

50 years

**rooted in strength,
always striving for the best**

lakambalaj
Sustainability Report
2023 *50 years*

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As a well-established brand that has witnessed half of our Republic's century-long history, we have always been *driven by innovation, always focused on development* that adds value for our stakeholders, and always dedicated to *maximizing efficiency* with respect for our planet.

Today, with five state-of-the-art facilities spread across 100,000 m², over 700 agile and skilled employees, and a strong export presence in more than 50 countries across four continents, we deliver high-quality, reliable, and sustainable products to our global stakeholders.

With a steadfast focus on continuous investment and development, we will continue to create value in our country by achieving "the best" in all areas of our operations.



50 years

Always driven by innovation

Driven by our commitment to a sustainable future, we continually develop new products and solutions. As the first R&D Center in Türkiye's flexible packaging industry to receive Ministry approval, we have expanded our Reborn product family—created under the “Reduce, Recycle, Refuse” approach—by adding “Refill” packaging. This innovation allows us to introduce reusable products to the market, enhancing the reduce and recycle phases.

21.2

TRY million

**Total R&D
investment**



50 years

Always focused on development

As the first Turkish participant in the CEFLEX initiative, which aims to advance the circular economy for flexible packaging, we are fully committed to this responsibility. Our efforts are focused on enhancing the performance of flexible packaging within the circular economy, increasing resource efficiency, and reducing waste through eco-friendly production and strategic investments. In partnership with our stakeholders, we engage closely at our R&D Center, listening to their needs and expectations, and turning collective insights into market-ready products.

13

Sustainable
products



50 years

Always maximizing efficiency

We enhance our environmentally friendly, benefit-driven, and efficiency-focused production approach with industry certifications. Through the ISO 50001 Energy Management System, we ensure energy efficiency across our operations. All the electricity used in our facilities is sourced from renewable energy, validated by our I-REC Certification. Furthermore, since 2010, we have been reporting to the Carbon Disclosure Project, a crucial initiative in our efforts to address carbon emissions and combat climate change.

1.1
TRY million
Total environmental
investment



GRI 2-1, 2-2, 2-3

ABOUT THE REPORT

We are pleased to share the social, economic, and environmental dimensions of our activities with all our stakeholders through the publication of our Sustainability Report for 2023, the third edition we have published.

At Bak Ambalaj, we continue our sustainability journey with the goal of always striving to do better. We are pleased to share the social, economic, and environmental dimensions of our activities with all our stakeholders through the publication of our Sustainability Report for 2023, the third edition we have published, reflecting our deep responsibility to pass on a livable world to future generations. In this report, we present our management approach, the performance results we have achieved, our future goals, and our sustainability practices, all in line with the principles of transparency and accountability.

This report has been prepared by Bak Ambalaj San. ve Tic. AŞ in accordance with GRI Standards, covering the period from January 1, 2023 to December 31, 2023. The reporting process was centrally coordinated by our Occupational Health and Safety and Environment Department, together with our Sustainability Committee at Bakiöğlü Holding.

We greatly value the feedback from our stakeholders, as it plays a crucial role in refining both our sustainability initiatives and reporting processes. We welcome your thoughts and suggestions regarding our sustainability activities and reporting at sustainability@bakioglu.com.tr.

Bak Ambalaj is a Bakiöğlü Holding Packaging Group Company. You can access Bakiöğlü Holding's consolidated 2023 Sustainability Report [here](#).



GRI 2-22

MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS

At Bak Ambalaj, since our founding, we have shaped all our activities with a focus on sustainability.

Dear Stakeholders,

2023 was a truly special year for Bak Ambalaj as we remained steadfast on our sustainability journey without straying from our goals. It was a year marked by the celebration of our company's 50th anniversary, coinciding with the centennial of our Republic—a moment of great pride as we continue to move forward with confidence toward the future.

We successfully navigated 2023, thanks to the dedication of our employees, through the implementation of sustainability-focused actions and projects. At the beginning of the year, we were deeply saddened by the devastating earthquake in Kahramanmaraş, which affected 11 provinces in our country. In response, we played an active role in addressing the urgent and priority needs of the region, guided by our sense of responsibility to the society, nation, and

world we live in. Alongside these efforts to heal the wounds of our community, Bak Ambalaj steadfastly continued its operations. Additionally, we began to feel the impacts of the global climate crisis more acutely, compounding the economic turbulence caused by the earthquake. In a world where the risk of encountering unpredictable events increases daily, our determined stance and progress toward our goals have been the key factors that have enabled us to navigate through uncertainty.

The year 2023 also saw significant challenges in Türkiye, including the presidential elections, the fight against high inflation, and the implementation of tight monetary policies, which dominated the national agenda. Following the presidential elections, a new chapter was opened in the management of the economy. In this context, interest rates and tightening measures were increased, with necessary steps taken to ensure medium-term economic stability.

3.4

TRY billion

Our net sales amounted to TRY 3.4 billion.



MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS

Through the solutions we develop and our sustainability approach, rooted in collective intelligence with a focus on people and the environment, we continue to champion sustainable living.

Although short-term success in combating inflation has not yet been fully achieved, the reduction of our country's risk premium is seen as an important step toward reaching long-term inflation targets. This year's key priorities include continuing monetary policies with determination to stabilize the economy, avoiding market interventions, and fostering investor confidence to attract foreign capital. Additionally, bringing budget and current account deficits under control throughout 2024 will be crucial for implementing a sustainable development model.

Despite the challenges and uncertainties we faced in 2023, we remained focused on our business, guided by a sustainable business model aligned with our values. We continued our efforts to reduce costs, minimize losses, and enhance the efficiency, quality, and sustainability of our production activities, with a strong emphasis on occupational safety. In light of the constraints in domestic credit availability resulting from monetary policies, we turned to international credit sources and resolutely pursued our investments. We also took additional measures to protect our employees from the economic impacts of high inflation.

At Bak Ambalaj, since our founding, we have shaped all our activities with a focus on sustainability. Each year, we contribute new forests to nature through the Aegean Forest Foundation. We meet all our facilities' electricity needs from renewable energy sources, without consuming fossil fuels. Our R&D efforts, aligned with the principles of a circular economy—an essential aspect of our

lives—integrate global sustainability goals into our operations. As a direct solution for waste reduction, we are proud to present our 100% recyclable product portfolio, including our new "Refill" packaging designed for reuse. Through the solutions we develop and our sustainability approach, rooted in collective intelligence with a focus on people and the environment, we continue to champion sustainable living.

In 2024, we will continue to advance with determination, further strengthening our strong position in the industry through digital initiatives and operational excellence. Despite the challenges we face, we will continue to draw strength from one another and remain committed to our work. Embracing the words of Mustafa Kemal Atatürk, "There are no hopeless situations, only hopeless people," we will move forward with hope and faith into the second century of our Republic.

I extend my deepest gratitude to our valued colleagues and all our stakeholders, whose support renews our belief in achieving even greater success together.

Respectfully,

Ali Enver Bakiöğlü
Chair of the Board of Directors

74%

export rate

In 2023, 74% of our sales were exports, making a meaningful impact on our country's economy.

GRI 2-22

MESSAGE FROM THE GENERAL MANAGER

In 2023, guided by our sustainability principles, we made significant strides in combating climate change, product lifecycle management, and renewable energy investments.

Dear Stakeholders,

Since our founding, Bak Ambalaj has achieved numerous milestones and delivered outstanding service alongside our dedicated employees and valued stakeholders. The year 2023 marked our 50th anniversary—a significant milestone that further solidified our strong position in the industry. However, it began on a somber note with the devastating earthquake in Türkiye, which deeply affected our nation and all of us. In the months that followed, we all experienced firsthand the political uncertainties, tensions, the fight against high inflation, and the impact of tight monetary policies on our daily lives. Yet, despite these obstacles, we continued to build on our legacy of sustainable success, driven by our unwavering commitment to our vision and mission of continuous investment and progress.

As we embarked on our 50th year in 2023 with the motto that has driven our Group: “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.” As we move forward, preserving our values and continually setting

new goals, Bak Ambalaj remains committed to taking sustainable and promising actions amidst the global threats of the climate crisis, resource scarcity, and the resulting economic, social, and environmental constraints.

In line with the requirements of the 2015 Paris Climate Agreement, which seeks to limit global temperature increases to 2°C and ideally to 1.5°C, we continue our activities in collaboration with our production network and all our stakeholders. The European Green Deal Action Plan has 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. To contribute directly to these goals, we have laid out our sustainability roadmap and continue to invest in sustainability with the responsibility of leaving a livable world for future generations.

In 2023, guided by our sustainability principles, we made significant strides in combating climate change, product lifecycle management, and renewable energy investments. Our R&D investments focused on expanding our portfolio of recyclable products, and we continued to support



MESSAGE FROM THE GENERAL MANAGER

We will continue to push the boundaries in the flexible packaging industry, driven by the dedication of our employees. We are committed to making significant contributions to a sustainable world, achieving many more successes along the way.

the development of a circular economy and sustainable product portfolio through innovative projects. This commitment extends to the development of new biodegradable and compostable products, and investments in green technology.

Driven by our responsibility to preserve the world for future generations, we focus on conserving energy. By sourcing our energy from renewable sources verified by the I-REC (International Renewable Energy Certificate), we reduce emissions and increase energy efficiency. In the coming years, we aim to further reduce CO₂ emissions from electricity consumption through certified renewable energy choices. As the first company within Bakioğlu Holding Group Companies to receive the Zero Waste Certificate, we continue to prioritize renewable energy sources, increasing our investments in wind and solar energy.

Aligned with our goals, we continue to produce sustainable solutions with a focus on R&D. As a result of our efforts, we are proud and delighted to have developed the "Reborn" product family, which includes 100% recyclable packaging with high barrier properties for extended shelf life. In addition, we have introduced our refillable "Refill" packaging, embodying the principles of

Reduce, Recycle, and now Reuse, as part of our commitment to sustainable packaging design. This refillable packaging, successfully passing burst resistance tests, offers consumers the ability to reuse the same packaging multiple times. With this addition, Bak Ambalaj strengthens its position in the industry and continues to offer long-term value-creating solutions.

During the year, we invested a total of TRY 21.2 million in R&D, including the acquisition of a Slitting Transfer Machine capable of slitting coils up to 1,000 mm in width and transferring at speeds of up to 450 m/min. As a company listed in the "R&D 250: Türkiye's Highest R&D Spending Companies," we will continue our R&D investments and efforts with unwavering commitment to achieve our future goals.

In the face of high global interest rates, liquidity constraints, ongoing military and political tensions, and the challenges to the stability of the Turkish economy, Bak Ambalaj remains focused on operationalizing the increased production capacity we have achieved through our investments over the past two years. We continue to follow our Strategic Plan Roadmap, which we have developed with a long-term perspective. With our increased capacity, we are guided by the principle, "Not just to increase sales at all

costs, but only if it is profitable and creates added value." Following this approach, we take pride in achieving a 74% export rate in 2023.

We continue to enhance efficiency with digital tools through the projects and initiatives we have developed to create a sustainable corporate culture where all employees and stakeholders unite around shared ethical values, leadership development, and high-quality education. Additionally, we carefully nurture our stakeholder relationships while reducing the environmental impact of our supply chain. By doing our work with excellence, we create value for our stakeholders, society, and the future, and we are committed to collaborating with civil society organizations, public institutions, and agencies in the areas where we operate. Alongside our environmentally focused activities with the Aegean Forest Foundation, we are delighted to contribute to qualified employment and the local economy through our social and economic benefit-oriented initiatives.

We are determined to advance toward our 2025 vision, where we have integrated sustainability consciousness into our business strategies. We will continue to push the boundaries in the flexible packaging industry, driven by the dedication of our employees.

We are committed to making significant contributions to a sustainable world, achieving many more successes along the way. I extend my deepest thanks to all our employees, business partners, and stakeholders for their support and trust. Let us continue to walk together toward endless successes with belief, passion, teamwork, and commitment.

Respectfully,

Mehmet Emin BOZDAĞ
General Manager

700+
Employees

With over 700 employees, Bak Ambalaj continues to move toward its goals as of the end of 2023.



OUR 2023 PERFORMANCE IN FIGURES

With a team of more than 700 employees and an export rate surpassing 70%, we are committed to contributing to both the national economy and the future.

99.99%
Waste Recycled

100%
Renewable Energy

50+
Countries Exported to

7.94
GJ/ton
Specific Energy Consumption

4.60
ton CO₂/ton
Specific Emission Rate

3.99
m³/ton
Specific Water Consumption

19,662
person*hours
Employee Development Training

21.2
TRY million
R&D Investments

6,420
person*hours
OHS Training

74%
Export Rate

700+
Employees





BAK AMBALAJ AT A GLANCE

Rooted in strength and focused on success for 50 years, we continue to rise and move forward with determination toward the future.

GRI 2-1, 2-6

ABOUT BAK AMBALAJ

Our vertically integrated business model, serving the circular economy of flexible packaging, allows us to contribute to the competitiveness of the Turkish packaging industry on a global scale.

Bak Ambalaj: History and Operations

Bak Ambalaj San. ve Tic. AŞ, the first company of Bakioğlu Holding, was established in 1973 in Izmir to produce printed and unprinted bags. We currently operate in the Izmir Atatürk Organized Industrial Zone on a 100,390 m² area with five separate facilities and a workforce of over 700 employees. As a company ranked among the top 500 industrial enterprises in Türkiye, we manage our 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 industry.

We produce printed, unprinted, and laminated flexible packaging for various industries, continuously expanding our production portfolio through strategic investments. Our vision is to secure a lasting position among the leading companies in the European market. As a dynamic company that can instantly respond to global developments and changes, we export to over 50 countries across four continents, primarily in Western Europe and America. By leveraging Türkiye's logistics advantages, we are able to bring our products closer to our customers through warehouses located in Europe and America.

At Bak Ambalaj, we are committed to operational efficiency and customer satisfaction, ensuring that our production maintains the highest quality standards. With our belief, passion, teamwork,

and commitment, we continue to strengthen our corporate structure, expand our portfolio with strategic investments, and move toward becoming a global brand.

With 50 years of experience, we transform plastic and aluminum materials into high-quality final products, producing flexible packaging in printed, unprinted, and laminated forms for various industries. Our focus on sustainability drives us to create value for healthy products, a healthy environment, and a healthy society.

We collaborate with over 200 companies in more than 50 countries, and each year, we strengthen our team through strategic investments. With a workforce of over 700 employees, we export more than 70% of our production, contributing to both the national economy and a sustainable future.

Through continuous investment and development, we align with Bakioğlu Holding's mission to remain "baki" as a respectable group of companies worldwide, adding value to its country by being the "best" in all its fields of activity. Our vertically integrated business model, serving the circular economy of flexible packaging, allows us to contribute to the competitiveness of the Turkish packaging industry on a global scale.

Our Commitment to Sustainability: "Responsible and Healthy Packaging" Approach

As a pioneering company in the flexible packaging industry, we are committed to

responsible packaging throughout our entire integrated value chain. From design services and material preprocessing to the transformation of various printing techniques and the production of value-added products, we maintain the highest standards of quality and environmental protection.

We deliver high-quality, end-to-end packaging solutions to the food, beverage, chemical, and hygiene sectors, offering products that can replace imported goods. At Bak Ambalaj, we ensure consumers receive products where food safety is a top priority. Our packaging solutions also play a critical role in maintaining the sterility of chemical and hygiene products. By providing manufacturers with optimal packaging compositions and designs, we guarantee the safe access of consumers to their products.

We aim to produce and deliver plastic—an essential material in both the economy and daily life—in the healthiest, safest, and most sustainable way. Guided by our mission of responsible packaging, we rigorously adhere to national and international standards across all production processes, continually striving for improvement.

Driven by a commitment to climate and environmental stewardship, we support the circular economy through our recycling and renewable energy initiatives, thereby mitigating our impact on climate change. Through these practices, we prioritize creating long-term value for all our stakeholders.



50+
Countries
Exported to

GRI 2-1

CAPITAL AND SHAREHOLDING STRUCTURE

We move confidently into the future, empowered by our strong capital structure.

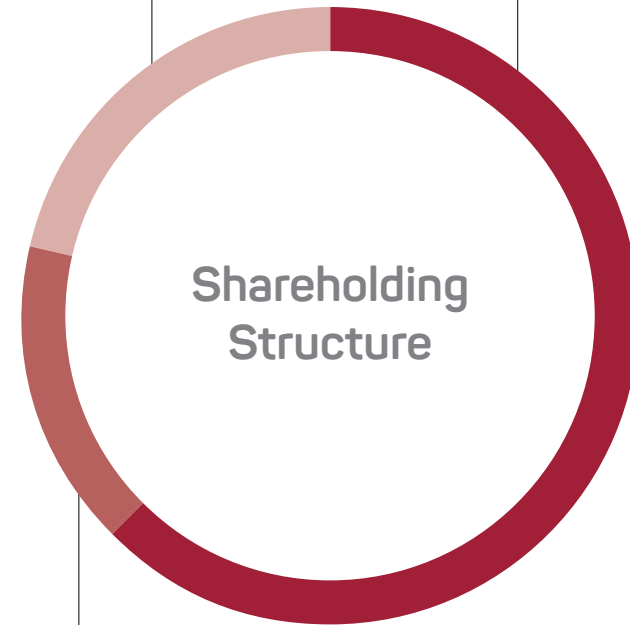
Shareholder	Share Value (TRY)	Number of Shares	Share Percentage (%)
Bakioğlu Holding ⁽¹⁾	22,557,145	2,255,714,500	62.66
Cem Bakioğlu	5,762,733	576,273,250	16.01
Other	7,680,122	768,012,250	21.33
Total	36,000,000	3,600,000,000	100.00

⁽¹⁾ Each Company share has a nominal value of TRY 0.01. The capital is divided into 3,600,000,000 shares, each with a nominal value of TRY 0.01.

⁽²⁾ The Company's shares representing the capital are divided into three categories: (A), (B), and (C). The (A) group shares have privileges including the right to elect the majority of the Board of Directors and all of the auditors, as well as 15 (fifteen) votes per share at general meetings. The (A) group shares amount to TRY 100,000 and are registered shares. The (B) group shares amount to TRY 290,000 and are also registered shares. The (C) group shares amount to TRY 35,610,000 and are bearer shares.

Other
21.33%

Bakioğlu Holding AŞ
62.66%



Cem Bakioğlu
16.01%





OUR MISSION, VISION AND CORPORATE VALUES

As Bak Ambalaj, we always strive to achieve “the best” and to carry the name of our country and our group further. To achieve this, we invest in knowledge, innovation, technology, our human values and our future. Our developmental journey is guided by our “Baki Constitution” and we strive to “stay” with our brand and the values we add. We in the Bakioğlu Holding Group Companies move forward with our values to achieve our vision and we intend to carry out our mission with determination.

OUR MISSION

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

To remain “baki” 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 MISSION, VISION 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 HALF-CENTURY JOURNEY OF SUCCESS

The year 2023 was one of success, as we celebrated our 50th anniversary, guided by the principles of “belief, passion, teamwork, and commitment.”

1973

- Bak Ambalaj, the first Group Company of Bakioğlu Holding, was established in Izmir.

1988

- Construction of new production facilities began on an area of 22,000 m² in the Izmir Atatürk Organized Industrial Zone.

1996

- Studies on the Quality Assurance System was completed and the ISO 9001 Certificate was granted by the BVQI (Bureau Veritas Quality International).

1997

- AIB (American Institute of Banking) granted Hygiene and Food Safety Certificates.

1998

- 25% of Bak Ambalaj’s shares went public on the “Istanbul Stock Exchange,” currently named “Borsa Istanbul.”

2000

- Bak Ambalaj achieved USD 13.6 million in exports by exporting 45% of its production.

2009

- The TPM Excellence Award was presented at a ceremony in Japan.

2013

- The European Logistics Center was established in the Netherlands to centralize logistics activities in Europe.

2017

- Authorized Economic Operator certification was received with the Bak Ambalaj R&D Center.

2020

- TSI COVID-19 Safe Production Certificate was received.

2021

- Membership of the Sustainable Packaging Coalition (SPC) began.
- I-REC Zero Carbon Green Electricity Certificate was awarded.
- The first and only G7 Master Facility Colorspace Certificate in Türkiye was received.

2022

- The “Corporate Carbon Footprint Calculation Project” initiated by Bak Ambalaj on a voluntary basis, focusing on its responsibility to combat climate change, was completed successfully and the “Carbon Footprint Calculations for 2021” for all plants were verified according to the ISO 14064-1: 2018 Standard.
- Bak Ambalaj was the first Bakioğlu Holding Group Company to receive the Zero Waste Certificate.
- The Sustainability Report 2021, prepared in accordance with GRI Standards, has been shared with the public.

2023

- Since stepping into the flexible packaging industry in 1973, Bak Ambalaj has spent 50 years pursuing excellence, driven by its principles of belief, passion, teamwork, and commitment.
- At Bak Ambalaj R&D Center, another significant step was taken in sustainable, recyclable, and waste-reducing flexible packaging designs with the development of the reusable “Refill” packaging, following the concepts of Reduce and Recycle.
- An investment was made in a Slitting Rewinding Machine capable of slitting rolls up to 1,000 mm in width and operating at a speed of up to 450 m/min.
- The “Reborn” product family, featuring 100% recyclable packaging with high barrier properties for extended shelf life, was developed as a result of R&D efforts.
- Bak Ambalaj was among the sponsors of the 2nd International Packaging Industry Congress, hosted by the Packaging Manufacturers Association.

2023 HIGHLIGHTS

At Bak Ambalaj, we continued to enhance our ESG performance in 2023 by undertaking significant sustainability initiatives.

Recyclable Packaging

In 2023, we produced packaging suitable for food contact using Post-Consumer Recycled (PCR) materials for the first time.

R&D Investment

We are honored that our R&D activities have earned us a spot in the "R&D 250: Türkiye's Highest R&D Spending Companies" list.

100% Renewable Electricity

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

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

We prepare CDP reports for supply chain research. In this context, we were awarded a "C" rating in 2023.

Support for the Local Economy

By selecting 90.85% 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

We are proud to be listed in the “R&D 250,” a ranking of Türkiye’s top companies with the highest R&D spendings, thanks to our extensive R&D activities.

Business Development Awards

Award for Bak Ambalaj and Calgon® Collaboration

We won a Bronze award at the 9th 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). In 2023, after a hiatus due to the pandemic, we were honored with a Success Award at the EBSO Successful Industrial Enterprises Award Ceremony.

Among Türkiye’s Top 500 Companies for R&D Investment

As the first R&D Center in the printed flexible packaging industry, Bak Ambalaj R&D Center continues to focus on innovation, providing solutions to evolving needs. We are proud to be listed in the “R&D 250,” a ranking of Türkiye’s top companies with the highest R&D spendings, thanks to our extensive R&D activities.

Awards Received Under the Roof of Bakioğlu Holding

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

At the 7th 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.

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.

Bakioğlu Holding 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.

We were honored to receive a Bronze award in the “Achievement in Human Resources” category at the “Stevie Awards for Women in Business,” a program that recognizes women entrepreneurs, executives, and employees worldwide.





OUR SUSTAINABILITY APPROACH

For 50 years, we have continued our journey with a focus on sustainability, safeguarding both our planet and our future.

GRI 2-13, 2-14, 2-16, 2-20, 2-23, 2-24

OUR SUSTAINABILITY STRATEGY AND ORGANIZATION

In developing our sustainability strategy, we created a structure that seamlessly integrates this strategy into all our operations.

Our Sustainability Approach

At Bak Ambalaj, we view sustainability as a fundamental component of our business model. In developing our sustainability strategy, we created a structure that seamlessly integrates this strategy into all our operations.

We define sustainability with a “Win-Win” mindset, focusing on creating long-term value for all our stakeholders through a sustainable business model.

Our business model, centered on the concept of the circular economy, is what we believe to be the “production model of the future.” We consider a circular economy essential for sustainable living.

One of our key stakeholders is our planet. We view it as our corporate responsibility to leave a livable world for future generations, ensuring the continuity of humanity and all living beings. In this regard, we leverage the power of sustainability to minimize our environmental footprint.

Our Sustainability Strategy

Considering all these aspects, our sustainability strategy is centered on “Sustainable Living,” which stands as the core motto and primary commitment of our parent company, Bakioglu Holding. We strengthen and uphold this focus by addressing the three dimensions of sustainability.



At Bak Ambalaj, we view sustainability as a fundamental component of our business model.

OUR SUSTAINABILITY STRATEGY AND ORGANIZATION

Sustainable Living

We add value to the economy through an innovative and sustainable production model.

We adopt a sustainable production model based on the circular economy. By conducting our production processes within the framework of circularity, we create economic value.

We add value to the future of our planet by minimizing our environmental footprint.

regularly measure our environmental impacts, develop action plans to reduce our environmental footprint, and create climate strategies to contribute to our country's 2053 Net Zero Carbon Target.

We add value to social life with sustainable solutions.

We prioritize societal benefit in all our activities and facilitate social life through our sustainable packaging solutions. With the consciousness of corporate citizenship, we work tirelessly to contribute to social welfare by valuing "people."





OUR SUSTAINABILITY STRATEGY AND ORGANIZATION

Our Sustainability Mission, Vision, and Commitments

In support of the vision of our parent company, Bakioğlu Holding, 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 **“Bak Ambalaj’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 confidentiality and security.

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

A robust sustainability management structure has been established, with authority delegated from the Bakioğlu Holding Board of Directors down to the business units of Bak Ambalaj.

Our Understanding of Sustainability

We adopt a sustainability management understanding rooted in the principle of valuing people, the environment, our business, and society. The sustainability strategy, developed in line with the mission, vision, and corporate values of Bakioğlu Holding, is implemented with the active support and participation of our entire operational structure.

In 2021, we launched the Sustainability Management Organization within Bakioğlu Holding and our Group Companies to enhance sustainability management based on the principles of stakeholder engagement, transparency, and accountability. Through this initiative, a robust sustainability management structure has been established, with authority delegated from the Bakioğlu Holding Board of Directors down to the business units of Bak Ambalaj. Within this framework, the Bakioğlu Holding Board of Directors is the highest decision-making body on sustainability issues across the Group. The Board considers sustainability risks and opportunities when determining the main strategic directions for Bakioğlu Holding and its Group Companies, and it evaluates company priorities and established corporate policies.

To ensure the efficient execution of efforts overseen by the Board of Directors, a “Sustainability Committee” has been established as a subcommittee. This committee includes the Cochairs of the Executive Board of Bakioğlu Holding, who also serve as the Chair and Member of the Board of Bak Ambalaj, the Human Values and Corporate Development Group President, and the Audit Director, totaling four members.

The Sustainability Committee is responsible for monitoring and deciding on actions to improve the sustainability performance of Bakioğlu Holding and its Group Companies, including Bak Ambalaj. The Committee ensures alignment between sustainability priorities, company strategy, and business objectives, tracks progress toward sustainability goals, defines and monitors the sustainability responsibilities of senior management, and evaluates sustainability policies, strategies, and work programs. The Committee reports its findings to the Bakioğlu Holding Board of Directors quarterly and presents an annual report to the General Assembly.



We are building a sustainable future by valuing our business, our planet, and humanity.



OUR SUSTAINABILITY STRATEGY AND ORGANIZATION

Sustainability management extends beyond Bak Ambalaj's operations to include the entire value chain.

The Group Sustainability Board, which includes executives from Bak Ambalaj, serves as the strategic decision-making body for sustainability efforts conducted within the Group Companies. The Board is responsible to the Board of Directors, the Sustainability Committee, and the Co-Chairs of the Executive Board for determining and implementing company strategies that address identified sustainability priorities in the social, economic, environmental, and governance areas.

The responsibilities of the Group Sustainability Board include identifying and reviewing sustainability priorities, developing corporate policies for these priorities, assessing risks and opportunities, and setting short, medium, and long-term sustainability goals.

Seven sustainability working groups operate under the Sustainability Board, including the Climate and Environment Working Group, the Human Values Working Group, the Occupational Health and Safety Working Group, the Business Continuity Working Group, the Circular Economy Working Group, the Value Chain Working Group, and the Business Ethics Working Group. These working groups, which include representatives from Bak Ambalaj, are

responsible for executing the fieldwork within the sustainability management organization. Their tasks include translating identified strategies into goals and action plans, monitoring the resulting performance, and laying the groundwork for best practices to be implemented across Bak Ambalaj and other Group Companies.

In our sustainability governance organization, we plan to establish a Stakeholder Council to 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 the social, economic, environmental, and governance areas. The Council 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 present its opinions and suggestions on strategic directions, practices, and potential areas for improvement within the Group's sustainability priorities.

The implementation of decisions made by the Bakioğlu Holding sustainability organization is the responsibility of the senior management of Bak Ambalaj. The established corporate policies and strategies, and planned practices are carried out within Bak Ambalaj through task distribution according to areas of expertise.

The main principles to be followed in the sustainability management processes of Bakioğlu Holding and its 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 Bak Ambalaj. The Human Values and Corporate Development Group Presidency of Bakioğlu Holding is responsible for monitoring the implementation of the policy. The findings are reported to Bak Ambalaj Senior Management, 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 Working Group in the Value Chain

Sustainability management extends beyond Bak Ambalaj's operations to include the entire value chain. The Sustainability Working Group in the Value Chain, which includes representatives from Bak Ambalaj, was established to enhance the application and performance monitoring of supplier working conditions, supplier audits, supplier development, and sustainability within the value chain across Bakioğlu Group. Through this group, we aim to assess the social, environmental, governance, and economic risks and opportunities of products and services across the value chain and consider this information when determining business strategies.

The Bakioğlu Group Sustainability Management Policy is binding for all suppliers and business partners within the Group Companies' value chains, including Bak Ambalaj. Therefore, our companies are expected to implement practices to disseminate the principles outlined in the sustainability policy throughout their value chains.

GRI 3-3

MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS AND OPPORTUNITIES

SDGs We Contribute to



With a long-term and inclusive perspective, we are committed to managing sustainability risks proactively and turning these risks into opportunities.

At Bak Ambalaj, we consider not only economic risks but also environmental and social risks in our operations. With a long-term and inclusive perspective, we are committed to managing sustainability risks proactively and turning these risks into opportunities.

We recognize that changing economic and social conditions, climate change, and evolving regulations drive the dynamics of our sector. By carefully analyzing these dynamics, we continually update our sustainability strategy. Through our Sustainability Committee and Board, we closely monitor emerging global and national trends, assessing their impact on our sector and company.

We have aligned our risk management approach with global sustainability standards and frameworks. In this context, we aim to play a leading role in the industry by effectively managing sustainability risks and opportunities, contributing to a more livable future. At Bak Ambalaj, we are committed to leading in sustainability and creating value for all our stakeholders.



We have aligned our risk management approach with global sustainability standards and frameworks.



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 leads to increased temperatures, heavy rainfall, droughts, hurricanes, and floods, which can pose significant physical risks for organizations.	At Bak Ambalaj, we develop crisis management plans to minimize the risks posed by climate change and weather events. We regularly conduct Disaster and Emergency Training to ensure that all our facility employees are aware of and prepared for such situations. In addition, we perform regular inspections aimed at continuously improving safety measures.
	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 Bak Ambalaj, we undertake comprehensive efforts to minimize our logistics impacts. To this end, we adopt intermodal transportation strategies to utilize transport modes more efficiently, optimize planning processes, and develop alternative transportation plans to address environmental risks. By collaborating with sustainable transport companies, we reduce carbon emissions and continuously improve our logistics processes, expanding our practices in this area.
	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.	<p>We prepare and implement Industrial Waste Management Plans to effectively manage the industrial waste accumulated at our facilities. We store the waste in compliance with environmental legislation and send it to licensed companies for proper disposal. Our Waste Management Plans are based on the principles of "Zero Waste," focusing on the reduction, separate collection, and recovery of waste at the source. As a result of these efforts, we have become the first Group Company within Bakioğlu Holding to obtain the Zero Waste Certificate.</p> <p>In chemical management, Bak Ambalaj holds the Hazardous Material Activity Certificate (HMAC) and carries out the management of chemical substances through a detailed and secure process. We apply a comprehensive management process that covers the entry and exit of chemical products at the facility, their storage, usage conditions, and the disposal of waste generated from their use. Additionally, we provide regular training on the safe use of chemicals and occupational health and safety.</p> <p>At our Solvent Recovery Facilities, we reduce the usage of chemicals by recovering solvent vapors used during processing and reusing the recovered solvents.</p>
	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.	<p>To address the risk of diminishing water resources, we are conducting comprehensive efforts to reduce water consumption. In line with this, we optimize water usage in our production processes to achieve our target of reducing water intensity. In 2023, our water intensity was 3.99 m³/ton.</p> <p>We discharge wastewater generated from our production processes in compliance with legal requirements.</p> <p>We regularly conduct inspections to prevent water leaks, ensuring the efficient use of water resources and minimizing water consumption. Additionally, we continuously review and improve our water management processes.</p>
	Natural Disasters	Earthquakes, tsunamis, and volcanic eruptions can cause significant physical damage to an organization's facilities, infrastructure, and operations.	<p>To ensure preparedness for natural disasters such as earthquakes, tsunamis, and volcanic eruptions, we develop and maintain emergency plans and procedures across all our facilities. We regularly review and update these plans to ensure operational continuity during and after such events.</p> <p>Additionally, we conduct various informational meetings and awareness webinars to keep our employees informed and supported in the face of unexpected situations.</p>



MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS AND OPPORTUNITIES

CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DO WE MANAGE THIS RISK?
Environmental	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>We increase resource efficiency within our production systems, thereby reducing direct usage values and adopting a perspective that targets the reduction of every emission source within our value chain. By enhancing energy efficiency and investing in renewable energy, we achieve substantial reductions in emission values and protect ourselves from financial penalties.</p> <p>To minimize greenhouse gas emissions, mitigate environmental harm, and contribute to a sustainable future, we implement a comprehensive emission management strategy. At Bak Ambalaj, we calculate greenhouse gas emissions across all operations in accordance with ISO 14064 and GHG Protocol Standards, ensuring these calculations are verified by independent organizations.</p> <p>Through the Carbon Disclosure Project (CDP), we set emission reduction targets and continually improve our performance to meet these goals.</p> <p>We place significant importance on reforestation projects to offset our carbon footprint, successfully balancing a notable amount of carbon emissions through our sustainability efforts in 2023. Additionally, we have developed various projects to enhance energy efficiency and promote the use of renewable energy within our production processes.</p> <p>In our logistics processes, we reduce our environmental impact by adopting intermodal transportation strategies, optimizing the use of transportation modes, and minimizing carbon emissions. Furthermore, we collaborate with sustainable transport companies to further reduce our carbon footprint.</p>
	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.	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. 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.
	Energy Efficiency and Sustainable Energy	Insufficient energy efficiency and challenges in transitioning to sustainable energy sources can increase energy dependency and carbon footprint.	<p>To prevent energy losses and leaks, we implement various measures and establish emergency plans to address potential power outages. In 2023, our energy intensity decreased by 4% compared to the previous year, reaching 7.94 GJ/ton. Through our energy efficiency projects, we optimize energy consumption and successfully reduce greenhouse gas emissions.</p> <p>Our primary strategy in energy management is to maximize efficiency and source our main energy supply, electricity, from renewable sources. Since 2021, our use of I-REC (International Renewable Energy Certificate) has increased to 100% by 2023. With our investments in renewable energy, we achieved a renewable energy consumption of 98,737.2 GJ in 2023. This effort aims to reduce carbon emissions from electricity consumption by approximately 100,000 tons annually.</p>
	Natural Resource Scarcity	The depletion or complete exhaustion of raw materials can disrupt production processes and create significant issues in material supply.	We are working on producing recyclable packaging alternatives from bio-based materials and developing lighter and lower-volume packaging. To mitigate the risk of potential raw material scarcity, we select raw materials that are recyclable and have a lower environmental impact. In line with this, we adopt a circularity approach, evaluating opportunities to use bio-based raw materials and materials with lower emissions compared to conventional options.



MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS AND OPPORTUNITIES

CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DO WE MANAGE THIS RISK?
Social	Social and Community Risks	Factors such as community and employee expectations about sustainability, social media interactions, and public pressure can influence organizations.	<p>At Bak Ambalaj, 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 both internal and external stakeholders, ensuring that this input is considered in our organizational processes.</p> <p>To contribute to society and make a positive social impact, we implement various corporate social responsibility projects. We collaborate with civil society organizations, public institutions, and various stakeholder groups to develop projects and support social development initiatives. In this context, we actively contribute to the projects of the Aegean Forest Foundation and the Lifelong Learning, Vocational Training and Development Association (HBODER).</p>
	Industrial Accidents	Chemical spills, explosions, and other industrial accidents can lead to environmental pollution, harm to human health, and property loss.	<p>To maintain a high level of preparedness for emergencies, we regularly conduct emergency drills for both day and night shifts. Drill scenarios are selected based on our emergency plan, covering situations such as earthquakes, fires, explosions, and chemical spills. The experiences and findings from these drills are documented in detailed reports, and we closely monitor the follow-up actions.</p> <p>Following each drill, we prepare reports based on the data obtained and carry out improvements to scenarios as needed. These reports are used to enhance the effectiveness of our emergency management processes and minimize potential risks.</p> <p>We also regularly organize informational meetings and awareness-raising webinars to ensure that our employees are informed and supported in unexpected situations. Additionally, we provide ongoing training on the safe use of chemicals and occupational health and safety practices.</p>
Economic	Local and Global Market Fluctuations	Price fluctuations can affect supply chain costs and challenge businesses dependent on specific markets.	<p>We conduct strategic planning and scenario analyses to prepare for global market fluctuations. We review our responses to high-impact risks such as increases in energy and raw material costs, energy continuity, and extreme weather events. Additionally, we identify actions in opportunity areas such as efficient transportation, production, and distribution processes, recycling, the use of low-emission energy, and the development of new technologies.</p> <p>We strive to ensure supply continuity through local procurement, which helps us minimize risks arising from the supply chain while supporting the local economy. In 2023, 84.14% of our purchases by spending and 90.85% by the number of suppliers were from local suppliers. By prioritizing local procurement, we contribute to preventing disruptions in our supply chain, controlling costs, and fostering societal benefits. Collaborating with local suppliers enhances the sustainability of our supply chain and optimizes logistics costs.</p> <p>At Bak Ambalaj, we meet Türkiye's flexible packaging needs with local capital and resources, ensuring the quality of our products and services. Additionally, we support our country's economy through our export activities, primarily to the European Union and other international markets. We aim to strengthen our position in both local and international markets, pursuing sustainable growth and increasing our economic contribution.</p>



MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS AND OPPORTUNITIES

CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DO WE MANAGE THIS RISK?
Economic	Weaknesses in Supplier Relationships	Financial issues, management changes, or ethical problems on the supplier side can negatively impact the supply of goods or services.	<p>At Bak Ambalaj, we use a supplier evaluation system to manage risks that may arise from weaknesses in supplier relationships and to ensure reliability and sustainability within our supply chain. Our supplier evaluation system is centrally coordinated for all Group Companies and evaluates suppliers based on criteria such as company profile, financial performance, price-performance, delivery performance, service quality, sustainability, ethical values, social responsibility, information security, quality, and environmental impact.</p> <p>We expect all our suppliers to demonstrate the same sensitivity toward sustainability as we do. To enhance supplier awareness, we conduct training sessions, informing our suppliers about our sustainability policies and encouraging them to improve their processes. By contributing to the development of our suppliers, we aim to enhance the overall performance of our supply chain.</p> <p>We regularly monitor our procurement processes to ensure they are conducted in an environmentally responsible manner through evaluations.</p>
	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.	<p>To safeguard the efficiency and security of our value chain, we implement a comprehensive information security policy. We hold the ISO 27001 Certification to ensure the effectiveness of our information security management system and compliance with international standards. This certification allows us to meet global requirements for establishing, implementing, operating, monitoring, reviewing, maintaining, and continuously improving our information security management systems. In 2023, we renewed our ISO 27001 Certification, reinforcing our commitment to meeting the stringent requirements of the Information Security Management System.</p> <p>To protect against cyberattacks and data security breaches, we have implemented extensive cybersecurity measures. In 2023, we took steps to enhance security and reliability by replacing active devices in our network infrastructure with those featuring smart management, high-security levels, and low energy consumption. We also continued our IoT firewall initiatives. Our measures include network security, data encryption, access controls, and the regular application of security patches.</p>



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>We enhance the reliability and accuracy of our reporting processes by obtaining independent verification services. In this context, we have our sustainability performance indicators, such as greenhouse gas emissions, energy consumption, water usage, and waste management, independently verified and certified. Our 2023 Sustainability Report has been prepared in accordance with GRI Standards.</p> <p>To ensure the accurate and transparent reporting of our sustainability performance, our company is a member of various international initiatives. At Bak Ambalaj, we continuously monitor and improve our performance by reporting our greenhouse gas emissions, water usage, and other environmental impacts through CDP Reporting. This process allows us to take significant steps toward achieving our sustainability goals while enhancing the accuracy and transparency of our environmental data.</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>The accurate measurement and reporting of greenhouse gas emissions are critical for complying with legal requirements and minimizing financial risks. Therefore, in all our operations, we calculate greenhouse gas emissions in accordance with ISO 14064 and GHG Protocol Standards and ensure their verification by independent organizations.</p> <p>We also minimize our carbon emissions by increasing energy efficiency and investing in renewable energy sources.</p> <p>Through the Carbon Disclosure Project (CDP), we continuously monitor and improve our performance by reporting our greenhouse gas emissions and other environmental impacts.</p> <p>To enhance the reliability and accuracy of our reporting processes, we obtain independent verification services. In this context, we have our sustainability performance indicators, such as greenhouse gas emissions, energy consumption, water usage, and waste management, verified and certified by independent organizations.</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 low employee engagement and increased turnover, as well as difficulties in attracting new talent sensitive to sustainability issues.	<p>At Bak Ambalaj, we openly communicate our sustainability commitments and practices to all employees and actively ensure their participation. By fostering a transparent, inclusive, and fair communication environment, we encourage our employees to engage in sustainability initiatives. We work together with our employees to identify sustainability priorities and goals, making these objectives mandatory across the Company.</p> <p>To ensure the effective implementation and continuous improvement of our sustainability efforts, we regularly conduct performance evaluations. We assess our sustainability performance through global platforms like CDP and share the results with our employees. This enables our employees to understand how successfully we are meeting our sustainability goals, thereby boosting 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>At Bak Ambalaj, we support the personal and professional development of high school and university students by offering internship opportunities. We enrich our talent pool by providing job opportunities to students who successfully complete their internships. Through our socially responsible internship programs, we continuously monitor the progress of students and provide the necessary support they need. We hire motivated new graduates who align with our corporate values and prepare them for the future through our Bak Academy training programs. Additionally, we frequently engage with young talents to introduce them to our industry and company.</p> <p>To attract and develop employees with expertise and skills in sustainability, we implement comprehensive talent management and development programs. We offer various training programs to enhance our employees' knowledge and competencies in sustainability.</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 Bak Ambalaj, we support the career and personal development of our employees through various training and development programs offered by Bak Academy. This academy is based on the principles of inclusivity and diversity, supporting different working groups while making our training programs more accessible and sustainable through digitalization. By doing so, we aim to meet the continuous learning needs of our employees while enhancing the overall performance and competitiveness of our company.</p> <p>To raise awareness among our employees on sustainability issues, we regularly organize webinars to increase their knowledge.</p> <p>Additionally, we provide educational content that supports the professional and personal growth of our employees through video learning platforms like COBIDU. These platforms enable our employees to access 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>As we adapt to changing consumer preferences, we implement various strategies to meet the growing demand for sustainable products and services from our customers. In this regard, we develop our products using eco-friendly materials and place special emphasis on waste management. Our focus is particularly on developing reusable and recyclable packaging solutions.</p> <p>In 2023, in an environment where consumer demands were rapidly evolving, we at Bak Ambalaj highlighted our sustainability-focused product design and innovations. Our innovations in the packaging industry have particularly concentrated on circular economy practices and the development of environmentally friendly products. In this context, we continuously strengthen our R&D efforts and remain committed to advancing sustainable packaging solutions.</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>To optimize our operational processes and achieve our sustainability goals, we implement comprehensive strategies. In 2021, aligning with our Group vision, we set clear targets and developed our strategies collaboratively with all our Group Companies. Our focus was on enhancing our team's ability to concentrate on and execute these strategies effectively. To sustainably strengthen our strategy implementation process, we developed strategic roadmaps covering a five-year period.</p> <p>We adopt Total Productive Maintenance (TPM) strategies at all levels to achieve operational excellence by increasing productivity, ensuring quality, and maximizing efficiency in our processes. By applying this strategy across all tiers, we aim to manage our production processes with the highest level of efficiency.</p> <p>Placing our digitization strategy at the heart of our sustainability efforts, we develop 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 outdated software technologies, we have ensured sustainability in our digital solutions.</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.	<p>At Bak Ambalaj, 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, reducing energy consumption, enhancing operational efficiency, and contributing to business continuity.</p> <p>We approach risk management with a holistic perspective at Bak Ambalaj. Through our Early Risk Detection Committee, we aim to identify risks that could jeopardize our company's existence and growth. Operational, financial, and all other risks are assessed by this committee and reported to our Board of Directors. Sustainability risks, including social, economic, and environmental factors, are monitored by the Bakioğlu Group Sustainability Committee and our Sustainability Board.</p>
	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 developed a "Digital Transformation Roadmap." This roadmap serves as a guide in defining and implementing our digital transformation strategies.</p> <p>To ensure sustainability in digital solutions, we have updated applications previously developed with outdated software technologies to align with new software technologies.</p> <p>To enhance the employee experience and cultivate a digital mindset, we launched the Mobile Employee Portal and digital announcement boards. These initiatives promote sustainable digital thinking within our company and support 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 utilize a comprehensive supplier evaluation system to assess supplier performance and ensure we collaborate 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 generated 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>To increase our use of renewable energy and reduce our carbon footprint, we implemented various strategies in 2023. By investing in renewable energy sources such as wind and solar power, we consumed 98,737.2 GJ of renewable energy. We continue to increase the use of renewable energy sources to meet our energy demands. We certified that 100% of the electricity used in our facilities comes from renewable sources with the I-REC International Renewable Energy Certificate. Through the use of certified renewable energy, we aim to reduce carbon emissions from electricity consumption by approximately 100,000 tons annually.</p> <p>We conducted and verified carbon footprint calculations for all our facilities according to the ISO 14064 Standard. This project allowed for a detailed analysis of our carbon footprint and the development of reduction strategies.</p> <p>Our R&D investments focus on expanding our portfolio of recyclable products, contributing to the development of a circular economy and a sustainable product range. We developed 100% recyclable packaging solutions such as the "Reborn" product family and "Refill." We are also working on developing new biodegradable and compostable products for sustainable packaging production and are directing our investments toward green technologies.</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>In 2023, at Bak Ambalaj, we focused on producing recyclable packaging using eco-friendly materials to reduce our environmental impact and emphasized the "reuse" aspect of the 3R principle. We developed refillable hygiene products and surprise packaging, and produced our first packaging using food-grade recycled materials.</p> <p>In our solvent recovery facilities, we recover the vapors of solvents used in the process and reuse them, reducing both pollutant air emissions and chemical usage.</p> <p>We prioritize minimizing environmental impact in all our processes by emphasizing recycling and material optimization. In line with this, we actively use materials such as Bio-Polyethylene (Bio-PE) and Bio-Polypropylene (Bio-PP). Our packaging and product optimization efforts focus on developing durable, easy-to-open, local, and minimalist packaging.</p> <p>To enhance the performance of flexible packaging within the circular economy, we are members of CEFLEX, a consortium of European companies and associations representing the entire value chain of flexible packaging. In 2023, we began calculating the recyclability rates of the products we manufacture in-house using the CEFLEX methodology and shared this information with our customers.</p> <p>At Bak Ambalaj, we manage and implement waste management processes across our entire value chain. In 2023, we managed a total of 12,051 tons of waste, of which 4,687 tons were recovered—1,635 tons of hazardous waste and 3,053 tons of non-hazardous waste. We apply separate recovery processes for hazardous and non-hazardous waste and manage all waste in compliance with environmental regulations. Additionally, we became the first Group company within Bakioglu Holding to earn the Zero Waste Certificate from the Ministry of Environment, Urbanisation, and Climate Change.</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>In collaboration with the Aegean Forest Foundation, Bak Ambalaj actively contributes to reforestation and awareness-raising efforts. In 2023, we planted 643 trees, preventing the emission of 26,427 tons of CO₂.</p> <p>Through our support for the Aegean Forest Foundation's "Forests Powered by the Sun" project, carried out in partnership with the Izmir Development Agency since 2013, we established a 500 kWp solar power plant. This facility generates over 900,000 kWh of energy annually, with the economic value generated used to fund reforestation projects.</p> <p>As part of our significant commitment to combating climate change, we are developing carbon sink areas through our reforestation projects.</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>Since 2010, we have been preparing CDP (Carbon Disclosure Project) Reports at our company for supply chain research. Additionally, we conduct corporate carbon footprint calculations in accordance with the ISO 14064 Standard and ensure these calculations are verified by independent organizations.</p> <p>Aligned with our Climate and Environmental Policy, we plan to implement methods such as "internal carbon pricing" and "carbon offsetting" in our operations in the coming periods to mitigate climate change risks. Furthermore, in line with our goals to reduce greenhouse gas emissions, we aim to establish science-based targets that support the "1.5°C Approach."</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>At Bak Ambalaj, through our R&D Center, we have added a new dimension to our sustainable, recyclable, and waste-reducing flexible packaging designs by developing a reusable "Refill" packaging solution. This design, specifically aimed at liquid hygiene products, incorporates a valve, a stand-up pouch, a spout, and an easy-to-carry handle feature all in one package. The refillable packaging, which has successfully passed burst strength tests, offers consumers the convenience of using the same package multiple times. By introducing this sustainable solution, we continue to strengthen our position in the industry and offer enduring solutions.</p> <p>In addition, we are continuing projects focused on producing packaging that contributes to the circular economy. One such project, conducted in collaboration with a university, is the development and characterization of biodegradable PLA films with antioxidant and antimicrobial properties derived from banana peel waste. We have also developed projects for high-barrier, heat-sealable packaging structures that are suitable for various types of packages and contain different proportions of paper, including 100% paper packaging solutions.</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 significantly to combating climate change by increasing carbon storage capacity, preserving biodiversity, and preventing soil erosion.	<p>As part of our commitment at Bak Ambalaj, we regularly collaborate with the Aegean Forest Foundation to support these efforts. In 2023, we planted 643 trees, effectively offsetting 26,427 tons of CO₂ emissions. Over the past seven years, we have contributed more than 60,000 saplings to nature.</p> <p>Within the scope of our corporate social responsibility initiatives, we make significant contributions to combating climate change, preserving biodiversity, and preventing soil erosion through forest conservation and reforestation projects.</p>
	Employee Health and Well-being	Companies are implementing programs and policies that support employees' physical and mental health, while also prioritizing measures to maintain work-life balance. Healthy work environments, ergonomic office arrangements, and mental health services are key components of this approach.	<p>At Bak Ambalaj, we run the Wellness Program to enhance the quality of life for our employees. Through this program, we regularly organize activities that focus on employees' health and well-being.</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. This proposition was shaped using feedback from employees and insights gathered from executive workshops.</p> <p>To ensure a healthy work-life balance, 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> <p>We also support our employees' family lives by implementing family-friendly policies such as maternity leave, parental leave, and childcare services. Furthermore, we offer psychological counseling and guidance services to support the mental health of our employees.</p>
	Education and Awareness Raising	Educational programs and campaigns are becoming increasingly crucial for raising awareness about sustainability. Companies are intensifying their efforts to educate both employees and consumers on sustainability issues.	<p>At Bak Ambalaj, 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 the Bakioğlu Online Training Management Systems, ensuring accessibility for all staff.</p> <p>We collaborate with 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> <p>We also regularly organize sustainability training sessions for our employees to enhance their knowledge of sustainability practices and environmental responsibility.</p> <p>Additionally, we share our sustainability reports with stakeholders on a regular basis to provide updates on our sustainability performance. We also organize stakeholder meetings to discuss our sustainability strategies and projects.</p>
Economic	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>The Sustainable Packaging Coalition (SPC) is a US-based organization that collaborates with businesses, public institutions, and educational institutions within the packaging industry. At Bak Ambalaj, we serve as stakeholders in SPC, contributing to sustainable packaging solutions.</p> <p>In our company, we share information with our customers through 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>



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 reduces the environmental footprint and creates a sustainable energy infrastructure	Lower carbon footprint, cost savings in energy, and enhanced environmental sustainability reputation	At Bak Ambalaj, we make our energy consumption sustainable by purchasing electricity from I-REC certified renewable energy producers. In 2023, we met all of our electricity needs from renewable sources, achieving a 100% I-REC utilization rate.
	Water Efficiency and Management	Responsible use of water at the source, along with strategies to monitor and reduce water consumption	Protecting water resources, significant long-term savings on water bills and operational costs, and compliance with regulations	At Bak Ambalaj, maintaining the reduction in water usage intensity is one of the most critical elements of our sustainability goals. In 2023, we reached a water intensity value of 3.99 m ³ /ton. Throughout 2023, we utilized a total of 94,651 m ³ of network water and discharged 84,216 m ³ of wastewater. We implemented advanced technologies in our wastewater treatment processes to prevent the release of microplastics and other harmful particles, ensuring wastewater is discharged efficiently and in full compliance with legal requirements.
	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	To minimize road transport, we utilize Ro-Ro shipping for cargo loading, followed by rail connections, which reduces the use of trucks and thus minimizes our carbon emissions. In our logistics processes, we take steps to reduce environmental impacts by using intermodal transportation, which involves combining different transportation modes, thus reducing costs and lowering carbon emissions.
	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	Since 2018, Bak Ambalaj has been producing recyclable, reusable, and waste-reducing packaging that contributes to the circular economy. Our commitment to environmental sustainability is reflected in our innovative projects, such as the Reborn® Recyclable Mono-PE Stand-Up Pouch, which has been recognized and awarded by the industry.
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	At Bak Ambalaj, we actively support the projects of the Aegean Forest Foundation and the Lifelong Learning, Vocational Training and Development Association, focusing on environmental and educational initiatives. We also organize summer and winter internship programs for university students, offering young talents opportunities for professional development.



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 organize various training programs to contribute to the personal and professional development of our employees. Through Bak Academy, we provide continuous development and career support. Our training programs have been digitized, making them accessible to employees at any time.</p> <p>To foster a positive workplace atmosphere, we offer a variety of social and cultural events, including family festivals, motivational and networking meals, sports activities, and hobby clubs.</p> <p>As part of our social responsibility projects, we organize community initiatives in which employees can participate on a voluntary basis.</p> <p>We are committed to developing inclusive policies by implementing programs aimed at increasing the percentage of women engineers, employing individuals with disabilities, and supporting 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 enhance employee engagement, we offer flexible working hours. The remote work practice, introduced during the 2020 pandemic, has been made a permanent option, allowing employees to work from home one day a week. Additionally, we continue to implement the 30-minute reduction in working hours, enabling office employees to reach 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	<p>We place great importance on ensuring that every employee is conscious 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.</p> <p>In 2023, we conducted a total of 1,552 person*hours of training focused on environmental awareness, ADR, disaster awareness, and climate change. Through these programs, we aim to increase employees' awareness of climate and environmental issues and empower them to take an active role in addressing them.</p>
	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	<p>We have implemented the Mobile Employee Portal and digital bulletin board applications.</p> <p>With the support of our experts, we have started our own online OHS refresher training using Greenbox technology. We successfully completed the "Basic Occupational Health and Safety Training" as our first course. In collaboration with our workplace physicians, we plan to complete the recordings for the four-module Basic Health Training in 2024 and make it available to all our colleagues through Bakioğlu Online Training Management Systems (Success Factors and IdeaLearning).</p>



MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS AND OPPORTUNITIES

CATEGORY	SUBJECT	DESCRIPTION	OPPORTUNITIES	HOW DO WE MANAGE THIS OPPORTUNITY?
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	At Bak Ambalaj, 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.

GRI 3-3

STAKEHOLDER MAP AND OUR RELATIONS WITH STAKEHOLDERS

We actively seek to understand the views, expectations, suggestions, and concerns of our customers, suppliers, employees and all other stakeholders, incorporating their feedback into our decision-making processes.



At Bak Ambalaj, we place great importance on stakeholder engagement at every stage of our sustainability model. Our goal is to build relationships with our stakeholders that are based on trust, openness, and collaboration. We actively seek to understand the views, expectations, suggestions, and concerns of our customers, suppliers, employees, and all other stakeholders, incorporating their feedback into our decision-making processes. We tailor our communication and feedback tools to suit the characteristics of different stakeholder groups and regularly evaluate the feedback we receive.

Our Sustainability Committee, operating under Bakiođlu Holding, reviews this feedback to update and improve our strategies. We also recognize the importance of partnerships in achieving the Sustainable Development Goals. Therefore, we support the initiatives of civil society organizations, sustainability initiatives, and sectoral organizations operating at local, national, and international levels.

Open and Transparent Communication with Stakeholders

We provide contact addresses on our website where stakeholders can submit their suggestions, requests, and complaints regarding our company. These notifications are directed instantly to the relevant department without being reported to our Board of Directors and are responded to by the responsible unit, ensuring that necessary actions are taken. Typically, these requests include job applications from potential employees, information emails from prospective suppliers, or issues where potential customers have difficulty reaching our sales teams. We also accept suggestions and expectations through the message sections of our social media accounts. In this case, we forward the message to the relevant department, ensuring a response within 24 hours.

One of our most important stakeholders are our customers. We conduct a Customer Satisfaction Survey every two years to analyze their expectations, suggestions, complaints, and satisfaction levels, and report the results to our Board of Directors and Executive Committee.



STAKEHOLDER MAP AND OUR RELATIONS WITH STAKEHOLDERS

Our Stakeholders and Communication Methods

Stakeholder Group	Method and Frequency of Communication
Customers	Emails (instant)
	Corporate websites and social media (continuous)
	Meetings (instant)
	Fairs (periodical)
Employees	Intranet (continuous)
	SMS and email (instant)
	Notice boards and internal communication bulletins (monthly)
	Social media (continuous)
	Employee events and training (periodical)
Suppliers and Subcontractors	Meetings (instant)
	Corporate websites and social media (continuous)
	Face-to-face and online meetings (instant)
Shareholders and Investors	Emails (instant)
	Social media and press (continuous)
	Corporate websites (continuous)
Industry Associations	Activity reports (annual)
	Memberships (continuous)
	Meetings (instant)
	Events and sponsorships (instant)
	Emails, online and face-to-face meetings (instant)
Universities and Research Institutions	Social media (continuous)
	Emails (instant)
	University events (periodical)
	Online meetings and university fairs (continuous)
Non-governmental Organizations	Summits (periodical)
	Social media (continuous)
	Online or face-to-face meetings (instant)
	Events, donations and sponsorships (instant)
	Social media (continuous)

Stakeholder Group	Method and Frequency of Communication
Group Companies	Emails and SMS (instant)
	Intranet (continuous)
	Notice boards (continuous)
	Social media (continuous)
Regulatory Institutions	Social media and press (continuous)
	Corporate websites (continuous)
	Activity reports (annual)
Local Governments	Projects (instant)
	Emails (instant)
	Corporate websites (continuous)
	Face-to-face meetings (instant)
	Activity reports (annual)
Banks and Finance Institutions	Social media (continuous)
	Social media and press (continuous)
	Corporate websites (continuous)
	Activity reports (annual)
International Organizations	Social media and press (continuous)
	Corporate websites (continuous)
	Activity reports (annual)
Independent Audit and Rating Agencies	Social media and press (continuous)
	Corporate websites (continuous)
	Activity reports (annual)
Society	Social media and press (continuous)
Media	Online and face-to-face meetings (instant)
	Emails (instant)
	Social media (continuous)
Competitors	Social media and press (continuous)
	Corporate websites (continuous)
	Activity reports (annual)

GRI 2-28, 3-3

SDGs We Contribute to



CORPORATE MEMBERSHIPS AND INITIATIVES WE SUPPORT

At Bak Ambalaj, we amplify our environmental sustainability efforts by partnering with international organizations, expanding our impact through collaborations that span from climate change to circular economy initiatives.



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, allowing them to set emission reduction targets and improve their performance.

Bak Ambalaj has been conducting CDP reporting for supply chain research since 2010. In 2023, Bak Ambalaj was 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 flexible packaging production processes to improve performance, increase resource efficiency, and reduce waste.

Bak Ambalaj plays a significant role as the first stakeholder from Türkiye within CEFLEX, contributing to the circular economy.



Packaging Manufacturers Association (ASD) is an association that brings together packaging manufacturers in Türkiye. Established in 1992 by 39 packaging producers, ASD now has over 200 member companies.

Bak Ambalaj is a member of ASD, and our Chair of the Board, Ali Enver Bakioğlu, serves as the Vice Chair of the ASD Board of Directors.

CORPORATE MEMBERSHIPS AND INITIATIVES WE SUPPORT

At Bak Ambalaj, we believe in the importance of partnerships in achieving the Sustainable Development Goals.



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.

Bak Ambalaj serves as a stakeholder 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 engages in information sharing with our customers via Sedex.



FASD (Flexible Packaging Manufacturers Association) is a leading representative of the Turkish flexible packaging industry. It 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 is a member of FASD and one of its prominent supporters.



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 was established to create a sustainable recovery system for the economic and orderly recovery of packaging waste in Türkiye, operating 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.

GRI 2-22, 3-3

MATERIAL ISSUES AND MATERIALITY MATRIX

While finalizing our sustainability priorities, we considered our corporate strategy and values, stakeholder expectations, sectoral requirements, corporate engagements, the Sustainable Development Goals, and global sustainability trends.



Our Sustainability Priorities

We identified our sustainability priorities through the Bakioğlu Group Sustainability Management Program conducted last year. As part of the program, we held workshops focused on establishing common sustainability goals for the Group, as well as determining company-specific priorities. At Bak Ambalaj, we identified our key topics based on the impacts arising from our operations.

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

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

Based on the identified topics, we conducted a survey involving members

of the Sustainability Working Group, our managers and employees, as well as external stakeholders. The survey reached a total of 45 working group members, Bakioğlu Holding and Group Company managers, 239 Bak Ambalaj employees, and 39 external stakeholders.

We evaluated the survey results with a team of Bak Ambalaj managers. Before 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.

While finalizing our sustainability priorities, we considered our corporate strategy and values, stakeholder expectations, sectoral requirements, corporate engagements, the Sustainable Development Goals, and global sustainability trends. As a result, we identified a total of 28 priority topics in the environmental, social, governance, and economic sustainability areas, categorized as very high priority, high priority, and priority.

The priority topics identified for Bakioğlu Holding reflect the overall sustainability priorities of the Bakioğlu Group and are binding for all Group Companies.



MATERIAL ISSUES AND MATERIALITY MATRIX

Our Sustainability Priorities



GRI 2-22

SUSTAINABLE DEVELOPMENT GOALS WE CONTRIBUTE TO

Bak Ambalaj 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	

Bak Ambalaj 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

For 50 years, we have advanced with a commitment to responsible and transparent governance, fully aligning with the Capital Markets Board's Corporate Governance Principles.

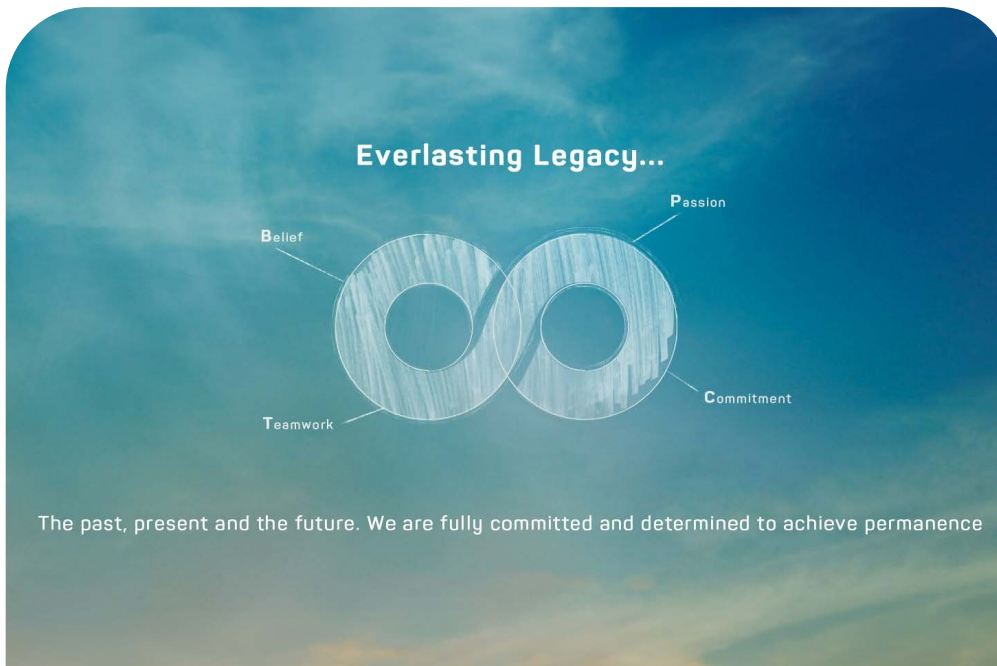
GRI 3-3

CORPORATE GOVERNANCE

SDGs We Contribute to



Our commitment to the Capital Markets Board’s Corporate Governance Principles is unwavering, and we seamlessly integrate these principles into our operations through the Baki Constitution, which encapsulates focus areas of our company.



Establishing a robust corporate governance framework is the cornerstone of building a resilient and forward-looking company. At Bak Ambalaj, we steer our operations in line with global trends and strategic objectives, with a steadfast focus on generating sustainable value for all our stakeholders. Our commitment to the Capital Markets Board’s Corporate Governance Principles is unwavering, and we seamlessly integrate these principles into our operations through the Baki Constitution, which encapsulates focus areas of our company. We are dedicated to upholding the highest standards of ethical conduct, transparency, and accountability, ensuring full compliance with all legal regulations. Each year, we transparently report our governance practices through our Corporate Governance Principles Compliance Report and share our outcomes with all stakeholders in our Annual Reports.

Our Board of Directors, structured in accordance with Corporate Governance Principles, consists of six members, including two independent members. A majority of the Board is composed of non-executive members. As the highest strategic decision-making authority at Bak Ambalaj, the Board of Directors is entrusted with overseeing the Company’s strategic objectives, monitoring risks and opportunities, and guiding the Company’s overall direction. The Board conducts monthly meetings to assess the strategic goals of the Company and ensure they are being met.

Within the Board, three committees operate to enhance governance: the Corporate Governance Committee, the Audit Committee, and the Early Detection of Risk Committee.

The Corporate Governance Committee is responsible for advising on the remuneration principles for Board members and senior executives. Compensation is determined with a focus on the long-term objectives of the Company. The benefits provided to senior executives are disclosed transparently in our Annual Reports.

GRI 2-9, 2-10, 2-11, 2-12, 2-17, 2-18, 405-1

BOARD OF DIRECTORS, SENIOR MANAGEMENT AND COMMITTEES

The Board of Directors, as the highest strategic decision-making body at Bak Ambalaj, is responsible for overseeing the Company's objectives, monitoring risks and opportunities, and determining and managing its strategic direction.

The Board of Directors, as the highest strategic decision-making body at Bak Ambalaj, is responsible for overseeing the Company's objectives, monitoring risks and opportunities, and determining and managing its strategic direction. The Board is composed of six members, including the Chair and Vice Chair. Supporting the Board, the Executive Management team consists of 12 members who operate under its guidance.

Bak Ambalaj Board of Directors

BAK AMBALAJ SAN. TİC. AŞ BOARD OF DIRECTORS					
Name	Person Representing the Legal Entity	Position	Term of Office	Independent Board Member or not	Executive Board Member or not
Ali Enver BAKİOĞLU	-	Chair of the Board of Directors	3 Years	Not Independent	Not an Executive Member
Sertaç BAKİOĞLU	-	Vice Chair of the Board	3 Years	Not Independent	Not an Executive Member
Cem BAKİOĞLU	-	Board Member	3 Years	Not Independent	Not an Executive Member
Bakioğlu Holding	Mehmet Emin BOZDAĞ	Board Member	3 Years	Not Independent	Executive Member
Osman Gürhan ÇAĞLAYAN	-	Board Member	2 Years	Independent	Not an Executive Member
Duygu ÖZERSON ELAKDAR	-	Board Member	2 Years	Independent	Not an Executive Member



BOARD OF DIRECTORS, SENIOR MANAGEMENT AND COMMITTEES

Bak Ambalaj Corporate Governance Committee

BAK AMBALAJ SAN. TİC. AŞ CORPORATE GOVERNANCE COMMITTEE	
Name	Position
Duygu ÖZERSON ELAKDAR	Committee Chair
Osman Gürhan ÇAĞLAYAN	Committee Member
Duygu TUNALIGİL	Committee Member

Bak Ambalaj Audit Committee

BAK AMBALAJ SAN. TİC. AŞ AUDIT COMMITTEE	
Name	Position
Osman Gürhan ÇAĞLAYAN	Committee Chair
Duygu ÖZERSON ELAKDAR	Committee Member

Bak Ambalaj Early Detection of Risk Committee

BAK AMBALAJ SAN. TİC. AŞ EARLY DETECTION OF RISK COMMITTEE	
Name	Position
Osman Gürhan ÇAĞLAYAN	Committee Chair
Duygu ÖZERSON ELAKDAR	Committee Member
Aslı SANAL	Responsible Personnel

Bak Ambalaj Senior Management

BAK AMBALAJ SAN. TİC. AŞ SENIOR MANAGEMENT	
Name	Position
Mehmet Emin BOZDAĞ	General Manager
Hamdi ÇAKMAK	Supply Chain Manager
Erkin ÖZTÜRK	Sales Manager
Aslı SANAL	Financial Affairs Manager
Hüsnü Koray ERGİNCAN	Human Values Manager
Yasemin DUMLU DEMİR	Quality Control Manager
Zeliha BIÇAKSIZ	R&D Manager
Murat GÜNGÖR	Production Manager
Özgür ÖZDİKMEN	Sales Manager
Şerife Özlem ÇETİNTAŞ	Customer Management and Pricing Manager
Levent BAKİOĞLU	Production Manager
Derya AKDEMİR	Occupational Safety and Environmental Manager

GRI 3-3

RISK MANAGEMENT AND INTERNAL AUDIT

Risk management at Bak Ambalaj is handled with a holistic approach, taking into account social, economic, and environmental risks, including those related to sustainability.

Risk management at Bak Ambalaj is handled with a holistic approach. The Early Detection of Risk Committee aims to identify risks that could jeopardize the Company's existence and growth at an early stage. Operational, financial, and other risks are evaluated by this committee and reported to the Board of Directors. Social, economic, and environmental risks, which include sustainability risks, are monitored by the Bakioğlu Group Sustainability Committee and Sustainability Board.

Since 2011, our internal audits have been conducted by the Audit Department within Bakioğlu Holding. This department assesses the financial, operational, and information technology risks of our company and ensures that all processes comply with legal and internal regulations. The Audit Department has the authority to provide opinions to the Bak Ambalaj Audit Committee and the Board of Directors. Additionally, independent external audits related to our activities are also carried out by Bakioğlu Holding.

Risk Management Phases at Bakioğlu Holding

All process-related risks at Bakioğlu Group are managed by the relevant departments. These risks are controlled and responsibly managed through the continuous and regular internal control activities conducted by the departments.

To detect risks such as bribery, corruption, or abuse of power, the risk-based audit activities carried out by the Bakioğlu Holding Audit Directorate regularly address the compliance risk of Bakioğlu Holding and the Packaging Group Companies with ethical principles.

In line with corporate governance principles, legal compliance processes are closely monitored, ensuring that our activities are conducted in full adherence to laws and regulations. During the reporting period, there were no lawsuits filed against or legal sanctions imposed on our company for non-compliance with laws and regulations, including violations related to product and service delivery terms, bribery, corruption, or similar breaches of business ethics, customer confidentiality violations, or breaches of fair competition regulations.



GRI 2-15, 2-25, 2-26, 2-27, 3-3, 406-1

BUSINESS ETHICS, LEGAL COMPLIANCE AND TRANSPARENCY

SDGs We Contribute to



At Bak Ambalaj, we adhere to superior business ethics, comply with laws and regulations, and embrace transparent communication with our stakeholders.

Managing company operations with transparency, ethics, and fairness is a crucial step toward building a sustainable world. This approach allows companies to demonstrate and measure the value they place on people and the planet.

At Bak Ambalaj, we adhere to superior business ethics, comply with laws and regulations, and embrace transparent communication with our stakeholders as we navigate this path to the future. The Bakioğlu Group Corporate Culture Guide and Ethical Principles serve as our guiding framework. To enhance employee awareness and knowledge, we regularly organize corporate culture training that covers topics such as business ethics, anti-bribery, and anti-corruption.

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

Our Policy and Ethics Line Aligned with Our Principles

At Bakioğlu Holding, we enforce a zero-tolerance policy against misconduct, discrimination, noncompliance, and violations of the ethical principles we uphold as a company. This policy has been implemented through the "Ethics Committee and Ethics Line Regulation" under the Business Ethics, Transparency, and Legal Compliance framework since 2021.

In cases of suspected unethical behavior or corruption, or if employees witness any actions or practices that violate our rules, they are encouraged to report or seek advice through our Ethics Line, which is managed by the Bakioğlu Holding Audit Department. The department is responsible for monitoring these reports and taking appropriate action based on the Ethics Committee and Ethics Line Regulation.

Our employees can access the Ethics Line, managed by a third-party service provider, via email or by calling a dedicated hotline at any time of the day. Our stakeholders can also reach the Ethics Line to voice their complaints. In our business processes, which we conduct with transparency and inclusivity, we are committed to safeguarding the shared interests of our employees and all stakeholders.

Since its launch in April 2022, all reports received through the Ethics Line have been reviewed by KPMG, our independent audit firm, in accordance with the Ethics Line and Ethics Committee Regulations. The Audit Department conducts a preliminary review of all incoming reports, which are then shared with the Ethics Committee along with the preliminary investigation findings. The Ethics Committee is responsible for following up on the actions taken. In 2023, necessary actions were taken based on the reports submitted to the Ethics Line.

**We Continued Our Ethics Training in 2023**

At Bak Ambalaj, every new employee receives training on ethical principles, anti-bribery, and anti-corruption as part of their Corporate Culture training. In 2023, we provided in-person training on Corporate Culture, Mission, Vision, Values, and Ethical Principles to our managers. We also offer Corporate Culture training, which includes Ethical Principles, online via our LMS platform to all new field employees. In 2023, 60 of our employees received 2.6 person*hours of Corporate Culture and Ethical Principles training. Additionally, 15 of our employees participated in information sessions on Ethics and Compliance throughout the reporting period.

GRI 2-25, 3-3

SDGs We Contribute to



ANTI-BRIBERY AND ANTI-CORRUPTION

We maintain a zero-tolerance policy against bribery, corruption, and abuse of power, with a commitment to all relevant laws and regulations.

At Bak Ambalaj, we strictly adhere to the ethical principles of Bakioğlu Holding and its Group Companies. We maintain a zero-tolerance policy against bribery, corruption, and abuse of power, with a commitment to all 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.
- Maintain our records and reports in accordance with the principles of completeness, accuracy, and transparency, ensuring that all our transactions are reflected accurately.
- Approach bribery and corruption with zero tolerance.
- Avoid any behavior, offer, or insinuation that could be perceived as bribery in our dealings with individuals in both the public and private sectors.
- Remain firm in our stance against any external offers of bribery.
- 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. We provide every new employee with Ethics Principles Training as part of the Corporate Culture Training.

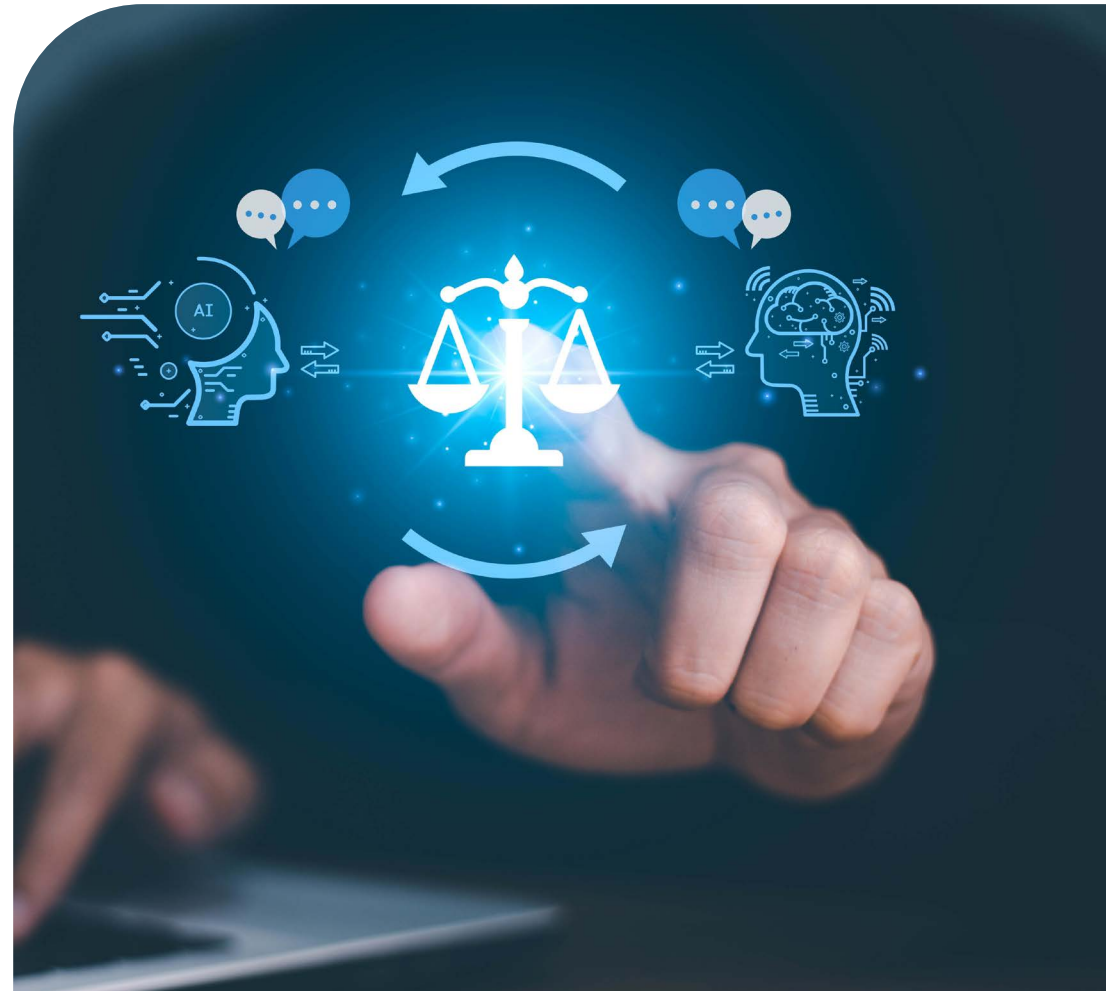
Face-to-Face Training:

We provided face-to-face training on Corporate Culture, Mission, Vision, Values, and Ethical Principles for our employees.

Online Training:

We offer new blue-collar employees Corporate Culture Training, including Ethical Principles, via the Learning Management System (LMS). In 2023, our employees received Ethical Principles Training through the LMS.

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





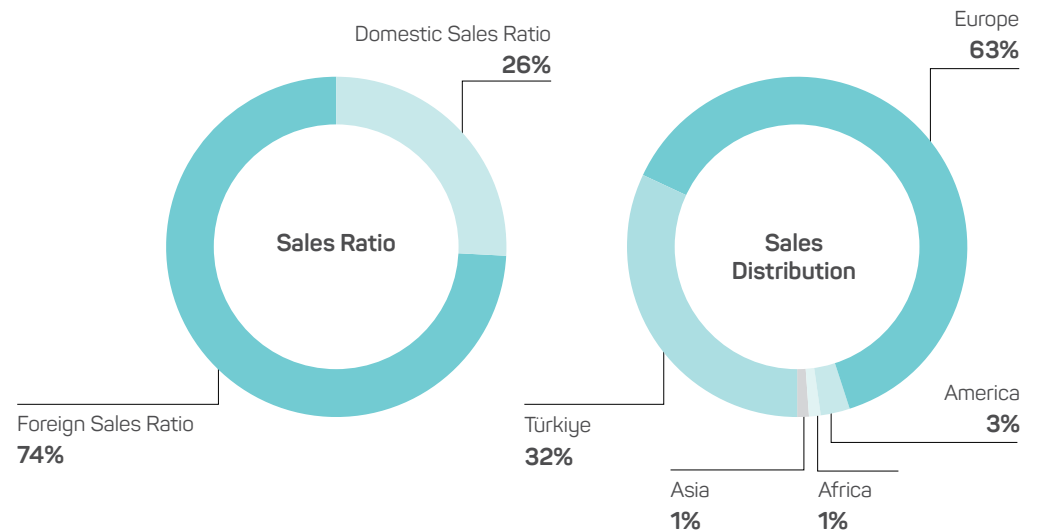
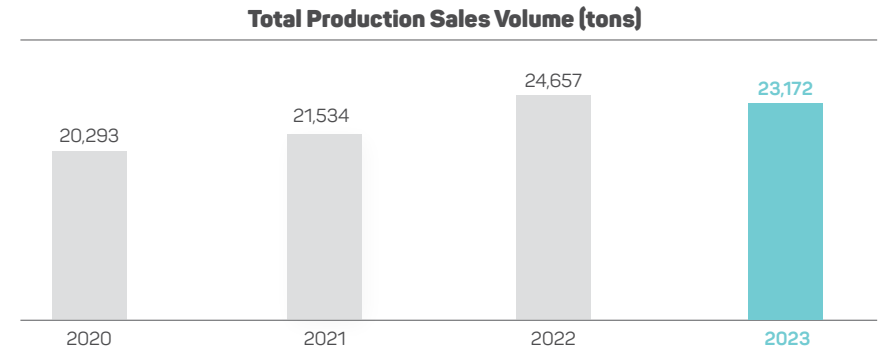
VALUE FOR OUR BUSINESS

For 50 years, we have been evolving with a focus on excellence, maintaining our strong position in the industry.

FINANCIAL HIGHLIGHTS

We move forward by increasing the economic value we create, guided by the belief that “growing sales matters only when it is profitable and adds value.”

Financial Highlights (TRY million)		
	2022	2023
Net Sales Revenues	3,822	3,419
Operating Profit	20	404
Total Assets	3,736	3,608
Total Investments	238	116
EBITDA	190	572
Net Debt	791	632
Return on Equity (ROE)	8%	2%



GRI 3-3

SDGs We Contribute to



OPERATIONAL EXCELLENCE AND QUALITY

As we steer our business processes toward operational excellence, we particularly embrace Total Productive Maintenance (TPM) strategies in our production facilities.

OPERATIONAL EXCELLENCE

At Bak Ambalaj, we are committed to achieving operational excellence by developing various approaches and projects that enhance productivity through sound actions, safeguard quality, and maximize efficiency in our operational processes. For years, with our established operations and product portfolio, we have continuously improved, reduced our environmental impact, and developed strategies that adapt to the future.

As we steer our business processes toward operational excellence, we particularly embrace Total Productive Maintenance (TPM) strategies in our production facilities. By applying these strategies across all levels, we aim to manage our business processes with the highest efficiency. We continuously update our perspective on excellence in production by focusing on our operational requirements, and we develop business development projects with an agile approach. Collaborating with all Group Companies within Bakiöğlü Holding, we draw inspiration from both our employees and the power of sustainability at every step toward achieving quality.

In our vision to reach “World-Class Manufacturing,” we implement systems and tools in our production processes that align with the standards set by our Group and meet the needs of our companies. The primary goal of these practices is to make a positive impact on the Company’s PQCDSEHM indicators (Productivity, Quality, Cost, Delivery, Safety, Health, Environment, and Human Resources). At Bak Ambalaj, we adhere to common production standards, and through our efforts and investments, we aim to achieve improvements in areas such as performance, quality, cost, delivery processes, safety, environmental impact, and human resources management.



We continuously update our perspective on excellence in production by focusing on our operational requirements, and we develop business development projects with an agile approach.

OPERATIONAL EXCELLENCE AND QUALITY

In line with our TPM initiatives, Bak Ambalaj is implementing robotic process automation in various processes to achieve zero breakdowns, zero defects, and zero accidents.



We strive for excellence in our production processes through the TPM approach.

Our TPM Approach to Excellence: Targeting Zero Breakdowns, Zero Defects, and Zero Accidents

At Bak Ambalaj, we adopt a proactive and preventive approach to enhance our production processes and achieve maximum efficiency. Our core management strategy in this regard is the Total Productive Maintenance (TPM) methodology. TPM aims to optimize business performance, increase reliability, speed, and flexibility, and prevent unexpected breakdowns and delays in production processes.

To achieve the primary goals of TPM, we focus on the effective use of machines, equipment, employees, and supporting processes. Through the TPM Program implemented across all our Packaging Group Companies, we aim to optimize our operations by creating roadmaps for TPM Excellence and TPM Sustainability phases. Additionally, with this management approach, we aim to systematically eliminate breakdowns, defects, and accidents to maximize our business performance. This strategy allows us to continuously improve and sustain excellence by enhancing reliability, speed, and flexibility, and by preventing unexpected breakdowns and delays in production processes.

In line with our TPM initiatives, Bak Ambalaj is implementing robotic process automation in various processes to achieve zero breakdowns, zero defects, and zero accidents. As a result, we automate operations such as customer order entries, export documentation, preparation and dispatch of quality analysis documents to customers, entry of purchase invoices, and accounting processes using software robots.

Expanding Our Excellence Approach with Committees

At Bakiöğlü Holding, we have established coordination committees composed of committee heads from each Group Company to collaboratively design our processes and maximize the benefits of Group synergy. In this context, we have launched the activities of committees such as Kobetsu Kaizen, Autonomous Maintenance, Planned Maintenance, Quality Maintenance, Training and Competence Development, and Health Safety Environment. We are also planning to establish Early Management, Office TPM, and Supply Chain Management committees.

OPERATIONAL EXCELLENCE AND QUALITY

We aim to continuously improve our organization's performance by integrating operational excellence with digital transformation and leveraging the best practices we achieve.

Additionally, we continue to support the sharing of industry knowledge and the promotion of a culture of continuous improvement by participating as speakers and contributors in events such as ISO Academy and MMO Kaizen Sharing Sessions.

Continuous Improvement Toward "Kaizen"

A key element of our TPM philosophy at Bakioğlu Holding is the Kaizen approach, which is rooted in continuous improvement and learning. With a mission to create a sustainable culture that ensures growth through zero loss, we aim to increase our Kaizen activities. Led by the Operational Excellence Department at Bakioğlu Holding, we successfully continue our Kaizen activities through active coordination, collaboration, and applications with the Kobetsu Kaizen Coordination Committee of our Packaging Group Companies.

In our steps to enhance operational efficiency, we prioritized fostering a sharing and learning culture among our employees throughout 2023. With the mission of creating a culture that supports sustainable growth with zero loss, we support the learning processes among our Group Companies by hosting our quarterly Kaizen Sharing Events, where good practices are shared directly by Kaizen team leaders.

We continue to expand our Kaizen activities, focusing on reducing the most significant losses affecting OEE, Scrap, and Cycle Cost parameters. To strengthen our data infrastructure, we have completed projects such as OEE Measurement Standardization, Kaizen Tracking System, Loss Cost Management, and Kaizen Validation. By advancing our digitalization efforts—such as the Mobile PM, MII, and Operational Excellence Portal—according to our planned schedule, we aim to continuously improve our organization's performance by integrating operational excellence with digital transformation and leveraging the best practices we achieve.



With a mission to create a sustainable culture that ensures growth through zero loss, we aim to increase our Kaizen activities.

OPERATIONAL EXCELLENCE AND QUALITY

In 2023, our projects focused on improving employee ergonomics and occupational health and safety conditions, as well as enhancing employee and machine efficiency.

Kaizen: Inspiring Tangible Achievements

Kaizen Topics

- Reduction of CL1002 Cleaning Time
- Elimination of Quality Losses Due to Cylinder Cleaning
- Reduction of Flexo Color Adjustment Time

Project Development Initiatives on Operational Efficiency and Excellence in 2023

In 2023, our projects focused on improving employee ergonomics and occupational health and safety conditions, as well as enhancing employee and machine efficiency.

AGV Usage

To reduce manual material handling, we have started using Automated Guided Vehicles (AGVs) with autonomous driving capabilities. These AGV systems, a new development for our company, aim to make our transportation activities safer and more standardized. Through these projects, we aim to automate internal transport, thereby increasing productivity and efficiency.

Warehouse Capacity Increase

We have implemented warehouse projects aimed at increasing finished and semi-finished product storage capacity in two different locations. In these projects, in addition to increasing storage capacity, we also improved storage conditions to enhance product/semi-finished quality, disciplined the stock management process, and improved occupational safety conditions.

Packaging Process Automation

We conducted conceptual studies (process flow analysis and equipment design) for automating the packaging process at our facility.



OPERATIONAL EXCELLENCE AND QUALITY

We took our first step toward the SAP TM (Transportation Management) module, aimed at improving the transportation management and planning processes for our flexible packaging products, which reach hundreds of cities and addresses across more than 50 countries.

Academia-Industry Collaboration: Value-Added Projects

In line with our operational excellence goals, we focus on strengthening our academia-industry relationships through collaborations with universities to achieve valuable outcomes. In this context, Bak Ambalaj, in collaboration with Bilkent University's Industrial Engineering Department, developed a machine learning-supported forecasting system for predicting customer demand and raw material needs. To ensure the sustainability of the mutual benefits gained from this collaboration, we continue to engage in project-based joint work with Bilkent University.

Strategic Planning and Business Development Vision in Excellence

In 2021, aligned with our Group vision, we began working to establish clear goals at Bak Ambalaj and developed strategies collaboratively with all our Group Companies. We focused on enhancing our team's focus and execution capabilities by creating a roadmap. To sustainably strengthen our strategy implementation process, we

developed five-year strategic roadmaps. We take pride in managing the processes for updating our strategies through periodic review activities and an annual business model focused on five-year outcomes. We are also proud to create 2030 target strategy roadmaps that include our company's sustainability initiatives.

Business Development Initiatives

Aligned with our strategies and digital roadmap, we took our first step toward the SAP TM (Transportation Management) module, aimed at improving the transportation management and planning processes for our flexible packaging products, which reach hundreds of cities and addresses across four continents and over 50 countries. In 2024, Bak Ambalaj will fully adapt this module to its processes. To make processes transparent and measurable, we have completed projects involving the measurement and reporting of operational management key performance indicators through analytical applications and the digitalization of investment approval processes, thereby making these approvals paperless.



New Projects for Efficiency and Safety

In 2023, we focused on improving working conditions and increasing efficiency in ongoing and new projects. In new projects, we aim to increase machine and employee efficiency by focusing on ergonomics and safe working conditions. In machine-based investments, we plan to choose solutions that ensure sustainable resource use and minimize natural resource consumption.

We are also continuing our efforts to determine optimal production conditions by monitoring and analyzing parameters in quality and production processes. This allows us to ensure the production of high-quality, error-free products, achieving high efficiency and overall equipment effectiveness (OEE).

OPERATIONAL EXCELLENCE AND QUALITY

At Bak Ambalaj, we enhance our dedication to product and process quality with internationally recognized standards and certifications.

Continuous Improvement and Renewal Approach

We continuously renew and improve ourselves based on the feedback we receive during this process to provide better service to our customers.

- At Bak Ambalaj Bak-1, Bak-2, and Bak-3, we completed the SMETA 6.1 4 PILLAR & URSA audits, which are based on "Ethical Principles, Social Responsibility, Occupational Health and Safety, and Environment," with zero non-compliance.
- We also completed the TSE audits at our Bak Ambalaj Central Facility, including TS 11412 (Petroleum-Based Solvents-Industrial Use) and TS 3307 (Ethyl Acetate-Industrial Use), with zero non-compliance.

Our Quality Standards and Certifications

At Bak Ambalaj, we adopt a Total Quality Approach across all operations, from production to logistics. We enhance our dedication to product and process quality with internationally recognized standards and certifications. We continuously monitor our compliance with these system standards through regular independent external audits.

- ISO 9001: Quality Management System
- ISO 14001: Environmental Management System
- ISO 45001: Occupational Health and Safety Management System
- ISO 14064: Greenhouse Gas and Emissions Management System
- ISO 27001: Information Security Management System
- ISO 22000: Food Safety Management System
- ISO 50001: Energy Management System
- BRCGS: Global Standard for Food Safety
- I-REC: International Green Energy Certification
- AIB International: American Institute of Baking - Food Safety Standard

Click  [here](#) for our certifications.

Click  [here](#) for our Quality Policy.



We aim to continuously renew and improve ourselves based on feedback, to provide better service to our customers.

GRI 3-3

R&D AND INNOVATION

SDGs We Contribute to



We are committed to developing our product portfolio and offering environmentally friendly solutions through technological and comprehensive research.

The advancement of technology, coupled with rising consumption and population growth, has accelerated the global pursuit of sustainable solutions. At Bak Ambalaj, we focus our R&D efforts on creating a more sustainable value chain at every step. We are committed to developing our product portfolio and offering environmentally friendly solutions through technological and comprehensive research. Our R&D and innovation initiatives are shaped to meet the needs of our customers and industry. In 2023, our R&D Center continued to drive progress across all value chain processes.

A New Era of Innovation: Bak Ambalaj's R&D and Innovation Efforts

At Bak Ambalaj, we have been developing packaging structures that are high-barrier, heat-sealable, and suitable for different packaging machines and types, containing varying percentages of paper, including 100% paper, throughout this reporting period. Additionally, we have been working

on designing packaging that meets 100% recycling and biodegradability standards, while addressing challenges posed by liquid groups that negatively impact these percentages.

In 2023, alongside producing packaging with reduced environmental impact and suitable for recycling, we increased our focus on reuse in line with circular economy principles. We achieved a significant milestone by producing refillable standing pouches (SUP) for hygiene products and versatile surprise packaging designed for reuse. We also successfully produced our first food-contact packaging made from PCR (Post-Consumer Recycled) raw materials this year. We continue to obtain the necessary certifications for biodegradable and compostable products from suppliers. Additionally, we participated in ISCC Plus Training in 2023, the first step in certified sustainable production, and are planning our certification processes for 2024.



In 2023, we focused on producing sustainable products, aligning with circular economy principles such as source reduction and reuse.

R&D AND INNOVATION

In 2023, our R&D Department continued its efforts to develop innovative and eco-friendly product options that meet market demands.

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 efforts include 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.

R&D in Numbers

At Bak Ambalaj, we are committed to strengthening our leading position in the industry through the innovations we develop, continuing our R&D investments and efforts without interruption to achieve our 2025 goals. During the period, we invested a total of TRY 21.2 million in R&D at Bak Ambalaj. Our 31 R&D employees successfully completed 10 R&D projects focused on flexible packaging production and measurement methods.

We continue to diversify our functional flexible packaging solutions through the Bak Ambalaj R&D Center.



R&D AND INNOVATION

In 2023, we invested a total of TRY 21.2 million in R&D, completing 10 R&D projects with our 31 R&D employees, who make up 4.3% of our total workforce.

21.2
TRY million
R&D Investment

31
R&D Employees

10
R&D Projects

Bak Ambalaj R&D Center

Certified by the Ministry of Industry and Technology of the Republic of Türkiye in August 2017, the Bak Ambalaj R&D Center is a pioneer in the printed flexible packaging industry, managing all projects and activities under one roof at the central building.

Certified by the Ministry of Industry and Technology of the Republic of Türkiye in August 2017, the Bak Ambalaj R&D Center is a pioneer in the printed flexible packaging industry, managing all projects and activities under one roof at the central building.

Our well-equipped Bak Ambalaj R&D Center is home to researchers and highly qualified experts from various disciplines. The team at Bak Ambalaj R&D Center conducts

simulations from structural formulation studies to the packaging process and the user experience when the products reach store shelves. They develop solutions that meet the diverse and complex needs of users across the entire value chain. To keep pace with evolving needs and stay current with developments, we continually enhance our technical knowledge through training at Bak Ambalaj R&D Center.

In our specialized laboratory areas, equipped with advanced technology, we conduct qualitative and quantitative analyses such as surface analysis, oxygen-moisture barrier studies, material composition determination, and tensile-adhesion strength testing. Our R&D Center is well-positioned to meet industry needs, offering guidance to customers, partners, and the industry.



Bak Ambalaj R&D Center is the first of its kind in the printed flexible packaging industry.

R&D AND INNOVATION

Our third product family, “PapBorn,” introduced by our R&D Center at Bak Ambalaj, continues to grow within our sustainability framework.

Bak Ambalaj R&D Center follows technological developments closely while shaping projects according to customer needs and demands. We provide technical support to our customers in areas such as product development, innovation, application, production efficiency, value engineering and cost-saving projects, and packaging training.

The Bak Ambalaj R&D Center, dedicated to proactive solutions, builds a strong communication network with its partners. Every idea and suggestion that arises within raw materials, machinery, products, or production methods is developed through this robust communication network.

Best Practices: PapBorn R&D Journey

At Bak Ambalaj, we have continued to advance our projects focused on producing 100% recyclable, reusable, waste-reducing, biodegradable, and 100% compostable packaging that supports the circular economy. Building on last year’s efforts, we have sustained our collaboration with universities on the “Development and Characterization of Biodegradable PLA Films with Antioxidant and Antimicrobial

Properties Using Banana Peel Waste” project. Additionally, we have developed high-barrier, heat-sealable packaging structures with varying toughness, incorporating different percentages of paper, including 100% paper, suitable for various packaging types. These efforts culminated in the creation of our PapBorn product family.

Our third product family, “PapBorn,” introduced by our R&D Center at Bak Ambalaj, continues to grow within our sustainability framework. By closely monitoring industry trends and continually refining our processes, we have reached the capability to offer printed and laminated paper products to our customers. Expanding our innovative product range with options like heat-sealable and reverse-printed transparent paper, we draw on Bak Ambalaj’s extensive experience in paper structures, allowing us to consistently learn and evolve.



Innovation Leader: Bak Ambalaj R&D Center

As a leading R&D Center in the printed flexible packaging industry, Bak Ambalaj R&D Center continues to focus on innovation to address evolving needs. We take pride in being listed in the AR-GE 250, celebrating this achievement with all our dedicated employees.

Reusable Refill Packaging Design: A Revolution in Liquid Hygiene Products

At Bak Ambalaj R&D Center, we added a new dimension to our sustainable, recyclable, and waste-reducing efforts in flexible packaging design by developing a reusable “Refill” packaging design. Targeting liquid hygiene products, this design combines features such as a valve, stand-up capability, spout, and easy-to-carry handles in one package.

R&D AND INNOVATION

At Bak Ambalaj R&D Center, we added a new dimension to our sustainable, recyclable, and waste-reducing efforts in flexible packaging design by developing a reusable “Refill” packaging design.

The refillable packaging, which successfully passed burst resistance tests, offers consumers the opportunity to use the same package multiple times. With this innovative solution, Bak Ambalaj continues to maintain its position in the industry while offering lasting solutions.

R&D Collaborations and Participations

The Bak Ambalaj R&D Center actively participates in conferences and seminars with its academic publications, establishing collaborations with universities, institutes, and research centers both in Türkiye and abroad. Additionally, the Bak Ambalaj R&D Center played an active role in TÜBİTAK, Horizon, and Green Deal projects, contributing to innovative research.

These platforms, bringing together academics, researchers, and industry professionals from around the world, facilitate the sharing of experiences and research results in science, engineering, and technology. Through the projects we have undertaken, we continue to contribute to both the industry and academic research.

During the reporting period, we completed scientific publications on the projects we carried out, aiming to contribute to our customers' packaging performance, our suppliers' technical developments, packaging literature, and the industry, while increasing the visibility of the Bak Ambalaj name on scientific platforms.

We continued to participate in inter-company R&D collaboration projects and held an innovation day with Henkel, one of the leading companies in the chemical industry, to explore potential future collaborations.



Bak Ambalaj R&D Center played an active role in TÜBİTAK, Horizon, and Green Deal projects, contributing to innovative research.

R&D AND INNOVATION

Bak Ambalaj R&D team presented a publication titled “New Generation Sustainable Flexible Food Packaging” at the 2nd International Symposium on Traditional Foods and Sustainable Nutrition.

Bak Ambalaj was once again listed in the “AR-GE 250: Türkiye’s Companies with the Highest R&D Expenditure” survey, and we take pride in this achievement alongside all our colleagues and partners.

Bak Ambalaj R&D Center's Technical Visit to Bakcycle

A technical visit between Bak Ambalaj R&D Center and Bakcycle was held to reinforce the collaboration between the two entities. The visit facilitated an exchange of ideas on potential R&D projects, sustainability initiatives, and innovative recycling solutions within the industry. We also explored

additional ways to contribute to these efforts. As Bakiöğlü Holding Group Companies, we take pride in making confident strides toward our goals through these collaborative endeavors.

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 2nd 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.

- On December 22, 2023, our Bak Ambalaj R&D team presented a publication titled “Improving the Mechanical Properties of Bio-Based Films Used in the Food and Packaging Industry” at the 10th Aegean International Congress of Applied Sciences.

We are Among the Companies With the
Highest R&D Expenditures!



GRI 3-3

DIGITAL TRANSFORMATION AND AUTOMATION

SDGs We Contribute to



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

At Bak Ambalaj, we advance our digitization strategy by grounding it in sustainability principles. We closely monitor technological innovations within the industry, evaluating these developments not only to create economic value but also to minimize our environmental impact. In line with this approach, we actively pursue research and collaborations on automation systems and other digital solutions that can reduce the environmental footprint of our production processes. As we continue to progress, we ensure that technological advancements shaping our industry are considered with a strong emphasis on environmental sustainability.

Enhancing Automation and Mobile Work Capabilities

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

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.

Through these applications, we work to instill a digital mindset among our employees, encouraging digital thinking within the organization, supporting the establishment of our digital transformation vision, fostering its sustainability, and enabling the acquisition of competencies.

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.

We drive our digital transformation strategy with a focus on sustainability.



DIGITAL TRANSFORMATION AND AUTOMATION

Under the leadership of Bakioğlu Holding, Bak Ambalaj takes on a leading role in our digital transformation journey, setting, managing, and ensuring the sustainability of our information systems vision and strategies.

We support these efforts with smart automation workshops and training on visual analytics tools. Our primary goals are 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 continue to encourage our employees to contribute to digital transformation to support our company's continuous growth and competitive advantage; in this direction, we closely follow technological developments, trends, and opportunities, embracing continuous learning and innovative solutions to adapt to the technologies of the future.

Future Plans and Digitalization Goals

Under the leadership of Bakioğlu Holding, Bak Ambalaj takes on a leading role in our digital transformation journey, setting, managing, and ensuring the sustainability of our information systems vision and strategies. By accurately positioning technology and digital solutions, we contribute to achieving our Group's goals.

Our aim is to bridge processes strategically by closely monitoring developments, innovations, and service providers in the fields of information and digital technologies. As we carry out the steps outlined in 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. The result of these efforts will be significant productivity gains and a noticeable enhancement in our competitive edge.



We closely follow technological developments, trends, and opportunities, embracing continuous learning and innovative solutions to adapt to the technologies of the future.

GRI 2-6

SUSTAINABLE SUPPLY CHAIN

SDGs We Contribute to



In every link of our value chain, where we carefully select our stakeholders, we prioritize adopting environmentally friendly technologies and minimizing environmental impact.

Sustainability in the Value Chain

At Bakioglu Group, a Value Chain Sustainability Working Group has been established to enhance the implementation and performance tracking of sustainability across the value chain. This group focuses on various aspects, including supplier working conditions, supplier audits, supplier development, and the management of social and environmental risks arising from supplier product and service choices.

Through this Working Group, which includes representatives from Bak Ambalaj, we evaluate the social, environmental, governance, and economic risks and opportunities that arise from our products and services across the entire value chain. We take these findings into consideration when determining our business strategies.

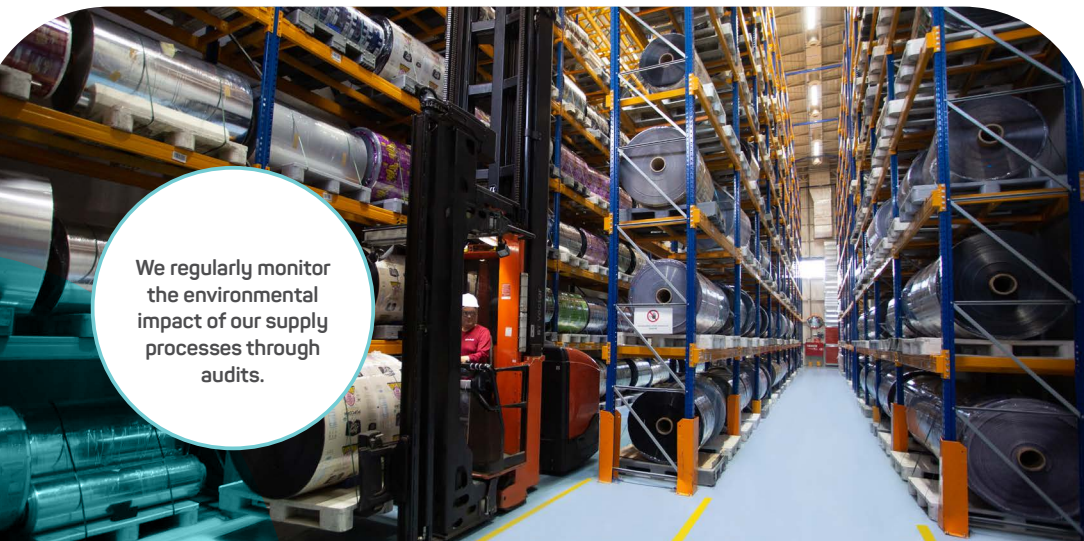
In every link of our value chain, where we carefully select our stakeholders, we prioritize adopting environmentally friendly technologies and minimizing environmental impact. We expect our suppliers to approach these issues with the same level of care and

sensitivity, encouraging them to follow our lead. As we grow with new investments, in line with our vision, we expand our supplier pool when necessary and encourage our suppliers to grow alongside us.

Within our supply chain, we closely monitor technological advancements and innovations in waste reduction, recycling, and recovery areas, particularly those that emerge from logistics, production, transportation, storage, operations, treatment, and maintenance activities. We prioritize selecting the most environmentally friendly options available. For instance, to minimize disruptions in our logistics operations, we have increasingly shifted from road transport to sea transport. Sea transport not only offers cost and emission advantages but also helps eliminate disruptions in road transportation, enabling more efficient production and distribution processes.

We share decisions regarding changes in product structures, focusing on using recyclable and sustainable raw materials with our suppliers. We monitor these processes through confidentiality and ethics agreements, supplier surveys, and audits. We also obtain the necessary certifications for biodegradable and compostable products from our suppliers.

Ensuring supply continuity and security requires the careful selection of suppliers. To minimize potential disruptions in the supply chain, we continuously update our supplier list. We secure the quality and continuity of our work through supplier contracts and conduct risk analyses related to supplier diversity. This approach allows us to advance with alternative solutions in the event of potential disruptions. We regularly monitor the environmental impact of our supply processes through audits. We collaborate with our suppliers to develop action plans for any non-compliance or issues identified and follow up on the process.



We regularly monitor the environmental impact of our supply processes through audits.

SUSTAINABLE SUPPLY CHAIN

At Bak Ambalaj, Establishing a reliable supply chain is critical to maintaining business continuity.

Supplier audits within Bakiöğlü Group are conducted centrally for all Group Companies.

Supply Chain Management Policies

At Bak Ambalaj, our MES (Central Purchasing) operations 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 **Bakiöğlü Holding's Ethical Principles**.

Establishing a reliable supply chain is critical to maintaining business continuity for our company. To ensure this, we require our suppliers to adopt the same working principles as ours, maintaining this alignment through business contracts and audits. In this context, we focus on reducing the environmental impacts of logistics, production, transportation, storage, operations, treatment, and maintenance activities within the supply chain, always opting for products and applications that best support a low-carbon economy. Moreover, as we expand our supply chain vision with new investments, we broaden our pool of supplier stakeholders and encourage our suppliers to grow alongside us when necessary.

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.



We require our suppliers to adopt the same working principles as ours, maintaining this alignment through business contracts and audits.

SUSTAINABLE SUPPLY CHAIN

We strive to ensure supply continuity through local procurement, which allows us to minimize risks arising from supply sources while also supporting the local economy.

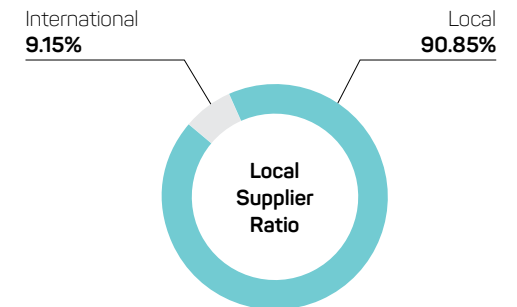
- It is aimed to ensure the sustainability of relationships with suppliers that align with our corporate culture.
- Our relationships with business partners and suppliers are conducted honestly and fairly. The selection process for business partners is transparent and impartial, and due diligence is 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.
- Bakiöğlü 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.
- Bakiöğlü 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, Bakiöğlü Holding’s ethical values and mutual compliance commitments as outlined in the “Principles and Procedures” are included under the heading “Ethical Values.”
- For Bakiöğlü 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 Bakiöğlü Holding, complying with relevant laws and current regulations.

Supplier Profile

We strive to ensure supply continuity through local procurement, which allows us to minimize risks arising from supply sources while also supporting the local economy. In 2023, local suppliers accounted for 84.14% of our procurement spend and 90.85% of our suppliers by count.



90.85% of our suppliers by count are local.



SUSTAINABLE SUPPLY CHAIN

We take precise steps to select suppliers that align with our value chain systems, establishing and applying criteria that reinforce our sustainability journey.

Services Sourced from Our Supplier Network

Raw Material Purchases:

- Producers of commodity raw materials in the packaging industry, which is our main line of business.
- Producers of other auxiliary materials required to process and package these raw materials – Masterbatches, Inks (Local and Foreign Mix), 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

Supply Chain Expenditures

	Procurement Expenditures (%)	
	Local Procurement	International Procurement
2019	87%	13%
2020	89%	11%
2021	87%	13%
2022	86%	14%
2023	84%	16%

Supplier Selection Process and Criteria

We take precise steps to select suppliers that align with our value chain systems, establishing and applying criteria that reinforce our sustainability journey. From the initial selection to regular evaluations of our existing suppliers, we continuously work to enhance the sustainability of our supply chain.



We improve the sustainability of our supply chain every year.

SUSTAINABLE SUPPLY CHAIN

We create a supplier evaluation score using our system, based on the evaluation surveys completed by suppliers and the shared documents.



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

The supplier evaluation system is centrally coordinated according to the needs of all our Group Companies, and the process is based on the following criteria:

- Company profile
- Financial criteria
- Price performance
- Delivery performance
- Service performance
- Sustainability
- Ethical values
- Social responsibility
- Information security
- Quality
- Environmental compliance
- Compliance with BRC and AIB systems
- Occupational health and safety
- Compliance with Sedex criteria

We create a supplier evaluation score using 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, taking into account any non-compliance incidents (information security breaches, OHS violations, faulty/late deliveries, quality-related customer returns, etc.).

SUSTAINABLE SUPPLY CHAIN

In addition to the activities and practices that create value in our supply chain, Bak Ambalaj has the necessary agility to manage the risks we face.

Supply Chain Improvement Activities in 2023

Technical Improvements: Our Group Companies underwent a period of intense investment in machinery, production lines, and construction. Before commercial negotiations, we evaluated factors such as the energy efficiency classes of the proposed machines and equipment, sustainability policies, and energy consumption. The

printing line acquired as part of our production investment was also evaluated within this scope. Our preferred machine alternatives provided 23% to 31% lower energy consumption compared to other options.

Packaging Improvements: We facilitated the collection, repair, and reuse of wooden pallets from our customers through licensed collection companies. A similar approach was applied to plastic cores used for transporting bobbins; we collected all plastic cores for

reuse. Additionally, we completely stopped using non-recyclable foam edges in packaging processes, which we used an average of 106,000 times annually, and replaced them with recyclable cardboard edges. For newly manufactured plastic cores, we met part of the raw material requirement by recycling production waste from our own operations.

Supply Chain Risk Management Activities in 2023

In addition to the activities and practices that create value in our supply chain, Bak Ambalaj has the necessary agility to manage the risks we face. In 2023, we effectively managed supply chain risks by:

- Engaging alternative suppliers,
- Sourcing from geographically closer regions by evaluating logistics risks,
- Procuring locally whenever possible,
- Planning purchases in coordination with supplier production and shipment schedules.

We facilitated the collection, repair, and reuse of wooden pallets from our customers through licensed collection companies.



GRI 3-3

LOGISTICS IMPACTS

SDGs We Contribute to



We are committed to comprehensive efforts to mitigate our logistics impacts.

Logistics operations encompass the transportation, storage, and distribution of products from production points to consumption points. Each of these processes contributes to greenhouse gas emissions, which are a significant driver of the climate crisis.

We are committed to comprehensive efforts to mitigate our logistics impacts. This includes expanding our practices in areas such as optimizing transportation modes (e.g., intermodal transportation), improving planning processes, and enhancing logistics operations to minimize our environmental footprint.

Our Logistics Processes

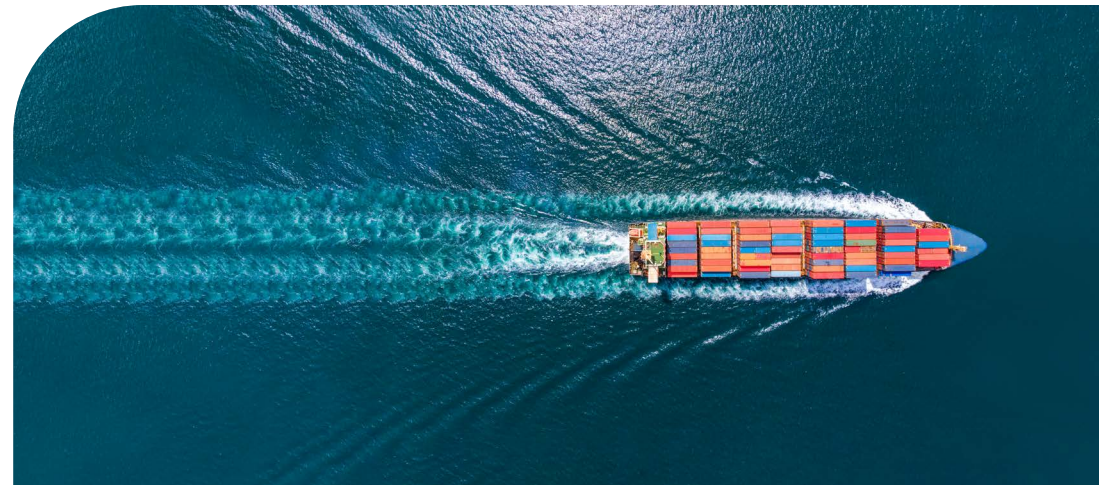
We offer both road and sea transportation modes, providing port delivery and door delivery options to our customers. Logistics agreements are made across Bakioğlu Group, with each Group Company managing its loading operations independently. Based on these agreements, vehicle or vessel arrangements are made, and shipments are executed from our factories to domestic and international customers.

Our Logistics Plans

We manage our logistics processes with an emphasis on effective time management, aligning them with pre-agreed schedules with our customers. To continuously improve our processes, we gather insights and feedback from our customers, and select long-term transportation modes, allowing us to create robust and flexible logistics plans. By choosing long-term transportation options, we also gain the ability to operate within a more flexible timeframe.

Best Practices to Reduce Our Logistics Impacts

We have integrated intermodal transportation, a logistics strategy that combines multiple transportation methods, into our processes. This strategy aims to reduce both costs and environmental impacts. By increasing the number of intermodal loading types, we plan to minimize the carbon footprint associated with road transportation.



For customer locations with port connections, such as Trieste, Koper, and Sete, we load goods via Ro-Ro shipping lines and then transport them by train to a designated point, thereby minimizing the distance covered by trucks.

Future Goals

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

We are committed to instilling our sustainability perspective across all stakeholders in our value chain and will continue to uphold this commitment firmly.

GRI 3-3, 418-1

DATA SECURITY AND PRIVACY

SDGs We Contribute to



At Bak Ambalaj, we prioritize the information security of our employees and company within the foundation of our technological infrastructure.

In recent years, with the rise of digitalization, the importance of data management has significantly increased, making data security crucial for protecting sensitive information.

At Bak Ambalaj, we prioritize the information security of our employees and company within the foundation of our technological infrastructure. This not only helps us build a trustworthy image but also guarantees information security through our Information Security Policy.

To enhance security, we are continually upgrading our network infrastructure by replacing devices with smart management systems that have high security levels and are energy-efficient. Additionally, we are strengthening our IoT firewall systems to further improve data security. We have renewed our ISO 27001 certification to continue meeting the requirements of the Information Security Management System.

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

Our Information Security Policy

Bak Ambalaj'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 threats.
- Set information security standards for Group Companies, regularly audit them, and ensure compliance.

GRI 3-3, 413-1

SUPPORT FOR QUALIFIED EMPLOYMENT

SDGs We Contribute to



Since our founding, we have been illuminating the path for future generations with successful projects and initiatives under the leadership of Bakioğlu Holding.

In alignment with the Sustainable Development Goals, we maintain our commitment to quality education and employment under the leadership of Bakioğlu Holding. At Bak Ambalaj, we consistently support the preparation and employment of younger generations, starting with university students. We also make sure to add value to our company by supporting the lifelong learning and personal development of all our employees and business partners. We remove barriers to continuous and quality education through our digital infrastructure and inclusive approach.

Our Support for Future Generations is “Everlasting”

Since our founding, we have been illuminating the path for future generations with successful projects and initiatives under the leadership of Bakioğlu Holding. We continue to invest in the young generation, whom we regard as our future, through various activities in different fields.

Cem Bakioğlu Anatolian High School

Cem Bakioğlu Anatolian High School was built on a 5,000 m² plot of treasury land in 1995 with contributions from our Group Companies and was donated to 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.

Bak Ambalaj continues to support Cem Bakioğlu Anatolian High School, which produces successful graduates each year, thereby contributing to Turkish National Education.



Bak Ambalaj continues to support Cem Bakioğlu Anatolian High School, which produces successful graduates each year, thereby contributing to Turkish National Education.

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.

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.


Since our founding, Bak Ambalaj 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 successfully carried out 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.

At Bak Ambalaj, 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. Both programs offer students the opportunity to closely understand the business world and acquire sectoral skills.



With the same enthusiasm and eagerness to learn, we successfully carried out our 2023-2024 Winter Internship Program.



VALUE FOR PEOPLE

For 50 years, with a focus on valuing people, we have centered our efforts on the satisfaction of our stakeholders, especially our employees.

GRI 2-7, 2-8, 2-19, 2-20, 3-3, 401-1, 401-3, 404-1, 404-2

HUMAN VALUES

The dedication and hard work of our employees, who are our most valuable asset, have been instrumental in achieving our leading position in the industry.

At Bak Ambalaj, we operate in alignment with Bakioğlu Holding's Human Values and Corporate Development principles. We work with a commitment to our Group's mission, which is "To add value to our country by being the "best" in all our fields of activity and to continue as a respectable group of companies worldwide." With this mission, we aim to enhance quality and value at every step, contributing to both our customers and society.

The dedication and hard work of our employees, who are our most valuable asset, have been instrumental in achieving our leading position in the industry. To continue this success in the future, we focus on our internal stakeholders, seeing them not just as a "workforce" but as "values" at the heart of our organization. We are committed to creating work environments that are diverse, inclusive, and conducive to growth, fostering a culture of harmony and respect. Just as we do across the Bakioğlu Group, at Bak Ambalaj, we consistently strive to equip our

over 700 employees with the skills needed for the future and support their professional development.

Our Human Values and Corporate Development Policy

At Bak Ambalaj, in accordance with Bakioğlu Holding's Human Values and Corporate Development Policies, and in line with our Group's mission, 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

At Bak Ambalaj, we see our employees not just as a “workforce” but as “valuable assets” central to our organization.

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.

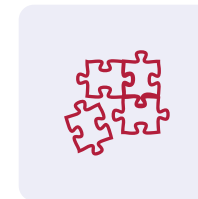
- We act within an accountable, transparent, and fair corporate culture. We care about equal opportunities and adopt “fair approaches” in our business and human relations.



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.

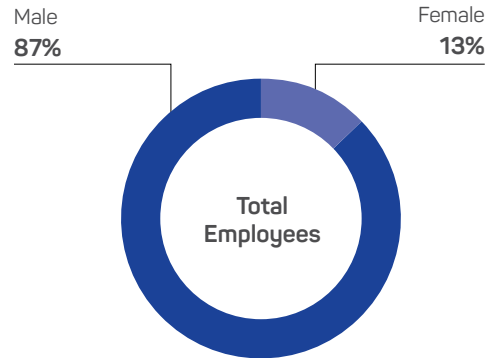
HUMAN VALUES

At Bak Ambalaj, we are forging ahead in our industry with confidence, supported by our 721 employees, each of whom is a vital part of our organization.

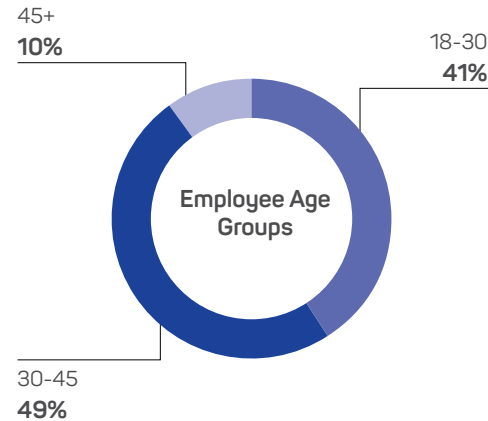
EMPLOYEE PROFILE

At Bak Ambalaj, we are forging ahead in our industry with confidence, supported by our 721 employees, each of whom is a vital part of our organization. Embracing inclusivity and diversity, we are committed to continuous growth and adaptability, ensuring our sustained success and evolution.

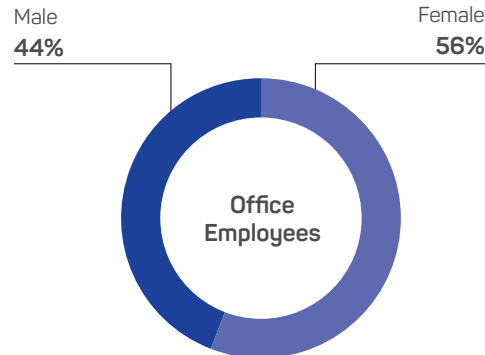
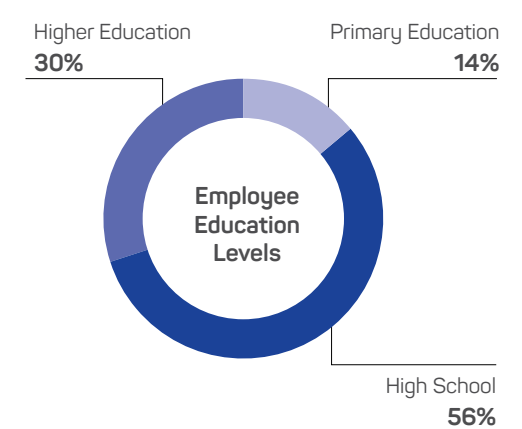
Employees by Gender



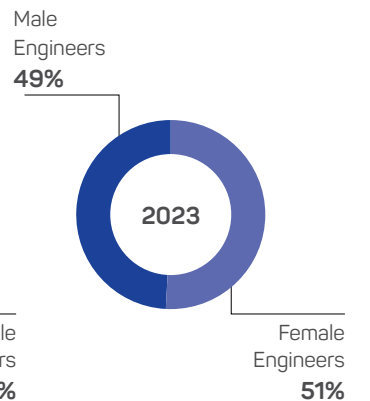
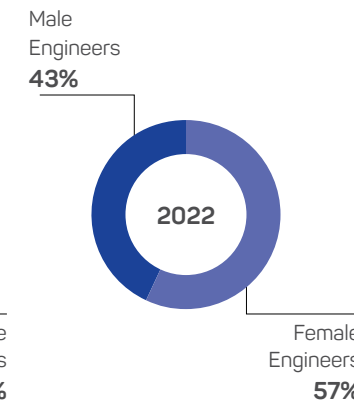
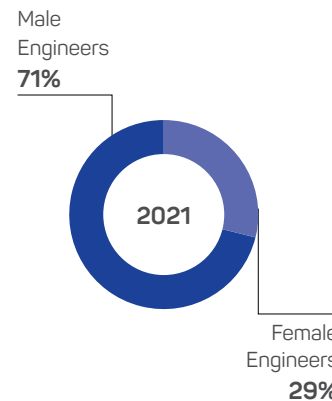
Employees by Age



Employees by Level of Education



Engineers by Gender



SDGs We Contribute to



HUMAN VALUES

At Bak Ambalaj, we recognize inclusivity and diversity as important core values. We strictly prohibit any form of discrimination based on ethnicity, religion, language, race, age, gender, sexual orientation, physical disability, or cultural differences.

EQUAL OPPORTUNITY, DIVERSITY, AND INCLUSION

A crucial aspect of our brand promise at Bak Ambalaj is recognizing inclusivity and diversity as core values. We strive to create a corporate culture where every employee feels valued and important, can freely express their individuality, and experiences equality, fairness, and trust.

At our company, we 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 any form of discrimination. During the reporting period, no complaints or reports of discriminatory behavior were filed by our employees or stakeholders.

A Glance at Our Inclusive Corporate Culture

At Bak Ambalaj, we are committed to creating a fair and secure work environment where all our employees feel valued, can express their unique identities, and work in a safe and supportive atmosphere. We continue to strengthen our position as a preferred employer by nurturing a qualified workforce that embraces universal values such as fairness, freedom, sharing, and equality. We prioritize creating a peaceful and secure working environment to enhance employee engagement and satisfaction, ensuring the protection of inclusivity and diversity through our company policies and procedures.

We place great importance on equal opportunity and female employment as part of our commitment to a sustainable future. In 2021, female engineers comprised 29% of our engineering workforce, a figure we



successfully raised to 51% by 2023. While women make up 13% of our total workforce due to the field-focused nature of our work environment, this figure reaches 56% among our office employees. Additionally, 45% of our middle and senior management positions are held by women at Bak Ambalaj.

Integration and Technological Support for Employees with Disabilities

Supporting the employment of individuals with disabilities is a key aspect of our inclusivity and diversity philosophy. We

have 19 employees with disabilities at our company and are committed to making physical conditions in the workplace suitable for them. We collaborate with the Corporate Resource and Solution Partners Management to ensure our employees can work efficiently in the office environment. We provide the necessary equipment to support our employees in using Microsoft products, enabling them to easily perform tasks such as composing emails, working on Excel and Word documents, and creating presentations using voice commands.

In 2023, women made up 56% of our office staff and 51% of our engineers at Bak Ambalaj.

SDGs We Contribute to



HUMAN VALUES

Through Bak Academy, we provide our employees with access to the knowledge, skills, and development opportunities they need.

EMPLOYEE TRAINING AND DEVELOPMENT

We place great importance on employee development and training. We offer various educational opportunities to continuously enhance our employees' competencies and help them adapt to future business needs, fostering innovation and creativity. By doing so, we contribute to the personal and professional growth of our employees while strengthening our company's competitive edge and paving the way for a brighter future.

In collaboration with the Bakioglu Holding Human Values and Corporate Development Group Presidency, we established Bak Academy to provide our employees with access to the knowledge, skills, and

development opportunities they need. At Bak Academy, we plan, implement, and evaluate training programs tailored to the educational needs of our employees, closely monitoring their progress. This initiative not only supports their growth but also plays a crucial role in shaping our corporate culture and fostering a shared language within the Company.

Bak Academy

Guided by the group's values, Bakioglu Leadership Principles (Belief, Passion, Teamwork, and 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

In 2023, Bak Ambalaj delivered a total of 19,662 person*hours of training to 846 participants.

HUMAN VALUES

Since our founding, one of our core strategies has been to foster a shared corporate culture and a unified leadership approach that endures across generations. Aligned with this, we say, “Development Is Everlasting with You.”

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	18
360 Development Assessment	224

10th 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 10th 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.



Since its establishment, Bak Academy has supported our employees' development journeys. In 2023, 25 participants graduated from our nearly year-long competency development programs.

HUMAN VALUES

Our ninth 360 Development Assessment Process saw the participation of 61 colleagues from our company in 2023.



Competency Development Programs: PGP, YGP, and FGP

Since its inception, Bak Academy has focused on leadership development. In 2023, seven participants graduated from PGP, twelve from YGP, and six from FGP, all modular competency development programs designed to last about a year. Through their closing presentations, participants had the opportunity to gain self-awareness and receive constructive feedback, enriching their development journey.

Digital Training

We accelerated our transition to a digital training system during the pandemic, which is now fully operational. We developed mandatory digital training courses internally with subject matter experts, covering topics 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 offered behavioral development courses like Stress Management and Child Psychology through Bakioğlu's online learning management systems, making them available to all employees.

Elective (Catalog) Training

In 2023, we continued our tradition of offering a wide range of elective courses aligned with individual development needs. We offered 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. These sessions were completed with valuable insights and shared experiences, engaging around 1,400 participants across the Bakioğlu Group.

Technical In-House Training

The "Technical Academy Project," aimed at enhancing the "Technical Skills Development" of our field teams, continued within our Packaging Group Companies. This project, which emphasizes the sustainable and standardized transfer of corporate knowledge, involved about 20 subject matter experts across the Company, resulting in the creation of around 140 in-house training sessions.

Vocational Development Training

We successfully completed hands-on training in Basic Hydraulics/ Electrohydraulics, Train-the-Trainer, Basic Pneumatics and Electropneumatics, and PLC S7/1500 Basic Automation, with participation from various Group Companies. Additionally, we continued to rapidly advance MYK (Vocational Qualification Authority of Türkiye) certifications for roles such as Bridge Crane Operator, Forklift Operator, and Welding.

HUMAN VALUES

In response to the growing number of employees taking responsibility for their own personal development, we launched a new video learning platform, COBIDU.

360 Development Assessment Process

Our ninth 360 Development Assessment Process saw the participation of 61 colleagues from our company in 2023. This process, which we developed with a human- and development-focused approach and an innovative perspective, achieved highly successful results in 2022, earning recognition in five different international award programs, evaluated by over 500 jury members from various countries.

In-House Mentoring Program

We launched the "Focus on Your Development with a Mentor" program, a new in-house mentoring initiative at Bakiöğlü Holding and our Group Companies. This program encourages leaders to learn from each other and facilitates the transfer of knowledge, skills, and experience beyond hierarchical channels. It aims to develop leadership competencies, foster a shared leadership language, and support cultural adaptation within the organization. In 2023, four mentees and three mentors participated, engaging in six development sessions and one vision meeting with top management.

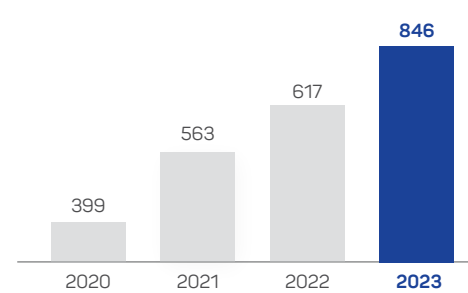
OHS (Occupational Health and Safety) Refresher Training

At Bak Ambalaj, we initiated a project focused on digitizing and expanding the reach of technical and mandatory training. Utilizing Greenbox technology and instructional methods, we developed our own online OHS Refresher Training. Additionally, we completed a training module covering basic health topics, which will soon be available to all employees.

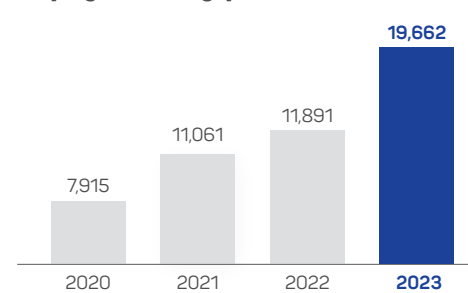
Digital Video Learning Platform

In response to the growing number of employees taking responsibility for their own personal development, we launched a new video learning platform, COBIDU. This platform provides an engaging online learning experience, allowing employees to support their professional and personal development without time and location constraints.

Number of Employees Trained



Employee Training (person*hours)



Best Practices for Supporting Employee Experience

University Collaborations 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.

HUMAN VALUES

We adopted a proactive communication approach, using various channels for regular interaction with employees. We continuously refined our communication strategies based on employee feedback.



“Future Professionals”

We support the personal and professional development of high school and university students through the internship opportunities we provide. We see our interns as “future professionals,” and for those who successfully complete their internships, we offer job opportunities in the future, thereby enriching our talent pool. With the social responsibility consciousness that guides our internship programs, we

continuously observe our students to help them become valuable members of society and provide them with all the necessary support. We hire new graduates who meet the essential criteria for relevant positions, align with our corporate values, and possess high awareness and motivation, preparing them for the future through Bak Academy’s education and development programs.

We frequently engage with young people, aiming to introduce them to our industry and company.

Participation in the METU Career Fair

We successfully participated in the Middle East Technical University (METU) Career Fair, where we met with future professionals. Our Human Values teams had a highly productive career day event, sharing developments in our industry, job and internship opportunities, and answering the questions of young attendees.

Well-Being Program: Steps to Enhance Employee Quality of Life

We aim to transform well-being into a sustainable element of our company culture, enhancing the quality of life for our employees. Under the Well-Being Program, we organize activities focused on the health and wellness 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

As part of our digitization strategy, we developed and tested our “Employee Portal” on September 26-27 with volunteer colleagues from various Group Companies, gathering insights on potential improvements. After significant effort and dedication, we launched our “Employee Portal” in December 2023, accessible on mobile devices and tablets. This portal offers an always-available platform for employees to stay updated on the latest developments and interact with various features. The name “BakBi” was chosen by our employees from among options they suggested and voted on.

HUMAN VALUES

We strive to attract and support individuals from diverse backgrounds, talents, and perspectives within our workforce.

Strategies for Enhancing Employee Engagement

Embracing Advanced Communication Approaches

We adopted a proactive communication approach, using 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.

Supporting Employee Engagement Projects

We initiated special projects to strengthen employee engagement, focusing on practices such as flexible working arrangements and motivation-boosting activities.

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:***
We aim to continuously improve the work environment to increase employee satisfaction and engagement. These improvements include flexible working arrangements, career development opportunities, and support programs that address 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.
- ***Next-Generation Career 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.

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

OCCUPATIONAL HEALTH AND SAFETY

SDGs We Contribute to



We consider it an indispensable responsibility to provide a safe and healthy working environment for all our employees and subcontractors on-site.

At Bak Ambalaj, as with all Bakioğlu Holding Group Companies, occupational health and safety (OHS) are of critical importance. Protecting the health of our employees, minimizing workplace risks, and ensuring a safe working environment are among our top priorities. We regard this not just as a legal obligation but also as an ethical responsibility.

Our OHS practices play a vital role in preventing workplace accidents and occupational diseases. Additionally, they help safeguard our company's reputation, fulfill legal obligations, and enhance employee satisfaction, which is crucial for sustainability.

Our Occupational Health and Safety (OHS) Policy

We consider it an indispensable responsibility to provide a safe and healthy working environment for all our employees and subcontractors on-site. Our OHS practices are shaped by relevant legal regulations, international standards, and Bakioğlu Holding policies. We ensure that the OHS practices implemented for our employees are equally extended to subcontractor personnel. Through our policy, we adopt the principles of "Health First" and "Safety First," striving to raise awareness about OHS among both our employees and subcontractors.

OHS Management System

At Bak Ambalaj, OHS practices are managed centrally by our Occupational Safety Unit. We have four OHS Committees within the Company, with 22 employee representatives and 30 members. These committees, which meet every two months, aim to promote a culture of safety and ensure active employee participation in the process.



We regularly conduct OHS training sessions throughout the work period to increase employee awareness. By prioritizing safety at every step, we manage OHS performance using the ISO 45001 Occupational Health and Safety Management System across our facilities, keeping our certification updated through periodic audits.

Our OHS Initiatives in 2023

Inclusive Solutions: Behavior-Based Occupational Health and Safety

We begin integrating the OHS culture we want to instill within our organization by fostering empathy through management behaviors that resonate with all employees. In this context, we implement OHS training and projects designed to influence the behavior of our employees and stakeholders.

OCCUPATIONAL HEALTH AND SAFETY

In 2023, we launched our online OHS Refresher Training, developed with our experts and utilizing Greenbox technology.

Behavior-Based OHS Activities	Description
Safety Talks	We hold regular safety talks with our employees to raise awareness of occupational safety, encourage them to consider safety and other risks related to their work areas and/or machinery, and prompt immediate reporting of any identified risks.
Weekly Management Walkthroughs	Every week, the General Manager, relevant department managers, the company physician, the safety officer, and department supervisors conduct management walkthroughs. These sessions allow us to engage directly with employees, identify potential workplace safety risks, and gather valuable suggestions and requests.
Vision Awareness Activity	To highlight the importance of vision in daily life and raise awareness about eye protection at work, we organized an event where volunteer employees covered one eye during lunch, emphasizing the significance of eye safety.

Our Digital Training Journey

At Bak Ambalaj, we took a new step forward in digital OHS training. In response to the needs identified across Bakioğlu Holding and our Packaging Group Companies, and with support from Bak Academy, we added a new course to our digital training offerings. Together with our subject matter experts, we launched our online OHS Refresher Training series, utilizing Greenbox technology. We successfully completed the first course, "Basic Occupational Health and Safety Training." We have also prepared a four-module Basic Health Training with our workplace physicians and plan to complete the recordings in 2024, making it available to all employees through the Bakioğlu Online Learning Management Systems (SuccessFactors and deaLearning).

Awareness Initiatives

In 2023, as in previous years, we implemented various projects and training programs aimed at advancing our OHS policies with the active involvement of our employees. We kept our employees informed and aware of current issues through monthly door posters, ensuring they gained

awareness of up-to-date topics. To sustain our OHS awareness throughout the year, we shared the top near-miss reports, as voted on by teams across our facilities, on common area screens. Additionally, we ensured that our monthly Single Point Training sessions were disseminated across all facilities, reaching all our employees.

Near-Miss Reporting System: To minimize hazards, reduce risks, and prevent accidents, we have implemented a Near-Miss Reporting System that is accessible to all employees. Reports submitted through this system are evaluated by the OHS Unit and then forwarded to the relevant parties. The actions taken and the closure rates of these reports are continuously monitored.

Subcontractor Monitoring System:

The Subcontractor Monitoring System, used to oversee subcontractor activities on-site, records information such as the duration of work and personnel involved, while also identifying the necessary precautions to be taken. Daily email notifications with this information are sent to the relevant parties.

OCCUPATIONAL HEALTH AND SAFETY

In the reporting period, we provided a total of 6,420 person*hours of OHS training to 713 participants at Bak Ambalaj.

Our Goal: Zero Breakdowns, Zero Defects, Zero Accidents

Through effective TPM and 5S initiatives, we meticulously address OHS issues at our facilities. We regularly hold Gemba meetings to facilitate communication between departments and address OHS-related observations during these meetings. In 2023, we conducted ergonomic studies during manual lifting, carrying, and repositioning tasks using methods like LMM-HHT, LMM-SZ, and Reba.

To achieve our goal of zero breakdowns, zero defects, and zero accidents, we implement robotic process automation across various areas. We conduct regular training sessions to instill the TPM Master Plan and Kobetsu Kaizen consciousness among all our employees. In the reporting period, we provided a total of 6,420 person*hours of OHS training to 713 participants.

2023 OHS Data Overview

Lost Time Injury Frequency Rate	
2018	0.33
2019	0.21
2020	0.19
2021	0.49
2022	0.48
2023	0.42

Injury Rate	
2018	12
2019	18
2020	14
2021	28
2022	31
2023	29



To achieve our goal of zero breakdowns, zero defects, and zero accidents, we implement robotic process automation across various areas.



EMERGENCY PREPAREDNESS

In 2023, we conducted training sessions with 179 employees who are part of our Disaster and Emergency Response Team.

Emergency Preparedness and Drills

Being prepared for various natural disasters, particularly earthquakes, and other emergencies is a critical aspect of our business continuity practices. Therefore, we develop and maintain up-to-date emergency plans and procedures at Bak Ambalaj.

To maintain a high level of emergency preparedness, we conduct day and night emergency drills for each shift. These drills are based on scenarios outlined in our emergency plans, such as earthquakes, fires, explosions, chemical spills, and more. After each drill, we document the experiences and findings in drill reports and track the actions taken to improve our readiness. We regularly update the knowledge and equipment of our emergency response teams and provide them with ongoing training. In addition, 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 various drills. We assigned teams with specific roles and responsibilities for potential emergencies and provided them with thorough briefings.

Additionally, we continuously update the knowledge and equipment of our emergency teams through regular training. Over the past four years, we have provided nearly 700 hours of Disaster and Emergency Training. In 2023, we conducted training sessions with 179 employees who are part of our Disaster and Emergency Response Team.

Protecting Mental Health After the Earthquake

The devastating earthquake in Kahramanmaraş on February 6, which deeply affected our entire country, along with global disasters we have witnessed, underscored the critical importance of emergency planning and proactive 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



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.

GRI 3-3, 413-1

CORPORATE SOCIAL RESPONSIBILITY

SDGs We Contribute to



In line with our commitment to the environment and education, we continue to actively support the projects undertaken by the Aegean Forest Foundation and the Lifelong Learning, Vocational Training and Development Association.

At Bak Ambalaj, we aim to play an active role not only in our business operations but also in contributing to societal development. Through our corporate social responsibility (CSR) initiatives, we strive to add value to society. We collaborate with NGOs, public institutions, and various stakeholder groups to develop projects and support community development initiatives. In doing so, we reflect our commitment to contributing to a more livable future for society.

We focus our community projects and sponsorship efforts particularly 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, Vocational Training and Development Association (HBODER).

Click [here](#) for more detailed and up-to-date information.

Investing in the Future: Our Scholarship Programs

In line with our dedication to education, we maintain active engagement with Cem Bakioğlu Anatolian High School, donated by Cem Bakioğlu, Chair of the Board of Bakioğlu Holding, 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.

Creating Effective Resources for Corporate Social Activities

In line with our principle of sustainable social responsibility, we made donations in 2023 to the Aegean Forest Foundation and LÖSEV, focusing on environmental and health issues. Our educational donations were directed toward supporting the Artificial Intelligence Engineering Scholarship Program at Istanbul Technical University (İTÜ) and the Anatolian Scholarship Program (Anadolu Bursiyeleri) at Koç University. In total, we allocated TRY 864,656 for donation and aid activities in 2023.



We add value to society through our corporate social responsibility approach.

GRI 3-3, 304-2, 413-1

FROM SAPLING TO FOREST: AEGEAN FOREST FOUNDATION

SDGs We Contribute to



At Bak Ambalaj, recognizing that trees are among the most crucial carbon sinks, we invest in our forests with a holistic approach to balance global emission values.

Foundation's Mission

The story of the Aegean Forest Foundation began in 1995 with the planting of 70,000 saplings around Izmir Airport, thanks to contributions from Bakioğlu Holding and its Group Companies. Guided by the belief that protecting forests and introducing new ones to nature is not solely the state's responsibility but a national and human duty for every individual, Cem Bakioğlu spearheaded the establishment of the Aegean Forest Foundation.

Since its founding, the Foundation has continued to develop forested areas through projects supported by nature enthusiasts. To date, the Foundation has planted over 13 million saplings in and around Izmir and stands as a reliable partner in creating "Carbon Forests" that act as carbon dioxide sinks, offering solutions to climate change.

Our Corporate Social Responsibility Steps Together with Aegean Forest Foundation

At Bak Ambalaj, recognizing that trees are among the most crucial carbon sinks, we invest in our forests with a holistic approach to balance global emission values, combating the escalating threat of deforestation worldwide. Within our reforestation projects, which we regard as our significant force against climate change, we establish carbon sink areas. Moreover, we support the Aegean Forest Foundation, which contributes sustainably to solving global issues threatening our world, and we introduce new forests to nature every year.

We contribute to the reforestation and awareness initiatives of the Aegean Forest Foundation and various other NGOs we collaborate with and support. Regular sapling donations are made for different projects involving our employees and their families. In 2023, Bak Ambalaj planted 643 trees and donated a total of TRY 14,131.50. Through these efforts, we prevented the emission of 264.27 tons of CO₂.

Reforestation Efforts (Number of Trees Planted)

2017	2,574
2018	1,037
2019	1,451
2020	651
2021	5,936
2022	1,355
2023	643

Forests Powered by the Sun

We continue to support the "Forests Powered by the Sun" project, initiated by the Aegean Forest Foundation in collaboration

with the Izmir Development Agency since 2013. Established in 2014 in the Menderes Oğlananası region, the facility boasts a solar energy production capacity of 500 kWp, generating over 900,000 kWh annually. While a portion of the energy produced is utilized for the Aegean Forest Foundation's olive grove, the economic value derived from the surplus energy is reinvested into afforestation projects. This project, representing the importance given to clean and renewable energy, aims to prevent over 770 tons of carbon emissions annually.



In 2023, we planted 643 trees, preventing 264.27 tons of CO₂ emissions.



VALUE FOR OUR WORLD

For 50 years, with a focus on adding value to our world, we have considered our environment and the future in all our strategic decisions, fulfilling our responsibilities in combating the growing risks of the climate crisis.

GRI 2-25

COMBATING CLIMATE CHANGE AND ENVIRONMENTAL APPROACH

SDGs We Contribute to



At Bak Ambalaj, we embrace the challenge of leading and playing an active role in the fight against climate change and the transition to a low-carbon economy, taking responsibility to drive progress in our industry along this path.

The climate crisis is a complex global phenomenon with diverse environmental, economic, and social impacts. At its core, it stems from the accumulation of greenhouse gases in the atmosphere, which prevent solar radiation from escaping back into space. Human activities, such as industrialization, fossil fuel consumption, deforestation, and agricultural practices, have accelerated this process by increasing greenhouse gas emissions. The result is a range of effects, including rising temperatures, melting polar ice caps, rising sea levels, and an increase in the frequency of extreme weather events. These changes impact all living organisms, disrupt ecosystems, threaten water resources, and pose significant health risks. Combating climate change is critical not only for environmental sustainability but also for economic and social stability. Therefore, measures such as reducing greenhouse gas emissions, transitioning to clean energy sources, halting deforestation, and adopting climate-friendly policies are essential.

In an era where climate change is intensifying, and natural resources are rapidly depleting, Bak Ambalaj is dedicated to working diligently to reduce our environmental impact for a better future. We are acutely aware of the negative effects that climate change has on the environment, human health, the economy, and natural resources. Through the measures we take and our environmentally focused practices, we work to minimize the current adverse effects of climate change and prepare for future challenges.

At Bak Ambalaj, we embrace the challenge of leading and playing an active role in the fight against climate change and the transition to a low-carbon economy, taking responsibility to drive progress in our industry while aligning with Bakioğlu Group's holistic approach. Guided by our Climate and Environmental Policy, we prioritize a circular economy approach, ensuring that our operations have minimal environmental impact. We focus on the opportunities presented by the circular economy and monitor the effects across our value chain throughout the product lifecycle. In line with this vision, we are working toward our goal of becoming one of the top five flexible packaging producers in Europe by 2025.



We focus on the opportunities presented by the circular economy and monitor the effects across our value chain throughout the product lifecycle.

COMBATING CLIMATE CHANGE AND ENVIRONMENTAL APPROACH

We aim to extend our responsible approach to climate and environmental issues throughout our value chain, monitoring our impacts not just within our operations but across the entire supply chain.



The Bakiöğlü Group Climate and Environmental Policy outlines the fundamental principles and conditions we will follow in managing Bak Ambalaj's climate and environmental responsibilities, going beyond legal compliance.

With a holistic approach, we incorporate climate and environmental impacts and performance indicators into all our supply processes and company operations. Our responsible approach to climate and environmental issues extends throughout our value chain. We monitor our impacts not just within our operations but across the entire supply chain. We expect our suppliers to adopt climate and environmental policies that align with ours and encourage them to implement similar practices in their operations. We monitor our suppliers' environmental protection practices through audits and ensure that actions are taken to address areas for improvement.

We adopt policies aimed at transitioning to a low-carbon economy, implementing measures that enhance energy conservation and efficiency. Innovation is central to our approach, and we emphasize the use of eco-friendly technologies at every stage of the product lifecycle. We prepare medium- and long-term strategies and action plans for climate change, analyzing risks and opportunities, and identifying potential initiatives.

Our Environmental Management Policy

Our management approach, practices, and future goals are shaped by the mission of sustaining the fight against climate change. In line with our corporate governance principles, we strive for full compliance with existing legal regulations in our climate and environmental management.

The Bakiöğlü Group Climate and Environmental Policy outlines the fundamental principles and conditions we will follow in managing Bak Ambalaj's climate and environmental responsibilities, going beyond legal compliance. We ensure full compliance with all applicable legal regulations in the regions where we operate, following the guidelines set by Bakiöğlü Holding's policies. We closely monitor local and global developments in climate and environmental issues and participate in national and international sectoral or public initiatives. We implement internationally recognized principles and best practices, always aiming for continuous improvement.

COMBATING CLIMATE CHANGE AND ENVIRONMENTAL APPROACH

With our investments in renewable energy sources, we ensure that our electricity is sourced from I-REC certified suppliers.

We conduct our environmental and climate management activities in line 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. Independent audits are conducted to ensure the accuracy of our compliance with these standards and the results they yield.

With our investments in renewable energy sources, we ensure that our electricity is sourced from suppliers certified with the International Renewable Energy Certificate (I-REC). This certification confirms that our electricity comes from renewable sources and that our suppliers support the use of such sources.

We also participate in the Carbon Disclosure Project (CDP), the only independent international organization that reports on how companies manage climate change risks globally. Through CDP, we set emission reduction targets and improve our performance by reporting our greenhouse gas emissions and climate change strategies. Since 2010, we have been reporting on CDP, focusing on supply chain research.

Sustainability Structure and Awareness Activities

At Bak Ambalaj, managing climate risks effectively and achieving our set goals are among our top priorities. Our Climate and Environment Working Group, led by our General Manager, operates under the Sustainability Board. This group continuously aims to improve our company's performance in areas such as climate change, energy efficiency, emissions management, biodiversity, and logistics optimization.



Since 2010, we have been reporting on CDP, focusing on supply chain research.

COMBATING CLIMATE CHANGE AND ENVIRONMENTAL APPROACH

Climate change presents not only financial and operational risks but also new opportunities for many businesses. At Bak Ambalaj, we recognize this reality and approach climate change with a focus on both risks and opportunities.

We conduct regular training sessions to raise awareness of climate and environmental issues among all our employees and integrate these topics into our performance evaluation systems. In 2023, 1,024 of our employees participated in our Climate and Environmental Management training sessions conducted through Bak Academy. These trainings are designed to enhance our employees' awareness and understanding of climate and environmental issues.

Strategic Climate Risk Management and Opportunities

Climate change presents not only financial and operational risks but also new opportunities for many businesses. At Bak Ambalaj, we recognize this reality and approach climate change with a focus on both risks and opportunities. We consider climate-related risks and opportunities in our corporate strategies, incorporating them into our business strategy as we transform our product range.

We engage all units in identifying and managing climate risks, ensuring that each unit manager regularly works to mitigate risks within their area of responsibility. As a publicly listed company, we are also aware of the direct impact that our reputation has on our market value. Therefore, we prioritize the assessment of reputational risks, including climate risks, in our evaluation processes.

In this context, scenario analyses conducted under the Bakiöğlü Holding umbrella play a crucial role in identifying our risks and opportunities. We review our responses to high-impact risks, such as rising energy and raw material costs, energy continuity, and extreme weather events, and identify actions in areas of opportunity, such as efficient transportation, production and distribution processes, recycling, low-emission energy usage, and the development of new technologies.



In 2023, 1,024 of our employees participated in our Climate and Environmental Management training sessions conducted through Bak Academy

GRI 3-3

PACKAGING OPTIMIZATION AND SUSTAINABLE PRODUCTS

SDGs We Contribute to



We are resolute in adopting more effective waste management practices by embracing sustainable and eco-friendly approaches to safeguard our future.

The packaging industry, which has been shrinking since the last quarter of 2022, has faced challenges such as low demand and supply difficulties. Despite these obstacles, at Bak Ambalaj, we have maintained our commitment to producing the same products at the same standards and quality. Even when disruptions caused by raw material shortages and delays, we actively researched alternatives, selected the most suitable options, and continued production. As a result, we successfully maintained sustainable packaging production.

At the same time, we face serious threats such as waste problems and microplastic pollution that profoundly impact our planet and life itself. At Bak Ambalaj, we are working diligently to address these issues, developing green solutions through our R&D activities to maximize environmental benefits. In this context, we focus on reducing petrochemical-based plastic use and promoting recycling to address the waste problem. We are resolute in adopting more effective waste management practices by embracing sustainable and eco-friendly approaches to safeguard our future.

Our sustainable product solutions include:

- Bio-based products
- In-house products made by recycling our own scrap and second-grade materials
- Low-heat sealing products, essential components of sustainable structures
- Products using PCR materials, non-food applications utilizing recycled raw materials from post-consumer products
- Advanced/chemical recycling products, food applications using recycled raw materials that comply with food safety regulations

Looking ahead, our goals include maintaining our position by continuing to develop advanced technologies and sustainable solutions. As pioneers of new technologies and innovation, we are determined to set industry standards and shape the future.



Even when disruptions caused by raw material shortages and delays, we actively researched alternatives, selected the most suitable options, and continued production.

PACKAGING OPTIMIZATION AND SUSTAINABLE PRODUCTS

While continuing bio-based production, we also produced packaging for the first time in 2023 using PCR—recycled raw materials that have completed their lifecycle and are suitable for food contact.

2023 R&D Efforts at Our R&D Center: Bak Ambalaj Optimization

In 2023, at Bak Ambalaj, alongside producing packaging with recyclable raw materials to reduce our environmental impact, we increased our efforts on the reuse aspect, the second “R” of the 3R principle (Reduce, Reuse, Recycle) of the circular economy. We completed the production of standing pouches (SUP) for refillable hygiene products, as well as surprise packaging designed for reuse by repurposing it for different applications. While continuing bio-based production, we also produced packaging for the first time in 2023 using PCR—recycled raw materials that have completed their lifecycle and are suitable for food contact. In line with this, we continue to obtain the necessary certifications for biodegradable and compostable products from our suppliers. As a first step toward certified production, we participated in ISCC Plus Training in 2023 and have planned our certification processes for 2024, steadily progressing toward our goals.

We prioritize packaging and product optimization to offer the best solutions to our customers and the environment. We focus on optimization not only in our production processes but also in our R&D efforts.

Considering the benefits of recycling and material optimization, we strive to develop all our processes with minimal environmental impact. In this regard, we actively use biodegradable materials like Bio-Polyethylene (Bio-PE) and Bio-Polypropylene (Bio-PP), which decompose over time in nature. Our packaging and product optimization efforts emphasize developing durable, easy-to-open, locally sourced, and lean packaging. We also work on packaging systems that prevent R&D and innovation issues like delamination and blocking.

As a first step toward certified production, we participated in ISCC Plus training in 2023 and have planned our certification processes for 2024.



PACKAGING OPTIMIZATION AND SUSTAINABLE PRODUCTS

With the Reborn product family, we develop multiple sustainability options and offer more sustainable packaging solutions.

We continue to enhance our expertise in reducing waste in composite structures, transitioning to recyclable mono-structured packaging, and managing the implementation process in both converting stages and customer packaging machines. Additionally, we work on processing liquid groups with different printing technologies.

In our sustainability-focused projects, we continue to develop 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. In 2022, following our BakSpecials and Reborn brands, we developed our third portfolio product family with a sustainability focus at the Bak Ambalaj R&D Center. We named our new paper-focused portfolio "PapBorn," based on the results of a survey conducted with contributions from our employees, and we continue to work on these projects.

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

Sustainable Solutions of Bak Ambalaj R&D

Reborn Product Family

At Bak Ambalaj R&D Center, we continue our product development activities without interruption while offering our customers fully recyclable packaging combinations with high-barrier properties for extended shelf life. With the Reborn product family, we develop multiple sustainability options and offer more sustainable packaging solutions. In this context, the Reborn coffee packaging we developed is a fully recyclable coffee packaging with high-barrier properties for extended shelf life.

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

We are carrying out projects focused on packaging solutions made entirely from 100% paper.



PACKAGING OPTIMIZATION AND SUSTAINABLE PRODUCTS

We have further strengthened our position in the industry by adding the 'Refill' to our sustainable flexible packaging solutions at Bak Ambalaj, continuing to provide lasting solutions.

Refill: Reusable Packaging Design

At our Bak Ambalaj R&D Center, we added a new innovation to our flexible packaging designs by introducing the Refill Packaging design. This reusable packaging 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 strengthen its position in the industry and provide lasting solutions.

Click [here](#) for information about our sustainable product lines, including the "Refill" product group.

Partnerships for Sustainable Packaging 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.



On November 23, 2023, we participated in the "COIM NOVACOTE Event," hosted by the Flexible Packaging Manufacturers Association and COIM.

GRI 3-3, 306-1, 306-2, 306-3, 306-4

WASTE MANAGEMENT AND CIRCULAR ECONOMY INITIATIVES

SDGs We Contribute to



At Bak Ambalaj, we conduct our circular economy activities based on the principle that nothing goes to waste, supported by efforts to reduce material and energy use.

The concept of circularity, once primarily understood as recycling, is now recognized as encompassing more than just the process of recycling waste generated during production, packaging, distribution, and consumption. Today, circularity also includes reuse, repurposing, and repair, reflecting a broader understanding that, like in nature, every product can serve as a resource.

Aligned with this approach, at Bak Ambalaj, we conduct our circular economy activities based on the principle that nothing goes to waste, supported by efforts to reduce material and energy use. We also ensure that the concept of circularity is considered and applied throughout the entire lifecycle of our products.

Sustainable Steps Toward Zero Waste

In 2023, we continued our efforts to minimize waste generation and reduce waste-producing factors in our processes. To manage industrial waste effectively, we prepare and implement Industrial Waste Management Plans at our facilities. We store the waste generated in compliance with environmental regulations and send it to licensed firms for proper disposal.

Our Waste Management Plans are based on the principles of "Zero Waste," which aim to prevent waste, use resources more efficiently, and eliminate waste generation. In 2022, after a thorough evaluation process, Bak Ambalaj became the first Group Company within Bakioglu Holding to receive the Zero Waste Certificate from the Ministry of Environment, Urbanisation, and Climate Change.



Our Waste Management Plans are based on the principles of "Zero Waste," which aim to prevent waste, use resources more efficiently, and eliminate waste generation.

WASTE MANAGEMENT AND CIRCULAR ECONOMY INITIATIVES

Over the past five years, we have successfully recovered nearly all waste resulting from our operations. We aim to minimize the amount of waste sent for disposal.



In 2023, Bak Ambalaj generated 4,687 tons of waste, including 1,635 tons of hazardous waste and 3,053 tons of non-hazardous waste.

Recycling and Waste Management

In 2023, Bak Ambalaj generated 4,687 tons of waste, including 1,635 tons of hazardous waste and 3,053 tons of non-hazardous waste. Our primary goal is not only to manage the waste generated by our operations but also to prevent waste generation. We aim to recover all unavoidable waste. Over the past five years, we have successfully recovered nearly all waste resulting from our operations. At Bak Ambalaj, we aim to minimize the amount of waste sent for disposal, and therefore, we do not conduct landfill disposal.

Recovered Waste (tons)		
	Non-Hazardous Waste	Hazardous Waste
2019	3,457	1,019
2020	4,244	983
2021	4,044	1,288
2022	4,839	1,390
2023	3,053	1,635

Best Practices in Recycling at Bak Ambalaj

At Bak Ambalaj, we recycle plastic caps and reuse scrap raw material pallets. We produce plugs from raw material losses that occur during the production process. We continuously develop our optimization process to reduce secondary packaging raw materials, significantly decreasing the use of forestry materials.

By reducing the use of wooden pallets, we fulfill our environmental responsibilities through innovations such as reduced material use, lower product packaging weight, and altered material composition, which result in less material use and reduced greenhouse gas emissions. In our three R&D projects initiated during the reporting period under the headings of material, efficiency, and process optimization, we employed value engineering and method engineering skills to achieve continuous improvement.

WASTE MANAGEMENT AND CIRCULAR ECONOMY INITIATIVES

At Bak Ambalaj, we aim to reduce our environmental impact and meet changing customer demands by choosing production methods and products that are climate-friendly and have minimal environmental impact.

Chemical Recovery

Through our Solvent Recovery Facilities, we recover solvent vapors used in the production process and reuse them, thereby reducing chemical consumption. This practice also helps reduce pollutant air emissions, increasing our contribution to sustainability.

Use of Recycled Film

We continued our practice of using in-house recycled films in production, a practice established in previous years, during the reporting period. In 2023, we began sharing product-specific in-house recycled material declarations with our customers, along with calculating the recyclability rates of our products using the CEFLEX methodology.

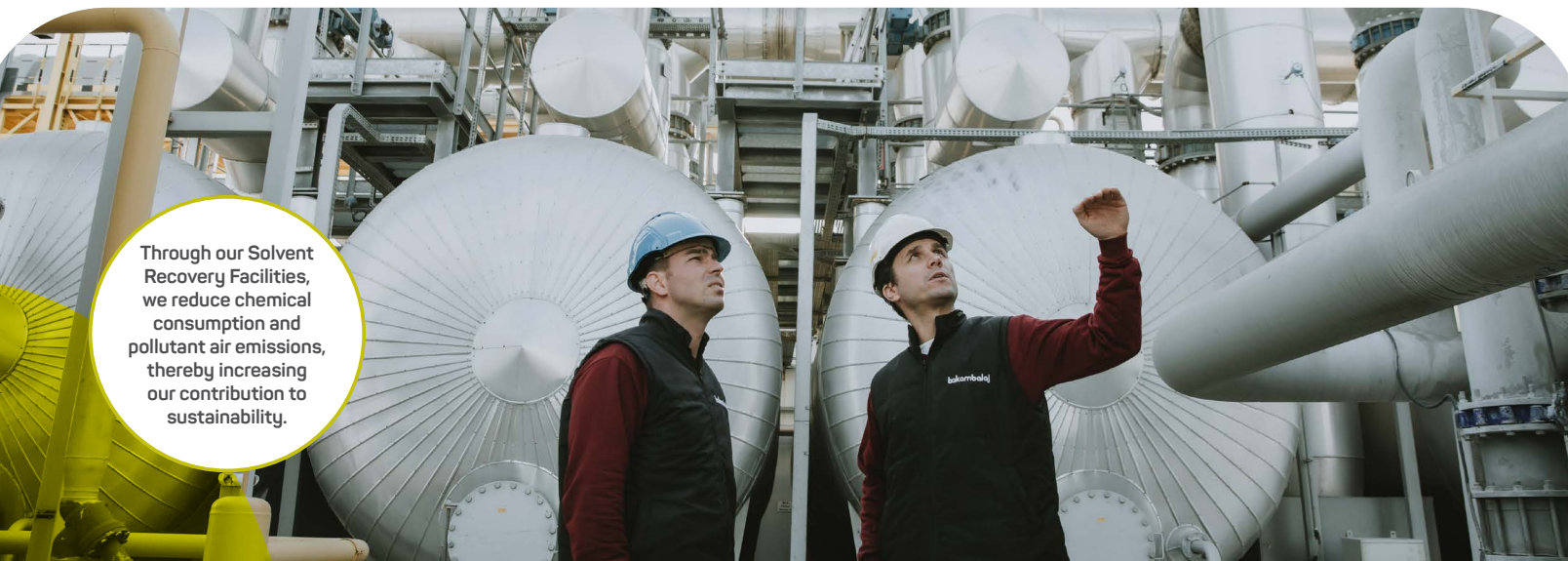
Sustainable Packaging Production Efforts

Since 2018, we have been producing packaging that is recyclable, reusable, and contributes to the circular economy by reducing waste. We use tools such as KIDV, RecyClass, and CEFLEX's Recyda, which are widely recognized across Europe, to verify compliance with recycling standards Recyda. Packaging designed for reuse is certified through rigorous migration analysis tests.

Circular Economy: An Environmental Strategy at Bak Ambalaj

Meeting the growing demand driven by population growth is becoming increasingly challenging. The only way to proceed through the supply chain without disrupting it and with minimal environmental impact is through the circular economy.

At Bak Ambalaj, we aim to reduce our environmental impact and meet changing customer demands by choosing production methods and products that are climate-friendly and have minimal environmental impact. In this context, we focus on reducing our environmental impact through recycling and optimization. Through our partnerships with CEFLEX and the Sustainable Packaging Coalition, we contribute to the circular economy and sustainable packaging production.



Through our Solvent Recovery Facilities, we reduce chemical consumption and pollutant air emissions, thereby increasing our contribution to sustainability.

WASTE MANAGEMENT AND CIRCULAR ECONOMY INITIATIVES

In 2023, we increased our use of materials with lower environmental impact by 2.38% and our use of environmentally certified raw materials by 20.4% compared to their alternatives. We used 300.84 tons of biodegradable and 18.71 tons of raw materials compatible with circular economy principles in our production processes.

Aligned with the “Partnerships for the Goals” principle, which is a key step toward achieving the Sustainable Development Goals, the creation of a circular economy model requires collaboration among all stakeholders in the value chain, particularly producers. In the circular economy model, it is the responsibility of plastic manufacturers to design production and usage processes that minimize environmental impact.

While maintaining our leading position in the packaging industry, we focus on continuously adding innovation and value to our corporate perspective and activities. We place great importance on recycling and the use of recycled content in our production processes to reduce the use of natural resources, which is one of the most critical areas of environmental impact. In waste management planning and implementation, we take into account our entire value chain and act in accordance with circular economy principles. Our goal is to create an effective waste management procedure that reduces waste at the source, promotes separation,

and encourages recovery and reuse. Through these efforts, we aim to minimize the amount of waste sent for disposal. To achieve this goal, we have continued our packaging production that contributes to the circular economy with recyclable, reusable, and waste-reducing manufacturing activities since 2018. In 2023, we increased our use of materials with lower environmental impact by 2.38% and our use of environmentally certified raw materials by 20.4% compared to their alternatives. We used 300.84 tons of biodegradable and 18.71 tons of raw materials compatible with circular economy principles in our production processes.

Driven by a sense of responsibility, we use analytical applications to make our processes more visible and measurable and measure and report our key performance indicators in operation management. We also complete our investment approval processes digitally through paperless projects. By doing so, we contribute to a livable world by preventing deforestation.



While maintaining our leading position in the packaging industry, we focus on continuously adding innovation and value to our corporate perspective and activities.

WASTE MANAGEMENT AND CIRCULAR ECONOMY INITIATIVES

As one of the leading companies in the industry, we prioritize the use of environmentally friendly materials and continue our efforts to create industry-wide awareness.

Additionally, recycled products used in non-food packaging applications cannot be used in food packaging. Therefore, at Bak Ambalaj, we granulate the waste and scrap generated in production through mechanical methods and use these granules in internal processes. This way, we manage recycling as efficiently as possible by reducing raw material costs.

Sustainable Packaging Strategies for the Product Lifecycle

In the near future, the plastic value chain will become more efficient both environmentally and economically through increased collaboration and joint implementation by industry players, accelerating our progress toward a shared green future.

At Bak Ambalaj, our primary goal is to produce while protecting all our stakeholders who use natural resources and our products. By doing so, we focus on producing the highest quality products with the least environmental impact. We take care to select all raw materials we use from those that are recyclable and environmentally friendly, and suitable for the lifecycle. We prioritize recycled and biodegradable products for all stakeholders and products in our supply chain.

Since 2018, we have focused on producing 100% recyclable and compostable packaging to contribute to the circular economy. We also continue to use films recycled in-house. As one of the leading companies in the industry, we prioritize the use of environmentally friendly materials and continue our efforts to create industry-wide awareness. We meticulously conduct R&D to ensure that our materials have 100% recyclable content.

Circular Economy Working Group

Our practices and performance in circular economy areas such as packaging optimization, eco-friendly design, recycling, recovery, biodegradability, hazardous material and waste management, and product lifecycle are monitored by the Circular Economy Working Group under the Sustainability Committee at Bakioğlu Holding, in line with the strategies and goals of Bakioğlu Holding and its Group Companies.

II. International Packaging Congress-2023: Industry Sustainability and Collaborative Insights

The II. International Packaging Industry Congress-2023, hosted by the Packaging Manufacturers Association (ASD), was successfully completed on December 7-8. The congress was organized to create a Sustainability Roadmap for the Packaging Industry. This valuable event brought together leading industry stakeholders, with 48 speakers from 13 countries.

Our General Manager, Mehmet Emin Bozdağ, was among the keynote speakers at the congress, which we proudly sponsored. The congress featured a series of valuable presentations, including a session on "Circular Economy and Recycling," chaired by Bak Ambalaj Chair of the Board Enver Bakioğlu, where important discussions on sustainability were held.



The II. International Packaging Industry Congress-2023, hosted by the Packaging Manufacturers Association (ASD), was successfully completed on December 7-8.

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5

ENERGY EFFICIENCY AND MANAGEMENT

SDGs We Contribute to



We acknowledge that energy efficiency and management play a crucial role in combating climate change, and operate accordingly.

In today's world, failing to conserve and use energy efficiently could lead to significant risks in the future. These risks include climate change, the unsustainable use of natural resources, increasing energy demand, potential challenges in accessing energy, and fluctuations in energy prices.

In response to developments like the EU Green Deal and emerging global regulations, which are being implemented both globally and in Türkiye, including potential future taxes on corporate emissions, Bak Ambalaj is prioritizing energy efficiency to confidently move forward. We acknowledge that energy efficiency and management play a crucial role in combating climate change, and operate accordingly.

Our Energy Management Approach and Systems

Our core strategy in energy management is to maximize efficiency and meet our primary electricity needs through renewable energy sources whenever possible. We not only utilize our renewable energy sources but also opt for energy supplied by I-REC certified renewable energy producers. This approach contributes to our goal of minimizing greenhouse gas emissions. To ensure operational continuity, we establish reliable and efficient energy management systems, continuously monitoring and improving the performance of our energy systems through regular maintenance and upgrades.



I-REC
STANDARD



Our use of I-REC, which began in 2021, reached 100% in 2023.



ENERGY EFFICIENCY AND MANAGEMENT

In 2023, we consumed 98,737.2 GJ of renewable energy.



At Bak Ambalaj, we act responsibly by using renewable energy as a proactive measure against climate change.

We have implemented the ISO 50001 Energy Management System to effectively manage and continuously improve our energy performance. Through this system, we enhance our organization’s energy efficiency, reduce energy costs, and control greenhouse gas emissions. We regularly monitor, evaluate, and manage our energy consumption, continuously improving our energy management processes and identifying opportunities to adopt best practices.

Our Renewable Energy Strategy and Practices

Bak Ambalaj is deeply committed to the use of renewable energy, which plays a crucial role in reducing energy consumption, increasing energy efficiency, and lowering energy dependency. We understand that renewable energy usage significantly reduces the greenhouse gas emissions and air pollution generated by our production activities, contributing to the sustainability of our planet.

We carefully manage the consumption of our primary energy source—electricity. In this context, our efforts include using digital energy management technologies to reduce electricity consumption, promptly identifying and addressing leaks and hidden faults, implementing remote monitoring and control systems, and replacing outdated equipment that has reached the end of its economic life with new, high-efficiency, energy-saving alternatives.

Continuing Our Investment in Renewable Resources for a Sustainable Planet

In 2023, we consumed 98,737.2 GJ of renewable energy. We continue to increase our use of renewable energy sources to meet our energy demands. Last year, we documented that 100% of the electricity used in our facilities was sourced from renewable sources, certified by the I-REC. By using certified renewable energy, we aim to reduce the carbon emissions from electricity consumption by approximately 100,000 tons annually.

ENERGY EFFICIENCY AND MANAGEMENT

The efficiency initiatives we implemented within Bak Ambalaj played a significant role in reducing energy consumption and greenhouse gas emissions.

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 decreased by 4% compared to the previous year, reaching 7.94 GJ/ton.

The efficiency initiatives we implemented within Bak Ambalaj played a significant role in reducing energy consumption and greenhouse gas emissions. Throughout the reporting period, we successfully enhanced energy efficiency and reduced greenhouse gas emissions through the projects we carried out.

Bak Ambalaj is determined to continue using energy efficiently in the coming years.

Energy Intensity (GJ/ton)	
2019	9.84
2020	11.34
2021	11.97
2022	8.27
2023	7.94

Our Energy Efficiency Projects in 2023

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 Recovery Facilities.

We also achieved a 6% improvement in the total annual electricity consumption of air compressors through operational enhancements in the compressed air system at the Bak-1 Solvent Recovery Facility.

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.

Bak Ambalaj is determined to continue using energy efficiently in the coming years.



GRI 3-3, 305-1, 305-2, 305-3, 305-4, 305-5

EMISSION MANAGEMENT

SDGs We Contribute to



We measure and record our greenhouse gas emissions annually according to international standards such as ISO 14064 and the GHG Protocol.

One of the primary drivers of the climate crisis is the increase in greenhouse gas emissions, which poses a significant threat to the future of our planet and all living beings. Reducing these emissions is one of the most crucial contributions we can make toward a sustainable future by minimizing environmental damage.

At Bak Ambalaj, we have prioritized reducing life-threatening emissions across all areas where our company operates. We are committed to conducting comprehensive and effective initiatives within our production areas to minimize our environmental impact.

The First Step in Emission Control: Measurement and Independent Verification Strategies

At Bak Ambalaj, we have adopted an effective emission management strategy in our fight against climate change, focusing on reducing our carbon footprint. In this context, we identify and inventory direct and indirect sources of greenhouse gas emissions throughout our entire value chain. We measure and record our greenhouse gas emissions annually according to international standards such as ISO 14064 and the GHG Protocol.

In addition to successfully carrying out our measurement activities as the first step in emission management, we report our findings through the Carbon Disclosure Project (CDP), the only independent international organization that globally reports how companies manage climate change risks. Through CDP, companies and governments share their greenhouse gas emission strategies, set reduction targets, and improve their performance. Since 2010, we have prepared CDP reports for supply chain research. In 2023, we were awarded a "C" rating.

Reducing these emissions is one of the most crucial contributions we can make toward a sustainable future by minimizing environmental damage. As one of the leading companies in our industry, Bak Ambalaj is committed to continuing our efforts to reduce greenhouse gases. In 2023, our emission intensity was recorded at 4.60 tons of CO₂/ton. We will continue our efforts to reduce emissions through our energy efficiency initiatives and renewable energy usage strategies.

Reducing these emissions is one of the most crucial contributions we can make toward a sustainable future by minimizing environmental damage.

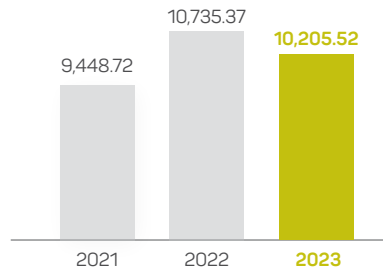


EMISSION MANAGEMENT

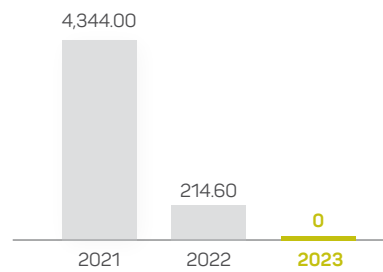
In 2023, our emission intensity was recorded at 4.60 tons of CO₂/ton.

Bak Ambalaj's Greenhouse Gas Emissions

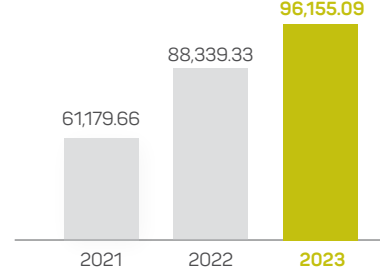
Scope 1 (tons CO₂)



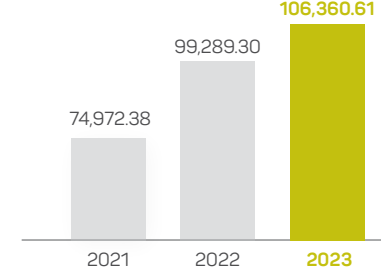
Scope 2 (tons CO₂)



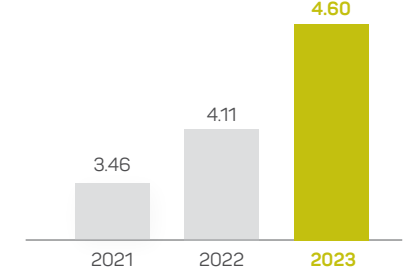
Scope 3 (tons CO₂)



Total Greenhouse Gas Emissions (tons CO₂)



Emission Intensity (tons CO₂/ton)



EMISSION MANAGEMENT

In line with Bakioğlu Holding's climate and environmental policy, we are actively developing new applications and projects to mitigate climate change risks in our operations.

Our Strategies for Combating Climate Change: Carbon Reduction and Environmental Protection

In line with Bakioğlu Holding's climate and environmental policy, Bak Ambalaj has been actively developing new applications and projects to mitigate climate change risks in our operations.

Afforestation Projects for Carbon Footprint Reduction

At Bak Ambalaj, we place great importance on afforestation projects to reduce our carbon footprint. We actively support these projects to increase our contribution to nature and fulfill our environmental responsibilities.

Eco-Friendly Shipping Policies


For shipments to İzmir and the surrounding areas, we carefully plan our delivery routes to minimize carbon emissions, aiming to reduce our environmental impact in transportation processes.

Monitoring and Controlling Flue Gas Emissions

In addition to greenhouse gases, we closely monitor flue gas emissions, which directly affect air quality. The flue gases from our production facilities are regularly measured by accredited organizations, ensuring that our emissions remain within permissible levels.

Our Carbon Reduction Goals

In line 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. Additionally, we aim to develop science-based target frameworks that support the "1.5° Approach" in our efforts to set greenhouse gas emission reduction goals.



We aim to develop science-based target frameworks that support the "1.5° Approach" in our efforts to set greenhouse gas emission reduction goals.

GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5

WATER MANAGEMENT

SDGs We Contribute to



We focus on securing our future by optimizing our technology to use water resources as efficiently as possible.

In response to the growing threat of water scarcity, one of the most pressing challenges linked to climate change, we focus on securing our future by optimizing our technology to use water resources as efficiently as possible.

Our operational systems are built around the principle of using water responsibly at the source, aiming to limit water consumption per unit of production. We also prioritize minimizing wastewater production and ensuring that any wastewater generated is managed effectively within the framework of a circular economy, recognizing that half of the world's population lacks adequate water and wastewater infrastructure.

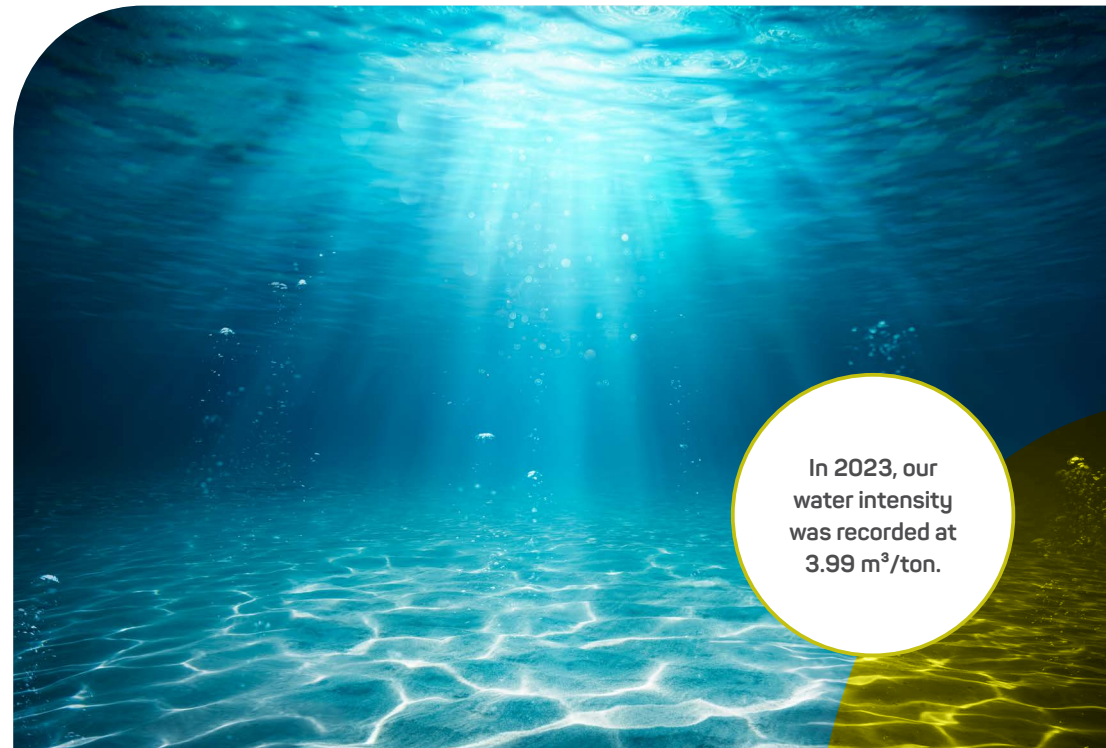
Efficient Use of Water Resources

The future of water is crucial for the planet and all living beings. Reducing water usage intensity within Bak Ambalaj year by year remains one of our most critical sustainability goals. In this reporting period, our water intensity was recorded at 3.99 m³/ton. Additionally, we discharged wastewater in compliance with legal requirements. In 2023, we used a total of 94,651 m³ of municipal water and discharged 84,216 m³ of wastewater.

As water demand is expected to rise, particularly in major cities, we are determined to take steps to reduce water usage and ensure that wastewater generated during production is discharged in the most efficient and legally compliant manner. We continue to conduct regular inspections to prevent water leaks as part of our efforts to improve water consumption practices.

Water Intensity	m ³ /ton
2019	3.22
2020	2.89
2021	3.47
2022	3.23
2023	3.99

Wastewater Intensity	m ³ /ton
2019	2.88
2020	2.35
2021	3.10
2022	2.89
2023	3.55



In 2023, our water intensity was recorded at 3.99 m³/ton.

GRI 3-3

CHEMICAL MANAGEMENT

SDGs We Contribute to



As a holder of the Hazardous Material Activity Certificate (HMAC), we manage the handling of chemicals through a detailed and secure process.

At Bak Ambalaj, we continued our efforts to minimize environmental impact in 2023, shaping our chemical management strategy in line with our sustainability goals.

As a holder of the Hazardous Material Activity Certificate (HMAC), we manage the handling of chemicals through a detailed and secure process. This includes managing 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 conducted in full compliance with legal regulations and environmental standards.

Chemical Safety and Risk Management Practices

We have established “Chemical Risk Assessment Procedures” and “General Safety Guidelines for Working with Chemicals” specific to Bak Ambalaj to ensure safe chemical storage. Additionally, we assess risks in flammable and explosive environments and implement necessary actions based on our “Explosion Protection Documents.”

Reducing Pollutant Air Emissions

We use Solvent Recovery Facilities to capture the solvent vapors produced during our processes. These recovered solvents are then recycled and reused, significantly reducing the overall chemical usage. Through this practice, we minimize resource consumption, reduce pollutant air emissions, and engage in environmentally friendly production, thereby contributing to a sustainable future.

Employee Training in Chemical Management

We place great importance on Chemical Management Employee Training. We ensure that our employees are well-versed in both the safe use of chemicals and the necessary Occupational Health and Safety practices. Additionally, through our activities under ADR (European Agreement Concerning the International Carriage of Dangerous

Goods by Road), we provide our relevant departments with training on the standards and regulations required for the international transportation of hazardous materials. By promoting safe and environmentally friendly practices, we continue to uphold high standards in our operations. In 2023, we provided a total of 323 person*hours of training in this area.



We use Solvent Recovery Facilities to capture the solvent vapors produced during our processes. These recovered solvents are then recycled and reused, significantly reducing the overall chemical usage.



ANNEXES

For 50 years, we have been focused on sustainability, aiming to create long-term value for all our stakeholders.

GRI 2-7, 2-8, 2-20, 302-1, 302-2, 302-3, 302-4, 302-5, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 401-1, 401-3, 403-5, 403-9, 403-10, 404-1, 404-2, 405-1

PERFORMANCE INDICATORS

Economic Performance Data

Financial Summary	2022	2023
Net Sales Revenues (TRY Million)	3,822	3,419
Total Production Sales Volume (Tons)	24,657	23,172
Operating Profit (TRY Million)	20	404
EBITDA (TRY)	190	572
Net Debt (TRY)	791	632
Return on Equity (ROE)	8%	2%
Total Assets (TRY)	3,736	3,608
Donation Amount for Social Aid Purposes (TRY)	543,743	864,656

R&D	2022	2023
Number of R&D Employees (person)	29	31
Total R&D Expenditure Amount (TRY)	19,171,530	21,233,065
Total Number of Patent Applications (pcs)	0	1
Total Number of Registered Patents (pcs)	0	1
Total Number of R&D Projects (pcs)	11	10

Environmental	2021	2022	2023
Environmental activity expenses (TRY)	309,648	740,356	1,897,764
Environmental investment expenses (TRY)	309,648	155,000	1,137,150

Supplier Structure	2019	2020	2021	2022	2023
Number of Local Suppliers	736	736	754	783	784
Number of Overseas Suppliers	89	72	84	74	79



PERFORMANCE INDICATORS

Environmental Performance Data

	2020	2021	2022	2023
Total Direct Energy Consumption (GJ)				
Diesel Consumption	110	1,195	915	842.39
Gasoline Consumption	0	610	1,387	1,538.49
Natural Gas Consumption (kWh)	138,452	158,240	101,081	87,288.11
Total Indirect Energy Consumption (GJ)	89,924	98,813	100,546	98,737.20
Total Renewable Energy Consumption (MWh)	-	62,356	100,546	98,737.20
Energy Intensity (GJ/Ton)	11.34	11.97	8.27	7.94
Total Direct Greenhouse Gas Emissions (Scope 1) (Tons CO ₂)	-	9,448.72	10,735.37	10,205.52
Total Indirect Greenhouse Gas Emissions (Scope 2) (Tons CO ₂)	-	4,344.00	214.6	0.00
Total Indirect Greenhouse Gas Emissions (Scope 3) (Tons CO ₂)	-	61,180	88,339.3	96,155.09
Emission Intensity (Tons CO ₂ /Ton)	-	3.46	4.11	4.60
Water Withdrawal by Source (m ³)				
Mains Water	58,254	75,035	79,650	94,651
Well Water	0	0	0	0
Water Density (m ³ /Ton)	2.89	3.47	3.23	3.99
Total Wastewater Discharge (m ³)	47,311	67,050	71,194	84,216
Total Amount of Waste (Tons)	5,231	5,333	6,233	4,688
Recovered (R Code) Non-Hazardous Waste (Tons)	4,244	4,044	4,839	3,053
Recovered (R Code) Hazardous Waste (Tons)	983	1,288	1,390	1,635
Disposed (D Code) Hazardous Waste (Tons)	0.007	0.017	0.039	0.64
Other Hazardous Waste Sent to Intermediate Storage (Tons)	3.2	0.4	3.138	0.01

	2020	2021	2022	2023
Total Raw Material Usage (Tons)	25,572	28,102	30,489	30,154
Use of Raw Material with Lower Environmental Impact Compared to Equivalents (Tons)	160.4	283.3	2,881.4	2,502.2
Biodegradable Environmentally Friendly Product Certified Raw Material Usage (Tons)	15.8	81.8	241.2	300.8
Raw Material Use in Accordance with Circular Economy Principles (Tons)	2.7	49	34.7	18.7
Number of Seedlings Planted in Afforestation Activities (pcs)	651	5,936	1,355	643
Environmental Trainings (person*hour)	38	152	634	607
ADR Training (person*hour)			224	323

PERFORMANCE INDICATORS

Social Performance Data

	2020	2021	2022	2023
Employee Training - Number of Participants (Person)	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
Employee Training- Total Hours (Person*hour)	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	3,424
Male Field Workers	1,531	4,690	4,811	11,677
Occupational Disease Ratio	14	28	31	29
Lost Day Rate	0.19	0.49	0.48	0.42
Occupational Disease Rate	0	0	0	0
Number of Fatal Work Accidents	0	0	0	0
OHS Trainings Provided to Employees - Number of Participants	269	489	478	713
OHS Trainings Provided to Employees - Total Hours (Person*hour)	2,001	4,876	2,468	6,420

	2020	2021	2022	2023
Total Hours of Disaster and Emergency Training (Person*hour)	114	161	187	622
Ratio of Entry Level Wage to Minimum Wage (%)				
Female Employees	140%	138%	185%	204%
Male Employees	136%	136%	176%	191%
Total Employee Wage Payment Based on Gender (TRY)				
Total Wages of Female Field Workers	43,368	55,492	109,764	208,560
Total Wages of Female Office Workers	653,298	821,846	2,426,560	4,746,273
Total Wages of Male Field Workers	2,551,124	3,242,205	8,309,497	15,939,869
Total Wages of Male Office Workers	691,283	849,154	2,157,963	4,408,644
Median Salary Level by Gender (TRY)				
Median Wage for Female Field Workers	5,421	6,166	13,721	26,070
Median Wage for Female Office Workers	9,074	11,911	28,888	57,184
Median Wage for Male Field Workers	5,595	6,537	14,812	28,363
Median Wage for Male Office Workers	12,344	15,163	34,806	69,978

PERFORMANCE INDICATORS

Employee Demographics Data

	2020	2021	2022	2023
Total Workforce (Number)	632	652	726	721
Direct Employment	632	652	726	721
Female	78	92	91	93
Male	554	560	635	628
Direct Workforce (Number)	632	652	726	721
Office Employees	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
Direct Workforce by Contract Type (Number)				
Indefinite Term Employment Contract	632	652	726	721
Female	78	92	91	93
Male	554	560	635	628
Direct Workforce by Education (Number)	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
Direct Workforce by Age Groups (Number)	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
Senior Management Structure (Number)	12	12	12	12
Female	5	5	5	4
18-30	0	0	0	0
30-45	4	4	3	3
45+	1	1	2	1

	2020	2021	2022	2023
Male	7	7	7	8
18-30	0	0	0	0
30-45	4	5	3	3
45+	3	4	4	5
Middle Management Structure (Number)	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
Newly Hired Employees (Number)	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
Employees Leaving (Number)	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
Employee Turnover (%)	7.3%	9%	8.7%	12.3%
Number of Employees on Maternity Leave	7	9	1	5
Number of Employees Returning from Maternity Leave	7	9	1	1
Number of Employees Who Have Not Left Their Job in the Last 12 Months After Returning from Maternity Leave	7	9	1	0
Total Number of Disabled Employees	15	16	19	19
Female	3	2	2	2
Male	12	14	17	17
Number of Employees Covered by Collective Bargaining Agreement	0	0	0	0

GRI CONTENT INDEX



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.

Statement of use	Bak Ambalaj has reported in accordance with the GRI Standards for the period January 1 - December 31, 2023.
GRI 1:	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Since the sector standard for the packaging industry has not been prepared yet, no sector standard has been used.

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS	
GENERAL EXPLANATIONS			
The Organization and Its Reporting Practices			
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report, page 5 About Bak Ambalaj, page 12 Capital and Shareholding Structure, page 13	
	2-2 Entities included in the organization's sustainability reporting	About the Report, page 5	
	2-3 Reporting period, frequency and contact point	Reporting is done annually.	
	2-4 Restatements of information	None.	
	2-5 External assurance	No independent external assurance statement was received for the report.	
	Activities and Employees		
	2-6 Activities, value chain and other business relationships	About Bak Ambalaj, page 12 Sustainable Supply Chain, pages 71-76	
	2-7 Employees	Human Values, pages 82-91 Performance Indicators, pages 121-124	
	2-8 Workers who are not employees	Human Values, pages 82-91 Performance Indicators, pages 121-124	
	Governance		
	2-9 Governance structure and composition	Board of Directors, Senior Management and Committees, pages 49-50	
	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. Board of Directors, Senior Management and Committees, pages 49-50	
	2-11 Chair of the highest governance body	Board of Directors, Senior Management and Committees, pages 49-50	
2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors, Senior Management and Committees, pages 49-50		
2-13 Delegation of responsibility for managing impacts	Sustainability Strategy and Organization, pages 20-25		

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS	
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Sustainability Strategy and Organization, pages 20-25	
	2-15 Conflicts of interest	Business Ethics, Legal Compliance, and Transparency, page 5	
	2-16 Communication of critical concerns	Sustainability Strategy and Organization, pages 20-25	
	2-17 Collective knowledge of the highest governance body	Board of Directors, Senior Management and Committees, pages 49-50	
	2-18 Evaluation of the performance of the highest governance body	Board of Directors, Senior Management and Committees, pages 49-50	
	2-19 Remuneration policies	Human Values, pages 82-91	
	2-20 Process to determine remuneration	Human Values, pages 82-91 Performance Indicators, pages 121-124	
	2-21 Annual total compensation ratio	Bak Ambalaj Annual Report 2023	
	Strategy, Policies and Practices		
	2-22 Statement on sustainable development strategy	Message from the Chair of the Board of Directors, pages 6-7 Message from the General Manager, pages 8-9 Our Sustainability Strategy and Organization, pages 20-25 Material Issues and Materiality Matrix, pages 44-45 Sustainable Development Goals We Contribute to, page 46	
	2-23 Policy commitments	Sustainability Strategy and Organization, pages 20-25	
	2-24 Embedding policy commitments	Sustainability Strategy and Organization, pages 20-25	
	2-25 Processes to remediate negative impacts	Business Ethics, Legal Compliance, and Transparency, page 52 Anti-Bribery and Anti-Corruption, page 53 Combating Climate Change and Environmental Approach, pages 99-102	
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics, Legal Compliance, and Transparency, page 52	
	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 52	
	2-28 Membership associations	Corporate Memberships and Initiatives We Support, pages 42- 43	
	Stakeholder Engagement		
	2-29 Approach to stakeholder engagement	Stakeholder Map and Our Relations with Stakeholders, pages 40-41	
	2-30 Collective bargaining agreements	There is no collective bargaining agreement.	



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
MATERIAL ISSUES		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Issues and Materiality Matrix, pages 44-45
	3-2 List of material topics	Material Issues and Materiality Matrix, pages 44-45
Sustainable Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Sustainable Supply Chain, pages 71-76
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain, pages 71-76 Performance Indicators, pages 121-124
GRI 308: Supplier Environmental Assessment (2016)	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 71-76
GRI 414: Social Assessment of Suppliers 2016	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 71-76
Anti-Bribery and Anti-Corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Business Ethics, Legal Compliance, and Transparency, page 52 Anti-Bribery and Anti-Corruption, page 53
GRI 205: Anti-Corruption 2016:	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics, Legal Compliance, and Transparency, page 52 Anti-Bribery and Anti-Corruption, page 53

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
Circular Economy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Packaging Optimization and Sustainable Products, pages 103-106 Waste Management and Circular Economy Initiatives, pages 107-111
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Packaging Optimization and Sustainable Products, pages 103-106 Waste Management and Circular Economy Initiatives, pages 107-111
	301-2 Recycled input materials used	Packaging Optimization and Sustainable Products, pages 103-106 Waste Management and Circular Economy Initiatives, pages 107-111
	301-3 Reclaimed products and their packaging materials	Packaging Optimization and Sustainable Products, pages 103-106 Waste Management and Circular Economy Initiatives, pages 107-111
Energy Efficiency and Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Energy Efficiency and Management, pages 112-114
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency and Management, pages 112-114 Performance Indicators, pages 121-124
	302-2 Energy consumption outside of the organization	Energy Efficiency and Management, pages 112-114 Performance Indicators, pages 121-124
	302-3 Energy intensity	Energy Efficiency and Management, pages 112-114 Performance Indicators, pages 121-124
	302-4 Reduction of energy consumption	Energy Efficiency and Management, pages 112-114 Performance Indicators, pages 121-124
	302-5 Reductions in energy requirements of products and services	Energy Efficiency and Management, pages 112-114 Performance Indicators, pages 121-124



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	Water Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Water Management, page 118
GRI 303: Water and Wastewater 2018	303-1 Interactions with water as a shared resource	Water Management, page 118
	303-2 Management of water discharge-related impacts	Water Management, page 118
	303-3 Water withdrawal	Water Management, page 118 Performance Indicators, pages 121-124
	303-4 Water discharge	Water Management, page 118 Performance Indicators, pages 121-124
	303-5 Water consumption	Water Management, page 118 Performance Indicators, pages 121-124
	Combating Climate Change and Environmental Compliance	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 From Sapling to Forest: Aegean Forest Foundation, page 97
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	From Sapling to Forest: Aegean Forest Foundation, page 97
	Emission Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Emission Management, pages 115-117
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emission Management, pages 115-117 Performance Indicators, pages 121-124
	305-2 Energy indirect (Scope 2) GHG emissions	Emission Management, pages 115-117 Performance Indicators, pages 121-124
	305-3 Other indirect (Scope 3) GHG emissions	Emission Management, pages 115-117 Performance Indicators, pages 121-124
	305-4 GHG emissions intensity	Emission Management, pages 115-117 Performance Indicators, pages 121-124
	305-5 Reduction of GHG emissions	Emission Management, pages 115-117 Performance Indicators, pages 121-124

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	Waste Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Waste Management and Circular Economy Initiatives, pages 107-111
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management and Circular Economy Initiatives, pages 107- 111
	306-2 Management of significant waste-related impacts	Waste Management and Circular Economy Initiatives, pages 107- 111
	306-3 Waste generated	Waste Management and Circular Economy Initiatives, pages 107-111 Performance Indicators, pages 121-124
	306-4 Waste diverted from disposal	Waste Management and Circular Economy Initiatives, pages 107-111 Performance Indicators, pages 121-124
	Support for Qualified Employment	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Support for Qualified Employment, pages 79-80 Human Values, pages 82-91
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	Human Values, pages 82-91 Performance Indicators, pages 121-124
	401-3 Parental leave	Human Values, pages 82-91 Performance Indicators, pages 121-124



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	Occupational Health and Safety	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Occupational Health and Security, pages 92-94
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, pages 92-94
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page 92-94
	403-3 Occupational health services	Occupational Health and Safety, page 92-94
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 92-94
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, pages 92-94 Performance Indicators, pages 121-124
	403-6 Promotion of worker health	Occupational Health and Safety, page 92-94
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, page 92-94
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, page 92-94
	403-9 Work-related injuries	Occupational Health and Safety, pages 92-94 Performance Indicators, pages 121-124
	403-10 Work-related ill health	Occupational Health and Safety, pages 92-94 Performance Indicators, pages 121-124
	Employee Training and Development	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Human Values, pages 82-91
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Values, pages 82-91 Performance Indicators, pages 121-124
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Values, pages 82-91 Performance Indicators, pages 121-124

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	Equal Opportunity, Diversity, and Inclusion	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Human Values, pages 82-91
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board of Directors, Senior Management and Committees, pages 49-50 Performance Indicators, pages 121-124
	405-2 Ratio of basic salary and remuneration of women to men	At Bak Ambalaj, there is no gender-based discrimination in employee wages.
	Being a Preferred Employer	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Business Ethics, Legal Compliance, and Transparency, page 52 Anti-Bribery and Anti-Corruption, page 82- 53 Human Values, pages 90-91
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period at Bak Ambalaj. Business Ethics, Legal Compliance, and Transparency, page 52
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Bak Ambalaj 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.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Bak Ambalaj and all stakeholders in its value chain, especially its suppliers, do not employ forced labor in any way.



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	Corporate Social Responsibility	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Support for Qualified Employment, pages 79-80 Corporate Social Responsibility, pages 96 From Sapling to Forest: Aegean Forest Foundation, pages 97
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Material Support for Qualified Employment, pages 79-80 Corporate Social Responsibility, page 96 From Sapling to Forest: Aegean Forest Foundation, page 97
	Data Security and Privacy	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Data Security and Privacy, page 78
GRI 418: Customer Privacy 2016	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 78
	Packaging Optimization and Sustainable Products	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Packaging and Optimization and Sustainable Products, pages 103-106
	Operational Excellence and Quality	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Operational Excellence and Quality, pages 56-62
	R&D and Innovation	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 R&D and Innovation, pages 63-68
	Business Continuity	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Operational Excellence and Quality, pages 56-62

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
	Chemicals Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Chemical Management, page 119
	Digital Transformation	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Digital Transformation and Automation, pages 69-70
	Industry 4.0	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 R&D and Innovation, pages 63-68 Digital Transformation and Automation, pages 69-70
	Corporate Governance	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Corporate Governance, page 48
	Business Ethics, Legal Compliance, and Transparency	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Business Ethics, Legal Compliance, and Transparency, page 52 Anti-Bribery and Anti-Corruption, page 53
	Effective Risk and Crisis Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Management of Sustainability Risks, Trends, and Opportunities, pages 26-39 Risk Management and Internal Audit, page 51
	Logistic Impacts	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Logistic Impacts, page 77
	Emergency Preparedness	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Issues and Materiality Matrix, pages 44-45 Emergency Preparedness, page 95
	Stakeholder Communication	
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Map and Our Relations with Stakeholders, pages 40-41 Corporate Memberships and Initiatives We Support, pages 44-45 Material Issues and Materiality Matrix, pages 44-45



CONTACT

You may contact us to obtain more detailed information about Bak Ambalaj Sustainability Report 2023 and give us your recommendations.

[**sustainability@bakioglu.com.tr**](mailto:sustainability@bakioglu.com.tr)

Address: AOSB 10002 Sokak No: 45 Çiğli 35620 Izmir, Türkiye
Telephone: +90 232 376 74 50

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