

The Branch of “Plasform Ambalaj Sanayi ve Tijaret A.Ş.” FEZ “Bishkek”

Sustainable Development REPORT 2023



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Message from the General Manager



As the General Manager of the Branch of “Plasform Ambalaj Sanayi ve Tijaret A.Ş. Branch, I am pleased to present our first ESG report. The publication of this report and adherence to the ESG agenda helps to increase stakeholder awareness of the Branch's initiatives in the field of environmental sustainability, adherence to corporate and social responsibility, as well as the Branch's overall activities.

In recent years, environmental, social and governance issues have become an integral part of corporate culture. We recognize the importance of these issues and are committed to become a sustainability leader in our industry.

We are proud of our progress in the following key areas:

Rational consumption:

- Implementing circular economy principles to reduce waste and improve resource efficiency, including the use of recycled materials.*
- Development and production of products taking into account environmental requirements and the desire to reduce its carbon footprint.*
- Implementation of energy efficient technologies and processes in our manufacturing plants to reduce water and energy consumption.*
- Optimizing product design to improve material efficiency.*

Social responsibility:

Creating a safe and inclusive work environment for all employees, including promoting gender equality and opportunity.

Establishing gender goals and indicators to ensure fair representation of women at all levels of the Branch.

Investing in employee training and development, ensuring their professional growth and well-being.

We believe that our activities in these areas not only demonstrate our commitment to sustainability, but also create long-term value for our stakeholders.

We are committed to continuous improvements that will enable us to further integrate ESG into our operations. We believe that our path to sustainable development will ensure a successful future for our Branch.

Cagri Kaya

1. About the Branch of “Plasform Ambalaj Sanayi ve Tijaret A.Ş.” FEZ “Bishkek”

The Branch of “Plasform Ambalaj Sanayi ve Tijaret A.Ş.” FEZ “Bishkek” (Plasform Ambalaj Sanayi ve Tijaret AS "Bishkek" Serbest Ekonomik Bolgesi Subesi) was established in 1998 on the territory of the Free Economic Zone "Bishkek" for the production of PET preforms (for plastic bottles for the food industry).

The Branch produces preforms of various shapes and sizes, which are mainly used in the production of plastic bottles for the food industry. Our mission is to provide customers with high quality and innovative packaging solutions for their products.

Our activities are aimed at constantly improving the quality of our products and optimizing production processes through the introduction of new technologies and production methods.

The Branch adheres to the principles of social responsibility and sustainable development. One of our Branch's priorities is to preserve the environment and reduce harmful impacts on it. The use of modern equipment allows us to reduce energy and resource consumption, as well as reduce the amount of waste and emissions into the atmosphere, including greenhouse gases.

We pay attention to our employees, creating conditions for their professional and personal development. It is important for us to provide a safe and non-discriminatory working environment and to support the well-being of our employees.

The Branch pays special attention to effective management and improving the safety culture, thereby building the basis for a production cycle in which all employees feel safe.

We strive to ensure that our products are in demand on the market, so we constantly study the needs and expectations of our customers and analyze the competitive environment in order to improve our products. We build relationships with stakeholders based on mutual respect, equal dialogue and balance of interests.

We also monitor changes in legislation and the latest global trends in production to meet the requirements and expectations of our customers and partners.

We are committed to maintaining high standards of quality, efficiency and environmental responsibility in our production.

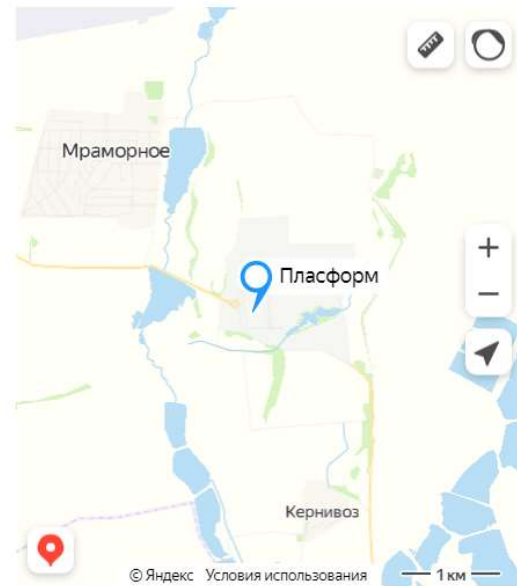
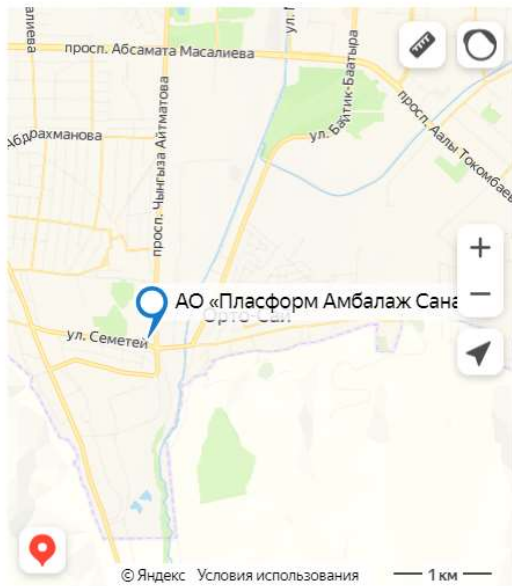
2. Defining report boundaries

This report provides detailed information on the activities of the Bishkek branch of “Plasform Ambalaj Sanayi ve Tijaret AS.” in the field of sustainable development for 2023. The emphasis is on the efforts and results associated with the production of PET preforms in the Bishkek Free Economic Zone (FEZ). The report provides information on energy consumption, water consumption, waste disposal, as well as measures aimed at ensuring the well-being of employees. This report covers the period 01.01.2023 – 01.31.2023.

3. Location

Legal address of the Branch is 720016, Kyrgyz Republic, Bishkek, Chyngyz Aitmatov Ave. 303.

Production facilities/production are located at: Kyrgyzstan, Alamudun district, village. Ak-Chii, FEZ “Bishkek”.



Picture 3.1.: The location

4. Management

Name of the legal entity that established the branch: Joint Stock Company “Plasform Ambalaj Sanayi ve Tijaret Anonim Sirketi” with headquarters: Republic of Turkey, Istanbul, Murat Bey Merkez quarter, Akcesme Avenue No. 3 Chatalca.

For many years, the Branch has been cooperating with well-known Kyrgyz enterprises producing bottled water and drinks, and also exports its products to Kazakhstan, Uzbekistan, and Tajikistan. The activities of the Branch began in 1998 and are actively carried out to the present day. The Branch produces products under the “Plasform” brand, which is a guarantee of high-quality and authenticity of products.

This report reveals key performance results for 2023 in the following areas: environmental sustainability, social responsibility, and corporate governance.

5. Production

The production of PET preforms is carried out using modern equipment from the HUSKY company in compliance with all sanitary and hygienic standards, food safety requirements, occupational health and safety in accordance with international rules and regulations, as well as the legislation of the Kyrgyz Republic.

In 2023, three new high-performance injection molding machines were put into operation, as well as new warehouse facilities were built and the administrative complex was expanded.

In 2024, it is planned to complete the construction of auxiliary premises and warehouses for storing raw materials and finished products.

The annual capacity of the plant at the end of 2023 was 800 million pieces of preforms per year.

The total area of the production complex at the end of 2023 was 2.1 hectares.

The client base at the end of 2023 consisted of 33 companies.,

6. Membership in associations

We pay special attention to developing partnerships, networking and establishing productive contacts in order to promote ESG approaches in the manufacturing field. The development and implementation of a sustainable development strategy and ESG principles can only be effectively carried out through joint efforts and interaction with professional communities. Membership in associations provides the opportunity to implement joint projects and initiatives in the field of sustainable development, and exchange experiences with other industry representatives.

The Branch of "Plasform Ambalaj Sanayi ve Tijaret A.Ş." is a member of the following associations:

- International Business Council in the Kyrgyz Republic (IBC);
- American Chamber of Commerce in Kyrgyzstan (AmCham);
- Chamber of Commerce and Industry of Kyrgyzstan;
- Public Association of Entrepreneurs, Culture, Solidarity and Friendship Türkiye-Kyrgyzstan (Turkid);
- Business network for waste management in the Kyrgyz Republic (WasteNet.kg).

7. Supply chain

Geographical distribution of suppliers of goods and services:

- China: The main supplier of raw materials, components.
- Europe: Supplier of high-tech equipment, machinery and specialized services.
- North America: Some types of industrial equipment.
- Union of Independent States (UIS): Some types of equipment and consumables
- Local Suppliers: Supplier of auxiliary materials, consumables and services.

Supply chain management plays a critical role in promoting sustainable development. It covers all stages of the product life cycle, from the extraction of raw materials to delivery to the final consumer. Sustainable supply chain management involves considering environmental, social and economic aspects at every stage to minimize negative impacts on the environment and society.

In 2023, we took a number of initiatives to improve the resilience of our supply chain:

- **Green Procurement Program:** The program was launched to increase the purchase of environmentally friendly materials, which has resulted in a significant increase in the use of recycled resources in our production processes.

Our corrugated packaging is made entirely from recycled materials, allowing us to reduce our impact on the environment.

The shipping pallets in our products are made from recycled wood waste, which contributes to the sustainable use of forest resources.

In 2023, we began conducting the first tests on the use of raw materials with a high content of recycled content, where more than 11 tons of R-PET were used to produce preforms.

Our preforms are fully recyclable and can be easily processed using commonly available technologies. They contain practically no surface contaminants and have a homogeneous composition, which makes them an environmentally friendly product.

- **Local Supplier Support Program: Promoting Sustainability through Collaboration**

We have developed a comprehensive local supplier support program that goes beyond simply providing resources. Our program is based on ongoing engagement and dialogue, helping suppliers not only meet our sustainability standards, but also develop and implement their own sustainable practices.

Key elements of our local supplier support program include regular consultation and knowledge sharing.

We hold regular consultations and meetings with suppliers to discuss best practices, share knowledge and identify areas for improvement.

Through constant interaction and dialogue, we are able to develop long-term partnerships with our suppliers based on shared sustainability values.

We believe this approach not only helps suppliers meet our standards, but also encourages greater adoption of sustainable practices throughout our supply chain.

In 2023, the share of local suppliers in the total volume of purchases of materials and services increased by 44% compared to 2022, and amounted to 28.5%.

8. Management Structure and Responsibilities

We are committed to sustainability and believe that environmental, social and governance (ESG) management is critical to the long-term success of our Branch. Key principles of the Branch in the field of sustainable development:

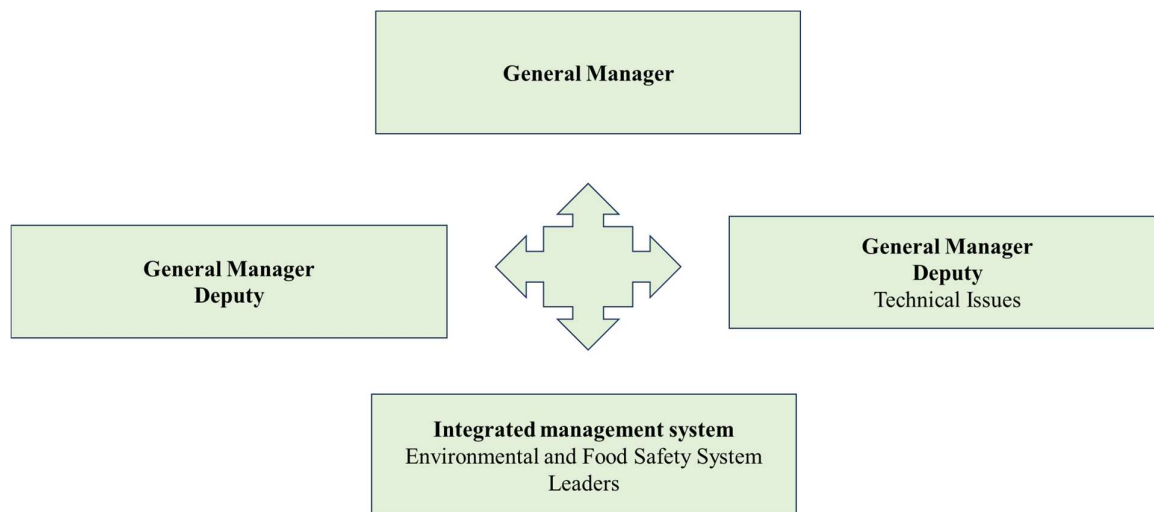
- **Environmental Sustainability:** We are committed to minimizing the negative impact of our operations on the environment by implementing environmentally friendly practices, reducing greenhouse gas emissions and responsible management of water and energy resources.
- **Social Responsibility:** We create an inclusive and supportive work environment where every employee feels valued and respected.
- **Corporate Governance:** We adhere to high ethical standards and principles of transparency in all our business transactions. We strive to comply with all applicable laws and regulations and maintain open and honest dialogue with all our stakeholders.

We are committed to sustainability, including environmental protection, social responsibility and corporate governance. Those principals are an integral part of our overall strategy. By integrating these

principles into our operations, we strive to create a sustainable future for our Branch, our employees, our customers and our community.

A responsible approach to building a corporate governance system, high standards of transparency in management and business processes, a highly qualified management system, timely reporting and an effective strategy for interaction with all stakeholders are key factors in maintaining the sustainable development of our Branch.

In this section we will look at the Branch's management structure, reporting lines and accountability mechanisms that are implemented in the Branch. This structure ensures that roles and responsibilities are clear, promotes collaboration and coordination, and ensures that employees are accountable to achieving a common goal.



Picture 8. 1.: ESG Governance Framework

The corporate governance structure of the Branch is aimed at making informed and effective decisions, ensuring compliance with national legislation, international standards and monitoring performance results.

The General Manager is responsible for ensuring the implementation of the principles of sustainable development in all aspects of the Branch's activities, including production, supply logistics and relations with stakeholders.

It includes:

- Development and implementation of an overall ESG strategy consistent with the Branch's sustainable development goals.
- Monitoring and reporting of ESG performance to ensure transparency and accountability.
- Collaborate with stakeholders, including employees, customers, suppliers and regulators, to achieve the organization's ESG objectives.

The Deputy General Manager of the Branch is a key leader for implementation of sustainable development principles into all aspects of the organization's activities.

- Leads effective interactions with customers, suppliers and contractors with an emphasis on sustainable procurement and supply chain management.
- Leads and develops a high-performing team with a focus on employee training and development.
- Manages financial resources, including budget control, cash flow optimization and ensuring financial sustainability in accordance with ESG principles.
- Participates in building strong relationships with stakeholders by serving as the primary liaison with external partners and maintaining a positive image of the organization.

Responsibilities of the **Deputy General Manager for Technical Issues**:

- Controls production, maintenance, storage of raw materials and finished products, ensuring compliance with ESG principles.
- Leads infrastructure projects aimed at improving environmental efficiency
- Manages the development and implementation of sustainability strategies to reduce environmental impact, improve working conditions for staff
- Monitors and analyzes key performance indicators, identifies opportunities for improvement, and develops strategies to improve performance and sustainability.
- Collaborates with other leaders and stakeholders for systematic implementation of ESG principles into all aspects of the Branch.

The Leader of Environmental Management System (EMS) plays an important role in ensuring effective environmental impact management, compliance with regulatory requirements and environmental sustainability principles. Key responsibilities of the environmental safety system manager include:

- Development and implementation of a comprehensive EMS strategy that is consistent with the Branch's sustainability goals and ESG principles.
- Setting goals, performance indicators for the EMS, ensuring measurement and reporting of progress.
- Integration of EMS principles into all aspects of the Branch's activities, including operations, supply chain and stakeholder relations.
- Development and implementation of programs to reduce environmental impact, such as emissions reduction, waste management and energy efficiency.
- Monitor and analyze environmental performance to identify areas for improvement and ensure compliance with regulatory requirements.
- Conduct or lead internal EMR audits to evaluate system effectiveness and identify opportunities for improvement.
- Providing recommendations to management and stakeholders based on audit results to improve environmental performance and reduce risks.

The Leader of the Food Safety System ensures that the food safety management system (FSMS) is effectively managed compliance while complying with regulatory requirements and compliance with ESG principles. Key responsibilities of the head of the food safety system, taking into account ESG principles:

- Developing and implementing an FSMS that aligns with the Branch's sustainability goals and ESG principles.
- Manage and oversee the implementation and maintenance of the FSMS in accordance with recognized standards such as ISO 22000.
- Develop and implement food safety programs such as Hazard Analysis and Critical Control Points (HACCP) and Good Manufacturing Practices (GMP).
- Monitor and analyze food safety performance to identify areas for improvement and ensure compliance with regulatory requirements. This may include monitoring consumer complaints, laboratory test results, and product recalls.
- Conducting or leading internal FSMS audits to assess system effectiveness and identify opportunities for improvement. This includes providing recommendations to management and stakeholders based on audit findings to improve food safety and reduce risks.

The Leader of Food Safety Manager plays an important role in ensuring an effective FSMS and compliance with ESG principles. This helps us ensure food safety and quality, protect consumers and enhance brand trust.

9. Vision, Principles and Standardization

The Vision, Principles and Standardization section represents the basis of our commitment to environmental sustainability, social responsibility and good corporate governance. We believe that standardizing processes and implementing best practices is critical to ensuring consistency and efficiency in achieving our ESG goals. This section guides our actions and demonstrates our commitment to creating value for all our stakeholders, as well as for society and the environment.

9.1. Our values:

Our business is based on unchanging values:

- **Quality:** We are committed to the highest standards of product quality and customer service.
- **Reliability:** Our reputation is based on reliable and timely deliveries.
- **Innovation:** We support a culture of continuous improvement and implementation of innovative solutions.
- **Sustainability:** We act responsibly, balancing economic, social and environmental aspects.

9.2. Our principles:

We are guided by the following principles:

- **Environmental responsibility:** We minimize negative impacts on the environment and comply with environmental regulations.

- Social Support: We care about the well-being of our employees and communities.
- Professionalism: We maintain high ethical standards and conduct business responsibly.
- Operational efficiency: We optimize processes to achieve maximum productivity and quality.

9.3. Conformity with standards:

Compliance with Laws and Regulations: We follow all applicable national laws, regulations and also international standards.

Quality, safety, environmental friendliness of products: Our products meet high quality and safety standards, which are confirmed by the EAEU declaration of conformity, protocols and conclusions of independent laboratories.



Picture 9.3.1.: Declaration of Conformity, Euro-Asian Economic Union

9.4. Environmental and Food Safety System

An Integrated Management System (IMS) has been implemented to ensure sustainable production and adherence to strict quality standards and sustainable/environmental principles. It covers requirements in the areas of ecology and food safety.

Key principles of ISM:

- Integrated approach: Integrating environmental and food safety approach into united system.
- Continuous improvement: Regularly reviewing and improving processes to ensure efficiency

- Employee participation: Involvement of all employees into the management process at all levels
- Proactive approach: Identification and elimination of potential hazards in order to prevent incidents.

Integrated Management System allows to effectively manage interrelated environmental and food safety aspects. It guarantees sustainable production and satisfaction of our customer's needs.

We are ISO 14001 certified for our commitment to environmental responsibility. Our team is constantly working to improve the efficiency of production processes, reduce resource consumption and minimize the negative impact on the environment.

Food safety is our top priority. Our production process complies with the requirements of the FSSC 22000 food safety certification scheme. We maintain high standards of hygiene and quality, which are regularly audited by independent international auditors.



Picture 9.4.1.: ISO 14001 and FSSC 22000 certificates

10. Corporate Social Responsibility

10.1. UN Global Agreement

The branch was the first in the Kyrgyz Republic to join the UN Global Compact, the world's largest UN initiative on corporate social responsibility and sustainable development. We are committed to upholding the 10 principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption.¹

Human rights:

- Ensuring safe and decent working conditions for all employees, including maintaining minimum age for work

¹ <https://unglobalcompact.org/admin/dashboard>

Elimination of a forced labor and child labor at all stages of production. Promotion of equality and elimination of discrimination. **Labor relations:**

- Compliance with international labor standards, including the right to free association and collective bargaining.
- Ensuring safe and healthy working conditions.
- Provision of fair salary and the possibility of professional growth.

Environment:

- Reducing greenhouse gas emissions, introducing energy saving technologies.
- Rational usage of water and other resources.
- Reduction of waste and its recycling, usage of recycled materials.
- Responsible utilization of PET-preforms, participation in recycling programs.

Fight against corruption:

- Transparency of financial activities, prevention of bribery and corruption.
- Compliance with the law and legislation in every country we operate in.
- Ethical purchasing policy.

Responsible Business conduct:

- Open communication with masses and stakeholders.
- Implementation of mechanisms to identify and address the human rights and environmental risks.
- Supporting initiatives for sustainable development and circular economy.

Consumer protection:

- Providing to consumers the accurate and full information about the products, including its composition and methods of disposal.
- Ensuring the quality and safety of PET-preforms.
- Compliance with consumer safety laws.

Public Engagement:

- Open dialogue with stakeholders, including employees, consumers, authorized government bodies.

Transparency and accountability:

- Ensuring availability of information about activities for all interested parties.
- Conducting independent audits.

Innovation:

- Continuous improvement of production technologies, minimizing the negative impact on the environment.

- Development of new products and materials that meet the requirements of sustainable development.
- Implementation of innovative management methods that increase efficiency and reduce risks.

Social responsibility:

- Implementation of training and professional development programs for employees.
- Creating a positive working environment and caring for the well-being of employees.

In 2021, we passed the first assessment by the EcoVadis rating agency and were awarded a bronze medal. EcoVadis helps us develop an effective ESG sustainability strategy and improve our reputation in the eyes of investors and clients.²

10.2. Sustainable Development Goals

Our Branch recognizes the importance of sustainable development and strives to contribute into achieving the UN Sustainable Development Goals (SDGs).

We have integrated SDGs into our core activities and strive to contribute to creating a more sustainable future for Kyrgyzstan and the world as a whole.

This section provides an overview of our progress towards achieving the SDGs. We've highlighted the key areas where we can have the greatest impact and outlined the specific actions we're taking to support those goals.

SDG 3: Good health and well-being



- Provision of safety at all production areas by implementation of /security measures
- Providing employees with appropriate equipment and personal protective equipment
- Conducting regular safety briefings and training for employees
- Regular monitoring of working conditions to ensure compliance with occupational safety and health standards.
- Reducing the number of accidents and occupational diseases.
- Increased employee morale and job satisfaction.
- Compliance with legal requirements in the field of occupational health and safety.
- Strengthening the Branch's reputation as a responsible employer.

² [My Company Profile | EcoVadis Platform \(ecovadis-survey.com\)](https://www.ecovadis.com/MyCompanyProfile.aspx)

SDG 5. Gender Equality

5 ГЕНДЕРНОЕ РАВЕНСТВО



- Creating a culture of equal opportunity for all employees, regardless of gender, and zero tolerance for discrimination in the workplace.
- We actively support and encourage the professional development of women in our Branch, ensuring equal access to career advancement opportunities.
- Setting targets and regularly assessing the effectiveness of actions to achieve gender balance.
- Creating an open and inclusive work environment where every employee feels respected and valued as a member of the team.

SDG 6: Clean water and sanitation

6 ЧИСТАЯ ВОДА И САНИТАРИЯ



- Effective water management and reduction of water consumption:
- Implementation of closed water supply cycles for reuse of water in production processes.
- Install sensors and flow meters to track water consumption and identify areas for savings.
- Use of water-saving equipment and technologies
- Implementation of training and awareness programs on the importance of good hygiene and sanitation.

SDG 7: Affordable and clean energy

7 НЕДОРОГОСТОЯЩАЯ И ЧИСТАЯ ЭНЕРГИЯ



- Transition to energy efficiency

SDG 8: Decent work and Economic Growth

- Creating decent jobs with fair wages and benefits

8 ДОСТОЙНАЯ РАБОТА И ЭКОНОМИЧЕСКИЙ РОСТ



- Supporting local economic development and entrepreneurship

SDG 9: Industry, Innovation and Infrastructure

9 ИНДУСТРИАЛИЗАЦИЯ, ИННОВАЦИИ И ИНФРАСТРУКТУРА



- Investing in sustainable technologies and innovation
- Development of sustainable infrastructure to support economic growth

SDG 12: Responsible consumption and production

12 ОТВЕТСТВЕННОЕ ПОТРЕБЛЕНИЕ И ПРОИЗВОДСТВО



- Reduce waste and improve resource efficiency
- Transition to environmentally friendly materials and processes

SDG 13: Climate Action

- Reducing greenhouse gas emissions and adapting to climate change
- Using recycled materials to reduce greenhouse gas emissions

SDG 16: Peace, Justice and Strong Institutions



- Support for the rule of law and human rights
- Promoting transparency and accountability in the supply chain

SDG 17: Partnerships for the Goals



- Collaboration with stakeholders to achieve sustainable development goals
- Supporting sustainable development initiatives in the community

10.3. Food Safety management system

Food Safety Management System We are focused on meeting the needs and expectations of customers in the field of food beverage packaging, providing consistently high quality products.

Goal – compliance with legal requirements, and stringent food safety standards..

To achieve this goal, we develop and implement new technologies, improve existing ones, and use modern equipment and materials to improve the quality and safety of products.

We also ensure compliance with legal requirements, applicable standards and other regulations related to activities. In addition, we guarantee the quality and safety of the raw materials obtained, preventing counterfeiting and counterfeiting. We constantly evaluate the compliance of raw materials and materials with established requirements.

Our mission: We provide customers with high-quality, safe, and innovative food packaging solutions. We provide customers with high-quality, safe, and innovative food packaging solutions.

We actively implement a culture of safety and quality in food packaging throughout the entire supply chain. We raise staff awareness of the importance of food safety and hygiene, as well as the threats and risks arising in this area. We assign responsibility for the safety and quality of products to our employees and ensure effective interaction at all levels. We constantly improve the qualifications of our employees and encourage their participation in improving operations. We develop their understanding and responsibility for the safety and quality of products, and ensure the safety and well-being of personnel.

The branch is constantly improving its food safety management system, analyzing the results and taking into account customer expectations and feedback.

We strive to continuously improve our safety culture and product quality in order to ensure a high level of customer satisfaction.

We understand that customer satisfaction is critical to the sustainable growth of our business. We are committed to providing exceptional customer service and responding to complaints in a timely and effective manner. Our complaints handling system includes:

- **Simplified Complaint Process:** Customers can easily file a complaint through our website, email or telephone.
- **Fast Response:** We strive to respond to all complaints within 24 hours and resolve them as quickly as possible.
- **Personalized Interaction:** Our customer service specialists review each complaint individually and work to find a solution that meets the customer's specific needs.
- **Trend Analysis:** We analyze complaints to identify common problems and develop preventive measures to address them.
- **Continuous Improvement:** We regularly review and improve our complaint handling processes to ensure continued improvement in customer satisfaction.

11. Economic indicators

With a growing focus on sustainability and social responsibility, the Branch strives to demonstrate its contribution to the economy and society. The Economic Performance section provides important information about the Branch's financial impact on stakeholders.

The section includes the following key indicators:

Taxes: The total amount of taxes paid reflects the Branch's contribution to government revenue and support of public services.

Local Suppliers: The percentage of purchases from local suppliers shows the Branch's commitment to supporting the local economy.

Capital Expenditure: Investment in fixed assets such as equipment and real estate is an indicator of a company's long-term growth and development.

Operating Costs: Operating costs such as raw materials, labor and utilities reflect the efficiency and sustainability of a Branch's operating model.

Benefits and Salary: The total amount paid to employees in the form of wages and benefits demonstrates the Branch's contribution to the well-being of employees and the local community.

Analysis of these indicators provides stakeholders with valuable information to assess the financial stability and social responsibility of the Branch. It also demonstrates the positive impact of our production on the economy and commitment to the principles of sustainable development.

Table 11.1.

Economic indicators

Indicator	unit	2021	2022	2023
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Total products	tons	13163.0	15568.0	25666.0
Taxes and other obligatory payments to the budget of the Kyrgyz Republic.	M soms	54.5	60.6	80.6
Share of local suppliers of goods and services	%	27	19.7	28.5
Capital expenditures	M soms	192.5	417.2	1561.2
Social projects	M soms	0.40	1.20	1.40

12. Environmental Indicators

Essential topics for disclosure of data on environmental issues and resource consumption are: greenhouse gas emissions, energy and water management, including wastewater generation and waste management.

12.1. Resource management

We strive to be leaders in the PET preform industry and constantly looking for new one's capabilities and technologies to improve our products and processes.

Our goal is an innovative approach to the development and production of PET preforms, constant market research and the introduction of modern technologies that have minimal impact on the environment.

In 2023, as part of the expansion of production capacity, the Branch commissioned additional new lines for the production of PET preforms during the year, which made it possible to increase product output by 47% compared to the previous year.

Modernization of production processes and the acquisition of energy-efficient equipment allowed us to reduce water and energy consumption by 60% and ~18.5% per ton of manufactured products, respectively, over three years.

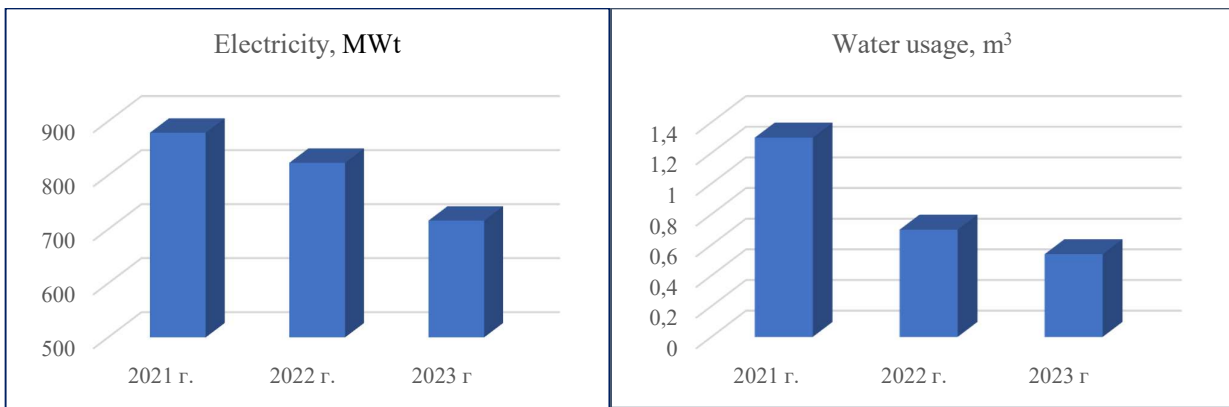
Table 12.1.1.

Amount of resources consumed

#	Name	unit.	2021	2022	2023	Per ton of product*, 2021	Per ton of product, 2022	Per ton of product, 2023
1	Electricity	MW	11,569.1	12,815.2	17,677.8	878.9	823.2	716.2
2	Total water consumption	m3	18 309	11,081	12 404	1.3	0.7	0.54
3	Drains	m3	18 309	11,081	12404	1.3	0.7	0.54
4	Raw materials used	tons	13 199	15,661	25 797			

*per ton of products produced

Charts of resource consumption and output



Imp.12.1.1 Charts of resource consumption (per ton of a manufactured product)

12.2. Greenhouse gas emissions

At the plant, 95% of the energy consumed is generated by renewable energy sources - hydroelectric power plants. Only 5% from non-renewable energy sources (use of an emergency diesel generator during a power outage throughout the entire industrial zone).

To calculate greenhouse gas (GHG) emissions, a methodology was used greenhouse gas emissions couple developed by the United Nations Framework Convention on Climate Change (UNFCCC) unfccc.int.

The UNFCCC Greenhouse Gas Inventory Framework is a comprehensive set of guidelines for countries to compile national greenhouse gas emissions inventories. It is used by countries party to the UNFCCC to account and report their greenhouse gas emissions, which contribute to global climate change.

The technique requires the collection of detailed activity and emissions data, such as:

- Power consumption
- Production processes, materials used,
- Waste removal

This data is used to calculate greenhouse gas emissions using emission factors, which represent the amount of emissions generated per unit of activity.

Due to the fact that this is the Branch's first sustainability report, information on greenhouse gas emissions is presented without comparison with previous periods.

In 2023, gross greenhouse gas drew up:

- scope 1 -399.6 t CO₂e,
- scope 1-0 t CO₂e,
- scope 3-119,188 tCO₂e.

The intensity of GHG emissions (scope 1 and 2) in the total production volume was – 0.02 CO₂e/ton, of manufactured product, including scope 3 – 4.83 CO₂e/ton.

To calculate coverage area 3, we took into account employee travel (air and ground transport), delivery of personnel from their place of residence to work, the amount of raw materials, packaging and other materials used and their delivery to the plant from the railway station.

We are deeply aware of the need to take urgent action to combat climate change and reduce greenhouse gas emissions. In this regard, we are committed to the following aspirations:

- Reducing Energy Consumption: We will implement energy efficiency measures in our operations.
- Waste reduction and circularity: We will implement waste reduction and circularity initiatives such as recycling, reuse.
- Supply Chain Management: We will work with our suppliers to reduce emissions in our supply chain by encouraging them to adopt sustainable practices.
- Awareness and Education: We will raise awareness among our employees, customers and communities about the importance of reducing emissions and reducing our carbon footprint.

We are committed to regularly monitoring our progress and making adjustments to our strategy as necessary to achieve our emissions reduction and carbon footprint goals.

12.3. Waste Management

To minimize impact, the environmental waste management system has been introduced and its separate collection, which can be reused or recycled to obtain useful components or products. The branch aims to reduce the amount of waste generated by no more than 0.7% of the volume of raw materials used. In 2023, the share of defects in the volume of finished products was -0.4%, with the target indicator being 0.7%.

The volume of waste transferred for recycling and/or reuse in 2023 amounted to 137 tons.

Table 12.3.1.

Volume of waste transferred for recycling

Industrial waste/recycled raw materials	Unit	2021	2022	2023
Stretch film	tons	10.6	14.7	-
Polypropylene bags (big bag)	tons	20.8	2.9	22.9
Scrap metal	tons		31.8	47.4
Defect	tons	199.5	121.0	36.4
Used polyethylene	tons		6.2	22.5
Waste oil	tons		11.4	-
Plastic (pipes)	tons		0.8	-
Corrugated cardboard	tons	-	-	7.4
Tires	tons	0.4	0.4	0.5

12.4. Plans for 2024

The Branch plans to install a new generation cooling system, which will further reduce water and energy consumption to 5% and 10%, respectively.

At the beginning of 2024, the installation and launch of 2 new production lines and the modernization of 2 existing lines will be completed.

In 2024, we plan to increase the volume of consumption of recycled R-PET by ~5-8%.

13. Social indicators

13.1. HR and personnel development

The most valuable asset of the Branch is its team, which consists of professionals who are aware of their value and conscientiously perform assigned tasks on time with a full understanding of responsibility to clients, partners, colleagues and the Branch. The effectiveness of personnel management is extremely important for the Branch; therefore, we strive to improve the processes of recruitment, development and support of personnel, which provides employees with the opportunity to continuously improve their skills, professional development and self-expression.

Our personnel policy is aimed at forming a cohesive team of professionals focused on high results, as well as maintaining an optimal quantitative and qualitative composition of personnel. The basic principles of the personnel management policy include:

- creating a team of professionals who share common goals;
- creating conditions for professional development of employees;
- development of business corporate culture;
- improving the motivation system for the organization's employees;
- continuous development and training of personnel;

A high level of professionalism, proper organization and motivation of personnel determine the result of the enterprise as a whole. In this regard, increasing labor efficiency has been and remains one of the Branch's key priorities.

The branch provides jobs to more than 100 citizens of Kyrgyzstan who work directly at the plant. The total number of hired and attracted specialists is 108 people.

Table 13.1.1

Labor resources

Indicator	unit	2023
Average salary in the Kyrgyz Republic*	KR som	33 200*
Average salary in the Branch	KR som	76,147
Total local employees	people	101
male	people	78
female	people	23
Foreign employees, total	people	6
male	people	6
female	people	0

Indicator	unit	2023
Total staff	people	107
male	people	84
female	people	23
Contract workers, total	people	1
male	people	0
female	people	1
Total staff permanent + contract employees (consultants)	people	108
in maternity leave	people	0
returned from maternity leave	people	1

*<https://www.stat.kg/ru/opendata/category>

**<https://www.tazabek.kg/news:2066185>

Table 13.1.2.

Personnel development and training

	unit.	2023
Number of employees who completed training, of which:	people	310
male	people	255
female	people	55
total number of training hours	person/hour	617
male	person/hour	490
female	person/hour	127

Employee training aims to improve their skills and create a sustainable working environment: from industrial training, food safety, occupational health and safety to waste management and gender equality principles. We include aspects of achieving the UN's Sustainable Development Goals in our training programs.

13.2. Occupational Safety and Health

Occupational safety and health (OHS) is one of the key aspects of risk management in the production process of the Branch. We attach great importance to the safety and health of our employees, as well as compliance with all norms and standards in the field of labor protection.

Employees regularly undergo education and training on health and safety, including training in the rules of working with equipment, the use of personal protective equipment, evacuation procedures and fire safety. We also carry out regular inspections of equipment and workplace conditions to ensure they meet safety standards.

In the event of any incidents or accidents, our company has clear response and investigation procedures to prevent similar situations from occurring in the future. We are also constantly working to improve working conditions and reduce health risks for our employees.

Our goal is to provide a safe and healthy working environment for all Branch's employees, reduce the number of injuries and occupational diseases, and reduce risks to the environment. We are committed to continuous improvement of our OHS practices and encourage all employees to take an active role in maintaining a safe workplace.

There were no reported cases of serious lost time injuries in 2023. This demonstrates a high level of workplace safety culture and the Branch's commitment to the well-being of its employees.

13.3. Social aspects

Social performance impacts the well-being of employees, communities, and other stakeholders such as customers and suppliers.

We provide our employees with social guarantees, including health insurance, the opportunity to undergo preventive medical examinations, and additional payment for food. We provide compensation for sick leave, paid leave, financial assistance in case of illness or financial difficulties.

We support work-life balance by providing flexible work hours, telecommuting, paid vacations and days off.

We strive to create favorable conditions for employee career development, providing opportunities for professional growth, advanced training and participation in Branch's projects.

13.4. Working and rest conditions

We ensure high standards of hygiene in production, monitor cleanliness and order in the workplace, and provide access to personal protective equipment and hygiene (masks, gloves, disinfectants). We regularly conduct training sessions on compliance with hygiene and safety standards at work so that employees can maintain high standards of hygiene and prevent possible risks of disease. The production facilities are equipped with cozy and comfortable recreation areas for employees, where they can relax, have lunch, and take a break between work shifts. The recreation areas are provided with comfortable furniture sets, tables, chairs, microwave ovens, refrigerators and other amenities.

We pay attention to the landscaping of our production area to create a pleasant atmosphere for employees to work and relax. We plant trees, shrubs, flowers, and create outdoor recreation areas where employees can spend time during their lunch break or after work. We also keep the area clean and well maintained to create a positive and healthy environment for our employees.

Applications

Glossary of terms and abbreviations

Global UN agreementThe Global agreement on Sustainable Development is an international initiative aimed at uniting the efforts of states, businesses and civil society to achieve sustainable development on the planet. Adopted in 2015, the treaty includes 17 sustainable development goals (SDGs), covering social, economic and environmental aspects, to be achieved by 2030. The main goal of the Global agreement is to ensure the harmonious coexistence of people and nature, contribute to the elimination of poverty and inequality, and protect the environment

Global Reporting Initiative(GRI) -an independent international organization that develops and promotes sustainable reporting standards for businesses and other organizations.

Stakeholders -people or organizations that can directly or indirectly influence the decisions or actions of the Branch.

ISM –Integrated management system covers the following aspects: environmental safety in accordance with ISO 14001 and food safety in accordance with the requirements of the FSSC 22000 certification scheme.

ISO 14001 -an international standard that establishes requirements for an organization's environmental management system (EMS). It is designed to help companies improve their environmental performance, minimize their negative impact on the environment and ensure compliance with environmental legislation..

EMS – Ecology management system.

FSMS –Food Safety Management System.

EcoVadis -An international platform that assesses and monitors the sustainability of organizations based on the criteria of social responsibility, ecology, ethics and governance.

ESG - Environmental, Social, and Governance, Environmental (E), Social (S) и Governance (G)factors-are a set of criteria used to evaluate the sustainable growth of companies and their impact on society and the environment.

FSSC 22000 - Food Safety System Certification 22000, an international food safety management system based on ISO standards and HACCP principles. It is designed to ensure the authenticity, quality and safety of food at all stages of the supply chain. Implementation of FSSC 22000 allows organizations to effectively manage food safety risks and increases consumer confidence in products.

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