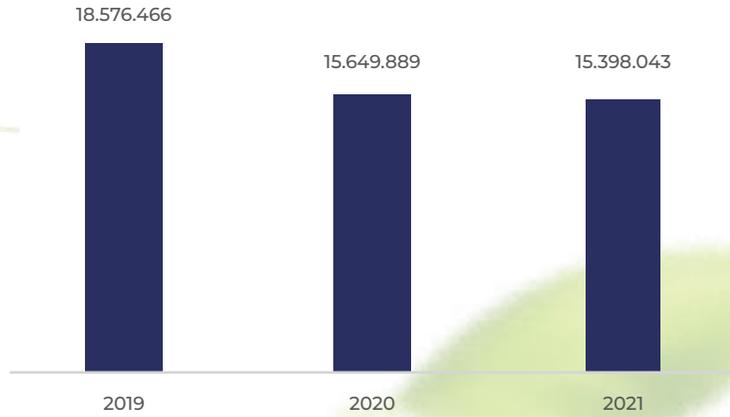
- ▶ Reducing natural resource consumption,
- ▶ Ensuring the reduction of environmental risks,
- ▶ Increasing productivity,
- ▶ Reducing costs as waste is avoided,
- ▶ Ensuring that individuals have a sense of «sensitivity» as it contributes to the development of environmental protection awareness within the organization,

Korozo works to prevent waste generation at its source and to minimize waste at every possible step of its operations. Korozo supports the "Zero Waste" campaign organized by the Ministry of Environment and Urbanization and established the necessary infrastructure for certification in all its facilities. With our Lean Six Sigma project we focused on optimizing process related hazardous wastes and sending waste into recovery/recycling rather than disposal with circular economy mindset.

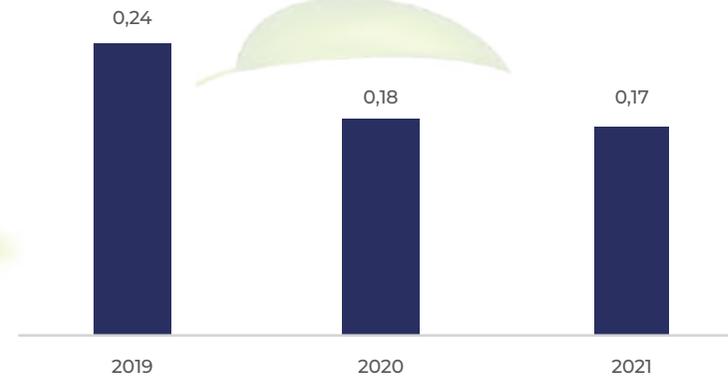
As a result of our successful efforts to reduce our environmental impact by managing resources efficiently and reducing waste, Korozo plants received Zero Waste Certificate from the Ministry of Environment and Urban Planning.



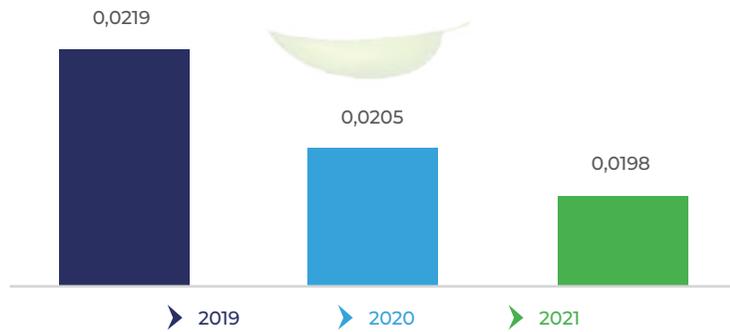
Total Waste Amount (t)



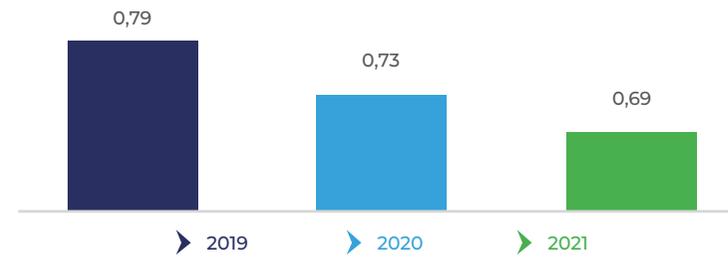
Waste intensity (t Waste / t production)



Hazardous Waste Intensity (t hazardous waste/ t production)



Electric intensity (mwh consumption / t production)



Partnership for Goals & Circular Economy

We support circular economy in order to contribute to our planet, economy and society. We believe in collaboration and exchange of knowledge to achieve our goals. Korozo Group took important steps to mark its commitment to this principle.

► Korozo is now a member of Business Council for Sustainable Development (BCSD). BCSD Turkey is the local network and partner of World Business Council for Sustainable Development (WBCSD) in Turkey, and it is in strong cooperation with its parent organization. The Council shares knowledge on sustainability with its members and stakeholders through the activities of its working groups. Korozo is an active member in four working groups:

- Transition to Low Carbon Economy and Efficiency
- Sustainable Industry and Circular Economy
- Women Employment and Gender Equality
- Sustainable Finance and Risk Management

► Korozo joined Turkey Materials Marketplace (TMM). TMM is a digital circular economy platform managed by Business Council for Sustainable Development (BCSD) Turkey with the funding support of the EBRD. On this platform an organization's waste and/or by-product becomes another organization's raw material through material exchanges.

► Korozo is among the IPG (Business Plastics Initiative) signatories with its Koroplast brand. IPG (Business Plastics Initiative) was established in November 2019 by Global Compact Turkey, TÜSİAD and SKD Turkey (BCSD) with the aim of taking the fight against plastic pollution in our country one step further. Stakeholders across the businessworld were invited to become a signatory within the scope of this initiative and to share their March 2021 plastic commitments with the public.

► Korsini, the leading division of the IML sector of Korozo Group, is an active member of the initiative #HolyGrail2 in partnership with AIM-European Brands Association. Driven by AIM - European Brands Association and powered by the Alliance to End Plastic Waste, over 160

companies and organisations from the complete packaging value chain have joined forces for the Digital Watermarks Initiative HolyGrail 2.0 with the ambitious goal to assess whether a pioneering digital technology can enable better sorting and higher-quality recycling rates for packaging in the EU, driving a truly circular economy. HolyGrail 2.0 looks into coding the surface of packaging for consumer goods with imperceptible codes, so-called digital watermarks. These optical codes are the size of a postage stamp, applied directly within the packaging's label artwork or embossed in the mould. They can carry a wide range of attributes such as manufacturer, SKU, type of plastics used and composition, food vs. non-food usage, etc. Next to encoding a «digital recycling passport», digital watermarks also have the potential to be used in other





**Acting For
People**



WORKING FOR HEALTH & SAFETY AT WORK. **TOGETHER. EVERY DAY.**



Our Journey towards Zero Accident

Korozo Group Companies adopt the goal of "zero accident" in the areas they operate and make great efforts to make the occupational health and safety understanding a living culture within the company. Group Companies follow the ISO 45001 Occupational Health and Safety Management System standard and best practices available globally.

Providing healthy and safe working conditions for its employees is among the most fundamental values of Korozo. Korozo executive team defines its safety vision as "showing world-class and sustainable HSE performance and creating a strong safety culture."

In addition to reactive indicators, proactive indicators also play a vital role in monitoring, improving and sustaining good safety performance. In total ~2500 improvement actions followed up to closure systematically. Behaviour based safety observations program which has been launched in 2019 played a critical role to ensure that all employees at Korozo are empowered to share feedback with each other and safe and unsafe behaviors, outcomes and safer ways of working is being discussed on a daily basis. In 2020, 3487 behavior based observation discussions were reported by observers from various departments / levels and analysed to understand high level trends and opportunities for improvement, in 2021 total observation and dialogue numbers increased to more than 9500.

Supported with an annual communication plan, various tools such as weekly toolbox talks help keeping safety always on the agenda for the whole organization. Weekly topics for discussion have been identified by HSE team based on the current results/learnings, shared by the line management in face to face meetings on the shopfloor led by Champions. HSE week activities such as contests, virtual reality trainings, award ceremonies, online quizzes increased engagement across the organization. Best near miss reports have been awarded with ceremonies and days without accident achievements have been celebrated at various areas. Job Safety Analysis approach kicked off to identify and manage risks in non-routine tasks at site together with all stakeholders, including sub-contractors.

In 2021, Korozo celebrated its international recognition for its high health and safety standards. The award demonstrates Korozo's commitment in ensuring employees / customers / clients / contractors get home safely to their families at the end of every working day.

Korozo's journey towards the target of "zero accident" will continue in full swing.



Within the scope of occupational safety objectives, we carry out various studies in order to eliminate the risks of our employees having an accident. Risk assessment processes are at the forefront of these studies. Our aim in risk assessment studies in each of our facilities is to reflect the current situation and to continuously improve it. In addition to risk assessment studies, we conduct department-based occupational safety project studies to provide various technical improvements. Within the project work, department risks are being analyzed, machine technical conditions are being reviewed, investment needs are defined and improvements are made.

With these studies, we reduced the accident frequency rate by %68 and the accident severity rate by %54 in the last 3 years.

Accident-free days spent by our employees at Koroza are very valuable to us, we celebrate our accident-free days with our teams to further motivate our employees. We get closer to our goal of zero accident with each passing day.

Many cases of musculoskeletal diseases can easily be prevented or managed by promoting a culture of prevention that includes all stakeholders with an integrated approach. With good ergonomics practice examples, diseases and accidents can be prevented, working comfort and productivity can be increased, and work can be made more sustainable.

With this awareness, ergonomic risk analyzes were carried out as part of our ergonomics project, which was initiated to improve employee health and well-being, to make our business more comfortable and to alleviate the burden of national health systems.

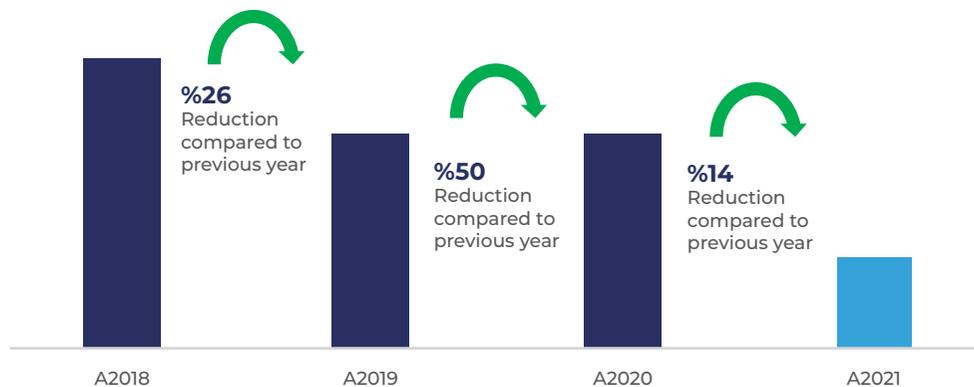
This project has been included in the European Union good practices catalog by the Ministry of Labor and Social Security-General Directorate of Occupational Health and Safety.





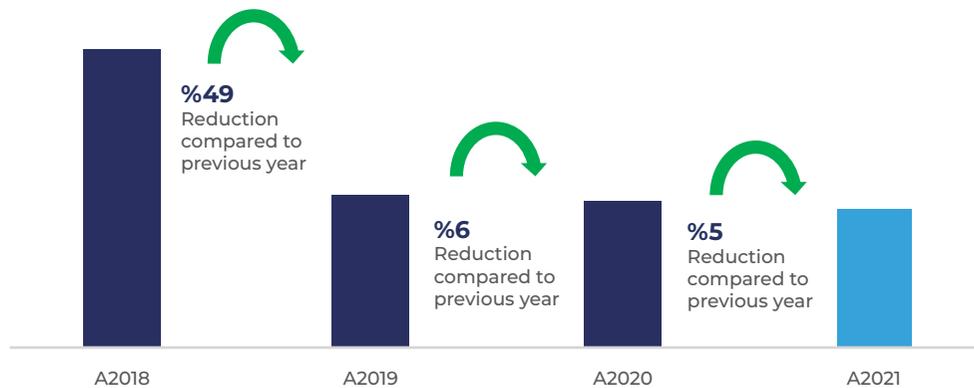
Safety Performance

%68 reduction in 3 years



Accident Frequency Index

%54 reduction in 3 years



Accident Gravity Index

>9500

Behavior based safety observations

~9000

hours HSE Training

200 champions

conducting behaviour based safety observations and safety talks on a weekly basis

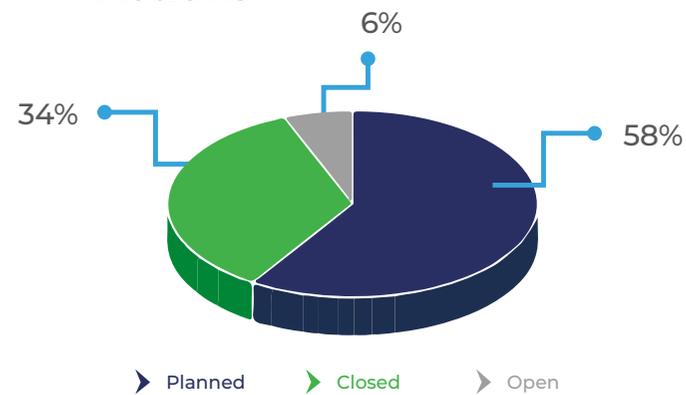
52

tool-box talks every week

~2500

improvement actions tracked systematically

Actions



COVID-19 RESPONSE

The Coronavirus (COVID-19) outbreak has been on the global agenda since late December 2019. The fight against COVID-19 came to the fore at Korozo, as in the rest of the world, to ensure the health of our employees and to prevent interruptions in our supply chain operations.

Following the onset of the pandemic Korozo has quickly adopted measures to prevent the spread of COVID-19 at its facilities. From the first days of the pandemic, a Crisis Committee was established, and existing emergency and business continuity plans were reviewed and enhanced according to COVID-19 requirements and measures. Throughout the reporting period, the fight against the pandemic was carried out in line with these plans, guidelines by World Health Organization (WHO) and Turkey's Ministry of Health and under the control of the Crisis Committee led by the CEO. Protective measures including the actions below were adopted across all sites:

- ▶ All employees and contractors received training on COVID-19 and methods of protection from disease. We made sure that our teams remain vigilant with regular updates, toolbox talks and trainings.
- ▶ COVID-19 crisis committee met on a regular basis to discuss existing and possible new measures to protect our workforce and to ensure business continuity. Our CEO regularly shared updates with our employees and stakeholders.
- ▶ For the management of COVID-19 cases (e.g. diagnosis of suspected cases, contact tracing, managing of quarantine processes, decision to return to work, etc.) World Health Organization and the Ministry of Health guidelines have been followed.
- ▶ In order to reduce the number of people working in offices and to keep the number of people affected by possible contamination as little as possible, remote work rules were quickly implemented. Shuttle buses operated at half capacity to reduce risk of contact and buses were disinfected on a daily basis.
- ▶ Thermal cameras were installed at main entrance points and every employee/contractor/visitor got their temperature taken upon arrival before being granted approval for entrance. All common areas were rearranged to accommodate social distancing.
- ▶ Protective dividers are installed at open offices and between dining hall tables along with social distancing reminders.
- ▶ Our workspace was regularly disinfected and ventilation systems were reviewed to ensure highest efficiency. Automatic disinfectant dispensers were placed in common areas including shuttle buses.
- ▶ Personal protective equipment kits (mask, gloves, face shield), hand sanitizers and personal thermometers were provided to all employees.
- ▶ Meetings, trainings and events were put on hold or held remotely. Travel and visitors were restricted. As the vaccination rate increased, trainings continued with small groups in well-ventilated rooms.
- ▶ Once we gradually started to return to workplace after lockdown, During the gradual return to work process after the closure, "new normal order training" delivered to the employees.
- ▶ Meal service hours were extended to prevent crowd, and we started to offer lunchboxes for those who did not want to eat at canteens.
- ▶ We have organized vaccination campaigns together with local health authorities and we reached 99% vaccination rate at our organization. Our efforts to protect the health and safety of our workforce and to maintain our operations have been recognized with Turkey PIW (Prevention of Infection at Workplace) Certificate by Intertek.



HUMAN RESOURCES

Our human resources policy is established on the motto

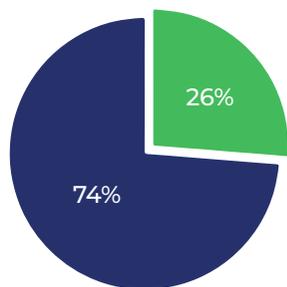
« *Our biggest asset is our employees* »

- ✓ Seeing every employee as a talent and developing processes that bring out the potential in them,
- ✓ Supporting our employees with continuing training and development philosophy
- ✓ Having employees who uphold social and ethical values
- ✓ Anti-discriminatory practices and providing equal opportunities.

We increase employee happiness thanks to these policies and provide the necessary conditions for efficiency.

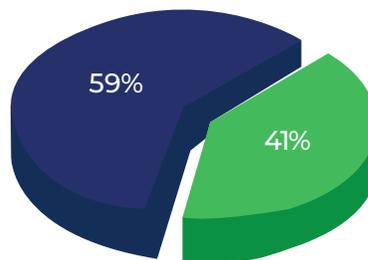


Employees By Collar



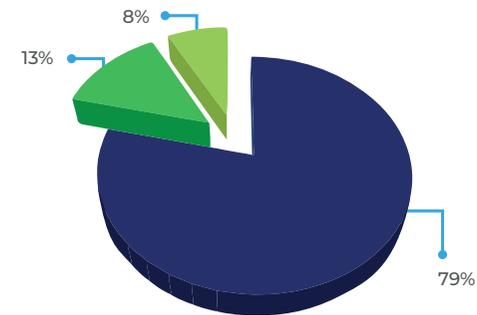
- ▶ Blue - Collar
- ▶ White - Collar

White - Collar By Gender



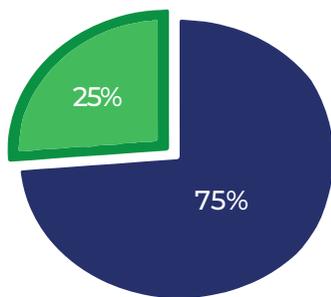
- ▶ Male White - Collar
- ▶ Fem White - Collar

WC By Education



- ▶ Undergraduate and above
- ▶ High School
- ▶ Associate

Executive Team By Gender



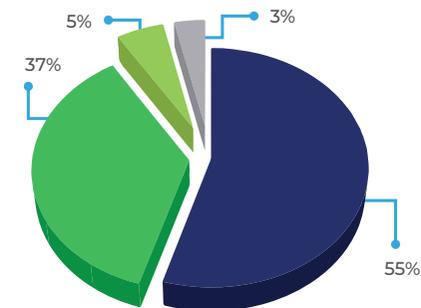
- ▶ Male
- ▶ Female

Employees By Contract Type



- ▶ Contracted - Full-Time

WC By Education



- ▶ Elementary
- ▶ High School
- ▶ Associate
- ▶ Undergraduate and above

TRAINING

Through training activities we strive to create a company culture which emphasizes quality, efficiency, environmental awareness, health and safety, constructive human relations and making all employees a part of this culture.

We know that we can only become an industry leader with highly motivated and well-qualified employees.

Every investment in our human resources will return to our company as value added.

We set training goals for all employees with this mindset.

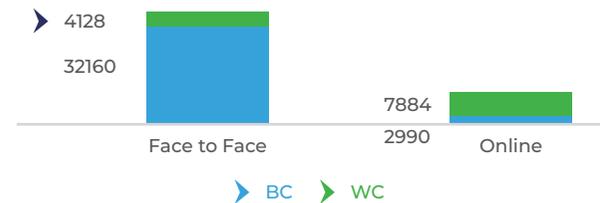
Training Policy;

- ✓ Improving employees' knowledge, skills and competencies
- ✓ Positive change in behavior, maximizing company performance by raising awareness
- ✓ Raising awareness about quality, food safety, environment, health and safety, creating a constructive company culture, embracing this culture across the organization.

Training Hours / Emp. Number



Training Hours / Emp. Number





Korozo Academy We continue to support the personal growth and development of our colleagues

Korozo Academy is Korozo’s online learning platform fostering our values and corporate culture in line with our strategic targets.

It provides a continuous learning environment and the best learning experience. Korozo Academy, an interactive e-learning platform, offers various technical and behavioral e-learning tools.

Our course catalogue covers various topics in HSE, Quality, Employee Onboarding, Vocational and Technical Development, Personal and Management Skills, Information Technologies and Human Resources. With the number of courses increasing constantly and up-to-date course content, our course catalogue creates a corporate memory and provides solutions for all training needs.

Korozo Academy provides access to over 600 technical terms and their explanations with the Glossary.

Our people expand their knowledge in courses taught by professionals and fostering technical expertise.

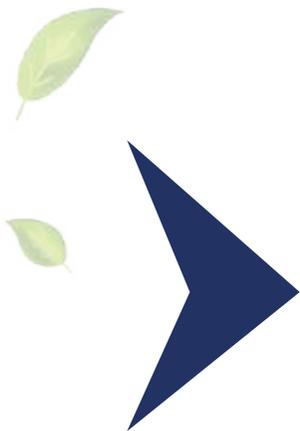
Korozo Academy Mobile Application is accessible by all employees independent from time and place.

Korozo Academy supports interactive training applications, surveys, online examinations and digital certification processes.

Our digital library offers articles, e-books on various topics allowing our people to be on top of current topics.

Our training solutions are updated regularly for Korozo employees, ensuring continuous learning while also supporting talent management.

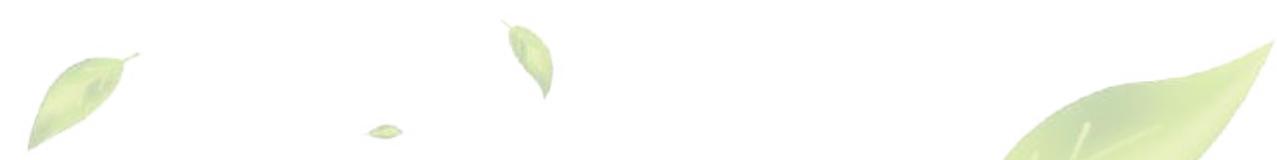




Every year, Turkey's leading human resources platform Kariyer.net gives the "RESPECT TO HUMAN" award to companies applying best practices in their sector in accordance with the criteria determined.

We are delighted to announce that our Human Resources Team won the Respect to Human Award among 30,000 companies for achieving a short response time of 21-days to 99% of the job applications.

At Korozo, we continue to recruit top talent for our global organizations in flexible packaging industry.



Equal Opportunities

Korozo upholds gender equality and believes that equal participation in employment is the key to development. In this regard, Korozo supports progress toward gender equality and women's empowerment.

On special occasions, such as the International Women's Day, we buy our colleagues gifts that give back to foundations, e.g. Foundation for the Support Women's Work, KEDV, supporting female labour force participation. Korozo also carries out corporate social responsibility projects in an effort to improve women's employment.

In 2021, in order to empower women at work, we supported Çöpmadam project, where women, who have never before had a regular income, design their own products from waste materials. We collected and delivered the waste from our operations to Çöpmadam team, who then upcycled these materials into gifts for our colleagues.

We are a member of the Working Group on Women Employment and Gender Equality of the **Business Council for Sustainable Development (BCSD)** Turkey aiming to promote female employment and gender equality in the workplace.





Reducing inequalities and promoting quality education during the Pandemic Koroza & TEGV Electronic Waste Campaign

The COVID-19-pandemic forced many countries, including Turkey, to shut down schools abruptly. Followed by the period of distance learning, this has led to concerns about increasing inequality in education, as some children have limited access to additional resources required for distance learning at home.

At Koroza, we are convinced that achieving inclusive and quality education for all is one of the most powerful and proven tools for sustainable development. With this mindset, we started a campaign in collaboration with the Educational Volunteers Foundation of Turkey (TEGV). Electronic waste has been recycled as part of the "Don't throw away, donate" campaign, in which in addition to Koroza's own electronic waste, Koroza employees were encouraged to donate their electronic waste, such as desktop computers, laptops, tablets, monitors, printers, phones, cables, adaptors and other appliances etc.

We called on our employees to join the campaign. Koroza employees brought their household e-waste to collection points at Koroza offices, which are then channeled to licenced recycling facilities, which, in return, pay TEGV after measuring the amount of e-waste they receive. At the end of the campaign, TEGV declared that education costs of 100 kids were covered providing them the required resources for distance learning.



At Korozo, we believe we can shape the future together by taking part in projects that support the right stakeholders.

In 2021, we focused on the importance of waste collection and sorting by emphasizing the message that «not everything is garbage» and set out on a long journey to instill this awareness. We produced the "Koroplast Recycling Bag" in order to draw attention to the issue and to make waste sorting into a habit in our community. We send our "Recycling Bag" free of charge to anyone who wants to collect and sort waste, which further reinforces our environmentally friendly approach to the garbage bag donations we have made in the past.

To mark our 40th anniversary at Koroplast, we started communication activities with the motto "A Livable World is Easy Together". Our cooperation with associations such as Let's Do It, ÇEVKO (Foundation of Environmental Protection and Recycling Packaging Waste) and Turmepa (Turkish Marine Protection Association) are ongoing. We continue waste collection activities across Turkey, including end users in this process.

We have established our own teams at 40 different waste collection and sorting points. With the waste collected from these points, we have published our children's book called "The Girl Whispering to the Birds", aiming to instill the awareness of recycling from an early age. The covers of 1,000 copies of our book are produced by recycling the waste collected and the entire book is made of recyclable materials.

We will continue our recycling efforts in the longer run with our project "A Livable World is Easy Together." In addition to the children's book, we prepared informative leaflets about recycling with ÇEVKO (Foundation of Environmental Protection and Recycling Packaging Waste). With support from TOÇEV (Tuvana Foundation for the Education of Motivated Children), we will organize training programs on recycling at 20 schools, where we will also distribute our books.

We get together with children at the «Recycling Station» at Kidzania, which is designed for children to learn while having fun. At our station, they learn how to sort waste and what their waste can be recycled into. From making plastic spoons to puppets, we involve them in fun activities learning and understanding recycling.

We aim to raise awareness on the efficient use of resources for a better tomorrow by teaching about sustainability. We will continue to use our products to promote sustainability, environmental cleaning and recycling activities.



The Girl Whispering to the Birds

Following the waste collection activities in many provinces of Turkey to raise awareness, we published our children's book "The Girl Whispering to the Birds" in order to instill recycling awareness from an early age.

Book covers of 1,000 copies have been produced from the waste collected and recycled during our project to raise awareness.

The entire book is made from recyclable materials.





KOROZO GROUP

CARRIES YOUR IMAGE

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