

KARTONSAN KARTON SANAYİ VE TİCARET A.Ş.
2022 Sustainability Principles Compliance Statement

	If compliance with the principles is rated "Yes" or "Partial", the report should include information/link to the information that has been made available to the public. Explanations of compliance with the principles are included in the "Explanation" column. The "Explanation" column should indicate the extent to which the required information is consolidated or presented individually.	STATUS OF COMPLIANCE				EXPLANATION	REPORT/LINK WHERE INFORMATION IS DISCLOSED
		YES	NO	PARTIAL	IRRELEVANT		
A. General Principles							
A1. Strategy, Policy and Goals							
A1.1	For the environmental, social and governance areas ("ESG"), a decision of the Board of Directors should be taken and considered as priority and made public.	✓				ESG matters, risks and opportunities are regulated in accordance with the current sustainability policy of Kartonsan including other supporting policies. Kartonsan presents its periodic evaluations on these matters in its Integrated Annual Reports. On the other hand, within the scope of the studies of the Sustainability Committee, where these issues are discussed, the Board of Directors are informed regarding aforementioned matters, risks and opportunities.	Kartonsan 2022 Integrated Annual Report page number 21-27. https://www.kartonsan.com.tr/tr/page.php?id=40
	For the sake of effective implementation of the aforementioned policies, internal directives, work procedures, etc. may be prepared for the corporation.	✓				The relevant policies are disclosed and available on the Kartonsan's website.	Kartonsan's Sustainability Policy https://www.kartonsan.com.tr/en/page.php?id=66 Kartonsan's Ethical Principles on Preventing Corruption and Policy on Human Rights https://www.kartonsan.com.tr/files/2022/Kartonsan_Etik_Ilkeler.pdf Kartonsan's Policy on Quality, the Environment, Energy and Occupational Health and Safety

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						https://www.kartonsan.com.tr/en/page.php?id=18
A1.2	Should determine and publicly disclose its short and long-term goals in line with its ESG policies.	✓			Aims and goals of Kartonsan are presented in Integrated Annual Reports on an annual basis.	Kartonsan 2022 Integrated Annual Report page number 11-15, 27, 41-54 https://www.kartonsan.com.tr/tr/page.php?id=40
A2. Implementation/Monitoring						
A2.1	Should appoint and publicly disclose its committees/units in charge of implementation of ESG policies.	✓			Kartonsan established the Sustainability Committee in 2021. Relevant information regarding works and studies are included in Integrated Annual Report.	Kartonsan 2022 Integrated Annual Report page number 21-27. https://www.kartonsan.com.tr/tr/page.php?id=40
	Committees/units in charge should report the activities carried out under the policies to the Board of Directors at least once a year and in any case, within the maximum periods of time stipulated for disclosure of annual reports in the regulations of the Board pertaining thereto.	✓			In accordance with the works and studies of Sustainability Committee, information is provided to the Board of Directors periodically.	Kartonsan 2022 Integrated Annual Report page number 34 https://www.kartonsan.com.tr/tr/page.php?id=40
A2.2	Should formulate and publicly disclose the implementation and action plans in line with the short and long-term goals determined as above.	✓			Action and implementation plans of Kartonsan are disclosed in the Annual Integrated Report on an annual basis.	Kartonsan 2022 Integrated Annual Report page number 11-15, 27, 41-54 https://www.kartonsan.com.tr/tr/page.php?id=40
A2.3	Should determine ESG Key Performance Indicators (KPIs) and declare them comparatively on an annual basis.	✓			Kartonsan has been publishing an integrated annual report since 2021. In addition, Kartonsan publicly discloses ESG Key Performance Indicators.	Kartonsan 2022 Integrated Annual Report , annexes section https://www.kartonsan.com.tr/tr/page.php?id=40
A2.4	Should declare innovation activities aimed to improve the sustainability performance in relation with business processes or products and services.	✓			Kartonsan discloses its activities to improve the sustainability performance of business processes or products and services in Integrated Annual Reports on an annual basis.	Kartonsan 2022 Integrated Annual Report page number 11-15, 27, 41-54 https://www.kartonsan.com.tr/tr/page.php?id=40
A3. Reporting						
A3.1	Should report and publicly disclose its sustainability performance, goals and actions at least once a year. Should provide information	✓			Kartonsan reports information in a clear, accurate and sufficient manner on its sustainability performance, aims and actions in its Integrated Annual Reports. These reports are published since 2021 and prepared in accordance with	Kartonsan's corporate website annual report section https://www.kartonsan.com.tr/tr/page.php?id=40

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	about its sustainability activities within its annual report.					the requirements of GRI and the Integrated Reporting Framework and confirmation service is received from GRI.	
A3.2	It should provide information as to with which of the United Nations (UN) 2030 Sustainability Development Goals' activities are related.	✓				In accordance with its sustainability strategy and efforts, Kartonsan supports and contributes to the United Nations (UN) 2030 Sustainability Development Goals. In accordance with priorities and performance adopted, Kartonsan's contributions are disclosed to the public in its Integrated Annual Report every year.	Kartonsan 2022 Integrated Annual Report page number 30-31 https://www.kartonsan.com.tr/tr/page.php?id=40
A3.3	It should disclose information about lawsuits filed and/or completed against it in environmental, social and corporate governance areas.	✓				Lawsuits are filed against the Kartonsan during the reporting period and lawsuits have not been filed that are material to ESG policies and/or have the potential to significantly affect Kartonsan's operations. Besides, Kartonsan also makes a "statement" if there is a lawsuit incurred regarding in this nature.	
A4. Verification							
A4.1	If verified by independent third parties (independent sustainability assurance providers), it should disclose its sustainability performance measures, and should endeavor to increase said verification actions.	✓				Kartonsan has independently audited its key performance measures of the ESG, disclosed to the public in its 2022 Integrated Annual Report.	Kartonsan 2022 Integrated Annual Report , Limited Assurance Report https://www.kartonsan.com.tr/tr/page.php?id=40
B. Environmental Principles							
B1	Should declare its policies and practices, action plans, and environmental management systems (known as ISO 14001 standard) and programs.	✓				Kartonsan has structured its business processes in accordance with international product and management standards. Kartonsan's Integrated Managements System includes "ISO 9001 Quality Management System", "ISO 14001 Environmental Management System", "ISO 45001 Occupational Health and Safety Management System" and "ISO 50001 Energy Management System".	Kartonsan 2022 Integrated Annual Report page number 46 https://www.kartonsan.com.tr/tr/page.php?id=40 Kartonsan Integrated Manegement Systemi https://www.kartonsan.com.tr/en/page.php?id=19
B2	Should disclose limitations to the environmental report that will be prepared under the Sustainability Principles, reporting period, reporting date, data collection process and restrictions in reporting conditions.	✓					Kartonsan 2022 Integrated Annual Report , About the Report/Contents page number 4 https://www.kartonsan.com.tr/tr/page.php?id=40

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B3	Disclosed in A2.1.	✓					
B4	Stakeholders should (Board members, managers and employees) disclose the incentives it offers for management of environmental issues, including the achievement of goals.	✓				Using the Individual Suggestion System, Kartonsan shares and presents its suggestions and advises to improve the business cycle, including ESG issues. New projects are developed by evaluating these suggestions. Furthermore, the owner of the project is rewarded accordingly. Kartonsan is planning to include the relevant matter within the HR performance evaluation system in the next period through entire organization.	Kartonsan 2022 Integrated Annual Report , Individual Suggestion System page number 52 https://www.kartonsan.com.tr/tr/page.php?id=40
B5	Should disclose how environmental issues are integrated into business objectives and strategies.	✓				Kartonsan implements the results of the prioritization strategy analysis, which it carries out with broad stakeholder participation, in the process of developing its targets and strategies. In addition, Kartonsan prepares and implements action plans regarding its priority areas. Kartonsan carried out its current prioritization strategy by survey methodology in 2021. Accordingly, Kartonsan has also reported its works and studies in accordance with the aforementioned prioritization strategies.	Kartonsan 2022 Integrated Annual Report , Individual Suggestion System page number 30 https://www.kartonsan.com.tr/tr/page.php?id=40
B6	Disclosed in A2.4.	✓					
B7	Should disclose how it manages environmental issues and integrates suppliers and customers into its strategies, not only in terms of direct operations, but also along the corporation value chain.	✓				Kartonsan implements its works for integrating the perception of sustainability and ESG throughout its corporate value chain. The abovementioned studies are focused on corporation value chain mechanism during the reporting period. Kartonsan is planning to expand the related studies to other organizational structures of the value chain in the next period.	Kartonsan 2022 Integrated Annual Report , Headings from Kartonsan Supply Chain page number 43 https://www.kartonsan.com.tr/tr/page.php?id=40
B8	Should disclose whether it is included in the (sectoral, regional, national and international) policy formulating processes on environmental issues or not, as well as associations it is a member of, its environmental cooperation initiatives entered into with related institutions and non-governmental organizations, and its duties and functions, if any, assumed thereon, and the activities supported by it.	✓					Kartonsan 2022 Integrated Annual Report , Cooperation with sectoral unions and organizations, page number 28 https://www.kartonsan.com.tr/tr/page.php?id=40

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B9	Should periodically report in a comparable manner, information about environmental effects in the light of environmental indicators [Greenhouse gas emissions [Scope1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)], air quality, energy management, water and waste water management, waste management, biodiversity effects].	✓				Kartonsan includes environmental performance indicators in its Integrated Annual Reports in comparison with prior years (comparison of 2 years).	Kartonsan 2022 Integrated Annual Report, Annexes-Kartonsan Performance Indicators https://www.kartonsan.com.tr/tr/page.php?id=40
B10	Should disclose details in relation to standards, protocols, methodologies and base year employed for collection and calculation of its data.	✓				Kartonsan collects and calculates the data that form the basis of environmental performance indicators presented in Integrated Annual Reports in accordance with the legislation and provisions in force in Turkey.	Kartonsan 2022 Integrated Annual Report, Limited Assurance Report, Criteria and Structural Constraints https://www.kartonsan.com.tr/tr/page.php?id=40
B11	Should declare the status of environmental indicators for the reporting year in comparison with prior years (increase or decrease in environmental indicators).	✓				Kartonsan presents environmental performance indicators in its Integrated Annual Reports in comparison with prior years (comparison of 2 years). Moreover, increases or decreases in environmental indicators are disclosed in different sections of the Integrated Annual Report along with their reasons.	Kartonsan 2022 Integrated Annual Report, Kartonsan and Environment, page number 47 https://www.kartonsan.com.tr/tr/page.php?id=40
B12	Should determine and disclose short and long-term goals for reduction of its environmental impact. If an improvement is determined in the reporting year over the previously determined goals, it should provide information thereabout.	✓					Kartonsan 2022 Integrated Annual Report, Kartonsan and Environment, page number 47 https://www.kartonsan.com.tr/tr/page.php?id=40
B13	Should disclose its strategy and actions for fight against global warming.	✓					Kartonsan's Sustainability Policy https://www.kartonsan.com.tr/tr/page.php?id=66 Kartonsan 2022 Integrated Annual Report, Kartonsan and Environment, page number 47 https://www.kartonsan.com.tr/tr/page.php?id=40
B14	Should disclose its programs or procedures aiming to prevent or minimize the potential adverse	✓				In accordance with Quality, Environment, Energy and Occupational Health and Safety Policy, Kartonsan contributes to its goal of preserving natural resources through improvements in its operations and develops	Kartonsan 2022 Integrated Annual Report page number 11-15, 27, 41-54 https://www.kartonsan.com.tr/tr/page.php?id=40

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	effects of its products and/or services.					programs to reduce its environmental footprint. Kartonsan discloses its studies and experiences regarding aforementioned policies in Integrated Annual Report every year. In addition, Kartonsan indicates its periodic waste declarations through the electronic declaration system of the Integrated Environmental Information System prepared by the Ministry of Environment.	EÇBS https://ecbs.cevre.gov.tr/
	Should also declare the actions of third parties (for instance suppliers, subcontractors and dealers etc.) aiming to reduce greenhouse gas emissions.		✓			Kartonsan monitors its suppliers with an approach that has internalized comprehensive ESG matters. However, matters regarding greenhouse gas emissions are not included in the abovementioned scope.	
B15	Should declare the total number of actions taken, projects implemented and initiatives entered into for reduction of its environmental impact, as well as their environmental benefits and cost savings.	✓				Kartonsan discloses the efficiency, savings and improvements it has achieved with its sustainability efforts in its Corporate Reports and Annual Integrated Report regularly to the public.	Kartonsan 2022 Integrated Annual Report page number 11-15, 27, 41-54 https://www.kartonsan.com.tr/tr/page.php?id=40
B16	Should report total energy consumption data (with the exception of raw materials), and disclose its energy consumptions as Scope -1 and Scope -2.	✓					Kartonsan 2022 Integrated Annual Report, Annexes- Kartonsan Performance Indicators https://www.kartonsan.com.tr/tr/page.php?id=40
B17	Should provide information about electricity, heat, steam and cooling generated and consumed in the reporting year.	✓					Kartonsan 2022 Integrated Annual Report, Annexes- Kartonsan Performance Indicators https://www.kartonsan.com.tr/tr/page.php?id=40
B18	Should carry out and disclose works on increasing the use of renewable energy sources, and transition to zero or low carbon electricity.	✓					Kartonsan 2022 Integrated Annual Report, Biomass Power Plant Supply and Installation , page number 44 https://www.kartonsan.com.tr/tr/page.php?id=40
B19	Should disclose its renewable energy generation and consumption data.	✓				Kartonsan does not have renewable energy production and consumption in the reporting period.	
B20	Should conduct energy efficiency projects, and disclose the resulting reduction in energy consumption and emission due to its projects.	✓				Kartonsan did not have any publicly disclosed energy efficiency projects in 2022. For the year 2023, Kartonsan has planned the Biomass Power Plant Supply and Installation. Accordingly, along with the supply of biomass	

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						power plant, which is considered as an alternative energy source, the use of renewable energy sources will be ensured and emission values and energy costs of the Biomass Power Plant will decrease. The acquisition procedures of the Biomass Power Plant will be conducted in 2023. However, Biomass Power Plant will start its operations in 2024.	
B21	Should report quantities, sources and procedures of water extracted from underground or ground waters, used, recycled and discharged (Total water extraction on source basis, water sources affected from water extraction, percentage and total volume of recycled and reused water, etc.).	✓					Kartonsan 2022 Integrated Annual Report, Annexes-Kartonsan Performance Indicators https://www.kartonsan.com.tr/tr/page.php?id=40
B22	Should disclose whether its operations or activities are included in any carbon pricing system or not (Emission Trade System, Cap & Trade or Carbon Tax).	✓				Since the legislation regarding regulating of the carbon pricing system in Turkey has not yet been completed, Kartonsan could not be able to adopt carbon pricing system.	
B23	Should disclose its carbon credit data accumulated or acquired in the reporting period.	✓				Kartonsan has no carbon credits accumulated or acquired in the reporting period.	
B24	If carbon pricing is applied within the corporation, it should disclose details relating thereto.	✓				Since the legislation regarding regulating of the carbon pricing system in Turkey has not yet been completed, Kartonsan could not be able to implement carbon pricing system.	
B25	Should disclose all mandatory and voluntary platforms where its environmental data are disclosed.	✓				Kartonsan discloses its environmental data to the public as part of the Integrated Annual Reports it publishes on its corporate website.	Kartonsan's corporate website annual report section https://www.kartonsan.com.tr/tr/page.php?id=40
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	Should establish a Corporate Human Rights and Employee Rights Policy covering its commitment of full compliance with the Universal Declaration of	✓				Kartonsan's approach and attitude in the field of human and employee rights is based on global initiatives such as the International Labor Organization (ILO) and the requirements regulating working life in Turkey. Kartonsan develops a policy accordingly and presents all the activities	Kartonsan's corporate website annual report section https://www.kartonsan.com.tr/tr/page.php?id=40

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	Human Rights, ILO Conventions ratified by Turkey, and legal framework and legislation regulating human rights and labor issues in Turkey. Should disclose the aforementioned policy and the roles played and responsibilities assumed in the implementation of the policy.					it has implemented in accordance with these principles with the public through its Integrated Annual Reports.	Corruption and Policy on Human Rights Policy on Human Rights https://www.kartonsan.com.tr/files/2022/Kartonsan_Etik_Ilkeler.pdf
C1.2	Should provide equal opportunities in recruitment processes. Includes fair labor, improvement of working standards, employment of women and social inclusion issues (such as non -discrimination towards women, men, religious beliefs, language, race, ethnical origin, age, disablement, refugees, etc.) in its policies by also considering the supply and value chain effects.	✓					Kartonsan's Sustainability Policy https://www.kartonsan.com.tr/tr/page.php?id=66
C1.3	Should disclose measures taken along the value chain for the sake of supervision and protection of rights/equal opportunities for minorities or certain population segments vulnerable to particular economic, environmental and social factors (low-income segments, women, etc.).	✓					Kartonsan 2022 Integrated Annual Report page number 11-15, 27, 41-54 https://www.kartonsan.com.tr/tr/page.php?id=40
C1.4	Should report developments relating to applications aiming to prevent and corrective discrimination, inequality, breaches of human rights and forced labor, and disclose its regulations and measures aiming to prevent employment of child labor.	✓				Kartonsan did not experience any violations in the relevant matters during the reporting period. On the other hand, Kartonsan has not received any information regarding a violation in these matters in Kartonsan's supply chain mechanism.	Kartonsan Sürdürülebilirlik Politikası https://www.kartonsan.com.tr/tr/page.php?id=66 Kartonsan's Ethical Principles on Preventing Corruption and Policy on Human Rights https://www.kartonsan.com.tr/files/2022/Kartonsan_Etik_Ilkeler.pdf

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C1.5	Should disclose its policies regarding investing in employees (training and development policies), compensations, fringe benefits, unionization rights, work/life balance solutions and talent management.	✓				Kartonsan has disclosed employee rights generally in its company policies and explained it in detail in its corporate directives.	<u>Kartonsan Sürdürülebilirlik Politikası</u> <u>https://www.kartonsan.com.tr/tr/page.php?id=66</u> Kartonsan's Policy on Quality, the Environment, Energy and Occupational Health and Safety <u>https://www.kartonsan.com.tr/en/page.php?id=18</u>
	Should determine dispute resolution processes through the establishment of mechanisms for resolution of employee complaints and disputes, and determine its dispute resolution processes.	✓				Kartonsan has established the resolution of employee complaints and disputes mechanisms. The details regarding these matters are included in the Employee Handbook, which employees access via the Company intranet portal. Furthermore, Kartonsan's Ethical Principles on Preventing Corruption and Policy on Human Rights also displays the general framework on these matters.	<u>Kartonsan's Ethical Principles on Preventing Corruption and Policy on Human Rights</u> <u>https://www.kartonsan.com.tr/files/2022/Kartonsan_Etik_Ilkeler.pdf</u>
	Regularly declares its activities and operations aimed at employee satisfaction.	✓					Kartonsan 2022 Integrated Annual Report, Annexes-Kartonsan Performance Indicators <u>https://www.kartonsan.com.tr/tr/page.php?id=40</u>
C1.6	Should formulate and disclose its occupational health and safety policies.	✓					<u>Kartonsan's Policy on Quality, the Environment, Energy and Occupational Health and Safety</u> <u>https://www.kartonsan.com.tr/en/page.php?id=18</u>
	Should disclose actions and measures taken for protection of health and against occupational accidents, and occupational accident statistics.	✓					Kartonsan 2022 Integrated Annual Report, Annexes-Kartonsan Performance Indicators <u>https://www.kartonsan.com.tr/tr/page.php?id=40</u>
C1.7	Should formulate and disclose to public its personal data protection and data security policies.	✓					<u>Personal Data Retention and Disposal Policy</u> <u>https://www.kartonsan.com.tr/files/2022/Kisisel_Veri_Saklama_Imha_Politikasi.pdf</u>
C1.8	Should formulate and disclose its ethics policy.	✓					<u>Kartonsan's Ethical Principles on Preventing Corruption and Policy on Human Rights</u>

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							https://www.kartonsan.com.tr/files/2022/Kartonsan_Etik_Ilkeler.pdf
C1.9	Should disclose initiatives focused on social investment, social responsibility, financial inclusion and access to finance.						
C1.10	Should organize information meetings and training programs for employees with respect to ESG policies and applications.	✓				Kartonsan employees can access the relevant information on the Company's intranet portal.	
C2. Stakeholders, International Standards and Initiatives							
C2.1	Should formulate and disclose its customer satisfaction policy dealing with management and resolution of customer complaints.	✓				Kartonsan does not have a publicly disclosed customer satisfaction policy. The processes related to the management and resolution of customer complaints are structured for Kartonsan and Kartonsan implements the mechanism regularly.	Kartonsan 2022 Integrated Annual Report, Customer complaints handling and resolution , page number 42 https://www.kartonsan.com.tr/tr/page.php?id=40
C2.2	Should handle stakeholder communications continuously and transparently, and disclose with which stakeholders, for which purposes, on which issues and in which frequency it communicates.	✓					Kartonsan 2022 Integrated Annual Report, Stakeholder Communication page number 28-31 https://www.kartonsan.com.tr/tr/page.php?id=40
C2.3	Should disclose international reporting standards it has adopted.	✓					Kartonsan 2022 Integrated Annual Report, Stakeholder Communication page number 28-31 https://www.kartonsan.com.tr/tr/page.php?id=40
C2.4	Should disclose the international organizations or principles it has signed or enrolled in and the international principles it has adopted.	✓					Kartonsan 2022 Integrated Annual Report, Stakeholder Communication page number 28-31 https://www.kartonsan.com.tr/tr/page.php?id=40
C2.5	Should concretely endeavor to be included in the Borsa İstanbul Sustainability Index and global sustainability index.		✓			Kartonsan is not included in the sustainability indexes of Borsa İstanbul and/or global sustainability index providers.	

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	D. Corporate Governance Principles						
D1	Should consult with stakeholders in determination of measures and strategies in sustainability field.						Kartonsan 2022 Integrated Annual Report, Stakeholder Communication page number 28-31 https://www.kartonsan.com.tr/tr/page.php?id=40
D2	Should endeavor to raise awareness on sustainability matter and the significance thereof through social responsibility projects, awareness activities and trainings.						Kartonsan 2022 Integrated Annual Report, Stakeholder Communication page number 28-31 https://www.kartonsan.com.tr/tr/page.php?id=40