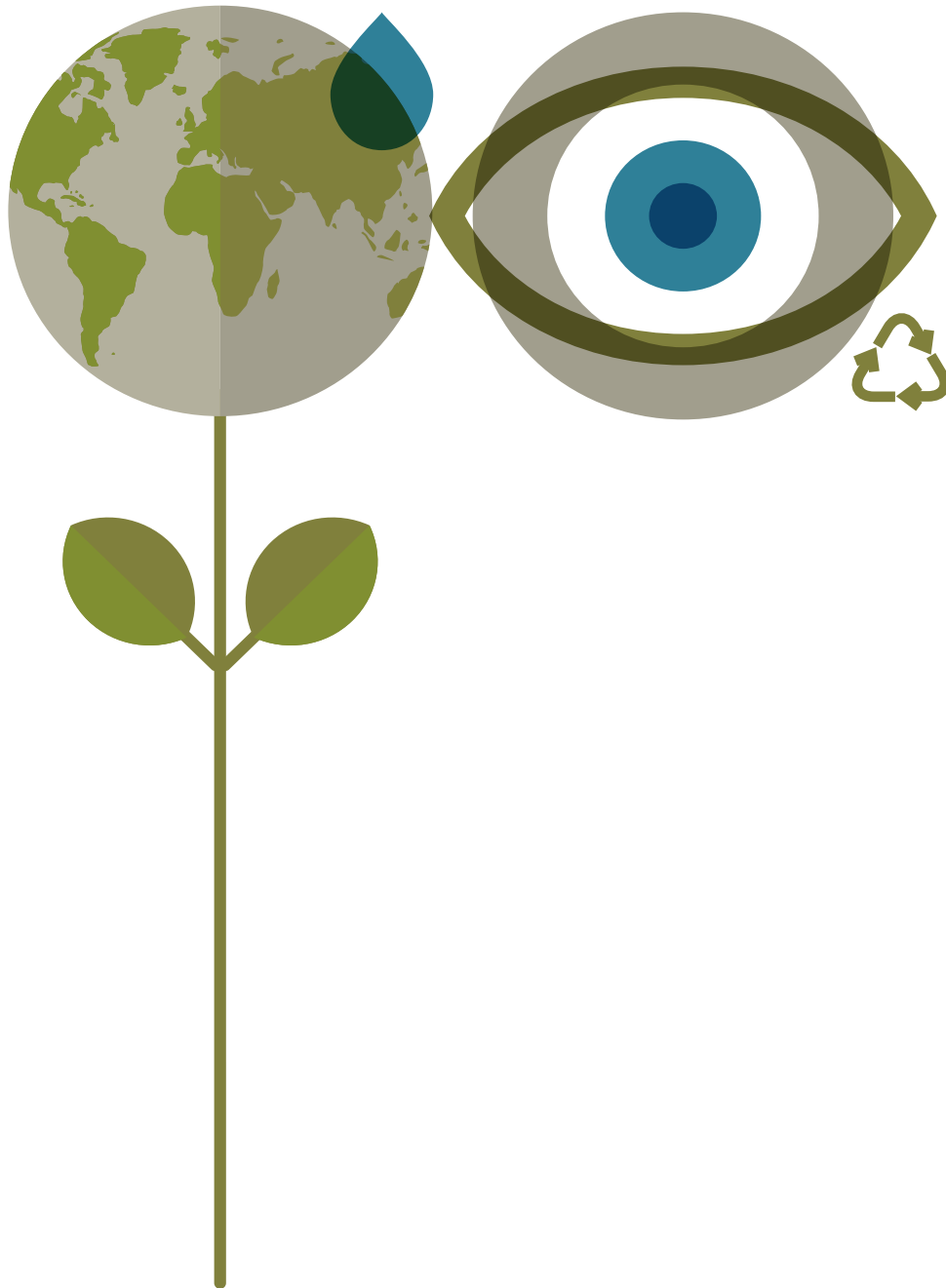




# 2020 Sustainability Report



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## ABOUT THE REPORT

**We as Alpplas Endüstriyel Yatırımlar A.Ş. make progress together with our employees, suppliers and customers in order to make life sustainable for every living beings and leave important values to the next generations, paying regard to the nature and social life.**

As the 3rd Sustainability Report of our Company, this report contains details on the business operations, performances, actions, targets and plans of Alpplas from January 1, 2020 to December 31, 2020.

This sustainability report that is issued on an annual basis covers the social, ethical, environmental and economic impacts of our business operations carried out in two different locations in Turkey: Istanbul and Bolu. This report does not include Acron and Boluplas, both of which are our affiliates.

Alpplas Sustainability Report is issued on an annual basis. This report is issued in compliance with the GRI Standards: "Core". This report is prepared in line with the primary sustainability aspects that were set forth in 2018 and then reviewed and decided to be applied without change in 2020.

The Sustainability Report 2020 of our Company is prepared in two different languages: Turkish and English.

Please consider sending all types of your questions, feedbacks and suggestions about Alpplas Sustainability Report 2020 to [sustainability@alpplas.com](mailto:sustainability@alpplas.com).

Visit [www.alpplas.com](http://www.alpplas.com) to view the Alpplas Sustainability Reports and get detailed information about the Company.





## EXECUTIVE MESSAGE

**2020 was the year, in which the World was tested with the pandemic. This pandemic period, during which the work and life habits were radically changed, made companies to question their powers of sustainability once again.**

Nevertheless, some restrictions imposed at a global scale helped our planet take a breath and refresh to some extent.

During this period, the environmental pollution was at the lowest level in modern times, allowing us to witness the power of the natural life in order to rejuvenate itself making use of the slightest opportunity. I believe that there are many lessons to take from this pandemic period. We as Alplas have started to attach more importance to the operational, financial and environmental aspects of sustainability, and review our business plans. We will make efforts to maintain our position with the lowest level of environmental impact working together with all the stakeholders.

Yours respectfully,

Tufan Öney  
General Manager

## ABOUT ALPPLAS

**Our Company, which has been offering high technology solutions to some of the world's leading brands since 1989, is an innovative industrial enterprise that designs and manufactures plastic parts, molds, electronic cards and related products as needed by different industries, in particular, white goods and automotive.**

### VISION

To be the first choice of our customers in our fields of activity.

### MISSION

To fully meet the expectations of our customers, making use of our knowledge and experience with a strong sense of service and quality in our fields of activity.

Our Company manufactures products for many other companies, locally and internationally, operating with 851 employees for the industries of white goods, automotive and telecommunications. The products we manufacture are exported to 17 countries.

### Our Customers

Our customers are the basis of our existence. And in the fields we operate, we make great efforts to be the first preference of our customers and, put our customers at the center of all the activities we carry out. We always listen to and, try to understand our customers in order to deliver the best products and services.

### Our employees

Our employees are our most valuable assets. Knowledge and experience of our employees carry us further and, create values for our stakeholders. Our success depends on the integrity, knowledge, imagination, skills, diversity and teamwork of our employees. We value our employees and, encourage them to deliver the best performance. We assume responsibilities at all levels and, work honestly.

### Sustainability

We work hard today to remain active in the future. Together with our employees, business partners and stakeholders, we aim to create sustainable values in everything we do. At this point, we try to maintain the sensitive balance between the people, the world and the profitability.

### Innovation

We believe that innovation is the ability to think different at any stage, beyond the simply release of a product or service. We believe that the ability to think different at any stage is the seed of new ideas to bring us out of the box. Each new idea will make us who we are and, differentiate us from our competitors.

### Our ethical values

We carry out our personal or corporate activities at the highest ethical standards and in compliance with the applicable laws and, we always try to be a respectful corporate citizen.



## FIGHT AGAINST THE PANDEMIC

**COVID-19, which turned into a global pandemic, significantly affected the year 2020. We as Alpplas closely monitored all the details about the pandemic at a national and international scale.**

We took actions at the highest level in our organization for occupational health and safety, and put into practice various measures in order to maintain our business continuity. As always, while keeping our motto the same, we prioritized the health of our people, employees and their families as the most important priority and took our precautions accordingly.

We have taken many important steps in both the manufacturing facilities and offices from the very beginning of the process in order to protect the health of our employees and maintain the business continuity.

We closely followed the instructions from the Republic of Türkiye Ministry of Health and all other relevant authorities, and took necessary actions in due time, considering all the recommendations.

We prepared an Emergency Action Plan for the COVID-19 Pandemic.

We have taken many important steps to keep the health of our employees under supervision, including conducting PCR and antibody tests

We have implemented home office policy for our employees.

We granted administrative leave to our employees who are pregnant, having chronic illness, taking severe medicine and above 65.

We provided necessary materials such as masks, face shields and disinfectants for all of our employees.

The common areas frequently used by the employees were disinfected on a regular basis.

We put body thermometers designed by our R&D engineers at the factory gates and in the social areas commonly used by the employees in order follow their health conditions.

Short messages were sent to the employees in every weeks to keep them informed.

We prepared posters for the rules to follow to protect against COVID-19 in order to contribute to the efforts to keep people informed and aware.

We organized pandemic-specific live and online training sessions.

We started to carry out recruitment processes on online platforms.

We took all measures necessary to ensure the business continuity.

Thanks to the use of all tools provided by technology, we have established a strong communication network with not only our employees but also all other stakeholders, and managed the process in a coordinated manner.

Considering the health of both the employees and customers, we suspended the business travels.

The pandemic reminded us again of the importance of the ability to make fast decisions and maintain flexible and agile organizations. The necessity of digitalization has been felt even more.

We closely followed the instructions from the Republic of Türkiye Ministry of Health and all other relevant authorities, and took necessary actions in due time, considering all the recommendations.

We started to implement the Infection Prevention and Control Action Plan accordingly. We made many arrangements in order to minimize the risk of infection for the health of the employees and their families.

We maximized the level of awareness about this subject through the training programs we organized in addition to the measures we took.

As a result of all these measures and actions we took, the number of Covid-19 cases was below the average of the province of Bolu in our Business Enterprise in Bolu.



Starting from the very beginning of the process, we followed the status check of the open orders and followed the risks and impacts of the supply chain keeping in touch with the suppliers, however there were situations that we could not supply. The global chip crisis caught us off-guard just like all other manufacturers. Many raw materials manufacturers, with which we worked, declared force majeure. We however made efforts to avoid any large interruption by means of carrying out detailed analyses on the forecasts from the customers operating in the key industry. Our aim was to maintain the manufacturing, and will be the same in 2021.

#### Employees and Stakeholders

**It has always been our priority to ensure the health and safety of our employees and stakeholders.**

#### Business Continuity

**We managed to ensure the continuity of our manufacturing operations and delivered a strong financial performance taking all necessary actions and measures in this tough period.**

We achieved to manage the Covid-19 process in the best possible manner. We continued to proceed without stopping the manufacturing processes taking all the necessary measures and actions for the employees and customers. Within the scope of our respective efforts and organizations, we achieved to get the Covid-19 Secured Manufacturing Certificate from the Turkish Standards Institute for our Business Enterprises both in Istanbul and Bolu.

Considering the impacts of the Covid-19, the practice of short-time working started to apply in our country due to the force majeure events caused by seasonal conditions of the external effects.

We partially made use of the short-time working allowance only for 2 months, which is a practice intended to provide an income support to the insured employees for a period not more than three months in case the weekly working time is temporarily reduced to one-third at least or the business operations are fully or partially interrupted whether or not continuously for a period of at least four weeks.

## MANAGEMENT MENTALITY

### Corporate Governance

Our Company operates in compliance with all the applicable laws and regulations, and follows an ethical, transparent, fair and accountable management approach.

The Board of Directors consists of 5 members. The positions of the Chairperson and General Manager are held by different persons. It is the responsibility of the Board of Directors to identify and manage the strategic tendencies, and carry out the risk management and control systems.

We provide women with equal rights and opportunities in the business life. There are 3 female members of the Board of Directors in our Company.

### Business Ethics and Anti-Corruption

We as Allplas while moving forward towards our goals, follow and adjust ourselves to the applicable global standard practices in terms of health, environment, ethical values, equal opportunity, compliance, safety and moral human relationships.

Our Company expects all the employees, customers, suppliers and service providers establish fair, honest, impartial, transparent and accountable relationships with all the working groups they interact with during their activities.

We request that all the stakeholders be aware of our codes of conduct shared with them in order to encourage them to operate in coordinated manner in this respect.

'Alplas Codes of Conduct Manual' is available on our website.

[https://www.alplas.com/files/insan\\_kaynaklari/etik\\_kurallar\\_tr\\_012017.pdf](https://www.alplas.com/files/insan_kaynaklari/etik_kurallar_tr_012017.pdf)

When a stakeholder is aware of any situation and condition that could be in contradiction with our ethical principles or harm our Company or one of our affiliates, they are expected to report the same to the Alplas Human Resources and Administrative Affairs Department.

Phone: 0212 876 2790  
(Ext.:3250)

We organized training programs for our employees at 176,279 person\*hour about business ethics and anti-corruption in 2020.

#### Alplas Business Ethics Rules:

- Prevention of Child Labor
- Prevention of Forced Labor
- Code of Business Conduct
- Prevention of Discrimination
- Fair Wages
- Compliance with Law for Working Hours
- Compliance with Occupational Health and Safety Practices
- Environmental Protection
- Anti-Bribery and Anti-Corruption
- Prohibition on Unfair Competition

Alplas does not absolutely tolerate any form of child labor and forced labor, requiring all the stakeholders in the value chain to do the same.

There were no risks against our Company detected during the report period in terms of anti-bribery and anti-corruption, conflict of interest and discrimination etc.

We develop and manage all the business strategies and operations respecting the human rights as stated on the Universal Declaration of Human Rights and acting in compliance with the requirements as set forth under the United Nations Global Compact and with the applicable laws and regulations.

Training programs concerning business ethics are part of the orientation for all the new employees of our Company. We provide the employees with training programs on ethical rules, which also discuss the subjects of anti-bribery and anti-corruption at periodic intervals.

We are one of the signatory companies to the United Nations Global Compact, a strategic attempt for those businesses pledging that they would operate in compliance with the universally accepted principles in terms of human rights, employment, environment and anti-bribery & anti-corruption.



## Risk Management

Alplas's success is based on its risk management approach that is capable of following changing situations, monitoring the international standards and developments, and thus turning risks into opportunities.

The risk management is part of all the processes and operations of our Company, and risk based thinking approach is encouraged by the senior management.

The Global Risks Report 2021 issued by the World Economic Forum (WEF) suggests that the risk of infectious diseases is on the top followed by the climate change, which is a first for a long time. The risks followed them as expected in the next ten years are excessive weather conditions, fight against the climate crisis, digital power, digital inequality and cyber security.

It is the responsibility of the Board of Directors to identify the risks encountered or possible to be encountered by our Company, take actions against these risks and ensure the business continuity.

The Board of Directors identifies the risks as may be encountered by our Company in the way of achieving its targets and, plan and implement necessary actions accordingly.

In order to identify, monitor and eliminate the risks, there are certain procedures followed by the Board of Directors and certain pledges such as the United Nations Global Compact, to which our Company is a signatory, in terms of ethics and compliance, human rights, environment and other aspects of sustainability, as well as the management standards followed by us, under which are audited and certified, such as SEDEX, ISO 9001, ISO 14001, OHSAS 18001.

The risks that become prominent due to the pandemic in 2020 are health, business continuity, working conditions and information security. In addition to these risks, the sustainability based risk subjects are still considered important. The first one among these subjects is the risk of climate change. In line with this risk, our Company prepared an action plan and set its targets accordingly in order to increase the energy efficiency, and reduce the use of natural resources and the amount of waste.

**Financial Risk:** Debt-credit risk, capital risk, exchange rate risk... Other risks that directly affect the financial status of the Company.

**Strategic Risk:** Risks that may affect the brand value and purchasing processes... Risks that may affect the sustainable growth of the Company.

**Operational Risk:** Risk factors that may affect the business continuity, compliance, occupational health and environmental processes... Risks that may be encountered during the process from suppliers to customers.

**Natural Risk:** Risk factors that may affect the sustainability and safety such as fire and earthquake...

**Sustainability Risks:** Risk factors that may affect the sustainability such as climate change...

To ensure the data security during the pandemic: We started to make use of more secure VPN solutions including employees and service providers, and made announcements and provide training programs to inform people and make them conscious in respect of possible cyberattacks.

The risk of information security become critically important as the home office practices became common.

The project, we started in 2019 in respect of information security and personal data protection, continued in 2020. As a result of certain efforts carried out by the respective experts in 2019, our infrastructure of information technologies was reviewed, identifying the points to be improved. Although we set the target of completing the improvements in the Sustainability Report 2019, we were forced to postpone this target to 2021 due to the pandemic. We will start the process of certification for ISO 270001 Information Security Management System upon the completion of these improvements.

35 employees were given 70-hour Information Security Training in 2020.

## Internal Control and Internal Audit

Our Company prefers a multi-stakeholder approach in respect of the inspection & audit related efforts. Accordingly, the management systems are audited by independent audit firms on a regular basis. We plan our extensive internal controls on an annual basis, covering the process control, financial control, financial statements and reports, applicable legislation, ethical compliance, occupational health and safety, environmental management, information security and quality process audits and inspections.

As of March, we could not make site visits due to the pandemic, and thus we carried out the audits and inspections online.

## Sustainability Management

We manage the sustainability in cooperation among many departments within the organization of our Company. We are aware that it is impossible to separate the sustainability from our process in spite of certain different tasks and responsibilities, and thus we form our working groups accordingly. We organize our sustainability vision in a way that covers all the stakeholders in every aspects of the process from the supply of raw materials to the shipment of products to customers, and we aim to ensure that this vision is fully embraced across the organization.



### Valuing the Employees

- We protect the health of our employees and keep them safe.
- We aim to increase the employee loyalty, and encourage them to actively participate in the decision making mechanisms.
- We support the training and improvement of our employees.



### Minimizing the Environmental Impact

- We measure our environmental impact, setting certain targets and making improvements.
- We make efforts to minimize our carbon footprint delivering a higher level of energy efficiency.



### Responsible Manufacturing

- We operate at the highest quality.
- We deal with the economic, environmental and social aspects of the risk management through a holistic approach.
- We encourage, train, audit and improve all the stakeholders in the supply chain.
- We contribute to the development efforts through R&D operations.



### Community Development

- We contribute to the development of the communities in the areas we operate.
- We make efforts for the development of the profession of engineering and support the future engineers through university & industry collaborations.

Alplas 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

The Tasks of the Alplas Sustainability Team: Creates, implements and reports action plans in line with the sustainability strategy, targets and policies as set forth by the Board of Directors.

We consider the respective financial, social, environmental risks and applicable regulations already encountered and to be encountered in the future while setting the priorities. In 2018, we asked about the priorities of our Company on a questionnaire prepared considering all the stakeholders. Based on the respective opinions of the General Manager, we prepared a priority statement.

Priority	SKA Reference			
Talent Management				
Business Ethics and Anti-Corruption				
Environmental Management				
Operational Reliability				
Occupational Health and Safety				
Innovation, R&D and Digitalization				
Product and Service Responsibility				

Stakeholder Group	Communication Method	Communication Frequency
Employees	Employee satisfaction surveys, training programs, online meetings, social responsibility projects, internal bulletins, events, OHS board meetings, sustainability reports, website, information e-mail messages, project meetings, workshop magazine (Kalp)	According to the needs; daily, weekly, monthly, quarterly or annually
Customers	One-to-one meetings, customer satisfaction surveys, compliance reports, audits, sustainability reports, website	According to the needs; monthly, annually
Suppliers	One-to-one meetings, audits, compliance reports, supplier satisfaction surveys, training and improvement programs, sustainability reports, website	According to the needs; monthly, annually
Governance	Meetings, strategy meetings, performance management	According to the needs; annually, once every 6 months
State	Compliance with Laws and Policies, compliance reports, audits carried out by the state	According to the needs; monthly, annually

Stakeholder Relationship Management

Our Company makes efforts to learn about the expectations of the stakeholder groups and include them into the decision-making mechanism as part of the system in order to improve nationally and internationally, and efficiently manage the risks and opportunities.

There is a transparent, strong and participative shareholder communication on the foundation of the sustainability structure of our Company. Among the primary criteria about the election of stakeholders are corporate values and ethical principles. For each stakeholder group, the most ideal and specific communication channels are used and the communication frequency is identified accordingly.

Supplier audits, employee surveys, customer satisfaction surveys, training programs, workshops, meetings, projects and reports are carried out, feedbacks as may contribute to the processes of our Company are collected, and the questions of our stakeholders are answered on a regular basis.










## ENVIRONMENTAL MANAGEMENT

**We analyze the risks and opportunities that arise for Alplas due to the environmental trends, in particular, the climate crisis, and put into practice some organizations in terms of energy and water efficiency.**

In line with our environmental policy:

-  We aim for the efficient use of natural resources and energy,
-  Reducing emissions,
-  Decreasing the amount of waste,

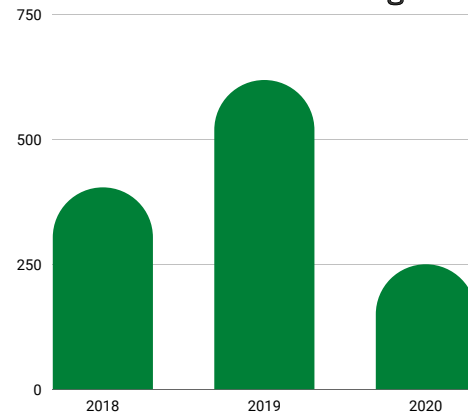
within the organization of all the business enterprises, supporting these processes through continuous management and improvement operations.

We act in compliance with the applicable legislations in terms of environmental management, referring to our corporate policy and international standards. We make use of the ISO 14001 Environmental Management System certifications while managing our operations. There isn't any environmental penalty received in this year.

We provide regular training programs to ensure the environmental consciousness is commonly embraced within the organization and raise awareness in terms of environment. We organized training programs for our employees at 28,000 person\*hour about environment in 2020.

To get detailed information about our Environmental Management, please view our Environmental Policy:  
[https://www.alplas.com/files/hakkimizda/alplas\\_cevre\\_politikasi.pdf](https://www.alplas.com/files/hakkimizda/alplas_cevre_politikasi.pdf)

**Number of Employees Attending the Environmental Training**



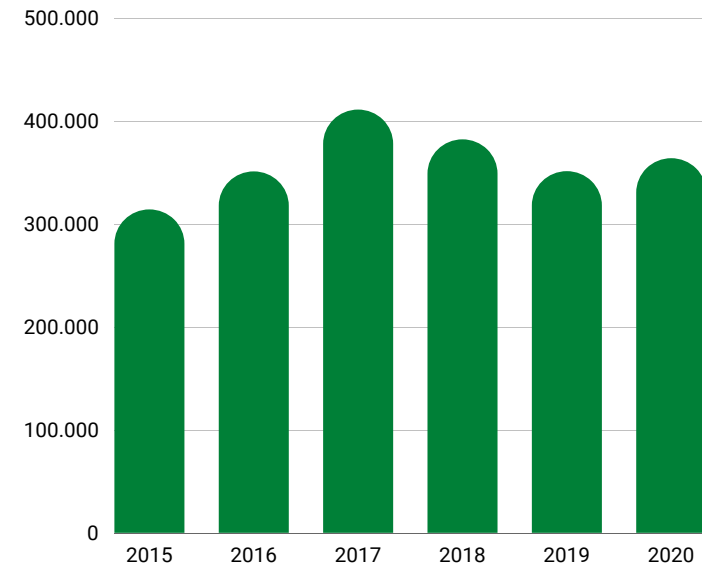
Alplas manages all the environmental impacts of its operations in compliance with the ISO 14001 Environmental Management Standard. Acting in cooperation with the Quality Departments, our environmental consultants deal with the inspection and audit of the environmental management in all the business enterprises making use of an interdisciplinary approach.

### Energy and Emission Management

We closely follow up the local and international regulations in terms of the fight against climate crisis. We make attempts in all the business enterprises to produce zero-waste and neutralize our carbon emissions. We carry out efficiency studies in order to reduce the emissions and energy consumptions.

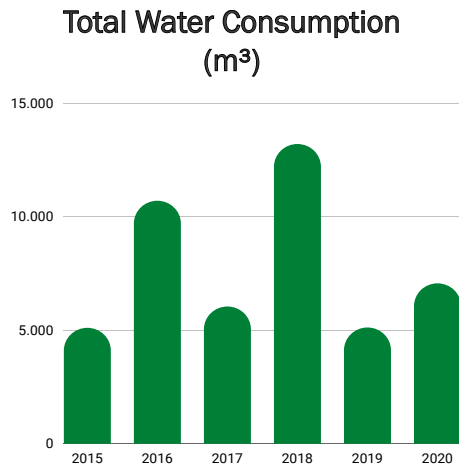
We monitor the electricity, natural gas and diesel oil consumed for the performance of our operations on a monthly basis.

**Total Energy Consumption (GJ)**



## Water Management

With the aim of minimizing the environmental impact, Alplas adopts the approach of responsible water consumption in all the operations. Among the primary environmental subjects is the accurate management of water, which is one of the most crucial sources to live.

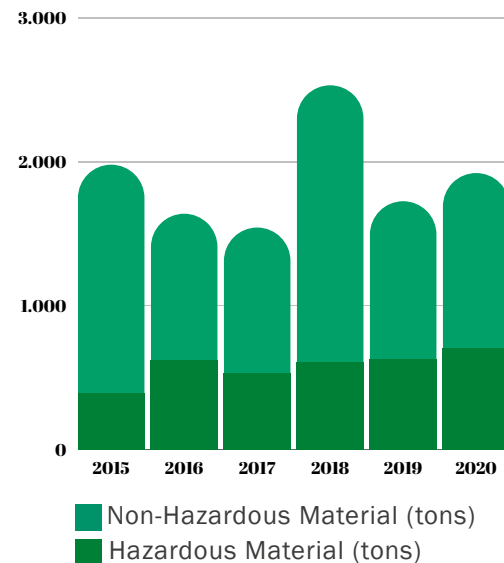


UN World Water Development Report 2020 suggests that the water consumption continues increasing at 1% every year as a result of economic development and the changing consumption habits. This consumption needs to be reduced in order to access fresh potable water.

## Non-Hazardous Waste and Hazardous Material Management

The point we have reached regarding environmental pollution, which has become even more prominent with the pandemic, shows the need for rapid action.

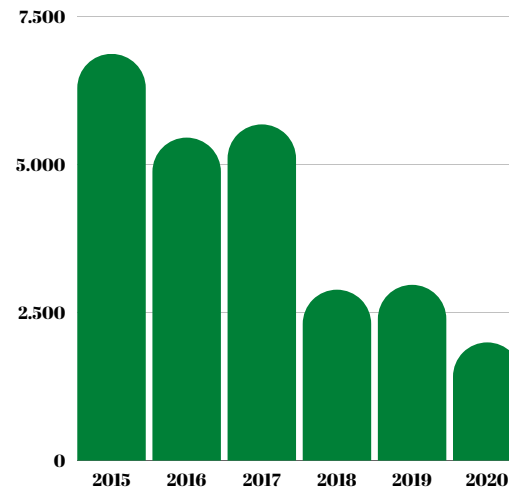
We as Alplas aim to eliminate the waste amount and maximize the recycle ratio for all the business operations we carry out. All the waste produced during the performance of our business operations is managed in compliance with the applicable regulations and the requirements as set forth under the ISO 14001 Environmental Management System.



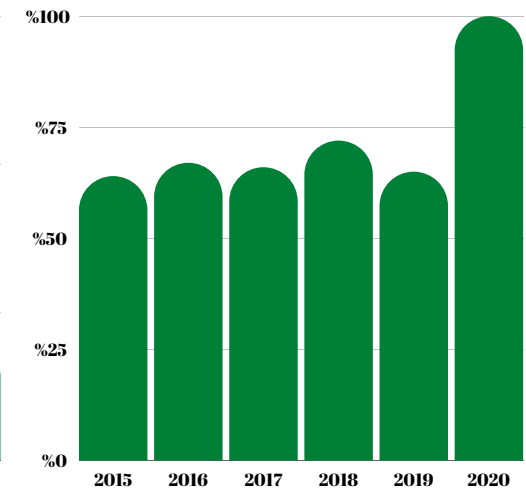
We aim to obtain the Zero Waste Certificate, which is issued by the Republic of Türkiye Ministry of Environment Urbanisation and Climate Change to those companies setting a good example in terms of waste management, by 2023.

There is a reduction at 8% to the amount of hazardous materials in the reporting period compared to the previous year.

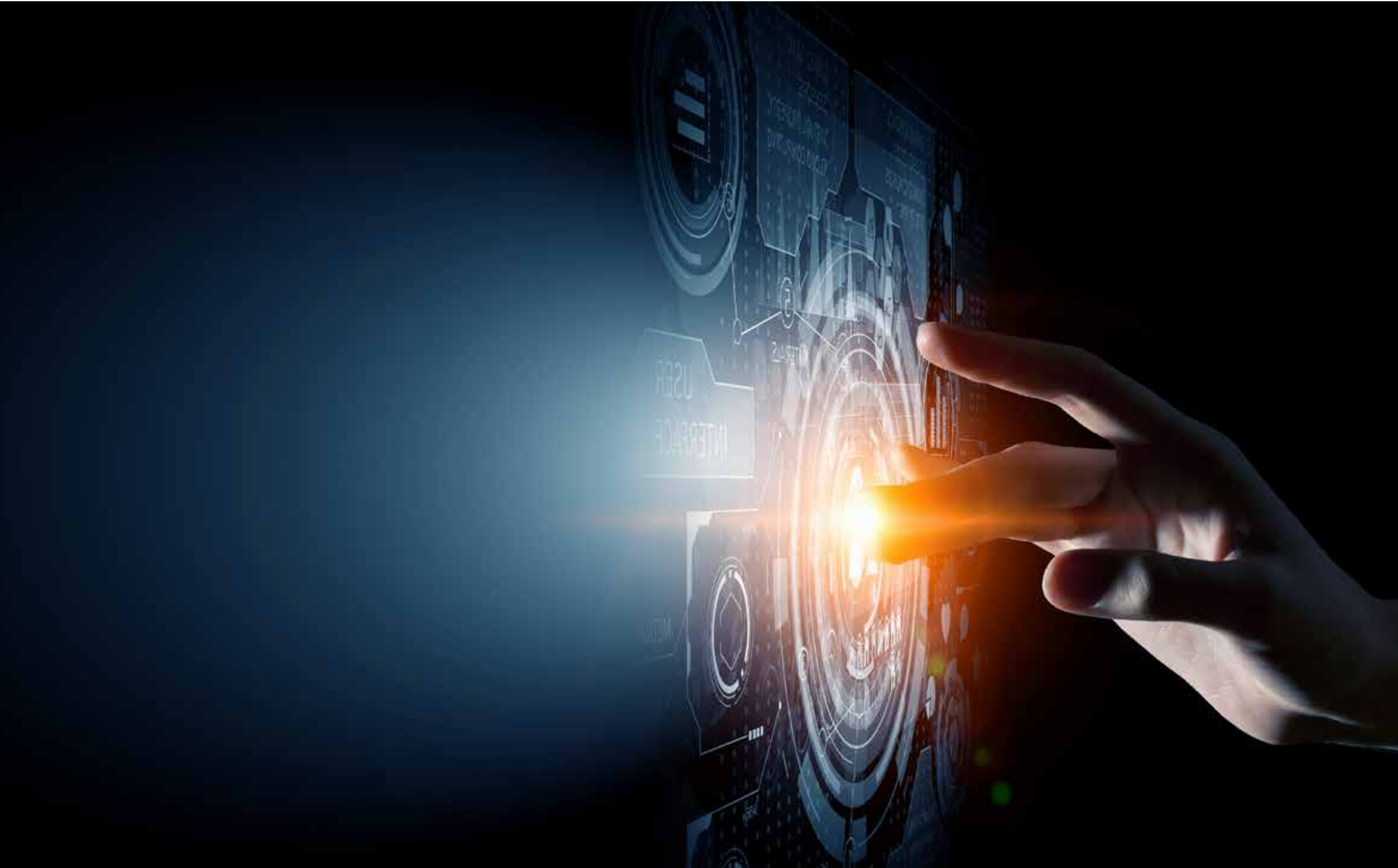
Amount of Total Packages Used (Tons)



Recycle Rate of Packaging Waste (Tons)



We achieved to reclaim all the packages of the products placed on the market in 2020. We recycled about 465 tons of paper and cardboard.



## INNOVATION, R&D and DIGITALIZATION

**Alpplas carries out the R&D operations to achieve the three main targets for new and innovative products and thus the growth and manufacturing process through Internet of Things, machine learning, artificial intelligence applications, image processing software and quality control operations, robotic systems and such projects under which these operations are commonly performed:**

Increase the Innovation and R&D Capabilities

Transform the Manufacturing Processes

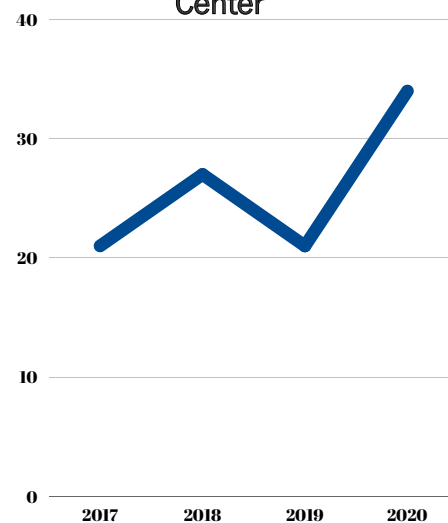
Design and Manufacture New and Innovative Products

Within the organization of the R&D Center registered in 2017, it is aimed to design and make ready for mass production innovative and value-added products with import substitutes, which have higher added values in terms of electronic cards, software and hardware, in particular, lighting, touch-operated technologies, energy efficiency and management, and get involved in the customers' design processes.

As a long term strategy, it is intended to create extensive knowledge and offer ready-to-use solutions for the customers in these fields through R&D/design operations, through which electronic and industrial design, engineering calculations, material choices, rapid prototyping verifications and similar steps.

As a strong subsidiary, particularly in the automotive and white goods sectors, projects are planned to increase the extent of the R&D operations through collaborations with OEMs, universities and civil society organizations.

Number of Employees at the R&D Center



### Feel the High Technology!

With the TUBITAK Project 1501, it is planned to enhance knowledge by means of making research, manufacture prototypes and acting in cooperation with universities in the fields of embedded software, touch-operated and fiber technologies, OLED, organic electronics, flexible and touch-operated screens in order to get involved and be one of the leading organizations in the digital transformation experienced all across the world. Within the scope of this project, new generation hardware and software were developed making use of new generation electronic sensors and IMD technologies instead of spring type self-capacitive touch-operated screens. The following functions were achieved on the more than one different prototypes developed: touch-operation on the rotary axis, automatic operation on the linear axis, function activation by approach, wireless connection, screen functions with different colors and images. The processes for hardware design, embedded software development, IMD molding and production processes constituting the project were integrated; a plastic component was developed at the end of the injection process meeting the electronic touch-operation requirements and the visual expectations as well; and an electronic circuit was manufactured at once inside the mold during the plastic injection process. The project deliverables are primarily used in the automotive and white appliances industries. The components with different properties are manufactured as a ready-to-use product through a single manufacturing process, which is important since this infrastructure is not available in our country yet.





**The R&D Center's National and International Collaborations**

COLLABORATED WITH	ORGANIZATION / PERSON	COUNTRY	TYPE OF COLLABORATION
Other / Institutions, Organizations, Foundations and Funds	TETLAB	Turkey	Support is received in the field of 3D prototyping.
Universities	Arel University / Polymer Technologies and Composite Materials R&D Center	Turkey	Participation as a participant in the project for the establishment ArelPOTKAM Joint Use Advanced Engineering Materials Development and Fast Prototyping Center supported by Istanbul Development Agency
Other / Institutions, Organizations, Foundations and Funds	Arrow Design Center	Hungary	Cooperation in projects and training organizations
Other / Institutions, Organizations, Foundations and Funds	Kurz GMBH FURTH R&D Center	Germany	Cooperation in TUBITAK TEYDEB 1501 R&D Project and thereafter
Universities	Arel University	Turkey	Active cooperation in the internships of the students from Arel University, Alplas sponsorship for student projects, Alplas AGM personnel lecturing the engineering students etc.
Universities	Abant İzzet Baysal University	Turkey	Cooperation in TUBITAK 1505 supported High Performance Silicone Photo Diode and Personal Dosimeter Design and Manufacturing Project
Universities	Arel University, Faculty of Engineering and Architecture / Prof. Dr. Onur Osman	Turkey	Academic consultancy for a TUBITAK 1511 project in respect of artificial intelligence and decision making systems.
Other / Institutions, Organizations, Foundations and Funds	Cypress	USA	Microprocessors, Test Board and Code Sharing as Developed for New Generation Touch-Operation Technologies
Other / Institutions, Organizations, Foundations and Funds	Havelsan A.Ş.	Turkey	Participation in Havelsan Business Ecosystem
Other / Institutions, Organizations, Foundations and Funds	Saha İstanbul	Turkey	Clustering Participation
Universities	Nürdam	Turkey	Joint Preparation of TUBITAK Projects concerning Active Radiation Dosimeter, R&D Studies on Sensors for Heat-Pressure etc. for White Appliances, Defense Industry and Automotive Industries, Prototyping and Sensor Technologies
R&D / Design Centers	Kordsa R&D Center	Turkey	Cooperation in R&D Projects
Universities	İstanbul University	Turkey	R&D projects, national supported projects, efforts to make use of the university patents for the solution of industrial problems, our RD engineers lecturing for the courses of industrial hardware design and embedded software, internship programs, technical trips
Universities	Istanbul TTO	Turkey	Preparations are in progress for the application to the program 2244.
Universities	Marmara University / Prof. Dr. Ahu Altinkut Uncuoğlu	Turkey	R&D projects, national supported projects, efforts to make use of the university patents for the solution of industrial problems, our RD engineers lecturing for the courses of industrial hardware design and embedded software, internship programs, technical trips
Universities	Poly IC GMBH	Turkey	R&D projects, national supported projects, efforts to make use of the university patents for the solution of industrial problems, our RD engineers lecturing for the courses of industrial hardware design and embedded software, internship programs, technical trips
Other / Institutions, Organizations, Foundations and Funds	Other / Institutions, Organizations, Foundations and Funds	Germany	Cooperation in TUBITAK TEYDEB 1501 R&D Project and thereafter



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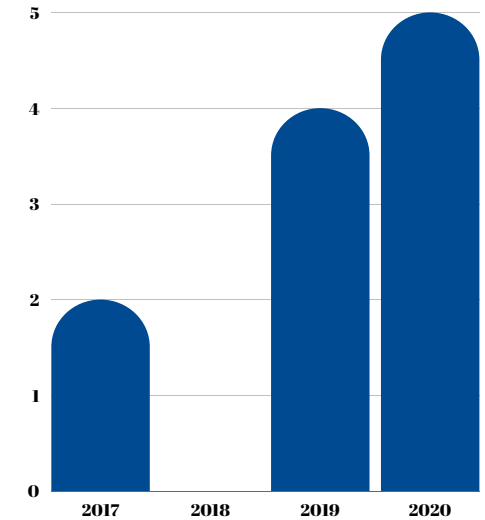
## Digitalization

We witnessed again the importance of digitalization during the pandemic. We aim to change our business model flexible and mobile through the digital transformation strategy. We focus on ensuring that our employees improve their existing skills and are equipped with new competences suitable for the digital world while being prepared to take firm steps for the future.

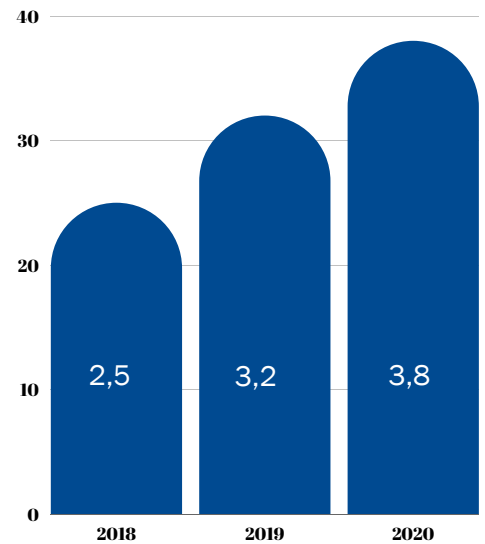
In the medium and long term, as the digital transformation takes place in the industry and products, we focus on developing new competencies for our employees that are suitable for the digital world and improving their existing ones. To be one of the pioneers within this transformation and stay ahead, we plan to conduct research and projects in embedded software, touch and fiber technologies, OLED, organic electronics, flexible and

touch screens, and collaborate with universities to enhance our knowledge and expertise in the business. We aim to make our innovation system digitalized in 2021 with the aim of sustainably increasing and strengthening the level of our company's capabilities in the field of innovation management, and designing and putting into practice such corporate innovation systems suitable for the own targets, structure and requirements of our organization.

## Number of Patent Applications



## R&D Budget (Million TL)



## Innovation

It is aimed to increase the level of our skills for innovation and R&D as a short-term target in line with our corporate goals.

During the report period, a performance and rewarding procedure is issued in order to get the attentions of not only the personnel of the R&D Center, but all the employees of Alplas to the innovation operations, increase their sense of innovation and belongingness, ensure that they are engaged in teamwork, and support and encourage the concept of intrapreneurship.

Our rewarding system policy:  
Every idea is important and worth being assessed.

We submitted our first international patent application in 2020.

Our Company has a management policy intended to support the internal R&D and Innovation projects, in particular, the doctorate education and academic publications, patent and utility model projects, and environmental, occupational safety and energy efficiency projects resulting in added values for the manufacturing and new product processes.



## R&D Efforts

We as Alplas focus on research and technological improvement and digitalization efforts in order to maintain and further increase our competitive advantage.

We are continuing to operate by developing high quality projects at the applicable standards.

We continued to carry out and operate in the collaboration projects with İstanbul University, Marmara University, Abant İzzet Baysal University and Arel University to enhance the scientific and technological aspects of the research and development operations, produce scientific articles, papers and publications and, contribute to the improvement of the university students.

We consider the communication with the stakeholders as a significant factor of our sustainability performance, and attach importance to the integration of the feedbacks, which are obtained from the joint efforts with different groups of stakeholders in different medium, with our business operations.

During the report period, our R&D Center engineers lectured the students from the Department of Computer Engineering, İstanbul Arel University, for the course 'Embedded Systems' for 14 weeks.







## BUSINESS CONTINUITY

### Product and Service Responsibility

It is one of our basic priorities to offer products at the same standard at all times without compromising on quality. We operate in accordance with the requirements as set forth under the ISO 9001 Quality Management System Standard and the ISO 14001 Environmental Management System Standard.

Our Company establishes a reliable, transparent and traceable quality management system based on the contract requirements and in accordance with the needs and expectations of all the stakeholders and remain compatible with the corporate quality standards for all the projects it carries out.

	Business Enterprise in Istanbul	Business Enterprise in Bolu
ISO 9001 Quality Management System	✓	✓
IATF 16949 Automotive Quality Management System	✓	X
ISO 2015 Environmental Management System	✓	✓
SEDEX	✓	✓
OHSAS 18001 Occupational Health and Safety Management System	X	✓
ISO 45001 Occupational Health and Safety Management System	X	✓
Safe Production Certificate	✓	✓

### Operational Reliability

We operate in line with and meet the needs and expectations of the stakeholders through the quality, environmental, ethical and OHS management systems. We create our action plans focusing on the analysis for respective risks and opportunities pursuant to our management systems. In this year, We have included the pandemic related risks and opportunities to our efforts carried out across the Company. In spite of some deterioration in the supply chain due to the closure of borders because of the pandemic, we took actions in order to put into practice new projects intended to increase our operational efficiency for procurement.

We maintain all the functions from the manufacturing of the products to the delivery thereof to the products, starting from the relationships with the suppliers and consisting the entire operational chain, as we do every year.

### Alplas Buy & Sell Agreement

Alplas Buy & Sell Agreement is intended to supply certain materials, which are considered critical in terms of production time and cost, through the respective business enterprises in the form of buy & sell making use of the purchasing power of the world's giant main industrial company, one of our customers operating in the white appliances industry.

With this project, it was intended to ensure that our Procurement Department informs the said customer of the critical materials used for their projects so that a purchase order is placed by them for these materials. When the materials were stocked, they were shipped to our Company in order to avoid the problems with the supply of such materials during the Covid-19 period and, minimize the impact of price increases.

The project started as of December, 2020 and it is aimed to maintain it until the end of 2022.

We ranked at the 53rd position in the second 500 list for Turkey's Top 500 Industrial Enterprises in 2020 (ISO 500) organized since 1968 to identify the biggest corporations of Turkey operating in the industrial sectors, understand the improvement of the Turkish industry based on the sizes of these corporations, and contribute to the efforts to create a roadmap for the future.

## Customer Satisfaction

Our Company develops customer focused business processes through various practices in order to respond the expectations of our customers and put into practice advanced products and services to meet these expectations. We inform our customers and actively receive their feedbacks through one-to-one meetings with them, customer satisfaction surveys, inspections and fairs and exhibitions accordingly.

Sustaining customer satisfaction and building long-term sustainable relationships with them are among our top priorities.

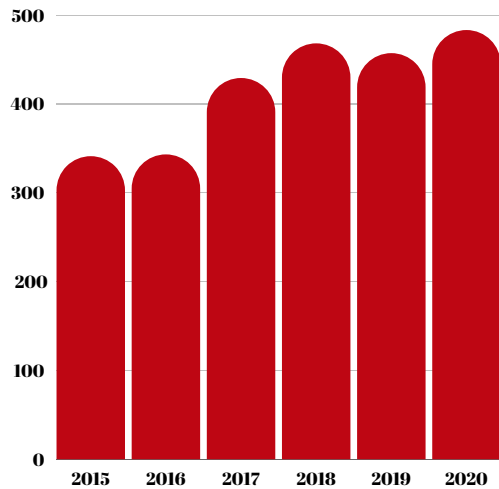
## Supply Chain Management

We have an impact on a wide ecosystem of stakeholders with more than 480 suppliers within the scope of our value chain. We expect those stakeholders, with whom we work together, to understand and apply the principles for our way of working in order be able to make this impact commonly embraced.

We carry out the procedures to select our suppliers through our Procurement Departments considering the respective fields of operations, requirements and the criteria for the products or services requested.



### Total Number of Suppliers



We follow our evaluation procedure from the selection process to the assessment process for our suppliers. We maintain our business relationships based on the principles of transparency and reliability acting as a business partner. We expect a supplier to have at least ISO 9001 certification to be one of our suppliers and, encourage them to get the IATF 16949 and ISO 14001 certifications.

We carry out a supplier satisfaction survey at least once a year in order to maintain and further strengthen our business relationships.

We hold one-to-one meetings with the suppliers within the scope of business partnership in order to ensure that our products are of more quality and have more added values. We organized these one-to-one meetings online during the Covid-19 process within 2020 in order to make our targets in this respect sustainable.

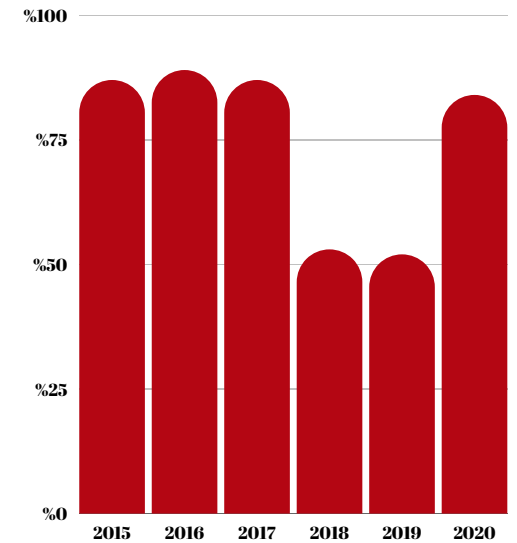
It is important for the sustainable supply chain targets to monitor and assess the performances of the suppliers. We carry out inspections and audits in the suppliers within a wide scope that includes the aspects of environment, occupational health and safety, and employees' improvement. A further supplier audit is scheduled in the subsequent year for the suppliers with an annual supplier assessment score, which is less than 70.

A system audit is scheduled for the new suppliers with no IATF 1649 and ISO 9001 certification.

Due to the pandemic with continuing effects, some disruptions occurred in the supply chain throughout the world, the impacts of which are still felt. These problems experienced highlighted the importance of local supply in the ability to supply products in an interrupted manner. As a company that attaches importance to local supply, 84% of our suppliers are those local suppliers.

**We will continue offering services with no job loss under the pandemic conditions, considering the environment and human health.**

### Percentage of Local Suppliers (%)



Our Supplier Manual that is available on our website outlines the conditions to work with our company for all the suppliers.

<https://www.alpplas.com/tr/alpplas-tedarikci-portali>

**Our ethical rules are signed by the suppliers and monitored on the QDMS.**

**Our Company carry out the management of all the policies, procedures, instructions, quality management certifications, internal and external corrective actions, and operational actions through the QDMS, an integrated quality management software system. With this system resulting in an increase in the organizational memory, it is ensured to get automation, traceability, facilitation of analyses, data security, and prevention of data loss.**





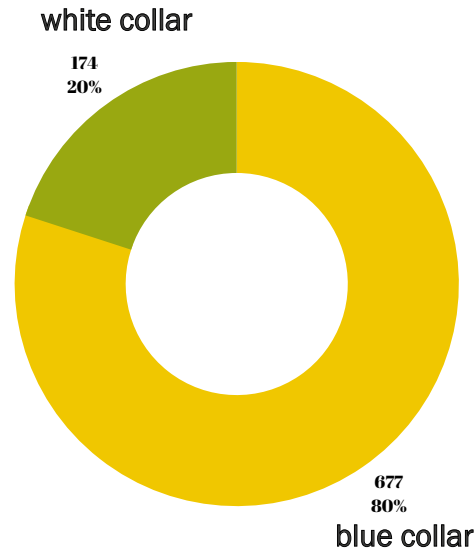
## TALENT MANAGEMENT

**We are aware of the fact that our employees are the most important asset helping us achieve our targets. We aim for the loyalty of employees in our business enterprises, observe the equality of opportunity, respect the differences and offer a development-focused working environment.**

With our approach of talent management, we make progress with the aim of creating a human resource capable of working as a team with a high level of motivation and loyalty. We aim to make use of the potentials of people and support them in accordance with these potentials by means of using the right people in the right positions. We deepen our culture intended to train leaders, create a common corporate language and encourage continuous learning.

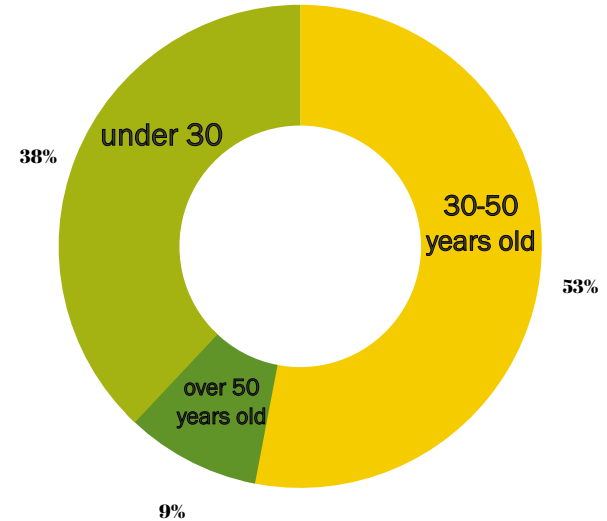
It is one of our main principles to respect the human rights while establishing a relationship with the employees, suppliers, customers and communities.

Distribution of Employees by Categories

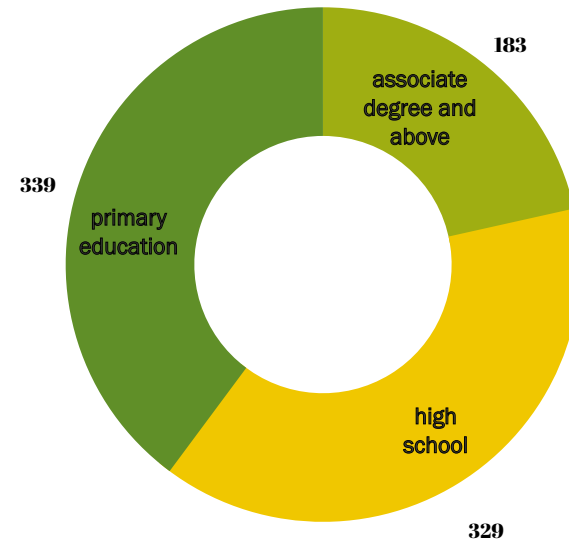


We are aware of the fact that the generations Y and Z also called the digital generations will constitute of the majority in labor by 2025. Different expectations by this new generation in terms of work experience seem that a company needs to get more involved in technology and entertainment for the business life. After the pandemic, we transferred our hiring processes to the online platforms. We continued to get in touch with potential candidates through talent exams, interviews and tests.

Distribution of Employees by Age Groups (%)



Distribution of Employees by Age Groups (%)



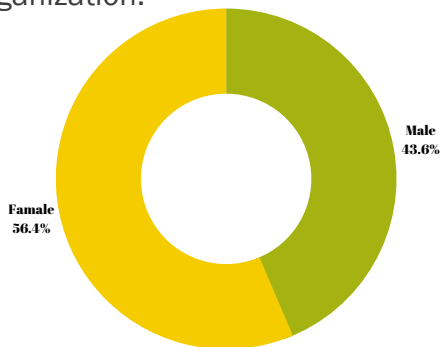
## Equality of Opportunity and Diversity

As a signatory to the United Nations Global Compact and a supporter for the solidarity action He for She, we pledge that we will offer such a working environment that is fair, equal, and respecting the human rights.

We make efforts to carry out organizations for awareness and develop opportunities for women in order to ensure that all the employees and stakeholders embrace the principle of societal gender equality.

We conduct certain organizations to get certifications evidencing that we achieve to ensure gender equality in all the business operations we carry out.

Being aware of the female labor force participation and gender equality as its corporate culture, our company commits itself to increase the number of female employees in its organization.



Distribution of Employees by Genders

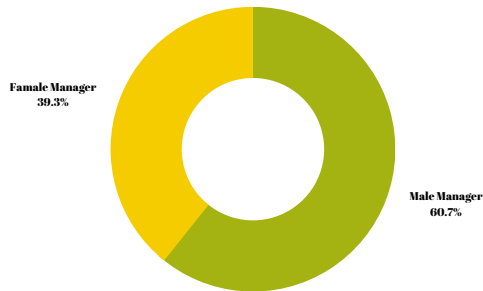




Part of our understanding of diversity is that we commit ourselves to improve the opportunities for employment. The working environment in all the business enterprises are organized in a way to make life easier for the disabled employees. The number of disabled employees in 2020 is 18.

There are a decrease in the number of training organizations compared to the previous years. It is planned that these operations that started to decrease upon the outbreak of the pandemic will even exceed the levels achieved in the previous years when the alternative training technologies are made use of and become common after the report period.

**Distribution of Executives by Genders**



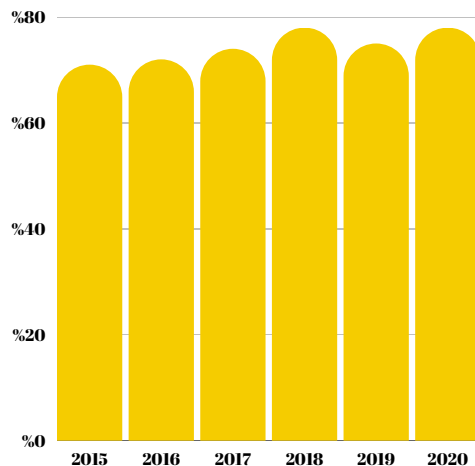
**Employee Satisfaction**

Our focal point is the loyalty of our employees, who are considered the most important source of our achievements. We increased the number of surveys intended to measure the level of satisfaction of our employees upon the outbreak of the pandemic. It became one of our priorities to be able to closely monitor the feelings and thoughts of the employees during such a period a rapid change occurred with full of uncertainties.

**Employees' Improvement**

We offer opportunities to our employees for training and improvement. We offer training organizations to our employees for career and personal development under the roof of Alp Academy.

Due to the Covid-19 pandemic that hit the entire world, we continued to offer both the internal and external training organizations on online platforms within the scope of the measures intended to keep the social distance and protect the health of our employees and their families.



Employee Satisfaction

Alplas considers its employees, who are the group of stakeholders with the highest priority, as the most important asset for the success and sustainability of its business enterprises. The employees' rights including retirement and maternity leave as required by the applicable laws are respected during the performance of all the operations of our Company.

**Occupational Health and Safety**

Within the scope of the occupational safety of Alplas, it is one of the most important issues to ensure that employees are not harmed due to the works they perform and return to their homes safe and sound. We consider that it is one of our most important responsibilities to provide our employees with a healthy and safe working environment. There is OHSAS 18001 Occupational Health and Safety Certification for our Business Enterprise in Bolu. We pledge that we will identify and effectively manage the risks for occupational health and safety, and create targets and programs in connection with these risks. We make no compromise in occupational health and safety for all the business enterprises we have.

Everyone within the borders of our business enterprises is considered an employee of Alplas and included into the scope of the occupational health and safety system.

There are 8 Occupational Health and Safety Board in our business enterprises. The Board is composed of employer's representatives, the OHS Experts, occupational physicians, Human Resource Executives, Business Enterprise Executives and Assistant General Managers as well as experts in the field being discussed.

During the Covid-19 pandemic process, which was the main agenda in 2020, we as Alplas quickly identified all the measures necessary to keep our employees healthy and applied them across all the areas of operations. OHS training organizations are held on a regular basis to ensure that every stages of the manufacturing processes are carried out under a healthy and safe working environment. Thanks to our understanding that always place the safety of our employees before everything else, there was no fatal occupational accident in 2020.

	2015	2016	2017	2018	2019	2020
Percentage of Accident Frequency (ppm)	10,65	1	1,06	5,38	3,17	4,46
Percentage of Lost Days	3,03	3,29	3,14	0,011	0,012	1,13



## OHS Practices during the Report Period

Practices and policies to avoid contagion were quickly prepared and announced in all the business enterprises.

Surgical masks were distributed to the employees in all the business enterprises.

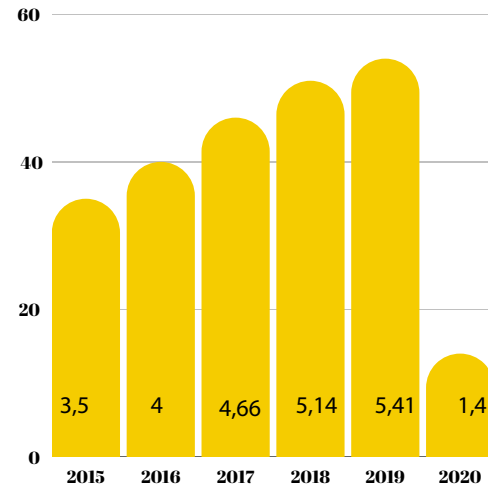
Capacity of the shuttle vehicles for employees reduced to 50%.

Periodical disinfection operations started to apply in all the working environments.

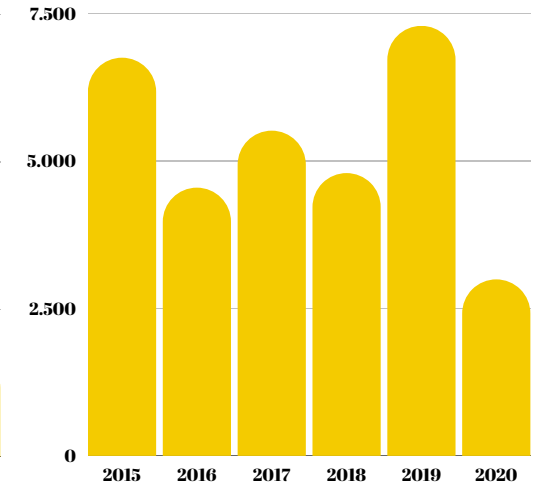
All the infection cases in our organization were monitored earnestly.

As a result of the audits carried out by the Turkish Standards Institute (TSE), all the business enterprises were awarded a Covid-19 Safe Production Certificate.

## OHS Training Hours per Employee



## Number of Employees Attending OHS Training Organizations







## SOCIAL DEVELOPMENT

**We as Alpplas attach priority to investments resulting in social benefits for all the stakeholders in the value chain. We continue operating being aware that an investment in communities is an investment for the future. We focus on, particularly such projects intended to empower women and support local developments.**

### Volunteering Organizations

Corporate social responsibility has always been considered by Alpplas as one of the most important subjects for itself.

Kalpten, our Social Responsibility Club composed of our Employees, continued operating during the pandemic period. We voluntarily participated in projects such as such as donations intended to support students, and aid campaigns for the disaster areas.

Due to the earthquake with a magnitude of 6.8 that occurred in Elazığ and Malatya during the report period, we initiated an aid campaign within the scope of all the business enterprises.

With the support from our employees, we send relief supply packages prepared in line with the list of requirements to the Governorship of Elazığ.



Alpplas Running Team established in 2019 ran at the 15th International Runatolia Antalya Marathon that was organized in Antalya.

Encourage sports and social activities within the organization of the Company

Support the team culture

Purposes of Alpplas Running Team:

Promote social responsibility organizations supporting the appropriate non-governmental organization in the respective competitions.



## Corporate Memberships

It is quite important for our Company to create values together through corporate memberships.

INSTITUTION	SUBJECT
Ar-Ge Centers Cooperation Platform	Member
White Goods Suppliers Association (BEYSAD)	Member
Bolu Chamber of Trade (BTO)	Member
Union of Electric & Electronics and Service Importers (TET)	Member
Istanbul Chamber of Trade (ITO)	Member
Istanbul Chamber of Industry (ISO)	Member
IMMIB	Member
Saha İstanbul	Member
SEDEX	Member
Automotive Suppliers Association of Turkey (TAYSAD)	Member
Quality Association of Turkey (KALDER)	Member
Association of Electronics Industrialists of Turkey (TESID)	Member
Turkish Plastic Industry Research, Development and Education Foundation (PAGEV)	Member
University & Industry Cooperation Centers Platform	Member
Arel University Polymer Technology Research Center	Collaboration
İzzet Baysal University	Collaboration
TümkaF	Collaboration

## PERFORMANS TABLOLARI

SOCIAL PERFORMANCE INDICATORS							
	2015	2016	2017	2018	2019	2020	
Percentage of Accident Frequency	11	1	1	5	3	4,46	
Percentage of Lost Days	3	3	3	0,01	0,01	1,13	
Number of Occupational Death	0	0	0	0	0	0	
Number of Members of OHS Board	-	-	-	-	36	28	
Number of Employees Attending OHS Training Organizations	6.747	4.544	5.510	4.791	7.287	2.989	
OHS Training Hours	3,5	4	4,66	5,14	5,41	1,4	
				2019		2020	
				Female	Male	Female	Male
Total Number of Employees				350	430	480	371
				White Collar	Blue Collar	White Collar	Blue Collar
Total Number of Employees by Categories				126	654	174	677
Distribution of Employees by Employment Types							
				<i>Full Time</i>		851	
				<i>Half Time</i>		0	
Number of Disabled Employees				17		18	
Number of Senior Executives				9		8	
Number of Mid-Level Executives				28		20	
Distribution of Employees by Age Groups (%)							
				<i>Below 30</i>		37%	
				<i>Between 30-50</i>		61%	
				<i>Above 50</i>		3%	
Number of Employees Hired				415		414	
Number of Employees Leaving				418		375	



## PERFORMANCE TABLES

ECONOMIC PERFORMANCE INDICATORS						
	2015	2016	2017	2018	2019	2020
Total R&D Budget (Million TL)	-	-	-	2,468,000	3,182,000	₺ 3.873.485,26
Sales Revenues (Million TL)						
<i>Domestic</i>	140,124.00	199,756.00	233,447.00	24,379.00	349,227.00	₺ 486.160.653,94
<i>Abroad</i>	29,013.00	30,259.00	33,430.00	34,277.00	26,895.00	₺ 41.026.842,77
Investments (Million TL)	6,783,000	5,903,000	8,052,000	6,085,000	3,072,000	₺ 19.360,66
Distribution of Turnover by Industries (Million TL)					₺361.631,00	₺ 531.113.847,66
<i>Automotive</i>	3,011,000	7,064,000	10,972,000	14,685,000	₺ 22.743,00	₺ 28.788,00
<i>White Goods</i>	69,897,000	99,424,000	145,265,000	205,925,000	₺252.360,00	₺ 290.004,00
<i>Industrial</i>	7,787,000	9,469,000	9,430,000	17,057,000	₺ 14.415,00	₺ 19.116,00
<i>Telecommunication</i>	0	0	0	0	₺ 72.113,00	₺ 193.205,00
Percentage of Supplies by Countries (%)						
<i>Turkey</i>	94%	94%	93%	87%	88%	88%
<i>Germany</i>	2%	1%	3%	2%	2%	5%
<i>China</i>	1%	1%	2%	3%	3%	5%

## PERFORMANCE TABLES

ENVIRENMENTAL PERFORMANCE INDICATORS						
	2015	2016	2017	2018	2019	2020
Total Energy Consumption (GJ)	31.407	35.101	41.110	38.216	35.124	36.384
Total Water Consumption (m3)	5.099	10.695	6.038	13.194	5.114	7.058
Total Packaging Waste Amount (Tons)	-	-	-	-	296	121,77
Energy Consumption per Turnover (GJ/thousand TL)	-	-	2,4	0,16	0,09	0,68

## CONTACT

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