

SUSTAINABILITY
REPORT
2019





ALPPLAS

SUSTAINABILITY REPORT
2019



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ABOUT THE REPORT

This second sustainability report, through which we at Alplas Endüstriyel Yatırımlar A.Ş. share the activities, performances, actions, targets, and planned steps taken in line with our vision and objectives, covers the period from 01.01.2019 to 31.12.2019.

This report addresses the social, ethical, environmental, and economic impact of the activities we carry out in two different facilities located in Turkey: Istanbul and Bolu. Therefore, the financial data concerning our affiliates Acron and Boluplas are excluded from the reporting scope.

This report has been prepared in accordance with the "Core" option of the GRI Standards. The identification of the contents is based on the subjects and results that we have obtained as a product of the efforts intended to determine the sustainability priorities. In addition to the company information on some priority issues, we have also included the performance results for our stakeholders.

We prepared our first sustainability report in 2015. We aim to carry out reporting activities after 2019 on an annual basis utilizing the same guiding methodology.

We believe that an honest and transparent assessment of our sustainability performance will enable Alplas to take a better position in today's competitive market.

We will be pleased if you share your feedback with us to better shape our future. Please send us any questions and comments related to this report to sustainability@alplas.com. Feel free to visit www.alplas.com to access Alplas Sustainability Reports and detailed information about our company.



CEO'S MESSAGE

Dear Stakeholders,

We at Alpllas consider the concept of sustainability not only as an output but also as a holistic philosophy. Therefore, our priority is to grow our activities by creating a sustainable value for all the stakeholders.

2019, the reporting period, was a year full of new opportunities and challenges. In particular, the Covid-19 pandemic starting towards the end of the year and shaking the entire world dramatically has made its effects felt in 2020. The likelihood of suffering from these pandemics will increase as long as we continue unconsciously consuming the resources of the world we live in and ignoring the importance of the environment. This pandemic we are currently getting through reminds us all of that once again.

Alpllas has adopted the United Nations Global Compact principles and announced on April 12, 2016, that it would make attempts to contribute to the joint efforts within the framework of the 10 basic principles. Accordingly, we have carried out our activities within the reporting period and supported the 17 principles identified by the United Nations within the scope of the Sustainable Development Goals.

We at Alpllas achieved net growth performance for each of our operations in 2019. We have got closer to the objectives we had set thanks to the technology-oriented telecommunication products as

a new addition to our production range. Furthermore, we have continued to increase the level of cooperation with global companies in the fields of white goods and automotive as the primary industries in which we serve.

Global competition, economic and political risks pose a significant threat of loss for all companies. Therefore, we attach importance to projects intended to enhance productivity to reduce the impacts. At the same time, we continue to work in digitalization and Industry 4.0 and proceed with project-based studies for issues that require further improvements.

There is another aspect of significance in 2019 for us. This year marks the 30th anniversary of our journey we set off in 1989. We are aware that the working principles and ethical values that we have maintained since the very beginning of our establishment have always been essential assistants. We know that there is a long way to go and a lot of work to do.

We would like to once again thank our dear stakeholders for not leaving us alone and sharing our enthusiasm in this report, through which we share with you our achievements and future goals.

Tufan Öney
General Manager





ALPLAS IN BRIEF

Laying the foundations of today with a few injection machines in the late '80s, our company has continued to grow steadily in the years passed. Today, Alplas serves particularly in white goods, automotive, and telecommunication industries with its productions in different fields such as plastic, electronics, and molds. Engaging in project-based operations with its many global customers, our company established an R&D Center in 2017 to offer them solutions for their design processes.

Alplas is one of the leading and well-known companies operating in the white goods suppliers sector in both Turkey and Europe. Breaking new grounds in Turkey for the electronics industry, in which it started to operate in 2013, Alplas has achieved an important place in this field for both the white goods and automotive sectors. In line with the trend in the last ten years, it has demonstrated exemplary practices during the transition from the supply of simple parts to the supply of value-added products. Alplas is a company that designs, develops, and manufactures products, in particular, in the industries of plastic and electronics. In addition, it has quickly become prominent in the telecommunication industry it entered in 2018.

turnover of | **57** billion €

production area of | **20** thousand m²

750+ | employees

80+ | plastic injections

4 | SMD lines



102-2
102-3
102-4
102-6



MANAGEMENT APPROACH

Corporate Governance

We at Alpplas manage our operations with a transparent, accountable, and fair management approach. Based on various parameters, we prepare sustainability reports and share them with our stakeholders. Adopting an approach of sustainable growth, we continue to operate with the goal of creating values for our stakeholders.

The Board of Directors consists of 5 members and, two different persons hold the positions of Board Chair and CEO. The board of directors is responsible for identifying and managing strategic trends, risk

management, and the operation of early warning and control systems. It is also under the board of directors' responsibility to determine the corporate objectives, ensure that the corporate governance principles are complied with, and carry out the activities intended to achieve the expected results and performance in these fields.

In addition, the Board of Directors is also responsible for the sustainability activities addressing the social, environmental, economic, and ethical aspects of our operations. The strategies identified accordingly are put into practice by the relevant units.

Business Ethics and Anti-Corruption

Our company is committed to operating in accordance with the applicable laws and ethical values. The vision set by our founders at the very beginning of our journey keeps guiding us today. All the operations we carry out are based on the rules set accordingly for ethical working. We manage our processes with the principle of 'zero tolerance' in the face of corruption, bribery, and non-compliance with the code of ethics. We make great efforts to share the "Alpplas Code of Ethics Handbook" in all channels available so that all the stakeholders are aware of our code of ethics and act accordingly. A copy of the handbook is available on our corporate website.

https://www.alpplas.com/files/insan_kaynaklari/ethikal_rules.pdf

Alpplas Code of Ethics Handbook addresses many issues such as compliance with the applicable laws, occupational safety and health, non-discrimination, child labor and forced labor, conflicts of interests, awareness of protecting the environment, impartiality against political activities, transparency, and data protection. In addition, it clearly defines the sanctions that are to be imposed in case of a breach.

Alpplas Code of Ethics Handbook is communicated to all the new employees, who must also sign an 'Ethical Values Agreement'. We would like to re-emphasize that each employee is expected and required to protect our values and ethical principles

under this commitment given in writing. We provide the new employees with the training of 2 hours about the ethical values on the first day of employment. This training is repeated four times, applying to all the employees during any given year. The Human Resources Department is responsible for organizing this training. All the functional managers are assigned the responsibility for ensuring that the employees attach importance to and comply with the rules. Each notice for a breach of the applicable laws will be cautiously investigated. In case of concrete evidence for a violation, the respective sanctions are imposed accordingly. Our company assures that no stakeholder, who identifies and reports a breach, will face an adverse consequence and that their identity will be kept confidential to the extent permitted by law.

Being aware of that corruption prevents investments and, thus, economic growth and market opportunities, our company has clearly stated its perspective on this issue. There is no case of bribery and corruption identified during the audits carried out in 2019.

We at Alpplas clearly state that we will not be part of any political opinion or organization on the Code of Ethics Handbook. We will not support any political party and politician, whether financially or morally.



MANAGEMENT APPROACH

“*Our company takes into account the Universal Declaration of Human Rights and the UNGC Ten Principles, and pledges to put into practice the universal sustainability principles.*”

Our facilities in Istanbul and Bolu have been members of SEDEX, one of the world's biggest cooperation platforms for sharing the responsible data in the supply chains, since 2017 and 2018, respectively. Through the Sedex platform, our company manages the rights to work and the

performance in the aspects of occupational health and safety, environmental, and business ethics.

“*Sedex is one of the world's leading ethical trade service providers, committing itself to improve the working conditions in the global supply chains. Being a member of Sedex, a non-profit organization, enables companies to work together to better manage their social and environmental performances and, protect the employees working in a supply chain.*”

Risk Management

The Board of Directors is responsible for the uninterrupted continuation of our company's existence and operations, determination of targets such as turnover and profitability, compliance with legal regulations, sustainable growth, fulfillment of social responsibility. We believe that risk management will be successful when it is applied to all levels of the organization. Therefore, the Board of Directors and Alplas senior management monitor and lead its implementation at regular intervals.

Besides the potential opportunities and threats, the various aspects of the operations such as business continuity, information security, reputation, legal conformity, finance, environment, ethics, and social projects are also considered within this scope.

In addition to the internal audit, we have a comprehensive external audit plan to ensure that the applicable laws and regulations are strictly complied with. To provide financial compliance, the economic indicators are audited by independent audit companies. Besides, a non-mandatory full attestation audit is carried out regularly. External audits are conducted from time to time to audit the compliance with the applicable labor laws and regulations.

Alplas is a growing organization. Achievement of robust and sustainable growth is more important than the growth itself. Therefore, the proper use of

resources, financial adequacy, and outsourcing are closely monitored. A robust economic structure comes first, and then growth.

“*During the recent years, the Information Security has become a separate aspect we consider under the scope of the risk management system. Subsequent to the project we started in 2019, we deal with this aspect under the two main headings: technological infrastructures and business processes. During the respective studies at the end of 2019, our information technologies infrastructure has been reviewed by expert consultants resulting in the identification of some areas that should be improved. Necessary resources have been allocated for these improvements and, these studies are scheduled to end within 2020. In addition, the process based information security analyses are in progress. At the end of all these efforts, we have set a goal to initiate the certification process concerning the ISO 27001 Information Security Management System for all the facilities.*”



MANAGEMENT APPROACH

Internal Audit

We at Alpplas are aware of the importance of the internal audit mechanisms for our production's continuation and efficiency and consider this part of our sustainable management approach. Our quality management system representatives are responsible for the operation of the internal audit system.

The internal audit system functions based on the respective national and international standards as well as the best practices. The internal audit team consists of the persons with the necessary qualifications and, the Human Resources Department archives the respective certifications. The list of the internal auditors is prepared by each facility accordingly and managed through the QDMS documentation management system that we commissioned in 2018 as a part of digital transformation.

The audit team also conducts inter-departmental audits. It is planned to be a cross audit among the

departments on an annual basis. In addition to the internal audits, the audit team intensively trained to carry out these audits takes part in comprehensive audits addressing various aspects such as quality, ethics, and working conditions for the suppliers. These audits also cover those managed within the IATF 16949 Automotive Quality Management System, ISO 9001 and ISO 14001 standards, and those conducted upon a customer's special request. The audits are conducted in line with the Internal Audit Procedure.

“Our company uses the integrated quality management software system for all types of policies, procedures, instructions, quality management certificates, internal and external correction actions. This system intended to develop the corporate memory enables automation, traceability, facilitation of analyses, data security and prevention of data loss.”

Sustainability Management

As Alpplas, we are proud to be on top rankings in industries we operate. We adopted sustainability as a principle for leadership, designs, produces, directs, and renews itself with its knowledge and expertise.

We are committed to providing our stakeholders with an opportunity to place a sustainable ecosystem by producing sustainable solutions and technologies for new and existing customers.

We maintain our sustainability management considering the economic, environmental, and social values for both internal and external stakeholders and proceed with the goal of spreading this culture to all our processes.

We focus on integrating social, economic, and environmental sustainability into our corporate culture as part of our sustainability strategy. One of the reasons we carry out these sustainability activities is to create values for the society we live in.

Alpplas Sustainability Team

- General Manager
- Accounting and Finance Management
- Human Resources and Administrative Affairs Management
- Quality Assurance Management
- Procurement Management
- Business Development
- Corporate Communication
- R&D

Acting together with our stakeholders, we set the sustainability priorities. We have created a list of subjects in line with the GRI standard addressing the issues relating to the industries of automotive and white goods as well as the telecommunication industry in which we started to operate in 2019. We have sent two surveys to 340 people, including the



MANAGEMENT APPROACH

internal and external stakeholders, to finalize the list of subjects. The efforts intended to identify the priorities have resulted in identifying the framework of the report addressing the issues with an impact on our operations.

We contribute to the UN Sustainable Development Goals with the efforts we make in respect of our priority subjects. During the efforts intended to identify our sustainability priorities, we have

analyzed the SDGs in terms of the operations carried out by Alpplas. As a result of this analysis, our internal and external stakeholders have considered the following goals to be of a higher priority for Alpplas: Good Health and Well-Being (SDG 3), Quality Education (SDG 4), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Industry, Innovation and Infrastructure (SDG 9), and Responsible Consumption and Production (SDG 12).

Material Issues	Related SDGs
Talent Management	
Business Ethics and Anti-Corruption	
Environmental Management	
Operational Reliability	
Occupational Health and Safety	
Innovation, R&D, and Digitalization	
Sustainable Growth and Profitability	
Product and Service Responsibility	



MANAGEMENT APPROACH

Stakeholder Management

We regard our stakeholders as one of the most significant driving forces for our development and differentiation in the sector. Being aware of this fact, we choose our stakeholders within the business ethics framework and establish long-term relationships based on mutual trust. We maintain

our business partnership based on transparent communication with our stakeholders, informing them clearly and thoroughly. We make joint efforts with all the stakeholders, particularly the employees, and contribute to the solution of social and sectorial problems.

	<i>Stakeholder Group</i>	<i>Communication Method</i>	<i>Frequency</i>
<i>Employees</i>		Employee Satisfaction Survey	Annual
		Training Organizations	Annual
		Announcements	Monthly
		Suggestion - Reward System	Monthly
		Performance Management	Monthly
		Project Meetings	Weekly
		Social Activities	Quarterly
		Management Meetings	Monthly
		Magazine (Heart)	Monthly
<i>Customers</i>		One-to-one Meetings	Monthly
		Customer Satisfaction Survey	Annual
		Compliance Reports	Annual
		Audits	Annual
<i>Suppliers</i>		One-to-one Meetings	Monthly
		Audits	Annual
		Compliance Reports	Annual
		Supplier Satisfaction Survey	Annual
		Training and Development Programs	Annual
<i>Governance</i>		Meetings	Annual
		Strategic Meetings	Semi-annually
		Performance Management	Annual
<i>Government</i>		Compliance with Laws and Policies	Monthly
		Compliance Reports	Annual
		Audits Conducted by Government	Annual



SUSTAINABLE GROWTH AND PROFITABILITY

Investments

As Alpplas, we attach great importance to sustainable growth. Therefore, we set off as a plastic manufacturer; we have made significant achievements through investments in electronics production about 15 years ago.

Within the reporting period, we took another important step and entered the

telecommunications industry. As a result of cooperation with one of the world's largest infrastructure providers, we started the assembly and testing processes of 4.5G and 5G GSM infrastructure products. We believe that diversity in the operations we carry out and the industries in which we operate is essential for an economic sustainability

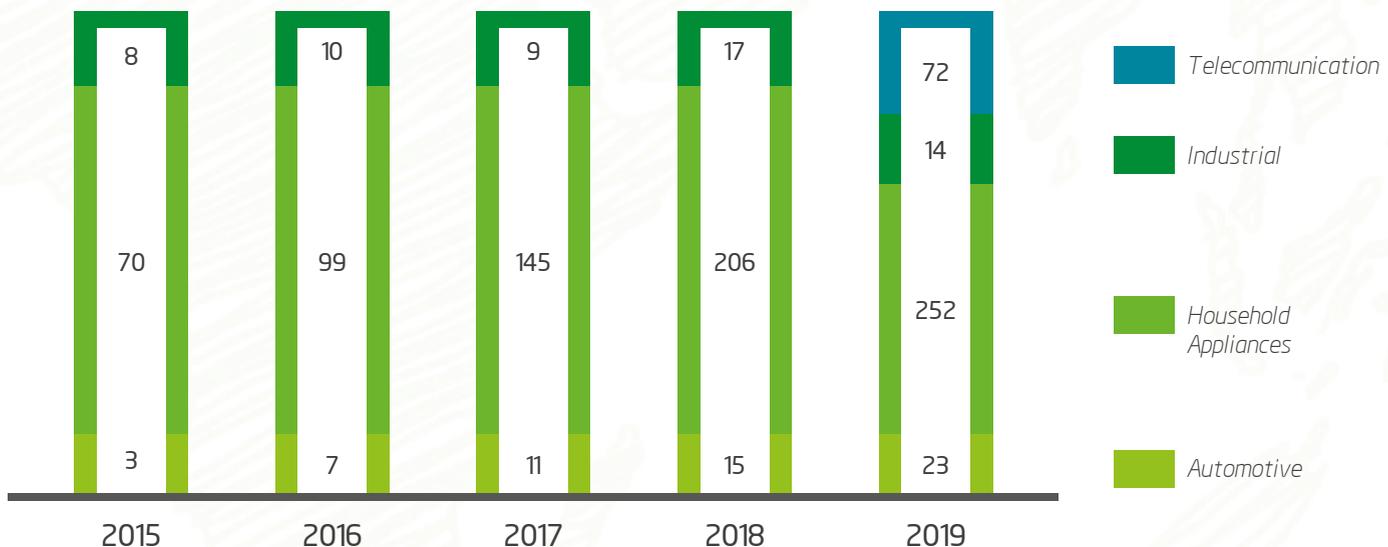
Economic Performance

During the reporting period, we have achieved a sales increase of 36% in Euro compared to the previous year and 105.2% within the last five years. Despite no significant decrease in the export figures, a considerable reduction has occurred in the export ratio in the turnover due to the increased number of domestic projects. On the other hand, most of the sales to the local customers are for export products, and the indirect export rate is calculated to be about 70%. The sales in the white goods industry represent the highest item in our revenues. In the upcoming years, we expect a sharp increase in the sales for the automotive industry,

which has been following an increasing trend during the recent years. Thanks to an important project we started in 2019, telecommunication products have significantly increased our total turnover.

We expect a stable volume in the plastic business in the next three years, and we also predict a significant increase in the production of electronics in the same period. We also expect that the high volume production in telecommunications will be maintained. We plan to take part in one or two different new business lines every three years by means of retaining this diversification.

Turnover Distribution by Sectors (million TL)





ENVIRONMENTAL MANAGEMENT

We at Alplas make efforts to protect the environment and improve the environmental conditions. As it was in the past, we carry out our activities respecting the society and environment and considering the future generations. With each passing day, we make further efforts to increase our awareness in the fields of climate change, energy, and waste management and, we stay the course of our objectives.

Our company performs its environmental management and commitments under the international management systems. We establish our environmental management system in line with the ISO 14001:2015 Environmental Management System Standard and verify the functions of this process through the audits conducted by independent organizations.

We carry out our operations in the facilities located in Istanbul and Bolu within the scope of the ISO 9001 Quality Management System and the ISO 14001 Environmental Management System. And the updates

are in progress according to a management system in compliance with the requirements set forth under the ISO 50001 Energy Management Certification.

The environmental impacts of our operations are managed by the Integrated Management System Representative from the Quality Assurance Management based on the ISO 14001:2015 Environmental Management System. The employees from the Quality Assurance Departments report to the Deputy General Manager.

We use our Environmental Policy as a guide for environmental management. We provide training and dedicated programs to raise awareness of our employees regarding climate change and expect that all other stakeholders remain sensitive in this regard.

To get detailed information on our Environmental Management, please see the Alplas Environmental Policy available https://www.alplas.com/files/hakkimizda/environmental_policy.png

Number of Employees Provided with Environmental Training



The number of employees provided with environmental training increased from 404 in 2018 to 619, in line with our targets. During the reporting period, the average hour spent on environmental training per employee is 1.16. We are aware that the magnitude of the climate change crises increases with each passing day. We are committed to further enhancing the level of awareness of the employees by increasing the training hours in the following periods.

Based on the agreements entered into with the companies with an Environmental Consultancy Competence Certificate from the Ministry of Environment and Urbanization, we make efforts to improve the environmental conditions, maintain

environmental health and prevent environmental pollution through the environmental engineers and experts with academic competencies and experience in the field of environmental engineering.

We are constantly working to fulfill the legal requirements regarding the environment, energy use, consumption, and efficiency and, improve the legal conditions, including those relating to the sectorial obligations.

We carry out our operations considering climate change, energy, and water use and acting in line with a waste and package management designed accordingly.



ENVIRONMENTAL MANAGEMENT

Energy and Emission Management

Climate change is becoming a crisis that affects all industries throughout the world. The entire business world is expected to assume significant responsibilities for the management of the climate change crisis. Being aware of the adverse impacts of climate change and greenhouse emissions, we at Alpllas carry out our operations in a way as to minimize the impacts thereof on the environment and climate.

Acting together with those operating in the entire supply chain, we at Alpllas strive to implement many successful practices to prevent climate change. We expect them to comply with the applicable regulations concerning the environment, efficiently use the resources and regulate their environmental impacts during the management of their respective processes.

Energy consumption creates an environmental impact as it causes greenhouse gas emissions. To minimize this impact, we are conducting efficiency studies. In parallel with our growth, the more we manufacture, the more we consume energy. We make efforts to balance the increase in the energy consumption caused by the operational growth with our productivity studies.

In 2019 we achieved to reduce the total energy consumption by 8% compared to 2018 resulting in a decrease from 38,000 GJ to 35,000 GJ.

Total Energy Consumption (GJ)





ENVIRONMENTAL MANAGEMENT

Effective Use of Natural Resources by Reducing Electricity Consumption

We have replaced the lighting luminaires in the warehouse, serigraphy and outdoor locations of the Bolu Plant with led lamps that are more energy efficient.

“ This has resulted in an annual savings of TL 31,000 per year. ”

‘Zero Waste’ Project

We initiated the respective processes in 2019 to be part of the project ‘Zero Waste’ put into practice by the Ministry of Environment and Urbanization. We set a goal for 2020 to obtain the respective certificate and make it a culture within the entire business operations.

“ With this project we have initiated under the motto ‘For a greener and cleaner world’, we aim to achieve:

- **a savings of 7% for electricity consumption,**
- **a savings of 15% for natural gas consumption,**
- **a savings of 30% for water consumption,**
- **a savings of 0.03% for paper consumption per person. ”**

It is the responsibility of the Quality Assurance Departments to deal with the issues concerning Energy and Emission Management. The departments in charge monitor the respective processes in line with the short, medium, and long-term objectives and continue the improvement studies accordingly.



ENVIRONMENTAL MANAGEMENT

Water Consumption

It is a scientific fact that the climate crisis will have the most significant impacts on the water resources and, access to potable water resources will be significantly reduced by 2020 due to the increasing population.

Efficient use and protection of water resources are among the issues we attach great importance to. We monitor how much water is used per product and the annual water consumption figures through the actions we take regarding efficient consumption management. The water consumption in our production processes is significantly low compared to those of many other industrial

organizations. The processes used in the facilities for the production of electronics consume no water. The water used in the production of plastics is for cooling purposes and, the consumption is maintained at the lowest level as we prefer closed-circuit cooling systems.

Except for the production processes, water is consumed only for cleaning, domestic use, and green area irrigation purposes. Accordingly, we prefer solutions that provide savings and use micro-irrigation with the automatic irrigation system for the green area irrigations during the night hours.

Waste and Hazardous Substance Management

All the waste generated due to the operations we carry out is managed per the requirements set forth under the ISO 14001:2015 Environmental Management System and, in line with the Waste Management Plans considering the waste hierarchy. The waste is sorted by type. The amounts are monitored regularly in both production areas and offices to minimize the impacts of the waste on the

environment. All the waste is disposed of by accredited waste contractors in compliance with the applicable regulations.

Out of the total waste of 172.5 tons, 92% has been recycled by the respective accredited contractors during the reporting period.

Amounts of Hazardous / Non-Hazardous Waste (tons)





ENVIRONMENTAL MANAGEMENT

Packaging is vital to ensure that the products are protected and delivered to the customers in the most suitable transportation and storage conditions. Therefore, we prefer recyclable raw materials for the packages that we use. One of our priorities within the scope of waste management is to minimize and dispose of the waste per the applicable laws and regulations. We have achieved to reduce the amount of packaging by 57% from 686 tons in 2015 to 296.4 tons in the reporting period.

To minimize the packaging waste generated in the production processes, we prefer reusable materials for different purposes. For this reason, we make efforts to ensure that the raw materials of the products that we use are recyclable.

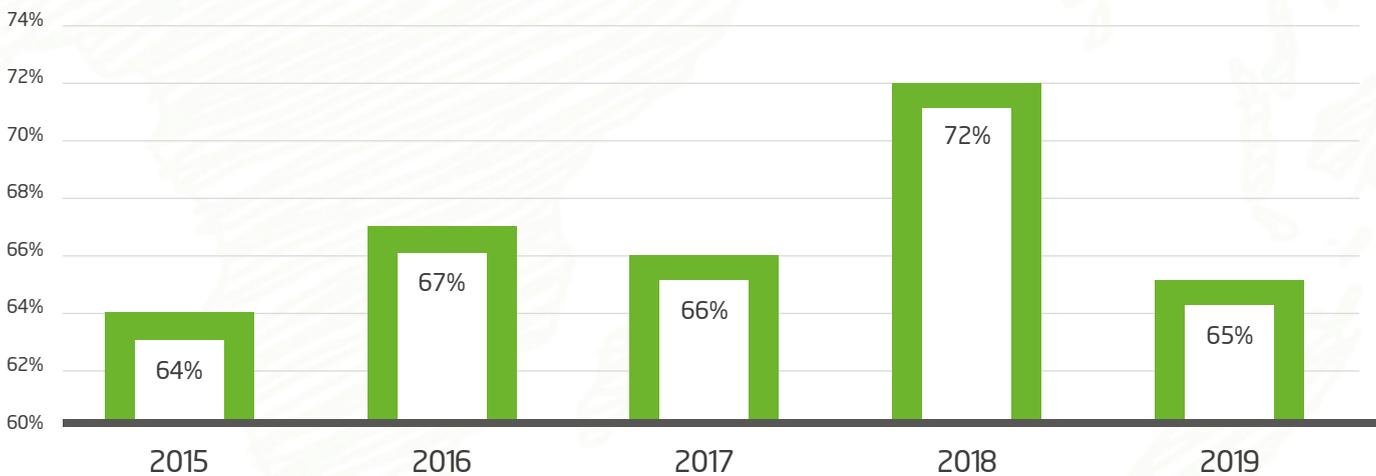
We are aware that the period we live in is now called the 'Digital Age'. We believe that it is inevitable for all industries to enter the digitalization process due to the various changes in all aspects of our lives. We know that digitalization results in efficiency and savings for businesses and shapes our strategic decisions accordingly.

We are committed to using digital displays that are environmentally friendly and economical at every stage of our production. We have eliminated many of our paper-based processes during this digital transformation period and digitalized them in the production sites and offices. By this means, we have achieved to reduce the volume of paper consumption and had the opportunity to access the correct information most easily.

Total Amount of Packages Used (tons)



Recovery Rate of Packaging Waste (%)





INNOVATION, R&D, AND DIGITALIZATION

Innovation

Innovation is a keystone towards a sustainable future. Thus, we consider innovation one of our primary sustainability priorities. We make efforts to further improve and develop the existing business models to get in touch with our customers, whether directly or indirectly.

In 2018, we participated in a program called InovaLIG organized by the Turkish Exporters Assembly to measure the level of our innovation competence. As a result of this project intended to encourage the employees to enhance their competencies, act as entrepreneurs, and work creatively and innovatively, we have been ranked in the top 169 and awarded the Certificate of Excellence.

“

As the first innovation development program in Turkey, the InovaLIG enables companies to compete one another in terms of innovation competences and also develop their innovation cultures at an interactive platform.

The process starts when a link, through which the survey is made available, is sent to the companies after the pre-registration. As a result of this survey, an innovation report is prepared. This report is used by a company to compare its own competences with those of the other similar companies operating in the domestic and international markets. This comparative report enables the companies to assess themselves within the framework of the 5 categories (Innovation Strategy, Innovation Organization and Culture, Innovation Cycle, Innovation Resources and Innovation Results). ”

We set a goal for us to be ranked in the top 100 for 2019 in this program, which will enable us to get to know the innovation competencies of our company, easy access to the publications for innovation, expand our network organizing events and, bring our innovation management to the highest levels.





INNOVATION, R&D, AND DIGITALIZATION

R&D Activities

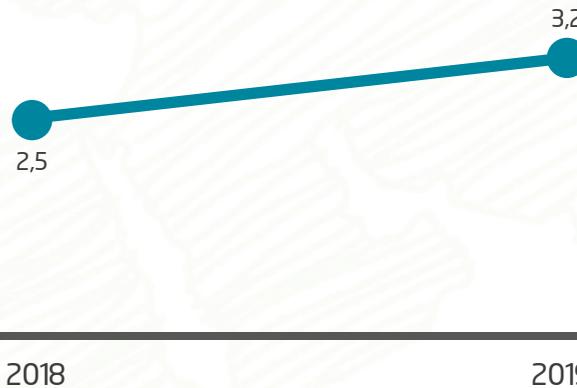
We have decided to get all the R-D activities carried out since 2010 under the roof of the Alpllas R&D Center in 2017, which was then registered by the Ministry of Science, Industry, and Technology as the 617th R&D Center in Turkey. We have gathered together all the research, development, and design activities carried out by the different departments under the same roof. We have created a separate position of Deputy General Manager in the organization chart to ensure that our activities in this regard are independent of the production processes.

Alpllas R&D Center carries out its activities on product design and development, product automation practices, Industry 4.0 practices.

As of the reporting period, there are 21 employees working at the R&D Center. The R&D Center prefers to employ those with a post-graduate degree and encourages the employees to participate in post-graduate education programs. There are two employees with a post-graduate degree as of the reporting period, and three employees are graduate students at the R&D Center.

The budget allocated for the R&D Center has increased from TL 2.5 million in 2018 to TL 3.2 million in 2019.

R&D Budget (million TL)



In 2018, we allocated 1.05% of our net turnover for the R&D activities. We aim to allocate at least 1.5% of our net turnover for the R&D activities in 2019. However, despite the increase in the R&D expenditures on an annual basis, the rate has decreased to 0.88% due to a significant increase in the business volume in different sectors,

The Alpllas R & D Center aims to increase patent applications every year with new projects and innovative ideas that create added value. We have

applied for three patents during the reporting period, prepared two articles published in 2 international journals.

Since the very beginning of establishing the R&D Center, we attach great importance to collaborations with the respective organizations. We believe that the R&D Center will be strengthened and improved thanks to these collaborations.



INNOVATION, R&D, AND DIGITALIZATION

National and International Cooperation of R&D Center

Cooperated with	Institution / Person	Country	Cooperation Type / Mode
Universities	Sabancı University	Turkey	Innovation Management Competence Capacity Analysis
R&D Design Centers	Senior Experten Service	Germany	Assessment of IM and Mold Improvement
Other/Institutions, Organizations, Foundations and Funds	TET Turkhas	Turkey	Improvement of International Competitiveness
Other/Institutions, Organizations, Foundations and Funds	Hour Glass	Turkey	Cooperation in R&D Projects
Other/Institutions, Organizations, Foundations and Funds	Kunststoff Institut Ludensceid	Germany	Interview for Co-Project Development
Universities	TNO/Holst Centre Hokkaido University	The Netherlands	Interview for Co-Project Development
Universities	Arel University/Polymer Technologies and Composite Materials R&D Center	Turkey	Cooperation in R&D Projects, Internship Applications, Joint Events, Open Innovation Meetings
Universities	Bahçeşehir University	Turkey	Post-graduate Cooperation of Education
Universities	Bahçeşehir University SEM	Turkey	Training Cooperation (Sustainable Development and Excellence Certificate Program)
R&D Design Centers	KALDER	Turkey	Training Cooperation (Sustainable Development and Excellence Certificate Program)
Other/Institutions, Organizations, Foundations and Funds	Arrow Design Center	Hungary	Project and Training Cooperation
Other/Institutions, Organizations, Foundations and Funds	Kurz Gmbh Furth R&D Center	Germany	Cooperation in R&D Projects
Universities	Arel University	Turkey	Participation as a Participant in the Installation Project of Advanced Engineering Materials Development and Rapid Prototyping Center for Shared Use by Arel Potkam Supported by Istanbul Development Agency
Universities	Arel University	Turkey	Participation as a Participant in the Installation Project of Software and Artificial Intelligence Research and Development Center for Health Sector of Seed Algorithm Supported by Istanbul Development Agency
Universities	Abant İzzet Baysal University	Turkey	Cooperation in R&D Projects
Universities	Arel University Faculty of Engineering and Architecture	Turkey	Academic Consultancy on Artificial Intelligence and Decision Support Systems in TÜBİTAK 1511 Project
Other/Institutions, Organizations, Foundations and Funds	Cypress	USA	Microprocessor Developed for Next-Generation Touch Technologies, Test Failed, and Code Sharing
Other/Institutions, Organizations, Foundations and Funds	Havelsan A.Ş.	Turkey	Havelsan Business Ecosystem Participation
Other/Institutions, Organizations, Foundations and Funds	SAHA İstanbul	Turkey	Clustering Engagement
Universities	Abant İzzet Baysal University TTO	Turkey	Joint R&D Project and Technological Cooperation Development
Universities	Abant İzzet Baysal University Application and Research Center for Nuclear Radiation Detectors (Nurdem)	Turkey	Active Radiation Dosimeter, Temperature-Pressure for the Defense Industry and Automotive Sector, etc. Preparation of Joint TÜBİTAK Projects on R&D Works of Sensors, Prototype Production, and Sensor Technologies
R&D Design Centers	Kordsa R&D Center	Turkey	Cooperation in R&D Projects

Some of the projects at the R&D Center are carried for Alplas and its facilities, while some others are carried out in line with the demands of our customers.



INNOVATION, R&D, AND DIGITALIZATION

Robotics and Control Systems Development Project for Injection Process Improvements

Capable of offering numerous solutions under a single roof based on an experience and knowledge of 30 years in plastic injection, our company completed the 'Robot and Control Systems Development Project for Injection Process Improvements' in 2019 after a one-year study starting in 2018. All the robots, holders, equipment and machines to be used for the project are designed in line with the needs and expectations of the production department. Compared to the imported systems, this is a better production system that is flexible, domestic, adaptable for the industry 4.0 practices and employs the necessary qualifications for employee safety meeting the needs of Alplas. The developed system is also integrated into the Alpasit Production Automation Tracking Program, which is being carried out as an R&D Project. Although there are some similar systems available at domestic and foreign markets, this system has become completely unique to our company thanks to the integrated systems.

“ As a result of this project, manual operations were removed from the operator’s initiative and made stable and automated. 1 patent application was made within the scope of this project. ”

Oven Timer Cards Placement and Test Systems Design

The 'Oven Timer Card Placement and Test Systems Design Project' carried out in collaboration with the main industry is intended to use features such as cooking time, cooking end time setting, semi-automatic cooking, automatic cooking, independent alarms, sound levels and indicator brightness adjustment in the ovens and, design and produce an oven timer card that will enable the assembly of functions according to these features.

Within the scope of the project, it was aimed to produce oven control cards at lower cost without compromising quality and thus, reduce dependency on abroad. Dependency abroad causes the deadlines to be long and to be high in logistics costs as well as product costs. This oven timer is intended to reduce the level of abroad dependency. In addition, this enables us to meet the flexible demands of our customers for both software and hardware.

While the furnace timer card designed and manufactured in the project spent less than 1W in standby mode, the power spent on imported cards was determined as 1-1.5W.

With this project, important knowledge has been created in terms of hardware design and embedded software within our company. A patent application was made at the end of the project. The information obtained as a result of this project has provided an important infrastructure for touch applications with the new generation sensors developed within the scope of the TEYDEB 1501 Project. Thanks to this knowledge, new prototypes with design flexibility of the same quality were made and it enabled to work within the scope of different customer projects (with extra features such as oven temperature control, oven lamp and fan setting).

“ Another patent application was also made for the prototype developed within the scope of the TEYDEB 1501 project by making use of the knowledge obtained from this project. ”



INNOVATION, R&D, AND DIGITALIZATION

Digital Transformation

Digitalization changes business manners and processes and offers companies significant opportunities. We believe that companies that make good use of this opportunity will step forward in the intensely competitive environment.

In many of our production processes, we use the software we have developed for monitoring and directing the production. We are working on an integrated Manufacturing Execution System (MES) by means of taking these systems a step further.

The QDMS, a digital document management system put into practice in 2018, has significantly reduced paper use in our processes. We have significantly increased the usage of the system within the company by integrating it with our production automation systems.

We keep up pace with the new technologies and practices, in particular, for the white goods, automotive, industrial, telecommunication, and defense industry sectors. Accordingly, we continue our efforts for the digital transformation. We are aware of the importance of innovation in our operations and products for ourselves and our customers and, we make efforts accordingly.

We enable our employees to increase their level of knowledge and awareness about rapidly changing and developing technologies day by day and have the equipment required for digital transformation.



BUSINESS CONTINUITY

Product and Service Responsibility

Offering integrated solutions to its customers, our company primarily focuses on them and the solutions it provides to them. It is our main principle to ensure satisfaction by fully meeting the expectations of our customers. During the production stages, we act considering our principles on the environment while meeting the demands of our customers. In all our processes, we consider product and service standards of the countries where we export.

	<i>Istanbul Facility</i>	<i>Bolu Facility</i>
ISO 9001 Quality Management System	07.10.2005	02.04.2001
IATF 16949 Automotive Quality Management System	24.02.2010	
ISO 14001 Environmental Management System	26.01.2015	09.08.2005
Sedex	03.03.2017	03.11.2018
OHSAS 18001 Occupational Health and Safety Management System		16.02.2005



BUSINESS CONTINUITY

Operational Reliability

Operational reliability is one of the aspects of our operations within the scope of business continuity. In this context, we identify the threats that may prevent the continuity of our operations and customer satisfaction and take actions that will minimize or eliminate them..

- “ For the operational efficiency and continuity, we pledge to:
- Ensure the health and safety of our employees, as our first priority,

- Conduct scenario analyses in case of potential emergencies to remain ready for quick responses,
- Mitigate the risk of service interruption by means of keeping in touch with our suppliers,
- Restore our processes interrupted during a potential emergency with a minimal loss and, we continue our works in this direction.

Operational Efficiency

- “ Resource efficiency is one of the most important issues for Alpplas just like any other company. We continue to prioritize productivity enhancing projects in our operations. In 2019, Our project “Efficiency Increase in White Goods Production Line” was awarded the second prize at the Productivity Projects Award organized by the Ministry of Industry and Technology. In the upcoming years, we aim to be more competitive by focusing on productivity studies and, get the most with the least.



Customer Satisfaction

We know that one of the most critical factors for our sustainable development is our customers. We are aware that it is imperative to get to know our customers to respond correctly to their expectations and needs, and we continue our studies to deepen their commitment.

To get to know our customers better and respond better to their requests, we hold one-on-one meetings and conduct surveys to measure their satisfaction. We always keep our interaction with our customers, suppliers, and employees alive through our social media accounts.

- “ With the advancing technology, expectations of our customers are also increasing in line with their needs. We conduct customer satisfaction surveys on an annual basis in order to meet their needs and expectations. We carry out this within the framework of the ISO 10002 Customer Satisfaction Management System.

We do not only produce for our customers, but also support them in product development and engineering services in line with their needs.



BUSINESS CONTINUITY

Supply Chain Management

We consider performing responsible supply chain management to be one of our priorities. We consider that social and environmental impacts are managed in our processes while moving in line with commercial and operational growth with our suppliers.

We conduct our relationship with our suppliers based on transparency and trust within the framework of business partner understanding. We get involved in the purchasing portals of our leading customers to create a bridge between our operations and those of our customers. We expect any supplier to have at least an ISO 9001 certificate to be on the list of approved suppliers and encourage them to obtain the IATF 16949 and ISO 14001 certificates. We conduct one-on-one meetings, training and development programs, and supplier satisfaction surveys in order to improve our collaborations.

We organize audits for both the new suppliers, who do not have IATF 16949 and ISO 9001 certificate and the suppliers who score below 70 in the previous year.

We at Alpllas identify the risks in the supply chain with effective and comprehensive audits. We conduct our supplier audits in various fields, including environmental, occupational health and safety, and employee development. According to audit results, we support our suppliers to improve their performance with the development plans we have prepared.

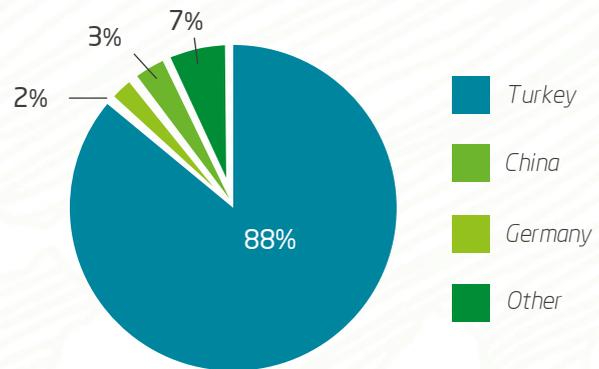
We expect our suppliers to adopt similar values as those adopted by our company.

“ *Alpllas does not allow child labor, forced and compulsory work within its suppliers.* ”

Alpllas does not agree to work with suppliers who do not comply with the requirements of Occupational Health and Safety. ”

We primarily prefer to work with the local suppliers. In this way, we aim to create a positive impact on the local economy. In 2019, we carried out purchasing activities with 457 suppliers. 52% and 88% of our purchases were from the local suppliers based on the number and volume, respectively.

Supply Rate by Country (%) 2019



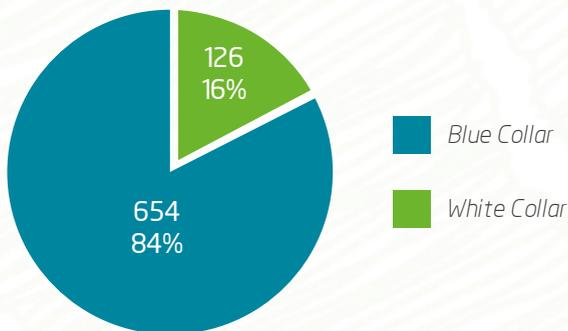


TALENT MANAGEMENT

The key to our company's success has always been determination and courage. We always focus on innovation and encourage our employees to do so. We strengthen the competencies of our employees and support them in their career paths. We encourage them to suggest new ideas to contribute to the organization with various opportunities. At the same time, we are working to create optimal conditions for the health and safety of our employees.

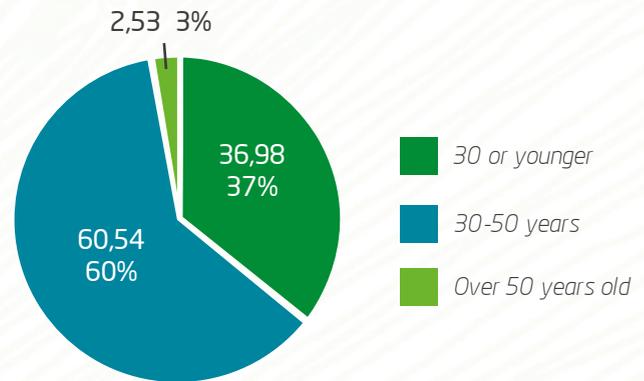
We believe that an employee who has an optimal work-life balance would be more committed to their jobs. The employees' commitment constantly increases as we offer them excellent working conditions in Alpllas, continuously support them and organize their working schedules optimally. We set goals to monitor the progress of our employees. We offer opportunities to encourage the employees to improve themselves. We increase the engagement of the employees with a suggestion and reward system. We attach importance to providing a fair work environment that respects human rights, supporting diversity, empowering women in business life, and equal opportunities in all units.

Employee Distribution By Category

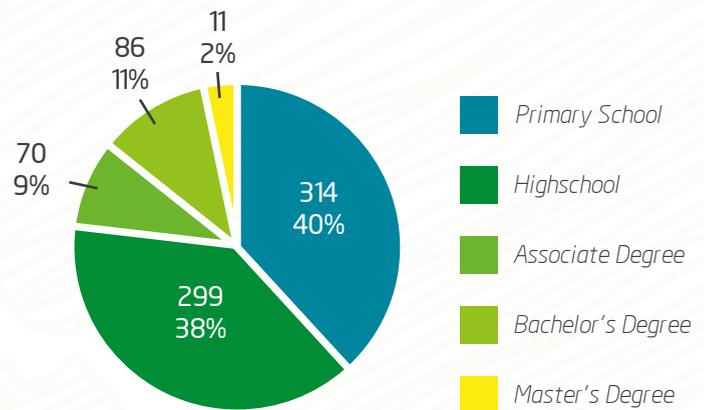


16% of our employees are white-collar employees, and 84% are blue-collar employees during the reporting period.

Employees by Age Groups



Employees by Educational Level

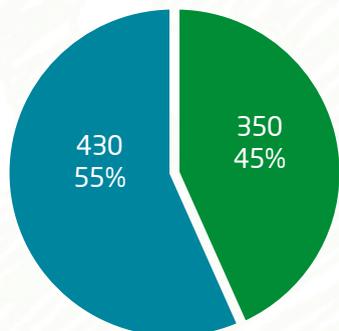




TALENT MANAGEMENT

Equality of Opportunity and Diversity

The numbers of female and male employees are approximately equal in our company.



Female Male

Our company attaches importance to the employment of employees with disabilities for suitable positions as determined by law. The number of disabled employees was 21 in 2018 and this figure is 17 in 2019 as of the reporting period.

Adopting the motto "People First", our company considers the UN Global Compact, to which we are a party, as a guide for human rights. With this understanding, we design our human resources processes according to the knowledge and skills of our candidates regardless of gender, age, language, religion, and race. We expect our stakeholders to apply the same working principle and expressly declare it to our suppliers in the "Alplas Code of Ethics Handbook".

We at Alplas support the United Nations' HeforShe solidarity movement for gender equality and women's empowerment. This movement aims to build the conditions of men and women equally, to create and implement a shared vision of gender equality that will benefit all humanity.





TALENT MANAGEMENT

Employee Development

Our company attaches great importance to education. We encourage and support our employees to create a culture of learning within our organization and thus to let them maximize their potential, talents, and creativity. This enables us to offer opportunities for continuous improvement. We aim to increase the training hours per employee in the upcoming years.

We closely monitor our blue-collar employees who want to improve themselves further. We provided the necessary training to four blue-collar employees during the reporting period, enabling them to be transferred to the white-collar staff.

We started to gather our training activities under a single roof of the Alpine Academy established in 2018. We have provided the first long-term training to our blue-collar employees in Istanbul Plastic Facility at this

platform, taking the first step to integrating this into the other facilities. Subsequently, in 2018, we started an English course with a group of white-collar employees. Our class began with A1 level and continued with A2 level in 2019.

Based on a training schedule with the contracted hospitals, we offer a training organization to all our employees on a health issue every month to raise the awareness of and interact with our employees.

“During the reporting period, we provided 29 hours of training per employee.”

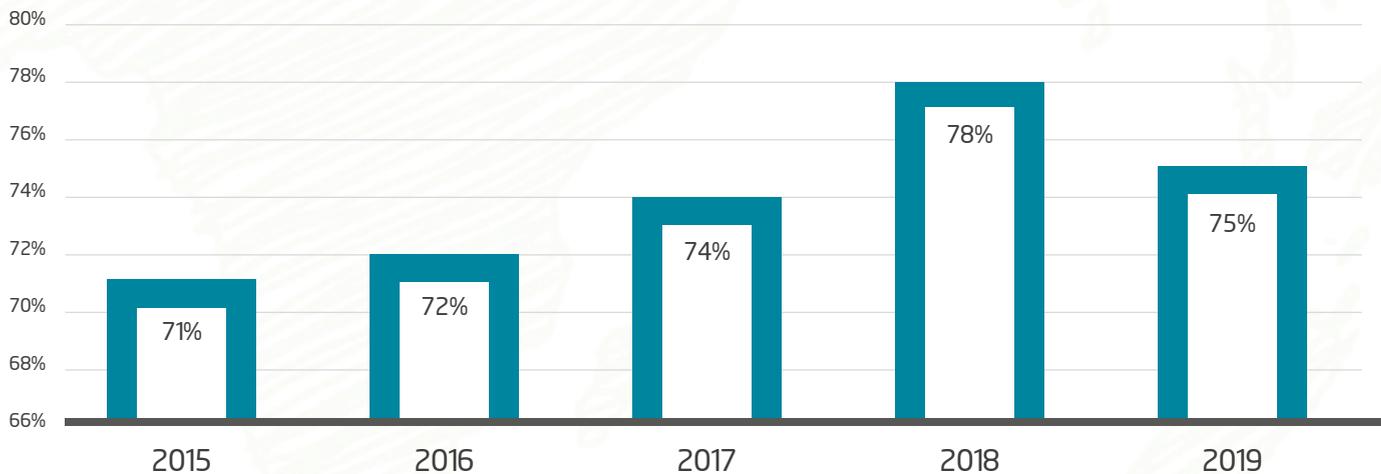
Employee Satisfaction

We believe that we can achieve our corporate goals thanks to our loyal employees. To increase employee satisfaction, we make continuous improvements in our business operations.

During the year, we organize many activities that will increase the motivation of our employees. We increase the social interaction of our employees with company dinner organizations and outdoor events. We support our employees to gain a different perspective by organizing short film days at specific periods.

We are pleased to see that the employee satisfaction rate increases positively according to the surveys we conduct at the end of each year. According to our survey results in 2019, to measure the satisfaction, happiness, and commitment rate, the level of satisfaction of our employees with our practices is 75%.

Employee Satisfaction





TALENT MANAGEMENT

Occupational Health and Safety

Occupational health and safety are the most critical issues for a company. Our primary focus is to achieve zero accident targets in our operations. For this reason, we continue the training organizations on occupational health and safety to increase the awareness of all our employees.

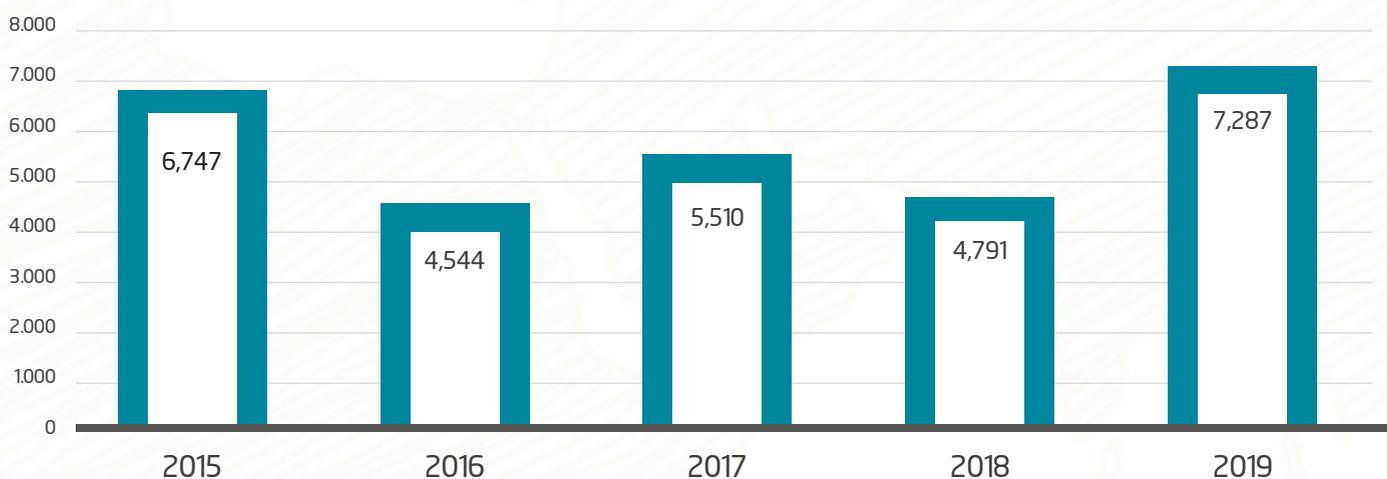
All the employees are provided with the necessary training on Occupational Health and Safety before the recruitment to avoid possible accidents. This training program is repeated and updated throughout the entire working life. The measures are taken against potential accidents with weekly internal audits, and the issues are detailed in the monthly Occupational Health and Safety Board meeting. As of the reporting period, 12 meetings have been held and, the number of attending these meetings is 36.

Our Occupational Safety Specialists provide training to each beginner and ensure continuity with the annual training plans.

We increase the training hours every year with the principle of 'zero' accidents and raise awareness. The OHS training time per employee increased from 3.50 hours in 2015 to 5.41 hours in 2019, which indicates how much we attach importance to training.

In 2019, we provided 4,000 hours of Occupational Health and Safety training and informed our employees about many occupational risks and measures to be taken.

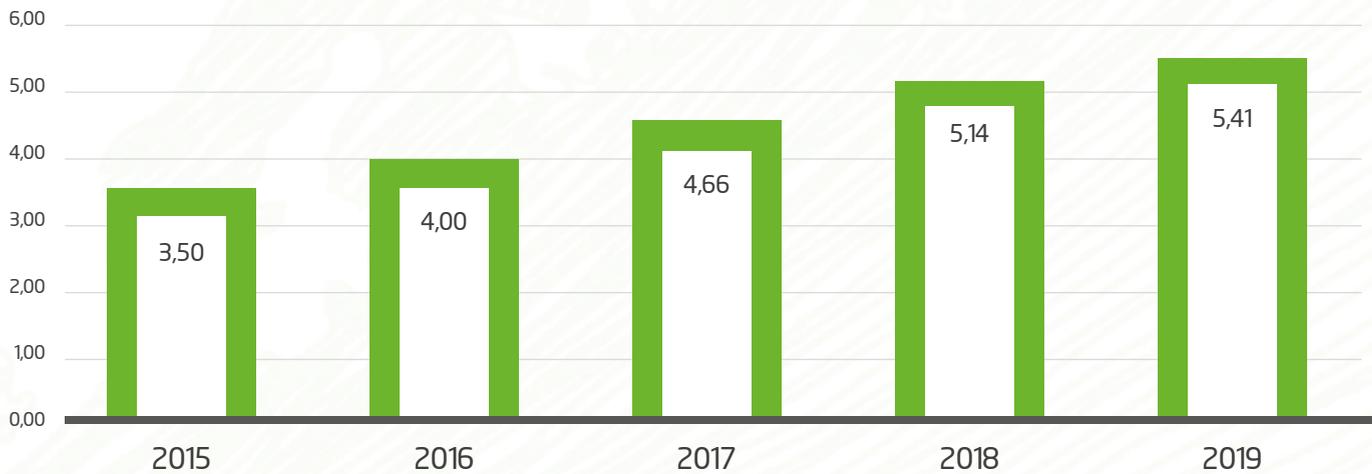
Number of Participants in OHS Training





TALENT MANAGEMENT

OHS Training Hour Per Employee



Performance data such as accident frequency, lost days, and absenteeism rate are kept by our Occupational and Safety Specialists working in our facilities. Our accident frequency rate, which was 5.38 per million operating hours in 2018, decreased to 3.17 with new practices.

	2015	2016	2017	2018	2019
<i>Incident Frequency Rate (ppm)</i>	10,65	1,00	1,06	5,38	3,17
<i>Incident Weight Ratio (ppm)</i>	72,00	75,22	24,52	106,00	120
<i>Lost Day Rate</i>	3,03	3,29	3,14	0,011	0,012

The health data of our employees are kept by two occupational physicians assigned separately in Bolu and Istanbul locations. There is a workplace physician available in the Alplas factories every weekday. They are closely interested in the health status of our employees.



SOCIAL DEVELOPMENT

Voluntary Works

Besides the activities intended to enhance the sense of belonging of our employees, we aim to organize projects on an annual basis to keep in touch with the society appealing to wider audiences.

Our company maintains its social responsibility projects under the roof of the club we established in 2018. 'kALPten', a platform that organizes projects to touch the hearts, aims to further strengthen the activity calendar every year.

In 2019, we aimed to reach those in need by organizing a blood and stem cell donation campaign organized quarterly in cooperation with the Turkish Red Crescent at two facilities.

World Cleanup Day is an event launched by let's Do It in Estonia in 2008 and then spread worldwide. Alplas kALPten team also participated in this event by cleaning the coast in the region we operate.





SOCIAL DEVELOPMENT

Every year, by supporting the ADMOG (Strengthen Throw Evaluation Vocational Schools) project, we help and care about our young people to whom we will entrust our future. In this context, we supported education by donating new or used materials to contribute to the development of vocational high schools that are of great importance for the future of the automotive industry.

The Alpllas Running Team established in 2019 represented our company on many platforms by participating in the races organized throughout Turkey.





Corporate Memberships

ESTABLISHMENT

R&D Centers Cooperation Platform	Member
White Goods Suppliers Association (BEYSAD)	Member
Bolu Chamber of Commerce and Industry (BTO)	Member
Electrical and Electronics Exporters Association (TET)	Member
Istanbul Chamber of Commerce (ITO)	Member
Istanbul Chamber of Industry (ISO)	Member
IMMIB	Member
SAHA İstanbul Defense, Aviation and Space Cluster	Member
SEDEX	Member
Automotive Suppliers Association of Turkey (TAYSAD)	Member
Quality Association of Turkey (KALDER)	Member
Turkish Electronic Industrialists Association (TESID)	Member
Turkish Plastics Industry Foundation (PAGEV)	Member
University-Industry Cooperation Centers Platforms	Member
Arel University Polymer Technology Research Center	Collaboration
İzzet Baysal University	Collaboration
Tümcaf	Collaboration



PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

	2015	2016	2017	2018	2019
Energy Consumption (GJ)	31,407	35,101	41,110	38,216	35,124
Water consumption (m ³)	5,099	10,695	6,038	13,194	5,114
Waste Disposed of (ton)					14
Recovery Total	-	-	-	-	159
Disposal	-	-	-	-	14
Amount of Total Packaging Waste (ton)	-	-	-	-	296
Direct Greenhouse Gas Emissions (ton)	2,869	3,476	4,239	3,911	3,602
Electricity (metric ton CO ₂)	2,844				
Natural gas (metric ton CO ₂)	25				
Indirect Greenhouse Gas Emissions (ton)	60	64	62	58	56
Gasoline (metric ton CO ₂)	43	47	51	49	52
B. Generator (metric ton CO ₂)	17	17	11	9	4
Energy Consumption per Turnover (GJ/thousand TL)	-	-	2,4	0,16	0,09



PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

	2015	2016	2017	2018	2019
Accident Frequency Rate	11	1	1	5	3
Lost Day Rate	3	3	3	0,01	0,01
Number of Deaths Related to the Work	0	0	0	0	0
Number of Members of the OSH Board	-	-	-	-	36
Number of Participants in OHS Training	6,747	4,544	5,510	4,791	7,287
OHS Training Hour	3,5	4	4,66	5,14	5,41

	2019	
	Female	Male
Total Number of Employees	350	430
	White Collar	Blue Collar
Total Employees by Category	126	654
Employees by Employment Type		
	Full Time	780
	Part-time	0
Number of Disabled Employees		17
Number of Senior Level Managers		9
Number of Middle-Level Managers		28
Employees by Age Groups		
	30 or younger	288
	30-50 years	476
	Over 50 years old	16
Number of Employees Hired		415
Number of Employees Quitting Work		418



PERFORMANCE INDICATORS

ECONOMICAL PERFORMANCE INDICATORS

	2015	2016	2017	2018	2019
Total R&D Budget (Million TL)	-	-	-	2,468,000	3,182,000
<i>Sales Revenues (Million TL)</i>					
Domestic	140,124.00	199,756.00	233,447.00	24,379.00	349,227.00
Abroad	29,013.00	30,259.00	33,430.00	34,277.00	26,895.00
Investments (Million TL)	6,783,000	5,903,000	8,052,000	6,085,000	3,072,000
<i>Turnover Distribution by Sectors (million TL)</i>					
Automotive	3,011,000	7,064,000	10,972,000	14,685,000	22,743,000
White goods	69,897,000	99,424,000	145,265,000	205,925,000	252,360,00
Industrial	7,787,000	9,469,000	9,430,000	17,057,000	14,415,000
Telecommunication	0	0	0	0	72,113,000
<i>Supply Rate by Country (%)</i>					
Turkey	94%	94%	93%	87%	88%
Hungary	1%	-	-	-	-
Germany	2%	1%	3%	2%	2%
China	1%	1%	2%	3%	3%
Other	3%	4%	2%	8%	%7



GRI INDEX



GRI CONTENT INDEX

<i>Disclosures</i>	<i>Descriptions and Page Numbers</i>
GRI 101:	Foundation 2016
GRI 102:	General Disclosures 2016
<i>Corporate Profil</i>	
102-1	About the Report (p.3)
102-2	About Alplas (p.5)
102-3	About Alplas (p.5)
102-4	About Alplas (p.5)
102-5	https://www.belgemodul.com/sirket/1434
102-6	Markets Served: Spain, Germany, Italy, Pakistan, Egypt, Romania, India, China, South Africa, Russia, Greece, France and Poland.
102-7	About Alplas (p.5)
102-8	Social Performance Indicators (p.34)
102-9	Supply Chain Management (p.24)
102-10	No significant change has been occurred neither in company's operational or financial structure nor supply chain.
102-11	Risk Management (p.7); Operational Reliability (p.23)
102-12	Business Ethics and Anti-Corruption (p.6-7); Equality of Opportunity and Diversity (p.26)
102-13	Corporate Memberships (p.32)
<i>Strategy</i>	
102-14	Message From the General Manager (p.4)
102-15	Message From the General Manager (p.4)
<i>Ethics and Integrity</i>	
102-16	Business Ethics and Anti-Corruption (p.6-7)
102-17	Business Ethics and Anti-Corruption (p.6-7)
<i>Governance</i>	
102-18	Corporate Governance (p.6)
<i>Stakeholder Engagement</i>	
102-40	Stakeholder Management (p.10)
102-41	GRI Content Index: No Collective Bargaining Agreement
102-42	Stakeholder Management (p.10)
102-43	Stakeholder Management (p.10)
102-44	Stakeholder Management (p.10)
<i>Reporting Practices</i>	
102-45	About the Report (p.3)
102-46	About the Report (p.3)
102-47	Sustainability Management (p.9)
102-48	GRI Content Index: No Change
102-49	About the Report (p.3)
102-50	About the Report (p.3)
102-51	About the Report (p.3)
102-52	About the Report (p.3)
102-53	Contacts (p.40)
102-54	About the Report (p.3)
102-55	GRI Content Index (p.36)
102-56	GRI Content Index: The report did not receive an independent audit



GRI INDEX

Material Issues

Standard	Disclosures	Descriptions and Page Numbers
<i>Sustainable Growth and Profitability</i>		
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and its Boundary	Sustainability Management (p.9); Sustainable Growth and Profitability (p.11)
	103-2 The Management Approach and its Components	Sustainable Growth and Profitability (p.11)
	103-3 Evaluation of the Management Approach	Sustainable Growth and Profitability (p.11)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance Indicators (p.35)
	201-4 Financial assistance received from government	GRI Content Index: No financial support received from the State.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supp.	Sustainable Growth and Profitability (p.11)
	203-2 Significant indirect economic impacts	R&D Works (p.17-18); Social Development (p.30-31)
<i>Business Ethics and Anti-Corruption</i>		
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and its Boundary	Sustainability Management (p.9); Business Ethics and Anti-Corruption (p.6-7)
	103-2 The Management Approach and its Components	Business Ethics and Anti-Corruption (p.6-7)
	103-3 Evaluation of the Management Approach	Business Ethics and Anti-Corruption (p.6-7)
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Risk Management (p.7)
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Anti-Corruption (p.6-7)
	205-3 Confirmed incidents of corruption and actions taken	GRI Content Index: No major case of corruption during the reporting period
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Supply Chain Management (p.24)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of child labor	Supply Chain Management (p.24)
GRI 419 Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	GRI Content Index: No significant fines and aid for non-compliance with laws and regulations in the social and economic area during the reporting period.
<i>Environmental Management</i>		
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and its Boundary	Sustainability Management (p.9); Environmental Management (p.12)
	103-2 The Management Approach and its Components	Environmental Management (p.12)
	103-3 Evaluation of the Management Approach	Environmental Management (p.12)
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	Waste and Hazardous Material Management (p.15)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Emissions Management (p.13); Environmental Performance Indicators (p.33)
	302-3 Energy Intensity	Environmental Performance Indicators (p.33)
GRI 303: Water 2016	303-2 Water sources significantly affected by withdrawal of water	GRI Content Index: No significant impact on water resources



GRI INDEX

Material Issues

Standard	Disclosures	Descriptions and Page Numbers
<i>Environmental Management</i>		
GRI 305: Emissions 2016	305-1 Direct GHG emissions	Environmental Performance Indicators (p.33)
	305-2 Energy indirect GHG emissions	Environmental Performance Indicators (p.33)
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	Waste and Hazardous Material Management (p.15); Environmental Performance Indicators (p.33)
	306-5 Water bodies affected by water discharges and/or runoff	GRI Content Index: In protected and high-value biodiversity areas, Alpplas has no field of activity owned, rented, managed or adjacent to these regions.
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	GRI Content Index: No significant fines paid for non-compliance with environmental laws and regulations during the reporting period.
<i>Talent Management</i>		
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and its Boundary	Sustainability Management (p.9); Talent Management (p.25)
	103-2 The Management Approach and its Co.	Talent Management (p.25)
	103-3 Evaluation of the Management App.	Talent Management (p.25)
GRI 401: Employment 2016	401-1 New employee hires and employee turn.	Social Performance Indicators (p.34)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	GRI Content Index: No difference between the benefits provided
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	GRI Content Index: The relevant provisions stated in the current labor legislation are applied in case of dismissal and change of position.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development (p.27)
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development (p.27)
GRI 405: Diversity and Equal Oppurtunity 2016	405-1 Diversity of governance bodies and employees	In Alpplas, there is 1 female Deputy General Manager among 3 Deputy General Managers.
	405-2 Ratio of basic salary and remuneration of women to men	There is no discrimination based on gender in remuneration. Employees are evaluated according to their knowledge, abilities and skills.
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	GRI Content Index: No cases of discrimination in 2019
<i>Occupational Health and Safety</i>		
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	Social Performance Indicators (p.34)
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Social Performance Indicators (p.34)



GRI INDEX

Material Issues

Standard	Disclosures	Descriptions and Page Numbers
<i>Product and Service Responsibility</i>		
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and its Boundary	Sustainability Management (p.9); Product and Service Responsibility (p.22)
	103-2 The Management Approach and its Components	Product and Service Responsibility (p.22); Customer Satisfaction (p.24)
	103-3 Evaluation of the Management Approach	Product and Service Responsibility (p.22); Customer Satisfaction (p.24)
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	GRI Content Index: No non-compliance cases concerning product and service information and labeling during the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications	GRI Content Index: No non-compliance cases concerning marketing communications during the reporting period.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index: No non-compliance cases concerning the health and safety impacts of products and services during the reporting period.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI Content Index: No complaints received concerning breaches of customer privacy during the reporting period. .
<i>Operational Reliability</i>		
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and its Boundary	Sustainability Management (p.9); Operational Reliability (p.23)
	103-2 The Management Approach and its Components	Operational Reliability (p.23)
	103-3 Evaluation of the Management Approach	Operational Reliability (p.23)
<i>Innovation, R&D and Digitalization</i>		
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and its Boundary	Sustainability Management (p.9); Innovation, R&D and Digitalization (p.17-18)
	103-2 The Management Approach and its Components	Innovation, R&D and Digitalization (p.17-18)
	103-3 Evaluation of the Management Approach	Innovation, R&D and Digitalization (p.17-18)

"For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. This service was carried out over the Turkish version of the report."



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Disclaimer

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