



KOROZO GROUP

CARRIES YOUR IMAGE

**KOROZO GROUP
SUSTAINABILITY
REPORT**



**PACKAGING
FOR THE PLANET**





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OBJECTIVE OF THE REPORT

We continue to plan and deliver our projects together with our stakeholders in order to achieve our sustainability targets.

- ✓ At the end of every year, we collect data related to that period and present our **Sustainability Report**.
- ✓ In our **Sustainability Report 2019**, we share Koroza's 2019 sustainability approach, the projects we run with our stakeholders, our priorities and performance assessments.
- ✓ This report complies with the **GRI Standards**. It includes the results for January through December 2019 at Koroza Group Companies.



SUSTAINABLE
GROWTH

8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



ENVI-
RON-
MENT

6 CLEAN WATER
AND SANITATION



7 AFFORDABLE AND
CLEAN ENERGY



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



PEOPLE &
WORK
PLACE

4 QUALITY
EDUCATION



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



SOCIETY

10 REDUCED
INEQUALITIES



11 SUSTAINABLE CITIES
AND COMMUNITIES



13 CLIMATE
ACTION





MESSAGE FROM OUR CEO



Dear Stakeholders,

As Korozy, a leading flexible packaging manufacturer, we put 47 years of experience at work to grow as well as to create value for our planet, country, business partners and employees. Sustainability of the packaging that we develop is at the core of our practices, without compromising on the main function of which is to preserve the goods they contain. **In 2019, we continued to develop new products and solutions to enhance our competitiveness in line with the ever-developing and changing needs and expectations. We invested in new technologies that allow us to use our resources more effectively.** Recyclable products, having great worth for the future generations and the environment, gain in importance every day. In this context, we simplify difficult-to-recycle film structures and develop recyclable products. Our goal is to develop easily recyclable solutions for pre-made bags and stand up pouches for all food and non-food packaging applications. We also increasingly use recyclates from our production waste as well as Post-Consumer Recycled (PCR) raw materials in our products.

As a result of our R&D efforts we succeeded in replacing polyester, OPP or OPA based materials



With our actions, we aim to enhance the sustainability of our company and our environment

used in traditional production with polyolefin based material to achieve 100% recyclable packaging films while maintaining the same product performance.

KORORCY packaging films, which are tested and certified by independent organizations Interseroh and Cyclos-HTP, stand out with their economic advantage by allowing exemption to all our business partners in the European Union from a plastic tax which will be applied after January 2021 to non-recyclable packaging products.

With these efforts, we aim to make our packaging products 100% recyclable or reusable. We strongly believe that recyclability of packaging materials is a key enabler for a more circular economy and society.



MESSAGE FROM OUR CEO

In addition, we invest in new technologies to minimize our environmental impact. One of our most recent investments in high-tech air filters in Çorlu facility allows us to capture solvents to be recycled. This way we reduce solvent based emissions by 2200 tons every year.

Moreover, we generate our own energy efficiently and sufficiently by use of 2 tri-generation units and reduce our CO₂ emissions by 860 tons every year. We focus our efforts in designing products to eliminate waste of food and other products.

SUSTAINABILITY IS AT THE CORE OF OUR PRACTICES

It is also very important for us to build long and lasting relations with our people as well as our business partners, who are the most fundamental contributors to our sustainability vision. We have a global distributor network for the sales and supply of our products. We shape our strategies with a sustainable growth target through our strong relations established over the years and by forming new partnerships in the supply chain as well as by investing in current and new production facilities.

*Koroza is the first Turkish
packaging manufacturer
to join Ceflex*



As our family grows and gets stronger, we implemented some new investments and structures within our organization to adapt to this growth and strength. All business processes, organizational structure, business and competition strategy have been evolving to become part of the league of giants in the global arena. In our operations, we established the Directorate for Operational Excellence to use our resources more effectively and to extend best practices and our lean production perspective. Along with operational excellence practices, we are aware of the fact that digitalization is a must. Therefore, Koroza applies Industry 4.0 mindset which brings together information technologies and industrial activities. While our digital transformation journey continues to contribute to our company, industry and country on one hand, on the other hand we equip Koroza family with the required knowledge. We create a "smarter" and interconnected organizational structure.

Behind all these developments and investments lies the human factor. Koroza's most important asset and biggest power is its people. For us, what matters the most is the health and safety of our people. In this context, protecting the health of our employees, creating a safe work environment and zero accident are among our biggest goals. In 2019, the Occupational Health, Safety and Environment Department has become a directorate and it now has a higher representation within our organization. In 2019, we reduced our incident frequency rate by 26% compared to previous year and the incident severity rate by 49%.



MESSAGE FROM OUR CEO

In line with our sustainable growth target, we started up a new factory which is the largest integrated facility in the industry. Our facility in the Tekirdag-Corlu European Free Zone, with a closed space of 57,000 m² on a total area of 197,000 m², contributes to our country economically and by creating employment opportunities **Our Corlu factory distinguishes itself by putting productivity in its focus, using new generation technologies and being a “smart” production facility.**

Korsini, one of Korozo Group's companies,

**STARTED UP ITS
SECOND FACTORY IN THE AEGEAN
FREE ZONE BUILT ON A
40,000 m² LAND AND
A CLOSED AREA OF 20,000 m².**

With this new factory, our total production area exceeds 39,000 m². We plan to invest 37,5 million € in our production facilities over the next 5 years. We use LED UV technology in our new factory, achieving our goal of managing our operations in a sustainable way.

With respect to our inorganic growth plans, we target areas that are compliant with our general strategic framework and complementary to our footprint. Vitrapack, which joined the group in 2019, provides excellent quality and services mainly in Benelux. Korozo is one of the leading packaging manufacturers in Turkey and generates a big part of its revenue from its exports to Europe. Thanks to this acquisition our group is closer to customers

in Europe and creates a great synergy in the industry by providing faster services.

Over the next five years we will constantly update our sustainability strategy in line with the demands and requirements of the day and taking into account the regulations imposed in all the countries where we are present.

We are confident since day one that we will contribute to a sustainable world with our sustainability practices and cutting-edge products.

Filip Marie J. Lens
Korozo Group Ceo



ABOUT KOROZO

In 1973, Korozo started its activities in packaging industry. It is one of the leading industrial organizations in Turkey, exporting flexible packaging and film products to **88 countries** globally. Headquartered in Istanbul, there are over **2000 people** working across the entire company. As a result of its investments in research and development and an annual production capacity of over 123,000 tonnes Korozo is the largest flexible packaging manufacturer in Turkey. Operating out of **11 factories** in Turkey and with sales and distribution offices in the UK, Germany, France and Russia, Korozo has become a world recognized brand. Korozo is active under Korozo Flexible Packaging, Vitrapack Flexible Packaging, Sareks, Koroplast and Korsini brands and maintains growth while striving for **quality and innovative products and solutions.**

Customers in
+88 countries
around the world





Korozo Flexible Packaging

Korozo Flexible Packaging **offers a wide range of products in food and non-food categories.**

It supplies a broad spectrum of food packaging products ranging from meat, poultry, seafood to cheese & dairy, bakery, confectionery, tea and coffee and frozen food, beverages as well as pet food. Its product portfolio in non-food packaging includes nappies, home care, personal care, beauty and health care, **as well as medical products.** Korozo Flexibles is also active in secondary packaging with a large scale operation in stretch films. In addition, Korozo Non-Food Flexibles also supplies laminates for disposables used in healthcare as well as high-tech industrial films such as protective films and silage films **for agricultural use.**

Korsini IML

With Korsini, Korozo is also active in in-mold label industry. Korsini is **the second largest IML manufacturer in the world.** Committed to high quality, innovation and sustainable business practices, Korsini offers products and services to the world's biggest brands

**in over
40 countries**

around the world. Korsini continues to grow every year with full capacity production.

Vitrapack Flexible Packaging

In 2019, Vitrapack was acquired and **is one of the leading companies in flexible packaging market** for food and non-food applications. Vitrapack produces high-quality packaging materials for a number of end use markets including bakery, confectionery, snacks, protein and beverages in its modern facilities equipped with flexographic and rotogravure technologies.

Vitra also provides its customers with **pre-press services under Creavit/Rask brand.**

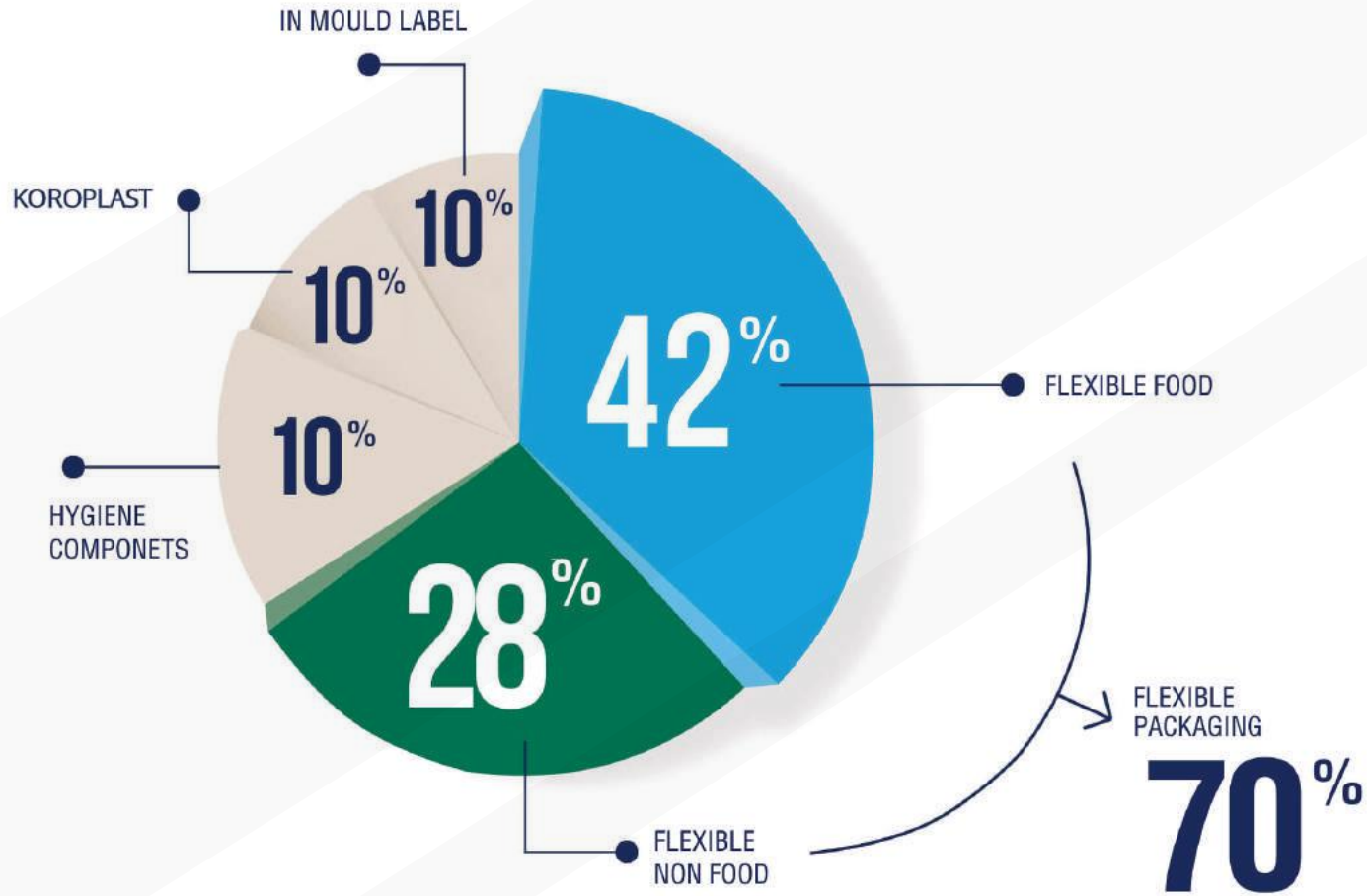
Sareks Hygiene Component

Sareks brand has grown rapidly in Turkey and Middle East with baby nappies, incontinence and femcare products. It serves as one-stop shop for **backsheets, side tapes and frontal tapes.** Sareks maintains **growth in Europe and Africa** from two facilities in Istanbul where Korozo invested heavily.

Koroplast

Koroplast, established in 1981 by Korozo, created its own category with the launch of **first garbage bags and freezer bags.** Today, Koroplast is the market leader with **49% MARKET SHARE.** Koroplast is the "go to" brand for its aroma reducing garbage bags, aluminum foils, freezer bags, storage bags, cooking bags, waste disposal bags and the storing of food and non-food items. **According to 9 out of 10 consumers** Koroplast is **the most reliable and high quality brand** making life easier. Koroplast has the best interaction and the most viewed channels on social media, not only in its own category but in the total household cleaning category.







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

OUR VISION

To remain at the forefront of global packaging, by enhancing our reputation for innovation, quality and reliability.

OUR MISSION

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





KOROZO IN NUMBERS

€300 MILLION TOTAL REVENUE

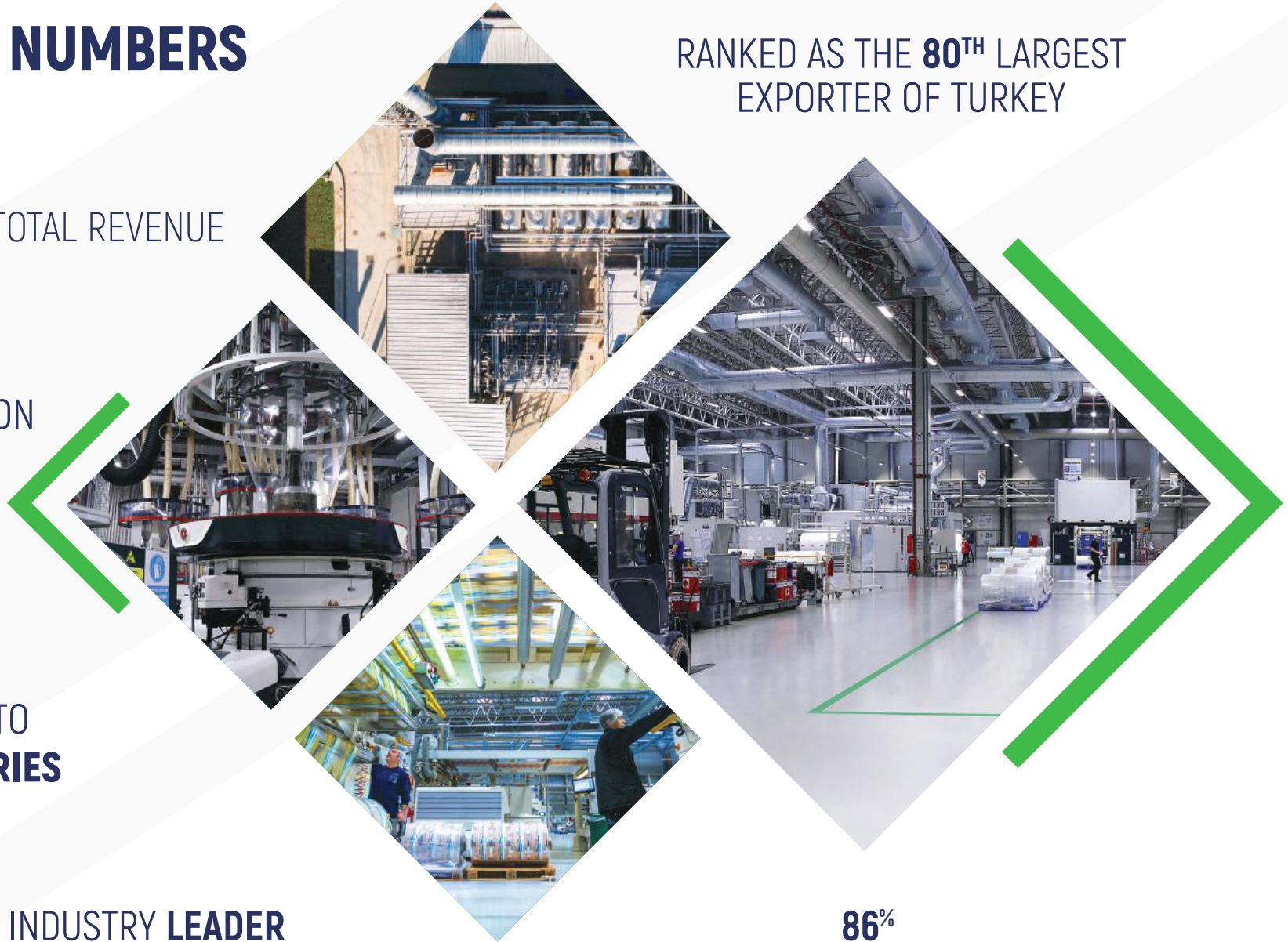
123,000 TONS
ANNUAL PRODUCTION
CAPACITY

EXPORT TO
88 COUNTRIES

PACKAGING INDUSTRY **LEADER**
IN INTERNATIONAL SALES

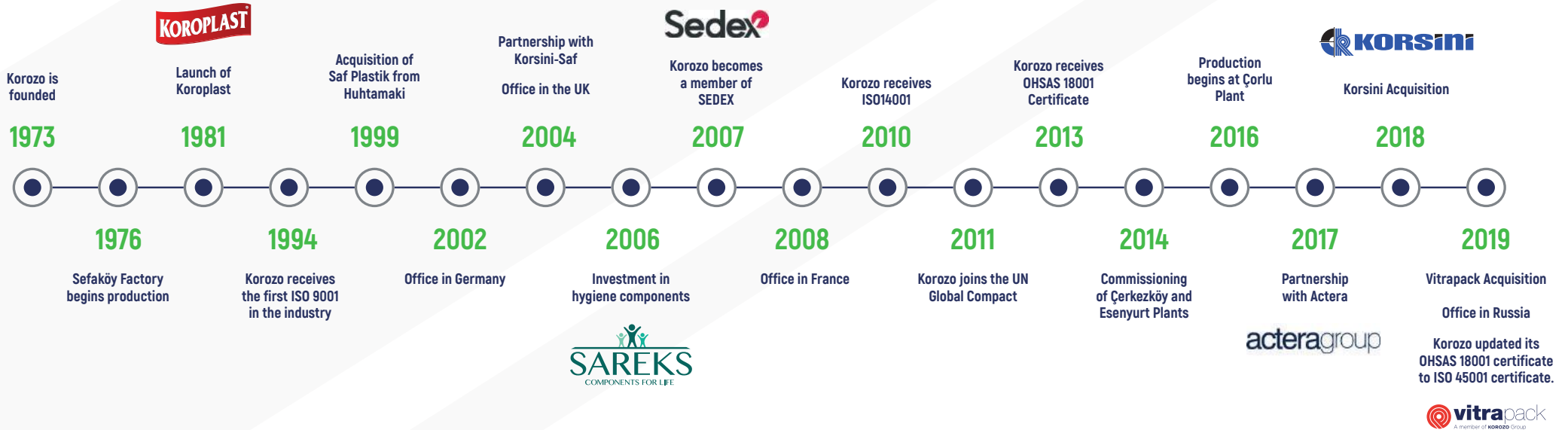
RANKED AS THE **80TH** LARGEST
EXPORTER OF TURKEY

86%
SALES IN EUROPE





KOROZO PACKAGING'S SUSTAINABILITY JOURNEY



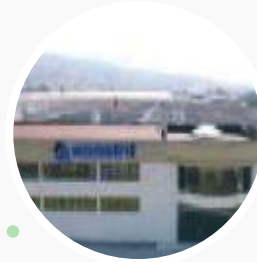


KOROZO STATE OF THE ART FACILITIES

K1-14,500 m²



KORSINI 2
17,000 m²



KORSINI 1
10,000 m²



IZMIR A
19,300 m²



CERKEZKOY
16,000 m²



K2-18,000 m²



K3-17,300 m²



K4-23,000 m²



K5-22,000 m²



54,500 m²

208,000 m²
PRODUCTION AREA



2019 PERFORMANCE



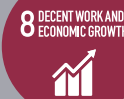


SUSTAINABILITY APPROACH

Sustainability is more than a trend for Korozo. Not only is sustainable production a significant step towards circular economy but it is also a responsibility towards future generations. Sustainable production brings economic, environmental and social benefits. This report examines Korozo Group's sustainability efforts under 4 headings.



SUSTAINABLE GROWTH



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



ENVIRONMENT



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



PEOPLE & WORKPLACE



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



SOCIETY



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION

SUSTAINABLE GROWTH





INVESTMENTS

We acquired majority stakes of Belgium based Vitra NV and Creavit NV (Rask) in 2019 in line with Korozo's sustainability growth target.

As a result of this investment in Vitra who are specialized in packaging applications such as thin film packaging, labels on rolls and small sized bags, we have expanded our product range.

Vitra produces high quality packaging products for a number of end-use markets such as confectionery, bakery, snacks, protein and beverages in its modern manufacturing facility equipped with flexographic and tiefdruk technologies. As a result of this investment, we can now serve new end-markets in food packaging category.

Creavit (Rask), the high qualified in-house design and pre-press department of Vitra, offers digital printed mockups simulating the flexographic or rotogravure prints. Digital packaging mock-ups with multiple printing options and shapes give a clear idea of what the finished product will look like. Creavit supports us in running our pre-press R&D activities more efficiently.





INNOVATION AND R&D

In keeping with our corporate sustainability strategy and to further integrate sustainability into our operations we have been **a member of SEDEX** since 2008. We undergo regular audits according to **the SMETA Guidelines**.

In 2011, we signed

THE UNITED NATIONS GLOBAL COMPACT AND BECAME THE FIRST SIGNATORY FROM THE TURKISH PACKAGING INDUSTRY.

Similarly, **WE ARE THE FIRST TURKISH PACKAGING MANUFACTURER TO BECOME A MEMBER OF CEFLEX**, a consortium of stakeholders from the flexible packaging industry.

In light of our corporate sustainability approach, we support our business partners in reaching **UN Sustainable Development Goals** by offering them recycle-ready packaging or packaging with recycled material content. We are committed to ensuring that all **our plastic packaging will be fully recyclable and reusable by 2030**.

The most significant benefit of sustainable flexible packaging production, which we enjoy with our business partners, is waste reduction at its source. As a result, we use of our own resources as well as the limited recycling capacity more effectively.

One of our most important sustainability activities is to simplify difficult-to-recycle film structures and develop recyclable products. Our efforts in this context are mainly focused on post-consumer recyclable packaging products. **This way, we prevent non-recyclable waste generation in the first phases of production through design and thus contribute to circular economy.**





RECYCLABLE PRODUCTS: KORORCY

In order to promote recycling activities, we have developed the recycle-ready KORORCY product range which is compatible with the existing packaging production processes and meet the technical requirements of our business partners. Polyethylene based packaging films and/or pouches have been trialed on the production lines of our business partners and proven to demonstrate comparable performance. KORORCY product line helps our business partners from different industries to reach their sustainable development goals, while at the same time

granting exemption from the tax which will be applied after January 2021 to non-recyclable packaging products. KORORCY products are deemed recyclable according to design guide for circular economy of CEFLEX (D4ACE) as well as by independent organizations such as Recyclclass and OPRL. **KORORCY products are certified recyclable by Interseroh and Cyclos-HTP.** Because KORORCY products have a polyethylene-based structure, they allow the usage of high-quality post-consumer recycled (PCR) content. Thanks to this property KORORCY is ready for the future.





OPERATIONAL EXCELLENCE AND LEAN PRODUCTION

Koroza focuses on continuous development in its quest for excellence on production lines.

- ✔ As a result of our efforts in operational excellence with a continuous improvement mindset, we laid **the foundation of Koroza Excellence System (KMS) in 2019.**
- ✔ We increased the frequency of operational meetings in each plant, synergy meetings to share best practices and we also closely monitor the progress of our projects and kaizens.
- ✔ We reviewed our targets keeping our sustainability, quality and health and safety based values in mind. We took the necessary steps to extend these targets to all production lines and operations.
- ✔ We introduced the members of continuous improvement and lean practices coordination team for 2019, **held Lean Six Sigma training courses and delivered 17 improvement projects.**
- ✔ Koroza received **3 Black Belts and 14 Green Belts following the training courses and projects.**
- ✔ Along with environmental benefits, the financial advantage of these projects **totaled to € 400,000.**
- ✔ We conducted regular site visits and Gemba walks to extend the continuous improvement mindset to all production lines and the whole of our operations, as well as to always keep it high on the agenda. We also identified **best practices in occupational safety and 5S as well as improvement areas.**





CORPORATE MANAGEMENT, RISK MANAGEMENT AND INTERNAL CONTROL

Koroza 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 its objective to operate ethically in all Koroza business activities.

Koroza 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.

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.

Risk Management

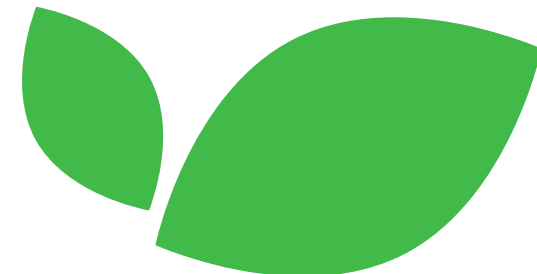
Good risk management and compliance are the cornerstones of sound and sustainable business. It is important that risks are managed effectively and kept under control to safeguard the interests of Koroza's stakeholders, including customers and society.

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

Ethics and Compliance

Koroza is committed to conducting business legally, ethically and with integrity. Koroza'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.

Our Code;
holds employees accountable for their behavior and helps employees determine when to seek advice and where to obtain it.





CORPORATE MANAGEMENT, RISK MANAGEMENT AND INTERNAL CONTROL

Audits

Koroza conducts internal audits each year to provide assurance that its ethical business policies and practices are being followed.

The Board and its Audit Committee oversee the actions of management and monitor the effectiveness of the established controls, assisted by assurance provided by the external and internal auditors. During the last year, Internal Audit issued multiple reports covering key business processes.

Raising Questions and Concerns

Koroza 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 Koroza
- Unethical business conduct
- Violation of legal or regulatory requirements
- Substantial and specific danger to health and safety
- Violation of Koroza'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. Koroza has a clear non-retaliation policy as a part of Code of Business Conduct.



ENVIRONMENT





ENVIRONMENT

In the ever-changing world order environmentally conscious production is not only a matter of efficiency but it is in the interest of all living beings.

At Korozo Group, we act in all our operations with the awareness of our responsibility towards our country, society, environment and employees.

When we establish our policies and strategies within this context, we make sure to meet both legislative requirements and the UN Global Compact principles about environmental management.

We seek out ways to minimize and prevent the environmental

impact of our activities, promote recycling, protect biodiversity, while continuing our activities at full pace to contribute to a circular economy.

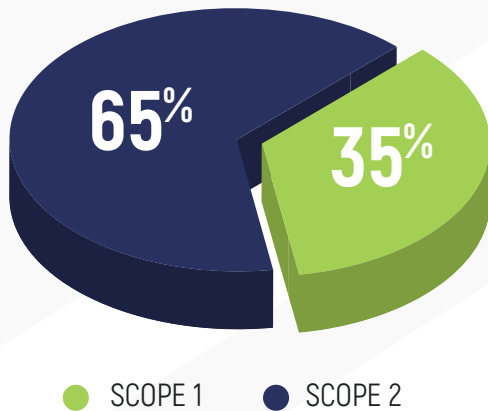
As Korozo Packaging, we work to meet the requirements of the environment management system in all our production facilities and act in accordance with the ISO14001 Standard. We calculated our carbon footprint from our production and operations for the first time in 2019. Our Scope 1 and Scope 2 calculations create the basis for our goals to reduce our carbon footprint in the coming years.





CARBON FOOTPRINT

Managing and reducing the greenhouses gases from our activities is only one of the many steps we take to enhance sustainability. We completed our corporate carbon footprint calculation - the impact of greenhouse gases from our activities in 2019 in expressed as a weight of CO₂ emissions - in compliance with the ISO 14064-1 standard. We aim to reduce our carbon footprint based on our Scope 1 direct emissions and Scope 2 indirect emissions calculations.





LIFE CYCLE ASSESSMENT

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





WASTE MANAGEMENT

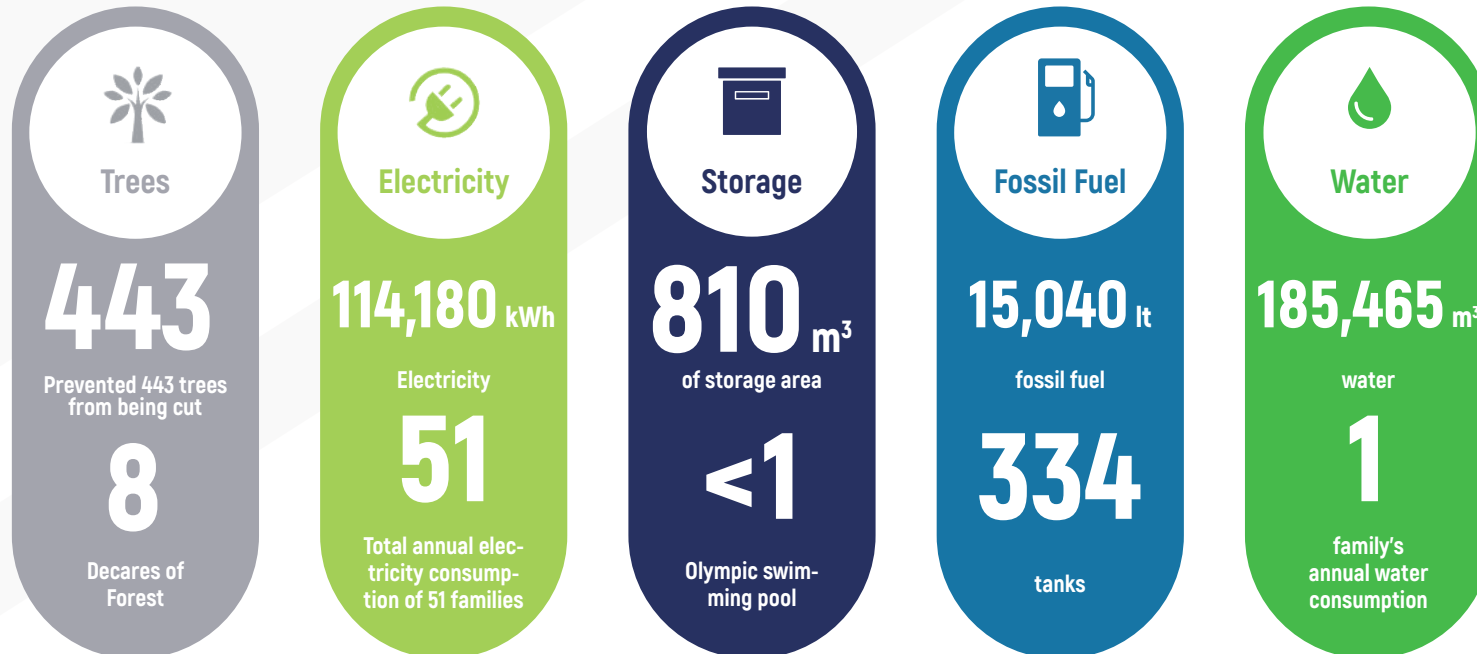
We fulfill our obligation to recover packaging waste in cooperation with ÇEVKO (Foundation of Environmental Protection and Recycling Packaging Waste), a non-profit organization contributing to the establishment of a sustainable recycling system with the participation of local management and consumers for the economic and regular recycling of packing waste in Turkey.

ÇEVKO ALSO OBTAINED THE RIGHT TO UTILIZE THE INTERNATIONAL TRADEMARK "GREEN DOT" IN TURKEY. Moreover, at our licensed recycling facility we make use of all plastic packaging waste from production waste to post-consumer recyclable waste and contribute to circular economy.



9,389 tons/year
recycled plastics

Environmental benefits of our recycling activities in 2019



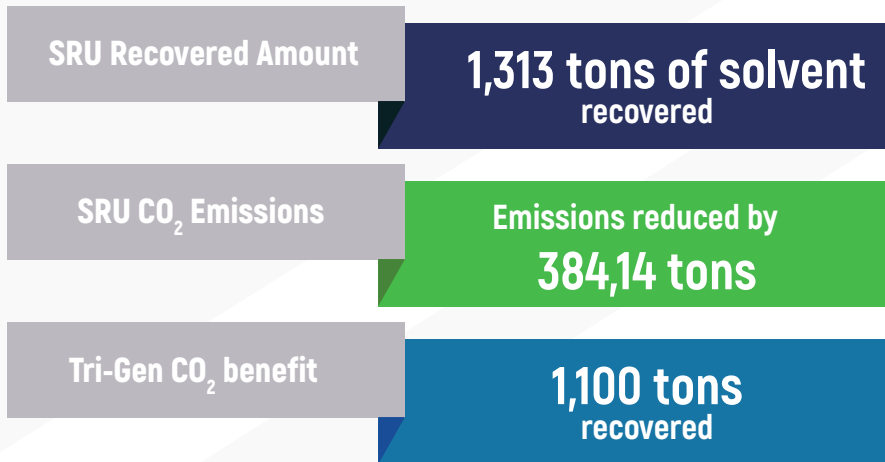


SOLVENT RECOVERY

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 2019, we recovered **1,313 tons of solvent at our solvent recovery facility**. This means that **384,14 tons of CO₂** were prevented from being released into the atmosphere. **THIS IS ONE OF MANY STEPS TO PREVENT AIR POLLUTION.**

Below is a summary of total benefits achieved by solvent recovery:





WATER MANAGEMENT

Water is an essential natural resource for human life and for the future of our planet. Water saving and management projects are vital to avoid water scarcity in the future.

Water management is crucial in all Korozo Group companies. We use water in only a limited part of our operations. The wastewater is treated and discharged.

We also organize training courses to raise awareness of individual water management and to encourage our employees to reduce their water usage. We increase the capacity of the chemical treatment facility.



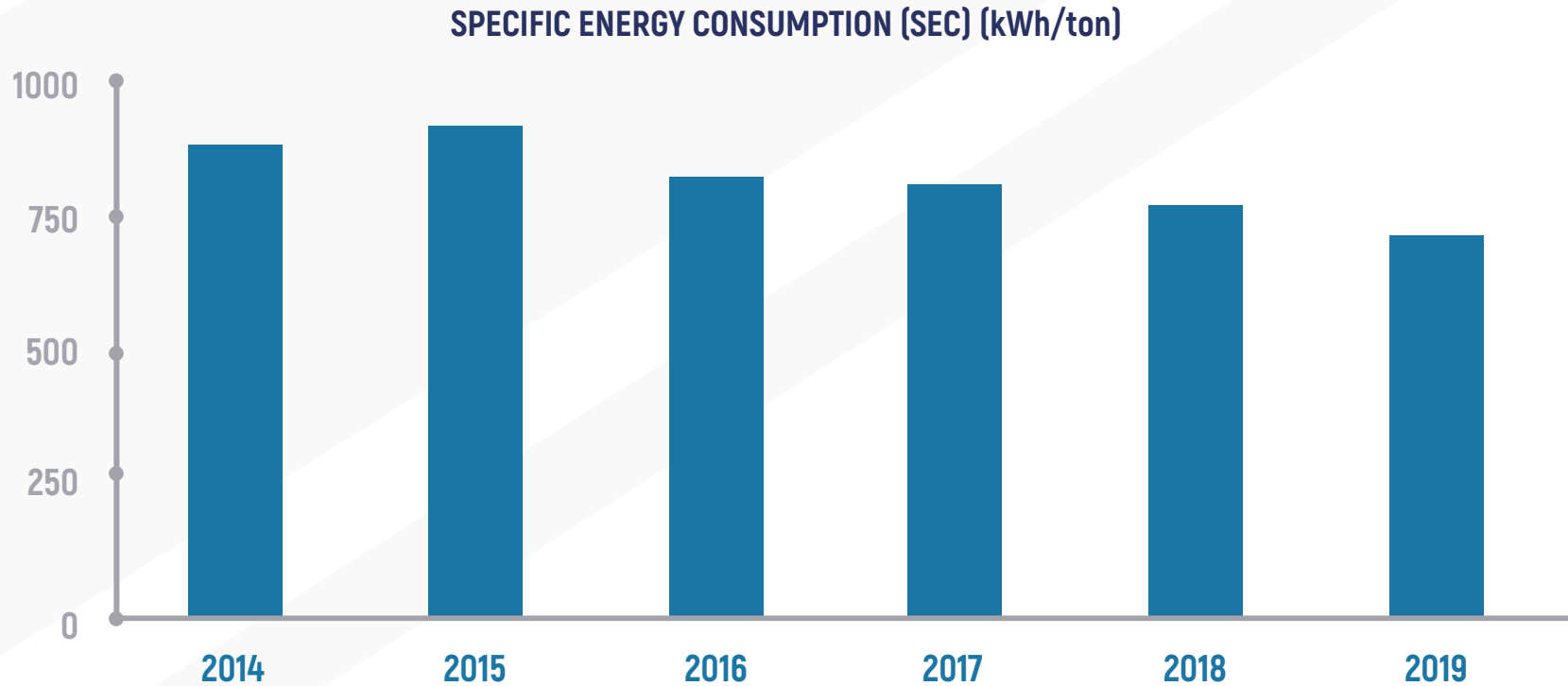
**We treat
1,445 m³/ year of
wastewater from
our processes
BY USING CHEMICAL
TREATMENT METHOD.**



ENERGY CONSUMPTION

One of the most important aspects of sustainability activities is energy consumption.

Thanks to our efforts we achieved a significant reduction in energy consumption per ton of product without deteriorating efficiency.



Since 2014, we reduced our specific energy consumption (SEC)
BY 20%.



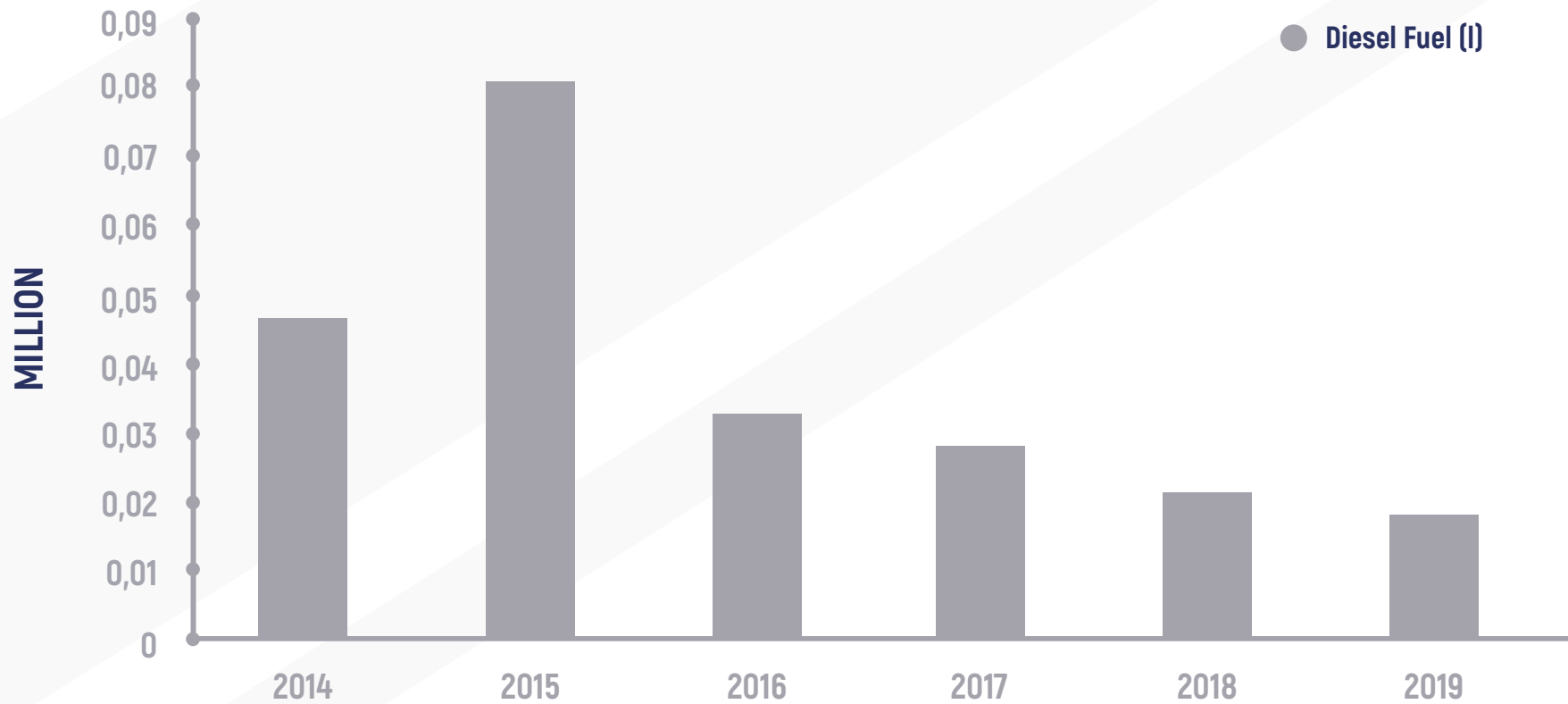
AS A RESULT OF OUR ENERGY EFFICIENCY ACTIVITIES IN 2019,

- ✔ We achieved a **saving of 33,000 kCal/h** and prevented an annual natural gas consumption of 10,000 m³ / year by pre-heating the radiators with compressor waste heat.
- ✔ We completed LED lighting conversions in production areas, **increasing energy efficiency by 40%** and **achieving an annual electricity saving of 25,000 kWh**.
- ✔ We built a conveyor system between plants and warehouses and reduced emissions from vehicles. We achieved a **diesel fuel saving of 3,000 liters**.
- ✔ We installed UPS systems, thereby preventing long-term machine breakdowns. This helped us **preventing raw material and energy wastage caused** by potential breakdowns.
- ✔ We generate a significant portion of our own energy at **our Tri-Gen facilities**.
- ✔ Our solar energy plant installed as part of a pilot project generated **25,464.00 kWh** electricity from solar energy in 2019.





ENERGY CONSUMPTION



We reduced our diesel fuel consumption BY 64% FROM 2014 TO 2020.

PEOPLE & WORKPLACE





PEOPLE & WORKPLACE

Korozo executive team defines its safety vision as “showing world-class and sustainable HSE performance and creating a strong safety culture.” We strive to achieve this goal by changing our HSE organization and management in 2019.

We prepared a roadmap with several stages to reach our occupational health and safety target.

As part of our roadmap, we created short, mid and long-term action plans. These action plans include many initiatives such as integrated safety governance, KPI management and individual safety targets, accountability in line management, improving safety leadership skills, behavior based observations, accident management and root cause analysis methods, safety champions, sharing best practices, safety meetings, training and competency management, operational discipline, awards and sanctions, announcements and more.

Thanks to these activities, our organization have transformed significantly in terms of safety culture and performance.

Korozo strives to reach its «ZERO ACCIDENT» goal with support from all employees and stakeholders.

We are committed to become a poster company in safety performance.

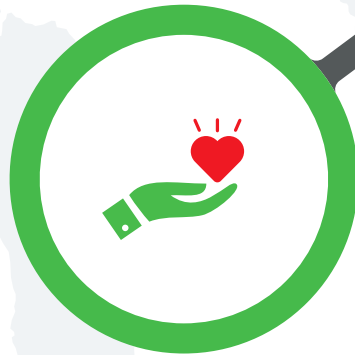




KOROZO SAFETY CAMPAIGN



01 Accident frequency rate
REDUCED BY 26%



02 Accident gravity rate
REDUCED BY 49%



03 Reporting proactive indicators
INCREASED BY 122%
(near miss, unsafe conditions and behavior)



KOROZO SAFETY CAMPAIGN



In 2019, we triggered a campaign called **Önce Sen (first you)** to raise awareness of occupational health and safety among our colleagues and stakeholders. With activities all year round we keep safety matters high on the agenda.

We introduced Life-Saving Rules across the organization through activities in all plants. At a signing ceremony, we marked our commitment to creating a safe workplace at Korozo.

BEHAVIOUR BASED SAFETY OBSERVATIONS

In 2019, we started implementing **“Behavior Based Safety” management** to ensure a sustainable change in company culture and to create a safer and healthier workplace.

We aim to raise awareness among our colleagues of safety and environment. We encourage them to support each other in improving safety behavior.

We deployed training courses including for example role plays and introduced Behavior Based Safety Observers.





KOROZO SAFETY CAMPAIGN



We continue to enhance health and safety conditions in line with results of risk analysis and site evaluations.

One of our investments in 2019 was in robots in our Corlu Plant to minimize ergonomic hazards.





EVENTS AND TRAINING

We have increased the number of activities about Safety since last year.

While the training hours per capita rose

by 70% in 2019, the number of attendees **increased by 77%**.

We celebrated the results of our safety efforts, days without accident.

Our team members who contributed to this success with their near-miss reports and improvement suggestions received gift cards and thank you plaques.

We increased safety awareness across the organization with in-class and on-site training courses on various topics.



Safety training
course
(hours/per capita)

70% increase
compared to 2018

77% increase
in the number of attendees



HEALTH AND WELL-BEING

Korozo cares about the health and well-being of its employees just as much as their safety. As part of the **“Önce Sen”** campaign, we hosted seminars together with partner health institutions.

Nutrition and diet, breast cancer awareness and self-examination, social media usage of children were among the topics discussed. We aim to continue organizing these seminars on new topics in the future.





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.

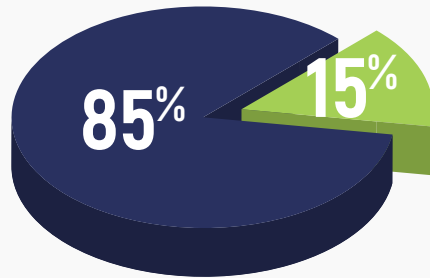
We increase employee happiness thanks to these policies and provide the necessary conditions for efficiency.





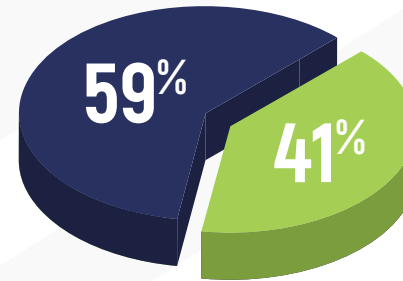
HUMAN RESOURCES

EMPLOYEES BY COLLAR



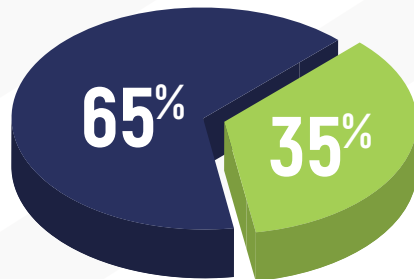
● BLUE ● WHITE

WHITE-COLLAR BY GENDER



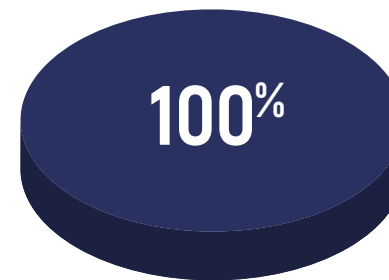
● MALE WHITE-COLLAR ● FEMALE WHITE-COLLAR

EXECUTIVE TEAM BY GENDER



● MALE ● FEMALE

EMPLOYEES BY CONTRACT TYPE

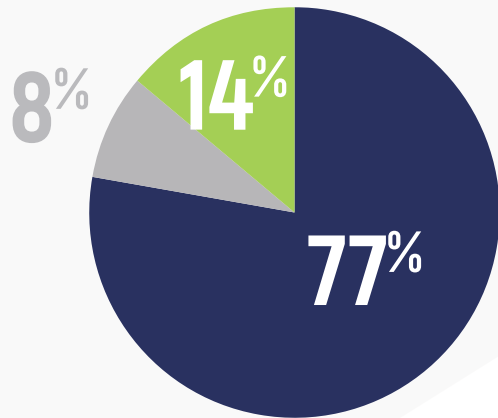


● CONTRACTED - FULL-TIME



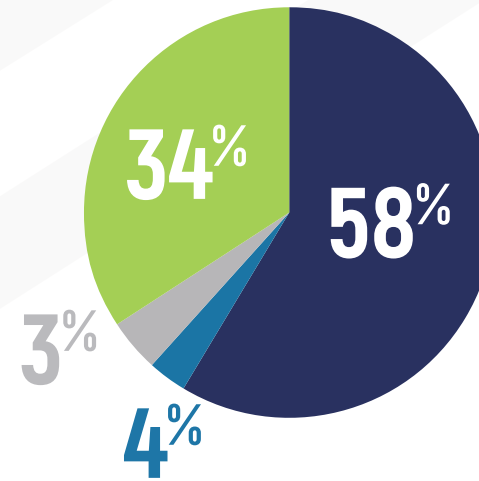
HUMAN RESOURCES

WHITE-COLLAR BY EDUCATION



- BACHELOR'S DEGREE OR HIGHER
- HIGH SCHOOL
- ASSOCIATE DEGREE

BLUE-COLLAR BY EDUCATION



- PRIMARY SCHOOL
- HIGH SCHOOL
- ASSOCIATE DEGREE
- BACHELOR'S DEGREE OR HIGHER



HUMAN RESOURCES PRACTICES

Respect for human rights and a sustainable development mindset underpin the ethical values of Korozo.

In line with this approach, all investment agreements, employment contracts, supplier agreements or all other contracts include matters of social security, occupational health and safety, age and working hours.

All Korozo employees enjoy the fundamental rights stated in the United Nations Universal Declaration of Human Rights.



Korozo recognizes that all employees are free to join workers' associations or organizations. Korozo creates a workplace for all its employees encouraging transparency and mutual respect.

At Korozo, 2000 employees across the company come together from different cultures, beliefs and backgrounds.

During hiring process we treat candidates and employees fairly and unbiased regardless of their race, color, gender, religion, language, age, social or ethnic background, acquired or ascribed status.

To this day no incident of discrimination were reported. All colleagues enjoy the same rights. All Korozo employees work full-time.

As stated in international and national law the minimum working age is 18. Korozo has created a Labor Force Improvement Policy to uphold this principle. We expect our subcontractors and suppliers to adhere to this principle.

We strive to eliminate this risk through audits and contracts.

Korozo runs all of its operations in accordance with laws and regulations. Korozo declares to act in accordance all national laws and industrial standards and the requirements of these. Therefore no sanctions or fines were imposed to this day.

Working conditions are disclosed to candidates before the offering stage. Individuals are not forced or threatened to work under conditions they do not accept.

As a member of **Sedex**, we act in accordance with **SMETA** standards for social and ethical compliance.





LEGAL COMPLIANCE AND COMPENSATION

All employees are paid on time and in accordance with legal compensation policies.

The minimum wage paid to employees complies with local legislations.

We apply a fair compensation system in which we take the complexity and workload of every role when determining the salaries.

When determining starting salaries, we consider market conditions as well as internal salary ranges. Salaries are paid through banks.

We participate in **the HAY salary survey** to compare our salary levels with the market levels.

ETHICAL AUDITS

Korozo Packaging always goes through social compliance audits performed by customers. During the audits, both our ethical principles and social responsibility are reviewed. Audit results show us where we succeed and

where we still need to make progress. This way, we always keep our activities and plans live.

We also perform internal audits with our existing suppliers every year according to annual main plant and supplier audit plans.





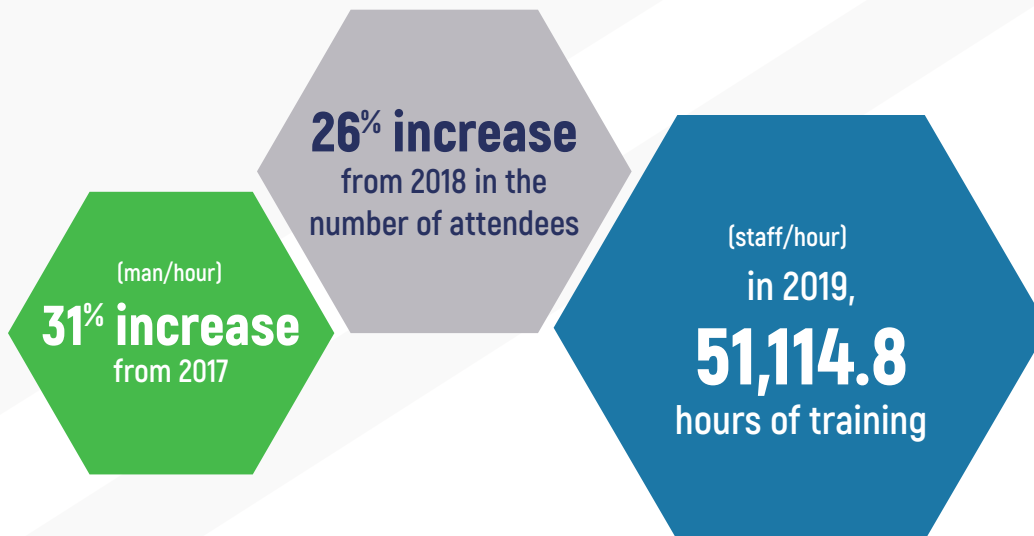
TRAINING

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.



SOCIETY



TRASHTAG TURKEY

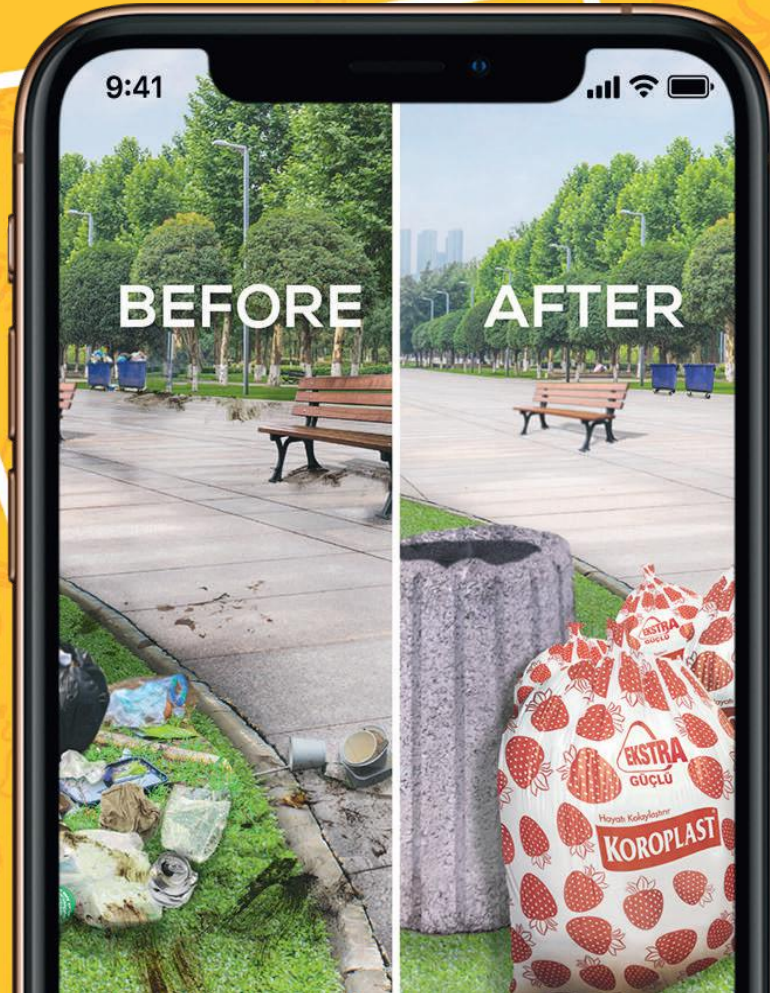
Koroplast started the global Trashtag Challenge in Turkey and cleaned up Zeytinburnu beach with the support of Ahbap Foundation founded by Haluk Levent. In 44 cities around Turkey, people collected trash and litter in Koroplast's biodegradable, environmentally friendly garbage bags as part of the **#KirletmeTemizle** project which is growing with **#TrashtagChallenge**.



Koroplast, the first garbage bag producer in Turkey, organized a clean-up event for a clean planet and supported the **#KirletmeTemizle** project of Ahbap Foundation in 44 cities around Turkey. On 27 April, Koroplast employees, members of Ahbap Foundation and hundreds of volunteers started the clean-up event at Aya Yorgi and cleaned Zeytinburnu Beach on 28 April. Together they collected one truck full of trash and litter with Koroplast's environmentally friendly garbage bags.



#TrashTagTurkiye FOR A CLEAN PLANET





GENDER EQUALITY

Korozo adopts gender equality and women's empowerment principles and believes that equal participation in employment is the key to development. In this regard, Korozo supports female labor force participation and prioritizes female employment.

In 2019,
female labor
force participation
at Korozo
is 51%

On special days like **Women's Day**, we buy gifts for our female employees which give back to foundations supporting female labor force participation. We also participate in social responsibility projects, which strive to improve women's employment. We also collaborated with **various women's foundations on International Women's day in 2019.**

We joined the **"Birlikte Güçlüyüz" (stronger together)** initiative started by Unilever to support female participation across all industries and levels and to empower women using Women's Empowerment Principles, one of the most important global private sector initiatives, as a guide.



BİRLİKTE
GÜÇLÜYÜZ



KOROZO SOCIAL CLUB

“We care about every single member of our family. Therefore, we support their social and cultural development.”

Korozo Social Club organized many events such as picnics, sports events or culture trips.

We believe that these events help improving employee satisfaction and organizational commitment. We aim to continue organizing similar events in the future.

We strive to make these events an essential part of work life at Korozo.



**KOROZO GROUP
SUSTAINABILITY
REPORT - 2019**



KOROZO GROUP

CARRIES YOUR IMAGE



**PACKAGING
FOR THE PLANET**

