



ALPPLAS

FOR A BEAUTIFUL
WORLD WORTH
SUSTAINING

ALPPLAS
SUSTAINABILITY
REPORT

2021-2022





SUSTAINABLE



PERSPECTIVE

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INTRODUCTION ABOUT THE REPORT



We, at Alpllas Endüstriyel Yatırımlar A.Ş., aim to provide all the stakeholders with the most up-to-date information about our operations and objectives on this Sustainability Report. This report published for the fourth time this year gives priority to our environmental, social and governance (ESG) approach intended to shape and form our operations and activities performed in the field of sustainability.

The scope of this report, which we prepared according to the 'core' option of the GRI Standards, is determined the activities we performed between January 1, 2021 and December 31, 2022. In this report, we present our corporate sustainability strategy, our practices, the paths and methods we follow, our goals, targets and progresses accordingly.

This report is prepared in two different languages: Turkish and English. This report does not include information about our subsidiaries, Acron Electronics and Boluplas Plastics.

We would be pleased if you share your valuable opinions and thoughts about our sustainability journey with us:
sustainability@alpllas.com

The United Nations Global Compact is a non-binding UN agreement that encourages organizations and companies around the world to adopt sustainable and social responsibility policies and report their practices accordingly.

Alpllas became a signatory of the UN Global Compact in 2016.

The Sustainable Development Goals (SDGs), which are also known as the Global Goals, were adopted by the United Nations in 2015 with the aim of ending poverty, protecting our planet, and ensuring that the entire society lives in prosperity and peace by 2030.

Alpllas continues its activities and operations within the framework of the Sustainable Development Goals.

MESSAGE FROM THE CEO



Tufan Öney

We are excited to celebrate the 100th anniversary of the founding of the Republic of Turkey in 2023. We are taking firm steps on the path drawn by the founder of our country, the Great Leader Mustafa Kemal Atatürk. Although the first 100 years were filled with many difficulties, the second century will include much more difficult conditions for our country. Increasing globalization in the world, geopolitical challenges, the destructive power of technology, climate change and depleted resources will seriously challenge both companies and countries. In order to be sustainable under such conditions that become more difficult with each passing year, it is vital to make long-term strategies and plans, implement them and thus adapt to changing conditions.

We are happy to share with you the basic data and activities for 2021 and 2022 in this sustainability report published for the fourth time this year. As Alpllas, we are one of the few industrial organizations that are capable of offering integrated solutions for different sectors, especially in the fields of white goods, automotive and telecommunications. We manufacture electronic cards, plastic parts and molds under the same roof in our factories that are located in the provinces of Istanbul and Bolu. We are continuing to make a difference in the sectors we operate in with the designs we create in our R&D Center.

As a result of our R&D activities, we became the 327th company with the highest R&D expenditure in Turkey in 2022, and we achieved to be among the top 50 in the rankings of national patents received in the same year.

In 2022, when we celebrate the 34th anniversary of our establishment, our sales increased by 54% compared to the previous year and reached TL 1.2 billion. In the same period, our total investment amount was about TL 41 million. With these results, we took our place among the second 500 largest industrial enterprises in the list that is prepared by the Istanbul Chamber of Industry.

In 2022, we reviewed our strategic business plan and implemented a new 5-year plan accordingly. According to our strategic business plan, our most important goal is to make growth sustainable and create value in the society we live in together with all our stakeholders.

We are aware of the contribution we make to the society in the places where we operate with our 750 employees. As an industrial enterprise, it is a source of pride for us that approximately half of our total employees are women. We continue to take a proactive

approach to increase women's participation in working life with the Women in Technology Association and the 30 Percent Club, in which we are active since 2022.

One of the important steps we took in the same year was the projects related to energy saving and, the use of renewable energy resources. With each passing year, scarce resources and geopolitical uncertainties continue to make access to energy risky. The war that started in Ukraine once again revealed how delicate all the balances are. As Alpllas, we follow a multi-layered strategy regarding energy consumption; our main goals include reducing the energy needed per unit production and also ensuring that the energy we consume is from renewable sources. In this context, we plan to commission the first phase of the solar power plants, for which we have decided to invest, in our Bolu Plant in 2023. We plan to produce at least 50% of our total energy needs from our own renewable resources in the next five years. In this way, we will take an important step in zeroing our carbon footprint accordingly.

The age of digitalization we are in contains threats as well as opportunities, and the artificial intelligence is becoming a part of our daily lives rather than a distant phenomenon. We have identified our long-term plans and targets by means of including our digitalization processes in our main business goals. Being sustainable also requires being competitive. As a company that manufactures products and develops technology, our main goal will continue to be to offer the best solutions to our customers in these developing and changing market conditions.

We would like to thank all our stakeholders, in particular, our customers and employees, for their great support and cooperation in 2022. We believe that the value we create together with all our stakeholders contributes to the society we live in and the World. We will continue to work with all our strength in the coming years to further increase this value.

CORPORATE PROFILE

OUR STORY

Our company was founded in 1989 by Zekeriya Alp in Istanbul, then known as Alp Plastics, and started to manufacture plastic parts with 4 plastic injection machines. Having started to manufacture parts and components for the white goods industry in a short time and proved itself accordingly, Alplas expanded its capacity and production range by means of relocating to the modern factory it invested in Bolu in 1998, in parallel with the increasing business volume. By starting the production of electronic cards in the high-tech production facility constructed in Istanbul in 2003, we became the first company in Turkey that is capable of offering plastic and electronic solutions under the same roof. In 2010, by commissioning plastics production in Istanbul, we achieved to increase our plastic injection production capacity and doubled the number of locations. As Alplas, an organization that always attaches importance to innovation, we established Turkey's 617th R&D Center gathering our R&D activities in a separate unit in 2017.

In 2017, we made another important investment and established our subsidiary Acron Electronics to manufacture electronic cards and, increased the number of our electronics production locations to two.



PLASTIC INJECTION
PRODUCTION
EXPERIENCE



ELECTRONIC CARD
PRODUCTION
EXPERIENCE

In the same year, we commissioned our second plastic injection facility in Bolu. While making all these investments, we also continued to invest in our existing production facilities to maintain the highest level of technology. To support our plastic production operations, we have combined the plastic injection mold production operations in the mold manufacturing facility, the investment of which was completed in 2021. As of the end of 2021, it has a significant capacity in the areas where it operates, with over 100 plastic injection machines and 7 electronic card typesetting lines. As the reliable supplier of significant companies in the world in the fields of plastic and electronic production, Alplas always aims to be at the forefront attaching importance to innovation and sustainability.


ALPPLAS


ACRON


BOLUPLAS

OUR VISION

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

OUR 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 VALUES

Our customers, our employees, sustainability, innovation, our ethical values.

We at Alpplas adopt a responsible, transparent, accountable and fair corporate governance approach.

Our board of directors consists of 5 people: 3 women and 2 men.
In our organization, the positions of Chairman of the Board of Directors and General Manager are held by different people.

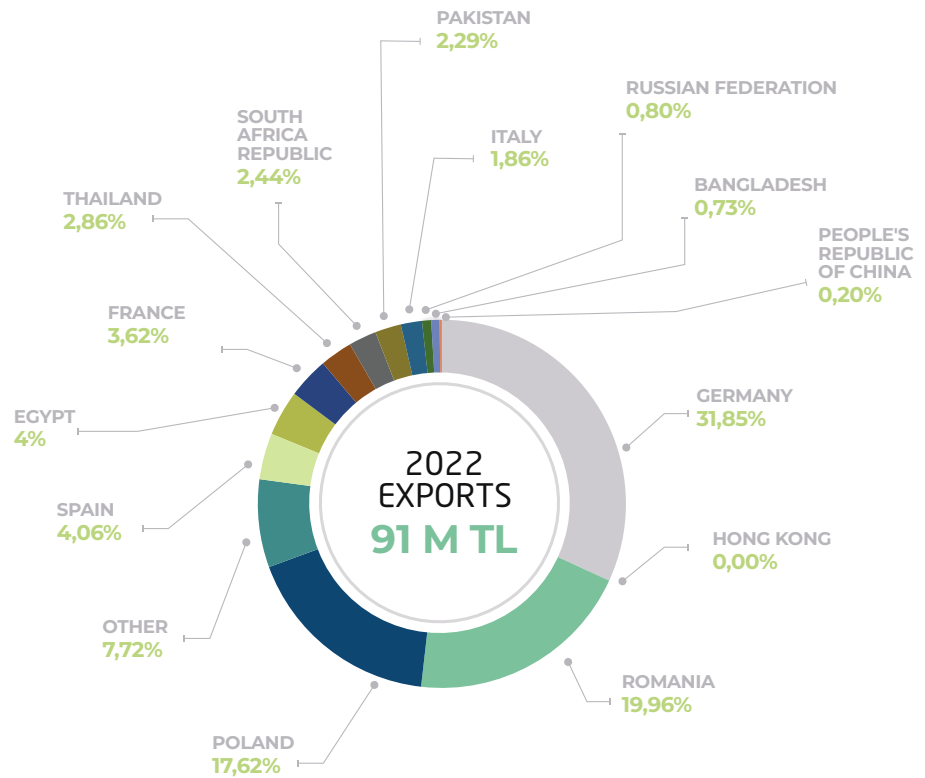
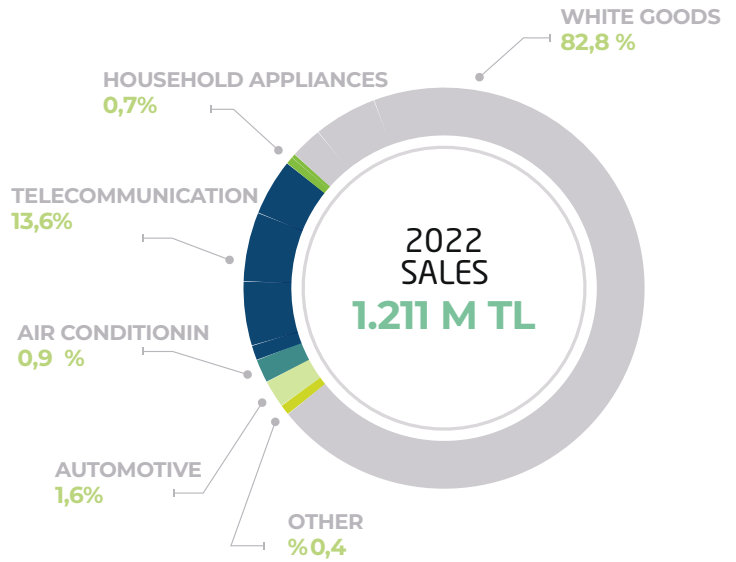
ALPLAS IN FIGURES



We manufacture electronic cards, plastic parts and plastic injection molds in a closed area of 30,000 m² in our facilities located in Istanbul and Bolu.



Our facilities include a total of 7 electronic card production lines, 100 injection machines, wet painting units, as well as a wide variety of auxiliary process and assembly lines.



WHAT WE HAVE DONE IN 2021 AND 2022

We planned our activities and operations by means of observing the changing market conditions and consumer trends in the post-pandemic period. The efforts we made in the field of digitalization, higher level of automation in production and energy efficiency studies, which we accelerated especially in 2022, were our main focus points. The industry 4.0 transformation has begun to be effective enough to determine the winners and losers in the global competition.

As Alpllas, we aimed for sustainable development and transformation by means of making our investments not only in equipment and infrastructure but also in people. In 2022, we continued to expand our business volume by means of completing new projects together with our existing and new customers. We reduced the negative impact of the war on our company by means of signing agreements for new projects planned to be commissioned by the end of 2023, in place of some automotive projects that were canceled due to the Russia-Ukraine war.

During this period, we continued to implement our planned investments. We took the first step for our third factory with the land we purchased in the province of Manisa in June 2022.

With the new electronics production line investment we made in our subsidiary Acron, we increased our electronics production capacity in our Bolu facility by 35%. In the same period, we increased our productivity performance by means of implementing many automation projects. We implemented a total investment of TL 49.7 million in the reporting period of 2021 and 2022.

We completed the respective infrastructure investments and integrated the system management into our processes in order to minimize the level of information security risks, which have become one of the important problems of our age. We plan to complete the certification process at the beginning of 2023.

We continued our R&D studies by accelerating the respective processes. In 2022, we allocated approximately 1.4% of our turnover to the R&D expenses. As a result of these activities, we achieved a business volume of TL 78 million. We made 24 patent applications during the reporting period.

OUR FACILITIES



İSTANBUL

Electronic Card Production
Plastic Part Production
R&D Center



BOLU

Plastic Part Production
Mold Production



BOLU MOLDING

Mold Design and
Production



BOLUPLAS PLASTIC

Plastic Part
Production

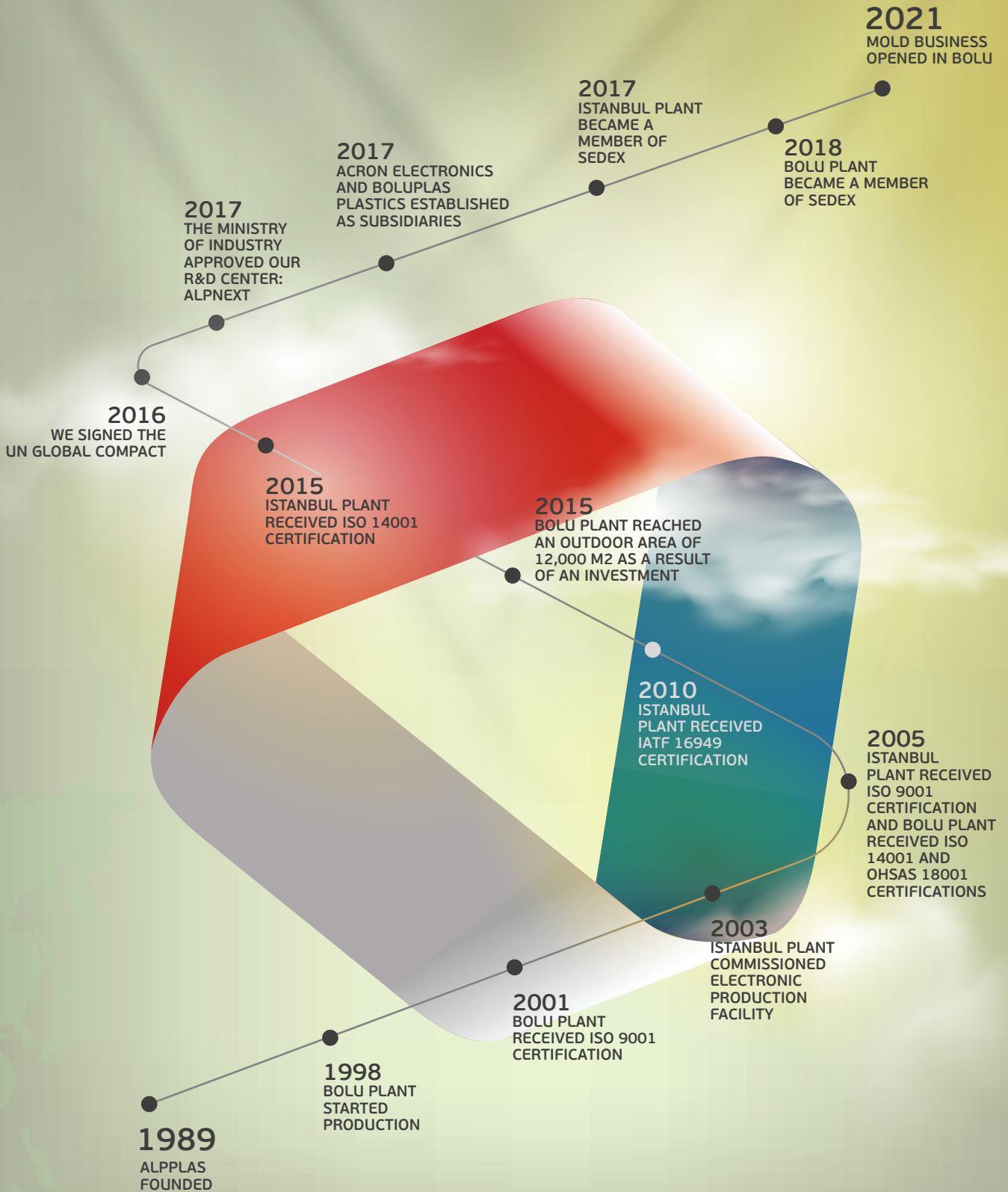


ACRON ELECTRONIC

Electronic Card
Production



OUR JOURNEY OF SUSTAINABILITY



OUR SUSTAINABILITY APPROACH

We accept the United Nations Sustainable Development Goals as our compass in this journey of ours towards a sustainable future.

The United Nations Global Compact is launching the SDG (17 Sustainable Development Goals) Goal Acceleration Program (SDG Ambition) for the first time in Turkey. The program, which will support the UN Global Compact member companies in setting ambitious and realistic corporate goals and accelerating the integration of SDGs into the business processes, will last 6 months. We at Alplas took place in this program to be a part of the transformative journey initiated by the Global Compact in order to achieve these 17 Sustainable Development Goals by 2030.

The Alplas Sustainability Policy serves as a framework in order to successfully implement the sustainability management.

We constantly evaluate and update our sustainability strategy in line with the respective global trends, demands and needs. Our primary goal is to create value through sustainable business, ensure the efficient and effective use of our resources in order to protect our world for future generations, and add value to all our stakeholders. The Assistant General Manager in charge of Sustainability is responsible for the adoption and follow-up of our sustainability strategies.



STRATEGY AND GOVERNANCE

PRIORITY ANALYSIS

While protecting our world and natural resources, we also aim to create value for our stakeholders.

The priority issues in the field of sustainability have been identified by the senior management of Alplas, taking into account our long-term strategic goals.

Priority Issue:

Priority
Energy Efficiency
Environmental Management
Occupational Health and Safety
Business Ethics and Compliance
Talent Management
Innovation, R&D and Digitalization

RELATIONS WITH STAKEHOLDERS

Within the framework of our sustainability approach, we prioritize environmental, social and economic values in a holistic manner for our employees and all the stakeholders within our sphere of influence. Our sustainability policy created by taking into account the expectations and needs of our stakeholders was designed with the aim of high performance in the fields of environment, social and governance. We want to spread

the sustainability awareness to all our stakeholders, taking into account the needs of future generations within the framework of the Sustainable Development Goals.

We define the needs and expectations of our stakeholders through regular communications. We take the suggestions and feedback we receive into account in the process of creating long-term strategies.

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 (Heart)	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
Media	Conversations, newspaper and magazine ads, meetings and interviews, press releases, sustainability reports	According to the needs; daily, weekly, monthly, quarterly or annually

RELATIONS WITH STAKEHOLDERS

EMPLOYEES

Alplas has a fair, objective, performance appreciation and rewarding remuneration policy in place covering all the employees. With this remuneration policy, we aim to motivate our employees and increase their loyalty, ensuring that our company achieves its financial, environmental, social and governance goals accordingly.

Decisions on the remunerations of our employees are made by means of considering objective factors such as their level of responsibility and scope of duties.

CUSTOMERS

We give great importance to maintaining the relationship we establish with our customers within mutual transparency and satisfaction. We move forward by maintaining our focus on customer satisfaction under all circumstances.

We conduct annual customer satisfaction surveys in order to measure the level of satisfaction of our customers.

We find the reasons for complaints from our customers and, by means of conducting one-on-one meetings, we identify our development areas and aim to increase the level of our customers' satisfaction improving our processes accordingly.

177 customer complaints in 2021 and 165 customer complaints in 2022 were resolved based on our customer-focused approach.



RELATIONS WITH STAKEHOLDERS

SUPPLIERS

We at Alpplas aim to foresee and manage environmental, social and economic risks that may occur in the supply chain. In order to ensure that our suppliers act within a standard framework, we share with them the Alpplas Code of Ethics Handbook defining their obligations so that they are able to operate in compliance with the ethical rules and legal obligations of Alpplas.

The process of performance follow-ups is also important in order to ensure the consistency of actual performance with our expectations and, decide if we should continue to operate in cooperation with them in the future.

Supply and shipping logistics plays an important role at every stage of a product's life cycle. Therefore, in order to reduce the level of our impact on the environment, we focus on reducing our emissions from logistics. We implement projects intended to create value at different levels and reduce the consumption of resources. Thanks to the blister machine produced by the R&D Center, AlpNext, we achieved to avoid possible damages that may occur during the transportation and storage of the plastic and electronic products that we manufacture. These blisters manufactured and designed considering to the size of the respective products, the number of products contained in a package has increased and our carbon emissions from shipment have decreased. The machines we manufacture deliver a level of 60/70% of higher energy efficiency compared to their counterparts.

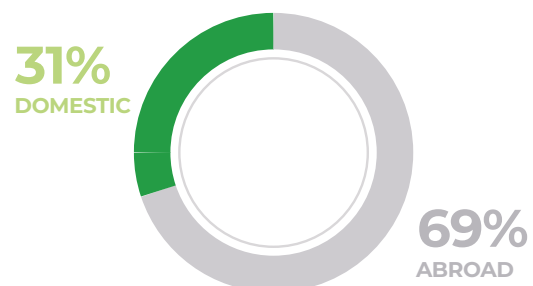
Any type of child labor and forced labor as well as such elements that may threaten the occupational health and safety, and discrimination of any description are prohibited in all the organizations within our supply chain.



We evaluate the performance of our suppliers by means of using certain criteria.

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

SUPPLIER DISTRIBUTION

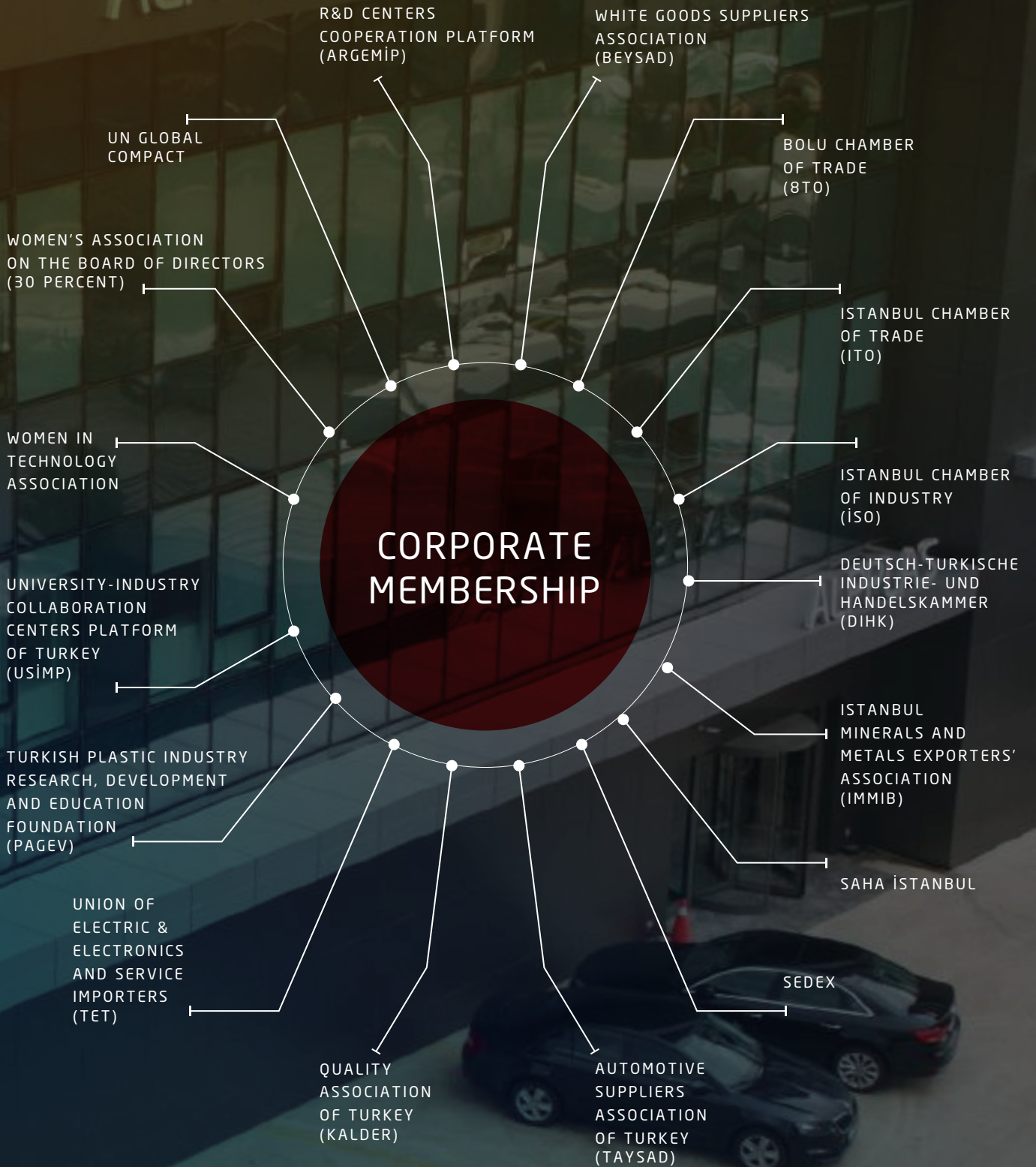


OUTSTANDING ACHIEVEMENTS



CORPORATE MEMBERSHIPS

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



FOR A SUSTAINABLE BUSINESS

RISK MANAGEMENT

The 2022 issue of the World Economic Forum (WEF) Global Risks Report that is published annually considered the climate crisis, increasing social divisions, cyber risks, social cohesion erosion and unequal global recovery process among the most important global risks.

We closely follow social, environmental, economic, political and technological changes in order to maintain a successful performance in a rapidly changing world.

We take actions to adapt to changing conditions and minimize the impact of the respective risks and, make great efforts to turn our risks into opportunities.

As Alpllas, we consider the risk management in economic, environmental and social dimensions. It is the responsibility and obligation of the Alpllas management to manage the risks taking and implementing all the measures with respect thereto.

The activities and operations of the Company are managed in an active manner by the management, meticulously considering the extent to which the risks and the financial, commercial and operational consequences thereof will affect the company.



INTERNAL CONTROL AND INTERNAL AUDIT

We proceed with a culture that aims to comply with the applicable laws and regulations and achieve the highest ethical working standards while carrying out our activities and operations. Whereas preparing and updating all our policies, we strive to make great efforts to ensure that these policies align with the ethical business objectives.

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.

Our internal audit system operates based on the applicable national and international standards as well as best practices and, continues to work in this direction. The members of the internal audit team have been designated according to the appropriate qualifications. This audit team also performs the interdepartmental audits. These audits are planned as interdepartmentally on an annual basis covering all the shifts. The members of the audit team have attended a number of training programs in order to carry out these audits, and they also take part in such audits covering many issues such as quality, ethics, manufacturing and working conditions for the suppliers. Our audits are carried out according to the Internal Audit Procedure.

ETHICS MANAGEMENT

Our company culture is based on the commitment to the business ethics. Created for the purpose of standardizing our ethical values, our Code of Ethics serves as a guide for the employees. One of the employees' primary duties and responsibilities is to continue their business lives within the framework of our ethical principles. The Code of Ethics is available on our website, accessible to all the stakeholders.

We share this Code of Ethics with all the new employees expecting them to internalize these rules. In order to maintain awareness of business ethics, we provide training on Code of Ethics to all the employees throughout the year.

It is one of the significant principles for us to conduct our operations in a fair, honest, legal and ethical manner, and we follow these principles with a 'zero tolerance' approach. We aim to fully comply with the applicable legal legislation, ethical and professional standards as well the respective universal rules in all the policies we create and implement.

There is no discrimination based on certain factors such as language, religion, sect, race, gender or political opinion in any process of our activities or commercial relations.

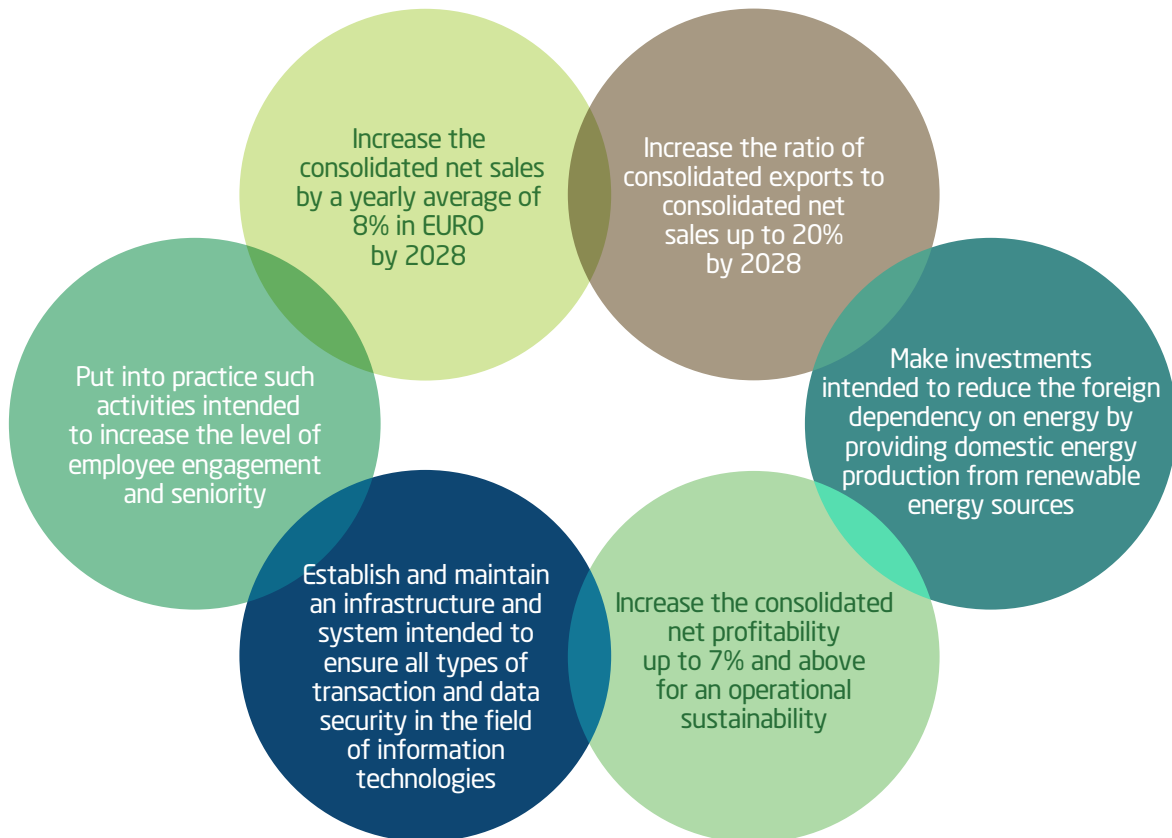
When promoting our employees, the main factor we consider is their performance without discrimination based on language, religion, gender, race and other factors. No child labor is employed in any business of Alpplas, and there is no practice concerning compulsion or forced labor at all.

IT IS AMONG OUR GOALS FOR 2023 TO ESTABLISH THE ALPPLAS ETHICS BOARD AND START TO IMPLEMENT AN INDEPENDENT ETHICS LINE

OUR TARGETS

An effective sustainability management requires the ability to make strategic decisions based on medium and long-term expectations.

At Alplas, the corporate goals are divided into short and long-term goals. Our goals are managed under 4 main strategies.



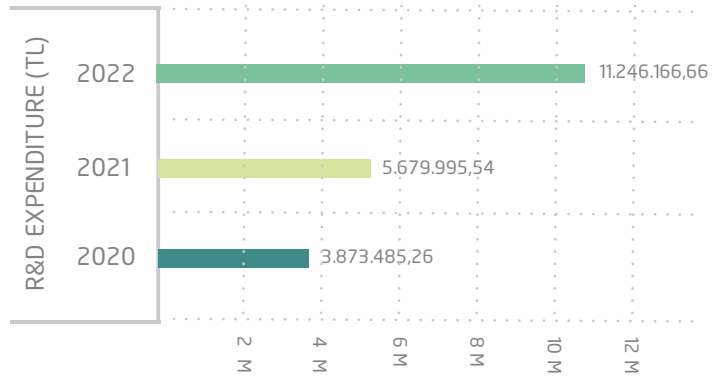
R&D

We invest in R&D to develop manufacturing technologies, optimize our processes with an innovative perspective and, develop innovative and value-added products in line with the customer needs and market expectations.

The R&D Center, which was registered in this capacity by the Ministry of Industry and Trade in 2017, has 33 employees in 2022 (29 employees in 2021).

Based on the turnover realized from the manufacturing activities of our businesses, the ratio of our total R&D expenditure to this turnover is 1.4% in 2022 (it was 1.13% in 2021).

We ranked 327th in 2022 (349th in 2021) in the general ranking of 'R&D 250, Turkey's Top R&D Spending Companies' that is prepared by Turkishtime. In 2022, we also demonstrated the importance we attach to the R&D efforts by being included in the list of "Top 50 by Number of National Patents Obtained in R&D Centers".



WE WON THIRD PLACE WITH OUR NEW DYEING LINES DESIGN PROJECT



Within the scope of the 2021 Productivity Project Awards organized by the General Directorate of Strategic Research and Efficiency, the Republic of Turkey Ministry of Industry and Technology, our project for PRODUCTIVITY INCREASE WITH NEW DYEING LINES DESIGN came 3rd in the category of large-scale companies.

There is 1 completed R&D project in 2022 (4 projects in 2021), and 12 ongoing R&D projects in 2022 (10 projects in 2021).

This project for productivity increase with new dyeing lines design enabled us to reduce the paint consumption by 25%, increase the daily manufacturing volume by 50%, save energy by an average of 850 KWH per month, and with the water curtains, we achieved to reduce the amount of paint released to the atmosphere contributing to environmental protection.

This new dyeing lines design project made it to the finals in the Environmentally Friendly Applications Category of the ISO Green Transformation Awards, which was organized by the Istanbul Chamber of Industry with the motto

“ The Future of Industry is in Green Transformation ”

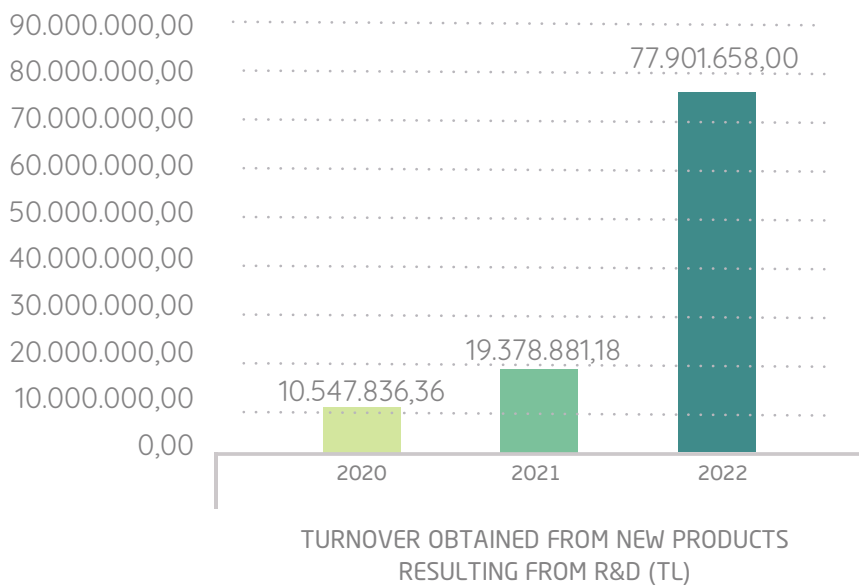
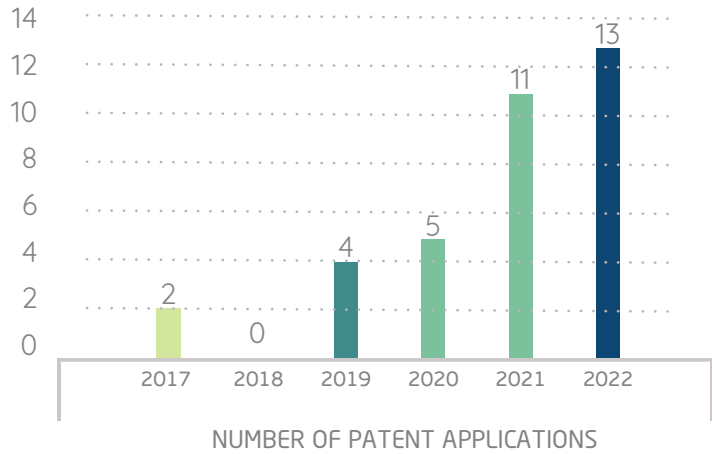
R&D

Our company is a member of the University-Industry Collaboration Centers Platform of Turkey (ÜSİMP). Scientific meetings such as seminars and conferences are organized with universities, and undergraduate courses are given to engineering students by our R&D personnel, thus it is ensured the dissemination of knowledge. In addition, Alplas is a member of SAHA Istanbul Defense and Aviation Cluster and the R&D Centers Communication and operation Platform.

These memberships such as ÜSİMP, SAHA Istanbul and ARGEMİP enable us to cooperate and exchange information with other organizations.

Carrying out university-industry cooperation projects simultaneously with technology development research, AlpNext, as the Alplas R&D Center, took part in cooperation projects with 7 universities in 2022.

3 patents were registered in 2022 (1 patent in 2021).



INNOVATION

As Alplas, we are an innovative company that attaches importance to the ideas of our employees, being aware that investments in innovation should be handled with a systematic and holistic approach. Accordingly, we participated in the Added Value-Oriented Inosuit program organized by the Turkish Exporters Assembly (TİM) in 2021-2022 for 2 consecutive terms in order to create our innovation management infrastructure specifically for our goals and needs and, increase our innovation management competence in a sustainable manner. This program made significant contributions to the design, development and implementation of our organization's innovation system with a holistic approach.

Within the scope of the project, we first prepared the Innovation Handbook and conducted "Innovation 101" training programs for all the employees in order to create a common language on innovation. These training programs were followed by the 'Creative thinking training and problem solving workshops'. In the last quarter of 2021, we launched our Digital Innovation Platform GOOD IDEA, where the employees are able to share their ideas and the ommittees make their evaluations in a transparent manner through the system. The platform can be accessed from both the website and mobile app. In addition, we launched the Good Idea Ambassador Program with the aim of increasing blue-collar innovation competence.

We receive suggestions from our employees through this Good Idea platform. These suggestions can come from different categories such as product, service, process,

business model, marketing, energy efficiency. We organize thematic innovation competitions at certain times of the year. Three successive different committees examine the assessment of the suggestion. If a suggestion passes through all the committees, then it is transferred to the project office for the commissioning thereof. A suggestion earns a different score as it passes each stage, and the respective personnel are given rewards in return for the scores every three months. If we evaluate the results numerically, there was an 11-fold increase in the number of suggestions given by the employees, an 8-fold increase in the approved ideas, and a 5.5-fold increase in the projects that are implemented.

We also continue to participate in independent surveys and evaluations in the field of innovation. We made it to the semi-finals in the Innovation Resources category of the InovaLiG 2020 evaluation, where innovation report cards are issued for the companies in Turkey within the framework of 5 categories (Innovation Strategy, Innovation Organization and Culture, Innovation Cycle, Innovation Resources, Innovation Results) with a structure based on the IMP3rove methodology carried out by the Turkish Exporters Assembly (TİM) and applied in 17 countries in Europe. In the InovaLiG evaluation, which we participated in for the first time in 2018, we were ranked 169th in the category of Innovation Results among 1216 companies, and we were among the 10 organizations that made it to the semi-finals in the category of Innovation Resources in the evaluation made according to the results of 2020, which shows our progress in this regard.

VIEW OF THE STAKEHOLDERS



Demet Erol

Alpplas Deputy General Manager -
R&D, Digitalization and Sustainability

As the effects of the pandemic begin to decrease rapidly in 2022, a high inflation on a global scale, the effects of the Russia-Ukraine War, the energy supply problems, as well as the climate change and social inequalities, the effects of which we feel more acutely with each passing day, were among the outstanding issues.

Within the scope of the Green Deal, the EU announced the Europe's goal of reducing carbon emissions by 55% by 2030 and becoming the first carbon-neutral continent by 2050. With certain international developments such as the EU Green Deal, the Paris Climate Agreement, and the German Supplier Law, we have entered a period in which the concept of international competition is shaped by sustainability. In this new period, the investors started to consider the sustainability activities as an important investment criterion. As Alpplas, we are aware of the urgency, importance and magnitude of the actions that need to be taken in this direction. Therefore, we updated our 5-Year Strategic Planning in 2022 in order to maximize the integration of sustainability with our corporate strategies, transform our way of doing business into sustainable models and

respond to the world's environmental and social problems concurrently. We aim to increase the social and societal impact and reduce the environmental impact while ensuring the financial sustainability through the activities to be carried out by the working groups we have created for 5 years.

As Alpplas, we are a leading company that has been a Global Compact Signatory since 2016. The UN Global Compact has supported companies around the world to align their strategies and operations with the 10 Principles in the areas of human rights, labor standards, environment and anti-corruption, and makes great efforts on a global scale in many different areas as an attempt to ensure that the Sustainable Development Goals (SDGs) are achieved. Starting from 2023, all the UN Global Compact signatory companies will begin to report the activities they carry out to achieve the Sustainable Development Goals through the UN Global Compact Progress Reporting Platform-COP. We have completed all the preparations in this respect, and starting from the next year, all the stakeholders will be able to follow our efforts on the COP platform.

DIGITALIZATION

The importance of digitalization is increasing so that we could stand out compared to our competitors, meet constantly changing demands and take fast and accurate actions accordingly.

With digitalization, we include technological components such as data science and artificial intelligence in our processes, carry out transformations for new business models and produce projects to ensure the integration throughout the entire process.

In line with our main strategy of Effectiveness and Productivity, our digitalization efforts focus on industrial process digitalization (industry 4.0) and the digitalization of our business processes.



As the digital world constantly evolves, the policies on cyber risks and data privacy are getting more important.

Protection of our environment, society and economic resources is not sufficient to establish a sustainable business without taking into account the possible effects of cyber security vulnerabilities and malfunctions that may occur in the information technology infrastructure. There are certain actions that need to be taken to get prepared for the potential risks and manage the respective risks accordingly.

We at Alplas have established the ISO 27001 Information Security Management System in order to protect confidentiality, integrity and accessibility, and we aim to receive our certification in 2023.

ALPLAS

As the level of environmental awareness increases, it is now an undeniable responsibility for all the stakeholders to integrate sustainable business models into corporate strategies and, make commitments that provide environmental, economic and social benefits.

As Alplas, we aim to use natural resources in a more efficient manner, create more value with less input, and reduce and, where possible, eliminate possible damages to the environment within the framework of our Environment and Energy Policy.

We continue our activities in line with the ISO 14001 Standard. We take precautions beyond the requirements as set forth under the applicable environmental legislation, and make efforts to reduce and eliminate pollution.

We at Alplas attach great importance to increasing the environmental awareness of our employees. We provided 4.49 hours of training per employee regarding the environment in 2022, which was 5.30 hours of training in 2021.

Our activities for the adaptation to climate change are based on the efforts to reduce the level of emissions, the development of energy management practices and the use of renewable energy resources. Natural disasters such as forest fires and floods that we experienced in the summer of 2021 have made more visible the risks arising from climate change, which significantly affects our geography.

During the reporting years, there have been no cases of non-compliance regarding the environment and energy, and no environmentally-related sanctions have been imposed on Alplas to date.

As Alplas, we are committed to

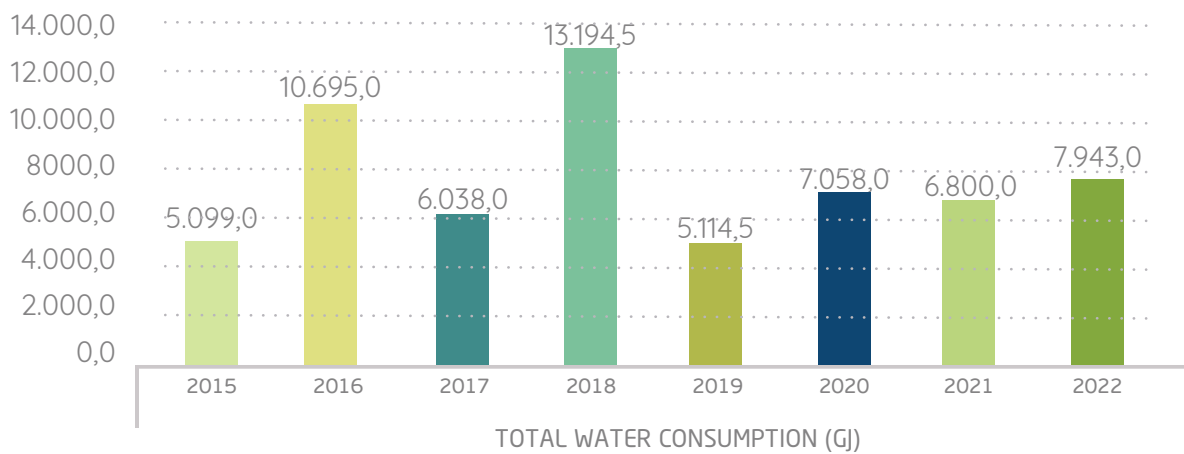
- Continuously improve the level of environmental and energy performance as well as energy efficiency by means of fully complying with the applicable laws and regulations,
- Reduce and prevent air and water pollution, leaks and spills and noise to such extent possible,
- Reduce the use of packages, ensuring that the packages are recycled and reused accordingly,
- Ensure efficient use of energy and materials, reduce environmental impacts, and continuously improve the level of our energy and environmental performance,
- Take all necessary measures to prevent possible damages to the environment and, energy loss,
- Ensure energy efficiency and increase the level of environmental awareness by means of providing necessary training and information in order to raise efficiency awareness among our employees,
- Keep under control and minimize environmental factors related to the new products to be manufactured or the new processes and activities to be developed in the future, and prefer energy efficient technologies and applications,
- Carry out energy efficiency projects for the efficient use of energy and, engage in such activities that will increase the use of renewable energy resources,
- Minimize waste, prevent pollution at its source, use energy in an efficient manner and, reduce the negative effects of our activities on the environment,
- Implement our policy in an effective manner by means of using the appropriate management system with the support of the necessary financial and structural conditions,
- Ensure that all of our businesses operate in an environmentally friendly and energy-aware manner accordingly,
- Continue to carry out our operations for mutual benefits in cooperation with our stakeholders, suppliers, subcontractors and all of our employees,
- Ensure efficient use of natural resources and energy, and increase the share of renewable energy sources in the energy consumption,
- Continuously improve, document, announce, review and update our environmental and energy management systems to all the units through audits conducted on a regular basis.

WATER MANAGEMENT

Climate change, the effects of which we now feel more as a result of global warming, increases the frequency of weather events we are not accustomed to. This process also seriously affects the water resources. The mucilage disaster that occurred in the Marmara Sea in 2021 once again revealed the increasing effects of the marine

pollution problem and climate change.

Although we do not use water in our manufacturing processes, we focus on reducing our water usage from a conscious perspective. We make every effort to reduce our water usage.



ENERGY MANAGEMENT

We at Alpllas consider the energy management as one of the significant steps to achieve the decarbonization targets.

Based on the Sustainability Policy and the support from the entire organization, we aim to save the future of our planet by means of using our energy in an efficient manner. Formed in 2021, the team ENVER monitors and improves the level of energy efficiency by means of identifying areas that could be improved or updated with more efficient alternatives.

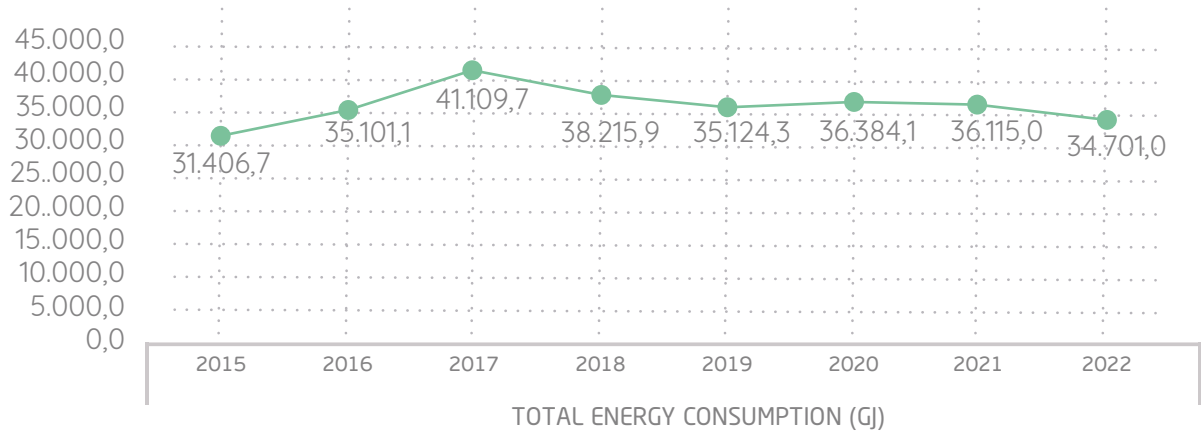
We reduce the level of energy consumption and make sure good practices are implemented throughout all of our businesses by means of conducting energy audits to identify energy

and heat losses in our manufacturing processes, replacing inefficient equipment, and carrying out process improvement studies.

We saved 9.41 TEB of energy from the energy efficiency efforts we carried out in 2021 and 2022.

We aimed to provide ISO 50001 Energy Management System certification to all our businesses in 2023 by means increasing energy efficiency efforts in line with our short, medium and long-term goals. We aim to complete our solar power investment at our Bolu Plant in 2023 and, produce at least half of our total energy consumption from renewable energy sources by 2030.

ENERGY MANAGEMENT



WASTE MANAGEMENT

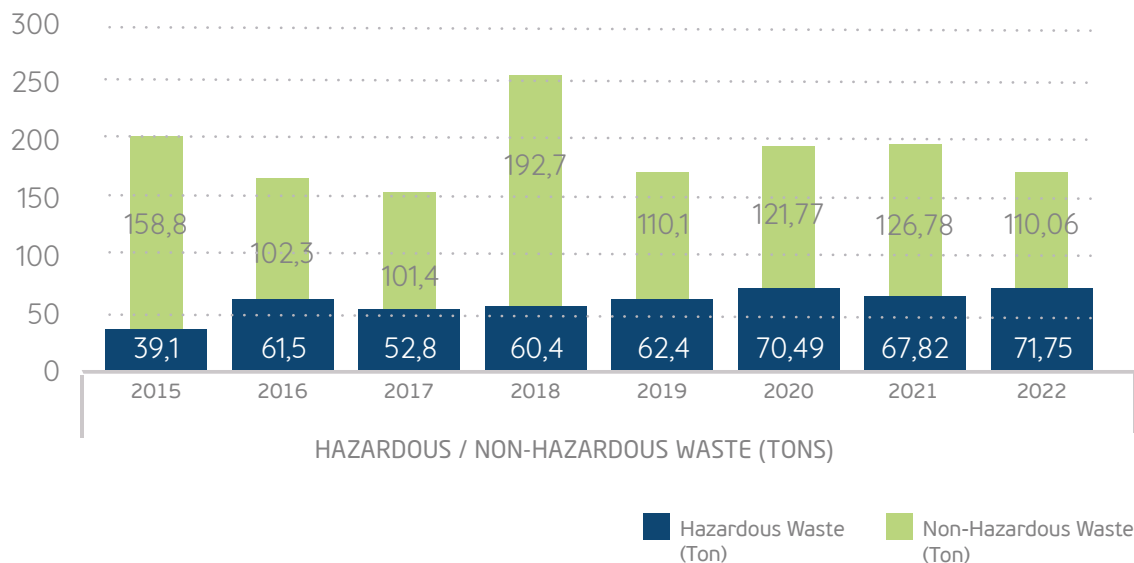
Among our priority issues are the prevention of waste, the use of resources in an efficient manner, the avoidance or minimization of waste generation by means of identifying the causes thereof, and the collection and separation of waste at source.

Increasing population and enhancing life standards raise the level of consumption, thus maximizing the pressure on natural resources and disrupting the balance of the world. Our limited resources are not enough to meet this unlimited demand.

Accordingly, the efficient use of natural resources becomes more important and significant. Zero waste implementation efforts are becoming increasingly widespread all over the world.

As Alplas, we focus on preventing waste at its source and reducing waste at every step of our activities.

The fact that the packaging products we use are made of 100% recycled materials plays an important role in the selection of our suppliers.



CIRCULAR ECONOMY

As Alpllas, we have a sustainable production approach in all our production processes. We consider our activities within the scope of reducing, reusing and recycling. We consider the protection of nature and the operation with a circular approach for a sustainable

future as our social responsibility, and we make great efforts to recycle the waste resulting from our activities and operations into our ecosystem in line with the goal of creating value from waste.

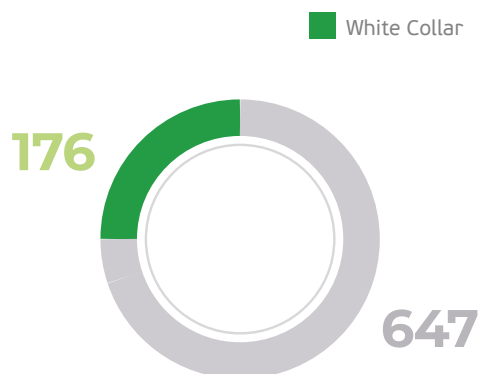
FOR THE SOCIETY

SOCIAL PERFORMANCE

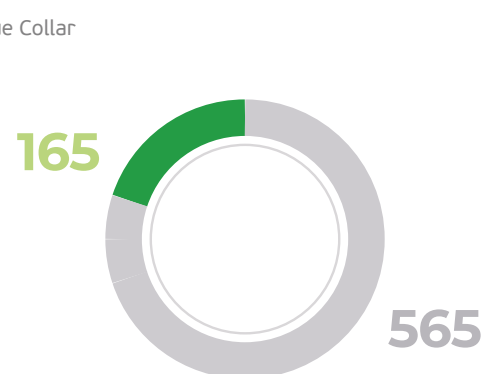
In accordance with Alpllas's 'Strengthening the Organization' strategy, it is our indispensable line to keep people at the center, be in compliance with all the applicable laws and regulations, and act with transparency in our relations with all the stakeholders. While acting in this line, we organize motivation and sharing meetings that bring our employees and senior management together, include our employees in our decision-making processes and make efforts to establish efficient communication.

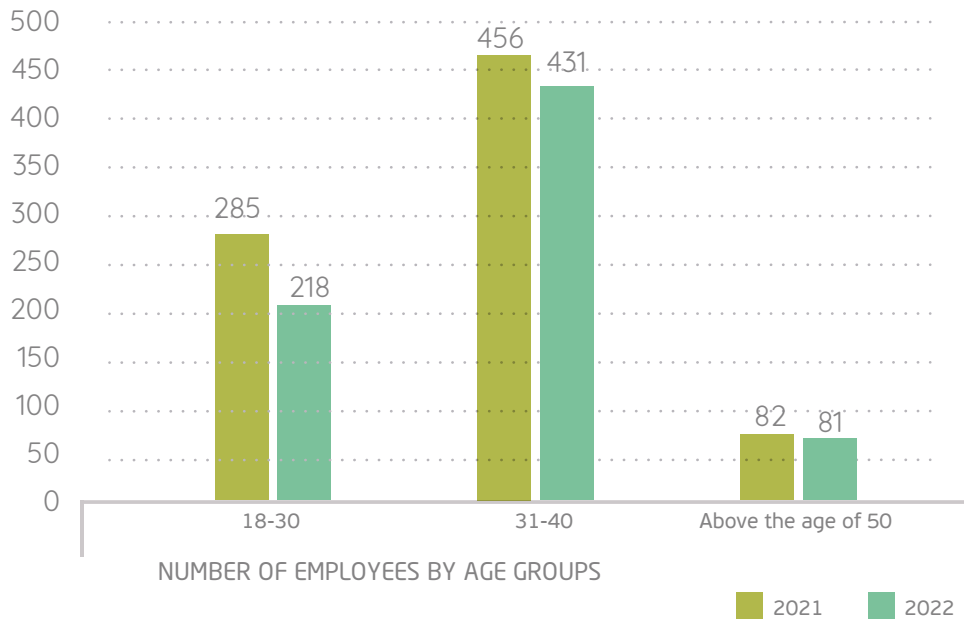
It is the basis of our human resources strategy to make our employees feel the value we give and contribute to their training and personal development.

2021 DISTRIBUTION OF
EMPLOYEES BY CATEGORIES



2022 DISTRIBUTION OF
EMPLOYEES BY CATEGORIES





EMPLOYEES' IMPROVEMENT

We attach great importance to supporting the development of our employees and, create various training opportunities to make their potential visible. We consider the development of our employees from an objective, employee-oriented and progressive perspective.

Alp Academy provides our employees with the best learning experience by means of providing continuous development infrastructure. Under the roof of Alp Academy, our employees are trained on different subjects such as health, safety, quality, orientation, technical development, professional development, personal development, information technologies, ethical rules and human resources.

We provided 93.29 hours of training per person in 2022 (77.94 hours of training per person in 2021).

Our goal for 2023 is to turn the Alp Academy into an online education platform. We are making efforts to create an infrastructure, where our employees are able to participate in training and access the contents thereof through a mobile application, regardless of time and place.

TALENT MANAGEMENT

We at Alplas take care to treat all the employees in an honest and fair manner. Accordingly, we aim to create a safe and healthy working environment that is free from discrimination, respectful of human dignity, and maintain this environment at all times.

We see differences such as gender, age, origin and religious belief as wealth and, we reflect this perspective in all the human resources processes we carry out.

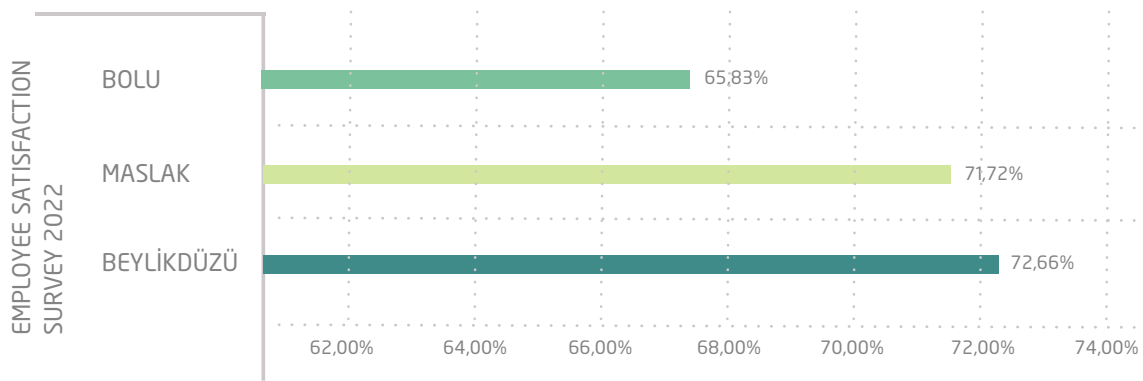
We evaluate the employees according to their knowledge, skills and abilities in the recruitment and other human resources processes. We give all the employees equal chances to do work of equal value by means of following an equal pay policy. We make efforts to create a dynamic and strong structure with the aim of adding young talents to our businesses and enriching them with these talents.

We carry out university collaborations and keep in touch with young people.

EMPLOYEE ENGAGEMENT

In line with the importance we attach to the opinions of our employees, we organize surveys to measure the level of their satisfaction and engagement on a regular basis. We identify the aspects to improve by means of reflecting the outputs we obtain to all the processes we carry out, and try to maintain work-life balance with the feedback we receive from our employees.

As Alpllas, our goal is to provide a healthy work environment for our employees, create a family environment, where they can fully feel their belonging, make our employees feel the value we give, and always keep their motivation high while supporting their productivity.



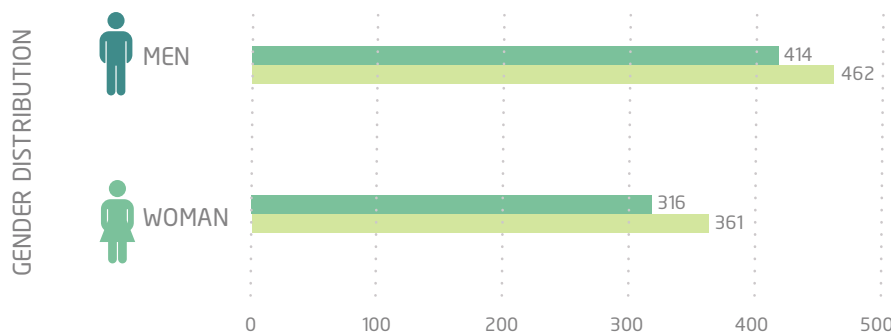
DIVERSITY AND EQUALITY OF OPPORTUNITY

We at Alpllas are aware that it is one of the main priorities to support gender equality in business life like in all the aspects of life.

economic life, and uphold the value that should be given to people just because they are human by providing them equal opportunities, rights and responsibilities.

As Alpllas, it is always our priority to protect the safety and health of our employees, take steps to enable us to achieve gender equality, empower women in society, business and

31% of our white-collar employees and 37% of our employees in a managerial position are women in 2021 (34% and 36% respectively in 2021).



DIVERSITY AND EQUALITY OF OPPORTUNITY

In 2022, we became a member of the **Women in Technology Association**, which was established in 2019 with the mission of training competent, expert and creative human resources in science and technology, and increasing the number of female experts, who are low in number and motivation in the technology sector, and bringing women into employment and production in technology.



The 30 Percent Club is a collaboration of board chairpersons and CEOs as an attempt intended to improve gender balance at all levels of their organizations. Behind this collaboration is the belief that gender balance will make companies more successful and boards of directors more effective accordingly. Our company, where 60% of the board members are women, became a member of the 30 Percent Club in 2022.



We at Alplas never tolerate any form of child labor, forced or compulsory labor, employee rights violations and discrimination.

At the same time, we show the necessary sensitivity to avoid such situations in our supply chain.

Alplas was not subject to any fines for non-compliance with the applicable legal regulations during the reporting years.

KALPTEN

We at Alplas act with the principle of creating value for the society, environment and stakeholders. Within the scope of our 'social responsibility' goal, which is one of the focus areas of our sustainability strategies, we approach the world of which we are a part with respect, beyond creating an economic value. We strive to be effective in every field, from providing employment to development and creating social benefit.

As Alplas, we provided assistance to the local people to heal the wounds of the forest fires in 2021.

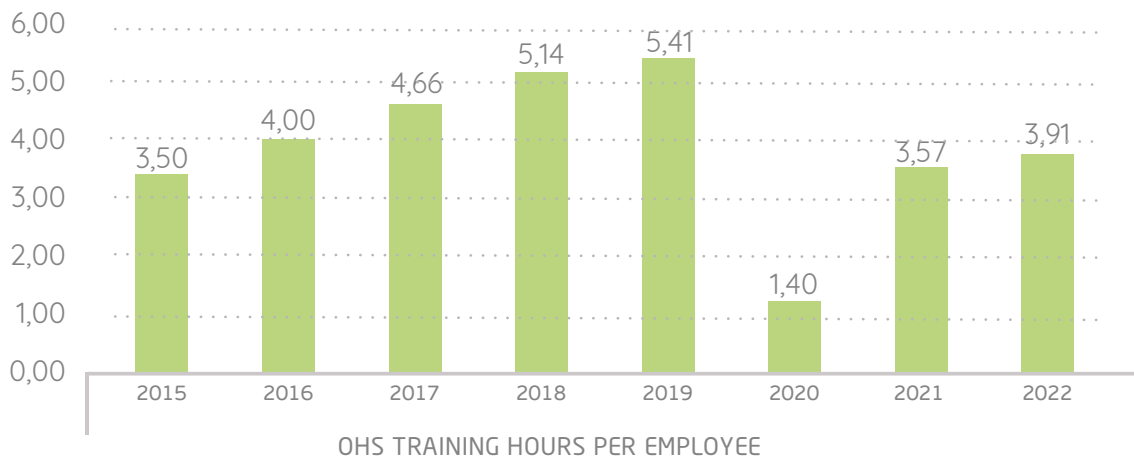
With the support of our volunteers, we strive to increase the goodness in the world and make great efforts to do our best.

Kalpten Magazine is the corporate publication of Alplas.

OCCUPATIONAL HEALTH & SAFETY

Occupational health and safety is positioned as one of the most important components in our management approach. We continue making efforts to protect our employees within the company borders against risks arising from the work environment and, provide the best work environment conditions with the principle of continuous improvement.

As Alpplas, we are aware of the fact that training has a very important place in a workplace safety culture and, we make efforts to maintain it at all times. We always operate with the principle of 'Zero Accident'.



Within the scope of our occupational safety goals, we carry out various studies to reduce the risk of accidents for our employees. The risk assessment processes are the main component of these efforts.

There were no fatal incidents resulting from work-related accidents or occupational diseases during the reporting period.

It is important for us that our employees at all levels contribute to the development of OHS awareness. We have an inclusive and highly representative organizational structure in our OHS boards consisting of employer representatives, OHS Experts, Workplace Physicians, Human Resources Managers, Deputy General Managers and relevant experts depending on the agenda topic. Meeting every month, the OHS board evaluates the respective risks and practices.

COVID-19 MEASURES

In response to the ongoing COVID-19 epidemic in 2021, we continued the measures we implemented in 2020 by means of adding additional practices.

We continued to disinfect all the living spaces in our businesses on a daily and weekly basis according to a disinfection plan, and require the use of masks, gloves and protective glasses. We placed hand disinfectants in all the common areas. We identified the quarantine areas.

We continued the practice of body temperature measurements at the door entrance every shift in all our businesses.

We cancelled all the domestic and international business trips by public transportation. We arranged the service shuttle seat capacities as 1/2. We allowed the employees, who are pregnant, sick, over the age of 60, and host relatives coming from abroad, to work remotely. We cancelled all the face-to-face training programs. We continued the meetings held in the form of video conference/teleconference. We arranged the seating order by placing a divider between two people facing each other at the dining tables in the dining halls. We placed posters and announcements to inform the employees accordingly.

PERFORMANCE TABLES

ECONOMIC PERFORMANCE INDICATORS	2019	2020	2021	2022
Automotive	22.743	28.788	21.347.818	21.489.337
White Goods	252.360	290.004	488.134.354	995.190.267
Industrial	14.415	19.116	20.998.958	11.922.881
Telecommunication	72.113	193.205	255.101.798	183.285.129
Sales Revenues				
Domestic	349.227	486.160.653	705.967.219	1.099.457.010
Abroad	26.895	41.026.842	57.992.486	76.040.239
Investments (TL)	3.072	19.360	24.307.728	32.288.166
Expenses (%)				
Donation, social responsibility project etc. expenses (TL)	53.200	55.943	106.560	133.342
Total R&D Budget		3.873.485	5.679.995	11.246.166
R&D Budget to Turnover Ratio (%)				
Total R&D Employees	21	34	29	33
Number of Patent Applications	4	5	11	13
Number of Patents Received			1	3
Industrial design application	0	0	0	0
Number of registered industrial designs	0	0	0	0
Total Number of Suppliers	457	438	250	249
Supply Rate by Country (%)				
Turkey	88 %	88 %	80 %	78 %
China	2 %	5 %	5 %	8 %
Hong Kong			4 %	3 %
Germany	2 %	5 %	4 %	4 %
Local Supplier Rate	52 %	83 %	66 %	69 %
Foreign Supplier Ratio			34 %	31 %
Number of Suppliers Under Direct Company Control				
Customer Satisfaction Survey Results				
Number of Customer Complaints	184	153	177	165
Istanbul	95	87	108	138
Bolu	89	66	69	27

	2019	2020	2021	2022
TOTAL TURNOVER TL	361.630.628,64	531.113.847,66	785.582.929,66	1.211.887.614,70

PERFORMANCE TABLES

ENVIRONMENTAL PERFORMANCE INDICATORS	2019	2020	2021	2022
Total Energy Consumption (GJ)	35.124	36.384	36.115	34701
Energy consumption per turnover (GJ/thousand TL)	0	0	0	0
Savings achieved through energy efficiency projects (GJ)				0
Direct greenhouse gas emissions (Scope 1) (CO2e/Ton)				292
Indirect greenhouse gas emissions (Scope 2) (CO2e/Ton)			3.529	3.805
Total Water Consumption (m3)	5.114	7.058	6.800	7.943
Water consumption intensity per turnover (m3/thousand TL)			0	0
Total amount of hazardous waste by method (tons)			67.828	71.753
Disposal			67.828	71.753
Recycling - Recovery			0	0
Total amount of non-hazardous waste according to method (tons)			126.789	110.062
Disposal			126.789	110.062
Recycling - Recovery			0	0
Total Amount of Packaging Used (Ton)			413	390
Packaging Waste Recovery Rate (%)			100 %	100 %

SOCIAL PERFORMANCE INDICATORS	2019	2020	2021	2022
Number of OHS Boards			10	12
Number of Members of OHS Boards	36	28	28	28
Number of employee representatives in OHS board members			10	10
Percentage of Accident Frequency	3	4	7	7
Accident Severity Rate			2	3
Percentage of Lost Days	0	1	3	4
Number of Occupational Death	0	0	0	0
"Number of Employees Attending OHS Training Organizations"	7287	2989		
Istanbul			648	756
Bolu			2.293	2.101
OHS Training Hours	5,	1		
Istanbul			9.072	10.584
Bolu			6.937	4.979
Disaster and emergency training (number of participants)	-	-	374	366
Disaster and emergency training (training hours)	-	-	450	598
Employee satisfaction research results				71%
Environmental training given to employees (number of participants)			2.119	1.587
Environmental training given to employees (training hours)			5	4
Environmental training given to employees (training hours)			5	4
Human rights training given to employees (training hours)			5	4
Business ethics and anti-corruption training given to employees (number of participants)			5	4
Business ethics and anti-corruption training given to employees (training hours)			5	4

PERFORMANCE TABLES

DEMOGRAPHIC PERFORMANCE INDICATORS	2020		2021		2022	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Total Number of Employees	480	371	462	361	414	316
İstanbul			276	236	276	212
Bolu			186	125	155	104
Total Number of Employees by Categories						
İstanbul						
White Collar			79	52	81	45
Blue Collar			196	185	178	167
Bolu						
White Collar			37	8	33	6
Blue Collar			150	116	122	98
Distribution of Employees by Employment Types	851					
İstanbul						
Full Time			512		471	
Half Time	0		0		0	
Bolu						
Full Time			311		259	
Half Time			0		0	
Distribution of Employees by Age Groups (%)	0					
İstanbul						
18-30			219		171	
31-40			111		125	
41-50			122		117	
Above 50			60		58	
Bolu						
18-30			66		47	
31-49			223		189	
Above 50			22		23	
Employees by Education Level						
İstanbul						
Uneducated			6		5	
Primary Education			191		184	
High School			178		157	
University and above			137		125	
Bolu						
Uneducated			0		0	
Primary Education			127		111	
High School			129		102	
University and above			55		46	
Number of Senior Executives	8		12		11	
Female			4		4	
Male			8		7	
Number of Mid-Level Executives	20		16		13	
Female			6		5	
Male			10		8	
Number of Employees Hired	414		583		366	
Number of Employees Leaving	375		516		456	
Number of Disabled Employees	18		26		19	
Employee Training Hours (person*hour)			11.326		10.540	
Average Training Hours per Employee (hours per person)			77		93	
Employees on Maternity Leave (number)			8		7	
Employees Returning from Maternity Leave (number)			5		4	

CONTACT

Alpplas Endüstriyel Yatırımlar A.Ş. To get detailed information and submit your thoughts and suggestions on the Sustainability Report:

Büşra KIZILAY
Senior Corporate Communications and Sustainability Specialist

Busra.kizilay@alpplas.com
sustainability@alpplas.com

ALPPLAS ENDÜSTRİYEL YATIRIMLAR A.Ş.
Head Office
Meydan Sokak No:1 Beybi Giz Plaza Kat:19 Maslak İstanbul Türkiye
T: 0212 290 2200
info@alpplas.com

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FOR A BEAUTIFUL
WORLD WORTH
SUSTAINING
ALPPLAS
SUSTAINABILITY
REPORT

2021-2022