




2023 ESG REPORT



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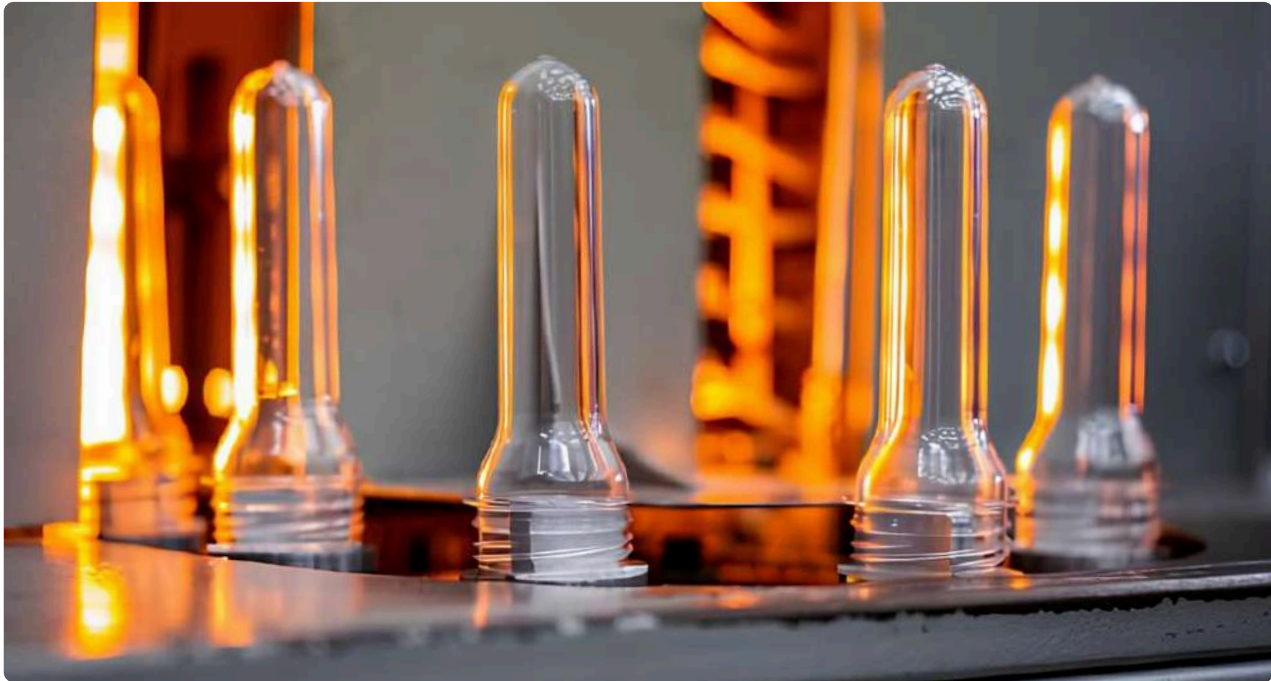
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Enexion Group A.Ş.

ABOUT

KÖKSAN PET

Köksan Pet Packaging Industry Co., established in 1992 in Gaziantep, Türkiye, has since become one of the country's leading producers of PET and plastic packaging. Operating on a 256,000-square-meter facility, it manufactures a broad range of products, including PET Resin, PET Preforms, PET Bottles and Jars, PE Closures, PET Sheets, and various types of flexible packaging such as Stretch Films, Shrink Films, Bubble Wrap, and PET Flakes. The company also engages in plastic pallet production and runs plastic recycling facilities, ensuring a steady supply of raw materials for both internal use and market demand. These operations are further supported by a 50,000-ton modern liquid storage facility located in the Adana Yumurtalık Free Zone.

As Türkiye's largest PET Resin producer, Köksan has played a crucial role in transforming the country from a PET Resin importer to an exporter. With an annual production capacity of 500,000 tons, it has solidified its market position both domestically and regionally. Furthermore, Köksan houses Europe's largest PET Resin facility under one roof and boasts an annual production capacity of 240,000 tons of PET Preforms, with production spread across Gaziantep and Sakarya/Hendek. These preforms are available in various weights and neck types, suitable for cold, aseptic, and hot filling applications.

Köksan is also an international investor with operations in countries like China, Senegal, Libya, and Iraq, and exports its products to more than 100 countries worldwide. As Türkiye's leading company in the plastic packaging sector, it places a strong emphasis on sustainability and environmental responsibility. By the end of 2024, it plans to begin producing 110,000 tons of 100% food-grade recycled PET (RPET) resin annually, using its patented chemical recycling process that converts PET into monomer (BHET) through glycolysis.

In PET Sheet production, Köksan leads the region with an annual capacity of 22,500 tons. It also produces 18,200 tons of PE closures annually, including plastic handles and demijohn lids. Additionally, its annual production capacity for flexible packaging products such as Stretch Films, Cling Films, Shrink Films, and Bubble Wrap has reached 29,200 tons. Köksan operates one of the most advanced PET Flake facilities, recycling 6,000 tons of PET flakes each month, and produces 43,200 industrial plastic pallets monthly, further highlighting its capabilities in sustainable production.

Köksan has earned numerous national and international certifications in quality assurance and food safety systems, reflecting its commitment to maintaining high standards across all operations. With a strong focus on sustainability and innovative technologies, it continues to strengthen its leadership position in the industry, both in Türkiye and globally.

ABOUT

KÖKSAN PET

Köksan remains committed to a more sustainable future, leading with responsible production processes that prioritize environmental and economic sustainability.



Mission

Our mission as a company; is to produce high quality products in accordance with the demands and needs of customers within the understanding of environmentally friendly production.

In line with this mission;

We aim

Worldwide awareness,

Brand and company image identical to the product,

Brand and company image identical to quality,

Easy accessibility.



Vision

Our vision as a company; supporting sustainable growth and development; Respect for people, innovation, diversity, productivity and quality to the highest level; To be among the leading companies of the world with a sense of responsibility towards the environment and its stakeholders.



Köksan Industrial Achievements

Important Points About Köksan

- Exporting to over 100 countries.
- Leading company in its sector.
- Europe's largest PET Resin and PET Preform production facility under one roof.
- Increasing overseas investments in PET and Plastic Packaging industry Sustainable and environmentally friendly production.
- Superior quality practises and environmentally friendly investments.
- Sustainable Renewable Energy production and consumption.
- Approved supplier certificates.

Company Production and Capacities

- Annual production of 500 K tons of PET Resin.
- Annual production of 110 K tons of R-PET Resin.
- Annual production of 240 K tons of PET Preforms.
- Annual production of 29,2 K tons of Flexible Packaging.
- Annual production of 22,5 K tons of PET Sheet.
- Annual production of 18,2 K tons of PE (HDPE/LDPE) CAPs.
- Annual production of 72 K tons of PET Flakes.
- Annual production of 518 K pieces of Plastic Pallet.

Memberships

Köksan is committed to sustainable business practices and actively participates in key national and international organizations that promote ESG standards. Our memberships allow us to stay updated on the latest developments, collaborate on industry-wide initiatives, and enhance our corporate responsibility efforts, ensuring we meet the expectations of our stakeholders.



Köksan is a proud member of PAGEV, a leading organization representing Türkiye's plastics industry. Through this membership, we collaborate with industry leaders to promote sustainable practices, enhance innovation, and contribute to the growth of the plastics sector both locally and globally.



Sustainable Development Goals and Plastic Packaging Sector

Köksan is dedicated to advancing the United Nations Sustainable Development Goals (SDGs) through responsible practices and innovative solutions. We actively contribute to SDG 3 (Good Health and Well-Being), we prioritize the safety and well-being of our employees and consumers.

Our focus on SDG 6 (Clean Water and Sanitation) ensures efficient water usage and wastewater management in our operations. We invest in SDG 7 (Affordable and Clean Energy) through renewable energy initiatives to minimize our environmental impact.

By promoting decent work environments and inclusive economic growth, we support SDG 8 (Decent Work and Economic Growth), while our commitment to SDG 9 (Industry, Innovation, and Infrastructure) drives innovation and sustainable industrial practices.

Our environmental efforts extend to climate action under SDG 13 (Climate Action), while we work to protect marine ecosystems, supporting SDG 14 (Life Below Water) through sustainable materials and waste reduction strategies.



Sustainable Development Goals and Köksan Contributions



The company pays the utmost attention to the health and safety of both its employees and those working on-site. In accordance with occupational health and safety laws and regulations, the company ensures that regular health screenings are conducted for its employees and that work is carried out with consideration for their health status.

Goal

Reducing work-related accidents to a minimum and ensuring a safe working environment is Köksan's top priority and goal.

The company is continuously dependent on water usage due to its operations. To ensure both employee health and process safety, the water drawn and discharged is constantly monitored. Additionally, regular inspections and tests are conducted to ensure employees have access to clean water.

Goal

Köksan's goal regarding water management is to maintain data in accordance with the ISO 14046 calculation methodology and to obtain the certification.



Köksan has implemented its initiatives in clean energy. In this context, the company has launched clean energy production through solar energy investment systems.

Goal

Köksan plans to complete its corporate carbon footprint studies in compliance with ISO 14064 by the end of 2024. In the following years, it will work on emission reduction strategies and reduction plans related to its emissions.

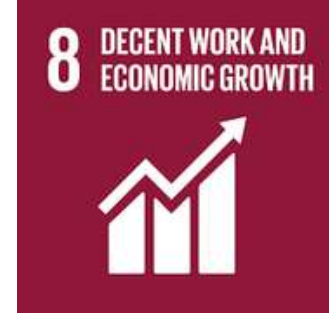


Sustainable Development Goals and Köksan Contributions

Köksan places great importance on economic growth and is the second-largest company in its region. The company is committed to promoting inclusive and sustainable economic growth by providing all its employees with safe and fair working conditions.

Goal

Köksan does not discriminate among its employees and aims to continuously monitor its fair work system through the established ethics hotline.



Köksan uses plastic and petroleum-based products due to the nature of its production. Through innovation and R&D efforts, the company is able to produce 100% recyclable and biodegradable products. Additionally, Köksan has its own PET recycling facility. In 2020, Köksan commissioned its PET Flake washing/recycling facility, equipped with a quality approach that is open to development and continuous improvement. The state-of-the-art machinery began producing 3,000 tons of PET Flake per month.

Goal

The company aims to increase the trade of biodegradable products in line with customer demands. Köksan also targets achieving the country's zero-waste goal by producing 100% food-contact safe, 100% recycled rPET granules for bottle-to-bottle production, contributing to the circular economy.



Köksan employs more than 1,000 people in its region and operates with the utmost respect for the local community and environment.

Goal

Köksan aims to minimize the negative impact on the urban environment by developing production processes that enhance energy efficiency and reduce its carbon footprint. In doing so, the company seeks to improve the quality of life in local communities while contributing to a more sustainable future.



Sustainable Development Goals and Köksan Contributions



Köksan is one of Türkiye's leading companies in the ISO 500, both in terms of workforce and production capacity. The company is aware of the impacts of climate change and recognizes its responsibilities.

Goal

Köksan plans to develop emission reduction efforts and a climate strategy aligned with the 1.5-degree scenario based on its corporate carbon footprint.

Due to its location, Köksan does not discharge wastewater directly into the receiving environment. Instead, the wastewater is collected through the organized industrial zone.

Goal

Köksan aims to conduct reporting in accordance with ISO 14046 studies and international requirements.



ENVIRONMENTAL SUSTAINABILITY

Environmental Management

Köksan requires an effective environmental management system to ensure the continuity of its operations. The most important part of effective environmental management is the company's environmental policy. Köksan's environmental policy includes commitments and statements regarding water, energy management, customer health and safety, air pollution, waste, and chemicals.

In line with the environmental policy, the company's general goal is to maintain its commercial and industrial presence in harmony with the environment.

Köksan will conduct environmental reviews in its production processes and products.

- It will ensure continuous environmental improvement.
- The organization of activities required for the environmental compliance of our facilities will be managed by the environmental management officer.
- The company will ensure compliance with environmental legislation and administrative regulations by keeping track of all relevant laws and regulations.

Goals

- In the short term, our environmental goal is to track energy, water, chemical consumption, and waste quantities.
- In the long term, our environmental goal is to reduce energy consumption by approximately 1% annually and to reduce water, chemical consumption, and waste by 3% annually.

The company complies with its environmental policy through the ISO 14001 Environmental Management System. In this context, environmental aspects, risks, and opportunities are continuously evaluated. Action plans are developed in accordance with identified risks, and the company's strategies and objectives are set accordingly.

All facilities where operational activities are conducted are certified under the ISO 14001 system.

Biodiversity Policy and Management

At Köksan, we are committed to integrating biodiversity conservation and sustainability principles into all our investments and activities. In line with this commitment, we adhere to the following principles:

- When selecting our facilities and work areas, we ensure that we do not establish operations in areas rich in biodiversity, natural reserves, or regions of historical and cultural significance.
- To ensure the sustainability of natural resources, we support the conservation of ecosystems and biodiversity by utilizing environmentally harmful waste as alternative fuel and raw materials.
- We integrate biodiversity-related elements into our business strategies.
- Before commencing any operations, we conduct a biodiversity pre-assessment to evaluate the potential impacts of our activities on biodiversity.
- We contribute to the conservation of biodiversity in the regions where we operate.
- We comply with all relevant national legislation and contribute to national strategies and action plans.

In particular, we conduct detailed studies on biodiversity during Environmental Impact Assessment (EIA) processes. For example, in 2022, we prepared an environmental impact assessment for the capacity increase of the PET Resin facility and carried out preliminary site investigations. The studies revealed that the project area is not located within a wildlife protection zone, national park, sensitive pollution area, or olive-growing region as defined by Turkish legislation.



Additionally, international agreements such as the Barcelona Convention, Geneva Declaration, Ramsar Convention, and the Convention for the Protection of the World Cultural and Natural Heritage were reviewed to evaluate the area. The endemic flora and fauna species of the land were identified, and necessary actions were taken.

Climate and Energy Management

At Köksan, we implement sustainable energy management strategies to combat climate change and improve energy efficiency. Reducing our energy consumption, shifting towards renewable energy sources, and minimizing our carbon footprint form the foundation of our environmental responsibilities. We are committed to minimizing the negative impacts on the climate by ensuring energy efficiency in our operations.



%17

The company is continuously making advancements in the areas of climate and energy. In 2023, approximately 17% of the company's total energy consumption was sourced from solar energy through renewable energy investments.

Goal

To align emission calculation efforts with ISO 14064 standards and develop reduction plans.

Köksan has a compliance policy regarding climate and energy management.



Our Commitment to Climate and Energy Management

As Köksan Pet ve Plastik Ambalaj, we focus on reducing our energy consumption, carbon, and water footprints in line with sustainability principles. We prioritize projects that mitigate the negative impacts of climate change and align with national and international targets. We are committed to protecting water resources, improving energy efficiency, and investing in renewable energy to combat climate change. Additionally, we continue our efforts to minimize the negative impacts on ecosystems by recycling plastic waste within the framework of the circular economy.

To fulfill its commitments, the company:

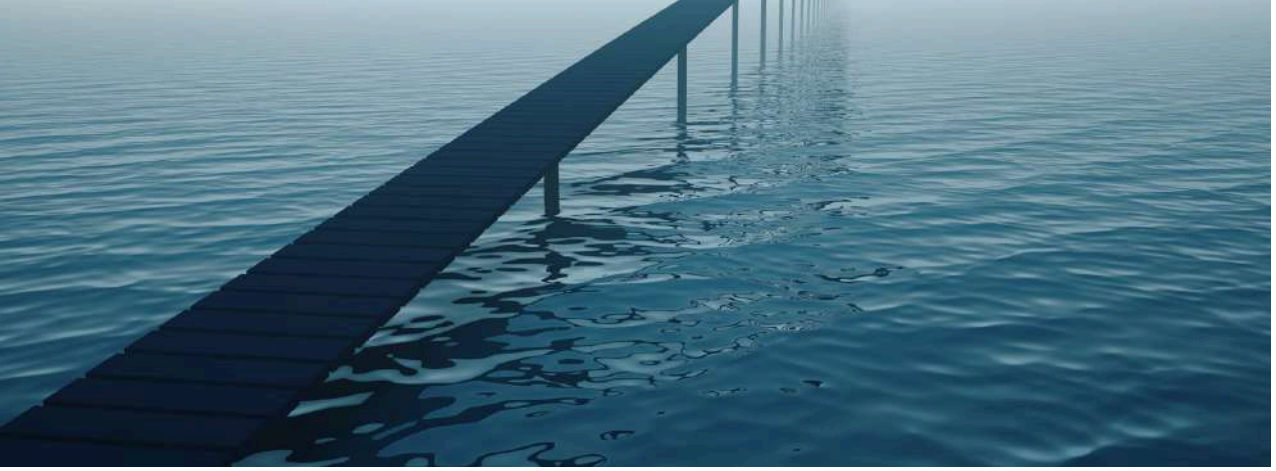
- Calculates its 2023 emissions
- Implements energy reduction and feasibility studies
- Provides awareness training to employees
- Invests in renewable energy

Water and wastewater management

At Köksan Pet ve Plastik Ambalaj, the protection and sustainable use of water resources form the foundation of our environmental responsibilities. We continuously improve our operational processes by utilizing modern technologies to minimize water consumption and enhance wastewater management.

We aim to minimize our environmental impacts through wastewater recovery, reuse, and treatment efforts. To reduce our water footprint and minimize the effects on ecosystems, we implement circular water usage and effective water management systems. In addition, we regularly review our water management policies to ensure compliance with local and international regulations.

These approaches are part of a sustainable water management policy aimed at efficient water use and minimizing the negative impacts of wastewater on the environment.



Water Risks

Köksan monitors climate-related water risks at the operational level. Regional assessments have been carried out in accordance with the WRI system. Additionally, environmental aspect evaluations are conducted under ISO 14001.

The recycling of water in operational processes is crucial. To ensure efficient water use in operations, Köksan conducts the following activities:

- Efficiency projects
- Equipment maintenance
- Calibration
- Monitoring

Waste and Hazardous Waste Management

At Köksan, we adopt a waste management approach that aligns with sustainability principles. We implement effective waste management systems to prevent environmental harm from waste and maximize opportunities for recycling and reuse. Our continuous improvement efforts focus on minimizing the waste generated in our production processes and contributing to the circular economy.

In hazardous waste management, we comply with all relevant national and international regulations, ensuring the safe disposal of such waste. We use best practices for the safe storage, transportation, and disposal of hazardous waste, minimizing our environmental impact. Additionally, we regularly review our waste management policies and continuously improve our processes with new technologies.

These approaches enhance operational efficiency while supporting our environmentally responsible production processes as part of our commitment to environmental sustainability.

Köksan has a zero-waste management system. The requirements of the zero-waste management system include:

- Segregating waste at the source
- Collecting waste separately
- Continuously monitoring hazardous and non-hazardous waste
- Partnering with licensed firms for waste management

Total weight of hazardous waste	3,050 kg
Total weight of non-hazardous waste	5,401,898 kg
Total weight of recycled waste	5,404,48 kg

Hazardous Waste Management

Hazardous waste management at Köksan is conducted in accordance with Hazardous Materials Safety regulations and legal requirements.

Handling, transportation, and disposal of hazardous materials are carried out with utmost care. All chemicals are recorded in the company's inventory list, and information about these chemicals is communicated to employees via MSDS (Material Safety Data Sheets) and through the Occupational Health and Safety units as well as hazardous material safety consultants.

In emergency preparedness and response efforts, scenario planning is conducted regarding chemicals and hazardous waste. Emergency response teams are assigned in advance by Köksan officials.

Air Pollution Management

At Köksan, we adopt a responsible approach to reducing air pollution. To minimize the environmental impact of our production processes, we utilize the latest technologies and best practices to control emissions.

By ensuring energy efficiency in our factories, we optimize our energy consumption to reduce emissions. Additionally, we are transitioning to renewable energy sources, reducing our reliance on fossil fuels, and contributing to the fight against climate change.

These measures are part of Köksan's sustainability strategies, which strengthen our environmentally responsible production processes and support our commitment to providing a cleaner environment for society.

The company measures its non-greenhouse gas emissions every two years in accordance with legal requirements.

Emission measurements are verified by accredited laboratories and reported to the Ministry of Environment, Urbanization, and Climate Change.

Although not categorized as air pollution, the company also conducts indoor measurements, as required by law, for issues that may affect public welfare, employee health, and equipment safety, such as noise exposure, odors, etc.

Due to the nature of its operations, the company is exempt from noise control regulations under environmental legislation. A formal exemption letter has been issued by the Ministry of Environment, Urbanization, and Climate Change regarding the relevant process.

Environmental Sustainability

Metric	2023 Value
Total energy consumption (MWh)	135,833.4 MWh
Total renewable energy consumption	22,482,111.5 KWH
Total water consumption	332,969 m3
Total amount of water recycled and reused	34,560 m3/year
Total weight of air pollutants	6.2 kg/hour
Total weight of hazardous waste	3,050 kg
Total weight of non-hazardous waste	5,401,898 kg
Total weight of recovered waste	5,404,948 kg

SOCIAL SUSTAINABILITY

Occupational Health & Safety

Köksan prioritizes occupational health and safety (OHS) in its operations and production processes, working collaboratively with employees and stakeholders to create a collective vision. The facilities in Gaziantep and Sakarya maintain strict OHS standards, adhering to a zero-compromise policy. Köksan's OHS procedures comprehensively detail safety practices across the organization, reflecting the company's OHS perspective to its internal stakeholders.

Köksan places equal emphasis on the physical and mental well-being of its employees, outlining specific goals and commitments. The company recognizes that maintaining employees' mental health is crucial for workforce productivity, and therefore implements various initiatives to improve workplace communication and well-being.



In its production facilities, Köksan follows the ISO 45001 Occupational Health and Safety Management System, enforcing strict safety measures. Employee awareness is a key focus, with training sessions and safety awareness guides fostering a collective vision of OHS. Providing personal protective equipment (PPE) is a critical aspect of this vision, with items such as ear protection, safety shoes, gas masks, helmets, and protective eyewear regularly supplied and tracked through PPE monitoring forms.

A vital component of Köksan's OHS strategy is the regular maintenance and safety checks of equipment. A dedicated team of engineers ensures that machinery undergoes routine maintenance and testing, with results recorded in maintenance logs. This approach ensures that employees are provided with safe and reliable equipment, placing their health and safety at the forefront of operations.

OHS Trainings

Köksan places significant emphasis on its occupational health and safety (OHS) mindset, ensuring regular OHS training for relevant personnel. While all employees receive mandatory OHS training during onboarding in accordance with regulations, Köksan's commitment extends beyond these initial sessions. Specialized OHS training is provided continuously by the company's expert OHS team.

In the past year, Köksan has conducted training programs on fire safety, near-miss incidents, and hazard reporting, evaluating both the technical and theoretical knowledge of its employees. The company integrates OHS into its workforce and operational processes, taking increasing action in this area each year.

Apart from planned trainings, Köksan conducts on-time toolbox trainings to their employees. OHS team checks and gives direction to these trainings, and this trainings helps Köksan employees to recognise the importance of the spesific operation related to OHS.



Human Rights Approach

Köksan considers social sustainability a cornerstone of its business operations. Human rights and the fundamental freedoms of employees are non-negotiable, and through its Human Rights Policy, Köksan makes both quantitative and qualitative commitments to its employees and stakeholders. The policy outlines the company's commitments under several key themes:

Full Respect for Human Rights

Köksan ensures that all employees, suppliers, customers, and other business relationships respect human rights. No form of discrimination, mistreatment, or torture is tolerated. Everyone is treated equally and fairly.

Occupational Health and Safety

Köksan complies with all legal requirements regarding occupational health and safety, ensuring that employees work in safe environments. Policies and procedures are regularly reviewed and improved.

Working Conditions

Providing fair and appropriate working conditions is a core commitment. Employee rights are protected, working hours comply with legal standards, and wages are set above the legal minimum wage.

Supply Chain and Partners

Köksan promotes respect for human rights in its relationships with suppliers and business partners, expecting the same commitment from them.

Social Responsibility

Köksan aims to create a positive impact on society and views respect for human rights as an integral part of its social responsibility. The company addresses any reports of human rights violations with utmost seriousness.

Training and Awareness

Köksan provides training to increase awareness of human rights among its employees and encourages the understanding and implementation of this policy.

This policy reflects Köksan's unwavering commitment to human rights, with an expectation that all stakeholders adhere to its requirements.

Employee Engagement

Köksan advances its social sustainability initiatives by striving to offer optimal working conditions for its employees. In line with this goal, the company provides wages above a fair living wage, ensuring employees' well-being. Köksan is committed to maintaining a workplace free from discrimination, harassment, violence, or forced labor, prioritizing employee happiness by offering a benefits as shopping voucher and holiday bonus to promote satisfaction. The company values its employees highly and has set long-term goals to strengthen its workforce.

Köksan views each employee as a key talent, emphasizing career growth and promotion opportunities. Annual performance reviews assess employee achievements, and promotions are initiated when appropriate based on managerial feedback.

The company also offers mentoring and coaching programs, enabling employees to regularly consult with experts about career development and future opportunities. This system is applied company-wide and is considered highly beneficial.



In addition, Köksan operates rotation and cross-mobility systems to enhance employee engagement and satisfaction. Employee input is highly valued, and these systems are implemented when conditions are favorable.

Köksan's recruitment process, conducted under its Recruitment Procedure, is rooted in fairness, equality, and inclusivity. All candidates are treated equally, with no discrimination based on gender, religion, or race. The recruitment process includes transparent communication about compensation and benefits, reflecting Köksan's commitment to equal pay for equal work, regardless of gender.

Furthermore, Köksan is committed to including disabled employees, working in compliance with legal regulations that require companies to employ individuals with disabilities for at least 3% of their workforce. In partnership with relevant institutions, Köksan ensures that disabled employees are assigned suitable roles and offers accommodations to remove barriers for a more inclusive work environment.

Women Empowerment

Köksan actively promotes gender equality in alignment with SDGs 5 and 10, striving to create a conducive working environment for women. Through its Social Compliance training, Köksan emphasizes the importance of this issue and expects employees to be mindful of gender sensitivity. The company supports women's leadership and is committed to increasing the number of women in management roles. By offering continuous training and raising awareness, Köksan aims to improve its position in this area year after year.



Trainings

Köksan upholds an integrated social sustainability vision alongside its employees, with training being a critical component of this approach. The company provides opportunities for employee development through both onboarding orientation programs and periodic training sessions.

A key part of Köksan's Human Resources procedures focuses on training, where the company prepares an annual training plan prioritizing important topics. Employees regularly participate in training sessions led by expert teams.

In line with labor law requirements, Köksan offers mandatory orientation and OHS training. Beyond these, the company allows employees to request additional training based on their own needs for development. Employees who identify areas for improvement can discuss their requirements with department managers, submit a training request form, and seek approval from senior management. Köksan is fully supportive of providing any training that enhances its employees' capabilities.

Working Conditions

Through its Social Compliance Procedure, Köksan formally communicates working conditions, leave entitlements, and employee benefits to its workforce. This procedure ensures that Köksan's working environment complies with legal standards and outlines the expectations placed upon its employees.

Employee Rights and Working Conditions

- Köksan fully respects the legal rights of its employees and ensures their protection. Working hours, wages, rest periods, and overtime are regulated in accordance with national and international labor laws.
- No employee is subject to discrimination on the basis of gender, age, race, ethnicity, religion, disability, sexual orientation, or any other characteristic.
- The health and safety of employees are a top priority. The company implements all necessary measures to ensure a safe and secure working environment for its staff.

Maternity and Parental Leave

- Female employees are entitled to a minimum of 16 weeks of paid maternity leave, covering both pre- and post-birth periods. Additional unpaid maternity leave is also available, in accordance with legal entitlements.
- Male employees are granted 5 days of paid paternity leave to be taken within the first 5 days following the birth of their child.
- Upon returning from maternity leave, female employees are provided with breastfeeding breaks for the legally mandated periods, and flexible working arrangements can be accommodated during this time.
- In cases of adoption, either adoptive parent—mother or father—is entitled to parental leave as stipulated by law.



Employee Benefits

Health Insurance

All employees are covered under the general health insurance system, which covers healthcare costs for both the employee and their family members.

Meals and Transportation

Employees are provided with daily meal allowances. Additionally, transportation support is offered, with shuttle services available on designated routes.

Training and Development

To support both professional and personal growth, the company regularly organizes training sessions and workshops. Köksan also encourages participation in external training programs, offering financial support for such initiatives.

Social Activities

To foster teamwork and boost employee morale, the company organizes social events, trips, and team-building activities.

Flexible Work Arrangements

In an effort to maintain a healthy work-life balance, flexible working hours and remote work options are offered to employees.

This structured approach reflects Köksan's commitment to creating a fair, supportive, and legally compliant work environment.



Key Performance Indicators

Through its Social Compliance Procedure, Köksan formally communicates working conditions, leave entitlements, and employee benefits to its workforce. This procedure ensures that Köksan's working environment complies with legal standards and outlines the expectations placed upon its employees.

Social Sustainability KPI	
Metric	2023 Value
Total working hours (h)	3,510,000*
Lost days due to work related injuries (day)	385
Number of work related accidents	18
The ratio of the annual total wage of the highest-paid person to the median annual total wage of all employees.	4.3
Average training hours per employee	26
Percentage of women employed (%)	8%
Percentage of women in senior management positions (excluding boards of directors) (%)	1%
Percentages of women individuals within the organization's board of directors	40%
Salary gap by gender (%)	0%
Percentage of employees from minority and/or vulnerable groups in the entire organization	3% **
Percentage of employees from minority and/or vulnerable groups in senior management	0%
Percentage of total workforce receiving career or skill-related training across all locations (%)	45%

*Working hours are calculated based on 6 working days per week, totaling 45 hours. Leaves are not included.

**The legal regulation for employees with disabilities is 3%.

Social Sustainability KPI

Metric	2023 Value
Percentage of total workforce receiving OHS trainings across all locations (%)	100%
Percentage of total workforce receiving diversity, discrimination and harrasment trainings across all locations (%)	45%
Percentage of total workforce receiving performance reviews (%)	100%

KÖKSAN'S CORPORATE RESPONSIBILITY AND ETHICS

Köksan adheres to a strict framework of ethical principles, emphasizing integrity, transparency, and accountability across all aspects of its operations. Ethical conduct is integrated into the organizational structure, shaping decision-making processes and ensuring full compliance with legal requirements and responsible business practices. This approach is designed to safeguard stakeholder trust and align with international ethical standards.

Key areas of focus include Business Ethics, Anti-Competitive Practices, Information Security, and Corporate Risk Management.

Business Ethics

Köksan has established clear business ethics principles to guide all employees, customers, suppliers, and subcontractors in their conduct. The company's ethics framework outlines expected behaviors and ensured compliance with human rights and fair labor practices across all operations.

The Business Ethics Procedure applies to all stakeholders, including employees, customers, suppliers, and subcontractors. It establishes standards to ensure ethical conduct and compliance with relevant laws and regulations. The procedure is overseen by the Ethics Committee, the Ethics Compliance Officer, and the Human Resources department.

Core Principles

Integrity

Köksan operates based on honesty, ensuring that relationships with all stakeholders are founded on trust and transparency. Misleading or deceptive practices are strictly prohibited.

Transparency

The company commits to providing accurate and clear information in all interactions, while safeguarding confidentiality where necessary.

Fairness and Non-Discrimination

Köksan ensures equal opportunities and fair treatment for all employees and stakeholders, regardless of race, gender, religion, or other protected characteristics. Discrimination in any form is not tolerated.

Confidentiality

Sensitive information obtained during business activities is protected, with access restricted to authorized personnel only. Any unauthorized disclosure of such information is strictly prohibited.

Respect for Employees

The company is dedicated to providing a safe, respectful, and productive working environment, ensuring compliance with human rights and labor standards.

Sustainability

Köksan strives to minimize its environmental impact by adhering to sustainability practices and improving its performance in reducing ecological risks.

Implementation

Köksan has implemented procedures for reporting violations of its business ethics standards. An Ethics Hotline is available for employees and stakeholders to report issues such as corruption, discrimination, and regulatory breaches. All reports are handled confidentially, and retaliation against whistleblowers is strictly prohibited.

The Ethics Committee is responsible for evaluating reports and determining appropriate corrective actions. Disciplinary measures are taken against those found in violation of the company's ethics policies.

Compliance with Laws and Regulations

All Köksan activities are conducted in full compliance with applicable laws and regulations. The company expects all employees and partners to adhere to these standards, ensuring lawful and ethical business practices.

Anti-Corruption, Anti-Bribery

Köksan enforces a zero-tolerance policy toward bribery, corruption, and money laundering, adhering to all applicable laws. This policy is enforced across all employees, suppliers, and stakeholders.

All forms of bribery, corruption, and money laundering are strictly prohibited. Köksan requires any suspicious activity, such as unusual payments or third-party involvement, to be reported immediately.



Gifts and Hospitality

Employees and partners are expected to avoid giving or accepting gifts and hospitality that could improperly influence business decisions. All gift-related actions must align with Köksan's internal guidelines.

Whistleblower Protection and Reporting

Köksan provides a confidential whistleblowing system for reporting unethical behavior, ensuring no employee, supplier, or stakeholder faces retaliation for raising concerns. The company encourages stakeholders, including suppliers, to report any violations of laws or ethical standards through secure channels, helping maintain the integrity of Köksan's operations.

Stakeholder and Supplier Responsibilities

Köksan extends its anti-corruption and anti-bribery policies to all suppliers and partners. They are expected to comply with these standards and report any potential breaches. Köksan regularly monitors supplier compliance to ensure adherence to ethical practices throughout the supply chain.

Training and Monitoring

Regular training is provided to employees, suppliers, and stakeholders to ensure understanding of Köksan's anti-corruption policies. Ongoing audits and monitoring ensure compliance across all operations.

Prevention of Anti-Competitive Practices

Köksan is committed to ensuring fair competition in all markets where it operates. The company strictly prohibits any activities that could distort competition, in compliance with relevant competition laws and regulations.

Köksan does not tolerate practices such as price-fixing, market allocation, bid-rigging, or any other form of anti-competitive behavior. All employees, suppliers, and partners must adhere to these principles and ensure that their business activities promote healthy and lawful competition.



Risk Identification

Potential anti-competitive behaviors include:

Collusion with competitors

Engaging in secret agreements to manipulate prices or divide markets.

Abuse of market dominance

Taking advantage of a dominant market position to limit competition unfairly.

Misleading advertising

Providing deceptive information to gain an unfair advantage.

Whistleblower Protection

Köksan encourages the reporting of any suspected anti-competitive practices. The company provides a secure and confidential system for employees and partners to report violations, ensuring protection from retaliation.

Training and Monitoring

Köksan provides regular training to employees and business partners on recognizing and preventing anti-competitive practices. This training covers key aspects such as identifying risk areas where practices like price-fixing, market division, or false advertising may occur, ensuring compliance with local and international competition laws, and encouraging the monitoring and reporting of suspicious behaviors through Köksan's secure channels, with full whistleblower protections in place.



Data Privacy and Cybersecurity

Köksan is committed to safeguarding personal and business data through a comprehensive approach that prioritizes both data privacy and cybersecurity. The company ensures full compliance with the Personal Data Protection Law and international data protection standards, maintaining strict security measures to prevent unauthorized access and data breaches.

Data Privacy and Personal Data Protection Law Compliance

In accordance with Personal Data Protection Law, Köksan processes personal data responsibly, ensuring that all information is collected, stored, and destroyed in line with legal obligations. Personal data, including sensitive information, is handled with the highest level of confidentiality. Access is restricted to authorized personnel, and all stakeholders are bound by confidentiality agreements. Köksan's data protection practices ensure that individuals' rights are respected, and personal data is only used for legitimate business purposes.

Cybersecurity Measures

Köksan continuously assesses and strengthens its cybersecurity measures based on regular risk evaluations. Key actions include:

System Monitoring and Incident Response

Continuous monitoring of systems to detect and address vulnerabilities promptly.

Data Encryption and Secure Access

Encryption and secure access controls are in place to protect sensitive data and prevent unauthorized use.

Risk-Based Approach

Köksan performs regular cybersecurity risk assessments, identifying potential threats related to mobile devices, networks, and email security. Mitigation strategies, such as implementing access controls and security software, are used to minimize these risks.

Whistleblower Protection on Information Security

Köksan encourages employees and stakeholders to report any concerns related to data privacy or cybersecurity. A whistleblowing system is in place to allow for confidential reporting without fear of retaliation. Any violations or suspicious activities are promptly investigated, and appropriate corrective actions are taken.

Training and Compliance

Köksan provides regular training on data privacy under Personal Data Protection Law and cybersecurity best practices. Employees, suppliers, and business partners are required to comply with the company's strict standards for handling personal data and securing digital infrastructure. Compliance audits are conducted regularly to ensure adherence to these standards.

Supplier and Stakeholder Responsibilities

Köksan extends its data privacy and cybersecurity requirements to all external partners, including suppliers. These parties are expected to comply with Köksan's data protection standards and report any security breaches or risks. Regular audits are conducted to ensure that suppliers adhere to Köksan's cybersecurity policies and Personal Data Protection Law compliance.



Corporate Risk Management

Köksan employs a comprehensive risk management strategy to ensure sustainability, compliance, and resilience. This approach covers financial, operational, environmental, and regulatory risks.

Risk Identification and Mitigation

Regular risk assessments are conducted to identify and evaluate critical risks, such as financial performance, supply chain disruptions, and environmental impacts. High-priority risks are addressed with tailored mitigation plans.



Control Measures

Financial Risk

Market fluctuations and financial exposures are managed through budgeting and forecasting.

Operational Risk

Robust controls, system maintenance, and regular audits prevent operational failures.

Environmental Compliance

Köksan adheres to environmental regulations, minimizing impacts related to waste and emissions.

Monitoring and Reporting

Risks are continuously monitored and reported to senior management, with regular updates to risk assessments to reflect changing conditions.

Supplier and Stakeholder Management

Köksan extends risk management to its suppliers, requiring them to follow the company's standards on compliance, ethics and sustainability. Regular audits ensure alignment with Köksan's risk protocols.

Metric	2023 Value
Percentage of the total workforce trained on business ethics (e.g., through e-learning)	% 40
Number of confirmed incidents of corruption	0
Number of confirmed information security incidents	0
Percentage of all facilities assessed or audited internally regarding a specific business ethics concern	%100

KÖKSAN SUSTAINABLE SUPPLY CHAIN STRATEGY

Köksan PET and Plastic Packaging Industry and Trade Inc. adopts sustainable supply chain management as an integral part of its business strategy and develops a long-term approach in this area. By integrating environmental, social, and governance (ESG) principles at every stage of the supply chain, the company aims to enhance the efficiency of operational processes while minimizing environmental and social impacts. Köksan considers achieving sustainability goals through strong collaboration with its suppliers as a strategic priority.

In this context, Köksan encourages all business partners in its supply chain to adopt environmentally friendly and socially responsible practices. The company advocates for evaluating suppliers not only based on cost and quality dimensions but also on their sustainability performance, demonstrating its commitment to ensuring compliance with long-term sustainability criteria among its partners.



Köksan's sustainable supply chain strategy is built upon the following key principles:

- Suppliers are expected to comply with the highest environmental standards in areas such as resource efficiency, carbon emission reduction, waste management, and water conservation. Köksan specifically mandates compliance with global regulations such as REACH regarding the safe use and management of chemicals, aiming to minimize environmental impacts.
- Köksan requires its suppliers to respect workers' rights, provide fair working conditions, and fully comply with human rights. Contributions to society and ethical business practices play a significant role in the supplier selection process. In this regard, the company aims to create an inclusive and equitable supplier portfolio by supporting women entrepreneurs, minorities, and vulnerable groups.
- Köksan conducts a comprehensive auditing and monitoring process to ensure the continuous tracking and improvement of sustainability performance. Suppliers' performance is regularly assessed based on quality, environmental impacts, and social responsibility criteria. This process is structured to ensure that both suppliers and Köksan achieve their sustainability objectives.

The company aims to continuously improve sustainable supply chain processes, enhancing not only its operational excellence but also the sustainability capabilities of its partners.

Köksan's sustainable supply chain strategy targets not only the reduction of environmental impacts and protection of workers' rights but also the creation of broader social and economic benefits through the integration of environmental, social, and governance (ESG) principles into all business processes.



Sustainable Supply Chain with Environmental Perspective

Köksan's sustainable supply chain strategy aims to reduce environmental impacts, utilize resources efficiently, protect workers' rights, and enhance societal benefits. This strategy is supported by the Supplier Code of Conduct and forms the foundation of collaborations with suppliers.

Köksan expects all business partners in its supply chain to comply with environmental sustainability criteria. Suppliers' environmental performance is measured by their ability to optimize energy consumption, reduce waste, and use water efficiently.

Compliance with REACH requirements is a fundamental aspect of the environmental sustainability policy. To minimize the negative impacts of chemical substances on human health and the environment, Köksan expects its suppliers to fully comply with these regulations. Suppliers' performances are regularly assessed to monitor and improve REACH compliance, thus minimizing environmental risks.

Köksan prioritizes collaboration with local suppliers to reduce logistics-related carbon emissions. Sourcing raw materials and products from local suppliers shortens transportation distances, significantly reducing carbon emissions in logistics processes and enhancing operational sustainability. This approach not only contributes to Köksan's carbon footprint reduction but also strengthens local economies. By balancing environmental sustainability with economic development, Köksan aims to create long-term value within its supply chain.

Social Sustainability and Business Ethics

Köksan places great importance on social sustainability in its relationships with suppliers. Expectations include respecting workers' rights, ensuring fair working conditions, and upholding human rights. Suppliers are expected to provide a safe and fair working environment for their employees and to avoid illegal practices such as child labor and forced labor. Köksan maintains stringent auditing processes to protect workers' rights, reviewing relationships with suppliers that do not adhere to these standards.

Inclusion and equality are critical components of Köksan's social sustainability policies. As part of its supplier diversity strategy, prioritizing minority groups, vulnerable communities, and women entrepreneurs in supplier selection ensures the fair distribution of social equity and economic opportunities. This approach not only signifies social responsibility but also enriches business processes and enhances innovation opportunities.

The Supplier Code of Conduct, which forms the basis of Köksan's sustainability strategy, requires all suppliers to act in accordance with environmental and social responsibility principles. These rules promote high environmental and social standards within the supply chain, facilitating suppliers' achievement of sustainability goals.

Suppliers are required to improve energy efficiency, optimize waste management, and use environmentally friendly materials. Chemical management within the supply chain is of utmost importance, particularly in terms of REACH compliance.

Suppliers must respect workers' rights, ensure safe working conditions, and refrain from unethical practices such as corruption. Corrective measures are taken against suppliers who violate these rules, or collaborations are terminated.

Köksan incorporates the Supplier Code of Conduct into all its contracts with suppliers, making compliance with environmental and social requirements a contractual obligation. In cases of violation of these rules, suppliers are expected to undertake necessary corrective actions, and their performance will continue to be monitored.



Supplier Performance and Audit Processes

As part of its sustainable supply chain strategy, Köksan regularly audits its suppliers and monitors their performance. Suppliers are evaluated based on various criteria such as quality, delivery time, pricing policies, environmental responsibility, and collaboration capabilities through the Supplier Performance Monitoring Form and Supplier Evaluation Surveys. This assessment process is utilized to continuously improve suppliers' performance and corrective measures are taken for those identified with shortcomings. Through this process, Köksan encourages its suppliers to comply with sustainability criteria and enhance their performance.

Köksan plans to provide comprehensive training on environmental and social issues to increase the sustainability awareness of its suppliers by 2025. These training sessions will create significant opportunities for suppliers to comply with sustainability criteria and reduce their environmental and social impacts in their business processes.

Köksan aims to implement an incentive system by 2025 that rewards suppliers based on their sustainability performance. Suppliers demonstrating high performance in sustainability will benefit from priority access to new business opportunities, invitations to project proposals, and exclusive collaboration opportunities. These advantages will serve as significant incentives for suppliers to continuously enhance their sustainability standards and maintain a competitive position in the business world. This reward system will be a powerful mechanism encouraging suppliers to achieve higher standards in sustainability and remain competitive.

Additionally, by 2026, the integration of suppliers' sustainability performance into procurement processes is planned. This approach will ensure that compliance with environmental, social, and governance (ESG) criteria becomes a strategic priority in procurement decisions.

This new mechanism will allow buyers to place greater emphasis on sustainability criteria when selecting suppliers. Consequently, suppliers with high sustainability performance will have enhanced access to business opportunities, gain priority in bid invitations, and be favored in collaborations.

This process will not only enhance suppliers' competitiveness but also contribute to Köksan's overall sustainability goals. In this way, the awareness of environmental and social responsibility will be encouraged at all levels of the supply chain.

Strategic Supplier Collaboration in Climate Action

Köksan aims to actively involve its suppliers in climate action by 2024 and start calculating Scope 3 emissions accordingly. Scope 3 emissions encompass indirect carbon emissions resulting from the activities of suppliers within the supply chain. These emissions typically represent a significant portion of the carbon footprint associated with business processes that are not directly controlled by the company.

Köksan plans to work closely with its suppliers to take strategic steps towards monitoring, reporting, and reducing these indirect emissions. In this regard, suppliers will be required to regularly measure their carbon emissions and share this data with Köksan. This will enable continuous monitoring of suppliers' sustainability performance and accelerate improvement efforts.

This initiative aims not only to reduce Köksan's carbon footprint but also to elevate the overall sustainability level of the supply chain. In the long run, Köksan's efforts to reduce Scope 3 emissions will make a significant contribution to combating climate change.

Sustainable Supply Chain KPI's

Metric	2023 Value (%)
Target Suppliers Signing Sustainable Supplier Codes of Conduct	100
Target Suppliers with Contracts Containing Environmental and Human Rights Requirements	100
Target Suppliers Undergoing CSR Assessments	100
Target Suppliers Subject to On-Site CSR Audits	20
Employees in the Procurement Department Trained in Sustainable Procurement Practices	100

**FOR MORE INFORMATION ABOUT THE REPORT,
YOUR OPINIONS AND SUGGESTIONS;**



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