

**bakioğlu**  
HOLDING

Sustainability Report 2023

# On the course toward a sustainable future





*Since our founding, we have consistently steered our course toward achieving “the best” and adding value to every area we operate in, with a particular focus on our country.*

We continue our journey in the flexible packaging sector with the aim of raising the flags of both our country and our Group in every corner of the world. We align ourselves with the welfare of our planet, sustainability, and the progress and innovation demanded by today’s world. We were born, grew, developed, and succeeded with the mission stemming from our name: “Belief...Passion... Teamwork...Commitment...” These core values, instilled across generations, have illuminated our path toward sustainability and enabled our global reach. Our robust Group Companies and significant production capabilities, coupled with our highly skilled workforce, dedicated R&D Center and strategic investments are instrumental in driving our sector leadership. A steadfast commitment to renewable energy initiatives, combined with a service philosophy centered on quality, customer satisfaction, and stakeholder confidence, further solidifies our strong position. Moreover, the invaluable experience we have gained over the course of five decades continues to be a driving force behind our ongoing success.

***Our Responsibility Toward the Future Is Baki  
(Everlasting)...***

**Bakioğlu**  
**DİNGİ**

The logo for Bak Ambalaj, featuring the company name in a white, lowercase, sans-serif font on a dark red background.

# Bak Ambalaj at a Glance

*At Bak Ambalaj, Türkiye's leading flexible packaging manufacturer, we are steering our course toward sustainable development, production, agility, and dynamism.*

Since 1973, at Bak Ambalaj, home to Türkiye's first Ministry-approved R&D Center, we have been providing our stakeholders around the world with high-quality, efficient, and environmentally friendly sustainable products.



The Polibak logo is displayed in white text on a dark red background. The letters are bold and sans-serif, with a stylized 'i' in 'Polibak'.

# Polibak at a Glance

*At Polibak, one of Türkiye's leading plastic film manufacturers, we are steering our course toward operational excellence, value-added services, and sustainable energy investments.*

As the first and only recipient of the "TPM Excellence Award" within its industry, Polibak differentiates from the competition with its expert team and quality-focused service approach. Moreover, our solar energy initiatives, encompassing both land and rooftop installations, contribute positively to the environment while solidifying our industry leadership.





**bakgravür**

# Bak Gravür at a Glance

*At Bak Gravür, Türkiye's leading rotogravure cylinder and flexo printing plate manufacturer, we are steering our course toward smart investments, cutting-edge technology, and sustainable energy efficiency.*

By executing a large-scale investment plan, Bak Gravür aims to become the industry leader, delivering exceptional quality, customer satisfaction and sustained growth.



**bareks**

# Bareks at a Glance

*At Bareks, one of Türkiye's top polyethylene film producers, we are steering our course toward production strength, eco-friendly investments, and a sustainable green portfolio.*

Ranked among ISO Second 500 | Türkiye's Top 500 Industrial Enterprises, Bareks boasts a robust annual production capacity of 45,000 tons, facilitating a global reach across more than 30 countries. Through environmental certifications such as I-REC and RecyClass, we exemplify industry best practices in sustainability.





**bakcycle**

# Bakcycle at a Glance

*At Bakcycle, our fifth company completing our vertical integration structure, we are steering our course toward a circular economy, recycling, and consumption savings.*

Established in 2021, Bakcycle has recorded major progress in recycling packaging waste, propelling our sustainability journey forward. Equipped with world class state-of-the-art technology unrivalled in Türkiye, Bakcycle generates significant value for both society and the economy while prioritizing future generations and the greater good.



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# Introduction

We are moving forward with full strength on our course toward *sustainable achievements*.



## About the Report

We are sharing the social, economic, and environmental dimensions of our activities carried out in 2023 through our sustainability report.

As Bakioğlu Holding and our Packaging Group Companies, we continue our activities with determination, always striving to do better. Each day, we strive to become the best and most efficient versions of ourselves. The ultimate goal of this journey is to create economic, social, and environmental value for all our stakeholders through a sustainable working model. Accordingly, in 2023, we have undertaken comprehensive activities and initiatives with contributions from our internal and external stakeholders, addressing social, economic, and environmental dimensions and making progress in line with the United Nations (UN) Sustainable Development Goals. We are sharing these

efforts through our sustainability report, which adheres to the reporting principles outlined in the GRI Standards. This report has been prepared by Bakioğlu Holding AŞ in compliance with GRI Standards, covering the period from January 1 to December 31, 2023. It includes the activities carried out in Türkiye by Bak Ambalaj San. ve Tic. AŞ, Polibak Plastik Film San. ve Tic. AŞ, Bak Gravür Teknolojisi San. Tic. AŞ, Bareks Plastik Film San. Tic. AŞ, Bareks Polietilen Film Ekstrüzyon San. ve Tic. AŞ, and Bakcycle Geri Dönüşüm Sanayi ve Ticaret AŞ.\* Our newly included Packaging Group company, Bakcycle Recycling, is still in the investment phase and has not yet commenced operations, hence it is not included in the reporting scope.

We welcome your feedback and suggestions on our sustainability activities and reporting efforts at [sustainability@bakioglu.com.tr](mailto:sustainability@bakioglu.com.tr)



\*The data relating to Bareks Plastik Film Tic. San. Tic. AŞ, referred to as Bareks in this report, includes data for its subsidiary Bareks Polietilen Film Tic. AŞ.



## Message from the Chair of the Board of Directors

**We are moving forward under the guiding principles that illuminate our course toward sustainability.**

I am proud to say that we have completed a year in which we increasingly focused on the sustainability of our planet, as much as on the sustainability of our business.



**Cem BAKIOĞLU**  
*Chair of the Board of Directors of Bakioğlu Holding*



# Message from the Chair of the Board of Directors

Dear Stakeholders,

We embarked on 2023 with the strength derived from our motto: "In the turbulent seas brought on by rapid change, we move forward with the confidence of our values, under the guiding principles that illuminate our course toward sustainability, and with the determination instilled by 50 years of experience." The year 2023, like those before it, passed by swiftly, marked by an accelerating pace of global change. Unfortunately, we entered the year with the devastating Kahramanmaraş earthquake, the largest earthquake disaster in Türkiye's history, which brought profound sorrow to us all. The following months were shaped by the uncertainties and tensions of the pre-election period, the struggle against high inflation, and the impact of tight monetary policies. As we navigate a world where the likelihood of encountering unforeseen events, both nationally and internationally, continues to grow, we have once again witnessed that when we remain steadfast in our values and move forward with determination, the fog of uncertainty begins to lift.

In this context, despite the challenges and uncertainties of 2023, we have strived to preserve our business practices and maintain our standing among all stakeholders, thanks to our core values. Throughout all our activities, we focused on ensuring workplace safety, reducing costs, minimizing losses, and enhancing our outputs in a more efficient, high-quality, and sustainable manner. Confronted with one of the main obstacles to our goals, the limited availability of domestic credit, we proactively

pursued international credit opportunities to fund our investments. Additionally, we implemented measures during the year to safeguard our employees from the effects of high inflation.

I am proud to say that we have completed a year in which we increasingly focused on the sustainability of our planet, as much as on the sustainability of our business. In this context, we continue our activities in cooperation with our entire production network and stakeholders to limit global temperature increase to 2°C, and if possible, to 1.5°C, in accordance with the Paris Climate Agreement signed globally by 197 countries in 2015, to address the escalating impact and risks of the climate crisis. The European Green Deal Action Plan outlines ambitious goals such as reducing emissions by 55% by 2030 compared to 1990 levels, increasing the share of renewable energy consumption to at least 32%, and achieving at least a 30% improvement in energy efficiency. Achieving these goals requires a profound shift in how we think and act, both as individuals and organizations. The responsibility to hand over a livable world to future generations must be a priority for every organization and individual.

Driven by this responsibility, Bakioğlu Holding and our Group Companies have demonstrated our commitment to "responsible behavior" through numerous significant activities detailed in this report. These include the new forests we have added to nature via the Aegean Forest Foundation, our contribution to the circular economy by recovering solvent from our Solvent Recovery Facility, and the millions of kWh of electricity produced by our Solar Energy System panels. We meet all our electrical energy needs

from renewable energy sources at our facilities in İzmir Atatürk Organized Industrial Zone without consuming fossil fuels. Our R&D efforts aligned with the indispensable concept of a circular economy, and the investments triggered by these needs such as MDO PE, CPP, and Bakcycle, all reflect our dedication. Additionally, we are also proud to have advanced our Solar Energy Plant Project, which enables us to meet our Group's annual electricity consumption of 170 thousand MWh from renewable sources.

In 2023, by adapting to rapidly changing technological conditions, minimizing our environmental impacts, and focusing on efficiency in our production activities, we made strategic initiatives in the field of R&D. Guided by our vision of becoming a "solution partner for the circular economy," we designed product groups containing PCR (post-consumer recycled material) aimed at reducing emissions. As a result, we earned the "RecyClass Recycled Content Traceability" Certificate at our Bareks Company, based on a system for tracking and calculating the content percentage, making us one of only two organizations in Türkiye to achieve this certification. Additionally, we developed film products using plastic granules entirely recycled from post-consumer waste, certified with the EUCertPlast Certificate, ensuring end-to-end control of the supply chain.

Through continuous investment and development, we have successfully progressed in our production and investment processes with our mission to remain "everlasting," as a globally respected group of companies that adds value to our country by achieving the "best" in all our fields of activity. On July 2, 2023, we brought another significant investment to life for the flexible packaging circular economy by developing 100% recyclable film structures at our Polibak CPP Line, which has been operational since that date. Our state-of-the-art CPP Line, equipped with a capacity of 18,000

tons per year and a width of 7.2 meters with five layers, makes us the company with the largest production line in Europe, marking another point of pride for our Group. At Bakioğlu Group, we place great importance on providing development and career support to our employees, our most valuable asset in all our processes and on our journey of growth, under the umbrella of Bak Academy. Through our inclusive and diverse working groups and committees, we continue to deliver sustainable digitalized training supports. Additionally, we collaborate with the younger generations, engaging in technological studies and corporate social responsibility activities with university communities and institutions. While maintaining our human-centered approach, we seamlessly integrate our digital transformation into our business processes and culture, aligning with our digital roadmap.

Dear Stakeholders,

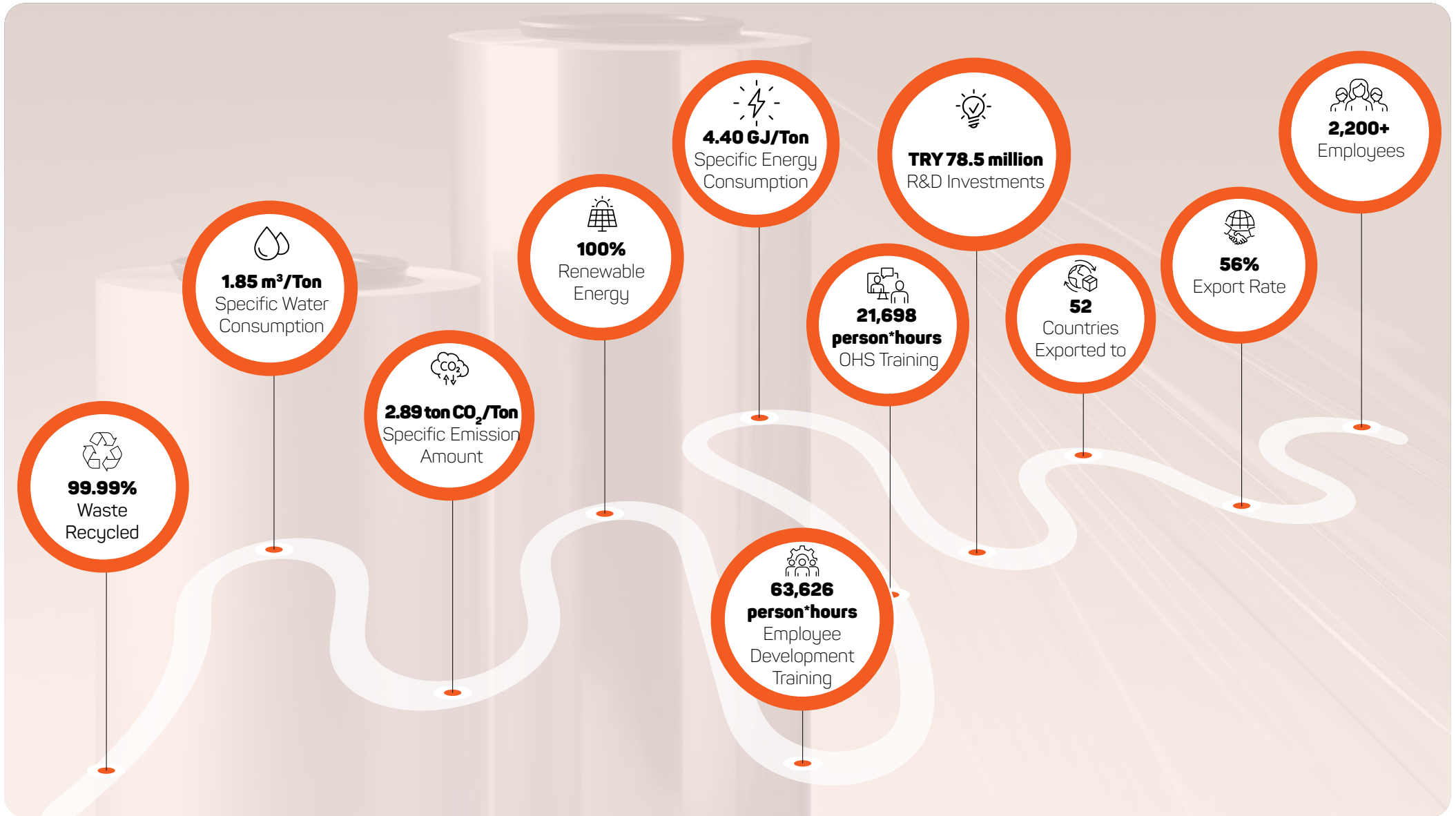
By integrating our human and planet-focused approaches into our corporate culture, we are striving to do better every day. We aim to meet today's needs with a focus on the future and sustainability, while maintaining the highest standards in our business models and service quality, mindful of the risks and opportunities that lie ahead. On behalf of the Boards of Directors, Executive Committees, and General Managers of Bakioğlu Holding and its Subsidiaries, I express sincere gratitude to all our colleagues at Bakioğlu Holding, our business partners, suppliers, and customers, as well as all our stakeholders who have been with us on this journey and share the same vision for the future.

Respectfully,

**Cem BAKIOĞLU**  
*Chair of the Board of Directors of  
Bakioğlu Holding*



## Our 2023 Performance in Figures





# Bakioğlu Holding at a Glance

With half a century  
of experience, we  
are steering our  
course toward  
*sustainable values.*



## About Bakioğlu Holding

At Bakioğlu Holding, together with our Packaging Group Companies, we serve 52 different countries with over 2,200 valued employees and approximately 318,442 m<sup>2</sup> of production space. By generating 56% of our revenue from exports, we make significant contributions to our country's economy.

As Bakioğlu Holding, we took our first steps into the flexible packaging sector with the establishment of Bak Ambalaj, the first of our Packaging Group Companies, in 1973. Today, we operate with a vertically integrated business model in the flexible packaging sector. In addition to our core activity in the flexible packaging sector, we also operate in the construction, logistics, insurance, and food sectors.

Our company portfolio, formed through 50 years of experience, includes leading companies in Türkiye's flexible packaging sector such as Bak Ambalaj, Polibak, Bak Gravür, and Bareks. Additionally, we operate in the construction sector with Bakiş, provide insurance and brokerage services through Baksaş, offer IT and transportation services via Baknet, and are active in the food sector with Freshbak and Meyv. Our Packaging Group continues to enhance its vertically integrated business model and strengthen its sustainable business structure every day with Bakcycle Recycling, a company established in 2021 to operate in the recycling sector.

At Bakioğlu Holding, together with our Packaging Group Companies, we serve 52 different countries with over 2,200 valued employees operating across our 6 companies and approximately 318,442 m<sup>2</sup> of production space as of the reporting period. By generating 56% of our revenue from exports, we make significant contributions to our country's economy.

Through continuous investment and development, we guide our activities with the mission to remain "everlasting," as a globally respected group of companies that adds value to its country by striving for excellence in all its fields of activity. We take pride in elevating our 'integrated packaging industry' business model—built from the ground up—to international standards, bringing success to the Turkish packaging sector in global competition.





## About Bakioğlu Holding

Through continuous investment and development, we guide our activities with the mission to remain “everlasting,” as a globally respected group of companies that adds value to its country by striving for excellence in all its fields of activity.

### **BAKİ Olmak (To Be EVERLASTING)**



**Yesterday, today, tomorrow... We strive to remain “everlasting” with absolute determination.**

**Always striving for better, we grow together with teamwork, believing in our work with passion, and with steadfast commitment.**





# About Bakioğlu Holding

We provide end-to-end packaging solutions with our high-quality, reliable, and high value-added products to various segments with different structural characteristics, primarily food, beverages, chemicals and hygienic products, pharmaceuticals, textiles, stationery, and tobacco products.

## “Responsible Packaging” First

Our value chain, based on a vertically integrated model in the flexible packaging sector, includes packaging design, material pre-processing, various printing techniques, and the production of value-added packaging products. In all stages of this value chain, considering social, environmental, and economic sustainability, superior product quality, and innovation are indispensable elements of our business model. Our new investment, Bakcycle, not only expands our value chain but also strengthens our commitment to responsible packaging by supporting the circular economy approach.

We offer end-to-end packaging solutions with our high-quality, reliable, and high value-added products to various segments with different structural characteristics, particularly in the food, beverage, chemical, hygiene, pharmaceuticals, textile, stationery, and tobacco industries. With the quality of our products and services, we not only ensure that Türkiye’s flexible packaging needs are met with domestic capital and resources, but also support our local economy through our exports to foreign markets, especially the European Union.

Plastic packaging is a product group that has a wide range of applications and plays an important role in improving our quality of life. As one of the leading players in the industry, we believe it is our fundamental duty to ensure that plastic packaging, which is practically indispensable to today’s societies, is produced and presented using healthy, sustainable, and safe methods, considering its post-consumer effects.

Although our food packaging solutions occupy a prominent place in our product portfolio, we also offer solutions that add value to a variety of industries. Our products play a critical role in ensuring food safety, keeping chemical and hygiene products sterile, and protecting the integrity of stationery and textile products. By providing our client manufacturing companies with the most appropriate packaging compositions and designs, we enable consumers to access products in a safe, environmentally friendly, and economical manner.



We adhere to international standards in both our operations and our products, carefully managing our environmental impact, and acting with the awareness of being an ethical and responsible company. We support the circular economy through recycling, renewable energy, and innovative raw materials. We minimize our impact on the climate. In doing so, we pledge to create long-term value for all our stakeholders, especially our customers, shareholders, and employees.

## We support sustainable packaging production.



We share the Sustainable Packaging Coalition’s (SPC) passion for creating “good” packaging designs for people and the environment. As Bakioğlu Holding and the Packaging Group Companies, we are fulfilling our responsibility for sustainable packaging production and a sustainable future through our membership in the SPC!



# Shareholding Structure



## Our Vision, Mission and Corporate Values



Our goal at Bakioğlu Holding is to be “the best” in all our activities. We strive to create value for our country, to be among the most respected international companies, and to fly the flag of our country and our Group in every corner of the world. We invest in knowledge, innovation, technology, our human values, and our future. Our “Baki Constitution” guides our developmental journey. We strive to remain “everlasting” with our brand and the values we add. We stride confidently toward our goals with the mission and vision we have adopted, as well as our commitment to our corporate values.



### Our Mission

**Yesterday, today, tomorrow. We strive to remain “everlasting” with absolute determination.**

To remain “everlasting” as a respectable group of companies worldwide, adding value to its country by being the “best” in all its fields of activity through continuous investment and development.



### Our Vision

**Our goal is 2025. We are progressing with endless faith.**

To rank among the “top 5 flexible packaging manufacturers of Europe” in 2025 while preserving our structure as a family business with national capital.



# Our Vision, Mission and Corporate Values

## Our Corporate Values

Among our corporate values, which we have established with all our colleagues who work with us toward the same goals with determination and faith in the work we are passionate about, are human value, trust, justice, a focus on quality and solutions, development and improvement, and social responsibility.

### We value people.

Our focus is on "people." We regard people as a "value" rather than a "resource." We prioritize people in all our activities.



### We establish trust.

We develop relationships based on trust. We do as we say and remain committed to our business, our responsibilities, our values, and each other. We place importance on the integrity of words and actions and build trust.



### Justice is fundamental to us.

We act within an accountable, transparent, and fair corporate culture. We care about equal opportunities and adopt "fair approaches" in our business and human relations.



### We act with a focus on quality and solution.

We take constructive steps in all that we do. We care about quality and adopt solution-oriented approaches for the satisfaction and trust of our customers and our employees. With this approach, we create "value" in all our initiatives, both nationally and internationally, with our goal of becoming a global company.



### It is our job to develop and improve.

We are aware that sustainability is achieved through development, change, and innovation. We invest not only in technology, production, and facilities but also in people, and we strengthen corporate memory by sharing knowledge: "We improve as we develop."



### We possess an awareness of social responsibility.

We are mindful of the developments in our country and the environment, and we play our part. We are mindful of our nation, our cultural values, family, and the environment.





# Our Packaging Group Companies

Bak Ambalaj, a producer of printed, unprinted, and laminated flexible packaging for various industries, continuously expands its production portfolio through strategic investments. With a vision to solidify its position among the industry leaders in Europe, Bak Ambalaj is committed to achieving permanent success.

## **bak**ambalaj

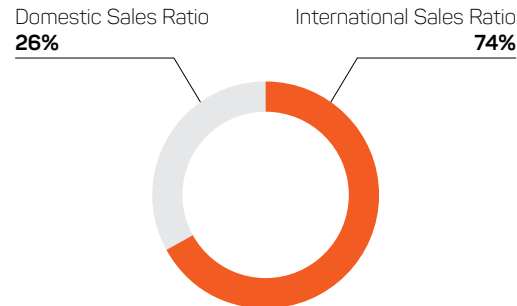
The first company of Bakioğlu Holding, Bak Ambalaj San. ve Tic. AŞ, was established in Izmir 1973 in Izmir making printed and unprinted bags. The company currently operates in the Izmir Atatürk Organized Industrial Zone on 100,390 m2 with five separate facilities and more than 700 employees, and ranks among the top 500 industrial companies in Türkiye. Bak Ambalaj conducts its activities believing that innovation is the key factor distinguishing a leader from a follower, and manages its projects and activities under one roof at the Bak Ambalaj R&D Center (BAK AGM), which was certified by the Ministry of Industry and Technology of the Republic of Türkiye in August 2017, the first of its kind in the printed flexible packaging sector. Bak Ambalaj, a producer of printed, unprinted, and laminated flexible packaging for various industries, continuously expands its production portfolio through strategic investments. With a vision to solidify its position among the industry leaders in Europe, Bak Ambalaj is committed to achieving permanent success. Bak Ambalaj is a dynamic company that can instantly respond to developments and changes in the global conjuncture, exporting to over 50 countries

across 4 continents, primarily to Western Europe and America. Thanks to its warehouses located in Europe and America, the company leverages Türkiye's logistics advantage to offer fast delivery to its customers. Bak Ambalaj meets its raw material needs within the Group, thanks to the vertical integration structure formed with other companies in the Bakioğlu Group. This unique structure, which provides a sustainable supply chain advantage and high-quality production, has no parallel in the world. Through its vertical integration, Bak Ambalaj meets customer expectations with the most agile and effective solutions.

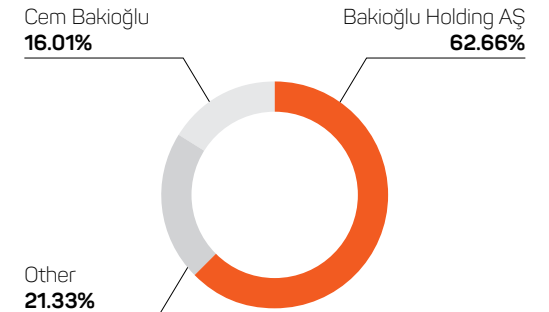
**Bak Ambalaj Sales Regions**



**Bak Ambalaj Sales Ratios**



**Shareholding Structure of Bak Ambalaj**





## Our Packaging Group Companies

Polibak produces BOPP and CPP films in its facilities located on 170,000 m<sup>2</sup> in the İzmir Atatürk Organized Industrial Zone.



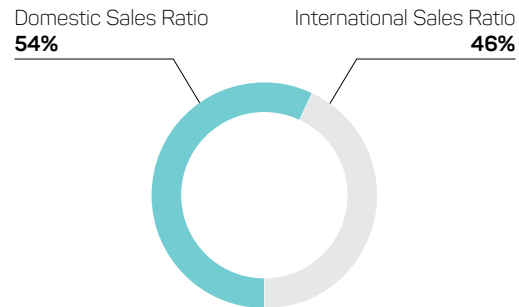
Polibak Plastik Film AŞ was established in 1993 to produce plastic film, one of the main inputs of flexible packaging, in line with Bakioğlu Holding's goal of implementing a vertical integration business model in the packaging sector. Today, Polibak produces BOPP and CPP films in its facilities located on 170,000 m<sup>2</sup> in the İzmir Atatürk Organized Industrial Zone.

Polibak, one of Türkiye's leading plastic film producers, is ranked among the top 500 industrial companies and the top 1,000 exporters in Türkiye. With its experienced R&D team, Polibak provides high-quality, solution-oriented services to its customers.

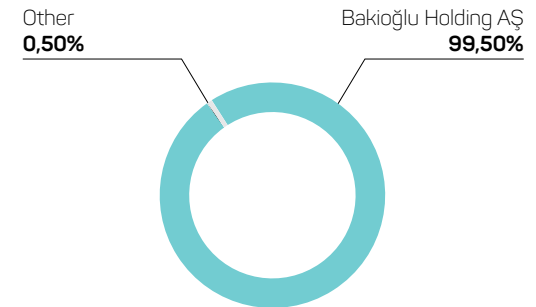
**Polibak Sales Regions**



**Polibak Sales Ratios**



**Shareholding Structure of Polibak**



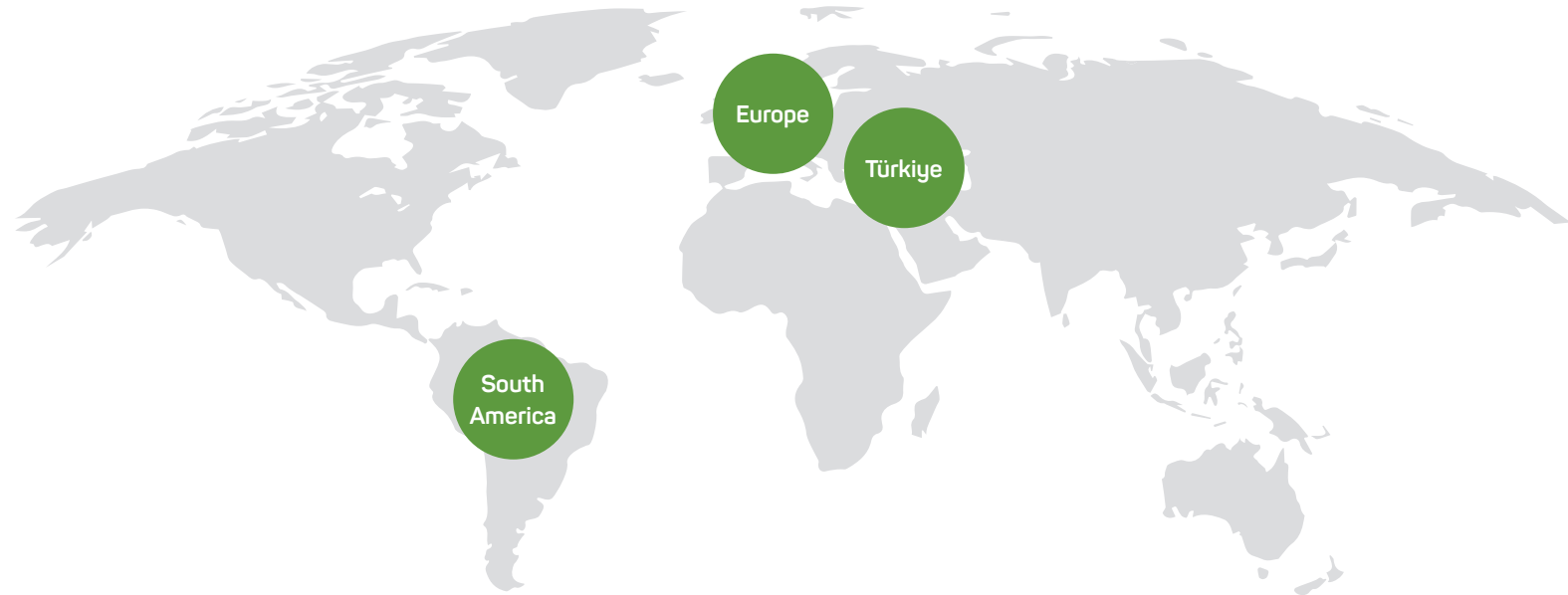
## Our Packaging Group Companies

Bak Gravür operates with the aim of becoming Europe's largest and most preferred producer of rotogravure printing cylinders and flexo printing plates.

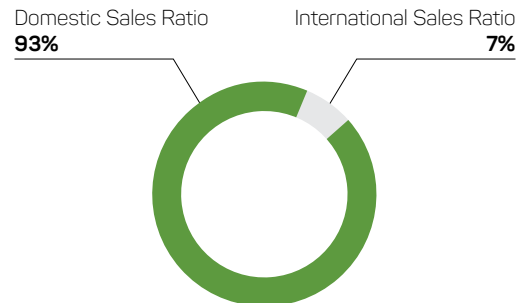
### **bakgravür**

Bak Gravür Teknolojisi Sanayi Ticaret AŞ provides etching pre-press treatment services and flexo printing plate production. It started its activities in 1998 in association with Bakioğlu Wetzels under the name "Wetzels AŞ." It was fully incorporated into Bakioğlu Holding in 2021, becoming Enternasyonel Gravür AŞ. The company was renamed Bak Gravür Teknolojisi San. Tic. AŞ in 2017 and is one of Türkiye's leading manufacturers of gravure cylinders and flexographic printing plates. Bak Gravür has been producing rotogravure printing cylinders since 2001 and flexographic printing plates since 2021 at its 8,040 m<sup>2</sup> facilities in the Izmir Çiğli Atatürk Organized Industrial Zone. Bak Gravür operates with the aim of becoming Europe's largest and most preferred producer of rotogravure printing cylinders and flexo printing plates.

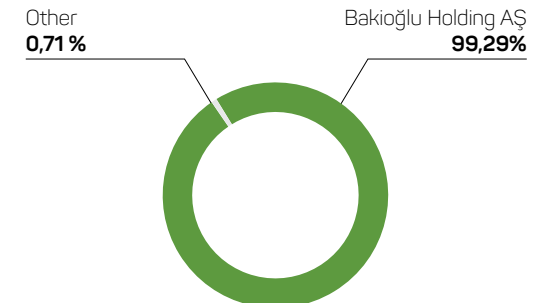
#### Bak Gravür Sales Regions



#### Bak Gravür Sales Ratios



#### Shareholding Structure of Bak Gravür





## Our Packaging Group Companies

Bareks is a leading producer of 3-layer and 5-layer PE films, with a broad product portfolio suitable for both food and non-food applications and a solution-oriented approach that targets 100% customer satisfaction.

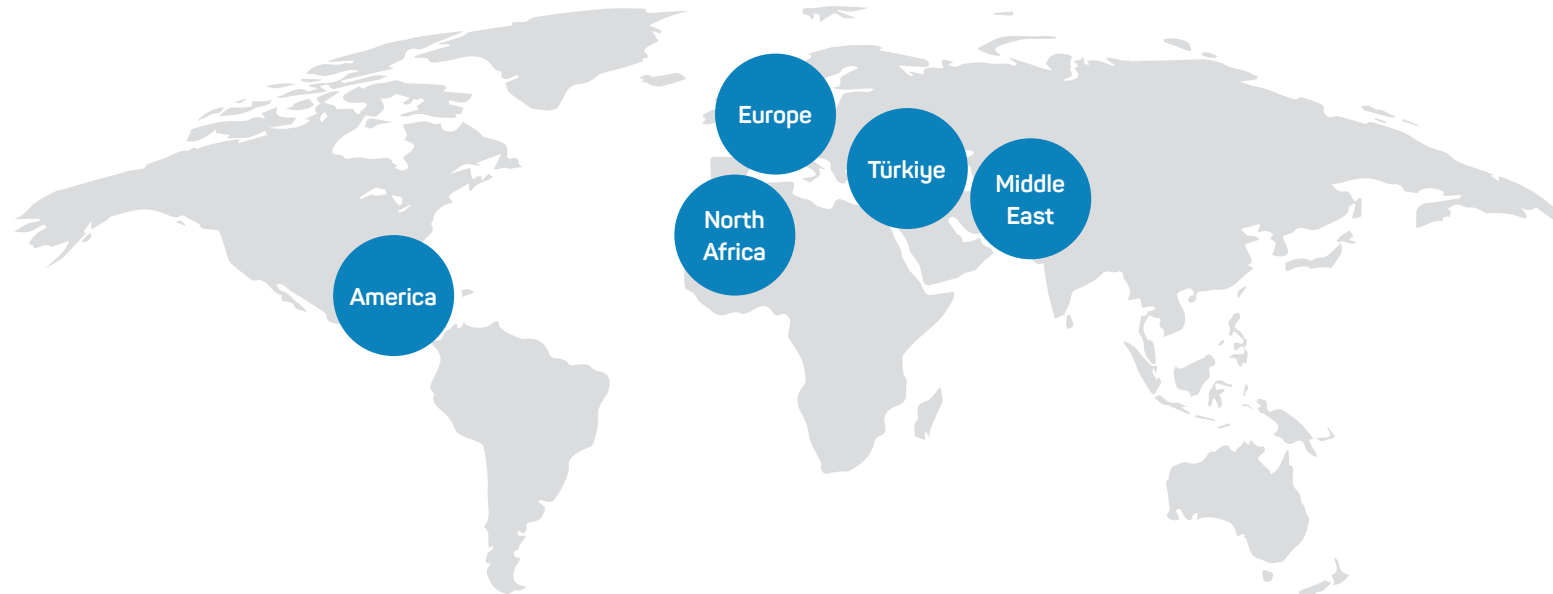


Founded in 2002 with the aim of producing multi-layer polyethylene films specially designed for printing and lamination suitable for food packaging, Bareks today operates through its two significant companies, Bareks Plastik Film San. Tic. AŞ and Bareks Polietilen Film Ekstrüzyon San. ve Tic. AŞ.

Bareks is a leading producer of 3-layer and 5-layer PE films, with a broad product portfolio suitable for both food and non-food applications and a solution-oriented approach that targets 100% customer satisfaction.

In line with its sustainability principles, Bareks offers recyclable product solutions to its customers through investments in production technologies and R&D activities, continuously expanding its green product portfolio that sets an example in our industry by combining both economic and environmental benefits.

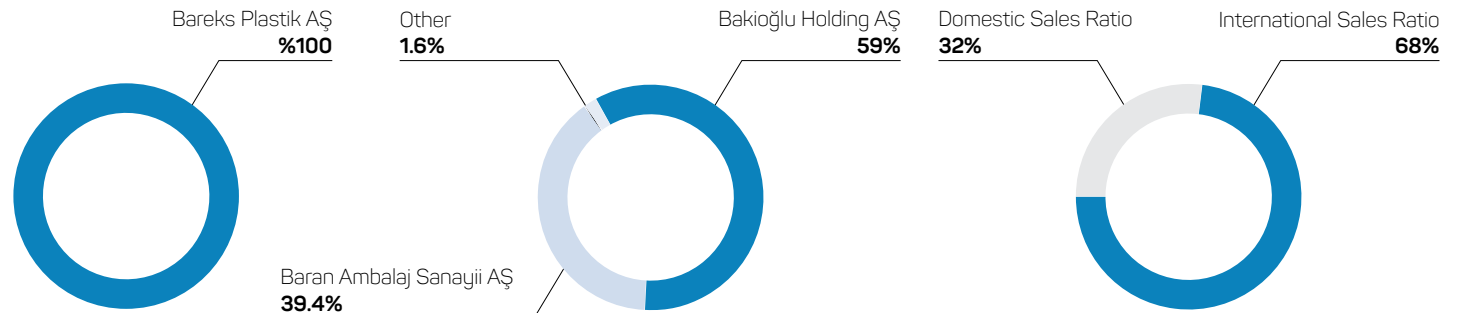
**Bareks Sales Regions**



**Shareholding Structure of Bareks Polietilen**

**Shareholding Structure of Bareks Plastik**

**Bareks Sales Ratios**







# Our Packaging Group Companies

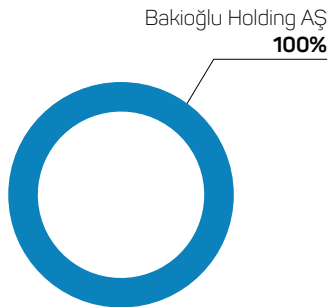
Bakcycle was established in 2021 as the fifth company completing the vertical integration structure of the Packaging Group.



Bakcycle, the latest investment of Bakioğlu Holding, was established in 2021 as the fifth company completing the vertical integration structure of the Packaging Group. Bakcycle Geri Dönüşüm San. ve Tic. AŞ, which commenced operations in 2023, aims to recycle plastic packaging waste back into granules, addressing a crucial need in the journey toward a sustainable and circular economy. Initially, Bakcycle will focus on mechanical recycling, incorporating the industry's most advanced technologies such as optical sorting, hot washing, laser filtering, and odor removal. Currently, no recycling facility in Türkiye possesses such capabilities, and there are few equivalents in Europe and the USA. With these advanced features, Bakcycle aims to play a pioneering role in Türkiye.



### Shareholding Structure of Bakcycle





## Other Group Companies

In addition to our core activity in the flexible packaging sector, we also operate in the construction, logistics, insurance, and food sectors.



Bakiş Yapı İnşaat Sanayi Ticaret AŞ was established in 1995 to undertake high-tech construction projects, including turnkey factory construction, industrial plant construction, infrastructure and superstructure construction, and technological assembly.

Bakiş serves various sectors in the field of factory, school and hospital construction today in addition to the Bakiođlu Holding Companies and factory construction.



Baksaş Sigorta ve Aracılık Hizmetleri AŞ was established in 1994 to provide insurance services to companies other than Bakiođlu Holding and Group Companies and continues to operate successfully with a commitment to quality service.



Baktrans Taşımacılık Ticaret AŞ was established in 1995 to carry out product logistics for Bakiođlu Holding's export-oriented companies and has since added VIP aviation to its range of activities. In 2016, Baktrans merged with Baknet İletişim ve Bilgisayar Ürünleri Pazarlama Sanayi AŞ, which was established in 2000 to provide IT services to companies, and became Baknet Bilgi İşlem ve Taşımacılık Ticaret AŞ. Baknet continues to provide both IT and VIP aviation services without interruption.



Freshbak operates in the field of food production and was established in the Izmir Pancar Organized Industrial Zone in 2017 with a 4,000 m<sup>2</sup> closed area on a 6,200 m<sup>2</sup> plot of land. Operating in the healthy snacks category, Freshbak has achieved a first in Türkiye by using industrial-scale freeze-drying technology, an unprecedented method in the industry.



P&B Flexibles BV, based in Amsterdam and part of the Group's international operations, began its activities in 2016. It operates to leverage cost-effective financing opportunities in Europe for the procurement of raw materials abroad.



Meyv Dondurulmuş Gıda San. Tic. AŞ is a food company established in 2023 as a 100% subsidiary of Bakiođlu Holding. Located in the Salihli Organized Industrial Zone, the company is built on a 23,000 m<sup>2</sup> plot with an 8,000 m<sup>2</sup> covered area.

Frozen food products have become some of the most in-demand items on store shelves in recent years, due to their ease and convenience of consumption, as well as their ability to preserve nutritional value. Meyv Dondurulmuş Gıda San. Tic. AŞ, established to meet this demand, holds the title of the youngest company in the Bakiođlu Group.



# Our Journey of Sustainable Success

As Bakioğlu Holding, we have been steadily making steady strides toward the future since our founding, achieving new and sustainable successes each year.

## 1973

- The first Group company, Bak Ambalaj, was established.

## 1993

- Polibak Plastik Film AŞ was established.

## 1994

- Baksaş Sigorta ve Aracılık Hizmetleri AŞ was established.

## 1995

- Bakış Yapı İnşaat Sanayi Ticaret AŞ and Baktrans Taşımacılık Ticaret AŞ were established.

## 1996

- Bakioğlu Holding was established.

## 1998

- Bak Gravür Teknolojisi Sanayi Ticaret AŞ commenced its operations under the name Wetzel AŞ.

## 2000

- Baknet İletişim ve Bilgisayar Ürünleri Pazarlama Sanayi AŞ has commenced its operations in the IT sector.

## 2001

- Bak Gravür became a wholly owned subsidiary of Bakioğlu Holding and was renamed Enternasyonal Gravür AŞ.

## 2002

- Bareks Plastik AŞ kurularak çok katlı teknolojik polietilen film üretimi devreye alınmıştır.

## 2012

- The first automatic line investment in Türkiye was made at Bak Gravür AŞ.

## 2013

- With the laser line investment, Bak Gravür AŞ began offering a wide range of products to its customers, utilizing "Acid Etching" and "3D Laser" production technologies.

## 2015

- To support the Group's expanding export operations, Bak Ambalaj Dış Ticaret AŞ (Bak International) was established, and to support Bak Ambalaj's operations in Europe, Amsterdam-based Bak Flexibles BV was founded.

- In addition to the automatic line investment made in 2012, additional machinery investments were made, increasing the capacity of Bak Gravür AŞ.

## 2016

- Bak Global Trade BV (now known as P&B Flexibles) began operations toward the end of 2016 to leverage cost-effective financing opportunities in Europe for the procurement of raw materials abroad.

- An investment was made in Freeze Dry technology, leading to the establishment of Freshbak, the first food company.

- Baknet and Baktrans merged under the umbrella of Baknet Bilgi İşlem ve Taşımacılık AŞ.

## 2017

- Bareks 6<sup>th</sup> Blown Film Extrusion line was commissioned, increasing the capacity of Bareks AŞ.
- Enternasyonal Gravür Teknolojisi Sanayi Ticaret AŞ changed its name to Bak Gravür Teknolojisi San. Tic. AŞ.

## 2020

- Bak Ambalaj, Polibak, and Bareks have been awarded the TSE Covid-19 Safe Production Certificate.

## 2021

- A state-of-the-art flexo printing plate production facility was commissioned at Bak Gravür AŞ.

- Bakioğlu Holding and its Packaging Group Companies became members of the Sustainable Packaging Coalition (SPC) and started using I-REC Certified renewable electricity in production.

- Polibak and Bareks received the International Sustainability Carbon Certification (ISCC Plus Certificate).

- Renewable energy production began with the solar energy system installed at the Bareks Polietilen Facility.

- Bakcycle Geri Dönüşüm AŞ was established.

## 2022

- The first consolidated sustainability report covering Bakioğlu Holding and its Packaging Group Companies was published.

- Bakioğlu Group's "Everlasting with You" Employee Value Proposition, shaped by employee opinions, surveys, and senior management workshops as part of the Employer Branding Project, was launched.

- Investment in Bakcycle Geri Dönüşüm San. ve Tic. AŞ began.

- Bak Ambalaj, Polibak, Bak Gravür, and Bareks received the "Basic Level Zero Waste Certificate."

- Bakioğlu Holding's Digital Transformation Master Plan was published.

- In the Globe Awards, the gold award was received in the "People-Focused Workplace of the Year" category.

- In addition to the Stevie Awards, known as the Oscars of the business world, Bakioğlu Holding received awards from the Brandon Hall Award Program for practices that highlight its "Value for People" approach.

- The "Corporate Carbon Footprint Calculation Project," voluntarily initiated to address climate change at Bakioğlu Holding Packaging Group Companies, was successfully completed. The 2021 carbon footprint calculations for all facilities were verified according to the ISO 14064-1: 2018 Standard.

## 2023

- At Polibak, a CPP line producing 100% recyclable film structures ranging from 15 microns to 100 microns in thickness and providing uninterrupted service to customers with an annual capacity of 18,000 tons has been commissioned.

- At Polibak, efforts toward the Solar Power Plant Project have been continued, focusing on SPP investments to meet the Group's annual electricity consumption of 170,000 megawatt-hours from renewable sources.

- In the "Stevie Awards for Women in Business" program, which recognizes women entrepreneurs, managers, and employees worldwide, we were awarded the bronze prize in the "Achievement in Human Resources" category following a 360-degree evaluation process.

- We were among the theme sponsors of the Economic Congress of the Second Century held in İzmir from March 15-21, 2023, with the slogan "Building the Türkiye of the Future."

- We became a member of the Ethics & Reputation Society.

- TV commercials, digital, and outdoor advertisements were aired in celebration of the 100<sup>th</sup> anniversary of our Republic.

- Following Freshbak, the first food company established with 100% Bakioğlu Holding ownership, Meyv was established as the second food company.

- Bakcycle commenced its operations.



# 2023 Highlights

We continued to enhance our ESG performance in 2023 by undertaking significant sustainability initiatives together with our Packaging Group Companies.

### Recyclable Packaging

At Bareks Plastik and Bareks Polietilen, we have developed applications using recyclable and recycled raw materials, and have successfully obtained EUCertPlast and RecyClass certifications for our products.

### 100% Renewable Electricity

Through the I-REC Certified electricity purchasing program, we meet 100% of our electricity needs from renewable sources.

### Emission Reduction Activities

At Bareks Polietilen, we generated a total of 1,285,717 GJ of electricity from solar energy, reducing CO<sub>2</sub> emissions by 2,226,342 tons. This achievement is equivalent to reintroducing 40,148.27 trees back into nature.

### Renewable Energy Investments

At Polibak, we have been continuing our efforts on the Solar Power Plant project. With an investment of EUR 1.4 million, we are focusing on Solar Power Plant investments to meet the Group's annual electricity consumption of 170,000 megawatt-hours from renewable sources.

### Operational Excellence and Digitalization

With digitalization efforts such as Mobile PM, Production Integration and Intelligence, and the Operational Excellence Portal, we have combined our excellence activities with digitalization.

### Logistics Management

By implementing the SAP TM (Transportation Management) module aimed at improving our transportation management and planning processes, we are achieving sustainable improvements in our logistics processes for flexible packaging products.

### Kaizen and Operational Efficiency

Through Kaizen activities conducted at Bakioğlu Holding and our Packaging Group Companies, encouraging employee participation to increase efficiency, reduce waste, and improve quality, we have prevented labor, energy, and material losses.

### Green Innovation

We are preparing for the future with product development efforts aimed at using bio-based renewable raw materials and producing bio-based PE film.



### Sustainability Compliance

At Bak Ambalaj and Polibak, we prepare CDP reports for supply chain research. In this context, we were awarded a "C" rating in 2023.

### Green Financing

To minimize our environmental impacts, increase energy efficiency, and achieve our circular economy goals, we are continuing our sustainability investments with EUR 16.4 million in green financing for renewable energy and innovative green infrastructure projects.

### Support for the Local Economy

By selecting 92.77% of our suppliers from local suppliers, we have minimized risks arising from the supply source and provided significant support to the local economy.

### Employee Engagement and Flexibility

We have made the remote working practice, which started in 2020 with the pandemic, permanent for one day a week. Additionally, to help office employees reach their homes earlier, we have shortened the working hours by 30 minutes, increasing our corporate flexibility.

### Digitalization in Education

In line with our sustainability goals, we have digitized the training programs conducted under the Bak Academy to support the continuous development of our employees, making them accessible at any time.



# Our Awards

As Bakioğlu Holding, we experienced the well-deserved pride and joy of being honored with numerous awards and achievements.

## Human-Centered Awards

### *Our Pride Is Everlasting with Our Women Employees*

We won a Bronze award in the "Achievement in Human Resources" category from the "Stevie Awards for Women in Business" (SAWIB) program, which honors female entrepreneurs, managers, and employees worldwide, through our 360-degree evaluation process.

### *Chosen as the People-Focused Workplace of the Year*

As Bakioğlu Holding, we were honored with the Gold award in the "People-Focused Workplace of the Year" category at the 14<sup>th</sup> The Globee-Golden Bridge Business and Innovation Awards international program, thanks to our 360-Degree Development Evaluation System.

### *Gold Award for Best Employer of the Year in Manufacturing*

At the 7<sup>th</sup> Stevie Awards for Great Employers, which received over 950 entries from 26 countries, Bakioğlu Holding was honored with the Gold award in the "Best Employer of the Year - Manufacturing" category and the Silver award in the "Achievement in Competency and Skill Development Management" category.

### *Selected as the Best HR Team of the Year*

At the Stevie International Business Awards (IBA) program, which received nearly 4,000 entries from 67 countries, we received the Gold award for the "Best HR Team of the Year" category with the highest scores from all judges, and the Bronze award in the "Achievement in Human Resources" category.

### *The Best 360 Competency Development Program*

We received 1 Silver and 2 Bronze awards in the Human Resources, Training, and Organizational Development categories at the Brandon Hall Group HCM Excellence Awards program.

## Business Development Awards

### *Award for Bak Ambalaj and Calgon® Collaboration*

We won a Bronze award at the 9<sup>th</sup> Crescents and Stars for Packaging 2020 Competition organized by the Turkish Packaging Manufacturers Association with Bak Ambalaj. This award was given for our "Reborn® Recyclable Mono-PE Stand-Up Pouch" packaging design, created in collaboration with Reckitt Benckiser for the Calgon® brand.

### *Achievement Award from EBSO*

Bak Ambalaj, Polibak, and Bareks were listed among the "Top 100 Industrial Enterprises" announced annually by the Aegean Region Chamber of Industry (EBSO). This year, after a hiatus due to the pandemic, our Packaging Group Companies Polibak and Bak Ambalaj received awards at the EBSO Successful Industrial Enterprises Award Ceremony.

### *Stars of Export in Chemistry Awards*

Polibak secured third place in the Chemistry category at the prestigious "Stars of Export Awards" organized by the Aegean Exporters' Association.

Bak Ambalaj and Polibak were listed among Türkiye's Top 500 Industrial Enterprises, while Polibak also secured 13<sup>th</sup> place in the Chemicals and Chemical Products sector in the "Türkiye's Top 1,000 Exporters" list announced by the Turkish Exporters Assembly.





# Our Sustainability Approach

*On our course toward  
sustainability, we  
are shaping a better  
future across all our  
processes.*



## Our Sustainability Strategy and Organization

The focal point of our sustainability strategy is “Sustainable Living” which is Bakioğlu Holding’s sustainability motto and primary commitment. We shape this journey with a focus on “Sustainable Living” supported and nourished by the three dimensions of sustainability.

### Our Sustainability Approach

At Bakioğlu Holding, we position sustainability as a fundamental component of our business model. In developing our sustainability strategy, we created a structure that directly integrates this strategy into all our operations. By applying sustainability principles at every stage of our business processes, we fulfill our environmental and social responsibilities.

We approach sustainability with a “Win-Win” mindset. Through our sustainable business model, we aim to create long-term value for all our stakeholders.

Regardless of the sector in which we operate with our Group Companies, we integrate the perspective of sustainability into our corporate culture and view “sustainability as the guarantee of our future existence.”

### Our Sustainability Strategy

The focal point of our sustainability strategy is “Sustainable Living,” our company’s sustainability motto and primary commitment. We adopt this focus across all our Group Companies, expecting each one to reflect our consolidated perspective through their unique ESG methodologies, tailored to their sectoral priorities.

We shape this journey with a focus on “Sustainable Living,” supported and nourished by the three dimensions of sustainability.

# Our Sustainability Strategy and Organization

## Sustainable Living

### We add value to the sustainable economic development of our country.

As a holding company operating in various sectors, especially flexible packaging, we support Türkiye's sustainable development by earning significant foreign exchange through our export activities and creating employment opportunities.

### We add value to the future of our planet.

Our goal is Net Zero. In line with this, we regularly measure our environmental footprint and develop action plans to reduce our environmental impact, implementing them end-to-end across our entire value chain to contribute to our country's 2053 Net Zero Carbon Target.

### We add value to social life with sustainable solutions.

We work tirelessly to improve the social life and well-being of our people. In all our activities, we prioritize the benefit of society and facilitate social life with our sustainable packaging solutions. We shape all our activities with the awareness that the most important value is "human."







# Our Sustainability Strategy and Organization



## Our Sustainability Mission, Vision, and Commitments

To support our company's vision, we declare our sustainability mission, vision, and commitments that will guide our strategy and roadmap in our sustainability efforts.

### Our Sustainability Mission:

"Sustainability is at the heart of our business. We work to make the future of our planet 'Baki' (everlasting)."

### Our Sustainability Vision:

"Our goal is 2053. We are making steady progress to contribute to our country's Net Zero Carbon Target."

Our sustainability commitments, which support our Sustainability Roadmap and Goals created under the name "**Bakioğlu Holding's Journey to the Future,**" directly reflect our responsibility toward the environment and society.



# Our Sustainability Strategy and Organization

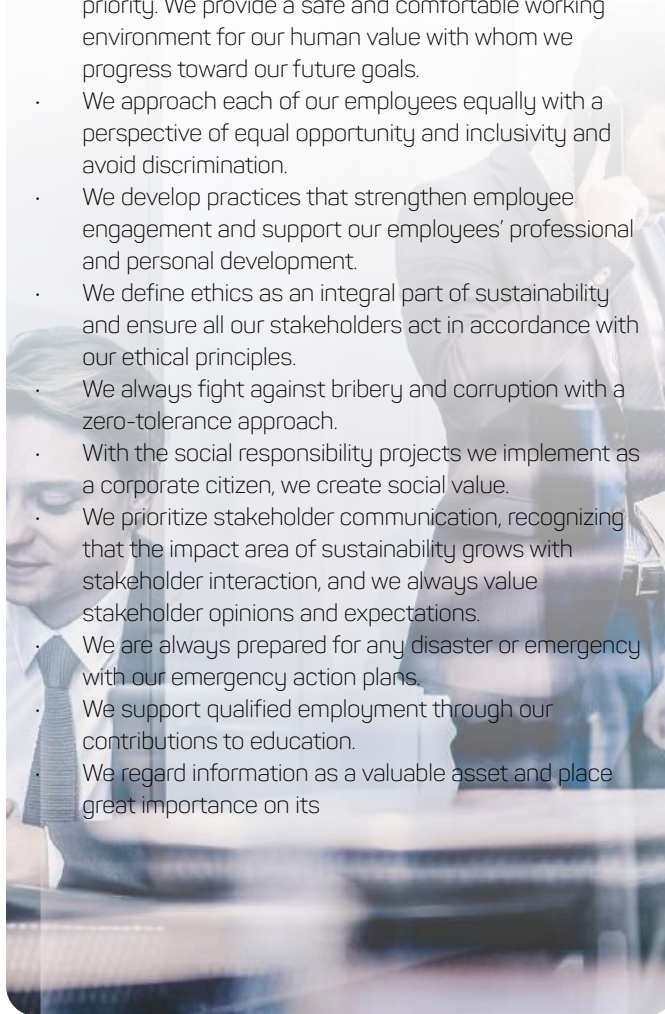
## Our Environmental Commitments:

- We work to control and reduce our emissions through sustainable carbon management.
- We prioritize producing our packaging products using recyclable materials and strive to increase recycling rates wherever possible.
- We develop innovative practices to reduce the amount of waste generated from our production processes and adopt best practices in waste management.
- We take care to use water efficiently and reduce our water consumption.
- We continuously improve to minimize our energy consumption and increase energy efficiency, optimizing our energy use.
- We prefer renewable, recyclable, and biodegradable options in production and always promote sustainability in manufacturing.
- We contribute to the future of our planet by developing sustainable packaging solutions.



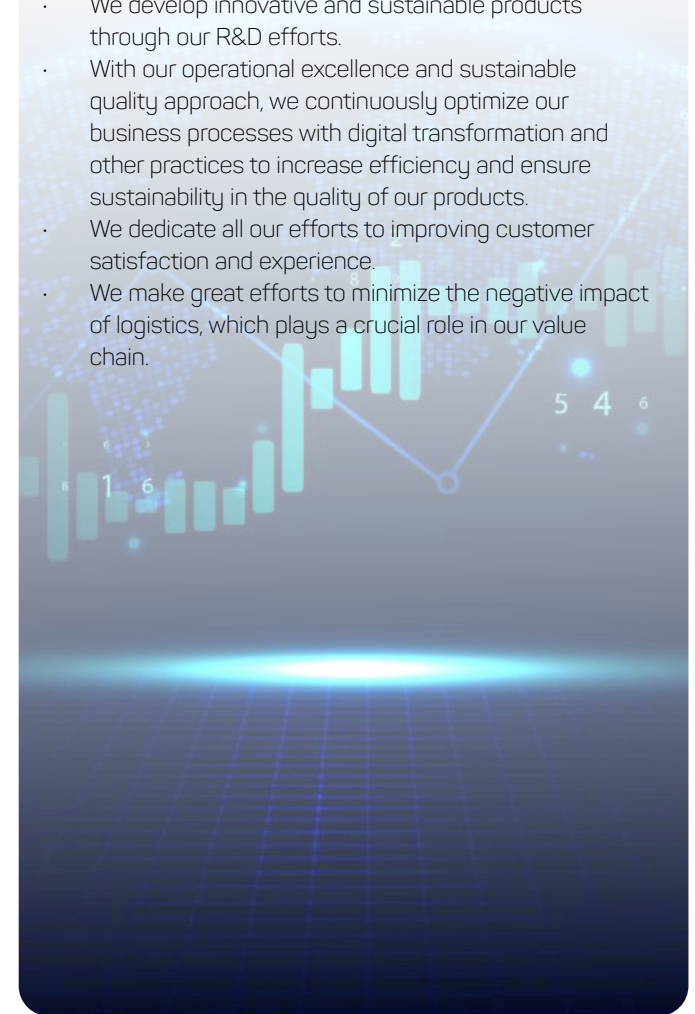
## Our Social Commitments:

- We stand out as a preferred employer in our industry, viewing our human resources as our “human value.”
- The health and safety of our employees is our top priority. We provide a safe and comfortable working environment for our human value with whom we progress toward our future goals.
- We approach each of our employees equally with a perspective of equal opportunity and inclusivity and avoid discrimination.
- We develop practices that strengthen employee engagement and support our employees’ professional and personal development.
- We define ethics as an integral part of sustainability and ensure all our stakeholders act in accordance with our ethical principles.
- We always fight against bribery and corruption with a zero-tolerance approach.
- With the social responsibility projects we implement as a corporate citizen, we create social value.
- We prioritize stakeholder communication, recognizing that the impact area of sustainability grows with stakeholder interaction, and we always value stakeholder opinions and expectations.
- We are always prepared for any disaster or emergency with our emergency action plans.
- We support qualified employment through our contributions to education.
- We regard information as a valuable asset and place great importance on its



## Our Economic Commitments:

- We proudly represent our country on the global stage in our industry, making significant contributions to our national economy through our export activities.
- We develop innovative and sustainable products through our R&D efforts.
- With our operational excellence and sustainable quality approach, we continuously optimize our business processes with digital transformation and other practices to increase efficiency and ensure sustainability in the quality of our products.
- We dedicate all our efforts to improving customer satisfaction and experience.
- We make great efforts to minimize the negative impact of logistics, which plays a crucial role in our value chain.



# Our Sustainability Strategy and Organization

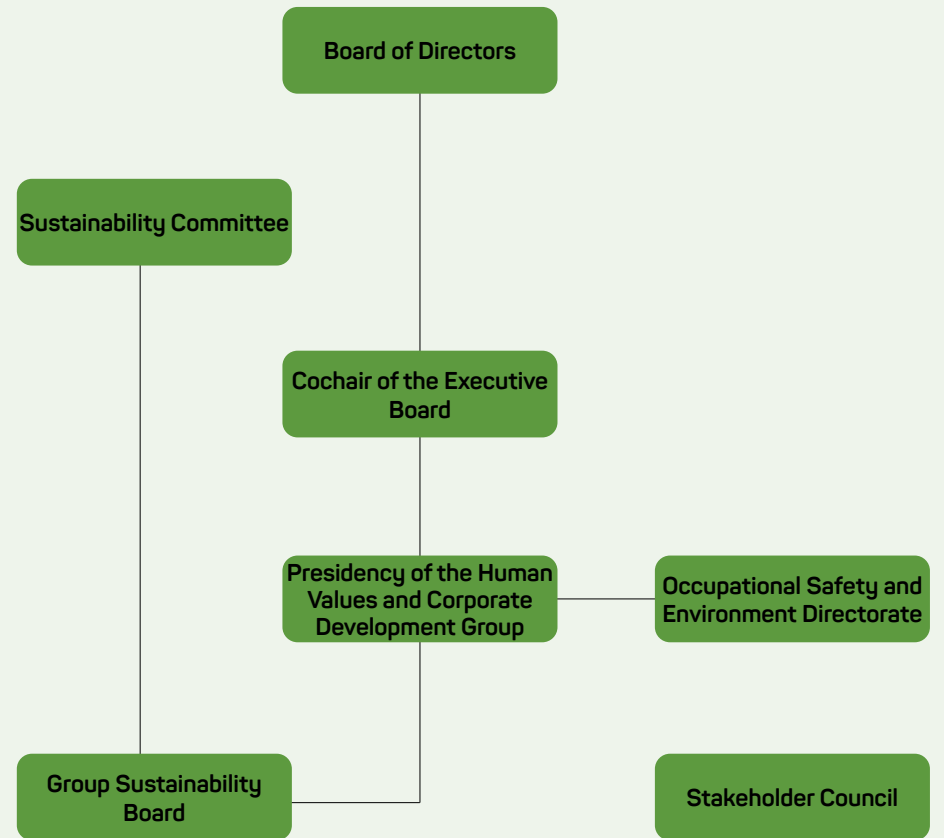


## Our Understanding of Sustainability

At Bakioğlu Holding and our Group Companies, we adopt a sustainability management understanding rooted in the principle of valuing people, the environment, our business, and society. Guided by our mission, vision, and corporate values, we implement our sustainability strategy through a participatory organizational structure established within Bakioğlu Holding and its Group Companies.

We have undertaken efforts to establish a sustainability management organization to strengthen sustainability management based on the principles of stakeholder engagement, transparency, and accountability. In these efforts, we focused on how authority and responsibilities in sustainability management would be distributed from the Board of Directors down to the business units. Within this framework, we adopt the understanding that the highest decision-making authority on sustainability issues across the Group rests with the Bakioğlu Holding Board of Directors. While determining the main strategic directions of Bakioğlu Holding and its Group Companies, we evaluate company priorities and established corporate policies by considering sustainability risks and opportunities.

## Sustainability Management Organization





# Our Sustainability Strategy and Organization

## Sustainability Management Organization

Our Group Sustainability Board is the strategic decision-making body for sustainability efforts conducted within the Group Companies.

### Indicator of Sustainability Integration Processes: Our Sustainability Structure

We organized our Sustainability Committee under Bakioğlu Holding as a subcommittee to ensure the efficient execution of efforts overseen by our Board of Directors. The Sustainability Committee consists of 4 members, including the Co-Chairs of the Executive Board of Bakioğlu Holding, the Human Values and Corporate Development Group President, and the Audit Director.

Our Sustainability Committee plays a leading role in integrating sustainability awareness into our corporate culture, creating social value, proactively managing risks arising from our activities to minimize environmental impacts, and increasing our contribution to the circular economy. In this regard, it is responsible for monitoring and deciding on actions to improve the sustainability performance of Bakioğlu Holding and its Group Companies.

The Committee ensures alignment between sustainability priorities, company strategy, and business objectives, tracks progress toward sustainability goals, defines and monitors the sustainability responsibilities of our top management, and evaluates sustainability policies, strategies, and work programs. The findings are presented to our Board of Directors quarterly and to our General Assembly in an annual report.

### Group Sustainability Board

Our Group Sustainability Board is the strategic decision-making body for sustainability efforts conducted within the Group Companies. It is responsible to our Board of Directors, Sustainability Committee, and Co-chairs of the Executive Board for determining and implementing company strategies addressing identified sustainability priorities in social, economic, environmental, and governance areas. The Board is tasked with carrying out the fieldwork of Bakioğlu Group's sustainability management organization.

## Sustainability Working Groups Operating Under the Sustainability Board

Climate and Environment Working Group			
Human Values Working Group			
Occupational Health and Safety Working Group			
Business Continuity Working Group			
Circular Economy Working Group			
Value Chain Working Group			
Business Ethics Working Group			



# Our Sustainability Strategy and Organization

We manage sustainability with an approach that encompasses all stakeholders in the value chain, not limited to Bakioğlu Holding and its Group Companies.

In this context, it is the responsibility of our working groups to transform identified strategies into goals and action plans, monitor the resulting performance, and lay the groundwork for best practices to be implemented in the Group Companies.

In our sustainability governance organization, a Stakeholder Council is planned to be established. This council will provide external stakeholders with the opportunity to directly participate in decision-making processes by presenting their expectations, opinions, and suggestions

regarding Bakioğlu Holding and its Group Companies' sustainability practices in social, economic, environmental, and governance areas. The Council, functioning as a voluntary advisory body, is expected to consist of at least three members representing suppliers, non-governmental organizations, customers, industry representatives, and other external stakeholder groups. The Stakeholder Council will be expected to present its opinions and suggestions on strategic directions, practices, and potential areas for improvement within the Group's sustainability priorities.

The main principles to be followed in the sustainability management processes of Bakioğlu Holding and Group Companies are defined under the Bakioğlu Group Sustainability Management Policy and have been shared with stakeholders. This policy is binding for the managers and employees of Bakioğlu Holding and its Group Companies. The Presidency of Human Values and Corporate Development Group is responsible for monitoring the implementation of the policy. The findings are reported to the Sustainability Board and the Sustainability Committee of the Board of Directors. The Bakioğlu Group Climate and Environment Policy complements the Sustainability Management Policy.



## Sustainability Management in the Value Chain

We manage sustainability with an approach that encompasses all stakeholders in the value chain, not limited to Bakioğlu Holding and its Group Companies. To take this a step further, we have established the Sustainability Working Group in the Value Chain to enhance the application and performance monitoring of supplier working conditions, supplier audits, supplier development, and sustainability within the value chain. This Group enables us to assess the social, environmental, governance, and economic risks and opportunities of products and services and consider this information when determining business strategies.

The Bakioğlu Group Sustainability Management Policy is also binding for the suppliers and business partners that constitute the value chain of the Group Companies. Therefore, we expect our companies to implement practices to disseminate the principles in the sustainability policy throughout their value chains.

# Management of Sustainability Risks, Trends and Opportunities

SDGs We Contribute to



Aware of the fact that changing economic and social conditions, climate change, and evolving regulations drive the dynamics in our sector, we diligently evaluate these factors and aim to manage risks proactively, transforming them into sustainability opportunities.

At Bakioğlu Holding, we are committed to operating with a long-term perspective, taking into account not only economic risks but also sustainability risks that encompass the environment and society. In this regard, we are keenly aware of the impact of changing economic and social conditions, climate change, and evolving regulations on the dynamics of our sector. We meticulously evaluate these factors, manage risks proactively, and aim to turn these risks into sustainability opportunities.

Sustainability risks are monitored by our Sustainability Committee and Sustainability Board. These committees closely follow global and national sustainability trends and analyze their impacts on our sector and company in detail.

We have aligned our risk management approach with global sustainability standards and frameworks. In this context, by effectively managing sustainability risks, trends, and opportunities, we aim to play a leading role in the industry and contribute to building a more livable world for future generations.





# Management of Sustainability Risks, Trends and Opportunities

## Sustainability Risks and Trends Table

CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DO WE MANAGE THIS RISK?
Environmental	Climate Change and Weather Events	Climate change-induced extreme weather conditions can damage business infrastructure and lead to operational disruptions.	As Bakioğlu Holding, we prepare crisis management plans and effectively combat climate change risks across a wide range of activities, from our production processes to all stages of the value chain. Additionally, we regularly conduct Disaster and Emergency Training and drills at our facilities to address natural events expected due to the climate crisis. Furthermore, we perform regular inspections of our facilities in accordance with our OHS policies.
	Maritime Transportation and Port Operations Risks	Maritime transportation and port operations can involve environmental risks such as marine accidents, oil spills, and increased ship traffic.	At Bakioğlu Holding and across all our Group Companies, we conduct comprehensive efforts to reduce our logistics impacts. In this context, we expand our practices in these areas by using transportation modes more efficiently, managing planning processes effectively, creating alternative transportation plans to address environmental risks, and optimizing and continuously improving our logistics processes.
	Environmental Pollution and Chemical Risks	Industrial waste, chemical spills, and environmental contamination can negatively impact water, air, and soil quality, causing significant harm to both ecosystems and human health.	We strive to minimize waste generation and reduce waste-producing factors in all processes. We effectively manage industrial waste generated at our facilities in accordance with our Industrial Waste Management Plans. We store the waste in compliance with Environmental Legislation and send it to licensed companies authorized by the Ministry of Environment, Urbanisation, and Climate Change. By establishing infrastructure for Zero Waste in all our facilities, we have implemented practices that have earned us Basic Level Zero Waste Certificates from the Ministry of Environment, Urbanisation, and Climate Change. To ensure the visibility and measurability of processes, we have completed a project to measure and report KPIs through analytical applications and to issue investment approvals digitally.
	Depletion of Water Resources	The depletion of water resources poses a significant physical risk, especially for water-intensive industries. Water scarcity can disrupt production processes and negatively impact water-dependent businesses.	We take actions to reduce water usage and discharge wastewater generated in production in compliance with legal requirements and in the most efficient manner. We strive to prevent plastic granules (microplastics) used in plastic industry production processes, harmful particles, and dust from entering rivers, seas, and oceans. By continuously monitoring and checking the improvements made in previous years regarding water consumption, we regularly conduct inspections to prevent water leaks.  We treat wastewater resulting from metal plating activities during the production process at our advanced wastewater treatment facility and discharge it into the organized industrial zone sewer system. Through this practice, we aim to reduce the pollution load of wastewater and support our commitment to providing cleaner water resources for future generations.
	Natural Disasters	Earthquakes, tsunamis, and volcanic eruptions can cause significant physical damage to an organization's facilities, infrastructure, and operations. Such disasters can halt production processes, jeopardize employee safety, and lead to long-term economic losses.	Being prepared for various natural disasters and emergencies, especially earthquakes, is a crucial aspect of our business continuity practices. Therefore, we establish and maintain up-to-date emergency plans and procedures across all our Group Companies.  Through awareness-raising webinars, we regularly organize informational meetings to ensure our employees are informed and supported, particularly in unexpected situations.



## Management of Sustainability Risks, Trends and Opportunities

CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DO WE MANAGE THIS RISK?
Environmental	Fire Risks	Forest fires, industrial facility fires, and other fire incidents can lead to the loss of physical assets, ecosystem destruction, and air pollution. Such fires can severely threaten the natural environment and human health.	<p>We regularly update the knowledge and equipment of our emergency response teams and provide them with regular training. In addition, we provide practical fire extinguishing training to all our employees through specialized organizations.</p> <p>In 2024, we aim to complete Basic Fire and Technical Occupational Safety Training specific to our Group Companies and make these resources available to our employees on an online platform.</p>
	Natural Resource Scarcity	The depletion or complete exhaustion of certain raw materials can disrupt production processes and create significant issues in material supply.	At Bakioğlu Group Companies, we conduct research and investment activities to produce recyclable packaging alternatives from bio-based materials, and lower weight and lower volume packaging. We take measures against the potential risk of raw material scarcity by selecting raw materials for production that are recyclable and have a lower environmental burden. Accordingly, by adopting the circularity approach across all our Group Companies, we evaluate opportunities to use raw materials and materials that are recycled, recovered, bio-based, and have lower emission values compared to their counterparts in production.
	Carbon Footprint and Carbon Market Risks	Regulations on carbon emissions, carbon trading, and carbon pricing can affect organizations' carbon footprint management and financial standing.	<p>In emission management, we reduce direct usage values by increasing resource use efficiency in our production systems. Additionally, we adopt the approach of reducing every emission source in our value chain. By ensuring energy efficiency and investing in renewable energy, we achieve significant reductions in emission values and take preventive measures against financial penalties.</p> <p>In all our Packaging Group Companies, we have been voluntarily conducting Corporate Carbon Footprint Calculation studies within the scope of ISO 14064-1:2018 since 2021, with the awareness of our responsibility in combating climate change. Our emission calculations are verified by independent organizations.</p> <p>Within our Holding, we set regular carbon emission reduction targets and improve our performance in line with global frameworks such as Carbon Disclosure Project (CDP). We act with an awareness of environmental and shared future responsibilities against future financial risks and work to reduce logistics emission impacts originating from the supply chain.</p>
	Energy Outages	Dependence on energy sources can pose significant physical risks to business continuity and operational reliability in the event of energy outages.	We take measures to prevent energy losses and leaks and create emergency plans to address energy outages.
	Energy Efficiency and Sustainable Energy	Insufficient energy efficiency and challenges in transitioning to sustainable energy sources can increase energy dependency and carbon footprint.	<p>At Bakioğlu Holding, we maintain our energy efficiency by minimizing our dependence on unsustainable energy sources. We meet our electricity needs from renewable energy sources through our Group Companies and invest in solar energy projects.</p> <p>In 2023, we produced 1,285,717 GJ of electricity from solar energy at Bareks Polietilen, resulting in a reduction of 2,226,342 tons of CO<sub>2</sub> emissions.</p> <p>For the financing of the solar energy project on the roof of the new BOPP film production facility of Polibak Plastik, we utilized a EUR 1.4 million green loan syndication with a 4-year term.</p>





## Management of Sustainability Risks, Trends and Opportunities

CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DO WE MANAGE THIS RISK?
Social	Social and Community Risks	In the context of sustainability, factors such as community and employee expectations, social media interactions, and public pressure can influence organizations.	We prioritize building trust-based, transparent, and collaborative relationships with our stakeholders. We gather stakeholders' opinions, expectations, suggestions, and complaints through various communication channels and incorporate them into our decision-making processes. Our Sustainability Committee evaluates feedback from internal and external stakeholders and considers this feedback in our organizational processes.
	Industrial Accidents	Chemical spills, explosions, and other industrial accidents can lead to environmental pollution, harm to human health, and property loss.	In our Group Companies, we conduct emergency drills for both day and night shifts to maintain preparedness for emergencies. We design drill scenarios based on emergency plans for situations such as fires, explosions, and chemical spills. The experiences and findings from these drills are documented in drill reports, and we follow up on the actions taken.
Economic	Local and Global Market Fluctuations	Price fluctuations can affect supply chain costs and challenge businesses dependent on specific markets.	Through our Packaging Group Companies, we ensure the quality of products and services to meet Türkiye's flexible packaging needs with local capital and resources. Additionally, we support our country's economy through export activities, especially to the European Union and other international markets.  Local procurement activities are considered a vital component for supply continuity in our company. This approach helps us minimize risks arising from the supply source and supports the local economy. In 2023, 92.77% of our Group Companies' suppliers, based on the number of suppliers, were local suppliers.
	Weaknesses in Supplier Relationships	Financial issues, management changes, or ethical problems on the supplier side can negatively impact the supply of goods or services.	At Bakioğlu Holding and our Group Companies, we require our suppliers to be sensitive to environmental impact control practices as well as social issues such as occupational safety, confidentiality, and business ethics. We monitor these processes through contract and supplier survey applications. We expect all our suppliers to be attentive to these matters and conduct training activities to raise supplier awareness.  We establish a supplier evaluation score based on the surveys completed by suppliers and the shared documents (ISO certificates, licenses, legal compliances, procedures, etc.). We reassess this score throughout the year, taking into account any non-compliance issues (information security breaches, occupational safety violations, incorrect/late deliveries, quality-related customer returns, etc.).
	Technological Issues and Data Security	Problems in IT systems, cyber-attacks, or data security breaches can pose threats to the security and efficiency of the supply chain.	We emphasize that the primary purpose of our technological cyber infrastructure is to ensure the information security of our employees and Group Companies. Alongside creating a reliable image for all stakeholders, we consistently protect information security with our established Information Security Policy.  In 2023, we took steps to enhance security and reliability by replacing active devices in the network infrastructure with those that have smart management, high-security levels, and low energy consumption, and continuing IoT firewall initiatives. Additionally, we renewed our ISO 27001 Certification to meet the requirements of the Information Security Management System.



## Management of Sustainability Risks, Trends and Opportunities

CATEGORY	TRANSITION RISKS	DEFINITION	HOW DO WE MANAGE THIS RISK?
Environmental	Sustainability Reporting Risks	The incorrect reporting of sustainability performance, lack of transparency, and provision of inaccurate information can compromise the organization's credibility and transparency, leading to legal issues.	<p>Since 2021, Bakioğlu Holding has been publishing annual sustainability reports. Our 2023 Sustainability Report, the third in our series, has been prepared in accordance with GRI Standards.</p> <p>To ensure accurate and transparent reporting of our sustainability performance, our company is a member of various international initiatives. Bak Ambalaj and Polibak have been reporting to CDP since 2010. We disclose our greenhouse gas emissions and climate change strategies to the public through these reports.</p>
	Changes in Sustainability Reporting Standards	Changes or updates to international sustainability reporting standards can make it challenging for organizations to comply with these standards.	<p>To ensure the accurate and transparent reporting of our sustainability performance, we collaborate with independent audit and rating agencies. This ensures that our reports comply with international standards and maintain their reliability.</p> <p>Additionally, we work with international authorized organizations and institutions to support and keep our sustainability efforts and reporting up to date.</p>
	Risk of Carbon Emission Measurement Limitations	Carbon emission measurement requirements may lead countries and regions to set specific carbon limits and reduction targets for certain industries, companies, or sectors. This can create financial and legal risks for companies that fail to comply with these regulations.	<p>We continue our corporate carbon footprint calculation efforts in accordance with the ISO 14064-1:2018 standard. These efforts include the verification of emission calculations by independent organizations.</p> <p>In our Group Companies, we measure and record greenhouse gas emissions at least annually in accordance with international standards such as the GHG Protocol. This approach helps in reducing emission intensity and ensuring compliance with legal regulations.</p> <p>Additionally, we minimize our carbon emissions by increasing energy efficiency and investing in renewable energy sources. For instance, at Bareks Polietilen in 2023, we produced 1,285,717 GJ of electricity using solar energy, significantly reducing CO<sub>2</sub> emissions.</p>
Social	Brand and Image Challenges	Failure to meet sustainability commitments or engaging in greenwashing practices can lead to brand and reputation loss.	<p>At Bakioğlu Holding, our primary goal is to fulfill our sustainability commitments and maintain transparent communication. Accordingly, we regularly report our sustainability performance and conduct rigorous audits to ensure the accuracy of these reports.</p> <p>We implement strict policies on business ethics, legal compliance, and transparency. Through audit and internal control processes, we ensure that our sustainability commitments are met and avoid greenwashing practices.</p> <p>Across all our Group Companies, we continuously engage in communication and training activities aimed at increasing awareness and understanding of sustainability among both internal and external stakeholders. This ensures that our sustainability performance is improved and accurately understood.</p>



## Management of Sustainability Risks, Trends and Opportunities

CATEGORY	TRANSITION RISKS	DEFINITION	HOW DO WE MANAGE THIS RISK?
Social	Low Employee Engagement and Talent Loss	Lack of sustainability commitments and practices can lead to employee dissatisfaction and turnover, as well as difficulties in attracting new talent sensitive to sustainability issues.	<p>We openly communicate our sustainability commitments and practices to all employees and ensure their participation. By creating a transparent, inclusive, and fair communication environment, we actively involve our employees in sustainability efforts. During this process, we identify sustainability priorities and goals together with our employees and make them mandatory for all our Group Companies.</p> <p>To ensure the effective implementation and continuous improvement of sustainability initiatives, we regularly conduct performance evaluations. We assess our sustainability performance through global platforms like EcoVadis and share the results with our employees. This allows our employees to see how successfully we are achieving our sustainability goals, thereby enhancing their motivation.</p>
	Deficiency of Human Resources and Talent	Finding personnel with expertise and skills in sustainability and having sufficient human resources to implement sustainability strategies can be challenging.	<p>We collaborate with universities to organize internship programs and career events to discover new talents. These programs help attract talented young individuals in the field of sustainability to our company. These collaborations, aimed at introducing young talents to the business world and providing them with experience, develop the expertise that will contribute to our company's sustainability strategies.</p> <p>As part of the Employer Brand Project, we created an Employee Value Proposition with the slogan "Seninle Baki" (Everlasting with You). This project aims to increase employee loyalty to our company and encourage their contribution to our sustainability goals. This value proposition, developed through employee feedback and focus group studies, supports our talent management strategies.</p>
	Training and Adaptation Challenges for Employees	Employees may face difficulties in training sessions or implementation when adapting quickly to changes related to sustainability.	<p>At Bakioğlu Holding, we support the development and careers of our employees through various training and development programs under the umbrella of Bak Academy. Through this academy, we promote inclusivity and diversity by supporting different working groups and making our training programs sustainable through digitalization.</p> <p>To raise awareness among employees on sustainability issues, we regularly organize webinars that enhance their knowledge.</p> <p>We also provide educational content that supports the professional and personal development of employees through video learning platforms like COBIDU. These platforms allow employees to receive training without time and location constraints.</p>
	Changing Consumer Preferences	Sudden shifts in consumer demand for sustainable products and services can pose adaptation challenges for organizations.	<p>We swiftly respond to consumer demands by developing sustainable packaging solutions. For instance, we developed 100% recyclable film structures at Polibak's CPP Line, making a significant investment in the circular economy within the flexible packaging sector.</p> <p>We have increased production and sales tonnages in our bio-based product projects at Bareks Plastik and Bareks Polietilen. Additionally, we have produced films containing Post-Consumer Recycled (PCR) materials, earning the RecyClass Certificate and continuing to offer sustainable packaging solutions.</p> <p>Furthermore, in collaboration with ExxonMobil, Bareks has developed sustainable packaging products using polyethylene raw materials produced through chemical recycling.</p>



## Management of Sustainability Risks, Trends and Opportunities

CATEGORY	TRANSITION RISKS	DEFINITION	HOW DO WE MANAGE THIS RISK?
Economic	Operational Challenges	Integrating new sustainable practices and adapting them to operations may require altering the organization's existing business processes and infrastructure.	<p>At Bakioğlu Holding, we implement Total Productive Maintenance (TPM) strategies at all levels to enhance our operational processes. This strategy is adopted to increase productivity, ensure quality, and maximize efficiency in operational processes. We manage our operational processes with the principle of continuous improvement and agile approaches to create business development projects.</p> <p>We place our digitization strategy at the core of our sustainability efforts, developing automation systems and digital solutions that minimize the environmental impact of production processes. In line with our digital transformation roadmap, we have implemented projects such as the SAP TM (Transportation Management) Module and SAP Advanced Cash Management. By updating old software technologies, we have ensured sustainability in digital solutions.</p> <p>Our Group Companies continually invest in sustainable resource consumption in operational processes. For 2024, our projects aim to improve ergonomics and safe working conditions and enhance machine and employee productivity. Additionally, we monitor and analyze parameters in quality and production processes, utilizing data-driven forecasting and optimization tools.</p>
	Efficiency and Business Continuity Risks	Changes in production processes and the adoption of sustainable practices can negatively impact business continuity and efficiency. Operational challenges encountered during the transition can affect profitability.	At Bakioğlu Holding, we ensure sustainability in our operational processes by increasing energy efficiency and investing in renewable energy sources. In 2023, we allocated resources to energy efficiency projects. Through these investments, we reduced energy consumption, increased operational efficiency, and contributed to business continuity.
	Digital Transformation Challenges	Integrating sustainable digital technologies can make digital transformation processes more complex for organizations.	<p>To systematically and strategically manage the digital transformation process, we have created a "Digital Transformation Roadmap." This roadmap guides the determination and implementation of our digital transformation strategies.</p> <p>We have updated applications developed with outdated software technologies to new software technologies to ensure sustainability in digital solutions.</p> <p>To enhance employee experience and foster a digital mindset, we implemented the Mobile Employee Portal and digital announcement boards. These applications promote sustainable digital thinking within our company and contribute to the adoption of our digital transformation vision.</p>
	Supply Chain Security	Disruptions at any stage of the supply chain can prevent the timely procurement of materials and services, adversely affecting the operations of a business.	We use a comprehensive supplier evaluation system to assess the performance of our suppliers and ensure we work with reliable partners. This system evaluates suppliers based on financial criteria, price performance, delivery and service performance, sustainability, ethical values, social responsibility, information security, quality, and environmental criteria. Supplier scores are created through evaluation surveys and documents, and these scores are recalculated throughout the year based on any non-compliance situations.



# Management of Sustainability Risks, Trends and Opportunities

CATEGORY	TRENDS	DEFINITION	HOW DO WE MANAGE THIS TREND?
Environmental	Green Energy and Carbon Footprint Reduction	Companies employ various strategies to increase the use of renewable energy and reduce their carbon footprint. By investing in green energy projects, they aim to promote sustainable energy use.	<p>Through the application of purchasing electricity from I-REC (International Renewable Energy Certificate) certified renewable energy producers, we met all our electricity needs from renewable sources in 2023.</p> <p>We are reducing our carbon footprint by investing in solar energy projects. In 2023, Bareks Polietilen produced a total of 1,285,717 GJ of electricity from solar energy, resulting in a reduction of 2,226,342 tons of CO<sub>2</sub> emissions.</p> <p>At Bakioğlu Holding, we utilize green loans for renewable energy projects and sustainability investments. For the Solar Power Plant Project on the roof of the newly established BOPP film production facility of Polibak, we secured a green loan of EUR 1.4 million.</p> <p>At Bakcycle, we secured a syndicated loan of EUR 10 million with a 4-year term for the financing of construction, Solar Power Plant, rainwater collection, optical separators, crushing-washing, extrusion, wastewater treatment, and mechanical and electrical infrastructure investments.</p> <p>We use the ISO 50001 Energy Management System to increase energy efficiency and effectively implement energy management. Additionally, we have completed LED lighting conversions and commissioned efficient VRV systems through energy efficiency projects.</p>
	Circular Economy and Waste Reduction	The principles of the circular economy, which aim for the efficient use of resources and waste reduction, are gaining increasing acceptance. Strategies focused on recycling, reuse, and waste reduction are becoming more widespread.	<p>We plan and implement waste management processes across our entire value chain. In 2023, a total of 12,051 tons of waste was generated, of which 99.99% was recovered. We apply separate recovery processes for hazardous and non-hazardous waste, managing them in compliance with environmental regulations.</p> <p>At Bak Ambalaj, we focus on producing recyclable and reusable packaging. Additionally, by using bio-based materials derived from waste vegetable oils and recycled plastics, we are reducing our environmental impact.</p> <p>At Bareks, we convert scrap and waste generated during production back into granule form for reuse in production. In 2023, we increased our recycling capacity and reduced the amount of sweepings through TPM activities. We also developed new product codes that include in-house recycled granule use and offered them to our customers.</p> <p>We annually renew the ISCC Plus Certification we obtained in 2021 at Bareks and produce products containing bio-based raw materials. Additionally, we produce products using "PCR (Post-Consumer Recycled)" materials, contributing to the circular economy.</p> <p>At Bak Gravür, we reduce paper waste and achieve cost savings by repeatedly using cardboard packaging in the production of plates.</p> <p>To enhance the performance of flexible packaging in the circular economy, we are making significant initiatives with Bak Ambalaj, Polibak, and Bareks as members of CEFLEX, a consortium of European companies and associations representing the entire value chain of flexible packaging.</p>



# Management of Sustainability Risks, Trends and Opportunities

CATEGORY	TRENDS	DEFINITION	HOW DO WE MANAGE THIS TREND?
Environmental	Protecting Biodiversity	Companies are increasingly adopting eco-friendly practices to protect biodiversity. Their sustainability strategies include projects such as habitat conservation, reforestation, and ecosystem restoration.	<p>Holding to Our Roots through Technology Project: Supported by the Ministry of Labor and Social Security and coordinated by the Izmir Commodity Exchange, this project is carried out in partnership with the Aegean Forest Foundation. It involves training young people and agricultural workers to lead digital transformation in agriculture, using the Aegean Forest Foundation's olive plantation area as a pilot site. The project aims to boost employment and contribute to the United Nations Sustainable Development Goals by facilitating the digital transformation of agriculture.</p> <p>Adapting Our Future to Climate Change Project: Supported by the Ministry of Environment, Urbanisation, and Climate Change, this project is conducted in collaboration with the Izmir Provincial Directorate of National Education, Istanbul University-Cerrahpasa, the Aegean Forest Foundation, and Poland-based OBEZ. The project targets children and youth, aiming to raise awareness and build resilience against climate change through educational programs and activities. As part of the project, an Ecology Education Center is being established, and educational programs are being developed using the biomimicry approach.</p>
	Carbon Footprint	Companies are evaluating their carbon impact with a broad perspective, considering not only the operational carbon footprint but also the carbon emissions from their supply chain and product usage.	<p>At Bakioğlu Holding, Bak Ambalaj, and Polibak, we have been preparing CDP reports for supply chain research since 2010. We also conduct corporate carbon footprint calculations in accordance with the ISO 14064-1:2018 Standard and ensure these calculations are verified by independent organizations.</p> <p>At Polibak, we reduce our carbon footprint by using plastic pallets instead of wooden ones, increasing the rate of reuse. In 2023, we prevented the cutting of 1,486 trees by using 40,168 plastic headers in our export operations, and we protected 12,000 trees by using 326,000 plastic headers in domestic shipments.</p>
	Plastic Alternatives and Packaging Innovations	The packaging industry is focusing on innovation to reduce the use of single-use plastics and develop environmentally friendly packaging options.	<p>Through our Bak Ambalaj R&amp;D Center, we are working on sustainable, recyclable, and waste-reducing flexible packaging designs. Our refillable packaging design has successfully passed burst strength tests and is designed to be suitable for multiple refills, allowing consumers to use the same packaging multiple times.</p> <p>At Polibak, we produce products using raw materials derived from waste vegetable oils and waste plastic packaging. These products are offered with ISCC Plus Certification, which helps reduce the use of fossil resources and decreases the amount of waste in nature.</p>



## Management of Sustainability Risks, Trends and Opportunities

CATEGORY	TRENDS	DEFINITION	HOW DO WE MANAGE THIS TREND?
Social	Forest Conservation and Reforestation	Corporate Social Responsibility projects focusing on forest conservation and reforestation contribute to combating climate change by increasing carbon storage capacity. These projects are also crucial for preserving biodiversity and preventing soil erosion.	<p>At Bakioğlu Holding, we regularly contribute to nature by donating saplings in collaboration with the Aegean Forest Foundation. In 2023, together with our Group Companies, we planted 10,013 saplings. Through these efforts, we offset a total of 4,115.34 tons of CO<sub>2</sub> equivalent greenhouse gas emissions. Over the past seven years, we have contributed more than 60,000 saplings to nature.</p> <p>As part of the "Own a Tree Planted" project, we collaborated with the Aegean Forest Foundation to organize sapling planting events with students and parents from the Ekin Su Special Education and Rehabilitation Center. This project aims to instill a love of nature and raise awareness about its importance among students.</p>
	Employee Health and Well-being	Companies are implementing programs and policies that support employees' physical and mental health, and are prioritizing work-life balance measures. Healthy work environments, ergonomic office arrangements, and mental health services are key components of this approach.	<p>At Bakioğlu Holding, we run the Wellness Program to improve the quality of life for our employees. Through this program, we organize events that focus on the health and well-being of our employees.</p> <p>As part of our Employer Brand Project, we created an Employee Value Proposition under the slogan "Seninle Baki" (Everlasting with You) to increase employee engagement levels. We used data from employee feedback and executive workshops to shape this proposition.</p> <p>To maintain work-life balance for our employees, we implement flexible and remote working models. The remote working practice, initiated during the 2020 pandemic, has been made permanent for one day a week. Additionally, we shortened the working hours by 30 minutes to help employees reach their homes earlier.</p>
	Education and Awareness Raising	Educational programs and campaigns are becoming crucial to increasing awareness about sustainability. Companies are intensifying their efforts to educate both employees and consumers on sustainability issues.	<p>We focus on digitizing and expanding technical and mandatory training. We prepare online Occupational Health and Safety (OHS) refresher courses using Greenbox technology and various teaching methods. Basic health-related training is made available to our employees through Bakioğlu Online Training Management Systems, ensuring accessibility for all staff.</p> <p>We established the Lifelong Learning, Vocational Training and Development Association (HBODER) to promote vocational development and raise awareness in line with the Sustainable Development Goals. Through this association, we aim to enhance public awareness by conducting national and international projects in areas such as environment, agriculture, forestry, energy, information-communication technologies, and flexible packaging.</p>



# Management of Sustainability Risks, Trends and Opportunities

CATEGORY	TRENDS	DEFINITION	HOW DO WE MANAGE THIS TREND?
Economic	Impact Investments	Companies and investors focus on projects with social and environmental impacts, aiming for both financial gains and societal and environmental benefits.	<p>We make various investments to enhance energy efficiency and minimize environmental impacts by using sustainable technologies.</p> <p>For the new BOPP film production facility of Polibak Plastik, we secured a EUR 14 million green loan with a 4-year term for the solar power plant project on its roof. Additionally, we obtained EUR 5 million in funding with a 3-year term from the World Bank through the Development and Investment Bank of Türkiye.</p> <p>We aim to continuously improve our performance by integrating digital investments with operational excellence activities. Through Kaizen projects, we work on preventing labor, energy, and material losses, significantly contributing to our company's sustainability goals.</p>
	Global Collaboration and Stakeholder Engagement	Solutions to global issues require global collaboration and stakeholder engagement within the context of sustainability. Increasing cooperation among businesses, governments, civil society, and academia is key to this trend.	<p>We contribute to the "Partnership for Twin Transition to a Green Future" project, led by Karşıyaka Municipality and partnered with the Aegean Forest Foundation, Gdynia Municipality from Poland, and Katip Çelebi University, under the City Twinning-II (Twinning for a Green Future) Grant Program between Türkiye and the EU. This project aims to strengthen climate and environment-focused cooperation between cities in Türkiye and Poland, enhance local governance capacities, and build resilience against the climate crisis.</p> <p>The Sustainable Packaging Coalition (SPC) is a US-based organization that collaborates with businesses, public institutions, and educational institutions within the packaging industry. With our companies Bak Ambalaj and Polibak, we serve as stakeholders in SPC, contributing to sustainable packaging solutions.</p> <p>Through Bak Ambalaj, Polibak, and Bareks, we share information with our customers via Sedex (Supplier Ethical Data Exchange). Sedex is one of the world's leading ethical trade membership organizations, working with businesses to improve working conditions in global supply chains. This membership helps companies operate responsibly and sustainably.</p> <p>We assess our sustainability performance through the global platform EcoVadis. Polibak is registered with EcoVadis and has been awarded the Bronze Medal. EcoVadis is a platform that enables a comprehensive evaluation of companies' sustainability, covering a wide range of criteria, including environment, labor and human rights, ethics, and sustainable procurement.</p>





# Management of Sustainability Risks, Trends and Opportunities

## Sustainability Opportunities Assessment Table

CATEGORY	SUBJECT	DESCRIPTION	OPPORTUNITIES	HOW DO WE MANAGE THIS OPPORTUNITY?
Environmental	Renewable Energy Usage	Meeting energy needs through renewable energy sources such as solar, wind, and hydroelectric power to both reduce the environmental footprint and create a sustainable energy infrastructure	Lower carbon footprint, cost savings in energy, environmental sustainability reputation	<p>We have installed solar energy systems and purchase electricity from I-REC certified renewable energy producers to ensure sustainable energy consumption.</p> <p>In 2023, we met a significant portion of our energy needs from renewable sources through the rooftop solar energy system established at Bareks Polietilen.</p> <p>By sourcing all electricity for our Packaging Group Companies from renewable sources, we have achieved a 100% I-REC utilization rate.</p>
	Water Efficiency and Management	Responsible use of water at the source, strategies to monitor and reduce water consumption	Protecting water resources, significant long-term savings on water bills and operational costs, and compliance with regulations	<p>Since 2017 at Bakioğlu Holding, we have continued to reduce our water usage intensity in line with our set targets, reaching a water intensity value of 1.85 m<sup>3</sup>/ton by 2023.</p> <p>In 2023, our Group Companies utilized a total of 401,546.00 m<sup>3</sup> of network water and discharged 361,310.10 m<sup>3</sup> of wastewater as a result of their operations. Thus, we ensure that wastewater is discharged in the most efficient way and in compliance with legal requirements.</p>
	Carbon-Free Transportation Solutions	Transportation methods that minimize carbon emissions by reducing the use of fossil fuels	Reducing carbon emissions, enhancing energy efficiency and safety, promoting sustainable transportation	<p>To minimize road transport, we utilize Ro-Ro shipping for cargo loading, followed by rail connections. This reduces the use of trucks and lorries, thus minimizing our carbon emissions.</p> <p>In our logistics processes, we take steps to reduce environmental impacts by using intermodal transportation. This strategy involves combining different transportation modes, reducing costs, and lowering carbon emissions.</p> <p>In 2023, we reduced the number of employee shuttle vehicles to prevent an increase in vehicle-related carbon emissions. The number of daily shuttle vehicles decreased from an average of 118 in 2022 to 58 in 2023, significantly reducing vehicle-related emissions.</p>



## Management of Sustainability Risks, Trends and Opportunities

CATEGORY	SUBJECT	DESCRIPTION	OPPORTUNITIES	HOW DO WE MANAGE THIS OPPORTUNITY?
Environmental	Designing Recyclable Packaging	Design and use of environmentally friendly, recyclable, and waste-reducing packaging materials	Biodegradable packaging, packaging made from recycled materials, packaging waste reduction strategies, regulatory compliance, and enhanced brand reputation	<p>At Polibak, we have launched a CPP line that produces 100% recyclable film structures. This line operates with an annual capacity of 18,000 tons, significantly contributing to the circular economy in the flexible packaging sector.</p> <p>At Bak Ambalaj, we have been producing recyclable, reusable, and waste-reducing packaging that supports the circular economy since 2018. We ensure recyclability by using tools from renowned European sources such as KIDV, RecyClass, and CEFLEX's Recyda.</p> <p>Our project at Bak Ambalaj, the Reborn® Recyclable Mono-PE Stand-Up Pouch, developed to enhance environmental sustainability, has been recognized and awarded by the industry.</p> <p>At Bareks, we continue to work on bio-based product projects and produce films containing Post Consumer Recycle Material (PCR). These efforts are certified with the RecyClass certificate. Additionally, we develop sustainable packaging products using polyethylene raw material produced through chemical recycling.</p> <p>At Bak Gravür, we have reduced paper waste and achieved cost savings by using reusable cardboard packaging in plate production. With the support of Bak Ambalaj's Bak 2 Facility, our Health, Safety, and Environment (HSE) Kaizen initiative ensures the repeated use of cardboard packaging.</p>
Social	Social Innovation and Community Impact	Efforts to create social responsibility projects and community impact	Enhancing brand strength, connecting with communities, increasing customer loyalty and responsibility awareness	<p>We actively support projects of the Aegean Forest Foundation and the Lifelong Learning, Vocational Training and Development Association, focusing on environmental and educational areas.</p> <p>Following the devastating Kahramanmaraş earthquake on February 6, we initiated joint efforts with the METU Aegean Alumni Association and the İzmir Branch of the Ankara University Faculty of Political Sciences Alumni Association (Mülkiyeliler Birliği) to address the needs of university students affected by the disaster.</p> <p>We also offer summer and winter internship programs for university students, providing professional development opportunities for young talents.</p>



# Management of Sustainability Risks, Trends and Opportunities

CATEGORY	SUBJECT	DESCRIPTION	OPPORTUNITIES	HOW DO WE MANAGE THIS OPPORTUNITY?
Social	Social Equality and Community Involvement	Projects and policies focusing on diversity and equality, enhancing inclusivity in the workplace and community to ensure fair representation for every individual	Enhancing employee engagement and motivation, fostering a positive corporate image	<p>We offer a variety of training programs to foster the personal and professional growth of our employees. Through Bak Academy, we provide continuous development and career support. Our training programs are digitized, ensuring they are always accessible to employees.</p> <p>To create a positive workplace atmosphere, we host a range of social and cultural events, such as family festivals, motivational and networking meals, sports activities, and hobbies.</p> <p>In our social responsibility initiatives, we organize community projects that allow employees to participate voluntarily.</p> <p>We are committed to inclusive policies by implementing programs that increase the proportion of women engineers, hire individuals with disabilities, and support the professional development of young talents.</p>
	Flexible Working Opportunities for Employees	Offering flexible working hours and remote working policies to maintain work-life balance for employees	Increasing employee job satisfaction and productivity, attracting and retaining top talent	To boost employee engagement, we provide flexible working hours. Our remote work practice, initiated during the 2020 pandemic, is now a permanent option, allowing employees to work from home one day a week. Additionally, we have continued the initiative of reducing the working hours by 30 minutes, ensuring that office employees can get home earlier.
	Education Programs on Climate Change	Educational programs that raise awareness about climate change among employees and communities	Adopting strategies to combat climate change, strengthening community awareness	We place great importance on ensuring that every employee is aware of climate and environmental protection and embraces this responsibility. To enhance this awareness, we organize various climate and environmental management training programs under the Bak Academy umbrella. In 2023, we conducted a total of 3,506 person*hours of training focused on environmental awareness, ADR, disaster awareness, and climate change management. Through these programs, we aim to increase employees' awareness of climate change and empower them to take an active role in addressing it.
	Digital Transformation in Education	Supporting educational processes with digital technologies and using digital learning tools	Accessible educational opportunities, continuous professional development support, and environmental sensitivity	We have implemented the Mobile Employee Portal and digital bulletin board applications.
Economic	Benefiting from Green Taxes and Incentives	Applying for tax advantages and incentives that reward and promote the company's environmental sustainability efforts	Competitive advantage, financial benefits, enhanced innovation, and increased reputation	<p>At Bakcycle, we utilized a syndicated loan of EUR 10 million with a 4-year term for the financing of construction, solar power plants, rainwater harvesting, optical sorters, crushing-washing, extrusion, wastewater treatment, and mechanical and electrical infrastructure investments.</p> <p>For Polibak's newly established BOPP film production facility's rooftop solar power plant project, we secured a green loan syndication of EUR 1.4 million with a 4-year term. Additionally, we obtained financing of EUR 5 million with a 3-year term from the World Bank through the Development and Investment Bank of Türkiye.</p>
Governance	Sustainability Commitments	Targets and actions established to fulfill environmental, economic, and social responsibilities and achieve long-term success	Strong sustainability vision, secure corporate image, and regulatory compliance	We embrace a robust vision within the framework of our environmental, social, and economic sustainability commitments. By aligning with global climate action mandates, we are confidently progressing toward our goals and the future.



SDGs We Contribute to



# Stakeholder Map and Our Relations with Stakeholders

At Bakioğlu Holding, we are committed to building relationships with our stakeholders that are based on trust, openness, and collaboration. We actively seek to understand their views, expectations, suggestions, and concerns through various communication channels, and we incorporate this feedback into our decision-making processes.

Stakeholder engagement is a core principle we consider throughout all processes of our sustainability model, starting from identifying key issues. We are committed to building relationships with our stakeholders that are based on trust, openness, and collaboration. We actively seek to understand their views, expectations, suggestions, and concerns through various communication channels, and we incorporate this feedback into our decision-making processes. Our Sustainability Committee evaluates the feedback received from both internal and external stakeholders.

We believe in the importance of partnerships in achieving the Sustainable Development Goals. Therefore, we support the initiatives of civil society organizations, sustainability initiatives, sectoral organizations, and public institutions operating at local, national, or international levels.

## Open and Transparent Communication with Stakeholders

Our stakeholders use the contact addresses available on our websites to submit their suggestions, requests, and complaints regarding our companies. These communications are immediately directed to the relevant department and responded to by the responsible unit.

We also collect feedback through our social media channels. In such cases, we forward the messages to the appropriate company and department, ensuring a response within 24 hours. We consider our customers as one of our most crucial stakeholders and conduct a Customer Satisfaction Survey every two years to analyze their expectations, suggestions, complaints, and satisfaction levels. The results of these surveys are reported to our Board of Directors and Executive Committee. Additionally, to take necessary actions, we present the survey results to the General Management and department heads on a company basis.





# Stakeholder Map and Our Relations with Stakeholders

Stakeholder Group	Method and Frequency of Communication
<b>Customers</b>	Emails (instant)
	Corporate websites and social media (continuous)
	Meetings (instant)
	Fairs (periodical)
	Sustainability Report (annual)
	Company Policies (continuous)
<b>Employees</b>	Intranet (continuous)
	SMS and email (instant)
	Notice boards and internal communication bulletins (monthly)
	Social media (continuous)
	Employee events and training (periodical)
	Meetings (instant)
<b>Suppliers and subcontractors</b>	Corporate websites and social media (continuous)
	Face-to-face and online meetings (instant)
	Emails (instant)
	Sustainability Report (annual)
<b>Shareholders and investors</b>	Corporate websites (continuous)
	Social media and press (continuous)
	Activity Report (annual)
	General Assembly (annual)
	Sustainability Report (annual)
<b>Industry associations</b>	Memberships (continuous)
	Meetings (instant)
	Events and sponsorships (instant)
	Emails, online and face-to-face meetings (instant)
	Sustainability Report (annual)
<b>Universities and research institutions</b>	Emails (instant)
	University events (periodical)
	Online meetings and university fairs (continuous)
	Summits (periodical)
<b>Non-governmental organizations</b>	R&D projects (periodical)
	Online or face-to-face meetings (instant)
	Events, donations and sponsorships (instant)

<b>Group companies</b>	Emails and SMS (instant)
	Intranet (continuous)
	Notice boards (continuous)
	Sustainability Report (annual)
	Company Policies (continuous)
<b>Regulatory institutions</b>	Social media and press (continuous)
	Corporate websites (continuous)
	Activity Report (annual)
	Sustainability Report (annual)
<b>Local governments</b>	Company Policies (continuous)
	Projects (periodical)
	Emails (instant)
	Corporate websites (continuous)
	Face-to-face meetings (instant)
<b>Banks and finance institutions</b>	Activity Report (annual)
	Sustainability Report (annual)
	Company Policies (continuous)
	Social media and press (continuous)
<b>International organizations</b>	Corporate websites (continuous)
	Activity Report (annual)
	Sustainability Report (annual)
	Company Policies (continuous)
<b>Independent audit and rating agencies</b>	Social media and press (continuous)
	Corporate websites (continuous)
	Activity Report (annual)
	Sustainability Report (annual)
<b>Society</b>	Company Policies (continuous)
	Social media and press (continuous)
<b>Media</b>	Online and face-to-face meetings (instant)
	Emails (instant)
<b>Competitors</b>	Sustainability Report (annual)
	Social media and press (continuous)
	Corporate websites (continuous)
	Activity Report (annual)
	Sustainability Report (annual)
	Company Policies (continuous)



# Corporate Memberships and Initiatives We Support

At Bakioğlu Holding, we enhance and expand the impact of our environmental sustainability efforts by forming partnerships with internationally recognized organizations and institutions. Through our Packaging Group Companies, we engage in various collaborations that bolster our efforts, spanning from climate change mitigation to advancing the circular economy.



CDP (Carbon Disclosure Project) is recognized as the sole independent international organization that globally reports on how companies manage climate change risks. Through CDP, companies and governments disclose their greenhouse gas emissions and climate change strategies to the public and investors, which allows them to set emission reduction targets and improve their performance. Bak Ambalaj and Polibak have been conducting CDP reporting for supply chain research since 2010. In 2023, Bak Ambalaj and Polibak were evaluated under the CDP Climate Change Program and earned a “C” rating.



CEFLEX is a collaborative initiative formed by a consortium of European companies and associations representing the entire value chain of flexible packaging to enhance its performance in a circular economy. This initiative brings together organizations with different expertise involved in the flexible packaging production processes to improve performance, increase resource efficiency, and reduce waste. Bak Ambalaj has played a significant role as the first stakeholder from Türkiye within CEFLEX. As members of CEFLEX, Bak Ambalaj, Polibak, and Bareks are making significant contributions to the circular economy.



The Sustainable Packaging Coalition (SPC) is a US-based organization that has been working since 2004 with businesses, government agencies, and educational institutions in the packaging industry to make packaging more sustainable. Our Packaging Group Companies serve as stakeholders in the SPC, providing sustainable packaging solutions.



Sedex (Supplier Ethical Data Exchange) is one of the world’s leading ethical trade membership organizations, working with businesses to improve working conditions in global supply chains. It provides an online platform, tools, and services to help businesses operate responsibly and sustainably, protect workers, and ethically source materials. Bak Ambalaj, Polibak, and Bareks share information with their customers via Sedex.



## Corporate Memberships and Initiatives We Support



FASD (Flexible Packaging Manufacturers Association), a leading representative of the Turkish flexible packaging industry, aims to develop the sector as a whole in Türkiye and to create the appropriate environment and conditions for the manufacturing companies in the sector to become leading suppliers in the global market. Bak Ambalaj, Polibak, and Bareks are members of FASD.



Flexible Packaging Europe (FPE) represents over 85 flexible packaging manufacturers operating in plastic, aluminum, and paper. It aims to promote the flexible packaging industry and represent the sector's interests at the highest level in Europe. Bak Ambalaj, as a member, also actively participates in the executive committee.



ÇEVKO Foundation, established to create a sustainable recovery system for the economic and orderly recovery of packaging waste in Türkiye, operates with an integrated waste management approach. It works to establish the necessary systems for the healthy and clean recovery of glass, metal, plastic, composite, and paper/cardboard packaging waste. As a member of ÇEVKO, Bak Ambalaj contributes to integrated waste management.



EcoVadis is a global platform that provides holistic sustainability assessments of companies. Each company is evaluated on key topics specific to its size, location, and industry, covering a broad range of non-financial management systems, including impacts on the environment, labor and human rights, ethics, and sustainable procurement. Polibak is registered with EcoVadis and holds a Bronze Medal.



Bakioğlu Holding and all Group Companies are members of the TEID Ethics and Reputation Society. Through this membership, we aim to enhance stakeholders' awareness of ethics and compliance risk management while providing its members with access to the latest knowledge and best practices in this field.

## Material Issues and Materiality Matrix

By adhering to the principles of transparency, inclusivity, and equality, we have strengthened our employee communication through collective participation and identified the priority areas for Bakioğlu Group Companies through various stages.

Through recent efforts, we have solidified the foundations of our sustainability management strategy. By identifying key issues directly impacted by the activities of our Group Companies, we have taken significant steps toward enhancing Bakioğlu Holding's sustainability management and tools. Additionally, we continue to achieve successful performance reporting, moving confidently into the future.

### Shaping Material Issues with Collective Wisdom

In the process of determining our priorities, we first established a comprehensive topic universe covering issues of importance in the packaging sector. In creating this universe, we considered sectoral and competitor practices, WEF Global Risk Reports, and reporting frameworks such as GRI and SASB. We used this universe, encompassing a total of 49 sustainability topics, in our evaluation process.

During the process, we assessed the priority of the 17 UN Sustainable Development Goals from the sustainability perspective of Bakioğlu Group. Additionally, we prioritized Bakioğlu Group's external stakeholders in relation to sustainability efforts.

Based on the identified topics, we conducted a

survey involving members of the sustainability working group, managers and employees from Bakioğlu Holding, Bak Ambalaj, Polibak, Bak Gravür, and Bareks, as well as external stakeholders. The survey reached a total of 45 working group members, Bakioğlu Holding and Group Company managers, 718 Group employees, and 39 external stakeholders.

We evaluated the survey results on a company-by-company basis with teams consisting of managers from Bakioğlu Holding and the relevant Group Companies' business units. Prior to the survey, we conducted a training session focused on sustainability management and reporting. We then consolidated the outcomes of these meetings to finalize our sustainability priorities. In doing so, we took into account our corporate strategy and values, stakeholder expectations, sectoral requirements, corporate engagements, Sustainable Development Goals, and global sustainability trends.

By adhering to the principles of transparency, inclusivity, and equality, we have strengthened our employee communication through collective participation and identified the priority areas for Bakioğlu Group Companies through various stages. These priorities have been shaped within the framework of the Sustainable Development Goals, guiding our green future, ensuring that they align with both our Group's and the world's most effective goals. The priority areas established for Bakioğlu Holding reflect the overall sustainability priorities of the Bakioğlu Group and remain binding for all Group Companies.



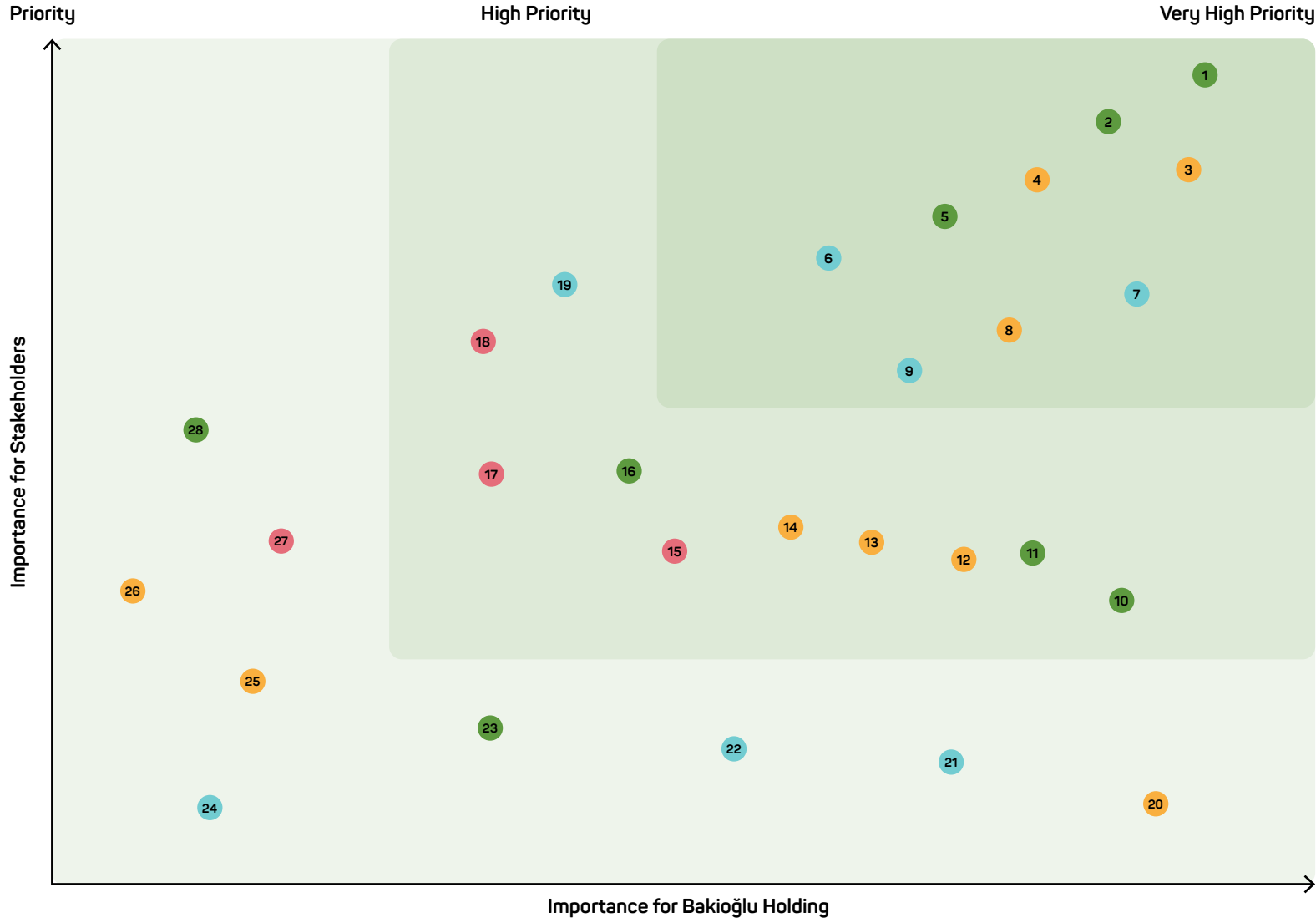




# Material Issues and Materiality Matrix

## Our Sustainability Priorities

● Environmental   ● Social   ● Governance   ● Economic



### Very High Priority

- 1 Packaging Optimization and Sustainable Products
- 2 Circular Economy
- 3 Operational Excellence and Quality
- 4 R&D and Innovation
- 5 Waste Management
- 6 Occupational Health and Safety
- 7 Equal Opportunity, Diversity, and Inclusion
- 8 Business Continuity
- 9 Being a Preferred Employer

### High Priority

- 10 Combating Climate Change and Environmental Compliance
- 11 Chemical Management
- 12 Digital Transformation
- 13 Sustainable Supply Chain
- 14 Industry 4.0
- 15 Corporate Governance
- 16 Emission Management
- 17 Business Ethics, Legal Compliance, and Transparency
- 18 Effective Risk and Crisis Management
- 19 Employee Training and Development

### Priority

- 20 Logistics Impacts
- 21 Corporate Social Responsibility
- 22 Emergency Preparedness
- 23 Energy Efficiency and Management
- 24 Stakeholder Communication
- 25 Support for Qualified Employment
- 26 Data Security and Privacy
- 27 Anti-Bribery and Corruption
- 28 Water Management



# Sustainable Development Goals We Contribute to

## Bakioğlu Holding 2023 Material Issues

### SDGs

#### Environmental

Packaging Optimization and Sustainable Products



Circular Economy



Waste Management



Combating Climate Change and Environmental Compliance



Chemical Management



Emission Management



Energy Efficiency and Management



Water Management



#### Social

Occupational Health and Safety



Equal Opportunity, Diversity, and Inclusion



Being a Preferred Employer



Employee Training and Development



Corporate Social Responsibility



Emergency Preparedness



Stakeholder Communication



## Bakioğlu Holding 2023 Material Issues

### SDGs

#### Economic

Operational Excellence and Quality



R&D and Innovation



Business Continuity



Digital Transformation



Sustainable Supply Chain



Industry 4.0



Logistics Impacts



Support for Qualified Employment



Data Security and Privacy



#### Governance

Corporate Governance



Business Ethics, Legal Compliance, and Transparency



Effective Risk and Crisis Management



Anti-Bribery and Corruption





# Governance

We are rising on our course of sustainable management through strategic moves.



# Bakioğlu Holding Management Structure

At Bakioğlu Holding, we shape our corporate governance approach to manage our Group Companies effectively, guided by internationally accepted principles. Our goal is to harness the synergy we create to deliver value to all our stakeholders.

As the highest strategic decision-making body of Bakioğlu Holding, the Board of Directors is responsible for monitoring the Group's objectives, risks and opportunities, and for determining and managing its strategic direction. It consists of a total of four members, including the Chair and Deputy Chair. The resolutions of Bakioğlu Holding's Board of Directors are also binding on its subsidiaries. Our Executive Board is subordinate to the Board of Directors and has six members. Two members of the Board of Directors also serve on the Executive Board as Cochairs.

## Board of Directors of Bakioğlu Holding

Cem Bakioğlu	Chair of the Board of Directors
Enver Bakioğlu	Deputy Chair of the Board of Directors
Meriç Bakioğlu	Member of the Board of Directors
Sertaç Bakioğlu	Member of the Board of Directors

## Executive Board of Bakioğlu Holding

Enver Bakioğlu	Cochair of the Executive Board
Sertaç Bakioğlu	Cochair of the Executive Board
Özge Engin	Head of the Financial Affairs and Reporting Group
Özgür Güneri	Head of the Human Values and Corporate Development Group
Mustafa Kocakoç	Head of the Operations Group
Ufuk Tezer	Head of the Finance and Treasury Group

At Bakioğlu Holding, we shape our corporate governance approach to manage our Group Companies effectively, guided by internationally accepted principles. Our goal is to harness the synergy we create to deliver value to all our stakeholders. To meet our stakeholders' expectations for sustainable value and to enhance our performance in an ever-changing competitive environment, we continuously develop our governance tools. Our corporate governance model emphasizes strict adherence to superior business ethics, transparency, accountability and full compliance with legal regulations.





# Risk Management and Internal Audit

The audit reviews conducted at Bakioğlu Holding and the Packaging Group Companies assess the companies' financial, operational and information technologies risks and check whether processes comply with the legal legislation and the company's internal regulations.

Risks in all processes are managed by the relevant departments at Bakioğlu Group. Risks are controlled and managed through the internal control activities carried out regularly and continuously by the relevant departments.

The risk-based audit activities conducted by Bakioğlu Holding Audit Directorate for detecting acts such as bribery, corruption or abuse of power also regularly address the risk of compliance of Bakioğlu Holding and Packaging Group Companies with the Ethical Principles.

### Proactive Risk Management

The audit reviews conducted at Bakioğlu Holding and the Packaging Group Companies assess the companies' financial, operational and information technologies risks and check whether processes comply with the legal legislation and the company's internal regulations. The Audit Reports are shared with Bakioğlu Holding's Board of Directors and monitored regularly. In addition to internal audits, statutory external audit reviews are also conducted for Bakioğlu Holding's Risk Management and

Internal Audit and Group companies' activities. Risk management includes social, economic, and environmental risks. The Sustainability Committee and Sustainability Board monitor sustainability risks.

In accordance with corporate governance principles, legal compliance is carefully monitored and emphasis is placed on conducting activities in full compliance with laws and regulations. No lawsuits or legal sanctions were filed against the company for non-compliance with laws and regulations, including non-compliance with product and service delivery terms, bribery, corruption or similar violations of business ethics, violation of customer confidentiality, or violation of fair competition rules during the reporting period.





# Business Ethics, Legal Compliance, and Transparency

We accept the Bakioğlu Group Corporate Culture Guide and Ethical Principles as the compass of our activities. We organize corporate culture training, including business ethics, anti-bribery, and anti-corruption, to raise employee awareness and increase their knowledge.

At Bakioğlu Group, we follow the principles of superior business ethics in all our activities and transactions, act in accordance with the laws and regulations, and establish transparent and accountable communication with our stakeholders. We accept the Bakioğlu Group Corporate Culture Guide and Ethical Principles as the compass of our activities. We organize corporate culture training, including business ethics, anti-bribery, and anti-corruption, to raise employee awareness and increase their knowledge.

Click [here](#) to view our Ethical Principles.

## Our Policy and Ethics Line Aligned with Our Principles

At Bakioğlu Holding, we have a zero-tolerance policy against abuse, discrimination, nonconformity, and violations of the ethical principles we uphold as a company, which we enforce through the "Ethics Committee and Ethics Line Regulation" implemented in 2021. In cases of suspicion regarding ethical violations and corruption, and/or witnessing behavior or practices contrary to the rules, our employees can report the situation or seek advice through our Ethics Line Regulation. This regulation ensures that reports of ethical violations received through the Ethics Line are handled by an impartial company, which reports



them to Bakioğlu Holding's Audit Department. The Audit Department then reports to the Ethics Committee to manage the process. Our employees can contact the Ethics Line, managed by a third-party service provider, via email or by calling the dedicated telephone line at any time of the day. Similarly, our stakeholders can also reach the Ethics Line to voice their complaints. In our business processes, which we conduct with transparency and inclusivity, we prioritize the shared interests of our employees and all other stakeholders. In this journey, we utilize our Ethics Principles Guide, ethics training, and Ethics Line notifications.

All reports received by the Ethics Line, which came into effect in April 2022, are reported to the appropriate departments by KPMG, the independent auditor, in accordance with the Ethics Line and Ethics Committee Regulations. A preliminary review of all incoming reports is conducted by the Audit Department. All reports are shared with the Ethics Committee along with the preliminary investigation reports. The actions taken are followed up by the Ethics Committee. In 2023, the reports of violations of the Code of Ethics received through the Ethics Line were examined by the Audit Department and evaluated by the Ethics Committee.

## We Continue Our Ethics Training Unabated

Every new employee who joins Bakioğlu Group Companies receives training on ethical principles, anti-bribery, and anti-corruption as part of the corporate culture training. In 2023, we provided face-to-face training on Corporate Culture, Mission, Vision, Values, and Ethical Principles to 60 of our managers. Additionally, every new field employee receives Corporate Culture training, including Ethical Principles, online via LMS. In this context, a total of 768 of our employees received 705 person\*hours of corporate culture and ethical principles training in 2023. During the reporting period, 68% of Bakioğlu Holding employees participated in information sessions on Ethics and Compliance.



# Anti-Bribery and Anti-Corruption

At Bakioğlu Holding and its Group Companies, we maintain a strict zero-tolerance policy against bribery, corruption, and abuse of power, in alignment with our Ethical Principles.

At Bakioğlu Holding and its Group Companies, we maintain a strict zero-tolerance policy against bribery, corruption, and abuse of power, in alignment with our Ethical Principles. We are committed to fully adhering to relevant laws and regulations.

In line with this commitment:

- We strive to comply with the laws and regulations of the Republic of Türkiye and other countries where we operate.
- We maintain our records and reports in accordance with the principles of completeness, accuracy, and transparency, ensuring that all our transactions are reflected accurately.
- We approach bribery and corruption with zero tolerance.
- In our dealings with individuals in both the public and private sectors, we avoid any behavior, offer, or insinuation that could be perceived as bribery.
- We remain firm in our stance against any external offers of bribery.
- We are vigilant against any instances of corruption, fraud, or money laundering, whether inside or outside the company, and promptly report any suspicion to our management.

## 2023 Anti-Bribery Ethics Training Initiatives

We aim to strengthen our employees' commitment to ethical values by providing informative training on Ethical Principles and Corporate Culture.

### Face-to-Face Training:

In 2023, 60 of our white-collar employees received in-person training on Corporate Culture, Mission, Vision, Values, and Ethical Principles.

### Online Training:

We provide new blue-collar employees with Corporate Culture Training, including Ethical Principles, through the Learning Management System (LMS). In 2023, a total of 768 employees completed this Ethical Principles Training via LMS.

Through our sustained efforts to combat bribery and corruption, ingraining these practices into our corporate culture, the reported cases in 2023 were investigated by the Audit Department and evaluated by the Ethics Committee.





# Value for Our Business

*On our course of sustainable business, we never compromise on our commitment to quality.*







SDGs We Contribute to



# Operational Excellence and Quality

In line with our vision to achieve “World-Class Production,” we implement systems and tools in our production processes that comply with the standards set by our Group and meet the needs of our companies.

## OPERATIONAL EXCELLENCE

At Bakioğlu Holding and our Group Companies, we embrace the principle of continuous improvement by developing various approaches and projects to enhance productivity, ensure quality, and maximize efficiency in operational processes.

In this regard, we implement Total Productive Management (TPM) strategies at all levels to manage all our business processes, especially our production processes, with the highest efficiency. We translate our “Excellence in Production” perspective into new strategies and develop projects in the field of business development with agile approaches. Throughout Bakioğlu Holding and our Group Companies, we draw inspiration from both our employees and the power of sustainability at every step toward quality.

In line with our vision to achieve “World-Class Production,” we implement systems and tools in our production processes that comply with the standards set by our Group and meet the needs of our companies. The primary aim of

these practices is to positively contribute to our companies’ PQCDSEH indicators (Productivity, Quality, Cost, Delivery, Safety, Health, Environment and Morale). Through our efforts and investments, we aim to achieve positive developments in areas such as company performance, product quality, production costs, delivery processes, occupational health and safety, environmental impacts, and morale management.

### Our “TPM” Approach on the Path to Excellence

At Bakioğlu Holding, we adopt a proactive and preventive approach to protect and improve our production processes. Our fundamental management approach in this regard is the Total Productive Management (TPM) methodology. The goal of TPM is to maximize business performance, enhance reliability, speed, and flexibility, and prevent unexpected breakdowns and delays in production processes. To achieve this, we focus on the effective use of machines, equipment, employees, and supporting processes.



## Operational Excellence and Quality

We aim to continuously enhance our organization's performance by integrating our operational excellence activities with digitalization, leveraging the best practices we achieve.



As part of our TPM Program, initiated to reinforce the understanding of production excellence across all our Packaging Group Companies, we have developed roadmaps for TPM Excellence and TPM Sustainability stages. Through TPM, we systematically aim to eliminate accident, stoppage, and defect modes, thereby maximizing business performance, enhancing reliability, speed, and flexibility, and preventing unexpected breakdowns and delays in production processes.

### Expanding Our Excellence Approach with Committees

Within Bakioğlu Holding, we have structured coordination committees comprising committee heads from each of our Group Companies to design our processes collaboratively and maximize the benefits of Group synergy. In this context, we have initiated the activities of Kobetsu Kaizen, Autonomous Maintenance, Planned Maintenance, Quality Maintenance, Training and Competence Development, Health Safety Environment committees. Additionally, we are moving forward by planning the Early Product and Early Equipment, Office TPM, and Supply Chain Management committees.

Through the efforts of our Autonomous Maintenance Coordination Committee, we underwent intensive step-up audits in 2023, completing the third step of autonomous maintenance for all our lines. In 2024, we plan to continue our efforts to complete the fourth step for all our lines.

Furthermore, we continue to support and share knowledge within the industry through participation and speaking engagements at events like ISO Academy, MMO Kaizen Sharing, KALDER, and more, promoting the culture of continuous improvement.

### Continuous Improvement Toward “Kaizen”

Under the leadership of our Operational Excellence department at Bakioğlu Holding, we successfully continue our Kaizen activities with the active coordination, collaboration, and applications of the Kobetsu Kaizen Coordination Committee of our Packaging Group Companies. In our steps toward operational efficiency, we prioritize enhancing the sharing and learning culture among our employees. With the mission of creating a sustainable growth culture with zero loss, we support our companies' learning processes from each other by listening to good practices from Kaizen team leaders in our quarterly Kaizen Sharing Events.

We continue to increase the number of Kaizens targeting the highest losses impacting OEE, Scrap, and Cycle Cost parameters. To strengthen the data infrastructure, we completed OEE Measurement Standardization, Kaizen Tracking System, Loss Cost Management, and Kaizen Validation efforts. By advancing our digitalization efforts—such as the Mobile PM, Production Integration and Intelligence, and Operational Excellence Portal—according to our planned schedule, we are continually enhancing our organization's performance by integrating operational excellence with digitalization and leveraging the best practices we achieve.



## Operational Excellence and Quality

In 2023, through our Kaizen initiatives conducted within our Packaging Group Companies, we successfully prevented labor, energy, and material losses.

### **Our Vision for Strategic Planning and Business Development in Excellence**

In 2021, we began initiatives within our Packaging Group to establish clear goals aligned with our Group vision, developing strategies through a collaborative approach. We prioritized enhancing our team's focus and execution capabilities by creating comprehensive roadmaps. To ensure the sustainable implementation of our strategies, we developed five-year strategic roadmaps. We are proud to manage periodic review activities and processes for updating our strategies with an annual business model focused on five-year outcomes.

We also take pride in creating 2030 target strategy roadmaps, incorporating sustainability initiatives across our Group Companies.

### **Best Practices for Business Development**

Aligned with our strategic and digital roadmap, we have implemented the SAP TM (Transportation Management) module to improve the transportation management and planning processes for our flexible packaging products, which reach hundreds of points across four continents and nearly 50 countries. In 2024, Bak Ambalaj and Bareks will also adopt this module. To ensure processes are transparent and measurable, we have completed projects

involving the measurement and reporting of operational management metrics through analytical applications and the digitalization of investment approval processes, thereby making these approvals paperless.

### **Operational Efficiency and Excellence Project Development Initiatives in 2023**

In 2023, our Group Companies concentrated on enhancing employee ergonomics and Occupational Health and Safety (OHS) conditions, increasing employee productivity and machine efficiencies, and conducting process analysis and improvements.



## Operational Excellence and Quality

Project	Description
<b>Polibak Warehouse Project</b>	This project focuses on improving the stock management of raw materials, finished products, and packaging materials. Various warehouse alternatives with different capacities and working methodologies were designed. The project aims to reduce material handling, optimize product flow, and increase storage capacity. Additionally, collaborations with Bilkent University have led to the development of algorithms for fully automated warehouse alternatives, and the conceptual completion of software-supported warehouse stock management processes. Software-supported studies were also conducted to optimize the vehicle loading process before shipment, aiming to minimize logistics costs and reduce human errors in loading plans.
<b>Polibak Recycling Process Improvement</b>	The goal of this project is to enhance the operational efficiency of the raw material recycling process and improve employee ergonomics. It involves the safe feeding of scrap material into a new shredder machine, transferring shredded material to an intermediate silo without manual handling, and automatically feeding it from the silo to the recycling machine. The project includes system analysis, design, selection of suitable layouts, and capacity analysis.
<b>Polibak Packaging Process Improvement</b>	This project primarily aims to enhance workplace safety in the labor-intensive packaging process. The objective is to eliminate external handling by transporting the bobbins from the machines to the automatic packaging line, thereby increasing employee safety. Ergonomic conditions in the packaging process were assessed, capacity analyses were conducted, and in-facility flow scenarios were reviewed. The planned improvements are scheduled for implementation in 2024.
<b>Use of AGVs at Bak Ambalaj and Bareks</b>	Bak Ambalaj and Bareks have started utilizing Autonomous Guided Vehicles (AGVs) to reduce manual material handling. These autonomous vehicles, which are a novel introduction for our group, aim to make transportation activities safer and more standardized.

### Bareks-Bak Ambalaj Packaging Process Automation

The automation project for the finished product packaging process at Bareks aims to enhance both the efficiency of the packaging process and improve employee ergonomics, thereby reducing workload. The line installation at Bareks has been completed, and the commissioning process is ongoing. Similarly, conceptual studies and analyses for the packaging process at Bak Ambalaj 3 facility have commenced and are continuing.

### Operational Targets for Future Projects

In 2024, alongside our ongoing projects, we will initiate new projects with a primary focus on improving ergonomics and safe working conditions, and enhancing both machine and employee efficiency. For projects requiring machine-based investments, we will prioritize solutions that ensure sustainable resource consumption and minimal use of natural resources. Additionally, we will continue monitoring and analyzing parameters in our quality and production processes to determine optimal production conditions. By leveraging data-driven forecasting and optimization tools, we aim to produce high-quality products right the first time and achieve high OEE standards.



## Operational Excellence and Quality

At Bakioğlu Holding and our Group Companies, we embrace “Total Quality Management.” We reinforce our dedicated quality efforts with internationally recognized standards and certifications.

### QUALITY

Reflecting the value we bring to our work, we maintain our service quality without compromise to protect the well-being and health of all our stakeholders. At Bakioğlu Holding and our Group Companies, we embrace “Total Quality Management” across all processes, from production to logistics, from the supply chain to the customer journey. We reinforce our dedicated quality efforts with internationally recognized standards and certifications. Our quality processes are certified through regular

independent external audits conducted in accordance with the system standards we follow.

We manage our quality approach within Bakioğlu Holding by addressing different processes across various Group Companies. While the specifics vary according to each company’s service and product policies, we uphold the highest standards of quality and efficiency, maintaining environmental balance and natural resources in line with Bakioğlu Group’s advanced standards.



You can access the Quality Management Approach and certifications of each of our Group Companies, developed with integrated management awareness, through the links provided below.

- Bak Ambalaj**
- Polibak**
- Bak Gravür**
- Bareks**

	ISO 9001	ISO 14001	ISO 45001	ISO 50001	I-REC	ISO 14064	ISO 27001	ISO 22000	ISCC Plus	BRCGS	BRCGS Additional Module 10	AIB Int	ISO 10002	OCS
<b>Bak Ambalaj</b>	X	X	X	X	X	X	X	X		X		X		
<b>Polibak</b>	X	X	X	X	X	X	X		X	X	X	X	X	X
<b>Bak Gravür</b>	X	X	X		X	X								
<b>Bareks Plastik</b>	X	X	X		X	X	X		X	X	X			
<b>Bareks Polietilen</b>	X	X	X	X		X			X	X	X			



## Operational Excellence and Quality

At Bak Ambalaj, with a focus on environmental responsibility and sustainability principles, we have successfully completed numerous certification audits over the past five years.

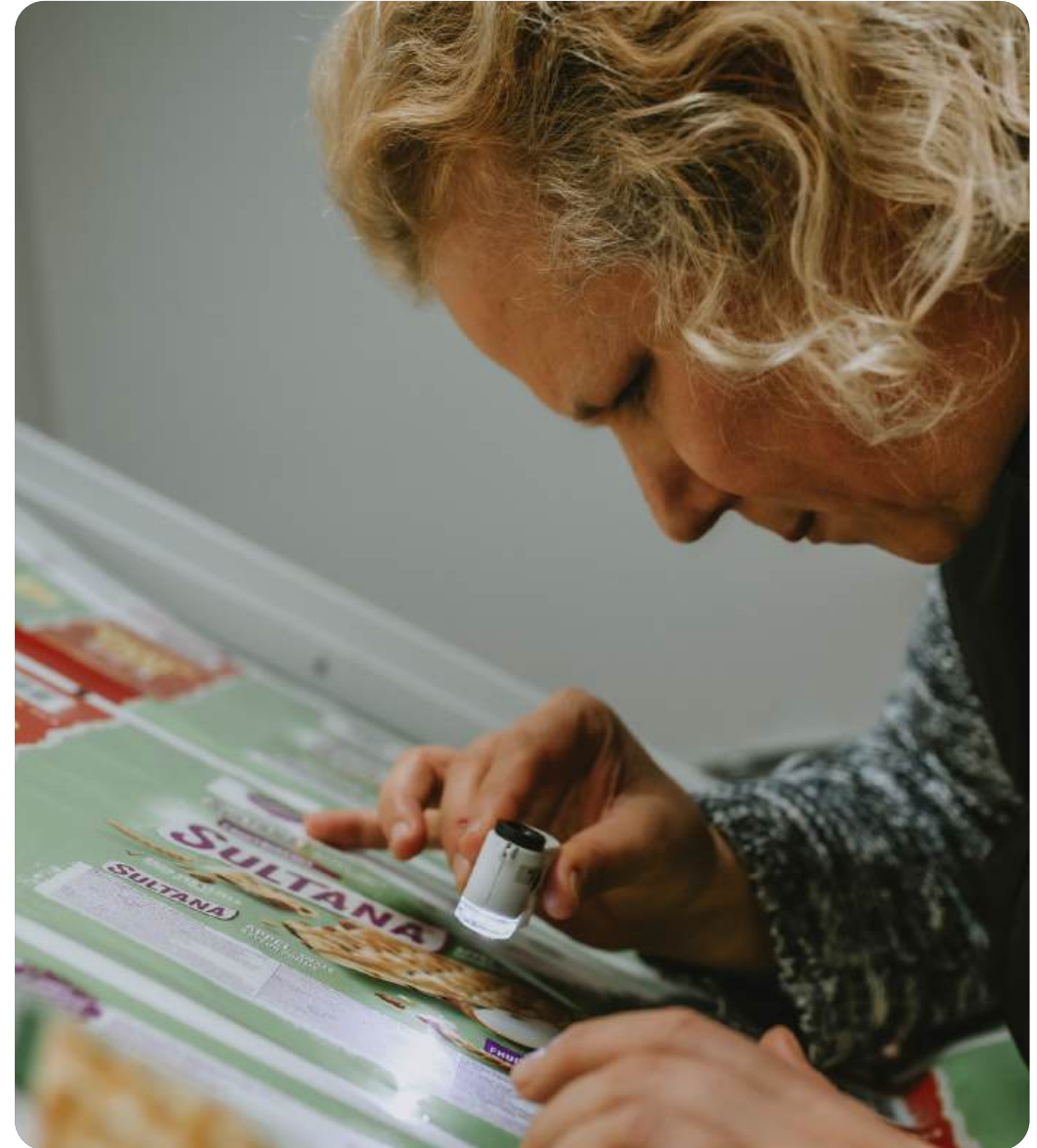
### Highlights of 2023 Quality Activities at Bak Ambalaj

At Bak Ambalaj, we embrace a “Total Quality Management” approach, conducting activities aimed at standardizing processes, ensuring sustainability, spreading best practices, and enhancing efficiency across all departments.

With a focus on environmental responsibility and sustainability principles, we have successfully completed numerous certification audits over the past five years.

Starting with ISO 9001 Quality Management System activities, our efforts have evolved to encompass an integrated management approach that prioritizes human well-being, sustainability, efficiency, customer satisfaction, and continuous improvement.

Bak Ambalaj holds certifications for internationally recognized management systems accredited by organizations such as ISO 9001, ISO 14001, ISO 14064, ISO 22000, ISO 45001, ISO 50001, BRCGS, and AIB Standards. We continuously monitor current developments to achieve better quality processes and provide the best solutions to meet our customers’ demands.





# Operational Excellence and Quality

Following our successful efforts at Bareks, we renewed the RecyClass Certificate during the audits conducted in 2023, extending the certification to include both existing and newly developed product codes, thereby successfully completing the process.

### Highlights of 2023 Quality Activities at Bareks

At Bareks, we maintain sustainable service quality without compromising our high standards. Over the past five years, we have successfully completed various certification audits at our Bareks Plastik and Bareks Polietilen factories. Starting with ISO 9001 Quality Management System activities, our efforts have evolved into an integrated management approach focusing on human well-being, sustainability, efficiency, and customer satisfaction, consistently striving for excellence. In our commitment to environmental sustainability, both Bareks Plastik and Bareks Polietilen factories have achieved ISCC Plus (International Sustainability and Carbon Certification) Certificate for using bio-based renewable raw materials. This certification ensures mass balance and traceability throughout the supply chain and production processes. We continue to validate the validity of our certification through ongoing audits.

Since 2018, we have consistently demonstrated our compliance with the BRC Packaging Materials Standard, both announced and unannounced, thereby certifying our production of high-quality, reliable, and legally compliant packaging. In 2023, for the first time, we included BRC Module 10 in our audits for both factories, certifying the suitability of activities and controls aimed at preventing plastic pellet loss. This further affirmed our commitment to environmental sensitivity and sustainable natural resource consumption through BRC Audits.

### We Are Leading the Industry with Our Commitment to Quality

At Bareks, we ensure the delivery of high-quality, safe, and sustainable products by collaborating with certified suppliers who meet specific quality standards. Additionally, we engage in activities aimed at the development and assessment of our suppliers, advancing in line with our vision. By defining working methodologies for clear quality management and utilizing state-of-the-art machinery and equipment, we drive our production and quality processes forward. With our competent and continually learning personnel, we rapidly progress toward operational excellence through OPEX activities.



In 2022, our environmentally friendly green products produced at the Bareks Plastik factory, certified with EU CertPlast and containing PCR (Post-Consumer Recycled) materials, received the RecyClass Certificate. This certificate validates the recycled content percentage and traceability system, making us the first PE producer to obtain this certification. Following our successful efforts, we renewed the RecyClass Certificate during the audits conducted in 2023, extending the certification to include both existing and newly developed product codes, thereby successfully completing the process.

Additionally, at our Bareks Polietilen factory, we have obtained the ISCC Plus (International Sustainability and Carbon Certification) Certificate since 2021. This certification, previously achieved at our Bareks Plastik factory, validates the use of bio-based renewable raw materials and ensures mass balance and traceability throughout the supply chain and production processes.

Lastly, as a result of our energy management and efficiency efforts, which are integral to our environmentally friendly and sustainable approach, we successfully completed the ISO 50001 Energy Management System Audit at our Bareks Polietilen factory in 2023, obtaining the certification.



## Operational Excellence and Quality

Under the ISCC framework, we continue to develop products containing biologically renewable raw materials in response to customer demands, utilizing our technological infrastructure.



### Highlights of 2023 Quality Activities at Polibak

At Polibak, we adhere to internationally recognized management system standards accredited by authorized organizations. These include ISO 45001, ISO 9001, ISO 14001, ISO 27001, ISO 10002, ISO 50001, and ISO 14064 Management Systems. Additionally, we comply with BRCGS Packaging Materials and AIB Standards for product quality, hygiene, and safety. We support sustainability and the circular economy through the ISCC Plus Certification, and uphold ethical rights and social responsibilities with certifications from SMETA 6.1 4 PILLAR and URSA.

### ISCC Plus Certification

At Polibak Group, we have maintained our ISCC Plus Certification since 2021 by continuously meeting the required standards. In 2023, we successfully underwent another audit to ensure the continuity of this certification. Moving forward, we will continue to manage and sustain our certification processes annually to meet our future goals.

Under the ISCC framework, we continue to develop products containing biologically renewable raw materials in response to customer demands, utilizing our technological infrastructure.

Additionally, throughout the year, we successfully passed the OCS (Operation Clean Sweep) Audit, which we established to monitor environmental sensitivity and production

efficiency in our processes. Furthermore, we completed the SMETA 6.1 4 PILLAR & URSA audits, covering "Ethical Principles, Social Responsibility, Occupational Health and Safety, and Environment," with zero non-compliance at both Polibak and Bak Ambalaj Bak-1, Bak-2, and Bak-3 facilities.

### Highlights of 2023 Quality Activities at Bak Gravür

At Bak Gravür, we diligently strive to enhance the efficiency of our "sustaining quality" processes.

Bak Gravür implements management systems that are internationally recognized and accredited by authorized organizations, including ISO 45001, ISO 9001, ISO 14001, and ISO 14064 Standards.

### Bakioğlu Holding and Packaging Group Companies Attended Quality Circles Sharing Conference

In 2023, Bakioğlu Holding and our Packaging Group companies participated in the 26<sup>th</sup> "Quality Circle and Kaizen Conference" organized by KalDer Ankara. The event, which featured 27 Kaizen presentations, attracted significant participation. It provided a platform for companies to showcase their successful implementations and facilitated the exchange of valuable insights and experiences.



# R&D and Innovation

We continue our R&D activities without interruption to improve each link in our value chain and make it more sustainable.

With the rapid advancement of technology and the consequent increase in consumption and population, research and development activities worldwide are increasingly focused on producing the most sustainable methods. At Bakioğlu Holding, we are committed to continuously enhancing and making every link in our value chain more sustainable through our R&D activities. We also resolutely pursue technological and comprehensive research efforts to develop our product portfolio and offer innovative and environmentally friendly solutions.

## A Productive Year: 2023 R&D and Innovation Activities at Our Group Companies

### R&D Activities at Bareks

#### Environmentally Friendly Projects

In 2023, Bareks' R&D and innovation efforts focused heavily on environmentally friendly projects, incorporating applications that utilize recyclable and recycled raw materials, as well as bio-based products derived from non-petroleum sources.

We have continued to expand our projects initiated in 2020, which involve the use of bio-based renewable raw materials and the production of bio-based PE film, both in terms of quantity and production tonnage. We have obtained the RecyClass Certificate, which verifies the recycled content percentage and traceability system for film codes containing PCR (Post Consumer Recycle Material), produced from raw materials supplied by EUCertPlast certified PCR producers. Building on these efforts, we have earned the ISCC Plus (International Sustainability and Carbon Certification) Certificate by ensuring mass balance and traceability throughout the supply chain and production processes using bio-based renewable raw materials since 2021. The validity of this certificate continues in 2023, with annual audits to maintain compliance.

In alignment with the Sustainable Development Goals targeted globally by 2030, we have initiated projects to convert non-recyclable total packaging structures into recyclable ones using recycled raw materials. We have conducted trial productions and



presented these to our customers. Additionally, we have reduced the use of wooden pallets, cardboard separators, and blocks.

In 2023, we researched Advanced / Chemical Recycling-sourced raw materials suitable for food and human health, established strong collaborations with raw material suppliers, and incorporated these products into existing formulations, sending them to our customers. These efforts have positively enhanced our company's portfolio and reputation in press releases and social media.

We continued our annual projects aimed at reducing product costs and developing new/ equivalent products and formulations in 2023 without interruption. With the establishment of new TPM / OPEX pillars within the company and the accelerated efforts of existing ones, we focused on increasing production efficiency, reducing, and eliminating errors through continuous Kaizen, Kobetsu Kaizen, and 5S activities. Committed to the mission of continuous improvement, we successfully achieved our targets for reducing customer complaints and returns in 2023.

SDGs We Contribute to





## R&D and Innovation

**In 2023, alongside producing packaging from recyclable and environmentally friendly raw materials, we increased our focus on reuse in line with circular economy principles.**

### **Bareks R&D Achievements in Figures**

During the pandemic, supply chain disruptions for various raw materials highlighted the importance of finding alternative products to ensure business continuity. In this context, Bareks Plastik and Bareks Polietilen researched and approved 10 new raw materials during the reporting period. Additionally, we developed 75 new or substitute formulations.

Another focus of our R&D activities in 2023 was producing trial orders for MDO PE film lines designed for 100% recyclability, with some products already entering commercialization with certain customers. Our initiatives for bio-based products and recycling-friendly packaging, which began in 2019-2020, continued in 2023. We are proud to have increased the production and sales volumes of these applications compared to 2022.

### **Our Goals**

We aim to increase the tonnage for both existing and new customers with our current product portfolio. We also seek to expand new and alternative raw materials and formulations to enhance our bargaining power. Additionally, we focus on boosting the adoption of environmentally friendly green product groups and sustainable structures on a global scale, emphasizing projects and customers.

### **R&D Activities at Bak Ambalaj**

containing varying percentages of paper, including 100% paper, suitable for different packaging machines and types during this reporting period. We also designed packaging solutions that are 100% recyclable and biodegradable while working on liquid groups that negatively impact these percentages.

In 2023, alongside producing packaging from recyclable and environmentally friendly raw materials, we increased our focus on reuse in line with circular economy principles. We advanced our goals by producing refillable standing pouches (SUP) for hygiene products and versatile surprise packaging designed for reuse. While continuing our production of bio-based products, we also achieved our first food-contact packaging made from PCR raw materials in 2023. We continue to obtain the necessary certifications for biodegradable and compostable products from suppliers.

In 2023, we participated in ISCC Plus Training, which is the first step in certified sustainable production, and are planning our certification processes for 2024.





## R&D and Innovation

We have initiated innovative approaches to standard production controls to reduce scrap rates.

### **Patent and Utility Model Applications**

At Bak Ambalaj, we received approval for our patent application No. 2019/17854 titled "Mixer with Foam Cutting Apparatus," submitted in 2019. Additionally, we submitted a utility model application for "Packaging Material with Double Handles" to the Turkish Patent and Trademark Office with application number 2023/002366.

### **Sustainability and Innovation Efforts**

Our portfolio work includes transitioning from traditional products to sustainable ones and implementing new, high-quality raw materials in sustainable packaging. By reducing thickness and layers, we aim to reduce waste and improve recycling rates. We have initiated innovative approaches to standard production controls to reduce scrap rates. Internal bulletins and one-point lessons prepared for production standardization have been provided to our employees.

### **Academic Reflections of Bak Ambalaj R&D Activities**

On October 20, 2023, our Bak Ambalaj R&D team presented a publication titled "New Generation Sustainable Flexible Food Packaging" at the 2<sup>nd</sup> International Symposium on Traditional Foods and Sustainable Nutrition.

On December 27, 2023, our Bak Ambalaj R&D team was featured in the "Journal of International Environmental Application and Science" with a publication titled "A Review of the Recyclable Packaging Design in the Flexible Packaging Industry."

On December 26, 2023, our Bak Ambalaj R&D team published an article titled "Flexible Packaging Design Suitable for Frozen Food" in the December 2023 issue of Plastic and Packaging Magazine.





## R&D and Innovation

Polibak, leveraging its cutting-edge production technologies and 30 years of R&D expertise, excels at swiftly transforming sustainable product demands into fully developed products.

### R&D Activities at Polibak

#### Renewable and Recycled Raw Materials

At Polibak, we have developed products using raw materials sourced from waste vegetable oils (Bio Renewable) and waste plastic packaging (Post Consumer Recycled, PCR). The traceability and recycled content percentages of these raw materials have been verified with ISCC Plus Certification.

In 2023, we procured 175 tons of Bio-Renewable raw materials. In line with customer demands for specific recycled percentages, we used 135 tons of Bio-Renewable raw materials to produce Bio-Renewable films.

The year 2023 again saw limited access to PCR raw materials. We utilized PCR raw materials (chemical recycled) sourced from end-users, producing ISCC Plus Certified products according to the requested percentages. As the availability of chemical recycled raw materials improves, we will be able to produce PCR-inclusive versions of all film types in our product portfolio for all customers.

We have implemented several circular economy initiatives: using process scrap for manufacturing recycled plastic caps and closures, refurbishing and reusing scrap pallets, reducing the amount of wood in product packaging, and starting a program to collect plastic caps from our international customers. These efforts aim to close the loop on our product packaging.

We continued to work with customers on Mono Structure and Mono Material packaging designs as part of our packaging optimization efforts. We added Ultra High Barrier (UHB) In Line Coating (ILC) metallized products to our portfolio, which were previously unavailable and substituted with different polymer packaging materials. Our project to produce CPP (Cast Polypropylene) film for mono structures is ongoing.

Additionally, we have developed a production management system where all scraps and second-quality products are regranulated and used as raw materials, feeding back into the production cycle. This approach ensures that we do not view raw material packaging as waste but rather provide it to firms with plastic waste processing licenses, thereby sustaining the lifecycle.

Polibak, leveraging its state-of-the-art production technologies and 30 years of R&D expertise, excels at rapidly transforming new sustainable product requests—particularly from global clients—into fully developed products.

During the project execution stages, we consider our customers not just as requesters but as partners in the process, working collaboratively to achieve the best results.



## R&D and Innovation

During the reporting period, our Group Companies' R&D departments continued their efforts to develop innovative and environmentally friendly products in response to market demand. In 2023, we invested a total of TRY 78.5 million in R&D, with 45 R&D employees working on 40 projects across our Group Companies.

### R&D at Bakioğlu Holding in Figures



### Best Practices: PapBorn R&D Journey

At Bak Ambalaj, we have continued our projects focused on producing 100% recyclable, reusable, waste-reducing, biodegradable, and 100% compostable packaging that contributes to the circular economy during this reporting period. We also continued our collaboration with universities on the "Development and Characterization of Biodegradable PLA Films with Antioxidant and Antimicrobial Properties Using Banana Peel Waste" Project, which we initiated last year. Additionally, we developed projects for high and low toughness packaging structures that include various percentages of paper or are made entirely of paper, suitable for different package types with high barrier and heat-sealable properties. These efforts have resulted in the creation of our PapBorn product family.

Our third product family, "PapBorn," announced through our R&D Center at Bak Ambalaj, continues to expand within the sustainability framework. Through continuous development and by closely monitoring industry trends, we have achieved the capability to offer printed and laminated paper products to our customers. With options like heat-sealable and reverse-printed transparent paper, we are expanding our innovative product range. Guided by Bak Ambalaj's extensive experience in paper structures, we continue to learn and develop each day.



SDGs We Contribute to



# Digital Transformation and Automation



We have integrated digital transformation into our corporate structure, embarking on this journey with numerous successful projects and investments.

We advance our digitization strategy by embedding it at the core of our sustainability efforts, closely monitoring technological developments in our industry. In line with these advancements, we conduct research on various digital systems, including automation systems that not only create economic value but also minimize the environmental impact of production processes. These efforts are carried out in collaboration with our partners.

### Successful Digital Transformation Journey

At Bakioğlu Holding, we have integrated digital transformation into our corporate structure, embarking on this journey with numerous successful projects and investments.

### Implementing SAP Transportation Management in Logistics

In line with our 5-year "Digital Transformation Roadmap" created last year, we implemented the SAP Transportation Management (TM) Module to

improve the management and planning processes of transporting our flexible packaging products to nearly 50 countries across 4 continents.

### Digitization of Our Financial Processes

To enhance efficiency in financial processes and strengthen risk management, we successfully implemented SAP Advanced Cash Management and e-DBS (Electronic Direct Debit System). This allows our Packaging Group Companies to conduct a portion of their domestic sales through the banks' Direct Debit System (DBS). With the transition to e-DBS, we aim to improve operational processes and enable real-time monitoring of defined customers' limits, thereby minimizing risks.

### Updating Software Technologies

To ensure sustainability in digital solutions, we have redeveloped applications that were originally built with older software technologies using new technologies.

### Implementing Automated Guided Vehicles (AGV)

We launched our first automated guided vehicles (AGV), implementing automation in packaging and transportation processes with AGVs.

### Enhancing Mobile Work Capabilities

To increase the efficiency of our production and maintenance teams and enhance their mobile work capabilities, we implemented SAP Mobile Maintenance Management. Additionally, we introduced SAP Document Management across our Group to ensure the effective management of corporate knowledge.



## Digital Transformation and Automation

We support our employees' contributions to digital transformation, fostering continuous growth and competitive advantage. By following technological developments, trends, and opportunities, we embrace continuous learning and innovative solutions to adapt to future technologies.

### Digitizing the Employee Experience

To enhance the experience of our most valuable asset, our employees, and transition to an effective and modern mobile communication structure, we have implemented our Mobile Employee Portal and digital bulletin boards.

These applications foster a digital mindset among our employees, promoting digital thinking within the organization and supporting the establishment and sustainability of our digital transformation vision.

### Digitized Leave Processes

In the first half of 2023, we successfully implemented the Online Annual Leave Project. With this new system, all our Group employees can request leave via their mobile phones, tablets, and computers, with approval workflows handled online. Additionally, our Online Payroll Approval System allows employees to access their payrolls from anywhere. This initiative has eliminated the need for 37,530 paper forms used in 2022, contributing to both environmental conservation and corporate savings.

### Our Journey of "Human Digital Transformation" Continues

At Bakioğlu Holding, we are committed to our "Human Digital Transformation" efforts. As part of our ongoing digital journey, we designed the "Analytical Reporting Training" under the leadership of the Corporate Resource and Solution Partners Governance Directorate to support our Group's analytical and business intelligence processes. This training has been added to our internal training catalog and offered to our employees. For the first time in June 2023, in addition to small group workshops, we conducted in-class trainings on business intelligence concepts and our Group's analytical reporting products, SAP BW (Business Warehouse) and SAC (SAP Analytics Cloud), in a face-to-face format. The training covers information about SAP BW, the historical development of reports designed on BW, the business intelligence reporting portfolio, the concept of business intelligence, and practical reports related to the SAC product. Our aim is to enable our employees to independently and efficiently prepare business reports.



## Digital Transformation and Automation



Together with our Packaging Group Companies, we take on a leadership role in the digital transformation journey.

We support all these efforts with smart automation workshops and training on using visual analytics products. Our primary goal is to enhance digital competencies, strengthen problem-solving skills, and prepare for the future with sustainable digital strategies through training and innovative projects, in collaboration

with all stakeholders. We support our employees' contributions to digital transformation, fostering continuous growth and competitive advantage. By following technological developments, trends, and opportunities, we embrace continuous learning and innovative solutions to adapt to future technologies.

### Future Plans and Digitalization Goals

Together with our Packaging Group Companies, we take on a leadership role in the digital transformation journey by setting, managing, and ensuring the sustainability of our information systems vision and strategies. We aim to accurately position technology and digital solutions to contribute to achieving our Group's goals.


Our future goals are defined by our ambition to improve upon our achievements. We intend to create strategic bridges between processes by closely monitoring developments, innovations, and service providers in information and digital technologies. In this journey, while executing the steps of our 5-year "Digital Transformation Roadmap," we focus on increasing digital literacy and competencies, supporting the transformation of the digital mindset, and preparing our corporate culture. Ultimately, we aim to achieve significant productivity gains and enhance our competitive edge through these efforts.



# Sustainable Supply Chain

Ensuring a reliable supply chain for Bakioğlu Holding and our Group Companies is crucial for maintaining business continuity.

At Bakioğlu Holding, the Central Purchasing (MES) functions encompass supplier management, supplier evaluation and development, contract management, price management, and market analysis and monitoring. We conduct all procurement processes within our company in accordance with Bakioğlu Holding's Ethical Principles.

Click  [here](#) for more detailed information about our Ethical Principles.

Ensuring a reliable supply chain for Bakioğlu Holding and our Group Companies is crucial for maintaining business continuity. We expect our suppliers to embrace working principles aligned with ours, maintaining this through business contracts and audit processes. We focus on reducing the environmental impacts of logistics, production, transportation, storage, operations, and maintenance activities within the supply chain. We prioritize selecting products and applications

that support a low-carbon economy. Additionally, we expand our supply chain vision with new investments, broadening our supplier pool and encouraging our suppliers to grow alongside us.

## SDGs We Contribute to



### Our Supply Chain Management Approach

- All decisions are made based on objective criteria, adhering to the principles of transparency and impartiality, and free from external influences. This process is carried out by all relevant parties, including but not limited to the following points.
- It is not appropriate to receive proposals from suppliers who do not comply with current laws; attempt to gain unfair advantage by influencing fair decision-making processes; discriminate against employees or stakeholders based on religion, language, race, political opinion, gender, social status, and similar grounds; employ workers in violation of occupational health and safety principles; employ child labor; fail to comply with environmental protection requirements and deliberately harm the environment.
- Information and documents obtained during communication with suppliers cannot be shared with third parties without the approval of the information source and owner.
- No employee can engage in any commercial relationship outside the supplier-customer relationship required by their job description with suppliers or conduct any business that results in mutual benefit with any supplier.
- It is aimed to ensure the sustainability of relationships with suppliers that align with our corporate culture.



## Sustainable Supply Chain

Bakioğlu Holding and all Group Companies operate with a “zero tolerance” approach to bribery and corruption and commit to conducting their activities fairly, honestly, legally, and ethically.

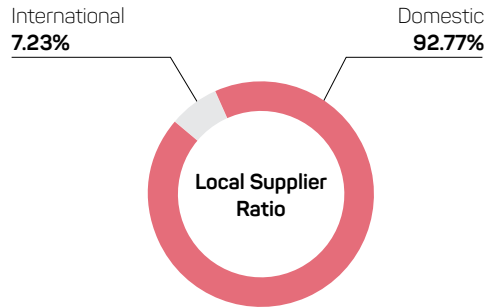
- Our relationships with business partners and suppliers are conducted honestly and fairly. The selection process for business partners is transparent and impartial, and due diligence is taken to fulfill obligations on time.
- It is believed that the goods and services provided by our business partners and suppliers directly impact the quality of the goods and services produced by our Group Companies. Therefore, suppliers and business partners are selected from institutions that operate at the desired quality and standards.
- The confidential information of business partners and suppliers is meticulously protected. We do not work with business partners and suppliers who violate the law or do not adhere to business ethics.
- Bakioğlu Holding and all Group Companies operate with a “zero tolerance” approach to bribery and corruption and commit to conducting their activities fairly, honestly, legally, and ethically. All prepared policies and procedures aim for full compliance with legal regulations, ethical and professional principles, and universal rules.
- Bakioğlu Holding and all Group Companies act in accordance with the ethical principles outlined in the “Principles and Procedures” in all commercial relationships and agreements and expect their suppliers to commit to the same ethical principles.
- In commercial contracts with suppliers, Bakioğlu Holding’s ethical values and mutual compliance commitments as outlined in the “Principles and Procedures” are included under the heading “Ethical Values.”
- For Bakioğlu Holding and Group Companies, the procurement model aims to increase contractual procurements from researched suppliers.
- The Central Purchasing unit is aware of its special responsibilities concerning environmental laws and makes maximum effort to raise awareness among business partners and suppliers about environmental issues. Environmental laws provide binding principles and standards for our company, and in all our activities, we adhere to the environmental conditions and rules mandated by law and adopted by Bakioğlu Holding, complying with relevant laws and current regulations.





# Sustainable Supply Chain

The proportion of local suppliers within our total supplier base is 92.77%.



### Our Supplier Profile

An essential component of our supply continuity is our local procurement activities. This approach minimizes risks associated with supply sources and supports the local economy. In 2023, 92.77% of our suppliers, in terms of supplier count, were local suppliers.

### Services and Entities Comprising Our Supplier Network

#### Raw Material Purchases:

- Major commodity raw material producers in the packaging sector, which is our main line of business.
- Producers of other auxiliary materials required to process and package these raw materials, such as masterbatches, inks, etc.
- Manufacturers of entirely local packaging materials like pallets, chipboards, and cores used to package our products.

#### Investment and Technical Purchases:

Producers of energy machinery, spare parts, and construction materials.

**Logistics Services:** Domestic and international transportation, storage, and customs services.

#### Indirect Materials and Services

### Bakioğlu Holding Supplier Selection Process and Criteria

We take precise steps to select suppliers most compatible with our value chain systems, implementing criteria that fortify our sustainability journey. From the initial selection to regular evaluations of our existing suppliers, we continuously enhance the value of our supplier chain.

### Supplier Selection Criteria

We select suppliers based on the following criteria:

- Specification compliance
- Quality
- Price
- Delivery terms
- Expertise
- Alignment with Bakioğlu Holding's corporate culture
- Ethics
- Sustainability
- References
- Independent audit reports, if any
- ISO and other standardization certificates

### Our Supplier Evaluation System

We centrally coordinate the supplier evaluation system according to the needs of all our Group Companies, managing the process based on the following criteria:

- Company Profile
- Financial Criteria
- Price Performance
- Delivery Performance
- Service Performance
- Sustainability
- Ethical Values
- Social Responsibility
- Information Security
- Quality
- Environment
- Compliance with BRC and AIB systems
- Occupational Health and Safety
- Compliance with Sedex Criteria



# Sustainable Supply Chain



**We conduct supplier audits centrally within our Group. In 2023, 155 of our suppliers successfully passed the environmental audits we conducted.**

We create a supplier evaluation score through our system, based on the evaluation surveys completed by suppliers and the shared documents (ISO certificates, licenses, legal compliances, procedures, etc.). This score is recalculated throughout the year, considering any non-compliance incidents (information security breaches, OHS violations, faulty/late deliveries, quality-related customer returns, etc.).

We require our suppliers to be sensitive not only to environmental impact control practices but also to social issues such as workplace safety, confidentiality, and business ethics. We monitor these processes through contracts and supplier

survey applications. We expect all our suppliers to be as sensitive as we are on these matters and conduct training activities to raise supplier awareness.

During supplier environmental audits, we inform our suppliers about improvement actions for any non-compliance identified and work collaboratively on these improvements. We conduct supplier audits centrally within our Group. In 2023, 155 of our suppliers successfully passed the environmental audits we conducted.

## Supply Chain Improvement Activities and Risk Management in 2023

### Technical Investments

Our Group Companies have gone through a period of intense investment in machinery, production lines, and construction. Before commercial negotiations, we conducted comparisons of the energy efficiency classes of the machines and equipment proposed by the manufacturers, the proportions of energy sources they consumed, their sustainability policies, and their energy consumption of electricity, air, natural gas, or alternative sources under different loads and speeds. These comparisons allowed us to improve commercial terms.

**Bak Ambalaj Investment:** As part of our production investments, the printing line we acquired consumes 23% to 31% less energy compared to alternative machines.

**Polibak Investment:** The metallizing machine we purchased in 2023 as part of our production investments consumes 11% less electricity than its alternatives. Additionally, its aluminum consumption is 7% lower, contributing to a 3% reduction in overall electricity consumption. We plan to commission this metallizing machine in 2024.

### Reuse Initiatives

**Reuse of Wooden Pallets:** We collected wooden pallets from some of our customers through a licensed collection company and facilitated their reuse after necessary repairs.

## Sustainable Supply Chain

Through the Value Chain Sustainability Working Group, we aim to assess the social, environmental, governance, and economic risks and opportunities arising from our products and services across the value chain and integrate these findings into our business strategies.

**Reuse of Plastic Cores:** We implemented a similar project for plastic cores used for transporting bobbins, collecting and reusing all plastic cores from our customers.

**Use of Cardboard Edges:** We completely stopped using non-recyclable foam edges in packaging processes and replaced them with recyclable cardboard edges.

**Recycling of Plastic Cores:** For newly manufactured plastic cores, we met part of the raw material requirement by recycling production waste from our own operations.

At Bakioğlu Holding, we manage the risks arising from our supply chain with the necessary agility. In 2023, we managed supply chain risks by:

- Engaging alternative suppliers,
- Evaluating logistics risks and sourcing from geographically closer regions,
- Procuring from local firms whenever possible,
- Planning purchases in coordination with supplier production and shipment schedules.

### Sustainability in the Value Chain

We do not limit sustainability management to Bakioğlu Holding and our Group Companies alone. To enhance the implementation and performance tracking of sustainability in the value chain, we established the Value Chain Sustainability Working Group. This group aims to assess the social, environmental, governance, and economic risks and opportunities arising from our products and services across the value chain and integrate these findings into our business strategies. The Bakioğlu Group Sustainability Management Policy is also binding for the suppliers and business partners of our Group Companies. We expect our companies and stakeholders to implement practices that propagate the principles outlined in our sustainability policy throughout their value chains.





# Logistics Impacts

At Bakioğlu Holding and across all our Group Companies, we are committed to comprehensive efforts to mitigate our logistics impacts.

In today's business landscape, ensuring sustainability in logistics operations is of paramount importance. These activities encompass the transportation, storage, and distribution of goods from production points to consumption points, each contributing to various types of environmental emissions. When evaluating the environmental impacts of logistics operations, we recognize their significant contribution to greenhouse gas emissions.



### SDGs We Contribute to



At Bakioğlu Holding and across all our Group Companies, we are committed to comprehensive efforts to mitigate our logistics impacts. This includes implementing more efficient transportation modes (such as intermodal transportation), optimizing planning processes, and improving logistics operations to reduce our environmental footprint.

### Our Logistics Processes

We offer both port delivery and door delivery options to our customers via road and sea transportation modes. We manage logistics agreements across the Group, allowing each Group Company to handle its loading operations independently.

We manage our logistics processes with a focus on effective time management, based on predetermined schedules agreed upon with our customers. To continuously improve our processes, we gather insights and feedback from our customers to create robust and flexible logistics plans.

### Best Practices to Reduce Our Logistics Impacts

In 2023, we reduced the number of vehicles used for employee transportation from an average of 118 per day in 2022 to 58, thereby significantly lowering carbon emissions associated with vehicle use.

Additionally, we have integrated intermodal transportation into our logistics strategy, combining multiple transportation methods to reduce costs and environmental impacts. By increasing the number of intermodal loading types, we aim to minimize the carbon footprint associated with road transportation.

For customer locations with port connections such as Trieste, Koper, and Sete, we transport goods via Ro-Ro shipping lines and then by train, reducing the distance covered by trucks or lorries.

### Future Goals

Looking ahead, we aim to increase the use of rail transportation for customer locations with railway connections. We will also prioritize collaborations with transport companies that monitor and minimize their environmental footprints.

At Bakioğlu Holding, we remain steadfast in our commitment to instilling our sustainability perspective among all stakeholders within our value chain.



SDGs We Contribute to



# Data Security and Privacy

At Bakioğlu Holding, the core of our technological cyber infrastructure is dedicated to ensuring the information security of our employees and Group Companies.

In recent years, the importance of data management has been growing rapidly with digitalization. Ensuring data security is essential for protecting the sensitive information of individuals and institutions.

At Bakioğlu Holding, the core of our technological cyber infrastructure is dedicated to ensuring the information security of our employees and Group Companies. This not only helps us project a reliable image to all our stakeholders but also ensures that we continually protect information security through our Information Security Policy.

In 2023, to enhance security and reliability, we continued to modernize our network by replacing active devices with smart management, high-security, and energy-efficient devices, and by enhancing our IoT firewall systems. We also renewed our ISO 27001 Certification, meeting the requirements of the Information Security Management System.

Click [here](#) to view our ISO 27001 Certificate.

## Bakioğlu Holding Information Security Policy

Bakioğlu Holding's Information Security Management is based on the following core principles:

**Confidentiality:** Preventing unauthorized individuals, organizations, or other operating systems from accessing or obtaining information.

**Integrity:** Maintaining the integrity and accuracy of assets.

**Availability:** Ensuring that information is accessible and usable upon authorized request.

Our objectives with the Information Security Policy are to:

- Establish, develop, and maintain a management system necessary to identify, assess, and implement controls for security needs, risks, vulnerabilities, and opportunities related to our business strategy and information security processes.
- Ensure the confidentiality, integrity, and availability of all information stored physically and electronically by fully complying with legal, operational, and contractual requirements.
- Fully comply with all legal requirements related to customs regulations.
- Develop and implement controls for security risks, set out principles for handling risks, and continuously review technological expectations and developments to track risks.

- Reduce the impact of information security risks on business continuity and ensure business continuity.
- Be capable of responding quickly to potential information security incidents and reducing their impact.
- Increase awareness of information security among users and employees, ensuring they understand their responsibilities, and regularly evaluate information security performance and the effectiveness of the information security management system.
- Ensure the protection of personal data.
- Determine, assess, and enhance the security requirements of the electronic infrastructure provided, ensuring service continuity by keeping up with technological advancements.
- Ensure that external service providers meet the requirements and needs of the information security system.
- Ensure an acceptable level of security for external access to the system.
- Define information security requirements for third parties, customers, and suppliers, and ensure they comply with the information security management system.
- Protect and enhance the company's reputation against information security-based adverse effects.
- Set information security standards for Group Companies, regularly audit them, and ensure compliance.





# Support for Qualified Employment

Since its founding, Bakioğlu Holding has been illuminating the path for future generations with successful projects and initiatives.

In alignment with the Sustainable Development Goals, we believe in the importance of providing quality education and promoting decent work and economic growth. We support the preparation and employment of younger generations, starting with university students. Additionally, we add value to our companies by fostering the lifelong learning and development of all our employees and stakeholders.

## Our Support for Future Generations is “Everlasting”

Since its founding, Bakioğlu Holding has been illuminating the path for future generations with successful projects and initiatives. Through various activities in different fields, we continue to invest in the young generation, whom we regard as our future.

### Cem Bakioğlu Anatolian High School

Founded in 1995 on a 5,000 m<sup>2</sup> plot of treasury land with contributions from our Group Companies, Cem Bakioğlu Anatolian High School was donated to the Turkish National Education. In 2004, an additional building consisting of 15 classrooms and an indoor sports hall was added to the school, again with contributions from our Group Companies. Initially a General High School, it has been operating as an Anatolian High School since the 2005-2006 academic year. Bakioğlu Holding continues to support Cem Bakioğlu Anatolian High School, which produces successful graduates each year, thereby contributing to Turkish National Education.

### Support for the “Continued Dialogue, Closer to Europe” Project

We supported the “Continued Dialogue, Closer to Europe” Project, aimed at fostering sustainable civil society dialogue between Türkiye and EU member states. This project involved creating a comprehensive and digital information platform and a mobile application featuring creative and innovative educational materials on environmental

and energy issues. Young people aged 15-18 worked alongside experts and educators to develop these resources. The online platform serves as an open library where young people can access up-to-date digital resources on EU Energy, Environment, Education, and Culture policies. Activities within the project included conceptual framework meetings, designing e-learning objects, hackathons/ideathons, and project market events. This project contributes to the United Nations Sustainable Development Goals, specifically Quality Education, Climate Action, and Sustainable Cities and Communities, and aims to increase the number of green-collar youth in line with the 2019-2027 EU Youth Strategy.

### Scholarship Programs

In 2023, we continued to support our scholarship recipients under the Scholarship Regulation, which provides scholarships for the talented children of employees at Bakioğlu Holding and our Group Companies pursuing undergraduate and higher education. We also support the education of employees’ children who face challenges in their educational journey due to special circumstances.

### Internship Programs and Activities

We view internship processes as both a responsibility under quality education and an advantage for all our Group Companies. Each internship period fosters mutual growth as we learn from and mentor the young talents who are about to embark on their professional journeys.





## Support for Qualified Employment

We are proud to contribute to the education and professional development of young people through our summer and winter internship programs designed to help them prepare for the business world and provide them with real-world experience.

Since our founding, Bakioğlu Holding has been contributing to the professional development of young talents. During the 2023 reporting period, our Summer Internship Program from June to September provided university students with opportunities to gain experience in various fields of expertise within our company. Interns shared their valuable experiences through final presentations and provided feedback to department managers.

With the same enthusiasm and eagerness to learn, we continued with our 2023-2024 Winter Internship Program. High school students joined an orientation led by Bak Ambalaj Human Values Team Leader Burcu Çakıcı, gaining initial professional and sectoral knowledge. We take great pleasure in guiding and supporting students through their internship journeys.

We are proud to contribute to the education and professional development of young people through our summer and winter internship programs designed to help them prepare for the business world and provide them with real-world experience.

### Sustainable Development and Support Initiatives at Bakioğlu

#### Lifelong Learning, Vocational Training and Development Association (HBODER)

In 2014, Bakioğlu Holding's Board Members, Bakioğlu Holding Packaging Group Companies, Baknet, the Aegean Forest Foundation, and other founding members established the Lifelong Learning, Vocational Training and Development Association (HBODER). This initiative aims to provide education and raise awareness for vocational training and development based on national and international professional standards within the framework of lifelong learning.

The Association conducts research and projects related to professional development in various fields such as environment, agriculture, forestry, energy, information and communication technologies, flexible packaging, and printing sectors in line with the Sustainable Development Goals. It collaborates with national and international organizations to increase societal awareness through educational initiatives.





# Value for People

*Steering our course toward valuing people, we prioritize the happiness of our most valuable resource, our employees.*





# Human Values

We view our esteemed employees as the driving force that will sustain our achievements in the future and consider them not merely as “human resources” but as “human values.”

Throughout our development as a company, the dedication and hard work of our employees have been fundamental to our success in launching new projects and enhancing our market presence. We view our esteemed employees as the driving force that will sustain our achievements in the future and consider them not merely as “human resources” but as “human values.” In line with this, by prioritizing the principle of inclusivity and equality, one of the multifaceted goals of a sustainable future, we

provide our employees with a respectful, diverse, supportive, and sustainably developed work environment.

### Transformation Journey of Our Human Values and Corporate Development Group Presidency

As Bakioğlu Group, we initiated the Employer Brand Project in the previous reporting period to emphasize our vision of “Human Values” within the company’s operations and organization and to develop our practices accordingly. Beyond

emphasizing human values, this project aims to enhance our existing human values, retain talents within the Group, and attract new talents by developing a work culture and perspective toward our employees.

As part of the project, we also revamped our organizational structure, transforming our Human Resources Group Presidency into the Human Values and Corporate Development Group Presidency.

With this transition, we implemented our desired inclusive and human-centric approach into our corporate culture. Additionally, as part of the Employer Brand Project, we began implementing the development program based on our refined employee value proposition, shaped by the Great Place to Work methodology and focus group studies conducted with the voluntary participation of our employees.

Our 360-Degree Performance Evaluation and people-centric approach have garnered recognition across various international platforms that monitor talent management practices. In 2022, our human values initiatives earned us nine different awards from various prestigious programs, underscoring our innovative perspective and success.



# Human Values



We believe that we can achieve all these goals only with the right talents who are passionate about their work.

## Our Human Values and Corporate Development Policy

Aligned with Bakioğlu Holding's mission "To remain everlasting" as a respectable group of companies worldwide, adding value to its country by being the "best" in all its fields of activity," we aim to:

- Be a preferred group of companies by a qualified workforce that embodies universal values such as fairness, freedom, sharing, and equality.
- Prepare our organization both qualitatively and quantitatively for changes in the world and industry.
- Keep our employee profile updated in accordance with our Group strategy.
- Provide realistic and sustainable feedback to our employees within the framework of an individual performance management system aligned with Group goals and strategies, thereby supporting their professional development.
- Offer opportunities for employees to develop, gain experience, and participate in management by assigning them to different areas within the organization.
- Continuously enhance the employee experience, satisfaction, and engagement by maintaining a happy and peaceful work environment.
- Be a strategic partner with sustainable Human Values Policies.

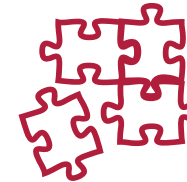
We believe that we can achieve all these goals only with the right talents who are passionate about their work.



# Human Values

By prioritizing the principle of inclusivity and equality, one of the multifaceted goals of a sustainable future, we provide our employees with a respectful, diverse, supportive, and sustainably developed work environment.

## Our Corporate Values



### HUMAN VALUES

*We Value People.*

- Our focus is on "people." We regard people as a "value" rather than a "resource." We prioritize people in all our activities.

### TRUST

*We Establish Trust.*

- We develop relationships based on trust. We do as we say and remain committed to our business, our responsibilities, our values, and each other. We place importance on the integrity of words and actions and build trust.

### JUSTICE

*Justice Is Fundamental to Us.*

- We act within an accountable, transparent, and fair corporate culture. We care about equal opportunities and adopt "fair approaches" in our business and human relations.

### QUALITY & SOLUTION-ORIENTED

*We Act with a Focus on Quality and Solution.*

- We take constructive steps in all that we do. We care about quality and adopt solution-oriented approaches for the satisfaction and trust of our customers and our employees. With this approach, we create "value" in all our initiatives, both nationally and internationally, with our goal of becoming a global company.

### DEVELOPMENT & IMPROVEMENT

*It Is Our Job to Develop and Improve.*

- We are aware that sustainability is achieved through development, change, and innovation. We invest not only in technology, production, and facilities but also in people, and we strengthen corporate memory by sharing knowledge: "We improve as we develop."

### SOCIAL RESPONSIBILITY

*We Possess an Awareness of Social Responsibility.*

- We are mindful of the developments in our country and the environment, and we play our part. We are mindful of our nation, our cultural values, family, and the environment.



# Human Values

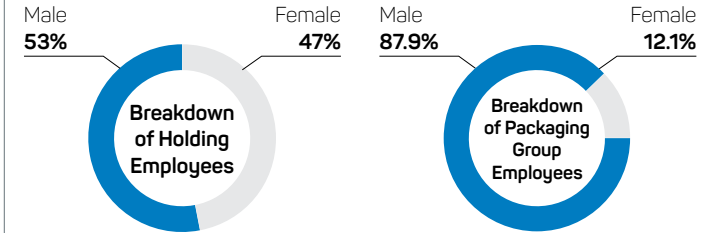
## EMPLOYEE PROFILE



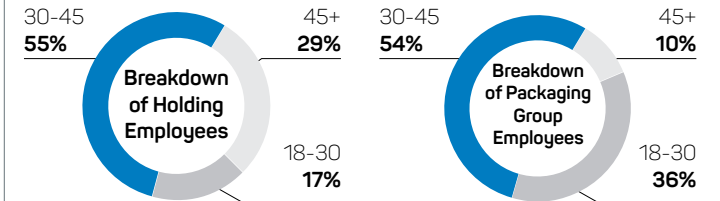
With over 2,200 employees at Bakioğlu Holding and our Packaging Group Companies, we are steadily deepening our roots in the industry. Our presence is continually evolving and adapting, grounded in our human and corporate values, and guided by the principles of inclusivity and diversity.

Engineer Ratio in Group Companies	Female Engineers	Male Engineers
2019	57%	43%
2020	39%	61%
2021	50%	50%
2022	78%	22%
2023	47%	53%

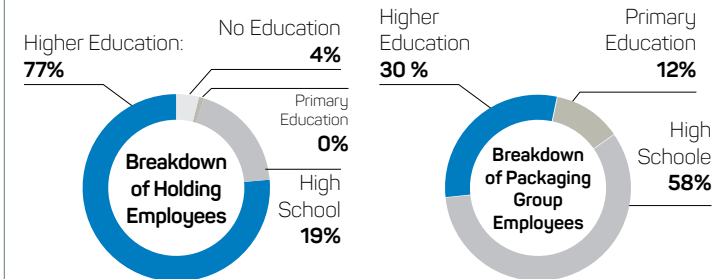
### Employees by Gender



### Employees by Age



### Employees by Level of Education





SDGs We Contribute to



# Human Values

## EQUAL OPPORTUNITY, DIVERSITY, AND INCLUSION

As of 2023, women comprise 47% of the workforce at Bakioğlu Holding while in our Packaging Group Companies, this figure stands at 12.1%.

A crucial aspect of our employer brand promise is recognizing inclusivity and diversity as core values at Bakioğlu Holding and our Group Companies. We strive to create a corporate culture where all employees feel valued, can express their individuality, and experience equality, fairness, and safety.

In this regard, Bakioğlu Holding and our Group Companies strictly prohibit any form of discrimination based on ethnicity, religion, language, race, age, gender, sexual orientation, physical disability, or cultural differences. We ensure the protection of inclusivity and diversity through our company policies and procedures,

and we develop all our processes with this sensitivity. We have established systematic and impartial channels for employees who feel they have been subjected to such behavior. During the reporting period, no complaints or reports of discriminatory behavior were filed by our employees or stakeholders.

### A Corporate Structure Rooted in Inclusivity and Diversity: "Bakioğlu"

In all our projects and actions, we advance with an awareness of inclusivity. Addressing the significant issue of women not reaching adequate positions and equal opportunities in the business world, we ensure employment at Bakioğlu Holding and our Group Companies by always prioritizing equal opportunity.

### Ratio of Female Employees

We continue our awareness and training activities to strengthen our female employees not only in number but also in seniority and qualifications, working toward a shared and equitable future. As of 2023, women comprise 47% of the workforce at Bakioğlu Holding, where the majority are office employees. In our Packaging Group Companies, where the majority are field employees, this figure stands at 12.1%. At Bakioğlu Holding, 53.3% of our mid and senior-level managers are women, while this figure is 32.5% in our Packaging Group Companies. We ensure equal opportunities for

female employees in all engineering and white-collar positions. During the reporting period, the average percentage of female engineers across Bakioğlu Group Companies was 47.3%, reaching 65% at BAREKS.

To prevent the separation of women from the workforce due to childbirth, we implement practices that facilitate the work life of our female employees during pregnancy and post-maternity. During the reporting period, seven female employees went on maternity leave, and four have returned to work.

Supporting the employment of individuals with disabilities is another key aspect of our inclusivity and diversity philosophy. We adapt physical conditions in the workplace to facilitate the participation of disabled individuals, using suitable software and hardware to simplify their daily tasks with voice commands. During the reporting period, Bakioğlu Holding and our Group Companies employed 48 individuals with disabilities. We collaborate with the Corporate Resource and Solution Partners Governance Department to ensure that our disabled employees can effectively participate in office work. We provide the necessary equipment for them to use Microsoft products, enabling them to perform tasks such as composing emails, working on Excel and Word documents, and delivering presentations using voice commands.





SDGs We Contribute to



# Human Values

## EMPLOYEE TRAINING AND DEVELOPMENT

Through Bak Academy, we offer our employees the knowledge, skills, and development opportunities they need.

In line with our group strategies and employer brand promise, we conduct training activities to foster a shared corporate culture, pave the way for leadership, and equip our employees with the skills of the future. Through Bak Academy, which we established to ensure that our investments in employee development are carried out within a structured and systematic framework, we offer our colleagues the knowledge, skills, and development opportunities they need. We regularly plan and deliver training programs to meet the educational needs identified in alignment with company goals and individual objectives, ensuring continuity.

### Bak Academy

**Guided by the group's values, Bakioğlu Leadership Principles (Belief, Passion, Teamwork, Commitment), and the competencies that stem from these, Bak Academy aims to:**

- Focus on continuous development within our organizational climate, which is governed by universal values such as justice, accountability, and transparency.
- Concentrate on all employees, considering them to have high performance and potential.

- Develop the skills necessary for future needs.
- Establish a systematic approach to developing behavioral and technical competencies, with digital tracking of progress.
- Support the development of key employees to retain them.
- Train the future "Top Executives" in both professional and leadership areas.
- Attract high-performing professionals with strong potential to our companies.
- Conduct effective "Human Values Planning" across the group.
- Support organizational growth and change to ensure sustainability.

### Bak Academy Training Programs:

- Core Training
- Professional Development Program
- Management Development Program
- Sales Development Program
- Foreman Development Program
- Vocational and Technical Training
- Technical In-House Trainer Development Program
- Digital Training
- Vocational Certification
- Catalog Training

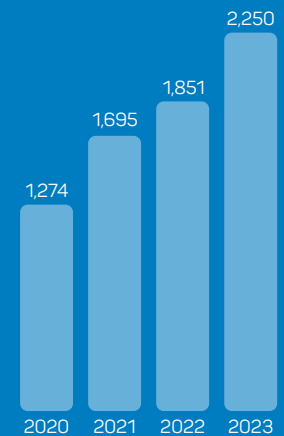
### Bak Academy Development Tools

- 360 "Focus on You" Feedback Sessions
- Development Summit
- Bak Academy Physical Library
- Bak Academy Digital Video Learning (COBIDU)
- Foreign Language Support Program
- Financial Affairs Development Support Program (SMMM)

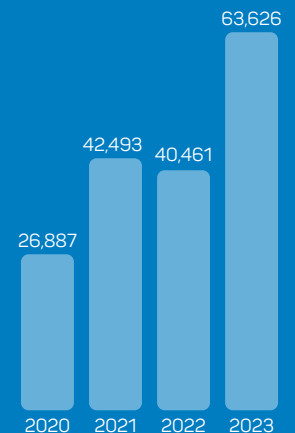
### Competency Development Programs

Program Type	Number of Graduates
Management Development Program	49
Professional Development Program	40
Foreman Development Program	20
Focus on Your Development with a Mentor Program	18
360 Development Assessment	224

Number of Training Participants (person)



Employee Training (person\*hours)







# Human Values

## EMPLOYEE TRAINING AND DEVELOPMENT

In 2023, we held our 10<sup>th</sup> Development Summit with the theme “Transformative Leadership in a Changing World,” attended by approximately 420 participants, as part of our ongoing commitment to employee development and experience.

### 10<sup>th</sup> Bak Academy Development Summit: “Transformative Leadership in a Changing World”

Since our founding, one of our core strategies has been to foster a shared corporate culture and leadership approach that endures across generations. Under the theme “Development Is Everlasting with You” we continue to emphasize that development and improvement are collective responsibilities, aiming to spread awareness of the impact of growth on the organization as a whole. In 2023, we held our 10<sup>th</sup> Development Summit with the theme

“Transformative Leadership in a Changing World,” attended by approximately 420 participants, as part of our ongoing commitment to employee development and experience.

### Core Development Programs: Effective Baki Employee, Relationship Management, and Grow & Develop Training

Within the framework of our core training programs, we conducted the “Effective Baki Employee,” “Relationship Management,” and “Grow & Develop” trainings, attended by 61 employees.

### Competency Development Programs: PGP, YGP, and FGP

Bak Academy began its journey with a focus on leadership development. In 2023, 40 participants graduated from the PGP, 49 from the YGP, and 20 from the FGP, all of which are modular programs lasting about a year. These programs offered participants the chance to gain self-awareness and receive constructive feedback through closing presentations.

### Digital Training

Our digital training system, which was accelerated during the pandemic, has become fully operational. We produced mandatory digital training courses internally with subject matter experts, covering areas such as Product Safety, Quality and Hygiene, Environmental Awareness, 5S, KVKK (Personal Data Protection Law), BGYS (Information Security Management System), ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road), and Basic Occupational Health and Safety. Additionally, we made behavioral development courses like Stress Management and Child Psychology available to all employees via Bakioğlu Online Learning Management Systems.

### Elective (Catalog) Training

In 2023, we continued our tradition of offering a wide range of elective courses aligned with individual development needs. With approximately 70 different training topics, including Jodo-The Art of Defense in Relationships, Rational Thinking, Instant Feedback, Analytical Reporting Training, Transactional Analysis-1, Nonviolent Communication, Conflict Transformation, Effective Memory Techniques, and The Life of a Resilient Individual, we completed our training programs with valuable insights and shared experiences. Around 1,400 participants joined these sessions.



# Human Values

## EMPLOYEE TRAINING AND DEVELOPMENT

224 of our colleagues participated in the ninth iteration of our 360 Development Evaluation Process.

### Technical In-House Training

We continued the “Technical Academy Project” within our Packaging Group Companies, aimed at enhancing the “Technical Skills Development” of our field teams. This project, which includes the sustainable and standardized transfer of corporate knowledge, involved nearly 100 subject matter experts across the Group. With their support, we delivered over 500 in-house training sessions this year.

### Vocational Development Training

In the area of Vocational Development, we successfully completed hands-on training in Basic Hydraulics/Electrohydraulics, Train-the-Trainer, Basic Pneumatics and Electropneumatics, and PLC S7/1500 Basic Automation with participants from different companies. Additionally, we continued with certifications for MYK (Vocational Qualification Authority of Türkiye) roles such as Bridge Crane Operator, Forklift Operator, and Welding.

the transfer of knowledge, skills, and experience beyond hierarchical channels. The program is designed to develop leadership competencies, foster a shared leadership language, and support cultural integration within the organization. In 2023, 18 mentees and 18 mentors participated, with mentees engaging in six development sessions and one vision meeting with top management.

### OHS (Occupational Health and Safety) Refresher Training

At Bakioğlu Holding and our Packaging Group Companies, we initiated a project focused on digitizing and expanding the reach of technical and mandatory training. Utilizing Greenbox technology and instructional methods, we are developing online OHS (Occupational Health and Safety) Refresher Training. Additionally, we have completed a training module covering basic health topics, which will be made available to all employees.

### 360 Development Assessment Process

224 of our colleagues participated in the ninth iteration of our 360 Development Evaluation Process. This process is designed to provide competency-based feedback to participants and offer various development resources. Our human- and development-focused approach, combined with innovative thinking, has led to the 360 Development Assessment Process being recognized with multiple awards in 2022, selected by over 500 jury members from various countries.

### In-House Mentoring Program

We launched the “Focus on Your Development with a Mentor Program” program, a new in-house mentoring initiative under Bakioğlu Holding and our Group Companies. This program encourages leaders to learn from each other and facilitates

### Digital Video Learning Platform

We introduced a new video learning platform, COBIDU, to support the growth of our participants. With this platform, our employees can enjoy an engaging online learning experience that supports both professional and personal development, without the limitations of time and space.





# Human Values

## EMPLOYEE TRAINING AND DEVELOPMENT

The “Employee Portal,” which we launched with great effort and dedication, provides an accessible platform that is open to all employees at any time.

### Best Practices for Supporting Employee Experience

#### University Partnerships and Young Talent Support Programs

We collaborate with universities to help prepare young talents for the business world. Through activities such as internship programs and project-based collaborations, we offer students the opportunity to engage with the realities of the workplace.

#### Wellness Program: Steps to Enhance Employee Quality of Life

Our company culture prioritizes sustainable well-being, aiming to improve the quality of life for our employees. Under the Wellness Program, we organize activities focused on the health and well-being of our staff.

#### Awareness Webinars

To raise awareness and provide support, especially in unexpected situations, we organize various webinars for our employees. These sessions cover essential topics such as preparedness for emergencies like earthquakes and pandemics, helping our team stay informed and resilient.

### Innovative Employee Portal: BakBi

In line with our digitization strategy, we tested our “Employee Portal” on September 26-27 with volunteer colleagues from various companies within our group, brainstorming potential improvements based on their experiences. After a great deal of effort and dedication, we launched our “Employee Portal” in December 2023, which is accessible on mobile devices and tablets. This portal is open to all employees, providing an always-accessible platform where everyone can stay updated on the latest developments within our companies and interact through various features. The name “BakBi” was chosen by our employees from among the options they suggested and voted on.

### Strategies for Enhancing Employee Engagement

#### Embracing Advanced Communication Approaches

We adopted a proactive approach to communication, utilizing various channels for regular interaction with employees. By continuously refining our communication strategies based on employee feedback, we made internal communication more dynamic and agile through digital screens, eliminating the need for paper announcements.



# Human Values

## EMPLOYEE TRAINING AND DEVELOPMENT



Our goal is to establish an effective talent management system to identify, develop, and match employees' skills with internal opportunities.

### **Supporting Employee Engagement Projects**

We initiated special projects to strengthen employee engagement. By implementing practices such as flexible working arrangements and motivation-boosting activities, we focused on enhancing employee loyalty.

### **Strengthening Corporate Culture and Values**

To emphasize company culture and values, we organized training sessions on corporate culture and ethical principles.

### **Improving Performance Management**

We created a supportive performance management environment to clarify employee goals, provide feedback, and offer development opportunities.

### **Strategic Roadmap for Employee Development and Corporate Goals**

#### **Enhancing Employee Experience:**

Our goal is to continuously improve the work environment to increase employee engagement. These improvements cover a wide range, including flexible working arrangements, career development opportunities, and support programs that meet employee needs.

**Promoting Diversity and Inclusion:** Developing policies and practices that support diversity and inclusion is one of our key objectives. We strive to attract and support individuals from diverse backgrounds, talents, and perspectives within our workforce.

#### **Talent Management and Development Programs:**

Our goal is to establish an effective talent management system to identify, develop, and match employees' skills with internal opportunities. Through comprehensive training and career development programs, we aim to maximize the potential of our employees.

#### **Sustainability-Focused Business Practices:**

As Human Values, we support various initiatives to promote a sustainability culture within our company and fulfill our environmental and social responsibilities.

#### **Technology and Data-Driven Human Values:**

We are committed to enhancing our Human Values processes by leveraging technology and data analytics, aiming to make more strategic decisions. This approach will enable us to improve efficiency and effectiveness across various areas, from recruitment to performance management.



# Human Values

## EMPLOYEE ENGAGEMENT

We continue to implement initiatives and internal communication efforts aimed at boosting employee motivation and engagement.

We place our long-standing, resilient, forward-thinking, and growth-oriented employees within our strong holding structure in the most equitable manner across our organizations. Additionally, we implement strategies to enhance employee engagement, ensuring they always feel secure and can effectively navigate their careers. Strengthening employee engagement is a key aspect of our employer brand promise.

We continue to implement initiatives and internal communication efforts aimed at boosting employee motivation and engagement. These include seniority ceremonies, retirement ceremonies, welcome gift sets for new hires, tree donations through the Aegean Forest Foundation for births, marriages, bereavements, and new hires, special gifts and celebrations on significant days and weeks, family festivals, motivational and shared meals, as well as sports and hobby activities. Our primary resource for planning these initiatives is employee engagement surveys. Through these surveys, we gather insights into our employees' views and expectations, allowing us to implement measures to enhance engagement and motivation.

### Employee Engagement Survey Results

#### Employee Engagement Across Group Companies

😊 Bakioğlu Holding **81.2%**

😊 Bak Ambalaj **70.0%**

😊 Polibak **75.6%**

😊 Bak Gravür **81.0%**

😊 Bareks **76.1%**

#### Employee Turnover Rate Across the Group (%)

2017	10.3
2018	17.5
2019	12.1
2020	7.1
2021	8.4
2022	9.1
2023	11.5



We prioritize the work-life balance of our employees, recognizing its significant impact on job satisfaction. To support this balance, we have adopted flexible and remote working models. Since 2020, when the remote work policy was first introduced due to the pandemic, we have made it a permanent arrangement for our office

employees, allowing them to work from home one day a week. Additionally, we continue to shorten the workday by 30 minutes to help our office employees reach home earlier.

# Human Values

## EMPLOYEE ENGAGEMENT

On December 31, 2023, we began holding seniority ceremonies to present plaques to Bakioğlu Holding and Group Companies employees with 5 to 45 years of service.

### Best Practices for Employee Engagement

#### Our Employee Value Proposition through the Employer Branding Project

As part of our efforts to measure employee engagement and understand the perception of our employer brand, we initiated the Employer Branding Project. To enhance the employee experience and accurately position our employer brand, we conducted employee surveys and focus groups, leading to action planning. One outcome of this initiative was the establishment of our Employee Value Proposition: "Seninle Baki" (Everlasting with You).

### Internal Communication Bulletins

We expanded and systematized our internal communication bulletins, which were previously topic-specific. Now transformed into a monthly internal communication bulletin, these bulletins compile significant developments from all our companies, strengthening and keeping our internal communication up-to-date.

### Retirement Ceremonies

We held retirement ceremonies to honor our employees who have earned their retirement.

### Seniority Ceremonies

On December 31, 2023, we began holding seniority ceremonies to present plaques to Bakioğlu Holding and Group Companies employees with 5 to 45 years of service. We celebrated our 2023 Seniority Ceremonies with pride and enthusiasm, completing 10 separate sessions with the participation of 298 esteemed colleagues who earned their seniority plaques.

### International Women's Day Gift Program

With the message, "To all our heroic women who prioritize societal benefits, turn our hardships into hope, and nurture our values with care," we stood by the women affected by the Kahramanmaraş earthquake through a collaboration with the Foundation for the Support of Women's Work (KEDV) on March 8, International Women's Day.

### Gifts for Employees on Special Days

In line with the framework set by our Human Values and Corporate Development Group Presidency, we gift an "Aegean Forest Foundation Sapling Card" and a "Welcome Package" to employees on their first day of work, recognizing it as one of their most special days.

For special occasions, such as weddings and childbirths, we add an additional gift, a gold coin for weddings and a quarter gold coin and baby basket for births, alongside the Aegean Forest Foundation Sapling Card.





# Human Values

## EMPLOYEE ENGAGEMENT

We were delighted to share our “October 29, 100<sup>th</sup> Anniversary of Our Republic Special Newspaper” with our colleagues, a publication that, through our press archives, highlights our journey alongside the Republic over the past 50 years, offering a glimpse into our shared history.

### **New Year Celebration**

In collaboration with our Human Values and Corporate Development Group Presidency, we provide all employees with a gift package supplied by the Aegean Forest Foundation, reflecting our commitment to social responsibility.

### **National Sovereignty and Children's Day**

At Bakioğlu Holding and our Group Companies, we celebrated the 103<sup>rd</sup> anniversary of April 23 National Sovereignty and Children's Day with a virtual exhibition featuring drawings by our employees' children under the theme “My Dream April 23.”

### **Republic Day**

We were delighted to share our “October 29, 100<sup>th</sup> Anniversary of Our Republic Special Newspaper” with our colleagues, a publication that, through our press archives, highlights our journey alongside the Republic over the past 50 years, offering a glimpse into our shared history. In conjunction with the release of our commemorative film, we also presented our employees with integrated outdoor designs, magazine and newspaper advertisements, social media posts, greeting cards, and internal communication visuals, all crafted to align with our celebration.

### **November 10: Commemoration Atatürk**

During Commemoration Week of Atatürk, we held a remembrance ceremony with a moment of silence and the National Anthem. We also placed commemorative boards in the lobbies for a week to honor Atatürk.

### **Projects to Enhance Communication, Development, and Motivation for Employees and Candidates**

#### **University Collaborations and Career Events**

We successfully completed the first phase of our Warehouse Management System and Vehicle Loading Optimization Project, conducted as part of Bilkent University's Industry-Oriented Graduation Projects.

We also participated in numerous career events, including the Middle East Technical University Career Fair, “Career Fair İzmir '23,” Kariyer.net Online Career Fair, Kariyer.net Manufacturing Career Days, InterCView event, “Human Resources 101” seminar, and Yaşar University Summit 2023.

### **Student Engagement and Promotion Events**

With our Human Values teams from Bakioğlu Holding and Packaging Group Companies—Bak Ambalaj, Polibak, Bak Gravür, Bareks, and Bakcycle—we organized events where we met with young talents, shared industry developments, and discussed job and internship opportunities.

We conducted full-day events with students from Dokuz Eylül University's Quality Club, İzmir University of Economics Mechanix Engineering Club, and İzmir Institute of Technology Mechanical Engineers Club. During these events, our Human Values teams provided detailed information through opening presentations and showcased the production process through field tours.

### **Aegean Coaching Summit**

Polibak's Human Values Manager, Berna Poyraz, participated in the Aegean Coaching Summit organized by People Management Association of Türkiye (PERYÖN) and International Coaching Federation (ICF). At the summit, she discussed how coaching practices, which serve as a communication and leadership language at Bakioğlu Holding and our Group Companies, are integrated into our human values processes. The summit was enriched with contributions from all speakers, including Berna Poyraz, who highlighted our “Focus on You” meetings and Coaching Leadership Training, based on guidance and mentoring.



# Human Values

## EMPLOYEE ENGAGEMENT

The primary goal of our performance management system is to create value by enhancing the Company's efficiency and profitability, and to share this value with employees who contribute positively to this effort, thereby recognizing and encouraging them.

### **Internship Programs and Interns**

In the 2023-2024 academic year, high school interns at Bakioğlu Holding and our Packaging Group Companies took their first steps into corporate life.

University students who participated in the Bakioğlu Holding Summer Internship Program from June to September 2023 completed their internships with final presentations and shared their observations and suggestions with department managers.

### **Bakioğlu Holding Compensation and Performance Management**

At Bakioğlu Holding and our Group Companies, the compensation policy is determined by our Board of Directors and implemented accordingly. Salaries are determined based on the requirements of the relevant role, with no consideration given to personal attributes, ensuring adherence to the principle of equal pay for equal work. In this process, macroeconomic indicators, the company's future projections, salary market research, and evaluations by independent consulting firms are also considered. In addition to base salary practices, our performance management system comes into play to incentivize company performance, which naturally results from employee achievements.

The primary goal of our performance management system is to create value by enhancing the company's efficiency and profitability, and to share this value with employees who contribute positively to this effort, thereby recognizing and encouraging them.

At Bakioğlu Group, our Performance Management System is designed to develop, guide, and manage employees who will help realize the company's vision in line with the company's culture and values. This enables each employee to understand how they can contribute to the company's vision.

The Performance Management System comprises four main dimensions:

- **Financial Goals:** Targets related to financial performance
- **Business Process Goals:** Targets related to operations, productivity, and quality

- **Customer Goals:** Targets related to customer satisfaction
- **People and Culture Goals:** Targets related to company and employee development

These four dimensions also encompass the company's social, environmental, and economic sustainability priorities. Consequently, the performance of our managers and employees on sustainability issues is evaluated as part of this system and plays a role in performance-based incentives.





# Occupational Health and Safety

Through Occupational Health and Safety Committees, we strive to foster a culture of safety and ensure that our employees actively participate in these processes.

SDGs We Contribute to



## Our Occupational Health and Safety (OHS) Approach

At Bakioğlu Holding, we view providing a safe and healthy working environment for our employees and subcontractors on-site as a fundamental responsibility. Our Occupational Health and Safety (OHS) practices are shaped by relevant legal regulations, international standards, and Bakioğlu Holding's policies, which are uniformly applied across all Group Companies. We ensure that all OHS practices implemented for our employees are equally extended to subcontractor personnel.

Across all Group Companies, our OHS practices are centrally managed by our Occupational Safety Unit. We have established Occupational Health and Safety Committees that meet regularly to address OHS issues more effectively. Through these committees, we strive to foster a culture of safety and ensure that our employees actively participate in these processes. Furthermore, we provide OHS training for new employees and renew training sessions for existing employees at legally mandated

intervals. We prioritize safety at every step by implementing the ISO 45001 Occupational Health and Safety Management System across all our facilities, and we keep our certification up to date with regular audits.

## OHS at Bakioğlu Holding and Our Group Companies: 2023 Highlights

In 2023, we continued to advance our OHS policies by launching various projects and training initiatives with active employee involvement. We kept our workforce informed and engaged on key issues through monthly door posters and encouraged them to submit near-miss reports. These reports were reviewed and voted on by our teams, with the top submissions displayed on screens in common areas, helping to sustain a high level of OHS awareness throughout the year. Furthermore, we rolled out our Single Point Training sessions monthly across all facilities, ensuring that our employees stayed well-informed.



# Occupational Health and Safety

During the reporting period, we provided a total of 21,698 person\*hours of occupational health and safety training to 1,910 participants across the Holding and Group Companies.

**Near-Miss Reporting System:** To minimize hazards, reduce risks, and prevent accidents, we have implemented a Near-Miss Reporting System available to all employees. These reports are evaluated by our OHS Department, with appropriate actions taken, and closure rates are consistently monitored.

**Subcontractor Monitoring System:** Our Subcontractor Monitoring System tracks on-site subcontractor activities, recording details such as the duration of work and the personnel involved. Daily email notifications are sent to relevant parties to ensure continuous oversight.

### Inclusive OHS Solutions: Behavior-Based Safety

We are dedicated to embedding OHS into our corporate culture by fostering empathy through management behaviors that resonate with all employees. In this spirit, we conduct OHS training and initiatives aimed at encouraging positive behavioral changes among our employees and stakeholders.

### Our Digital OHS Training Journey

To address the needs identified across Bakioğlu Holding and our Packaging Group Companies, and under the Bak Academy umbrella, we have enhanced our digital training offerings. By collaborating with subject matter experts and utilizing Greenbox technology alongside various teaching methods, we introduced our online OHS Refresher Training series, starting with "Basic Occupational Health and Safety Training." This four-module program, developed with our workplace physicians, will be fully recorded by 2024 and made accessible to all employees through the Bakioğlu Online Learning Management Systems (SuccessFactors and deaLearning). Additionally, in 2024, we will launch Basic Fire Safety and Technical Safety Training courses tailored to our companies, which will also be available on our online platforms.

### Our Commitment to Zero Breakdowns, Zero Defects, and Zero Accidents

In line with our TPM Master Plan, we are committed to achieving zero breakdowns, zero defects, and zero accidents. To enhance the awareness and experience of our employees in this regard, we regularly conduct training sessions. During the reporting period, we provided a total of 21,698 person\*hours of occupational health and safety training to 1,910 participants across the Bakioğlu Holding and Group Companies.

Behavior-Based Occupational Health and Safety Activities	Description
<b>Safety Talks</b>	We conduct regular safety talks with our employees to raise occupational safety awareness, encourage them to consider safety and other risks related to their work areas and/or machinery, and to promptly report any identified risks.
<b>Weekly Management Walkthroughs</b>	Every week, the General Manager, along with department managers, the company physician, safety officer, and department supervisors, conduct management walkthroughs. These sessions provide an opportunity to engage directly with employees, identify potential workplace safety risks, and gather valuable suggestions and requests.
<b>Vision Awareness Activity</b>	At all Bakioğlu Holding and Packaging Group Companies, the Occupational Safety Department and the Health & Safety and Environment (HSE) Committee organized an event to highlight the importance of vision in daily life and raise awareness about eye protection at work. During lunch, our volunteer employees participated by covering one eye, aiming to foster a deeper understanding of the significance of eye safety.

### Occupational Health and Safety Data

Group Lost Time Injury Frequency Rate (%)	
2018	0.40
2019	0.34
2020	0.54
2021	0.45
2022	0.36
2023	0.40

Injury Rate (%)	
2018	20
2019	20
2020	18
2021	26
2022	23
2023	24



SDGs We Contribute to



# Emergency Preparedness

In 2023, Bakioğlu Holding and our Packaging Group Companies provided 1,551 person\*hours of Disaster and Emergency Training.

## Disaster and Emergency Management

Being prepared for natural disasters, especially earthquakes, and other emergencies is a crucial aspect of our business continuity practices. Therefore, we develop and maintain up-to-date emergency plans and procedures across all our Group Companies.

To ensure readiness for emergencies, we conduct day and night emergency drills for each shift within our Group Companies. These drills are based on scenarios outlined in our emergency plans, including earthquakes, fires, explosions, chemical spills, and more. After each drill, we analyze the findings and experiences in detailed reports, tracking the actions taken to improve our preparedness. We also regularly update the knowledge and equipment of our emergency response teams and provide them with ongoing training. Additionally, we offer practical fire extinguisher training to all employees, conducted by expert organizations.

## Emergency Preparedness Performance in 2023

As part of our ADR compliance efforts, which set standards for occupational health and safety, environmental protection, and the road transport of hazardous materials, we conducted drills across all our Packaging Group Companies. Various teams were designated with specific roles and responsibilities for potential emergencies, and they were thoroughly briefed on their duties.

We ensure that all necessary emergency equipment is readily available in our Packaging Group Companies and that our teams are well-prepared through continuous training. In 2023, Bakioğlu Holding and our Packaging Group Companies provided 1,551 person\*hours of Disaster and Emergency Training, maintaining our high level of commitment to emergency preparedness.

## Safeguarding Mental Health in the Aftermath of the Earthquake

The devastating earthquake in Kahramanmaraş on February 6, which deeply affected our entire country, along with the global climate disasters we have witnessed, highlighted the critical importance of emergency planning and proactive sustainability measures. In response to the psychological impact on our employees, we swiftly initiated support efforts. We organized a webinar titled "Protecting Our Mental Health After the Earthquake," where Clinical Psychologist Şenel Karaman provided guidance to all our employees and their families. This seminar was part of our comprehensive emergency approach, aiming to help our community manage the emotional toll and maintain mental well-being in the aftermath of such a profound tragedy.

## WEBINAR

### Deprem Sonrası Ruh Sağlığımızı Korumak

Geçirdiğimiz bu zor zamanlarda hepimize iyi geleceğine inandığımız webinarımıza; outlook takvimde yer alan ve SMS ile ayrıca iletilecek Teams linki üzerinden, aileniz ve sevdiklerinizle katılımlarınızı bekliyoruz.



15 Şubat Çarşamba  
19:00



Teams



**Şenel KARAMAN**

Klinik Psikolog  
Emdr Europe Consultant

**bakioğlu**  
HOLDING



# Corporate Social Responsibility

On our journey focused on the environment and education, we continue to actively support the projects carried out by the Aegean Forest Foundation and the Lifelong Learning Association.

We aim to enhance social value by actively engaging in societal development beyond our core business activities. We view corporate social responsibility not merely as a business obligation but as a reflection of our commitment to contributing to society. Guided by this sense of responsibility, we collaborate with NGOs, public institutions, and various stakeholder groups to develop projects, particularly those supporting sustainability initiatives.


We concentrate our community projects and sponsorship efforts primarily on the environment and education. In 2023, we allocated the necessary resources to support

social responsibility initiatives in these areas. Within this scope, we continue to actively support the projects undertaken by the Aegean Forest Foundation and the Lifelong Learning Association, both founded by members of the Bakioğlu Holding Board of Directors.

## Investing in the Future: Our Scholarship Programs

Reflecting our commitment to education, we maintain an active connection with Cem Bakioğlu Anatolian High School, a school donated by our Chair Cem Bakioğlu, and support its ongoing needs. We also make annual donations to LÖSEV (The Foundation for Children with Leukemia) on

behalf of each of our employees, ensuring our place as regular contributors. Additionally, we support students who excel academically but lack financial means through our scholarship program, focusing on institutions such as Koç University and Istanbul Technical University.

Click  here for more detailed and up-to-date information.

## Sponsorship of the Economics Congress

As part of our corporate social responsibility initiatives, we proudly served as a theme sponsor for the Economic Congress of the Second Century, held in İzmir from March 15-21, 2023, under the slogan "Building the Future of Türkiye." Our involvement in this significant event allowed us to contribute to shaping the economic policies of Türkiye's future.

At the closing ceremony of the Congress, where all sponsor companies were honored, our Vice Chair, Enver Bakioğlu, received Bakioğlu Holding's plaque from İzmir Metropolitan Mayor Tunç Soyer.

## Healing Together After the Earthquake

Given the profound economic impact of the devastating Kahramanmaraş earthquake on February 6, we shifted our corporate social responsibility focus in 2023 toward earthquake relief initiatives. In collaboration with the Middle East Technical University Aegean Alumni Association and the İzmir Branch of the Ankara University Faculty of Political Sciences Alumni Association (Mülkiyeliler Birliği), we spearheaded a project to address the urgent equipment needs of university students affected by the disaster. Over a three-week period, with support from our Audit and Corporate Resources and

SDGs We Contribute to





## Corporate Social Responsibility

In tribute to all the heroic women who prioritize the greater good, turn our challenges into hope, and nurture our values with care, we stood by the women affected by the Kahramanmaraş earthquake in collaboration with the Foundation for the Support of Women's Work (KEDV) on March 8, International Women's Day.

Solution Partners Management Directorate, Baknet A.Ş.'s Supply Chain and Financial Affairs Departments, and our Corporate Communication and Reputation Management Department, we successfully gathered and donated 205 portable computers in excellent condition from within our Group. Furthermore, both Bakioğlu Holding and our Packaging Group Companies made additional donations to further support those impacted by the earthquake.

### Support for Women Workers

In tribute to all the heroic women who prioritize the greater good, turn our challenges into hope, and nurture our values with care, we stood by the women affected by the Kahramanmaraş earthquake in collaboration with the Foundation for the Support of Women's Work (KEDV) on March 8, International Women's Day.

### University Collaborations

Our collaboration with Bilkent University remains strong, particularly through the "Industry-Oriented Graduation Projects" program. Together with students and faculty from the Industrial Engineering department, we successfully completed the first phase of the Warehouse

Management System and Vehicle Loading Optimization Project. Following this milestone, we held an interim evaluation meeting, where the Bakioğlu Holding Operational Excellence Department and the Supply Chain Department of Polibak provided valuable insights and evaluated the proposed solution strategies.

### Online Career Meetings

On June 21, our Human Values teams connected with university students and recent graduates through a virtual booth. During a live broadcast on Kariyer.net's YouTube channel, we shared career opportunities within our companies. The event, which attracted nearly 500 participants, was a resounding success.

### Dokuz Eylül University Quality Days

We participated in a full-day event with students from Dokuz Eylül University's Quality Society. Our Sales and Marketing teams delivered presentations, and our R&D and Quality teams shared their experiences with engineering students, answering their questions. The event also included a production site tour, where we provided detailed insights into our production line operations.



### Participation in METU Career Fair

We successfully participated in the Middle East Technical University (METU) Career Fair, where we engaged with the professionals of tomorrow. Representing Bakioğlu Holding and our Packaging Group Companies, our Human Values teams from Bak Ambalaj, Polibak, Bak Gravür, Bareks, and Bakcycle shared industry developments, job and internship opportunities, and answered questions from the young attendees during this productive career day.

### Izmir Career Fair 2023

Hosted by the Izmir Metropolitan Municipality's Youth Studies and Social Projects Department, we participated in the highly attended "Izmir Career Fair 2023," held from October 6 to 8 at the Historical Gas Factory Youth Campus. This event provided a platform to share our industry experience and to discuss job, internship, and career opportunities available within our companies.



# From Sapling to Forest: Aegean Forest Foundation

Recognizing that deforestation is a growing threat to our future and understanding the vital role trees play as carbon sinks, we invest in forests worldwide as a comprehensive approach to balancing global emissions.



## Foundation's Mission

Founded with contributions from Bakioğlu Holding and our Group Companies under the leadership of Cem Bakioğlu, the Aegean Forest Foundation continues to advance forest development projects with the support of nature enthusiasts.

Recognizing that deforestation is a growing threat to our future and understanding the vital role trees play as carbon sinks, we invest in forests worldwide as a comprehensive

approach to balancing global emissions. As part of our commitment to combating climate change, our reforestation projects collaborate with forest villagers to create carbon sink areas. Additionally, we actively support the Aegean Forest Foundation's sustainable initiatives, which address critical global issues, and through our ongoing efforts, we continually contribute to reducing the carbon footprint of our subsidiaries by creating new forests every year.

## Corporate Social Responsibility Milestones of the Aegean Forest Foundation

Our commitment to corporate social responsibility, one of our core values, drives us to respond sensitively to developments in our country and environment, fulfilling our duties with dedication. We approach our nation, cultural values, families, and the environment with a deep sense of responsibility.

## "Own a Tree Planted" Initiative

As in previous years, we united thousands of saplings with the soil through the Aegean Forest Foundation, with contributions from our Group. Through the "Own a Tree Planted" project, conducted in collaboration with the Aegean Forest Foundation and Bakioğlu Holding, we gathered with students and their families from the Ekin Su Special Education and Rehabilitation Center. As part of this initiative, saplings donated by our Company to the Aegean Forest Foundation were planted in the Manisa-Soma-Işıklar reforestation area on behalf of the students. During the ceremony, we planted saplings together with the students and engaged in discussions about the importance of nature and our love for it.

# From Sapling to Forest: Aegean Forest Foundation

In 2023, we contributed 10,013 saplings to nature through our Group Companies, offsetting 4,115.34 tons of CO<sub>2</sub> equivalent greenhouse gas emissions. Over the past seven years, we have proudly planted over 60,000 saplings, fostering a greener future.

### Forests Powered by the Sun

We continue to support the “Forests Powered by the Sun” project, which has been ongoing since 2013 in collaboration with the Aegean Development Agency. The solar power facility, established in 2014 in the Oğlananası area of Menderes, has an energy production capacity of 500 kWp, generating over 900,000 kWh annually. A portion of the energy produced is used for the Aegean Forest Foundation’s olive grove, while the surplus is reinvested into further reforestation projects. This project, symbolizing our commitment to clean and renewable energy, aims to prevent over 770 tons of carbon emissions annually.

### Step by Step into Ecotourism

The “Step by Step into Ecotourism” project, led by the Aegean Forest Foundation and supported by the Aegean Development Agency’s Tourism and Environment Financial Support Program, aims to preserve natural, historical, and local cultural heritage along the Efemçukuru-Çatalca route in Menderes district and the Karagöl-Kayadibi route in Bornova district. The project promotes awareness and knowledge of ecotourism while developing alternative tourism such as rural, eco, and adventure tourism along these routes. Nature trails were established on both routes, and eco-markets were set up in the local villages. Additionally, the project provided

ecotourism training by expert academics to local residents, and selected volunteers received field guide training to better communicate the region’s natural, cultural, and historical wealth to visitors.

### Toward a Greener Future: 60,000 Saplings in Six Years

As part of our ongoing support for the Aegean Forest Foundation, we regularly donate saplings for various projects involving our employees and their families. In 2023, we contributed 10,013 saplings to nature through our Group Companies, offsetting 4,115.34 tons of CO<sub>2</sub> equivalent greenhouse gas emissions. Over the past seven years, we have proudly planted over 60,000 saplings, fostering a greener future.



### Reforestation Efforts (Number of Trees Planted)

2017	9,786
2018	5,794
2019	5,204
2020	6,715
2021	18,449
2022	7,711
2023	10,013



# From Sapling to Forest: Aegean Forest Foundation

Bakioğlu Holding is a contributor to the Partnership for Twin Transition to a Green Future project, carried out under the EU-Türkiye City Twinning-II (City Twinning for a Green Future) Grant Program, led by the Karşıyaka Municipality in partnership with Aegean Forest Foundation, Gdynia Municipality in Poland, and Katip Çelebi University.

## Bakioğlu Holding Group Companies' Collaboration with Aegean Forest Foundation

### Holding to Our Roots through Technology Project

The Holding to Our Roots through Technology project was initiated under the coordination of the Izmir Commodity Exchange as part of the "Supporting Decent Work Approaches with a Focus on Gender Equality" grant program, backed by the Ministry of Labor and Social Security. This project is a collaboration between the Lifelong Learning, Vocational Training and Development Association, Aegean Forest Foundation, Ege University, and Greece-based Institute of Entrepreneurship Development (IED). The project aims to equip young adults aged 18-30 and agricultural workers with the skills needed to lead digital transformation in agriculture. Aegean Forest Foundation's olive plantation will serve as a pilot site for this initiative. By facilitating the adaptation of youth to the digital transformation in agriculture, the project contributes to employment growth and supports the United Nations Sustainable Development Goals.

### Adapting Our Future to Climate Change Project

The Adapting Our Future to Climate Change project is part of the Climate Change Adaptation Grant Program, supported by the Ministry of Environment, Urbanization, and Climate Change. Led by Lifelong Learning, Vocational Training and Development Association (HBODER), this initiative partners with the Izmir Provincial Directorate of National Education, Istanbul University-Cerrahpaşa, Aegean Forest Foundation, and Poland-based NGO Osrodek Badawczo Edukacyjny w Zielonowie (OBEZ). The project's primary goal is to enhance Türkiye's capacity for climate change adaptation by focusing on educating children and youth through the educational sector. The project includes training programs and events designed to raise awareness and build resilience, involving decision-makers and stakeholders to expand collaboration. An Ecology Education Center will be established, and programs based on biomimicry will help children understand ecosystems and increase their awareness of climate change. This project also aims to contribute to the United Nations Sustainable Development Goals and support Türkiye in developing sustainable development policies at both national and local levels.

### Partnership for Twin Transition to a Green Future Project

Bakioğlu Holding is a contributor to the Partnership for Twin Transition to a Green Future project, carried out under the EU-Türkiye City Twinning-II (City Twinning for a Green Future) Grant Program, led by the Karşıyaka Municipality in partnership with Aegean Forest Foundation, Gdynia Municipality in Poland, and Katip Çelebi University. This project aims to strengthen climate and environment-focused cooperation between cities in Türkiye and Poland, enhance local governance capacities, and make the two coastal cities more resilient to climate crises. Throughout the process, Sustainable Energy and Climate Action Plans will be developed for local administrations, digital municipality applications will be advanced, and the climate adaptation capacity of urban residents will be increased. The project is expected to create climate-resilient models that form the foundation of smart city infrastructure, lead communities toward a sustainable and healthy future, contribute locally to the European Green Deal objectives, and support Türkiye's EU accession process at the local level.







# Value for Our World

Since day one, we have been steadily advancing with sensitivity and awareness *on our course toward a sustainable world.*



# Combating Climate Change and Environmental Approach

We recognize climate change as a critical risk to the future of our planet and humanity, and we take responsibility for mitigating the impacts arising from our operations.

The climate crisis, which has rapidly affected all of us globally in recent years, serves as a compelling reason for us to develop lasting sustainable solutions across our business models and activities. Climate change, along with its accompanying social and environmental challenges, not only poses a direct threat to the health of our planet and its inhabitants but also significantly impacts the global economy. The effects of these risks, which will shape the future, are now clearly visible. As a result, the United Nations, governments, and civil initiatives are increasingly emphasizing the urgent need for collective action to mitigate climate change and limit its negative impacts.

At Bakioğlu Holding, rather than resisting climate change, we are taking significant steps to transform its threats into opportunities and to generate benefits for both the planet and society under all circumstances. We recognize climate change as a critical risk to the future of our planet and humanity, and we take responsibility for mitigating the impacts arising from our operations. Adopting the principle of “You can’t

manage what you don’t measure,” we calculate the greenhouse gas emissions of our Packaging Group Companies and have these calculations verified by accredited independent organizations. By regularly monitoring these emission values, we control our consumption and, when necessary, review all stages of our product value chain to pivot toward environmentally friendly solutions.

## Our Environmental Management Policy

In managing Bakioğlu Holding and our Group Companies, we consider the mission of sustaining the fight against climate change when defining our management approach, practices, and future goals. In line with our corporate governance principles, we aim for full compliance with existing legal regulations in our climate and environmental management. The Bakioğlu Group Climate and Environmental Policy outlines the fundamental principles and conditions that our Group Companies must follow in their climate and environmental management, going beyond mere legal compliance.

SDGs We Contribute to





# Combating Climate Change and Environmental Approach

We see the protection of our climate and environment as a collective responsibility that involves every one of our employees. To cultivate and sustain this awareness, we offer comprehensive climate and environmental management training through Bak Academy.

We conduct our environmental and climate management activities within our Packaging Companies in accordance with international standards such as ISO 14001 Environmental Management System Standard, ISO 50001 Energy Management System Standard, ISO 14064 Greenhouse Gas Emissions Calculation Standard, and the GHG Protocol Standard. Through independent audits, we ensure the accuracy of our compliance with these standards and the results they yield.

Through our investments in renewable energy sources, we generate energy from the solar power systems installed at Bareks Polietilen. Additionally, the electricity needs of Bak Ambalaj, Polibak, Bak Gravür, and Bareks Plastik are met by suppliers certified with the I-REC, confirming that our electricity is sourced from renewable energy providers who support the use of such sources.

We also improve our performance by setting emission reduction targets in our greenhouse gas emission and climate change strategies through CDP (Carbon Disclosure Project), the only independent international organization that reports on how companies manage climate change risks globally. Since 2010, Bak Ambalaj and Polibak have been participating in CDP reporting focused on supply chain research.

## Sustainability Structure and Environmental Education

We approach climate and environmental management as a shared responsibility that starts with Bakioğlu Holding and extends to our Group Companies. Through our Climate and Environment Working Group, which operates under the umbrella of our Sustainability Committee and reports to the Community Sustainability Board, we work to enhance the climate, energy efficiency, emission management, biodiversity, and logistics optimization practices of our Group Companies in alignment with our strategies and goals.

We see the protection of our climate and environment as a collective responsibility that involves every one of our employees. To cultivate and sustain this awareness, we offer comprehensive climate and environmental management training through Bak Academy. In 2023, we conducted a total of 3,506 person\*hours of training on environmental awareness, ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road), disaster awareness, and climate change, with active participation from our employees.



# Combating Climate Change and Environmental Approach

Given the importance we place on achieving goals within our company culture, we first set specific, measurable, and realistic targets for managing climate and environmental impacts.



## Climate Risk Identification Efforts

At Bakioğlu Holding, we track climate and environmental issues with a focus on risks and opportunities. To this end, we conduct scenario analyses, particularly regarding acute risks, and use the results to inform our corporate strategies. We map out and assess the level of impact—positive or negative—that our operations have on the climate and environment.

During the reporting period, we conducted a comprehensive study involving all Bakioğlu Holding and Packaging Group Companies as part of the 2021 CDP evaluation process, to systematically identify and analyze climate risks and opportunities. Through this study, we reviewed our responses to high-risk issues such as rising energy and raw material costs, energy continuity, and extreme weather events. Simultaneously, we identified actions we could take in areas of opportunity, including efficient transportation modes, efficient production and distribution processes, recycling, low-emission energy usage, and the development of new technologies. In the coming year, we will continue our climate risk and opportunity assessment efforts to further refine our existing work and develop our portfolio.

Beyond these efforts, we closely monitor local and global developments on climate and environmental issues, participating in national and international sectoral or public initiatives to adapt to emerging innovative working conditions. We aim to continuously improve our performance by implementing internationally recognized principles and best practices.

## Goals and Future Investments: Our Responsible Approach to the Climate Crisis

In addition to our environmental management activities, we allocate resources to investment projects aimed at improvement, ensuring their thorough execution. In 2023, we allocated TRY 8.8 million to environmental activities and investment expenditures and will continue to use these investments in the most efficient operational processes from an environmental management perspective. Given the importance we place on achieving goals within our company culture, we first set specific, measurable, and realistic targets for managing climate and environmental impacts.



## Combating Climate Change and Environmental Approach

We aim to extend our responsible approach to climate and environmental issues across the entire value chain of all our companies. In this context, we monitor our impacts not only within our operations but throughout the supply chain.

We aim to extend our responsible approach to climate and environmental issues across the entire value chain of all our companies. In this context, we monitor our impacts not only within our operations but throughout the supply chain. We expect our suppliers to adopt climate and environmental policies similar to ours and encourage them to implement similar practices in their operations. We monitor our suppliers' environmental protection practices through assessments and ensure that actions are taken to address identified areas for improvement.

When setting our goals, we aim to fully understand the impact our operations, products, and services have on climate change and to minimize these impacts as much as possible. We base our strategy on this understanding, managing climate risks from a holistic perspective, and using a preventive approach in our applications and projects to reduce our impact on climate change.

We incorporate all our targets into the performance evaluation criteria for our employees and managers, thereby fostering the development of performance and recognizing the contributions of our employees who make this performance possible.



# Waste Management and Circular Economy Initiatives

SDGs We Contribute to



At Bakioğlu Holding, we are committed to ensuring that nothing goes to waste. We actively pursue circular economy initiatives across all our Group Companies, focusing on reducing material and energy use throughout the entire product lifecycle.

The concept of circularity, once understood primarily as recycling, is now recognized as much more than just the process of recycling waste generated during production, packaging, distribution, and consumption. Today, circularity encompasses broader practices such as reuse, repurposing, and repair, recognizing that every product can serve as a resource, much like in natural ecosystems.

At Bakioğlu Holding, we are committed to ensuring that nothing goes to waste. We actively pursue circular economy initiatives across all our

Group Companies, focusing on reducing material and energy use throughout the entire product lifecycle.

### Advancing with a Zero Waste Approach

In 2023, we remain focused on minimizing waste generation and reducing waste-producing factors across all our processes. We effectively manage industrial waste generated at our facilities according to the Industrial Waste Management Plans we have established. We ensure that waste is properly stored in compliance with environmental regulations and

sent to licensed firms approved by the Ministry of Environment, Urbanisation, and Climate Change. By implementing Zero Waste infrastructure across all our facilities, we have earned Basic Level Zero Waste Certificates from the Ministry. Additionally, to make our processes more transparent and measurable, we have completed a project to digitize KPI measurement and reporting, as well as to streamline investment approvals. Through initiatives like these, we contribute to a sustainable future by preventing unnecessary deforestation.

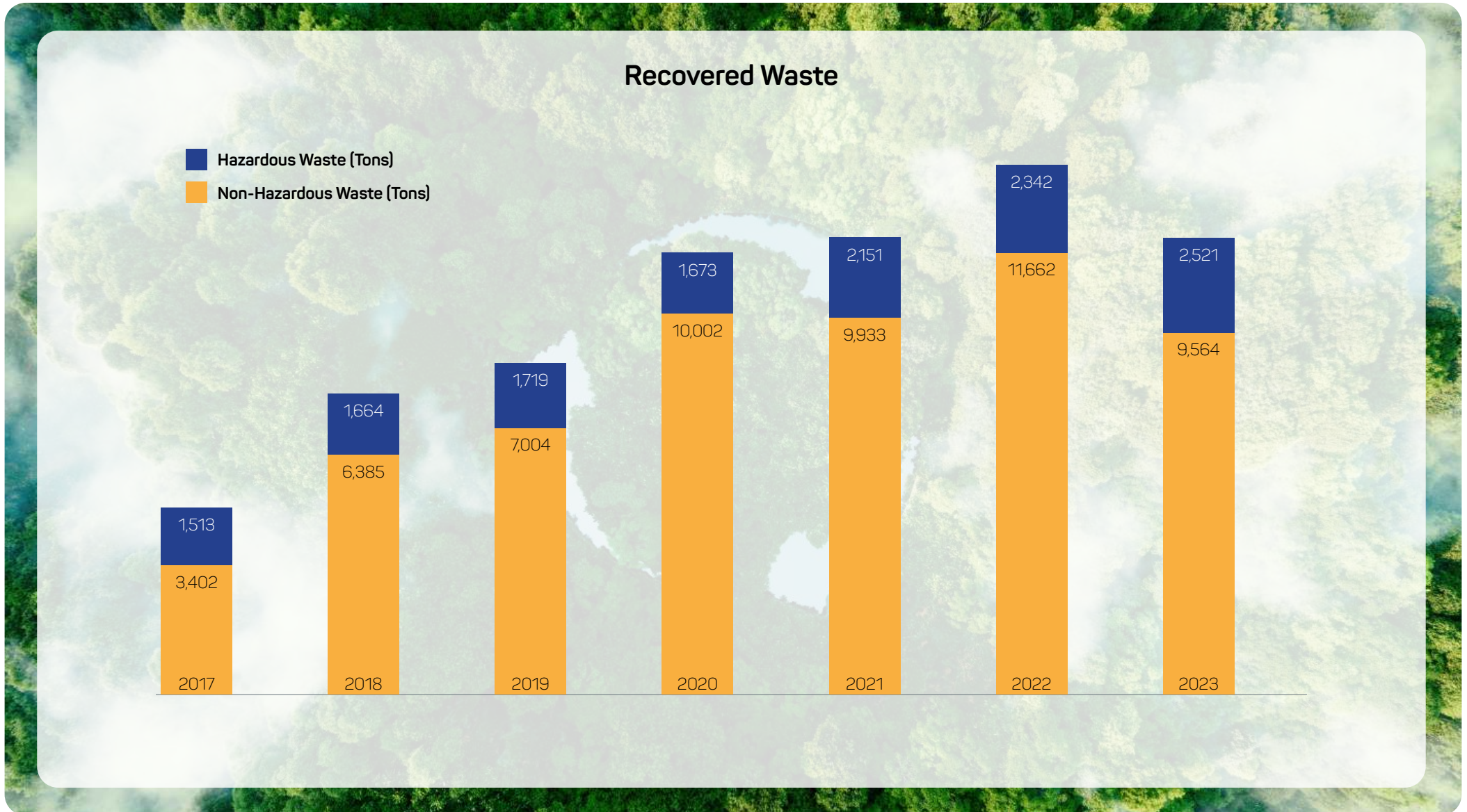
### Recycling and Waste Management

Our approach to waste management considers the entire value chain. We aim to reduce and separate waste at the source, prioritize recovery and reuse options, and minimize the amount of waste that needs to be disposed of. As part of this commitment, none of our Group Companies send waste to landfills.

In 2023, our Group Companies collectively generated 12,051 tons of waste, including 2,521 tons of hazardous waste and 9,564 tons of non-hazardous waste. We prioritize preventing waste generation in our operations and ensuring that any unavoidable waste is recovered. For the past four years, we have achieved a 99.99% recovery rate for all waste generated by our Group Companies. In 2023 alone, we successfully recovered all 12,051 tons of waste generated.



## Waste Management and Circular Economy Initiatives





# Waste Management and Circular Economy Initiatives

An important indicator of the steps we have taken at Bakioğlu Holding is our Bakcycle investment, which focuses on recycling plastic waste back into material.

## **Bakioğlu Holding's Circular Economy Approach and Achievements**

The implementation of circular economy practices offers significant advantages, both in terms of raw material efficiency and in controlling the environmental impacts arising from consumption. These practices are not only crucial in addressing major environmental challenges like climate change, biodiversity loss, and air pollution but also present economic opportunities for companies and organizations that adopt them. By keeping resources in use for longer, we reduce energy consumption, greenhouse gas emissions, and waste. Furthermore, using fewer primary resources leads to more efficient and cost-effective operations.

In alignment with the "Partnerships for the Goals" principle, which is a key step toward achieving the Sustainable Development Goals, creating a circular economy model requires collaboration among all stakeholders in the value chain, particularly producers. For plastic manufacturers, one of the most important responsibilities is to design production and usage processes that consider their environmental impact. In the near future, increased collaboration and joint

initiatives among industry players will make the plastic value chain more efficient, both environmentally and economically, thereby accelerating our progress toward a shared green future.

An important indicator of the steps we have taken at Bakioğlu Holding is our Bakcycle investment, which focuses on recycling plastic waste back into material. Embracing the core principles of circular economy strategies, we aim to produce more eco-friendly raw materials and utilize more efficient production processes from the very start.

As part of this commitment, we see it as our industry duty to offer recyclable packaging alternatives made from biobased materials, and to work on producing lighter, lower-volume packaging. We conduct research and make investments in this direction. We select raw materials that are recyclable and have a low environmental impact for use in our production processes. Across all our Group Companies, we embrace the circularity approach by exploring opportunities to use recycled, reclaimed, biobased, and lower-emission materials in our production.

## **Best Practices of Circular Economy in Our Group Companies**

### ***Bak Ambalaj: Chemical Recovery***

At Bak Ambalaj, we operate a Solvent Recovery Facility that captures and recycles the solvents used in our processes, allowing us to reuse them and reduce chemical consumption. This initiative not only decreases the volume of pollutant air emissions but also enhances our contribution to sustainability.

### ***Bak Ambalaj: Use of Recycled Film***

Continuing a practice established in previous years, Bak Ambalaj has maintained the use of in-house recycled films in production during the reporting period. In 2023, we began sharing in-house recycled material declarations per product with our customers, alongside calculating the recyclability rates of our products using the CEFLEX methodology.

### ***Bak Ambalaj R&D: Sustainable Packaging Production***

Since 2018, we have been producing packaging that is recyclable, reusable, and contributes to the circular economy by reducing waste.







# Waste Management and Circular Economy Initiatives

In our facilities, we contribute to the circular economy by designing BOPP and CPP films that can replace non-recyclable films and create laminated structures made entirely of 100% polypropylene.

We utilize tools like KIDV, RecyClass, and CEFLEX's Recyda, which are widely used across Europe, to ensure compliance with recycling standards. Packaging designed for reuse is verified through stringent migration analysis tests.

### **Bareks Production: Recycling-Focused Initiatives**

We recycle a significant portion of the scrap and waste generated during our processes by converting it back into granules for reuse in production. In 2023, we implemented improvements to increase our recycling efficiency and conducted TPM (Total Productive Maintenance) activities to reduce the amount of waste material. As in 2022, we continued to develop new product codes in 2023 that incorporate a high percentage of in-house recycled granules, which we have now offered to our customers.

We annually renew the ISCC Plus Certificate first earned by Bareks in 2021. Within the ISCC framework, we produce products using biobased raw materials upon customer request, as well as incorporate recycled materials from the Post-Consumer Recycled (PCR) process. These efforts are part of our broader commitment to reducing waste, optimizing resource use, and advancing the circular economy.

### **Polibak R&D: Recyclable Films and Sustainable Material Innovation**

In our facilities, we contribute to the circular economy by designing BOPP and CPP films that can replace non-recyclable films and create laminated structures made entirely of 100% polypropylene. We also produce ISCC Plus Certified products using Bio-Renewable raw

materials derived from waste vegetable oils and PCR (Post-Consumer Recycled) raw materials obtained from the chemical recycling of waste plastic packaging. By processing production scraps back into granules and reintroducing them into production at customer-specified rates, we align our products with circular economy principles.



## Waste Management and Circular Economy Initiatives

We work to enhance packaging optimization, eco-friendly design, recycling, recovery, hazardous material, and waste management practices within our Packaging Group Companies.



### **Polibak and Bak Gravür: Eco-Friendly Pallet Initiatives**

At Polibak, we source wooden pallets from certified suppliers using the PRS system, contributing to reduced carbon footprints and packaging waste while promoting reuse. As part of this initiative, we collect and reuse wooden pallets from our customers and have replaced wooden headers with plastic ones in our export operations, reducing the use of forest products. In 2023, our export activities involved the use of 40,168 plastic headers, preventing the cutting of 1,486 trees. For domestic shipments, we used 326,000 reusable plastic headers instead of particleboard, protecting 12,000 trees.

At Bak Gravür, we completed pilot tests of plastic pallets in 2022. Aiming to expand this practice in 2023, we have significantly increased the rate of reuse by replacing wooden materials with durable plastic pallets. After successful trials in 2022, we began using high-strength plastic pallets (HDPE material) for shipments to our four highest-volume customers outside our city, and we also started collecting cylinders from these customers using plastic pallets instead of wooden ones. As a result of these initiatives, Bak Gravür reduced its use of wooden pallets by 43% in 2023 compared to 2022 (over a 10-month period).

### **Partnerships for the Circular Economy**

Through our Circular Economy Working Group, which operates under the Sustainability Committee at Bakioğlu Holding, we work to enhance packaging optimization, eco-friendly design, recycling, recovery, hazardous material, and waste management practices within our Packaging Group Companies. These efforts align with the United Nations Sustainable Development Goals.

We participated in the 2<sup>nd</sup> International Packaging Industry Congress-2023, held on December 7-8 under the auspices of the Packaging Manufacturers Association (ASD). This valuable event brought together leading industry stakeholders from 13 countries, with 48 speakers contributing to the development of a Sustainability Roadmap for the Packaging Industry.

The congress, which featured keynote speakers including Bak Ambalaj General Manager Mehmet Emin Bozdağ, hosted a series of insightful presentations. During a session on “Circular Economy and Recycling,” chaired and moderated by Bak Ambalaj Chair of the Board Enver Bakioğlu, we engaged in discussions that will significantly contribute to sustainability efforts.



# Packaging Optimization and Sustainable Products

At Bakioğlu Holding, we are intensifying our efforts to address the issue of microplastic use, developing green solutions through our R&D activities to maximize environmental benefits.

SDGs We Contribute to



One of the key focuses of R&D at Bakioğlu Holding and our Group Companies has been ensuring the consistent production of high-quality products despite the declining demand in the packaging sector since the last quarter of 2022, as well as the rising inflation rates globally. During periods when some of our raw materials were unavailable or delivery times were delayed, we proactively researched alternatives, tested them in our production processes, and approved their suitability. This allowed us to maintain uninterrupted production and uphold sustainability in packaging. Moving forward, we will continue to protect this position by developing new technologies and sustainable solutions aligned with our future goals.

### Sustainable Products:

The increasing use of petrochemical-based plastics, which contributes to the proliferation of microplastics and unsolvable waste, poses a significant threat to our planet and all living things. At Bakioğlu Holding, we are intensifying our efforts to address this critical issue, developing green solutions through our R&D activities to maximize environmental benefits.

Here are some of the sustainable product solutions we have developed within Bakioğlu Holding:

- Biobased Products
- Products Produced with MDO Technology (Click [here](#) to learn more about our greenest solution, the MDO PE Investment.)
- Products Utilizing Recycled In-House Scrap and Second-Grade Materials
- Low-Heat Sealing Products, an essential component of sustainable structures
- Non-Food Applications Using PCR Materials, which consist of recycled raw materials from post-consumer products
- Food Applications Using Advanced/Chemical Recycling, which ensures compliance with food safety and human health regulations by incorporating recycled raw materials from post-consumer products





# Packaging Optimization and Sustainable Products

We continue to advance sustainability-focused projects, developing high-barrier, heat-sealable packaging solutions that are tailored to various formats and incorporate either a percentage of paper or are made entirely from 100% paper, with options for both high and low durability.




## Bak Ambalaj R&D Activities: BAK AGM

In 2023, Bak Ambalaj focused on reducing our environmental impact by producing packaging from recyclable raw materials and intensifying our efforts on the second “R” of the 3R principle of the circular economy—reuse. We completed the production of standing pouches (SUP) for refillable hygiene products and developed surprise packaging intended for reuse by repurposing it for different applications. In addition to continuing biobased production, we produced packaging suitable for food contact using PCR raw materials for the first time in 2023. We also continued to obtain the necessary certifications for biodegradable and compostable products from our suppliers. In 2023, we participated in ISCC Plus training as a first step toward certified production and planned our certification processes for 2024. We continue to advance sustainability-focused projects, developing high-barrier, heat-sealable packaging solutions that are tailored to various formats and incorporate either a percentage of paper or are made entirely from 100% paper, with options for both high and low durability.

## Offering Sustainable Products for a Sustainable Future with the “Reborn” Product Family

At Bak Ambalaj, a company deeply committed to environmental awareness, we continue our efforts to create green solutions for a sustainable future in the packaging industry. As the first Turkish member of the international CEFLEX consortium, we closely follow circular economy developments through our R&D activities at BAK AGM. With

the Reborn product family, used in sustainable packaging production, we offer our customers fully recyclable packaging combinations with high barrier properties for extended shelf life. We continue to develop new products without interruption.

Click  [here](#) to explore the Reborn product options in detail.

## Refill: Sustainable Solutions from Bak Ambalaj R&D

Our Bak Ambalaj R&D Center has expanded its work in flexible packaging design to include a new innovation in sustainable, recyclable, and waste-reducing solutions. After introducing Reduce and Recycle, we developed the Refill Packaging design, which is reusable. This design targets liquid hygiene products and combines a spout, a standing pouch, a valve, and a convenient carrying handle in a single package. This refillable packaging, which has successfully passed burst resistance tests, allows consumers to reuse the same packaging multiple times. By adding this sustainable flexible packaging solution, Bak Ambalaj continues to solidify its position in the industry and provide lasting solutions.

## COIM NOVACOTE

On November 23, 2023, we participated in the “COIM NOVACOTE Event,” hosted by the Flexible Packaging Manufacturers Association and COIM. The event featured product and industry presentations following the opening remarks, with members of the Flexible Packaging Manufacturers Association in attendance.



## Packaging Optimization and Sustainable Products

In line with our packaging optimization efforts, we continue to develop durable polypropylene-based packaging solutions, as we have in previous years.

### Polibak R&D

At Polibak, we produce products using raw materials derived from waste vegetable oils and waste plastic packaging, which are sourced from biologically renewable sources as requested by our customers. These products are offered with ISCC Plus Certification. The biologically renewable materials help reduce fossil fuel use and carbon footprint, while the materials from waste plastic packaging contribute to the reduction and repurposing of environmental waste, supporting circularity.

Our circularity initiatives in product packaging include using process scraps that cannot be utilized in production for the manufacture of recycled plastic caps and plugs, refurbishing scrap raw material pallets for reuse, reducing the amount of wood used in product packaging, and initiating a program to collect plastic caps used in product packaging from our international customers. In 2023, we diversified the sizes of plastic caps to supply recycled packaging materials to more countries and customers.

In line with our packaging optimization efforts, we continue to develop durable polypropylene-based packaging solutions, as we have in previous years. To replace non-polypropylene

films, we are working on the development of BOPP films with improved heat-sealing properties and ultra-high barrier features (In Line Coated metalized films). The films developed on the CPP line, which was launched in 2023, have also contributed to our efforts to make the entire packaging structure polypropylene-based.

In addition, we participated in the 2023 R2R USA Conference from October 2-5, where we shared the production process and market introduction story of our Inline Coated BOPP Metalized film, updating the industry on the latest developments.

We continue our efficiency work under the TPM (Total Productive Manufacturing) framework, organized into pillars and teams. By identifying inefficiencies in processes and materials, we enable teams of experts to focus on solving or minimizing these issues. This approach helps embed sustainability into our corporate culture and fosters continuous improvement, particularly in the context of sustainable materials.



 For more detailed information on eco-friendly products: Polibak **"POLY N FILMS"**

## Packaging Optimization and Sustainable Products

Another key focus of our 2023 R&D activities at Bareks was the trial production of MDO PE films suitable for 100% recyclable structures, with some of these products now being commercialized by our customers.

### **Bareks R&D**

In 2023, one of the primary focuses of our R&D efforts at Bareks was sustainable packaging production. We researched, tested, and approved numerous new and alternative raw materials in our production lines, developing various new or alternative formulations to support sustainability. Another key focus of our 2023 R&D activities was the trial production of MDO PE films suitable for 100% recyclable structures, with some of these products now being commercialized by our customers. We also increased the production and sales tonnage of biobased products and applications that contribute to packaging recycling, compared to 2022. Our goals include expanding our portfolio of new

and alternative raw materials and formulations, increasing the tonnage of existing and new customers, enhancing our bargaining power, and growing the global reach of our environmentally conscious green product groups and sustainable structures.

### **Partnerships for Circular Economy in Sustainable Packaging Solutions**

#### ***ExxonMobil Partnership: A First from Bareks***

Bareks became the first producer in our region to offer polyethylene raw materials produced through advanced recycling by ExxonMobil to our customers. Our products, which contain chemically recycled materials suitable for

food contact, attracted significant attention at the InterPack Fair. As the packaging industry continues its transformation toward sustainability and circular economy, advanced/chemical recycling remains the only solution permitted by regulations for the use of recycled materials in food packaging, though it currently has very limited capacity. Bareks was the only producer to showcase its film made from chemically recycled raw materials at the InterPack Fair. The sample rolls and packages labeled "Certified Circular Content" at the Bareks booth garnered great interest from visitors. These samples, produced through the collaboration of Bareks and Bak Ambalaj, are a testament to the synergy within our Group, as highlighted in the 17<sup>th</sup> issue of Packaging Magazine, published in 2023.





# Energy Efficiency and Management

Since 2021, Bak Ambalaj, Polibak, Bak Gravür, and Bareks Plastik have been I-REC certified, and in 2023, we achieved 100% I-REC usage.

As the significance of climate change continues to rise globally, limiting energy consumption and the associated greenhouse gas emissions has become a fundamental responsibility for all companies, particularly in energy-intensive sectors. For companies aiming to secure their future, one of the key measures to prioritize is a shift toward renewable energy sources, thereby maximizing energy efficiency.

In response to recent developments—such as the EU Green Deal program, which has introduced regulations in EU countries that are now being implemented globally and in Türkiye, as well as the potential for future carbon taxes on emissions—Bakioğlu Holding is taking decisive steps to enhance energy efficiency and move confidently into the future. We recognize that carbon restrictions and taxation within Türkiye are likely to impact future business operations, and we are proactively implementing measures to gain a competitive edge in this evolving market landscape. As a Group, we are fully aware of the critical role that energy efficiency and management play in combating climate change.

## Our Energy Management Approach and Systems

Our core strategy in energy management is to maximize efficiency by meeting our primary electricity needs through self-produced renewable energy whenever possible, and sourcing the remainder entirely from I-REC certified renewable energy producers. This approach allows us to minimize our greenhouse



gas emissions. Additionally, we establish reliable and efficient energy management systems to ensure operational continuity, and we conduct regular maintenance and improvement activities.

With the exception of Bak Gravür and Bareks Plastik, all of our companies operate under the ISO 50001 Energy Management System, an international standard that provides a framework for effective energy management and continuous improvement. Through this system, we enable our companies to enhance their energy performance, reduce energy costs, lower greenhouse gas emissions, and strengthen their sustainability.

## Renewable Energy Strategies and Usage

At Bakioğlu Holding, we have long been committed to the efficient and sustainable use of natural resources, particularly through our renewable energy initiatives, which are essential for energy-intensive organizations. Over the years, we have steadily reduced the direct use of non-renewable energy sources such as natural gas, diesel, and gasoline, while integrating renewable energy systems into our strategies. Since 2021, Bak Ambalaj, Polibak, Bak Gravür, and Bareks Plastik have been I-REC certified, and in 2023, we achieved 100% I-REC usage. At Bareks Polietilen, we meet our energy needs through a rooftop solar power system that harnesses renewable sources. Additionally, we have ongoing solar investments at our Polibak facility.

## Renewable Energy Consumption (GJ - by Production Type)

Bak Ambalaj	98,737.20
Polibak	493,138.80
Bak Gravür	16,146.00
Bareks Plastik	19,303.20
Bareks Polietilen	4,485.75
<b>Total</b>	<b>632,811.95</b>

# Energy Efficiency and Management

The efficiency initiatives undertaken across our Group Companies have played a crucial role in reducing energy consumption and greenhouse gas emissions. Throughout the reporting period, the energy efficiency projects we implemented at our Packaging Group Companies contributed to lowering our carbon footprint.

## Our Energy Efficiency Performance in 2023

To prevent energy losses and leaks, we have implemented various measures and developed emergency plans to address potential energy interruptions. As a result, in 2023, our energy intensity saw a 15% change compared to the previous year, reaching 4.40 GJ/Ton.

The efficiency initiatives undertaken across our Group Companies have played a crucial role in reducing energy consumption and greenhouse gas emissions. Throughout the reporting period, the energy efficiency projects we implemented at our Packaging Group Companies contributed to lowering our carbon footprint.

### Best Practices for Energy Efficiency: Bak Ambalaj

At Bak Ambalaj, we achieved an annual savings of 125,064 kWh of electricity through investments and operational improvements in the cooling group pumps at our Solvent Facilities.

We also made operational enhancements to the compressed air system at the Bak-1 Solvent Recovery Facility, resulting in a 6% reduction in the total annual electricity consumption of air compressors.

Additionally, we optimized the solvent LEL control system in our printing machines, allowing us to send solvent-laden air with higher solvent concentrations to the Solvent Recovery Facilities. This project not only improved energy efficiency but also significantly enhanced our emissions management.

Through an energy recovery investment in our thermal oil systems, we achieved a 10% reduction in fuel consumption.

### Best Practices for Energy Efficiency: Bak Gravür

At Bak Gravür, we enhanced our production capacity by purchasing nine new machines equipped with the latest technology, while phasing out four older machines. This upgrade led to substantial energy savings across our facilities. We also optimized pressure settings to ensure more efficient operation of the pumps, choosing motors with high energy efficiency. In 2023, these technological advancements made it our best year yet in terms of electricity consumption per cylinder.

Furthermore, we continued our energy efficiency efforts by replacing Chiller units in our production line with new units equipped with high-efficiency pumps, enhancing pump efficiency through an upgraded automation system, and converting lighting systems to LED fixtures. These efforts resulted in a savings of 760,000 kWh in 2023 compared to 2021.

### Best Practices for Energy Efficiency: Polibak

For our domestic shipments outside of İzmir, Polibak increased the use of trucks over lorries, raising the percentage of domestic shipments by trucks from 77% in 2022 to 88% in 2023. Similarly, we loaded 76% of our export shipments onto full vehicles rather than partial loads. In deliveries within İzmir and its surroundings, we optimized routes to reduce carbon emissions.



During the reporting period, Polibak completed a project on the BOPP 3 line's water cooling system, involving the Chiller, cooling tower, and pump room, resulting in an annual energy savings of 323,490 kWh. We are proud to report that this project was recognized by the Ministry of Energy as a qualifying initiative under the Energy Efficiency Improvement Project. In the fourth quarter of 2023, we commissioned a new pump room, which not only reduced energy consumption through natural cooling but also increased process safety with a technologically advanced, traceable system.

Energy Intensity	GJ/Ton
2019	5.30
2020	5.42
2021	5.62
2022	5.19
2023	4.40



## Energy Efficiency and Management

In 2023, the Bareks Facility generated a total of 1,285,717 GJ of electricity from solar energy, reducing CO<sub>2</sub> emissions by 2,226,342 tons, which is equivalent to preserving 40,148.27 trees.

### **Best Practices for Energy Efficiency: Bareks**

At Bareks, we continued our conversion of lighting fixtures to LED and motion-sensor systems, along with efficient usage of the VRV system during working hours. We also reduced our environmental impact through route and shipment optimization in our logistics operations.

The solar energy production systems installed at the Bareks PE Facility in 2021 continued to operate during the reporting period. To enhance the efficiency of these systems, we conducted periodic cleaning and localized maintenance of the solar panels, resulting in increased efficiency during the summer months.

In 2023, the Bareks Facility generated a total of 1,285,717 GJ of electricity from solar energy, reducing CO<sub>2</sub> emissions by 2,226,342 tons, which is equivalent to preserving 40,148.27 trees. Similarly, in 2023, we continued our solar energy system installation efforts at the Polibak Facility.

We also maintained our I-REC Certified electricity purchasing program, which we began in the second half of the previous year, allowing us to meet all of our electricity needs from renewable sources for a full reporting period for the first time. As a result, Bareks used a total of 23,788.95 GJ of renewable energy during the year.

### **Ongoing Investments in Renewable Energy**

We remain committed to investing in renewable energy. For the solar power plant project on the roof of Polibak's new BOPP film production facility, we secured a EUR 1.4 million, 4-year green loan as part of a syndication loan package. Additionally, through the Turkish Development and Investment Bank, we obtained a EUR 5 million, 3-year financing from the World Bank.

For Bakcycle, we secured a EUR 10 million, 4-year green loan within a syndication loan package to finance investments in construction, SPP, rainwater harvesting, optical sorting, crushing and washing, extrusion, wastewater treatment, and mechanical and electrical infrastructure.





SDGs We Contribute to



# Emission Management

In 2023, we reduced our emission intensity by 13.54% compared to the previous year, lowering it to 2.89 tons of CO<sub>2</sub>/ton.

As one of the primary drivers of the climate crisis, greenhouse gas emissions pose a significant threat to our atmosphere, climate, and the future of all life on Earth. Reducing these emissions is one of the most crucial contributions we can make toward a sustainable future, minimizing the damage inflicted on the environment.

At Bakioğlu Holding, we have made the reduction of life-threatening emissions a top priority across all our Group Companies. To this end, we are conducting comprehensive and effective initiatives within our production areas.

### The First Step in Emission Management: Measurement and Independent Verification

The Carbon Disclosure Project (CDP) stands out as the only independent international organization that reports on how companies worldwide are managing climate change risks. Through CDP, companies and governments share their greenhouse gas emissions and climate change strategies with the public and investors, setting targets for carbon emission reductions and improving their performance.

As the first step in our emission management efforts, we successfully conducted our annual measurement activities as we do every year. Since 2010, we have been preparing CDP reports for supply chain research at Bak Ambalaj and Polibak. In 2023, our efforts were recognized with a "C" rating.

In line with the Packaging Group Companies' commitment to combating climate change, we continued the Corporate Carbon Footprint Calculation work, which we voluntarily began in 2021 under the ISO 14064-1:2018 Standard, and had our emission calculations verified by an independent organization. With a strong sense of responsibility toward our environment and future, we strive to improve each year.

We monitor the greenhouse gas emissions resulting from our activities and work to reduce our operational greenhouse gas intensity. To this end, we inventory all significant direct and indirect greenhouse gas emission sources across our value chain and calculate the amount of greenhouse gas emissions annually, following international standards such as the GHG Protocol. In 2023, we reduced our emission intensity by 13.54% compared to the previous year, lowering it to 2.89 tons of CO<sub>2</sub>/ton.





# Emission Management

In alignment with our Climate and Environmental Policy, we aim to promote investments and initiatives that reduce climate change risks by implementing tools such as “internal carbon pricing” and “carbon offsetting” in our operations.

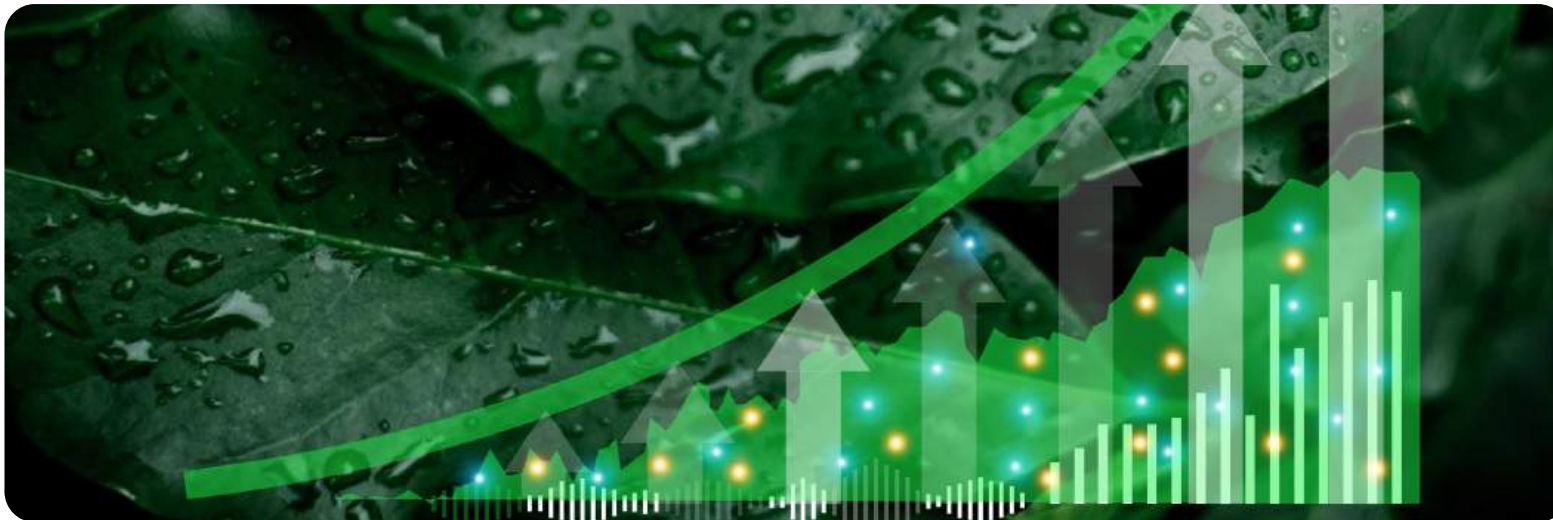
### A Holistic Approach to Emission Management

We approach emission management with a dual focus: improving resource use efficiency in production systems to reduce direct consumption values and minimizing each emission source within our value chain. In addition to these efforts, we achieve significant reductions in our emission levels by improving energy efficiency and investing in renewable energy. At our Bareks Facility, we generated a total of 1,285,717 GJ of electricity from solar energy in 2023, resulting in a reduction of 2,226,342 tons of CO<sub>2</sub> emissions.

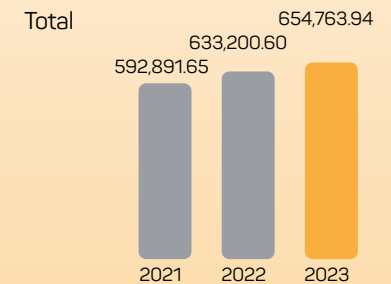
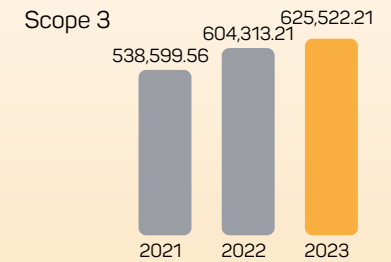
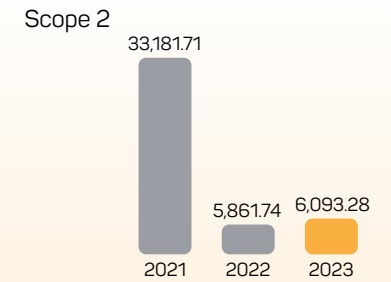
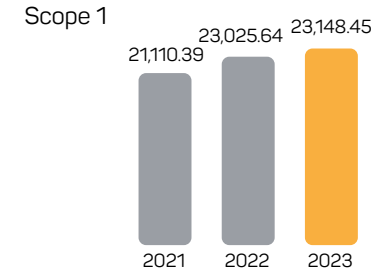
We also continued our efforts to install a solar energy system at the Polibak Facility in 2023. Our holistic emission reduction strategies include carefully monitoring flue gas emissions, which directly impact air quality, and implementing pollution prevention measures. We ensure that flue gases from our production facilities are regularly measured by accredited organizations and that our emissions remain within permissible levels.

### Our Carbon Reduction Goals

In alignment with our Climate and Environmental Policy, we aim to promote investments and initiatives that reduce climate change risks by implementing tools such as “internal carbon pricing” and “carbon offsetting” in our operations. In our efforts to set greenhouse gas emission reduction targets, we plan to establish science-based goals that support the “1.5° Approach.”



## Bakioğlu Holding Consolidated Greenhouse Gas Emissions (tons CO<sub>2</sub>)





# Water Management

In 2023, our water intensity was 1.85 m<sup>3</sup>/ton, while our wastewater intensity was 1.67 m<sup>3</sup>/ton.

Managing the world’s limited resources, particularly water—essential for sustaining life—is becoming increasingly challenging. At Bakioğlu Holding, we understand the severity of the global water crisis. With over a billion people lacking adequate access to clean drinking water and half of the world’s population without sufficient water and wastewater infrastructure, we have embraced a philosophy of responsible consumption.

Our operational systems are designed with a focus on using water responsibly at the source, aiming to limit water consumption per unit of production. Minimizing wastewater production is also a key element of our management approach.

### Efficient Use of Water

One of our most critical sustainability goals is to continue reducing water use intensity across our operations year by year. In 2023, our water intensity was recorded at 1.85 m<sup>3</sup>/ton. Over the year, our Group Companies consumed a total of 401,546.00 m<sup>3</sup> of water, all sourced from municipal supplies, and discharged 361,310.10 m<sup>3</sup> of wastewater.

To reduce water usage and ensure that the wastewater generated during production is discharged in the most efficient manner, in compliance with legal requirements, we take proactive measures. We continuously monitor and review past improvements in water consumption and conduct regular inspections to prevent water leaks.

SDGs We Contribute to



Water Intensity	m <sup>3</sup> /Ton
2019	1.44
2020	1.24
2021	1.49
2022	1.72
2023	1.85

Wastewater Intensity	m <sup>3</sup> /Ton
2019	1.29
2020	1.09
2021	1.33
2022	1.53
2023	1.67





# Chemical Management

All our Packaging Group Companies hold the Hazardous Material Activity Certificate (HMAC), and we manage the chemicals within our operations through a detailed and secure process.

At Bakioğlu Holding, our unwavering commitment to minimizing environmental impact continued in 2023, guiding our approach to chemical management.

All our Packaging Group Companies hold the Hazardous Material Activity Certificate (HMAC), and we manage the chemicals within our operations through a detailed and secure process. This includes overseeing the entry and exit of chemical products at our facilities, their storage, usage conditions, and the disposal of waste generated from their use. We ensure that this comprehensive process is managed in strict compliance with legal regulations and environmental standards, minimizing any potential harm to the environment.

### Chemical Safety and Risk Management Practices

Within our Group Companies, we have established "Chemical Risk Assessment Procedures" and "General Safety Guidelines for Working with

Chemicals" to ensure the safe storage of chemicals. These procedures help us maintain a secure environment for chemical storage.

Additionally, we assess risks in flammable and explosive environments with special attention and implement necessary actions in the field based on our "Explosion Protection Documents."

### Chemical Management Practices in Eco-Friendly Production: Bak Gravür Facilities

#### Sustainable Management of Wastewater Containing Chemicals

At our Bak Gravür facility, we produce printing-ready cylinders, and wastewater from the heavy metal plating process is carefully treated in an advanced facility before being discharged into the OSB sewage system. This meticulous process significantly reduces the pollution load, reinforcing our commitment to safeguarding water resources for future generations.

#### Chemical Recycling and Waste Management

In the same facility, we also produce flexo plates. The chemical bath used in the washing process of the flexo plate production line is utilized until it reaches a certain level of saturation. It is then purified through a distillation system and reused in production. This process reduces waste pollution and increases efficiency. The remaining waste from the distillation system is managed as hazardous waste and disposed of in accordance with environmental regulations.

### Reducing Pollutant Air Emissions

At our Bak Ambalaj facilities, the Solvent Recovery Systems capture vapors from the solvents used in our processes, allowing us to recycle and reuse them. This not only minimizes chemical consumption but also reduces pollutant air emissions, contributing to environmentally friendly production.

### Ongoing Employee Training in Chemical Management

In addition to our Occupational Health and Safety training on chemicals, we also provide training for our employees on the standards and regulations for the international road transportation of hazardous materials under ADR (European Agreement Concerning the International Carriage of Dangerous Goods by Road). In 2023, we provided a total of 657 person\*hours of training in this area, ensuring that our staff operates safely and with environmental awareness.

### Chemical Usage in Bareks and Polibak

At Bareks, we maintain minimal chemical usage in our R&D and Quality Control departments. In 2023, we did not implement any special improvement initiatives, as there was no reduction in the current level of chemical usage.

At Polibak, no chemicals are used in the production process within our R&D and Quality departments. Chemicals are only utilized for maintenance and cleaning purposes.

SDGs We Contribute to





# Annexes

We approach sustainability with a “Win-Win” mindset *on our course toward a sustainable future.*





# Performance Indicators

## Economic Performance Data

	2020	2021	2022	2023	2023
<b>Number of Domestic Suppliers</b>					
Bakioğlu Holding	309	279	315	304	304
Bak Ambalaj	736	754	783	784	784
Polibak	668	726	800	817	817
Bak Gravür	500	477	516	492	492
Bareks	510	515	785	604	604
<b>Number of Overseas Suppliers</b>					
Bakioğlu Holding	3	5	7	8	8
Bak Ambalaj	72	84	74	79	79
Polibak	73	82	91	89	89
Bak Gravür	20	15	12	16	16
Bareks	49	45	68	42	42
<b>Number of R&amp;D Employees (person)</b>					
Bak Ambalaj	29	32	29	31	31
Polibak	9	9	10	10	10
Bak Gravür	0	0	0	0	0
Bareks	4	4	4	4	4
<b>Total R&amp;D Expenditure Amount (TL)</b>					
Bak Ambalaj			19,171,530	21,233,065	21,233,065
Polibak			16,005,147	29,974,811	29,974,811
Bak Gravür			-	-	-
Bareks			15,202,170	27,302,087	27,302,087

	2019	2020	2021	2022	2023
<b>Total Number of R&amp;D Projects (pcs)</b>					
Bak Ambalaj	6	7	9	11	10
Polibak	5	5	5	6	6
Bak Gravür	0	0	0	0	0
Bareks	23	20	21	22	24
<b>Total Number of Registered Patents (pcs)</b>					
Bak Ambalaj	5	0	1	0	1
Polibak	0	0	0	0	0
Bak Gravür	0	0	0	0	0
Bareks	0	0	0	0	0



# Performance Indicators

## Environmental Performance Data

	2019	2020	2021	2022	2023
<b>Total Direct Energy Consumption (GJ) (based on fuels)</b>					
<b>Diesel Consumption</b>					
Bak Ambalaj	461.63	110.28	1,195.22	915.93	842.39
Polibak	1,316.33	1,486.90	1,389.92	921.68	901.68
Bak Gravür	86.01	263.80	966.37	832.95	1,068.48
Bareks	407.86	208.95	98.23	296.74	433.82
<b>Gasoline Consumption</b>					
Bak Ambalaj	0	0	609.79	1,386.71	1,538.49
Polibak	0	0	603.75	1,579.75	1,638.71
Bak Gravür	0	0	150.03	482.70	351.60
Bareks	0	0	443.67	877.92	926.35
<b>Natural Gas Consumption</b>					
Bak Ambalaj	122,420.25	138,451.79	158,240.03	101,081.06	87,288.11
Polibak	138,823.03	170,632.38	177,328.95	175,823.53	181,090.71
Bak Gravür	0.00	0.00	0.00	0.00	0.00
Bareks Plastik	0.00	0.00	0.00	0.00	0.00
Bareks Polietilen	1,273.22	1,981.06	1,290.75	419.31	417.91

	2019	2020	2021	2022	2023
<b>Total Indirect (Purchased) Energy Consumption (GJ) (electricity)</b>					
Bak Ambalaj	79,392.46	89,923.83	98,812.66	100,545.72	98,737.20
Polibak	402,647.89	462,971.54	473,840.39	474,239.23	493,138.80
Bak Gravür	17,201.40	18,170.71	17,625.39	15,642.25	16,146.00
Bareks Plastik	32,927.51	25,857.68	22,345.31	17,496.73	19,303.2
Bareks Polietilen	28,943.57	35,868.96	40,954.73	44,958.02	49,184.15
<b>Total Renewable Energy Consumption (GJ-based on production type)</b>					
Bak Ambalaj	-	-	62,355.60	100,545.72	98,737.20
Polibak	-	-	290,966.40	474,239.23	493,138.80
Bak Gravür	-	-	10,076.40	15,642.25	16,146.00
Bareks Plastik	-	-	11,721.60	17,496.73	19,303.20
Bareks Polietilen	-	-	1,647.32	4,628.58	4,485.75
<b>Energy Consumption per Production (MJ/ton)</b>					
Bak Ambalaj	3,860.56	4,464.49	4,569.79	4,077.78	4,159.11
Polibak	3,905.71	3,791.74	3,868.08	3,818.32	3,066.31
Bak Gravür (MJ/pcs)	522.27	541.84	467.95	438.20	399.17
Bareks Plastik	2,087.45	2,318.03	2,430.69	557.77	2,921.86
Bareks Polietilen	1,814.42	1,750.73	1,763.24	1,766.25	1,937.12





# Performance Indicators

## Environmental Performance Data

	2019	2020	2021	2022	2023
<b>Total Energy Savings (GJ) (obtained through efficiency projects)</b>					
Bak Ambalaj	-	-	62,355.60	100,545.72	98,737.20
Polibak	-	-	290,966.40	474,239.23	493,138.80
Bak Gravür	-	-	10,076.40	15,642.25	16,146.00
Bareks Plastik			11,721.60	17,496.73	19,303.20
Bareks Polietilen	-	-	1,647.32	4,628.58	4,485.75
<b>Total Direct Greenhouse Gas Emissions (Scope 1) (ton CO<sub>2</sub>)</b>					
Bak Ambalaj	-	-	9,448.72	10,735.37	10,205.52
Polibak	-	-	10,885.05	11,764.60	12,063.75
Bak Gravür	-	-	417.89	176.80	211.38
Bareks Plastik	-	-	115.97	97.06	262.63
Bareks Polietilen	-	-	242.76	251.81	405.17
<b>Total Indirect Greenhouse Gas Emissions (Scope 2) (ton CO<sub>2</sub>)</b>					
Bak Ambalaj	-	-	4,344.00	214.60	0
Polibak	-	-	21,792.17	68.23	0
Bak Gravür	-	-	899.57	10.73	0
Bareks Plastik	-	-	115.97	0	0
Bareks Polietilen	-	-	4,880.00	5,568.18	6,093.28

	2019	2020	2021	2022	2023
<b>Total Other Indirect Greenhouse Gas Emissions (Scope 3) (ton CO<sub>2</sub>)</b>					
Bak Ambalaj	-	-	61,179.66	88,339.33	96,155.09
Polibak	-	-	402,863.36	393,457.48	413,383.21
Bak Gravür	-	-	4,392.40	2,999.79	2,844.56
Bareks Plastik	-	-	22,884.67	11,912.88	16,980.06
Bareks Polietilen	-	-	47,279.47	58,629.44	66,917.56
<b>Greenhouse Gas Emissions per Production (ton CO<sub>2</sub>/ton)</b>					
Bak Ambalaj	-	-	3.46	4.11	4.60
Polibak	-	-	3.56	3.20	2.57
Bak Gravür*	-	-	0.19	0.09	0.08
Bareks Plastik	-	-	2.64	2.03	2.62
Bareks Polietilen	-	-	2.08	2.53	2.90

\*ton CO<sub>2</sub>/pcs



# Performance Indicators

## Environmental Performance Data

	2019	2020	2021	2022	2023
<b>Water Withdrawal by Source (m³)</b>					
Well water	0.00	0.00	0.00	0.00	0.00
<b>Mains water</b>					
Bak Ambalaj	66,199.00	58,254.00	75,035.00	79,650.00	94,651.00
Polibak	120,912.00	136,421.00	163,352.00	203,966.00	284,370.00
Bak Gravür	18,398.00	15,834.00	17,651.00	15,727.00	12,358.00
Bareks Plastik	17,938.00	3,650.00	4,072.00	5,144.00	3,498.00
Bareks Polietilen	1,631.00	2,350.00	3,912.00	5,645.00	6,669.00
<b>Total Wastewater Discharge (m³)</b>					
Bak Ambalaj	59,132.84	47,310.56	67,049.84	71,194.00	84,216.00
Polibak	107,640.00	122,547.00	145,839.00	182,391.00	255,236.00
Bak Gravür	16,250.00	13,944.00	15,577.00	13,846.00	12,358.00
Bareks Plastik	16,142.00	3,750.00	3,665.00	4,630.00	3,498.00
Bareks Polietilen	1,467.90	2,115.00	3,521.00	5,081.00	6,002.10
<b>Total Amount of Waste (tons)</b>					
Bak Ambalaj	4,475.16	5,230.90	5,333.17	6,232.94	4,687.68
Polibak	2,593.01	4,933.33	4,762.21	5,002.60	5,328.75
Bak Gravür	772.29	731.64	829.60	920.22	705.96
Bareks Plastik	499.93	385.81	427.29	1,008.36	312.64
Bareks Polietilen	489.86	543.52	838.19	977.43	1,016.14

	2019	2020	2021	2022	2023
<b>Recovered (R Code) Non-Hazardous Waste (tons)</b>					
Bak Ambalaj	3,456.55	4,244.35	4,044.45	4,839.37	3,053.06
Polibak	2,373.37	4,728.47	4,543.85	4,776.31	5,068.59
Bak Gravür	186.27	104.48	124.47	140.58	125.82
Bareks Plastik	499.27	384.01	426.43	1,007.24	307.95
Bareks Polietilen	488.46	540.46	793.86	898.13	1,009.06
<b>Recovered (R Code) Hazardous Waste (tons)</b>					
Bak Ambalaj	1,018.61	983.35	1,288.27	1,390.39	1,634.61
Polibak	211.61	163.86	215.70	226.10	260.16
Bak Gravür	486.81	522.15	602.47	645.39	580.14
Bareks Plastik	0.66	1.75	0.80	1.12	4.69
Bareks Polietilen	1.36	2.30	44.25	78.74	70.8
<b>Disposed (D Code) Hazardous Waste (tons)</b>					
Bak Ambalaj	0.008	0.007	0.017	0.039	0.64
Polibak	0.009	0.040	0.030	0.034	0.01
Bak Gravür	0.003	0.005	0.007	0.008	0.01
Bareks Plastik	0.000	0.008	0.006	0.004	0.00
Bareks Polietilen	0.000	0.000	0.000	0.000	0.00
<b>Other Hazardous Waste Sent to Intermediate Storage (tons)</b>					
Bak Ambalaj	0.00	3.19	0.44	3.14	0.01
Polibak	8.02	40.96	2.64	0.16	12.04
Bak Gravür	99.20	105.01	102.67	134.24	18.88
Bareks Plastik	0.00	0.05	0.06	0.00	0.34
Bareks Polietilen	0.04	0.76	0.08	0.56	2.36



# Performance Indicators

## Environmental Performance Data

	2021	2022	2023
<b>Amount Spent on Environmental Activities and Investments (TL)</b>			
<b>Operating Expenses</b>			
Bak Ambalaj	309,648	740,356	1,897,764
Polibak	708,380	841,060	2,192,640
Bak Gravür	94,692	426,899	550,875
Bareks Plastik	98,650	173,875	541,348
Bareks Polietilen	40,150	49,365	480,693
<b>Investment Costs</b>			
Bak Ambalaj	309,648	155,000	1,137,150
Polibak	151,750	102,000	896,000
Bak Gravür	260,788	275,000	1,094,759
Bareks Plastik	0	2,250	21,850
Bareks Polietilen	11,500	2,250	21,850

	2019	2020	2021	2022	2023
<b>Total Number of Seedlings Planted in Afforestation Activities (pcs)</b>					
Bakioğlu Holding	1,974	3,654	4,258	2,687	8,171
Bak Ambalaj	1,451	651	5,936	1,355	643
Polibak	571	1,612	3,308	1,597	821
Bak Gravür	450	394	2,608	976	252
Bareks	758	404	2,339	1,096	126

	2020	2021	2022	2023
<b>Environmental Trainings (person*hour)</b>				
Bak Ambalaj	38	152	634	607
Polibak	64	389	152	438
Bak Gravür	38	150	146	138
Bareks	28	82	61	115

<b>ADR Training (person*hour)</b>				
Bak Ambalaj			224	323
Polibak			284	220
Bak Gravür			71	54
Bareks			70	60

<b>Supplier Environmental Audit and Development Programs</b>			
<b>Number of Suppliers Passing Environmental Audit</b>			
Bakioğlu Holding (Consolidated)	173	142	155
<b>Number of Suppliers Audited for the First Time</b>			
Bakioğlu Holding (Consolidated)	2	0	1



# Performance Indicators

## Employee Demographics Data

	2020	2021	2022	2023
<b>Total Workforce (Number)</b>				
<b>Bakioğlu Holding</b>	48	63	65	77
Direct Employment	48	63	65	77
Female	24	28	31	36
Male	24	35	34	41
<b>Bak Ambalaj</b>	632	652	726	721
Direct Employment	632	652	726	721
Female	78	92	91	93
Male	554	560	635	628
<b>Polibak</b>	577	606	647	677
Direct Employment	577	606	647	677
Female	45	48	59	61
Male	532	558	588	616
<b>Bak Gravür</b>	164	182	186	183
Direct Employment	164	182	186	183
Female	29	37	38	33
Male	135	145	148	150
<b>Bareks</b>	237	240	266	289
Direct Employment	237	240	266	289
Female	33	36	38	39
Male	204	204	228	250

	2020	2021	2022	2023
<b>Direct Workforce (Number)</b>				
<b>Bakioğlu Holding</b>	48	63	65	77
Office Workers	45	58	58	67
Female	22	26	28	33
Male	23	32	30	34
Field Workers	3	5	7	10
Female	2	2	3	3
Male	1	3	4	7
<b>Bak Ambalaj</b>	632	652	726	721
Office Workers	128	145	148	151
Female	70	84	83	85
Male	58	61	65	66
Field Workers	504	507	578	570
Female	8	8	8	8
Male	496	499	570	562
<b>Polibak</b>	577	606	647	677
Office Workers	100	111	81	125
Female	42	46	43	55
Male	58	65	38	70
Field Workers	477	495	566	552
Female	3	2	16	6
Male	474	493	550	546



# Performance Indicators

## Employee Demographics Data

	2020	2021	2022	2023
<b>Bak Gravür</b>	<b>164</b>	<b>182</b>	<b>186</b>	<b>183</b>
Office Workers	56	66	66	61
Female	28	36	37	32
Male	28	30	29	29
Field Workers	108	116	120	122
Female	1	1	1	1
Male	107	115	119	121
<b>Bareks</b>	<b>237</b>	<b>240</b>	<b>266</b>	<b>289</b>
Office Workers	46	49	61	64
Female	28	32	35	36
Male	18	17	26	28
Field Workers	191	191	205	225
Female	5	4	3	3
Male	186	187	202	222

	2020	2021	2022	2023
<b>Direct Labor by Contract Type (Number)</b>				
<b>Bakioğlu Holding</b>	48	63	65	77
Indefinite Term Employment Contract	48	62	64	77
Female	24	27	30	36
Male	24	35	34	41
Temporary Work Contract	0	1	1	0
Female	0	1	1	0
Male	0	0	0	0
<b>Bak Ambalaj</b>				
Indefinite Term Employment Contract	632	652	726	721
Female	78	92	91	93
Male	554	560	635	628
<b>Polibak</b>				
Indefinite Term Employment Contract	577	606	647	677
Female	45	48	59	61
Male	532	558	588	616
<b>Bak Gravür</b>	164	182		183
Indefinite Term Employment Contract	163	178	186	183
Female	28	34	38	33
Male	135	144	148	150
<b>Bareks</b>				
Indefinite Term Employment Contract	237	240	266	289
Female	33	36	38	39
Male	204	204	228	250



# Performance Indicators

## Employee Demographics Data

	2020	2021	2022	2023
<b>Direct Labor by Education (Number)</b>				
<b>Bakioğlu Holding</b>	48	63	65	77
Uneducated	0	0	0	3
Elementary School	5	5	7	0
High School	3	10	7	15
Bachelor's Degree and Above	40	48	51	59
<b>Bak Ambalaj</b>	632	652	726	721
Uneducated	0	0	0	0
Elementary School	136	108	119	103
High School	322	348	394	405
Bachelor's Degree and Above	174	196	213	213
<b>Polibak</b>	577	606	647	677
Uneducated	0	0	0	0
Elementary School	149	122	107	87
High School	271	305	343	378
Bachelor's Degree and Above	157	179	197	212
<b>Bak Gravür</b>	163	182	186	183
Uneducated	0	0	0	0
Elementary School	32	27	26	16
High School	74	82	85	96
Bachelor's Degree and Above	57	73	75	71
<b>Bareks</b>	237	240	266	289
Uneducated	0	0	0	0
Elementary School	57	46	33	27
High School	127	140	169	197
Bachelor's Degree and Above	53	54	64	65

	2020	2021	2022	2023
<b>Direct Labor by Age Groups (Number)</b>				
<b>Bakioğlu Holding</b>	48	63	65	77
Female	24	28	31	36
18-30	3	5	6	6
30-45	16	17	19	20
45+	5	6	6	10
Male	24	35	34	41
18-30	3	7	5	7
30-45	12	17	20	22
45+	9	11	9	12
<b>Bak Ambalaj</b>	632	652	726	721
Female	78	92	91	93
18-30	24	30	33	38
30-45	45	52	46	47
45+	9	10	12	8
Male	554	560	635	628
18-30	163	169	215	255
30-45	306	302	327	308
45+	85	89	93	65
<b>Polibak</b>	557	606	647	677
Female	45	48	59	61
18-30	18	22	15	20
30-45	23	24	42	40
45+	4	2	2	1
Male	532	558	588	616
18-30	173	177	159	215
30-45	309	331	346	337
45+	50	50	83	64



# Performance Indicators

## Employee Demographics Data

	2020	2021	2022	2023
<b>Bak Gravür</b>	163	182	186	183
Female	29	37	38	33
18-30	6	11	8	2
30-45	20	23	26	28
45+	3	3	4	3
Male	134	145	148	150
18-30	18	13	10	20
30-45	91	103	98	94
45+	25	29	40	36
<b>Bareks</b>	237	240	266	289
Female	33	36	38	39
18-30	12	10	13	9
30-45	20	25	23	28
45+	1	1	2	2
Male	204	204	228	250
18-30	88	84	105	118
30-45	113	114	117	124
45+	3	6	6	8
<b>Senior Management Structure (Number)</b>				
<b>Bakioğlu Holding</b>	4	4	4	4
Female	2	2	2	2
18-30	0	0	0	0
30-45	0	0	0	0
45+	2	2	2	2
Male	2	2	2	2
18-30	0	0	0	0
30-45	0	0	0	0
45+	2	2	2	2
<b>Bak Ambalaj</b>	12	12	12	12
Female	5	5	5	4
18-30	0	0	0	0
30-45	4	4	3	3

	2020	2021	2022	2023
45+	1	1	2	1
Male	7	7	7	8
18-30	0	0	0	0
30-45	4	4	3	3
45+	3	3	4	5
<b>Polibak</b>	15	15	15	15
Female	2	2	2	2
18-30	0	0	0	0
30-45	1	1	1	1
45+	1	1	1	1
Male	13	13	13	13
18-30	0	0	0	0
30-45	5	5	5	3
45+	8	8	8	10
<b>Bak Gravür</b>	5	5	5	5
Female	3	3	3	2
18-30	0	0	0	0
30-45	2	2	2	2
45+	1	1	1	0
Male	2	2	2	3
18-30	0	0	0	0
30-45	2	2	0	0
45+	0	0	2	3
<b>Bareks</b>	7	7	8	8
Female	2	2	3	4
18-30	0	0	0	0
30-45	2	2	2	3
45+	0	0	1	1
Male	5	5	5	4
18-30	0	0	0	0
30-45	4	4	3	4
45+	1	1	2	0



# Performance Indicators

## Employee Demographics Data

	2020	2021	2022	2023
<b>Middle Management Structure (Number)</b>				
<b>Bakioğlu Holding</b>	10	11	11	11
Female	4	5	6	6
18-30	0	0	0	0
30-45	4	5	5	5
45+	0	0	1	1
Male	6	6	5	5
18-30	0	0		0
30-45	4	4	4	4
45+	2	2	1	1
<b>Bak Ambalaj</b>	16	17	23	28
Female	5	7	12	14
18-30	0	0	0	1
30-45	5	7	12	8
45+	0	0	0	5
Male	11	10	11	14
18-30	0	0	0	0
30-45	10	9	10	13
45+	1	1	1	1
<b>Polibak</b>	8	8	21	20
Female	4	3	8	7
18-30	0	0	0	0
30-45	1	2	8	7
45+	3	1	0	0
Male	4	5	13	13
18-30	0	0	0	0
30-45	2	2	10	10
45+	2	3	3	3
<b>Bak Gravür</b>	7	7	11	13
Female	4	4	6	6
18-30	0	0	0	0
30-45	4	4	5	6
45+	0	0	1	0
Male	3	3	5	7
18-30	0	0	0	0
30-45	2	3	5	6

	2020	2021	2022	2023
<b>Bareks</b>	7	7	9	11
Female	5	5	5	6
18-30	0	0	0	0
30-45	5	5	5	6
45+	0	0	0	0
Male	2	2	4	5
18-30	0	0	0	0
30-45	2	2	4	5
45+	0	0	0	0
<b>Newly Hired Employees (Number)</b>				
<b>Bakioğlu Holding</b>	6	13	10	18
Female office workers	1	5	2	7
Male office workers	5	8	3	6
Female field workers	0	0	2	0
Male field workers	0	0	3	5
<b>Bak Ambalaj</b>	85	90	131	123
Female office workers	8	24	10	15
Male office workers	3	10	10	11
Female field workers	0	0	0	0
Male field workers	74	56	111	97
<b>Polibak</b>	72	100	101	105
Female office workers	7	11	6	6
Male office workers	6	11	3	6
Female field workers	0	1	7	2
Male field workers	59	77	85	91
<b>Bak Gravür</b>	8	26	17	22
Female office workers	1	9	3	4
Male office workers	1	2	0	5
Female field workers	0	0	0	0
Male field workers	6	15	14	13
<b>Bareks</b>	22	27	44	71
Female office workers	2	5	4	3
Male office workers	1	1	6	6
Female field workers	0	0	0	0
Male field workers	19	21	34	62





# Performance Indicators

## Employee Demographics Data

	2020	2021	2022	2023
<b>Employees Leaving (Number)</b>				
<b>Bakioğlu Holding</b>	3	1	8	11
Female office workers	1	0	3	2
Male office workers	3	1	3	2
Female field workers	0	0	1	0
Male field workers	0	0	1	7
<b>Bak Ambalaj</b>	51	79	83	100
Female office workers	10	12	11	13
Male office workers	5	7	7	9
Female field workers	0	2	0	0
Male field workers	36	58	65	78
<b>Polibak</b>	53	78	79	79
Female office workers	15	7	3	6
Male office workers	8	8	5	3
Female field workers	0	2	2	0
Male field workers	30	61	69	70
<b>Bak Gravür</b>	10	6	17	22
Female office workers	1	1	5	7
Male office workers	3	1	2	4
Female field workers	0	0	0	0
Male field workers	6	4	10	11
<b>Bareks</b>	17	25	23	56
Female office workers	1	1	3	2
Male office workers	30	2	0	5
Female field workers	1	1	0	0
Male field workers	13	21	20	49
<b>Number of Employees on Maternity Leave</b>	12	13	7	7
Bakioğlu Holding	0	0	1	0
Bak Ambalaj	7	9	1	5
Polibak	1	0	0	1
Bak Gravür	3	3	1	1
Bareks	1	1	4	0

	2020	2021	2022	2023
<b>Number of Employees Returning from Maternity Leave</b>	14	11	8	4
Bakioğlu Holding	0	0	1	0
Bak Ambalaj	7	9	1	1
Polibak	1	0	0	1
Bak Gravür	5	1	3	2
Bareks	1	1	3	0
<b>Number of Employees Who Have Not Left Their Job in the Last 12 Months After Returning from Maternity Leave</b>	13	11	8	2
Bakioğlu Holding	0	0	1	0
Bak Ambalaj	7	9	1	0
Polibak	0	0	0	1
Bak Gravür	5	1	3	1
Bareks	1	1	3	0
<b>Total Number of Disabled Employees</b>				
<b>Bakioğlu Holding</b>	2	2	2	2
Female	0	0	1	1
Male	2	2	1	1
<b>Bak Ambalaj</b>	15	16	19	19
Female	3	2	2	2
Male	12	14	17	17
<b>Polibak</b>	15	12	12	13
Female	2	2	4	4
Male	13	10	8	9
<b>Bak Gravür</b>	5	5	5	6
Female	0	0	0	1
Male	5	5	5	5
<b>Bareks</b>	7	6	6	8
Female	0	0	0	2
Male	7	6	6	6
<b>Employee Turnover</b>				
Bakioğlu Holding (Consolidated)	7.1%	8.4%	9.1%	11.47%
Bakioğlu Holding	4.5%	1.8%	14.0%	12.33%
Bak Ambalaj	7.3%	9.0%	8.7%	12.30%
Polibak	8.3%	9.5%	11.0%	8.60%
Bak Gravür	6.7%	3.5%	4.4%	7.16%
Bareks	4.3%	8.8%	7.6%	18.92%



# Performance Indicators

## Social Performance Data

	2020	2021	2022	2023
<b>Employee Training - Number of Participants (person)</b>				
<b>Bakioğlu Holding</b>	87	97	89	120
Female Office Workers	30	36	31	40
Female Field Workers	2	1	1	3
Male Office Workers	51	55	53	56
Male Field Workers	4	5	4	21
<b>Bak Ambalaj</b>	399	563	617	846
Female Office Workers	74	92	92	96
Female Field Workers	4	7	7	12
Male Office Workers	58	63	65	72
Male Field Workers	260	413	588	657
<b>Polibak</b>	444	612	684	744
Female Office Workers	50	50	59	59
Female Field Workers	2	3	6	13
Male Office Workers	58	58	65	70
Male Field Workers	334	501	554	602
<b>Bak Gravür</b>	153	174	193	206
Female Office Workers	25	29	37	34
Female Field Workers	1	1	3	4
Male Office Workers	31	27	28	34
Male Field Workers	96	117	125	134
<b>Bareks</b>	191	249	268	334
Female Office Workers	30	33	37	38
Female Field Workers	3	4	4	5
Male Office Workers	20	19	26	31
Male Field Workers	138	193	201	260

	2020	2021	2022	2023
<b>Employee Training - Total Hours (person*hour)</b>				
<b>Bakioğlu Holding</b>	4,212	5,010	2,958	4,435
Female Office Workers	1,573	2,076	1,073	1,942
Female Field Workers	15	3	3	8
Male Office Workers	2,616	2,888	1,840	2,230
Male Field Workers	8	43	42	256
<b>Bak Ambalaj</b>	7,915	11,061	11,891	19,662
Female Office Workers	3,487	3,554	4,415	4,334
Female Field Workers	23	98	40	169
Male Office Workers	2,874	2,719	2,625	3,482
Male Field Workers	1,531	4,690	4,811	11,677
<b>Polibak</b>	6,738	14,309	14,074	20,995
Female Office Workers	2,096	1,889	3,045	3,283
Female Field Workers	10	40	38	114
Male Office Workers	2,843	2,743	3,574	3,672
Male Field Workers	1,789	9,637	6,246	13,926
<b>Bak Gravür</b>	3,730	4,737	6,509	6,990
Female Office Workers	1,069	1,025	2,156	1,836
Female Field Workers	16	18	21	35
Male Office Workers	997	836	1,711	1,599
Male Field Workers	1,648	2,864	2,625	3,520
<b>Bareks</b>	4,292	7,376	5,030	11,544
Female Office Workers	1,957	1,837	1,859	2,575
Female Field Workers	3	114	14	67
Male Office Workers	1,199	1,178	1,203	1,929
Male Field Workers	1,133	4,247	1,954	6,974



# Performance Indicators

## Social Performance Data

	2020	2021	2022	2023
<b>Occupational Disease Ratio</b>				
Bakioğlu Holding (Consolidated)	18	26	23	24
Bakioğlu Holding	0	0	0	0
Bak Ambalaj	14	28	31	29
Polibak	23	32	21	19
Bak Gravür	13	5	10	5
Bareks	17	23	15	37
<b>Lost Day Rate</b>				
Bakioğlu Holding (Consolidated)	0,54	0,45	0,37	0,40
Bakioğlu Holding	0,00	0,00	0,00	0,00
Bak Ambalaj	0,19	0,49	0,48	0,42
Polibak	1,11	0,61	0,34	0,41
Bak Gravür	0,22	0,03	0,07	0,03
Bareks	0,36	0,31	0,28	0,58
<b>Occupational Disease Rate</b>				
Bakioğlu Holding (Consolidated)	0	0	0	0
Bakioğlu Holding	0	0	0	0
Bak Ambalaj	0	0	0	0
Polibak	0	0	0	0
Bak Gravür	0	0	0	0
Bareks	0	0	0	0
<b>Number of Employees Reporting Discrimination, Harassment, Mobbing, Pressure and Violence</b>				
Bakioğlu Holding (Consolidated)	0	0	0	0
Bak Ambalaj	0	0	0	0
Polibak	0	0	0	0
Bak Gravür	0	0	0	0
Bareks	0	0	0	0

	2020	2021	2022	2023
<b>OHS Training Provided to Employees - Number of Participants</b>				
Bakioğlu Holding	43	31	12	28
Bak Ambalaj	269	489	478	713
Polibak	373	534	613	660
Bak Gravür	151	165	186	194
Bareks	164	233	122	315
<b>OHS Training Provided to Employees - Total Hours (person*hour)</b>				
Bakioğlu Holding	252	293	97	327
Bak Ambalaj	2,001	4,876	2,468	6,420
Polibak	2,433	6,670	3,386	7,487
Bak Gravür	2,418	2,738	2,919	3,152
Bareks	1,140	4,689	1,243	4,312
<b>Disaster and Emergency Trainings Total Hours (person*hour)</b>				
Bakioğlu Holding	9	29	21	43
Bak Ambalaj	114	161	187	622
Polibak	91	273	312	507
Bak Gravür	50	78	123	267
Bareks	24	76	69	112
<b>Employee Training on Ethics</b>				
Total Training Participants (person)		155	310	768
Total Training Hours (person*hour)		292	323	705
<b>Anti-Bribery and Anti-Corruption Training</b>				
Total Training Participants (person)		155	310	768
Total Training Hours (person*hour)		292	323	705



# GRI CONTENT INDEX

**CONTENT INDEX  
ESSENTIALS SERVICE**

2024

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

<b>Statement of use</b>	Bakioğlu Holding has reported in accordance with the GRI Standards for the period January 1 - December 31, 2023.
<b>GRI 1:</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Since the sector standard for the holdings has not been prepared yet, no sector standard has been used.

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
<b>GENERAL EXPLANATIONS</b>		
<b>The Organization and Its Reporting Practices</b>		
	2-1 Organizational details	About the Report, page 9 About Bakioğlu Holding, pages 14-16 Shareholding Structure, page 17
	2-2 Entities included in the organization's sustainability reporting	About the Report, page 9
	2-3 Reporting period, frequency and contact point	Reporting is done annually. About the Report, page 9
	2-4 Restatements of information	None.
	2-5 External assurance	No independent external assurance statement was received for the report.
<b>Activities and Employees</b>		
	2-6 Activities, value chain and other business relationships	About Bakioğlu Holding, pages 14-16 Our Packaging Group Companies, pages 20-24 Other Group Companies, page 25 Sustainable Supply Chain, pages 80-84
	2-7 Employees	Human Values, pages 90-103 Performance Indicators, pages 134-146
	2-8 Workers who are not employees	Human Values, pages 90-103 Performance Indicators, pages 134-146

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
<b>Governance</b>		
	2-9 Governance structure and composition	Bakioğlu Holding Management Structure, page 59
	2-10 Nomination and selection of the highest governance body	The selection of members of the Board of Directors is carried out in accordance with the minimum qualifications required and within the framework of the relevant regulations. Bakioğlu Holding Management Structure, page 59
	2-11 Chair of the highest governance body	Bakioğlu Holding Management Structure, page 59
	2-12 Role of the highest governance body in overseeing the management of impacts	Bakioğlu Holding Management Structure, page 59
	2-13 Delegation of responsibility for managing impacts	Sustainability Strategy and Organization, pages 30-36
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Strategy and Organization, pages 30-36
	2-15 Conflicts of interest	Business Ethics, Legal Compliance, and Transparency, page 61
	2-16 Communication of critical concerns	Sustainability Strategy and Organization, pages 30-36
	2-17 Collective knowledge of the highest governance body	Bakioğlu Holding Management Structure, page 59
	2-18 Evaluation of the performance of the highest governance body	Bakioğlu Holding Management Structure, page 59
	2-19 Remuneration policies	Human Values, pages 90-103
	2-20 Process to determine remuneration	Human Values, pages 90-103
	2-21 Annual total compensation ratio	Privacy restrictions: As Bakioğlu Holding is not a publicly traded company, it does not disclose annual compensation rate information in publicly accessible sources.



# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
<b>GRI 2: General Disclosures 2021</b>	<b>Strategy, Policies and Practices</b>	
	2-22 Statement on sustainable development strategy	Message from the Chair of the Board of Directors, pages 10-11 Our Sustainability Strategy and Organization, pages 30-36 Material Issues and Materiality Matrix, pages 55-56 Sustainable Development Goals We Contribute to, page 57
	2-23 Policy commitments	Sustainability Strategy and Organization, pages 30-36
	2-24 Embedding policy commitments	Sustainability Strategy and Organization, pages 30-36
	2-25 Processes to remediate negative impacts	Business Ethics, Legal Compliance, and Transparency, page 61 Anti-Bribery and Anti-Corruption, page 62 Combating Climate Change and Environmental Approach, pages 113-116
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics, Legal Compliance, and Transparency, page 61
	2-27 Compliance with laws and regulations	There were no developments that were not in compliance with the law during the reporting period, and no administrative penalties were imposed for non-compliance with laws and regulations.  Business Ethics, Legal Compliance, and Transparency, page 61
	2-28 Membership associations	Corporate Memberships and Initiatives We Support, pages 53- 54
	<b>Stakeholder Engagement</b>	
	2-29 Approach to stakeholder engagement	Stakeholder Map and Our Relations with Stakeholders, pages 51-52
	2-30 Collective bargaining agreements	There is no collective bargaining agreement.

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
<b>MATERIAL ISSUES</b>		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Material Issues and Materiality Matrix, pages 55-56
	3-2 List of material topics	Material Issues and Materiality Matrix, pages 55-56
<b>Sustainable Supply Chain</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Sustainable Supply Chain, pages 80-84
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain, pages 80-84 Performance Indicators, pages 134-146
<b>GRI 308: Supplier Environmental Assessment (2016)</b>	308-2 Negative environmental impacts in the supply chain and actions taken	There was no significant negative environmental impact in supply chain during the reporting period.  Sustainable Supply Chain, pages 80-84
<b>GRI 414: Social Assessment of Suppliers 2016</b>	414-2 Negative environmental impacts in the supply chain and actions taken	There was no significant negative social impact in supply chain during the reporting period.  Sustainable Supply Chain, pages 80-84
<b>Anti-Bribery and Anti-Corruption</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Business Ethics, Legal Compliance, and Transparency, page 61 Anti-Bribery and Anti-Corruption, page 62
<b>GRI 205: Anti-Corruption 2016:</b>	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics, Legal Compliance, and Transparency, page 61 Anti-Bribery and Anti-Corruption, page 62



# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	<b>Circular Economy</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Waste Management and Circular Economy Initiatives, pages 117-121 Packaging Optimization and Sustainable Products, pages 122-125
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Waste Management and Circular Economy Initiatives, pages 117-121 Packaging Optimization and Sustainable Products, pages 122-125
	301-2 Recycled input materials used	Waste Management and Circular Economy Initiatives, pages 117-121 Packaging Optimization and Sustainable Products, pages 122-125
	301-3 Reclaimed products and their packaging materials	Waste Management and Circular Economy Initiatives, pages 117-121 Packaging Optimization and Sustainable Products, pages 122-125
	<b>Energy Efficiency and Management</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Energy Efficiency and Management, pages 126-128
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Energy Efficiency and Management, pages 126-128 Performance Indicators, pages 134-146
	302-2 Energy consumption outside of the organization	Energy Efficiency and Management, pages 126-128 Performance Indicators, pages 134-146
	302-3 Energy intensity	Energy Efficiency and Management, pages 126-128 Performance Indicators, pages 134-146
	302-4 Reduction of energy consumption	Energy Efficiency and Management, pages 126-128 Performance Indicators, pages 134-146
	302-5 Reductions in energy requirements of products and services	Energy Efficiency and Management, pages 126-128 Performance Indicators, pages 134-146

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	<b>Water Management</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Water Management, page 131
<b>GRI 303: Water and Wastewater 2018</b>	303-1 Interactions with water as a shared resource	Water Management, page 131
	303-2 Management of water discharge-related impacts	Water Management, page 131
	303-3 Water withdrawal	Water Management, page 131 Performance Indicators, pages 134-146
	303-4 Water discharge	Water Management, page 131 Performance Indicators, pages 134-146
	303-5 Water consumption	Water Management, page 131 Performance Indicators, pages 134-146
	<b>Combating Climate Change and Environmental Compliance</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 From Sapling to Forest: Aegean Forest Foundation, pages 109-111
<b>GRI 304: Biodiversity 2016</b>	304-2 Significant impacts of activities, products and services on biodiversity	From Sapling to Forest: Aegean Forest Foundation, pages 109-111
	<b>Emission Management</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Emission Management, pages 129-130



## GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Emission Management, pages 129- 130 Performance Indicators, pages 134-146
	305-2 Energy indirect (Scope 2) GHG emissions	Emission Management, pages 129-130 Performance Indicators, pages 134-146
	305-3 Other indirect (Scope 3) GHG emissions	Emission Management, pages 129-130 Performance Indicators, pages 134-146
	305-4 GHG emissions intensity	Emission Management, pages 129-130 Performance Indicators, pages 134-146
	305-5 Reduction of GHG emissions	Emission Management, pages 129-130 Performance Indicators, pages 134-146
<b>Waste Management</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Waste Management and Circular Economy Initiatives, pages 117-121
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Waste Management and Circular Economy Initiatives, pages 117- 121
	306-2 Management of significant waste-related impacts	Waste Management and Circular Economy Initiatives, pages 117- 121
	306-3 Waste generated	Waste Management and Circular Economy Initiatives, pages 117-121 Performance Indicators, pages 134-146
	306-4 Waste diverted from disposal	Waste Management and Circular Economy Initiatives, pages 117-121 Performance Indicators, pages 134-146

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
<b>Support for Qualified Employment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Support for Qualified Employment, pages 87-88 Human Values, pages 90-103
<b>GRI 401: Employment (2016)</b>	401-1 New employee hires and employee turnover	Human Values, pages 90-103 Performance Indicators, pages 134-146
	401-3 Parental leave	Human Values, pages 90-103 Performance Indicators, pages 134-146
<b>Occupational Health and Safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Occupational Health and Security, pages 104-105
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Occupational Health and Safety, pages 104-105
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page 104-105
	403-3 Occupational health services	Occupational Health and Safety, page 104-105
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 104-105
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, pages 104-105 Performance Indicators, pages 134-146
	403-6 Promotion of worker health	Occupational Health and Safety, page 104-105
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, page 104-105
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, page 104-105
	403-9 Work-related injuries	Occupational Health and Safety, pages 104-105 Performance Indicators, pages 134-146
	403-10 Work-related ill health	Occupational Health and Safety, pages 104-105 Performance Indicators, pages 134-146



# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	<b>Employee Training and Development</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Human Values, pages 90-103
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Human Values, pages 90-103 Performance Indicators, pages 134-146
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Values, pages 90-103 Performance Indicators, pages 134-146
	<b>Equal Opportunity, Diversity, and Inclusion</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Human Values, pages 90-103
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Bakioğlu Holding Management Structure, page 59 Performance Indicators, pages 134-146
	405-2 Ratio of basic salary and remuneration of women to men	At Bakioğlu Holding, there is no gender-based discrimination in employee wages.
	<b>Being a Preferred Employer</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Business Ethics, Legal Compliance, and Transparency, page 61 Anti-Bribery and Anti-Corruption, page 90- 62 Human Values, pages 90-103
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period at Bakioğlu Holding.  Business Ethics, Legal Compliance, and Transparency, page 61

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	Bakioğlu Holding does not employ child labor in any way, and expects its suppliers and other stakeholders in the value chain to comply with the age provisions specified in the relevant laws and regulations.
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Bakioğlu Holding and all stakeholders in its value chain, especially its suppliers, do not employ forced labor in any way.
	<b>Corporate Social Responsibility</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Support for Qualified Employment, pages 87-88 Corporate Social Responsibility, pages 107-108 From Sapling to Forest: Aegean Forest Foundation, pages 109-111
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Material Support for Qualified Employment, pages 87-88 Corporate Social Responsibility, pages 107-108 From Sapling to Forest: Aegean Forest Foundation, pages 109-111
	<b>Data Security and Privacy</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Data Security and Privacy, page 86
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no verified complaints regarding violation of customer privacy and loss of customer data during the reporting period.  Data Security and Privacy, page 86





# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	<b>Packaging Optimization and Sustainable Products</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Packaging and Optimization and Sustainable Products, pages 122-125
	<b>Operational Excellence and Quality</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Operational Excellence and Quality, pages 64-71
	<b>R&amp;D and Innovation</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 R&D and Innovation, pages 72-76
	<b>Business Continuity</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Operational Excellence and Quality, pages 64-71
	<b>Chemical Management</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Chemical Management, page 132
	<b>Digital Transformation</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Digital Transformation and Automation, pages 77-79
	<b>Industry 4.0</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 R&D and Innovation, pages 72-76 Digital Transformation and Automation, pages 77-79

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	<b>Corporate Governance</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Governance, pages 58-62
	<b>Business Ethics, Legal Compliance, and Transparency</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Business Ethics, Legal Compliance, and Transparency, page 61 Anti-Bribery and Anti-Corruption, page 62
	<b>Effective Risk and Crisis Management</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Management of Sustainability Risks, Trends, and Opportunities, pages 37-50 Risk Management and Internal Audit, page 60
	<b>Logistic Impacts</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Logistic Impacts, page 85
	<b>Emergency Preparedness</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 55-56 Emergency Preparedness, page 106
	<b>Stakeholder Communication</b>	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Stakeholder Map and Our Relations with Stakeholders, pages 51-52 Corporate Memberships and Initiatives We Support, pages 53-54 Material Issues and Materiality Matrix, pages 55-56



## Contact

You may contact us to obtain more detailed information about Bakiođlu Holding Sustainability Report 2023 and let us know about your recommendations.

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 <https://x.com/bakiogluholding>

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