

2024
Sustainability **Report**

*Sustainability is in
Our Chemistry*



*"Innovation is in
Our Chemistry"*

Interactive PDF

This report has also been published as an interactive PDF, allowing readers to quickly and easily navigate to different pages and access shortcuts to relevant web pages. A content bar has been added to the left side to make navigation even easier. This bar allows readers to see their current location in the report and move seamlessly to other sections. These features are not available in the printed version, but only in the interactive PDF version, which can be downloaded from the Akkim Kimya website.

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1. ABOUT OUR REPORT

“In our sustainability report, published with the approach “Sustainability is in Our Chemistry”, we share the initiatives carried out in line with our strategic priorities, as well as performance indicators and areas of improvement.”

At Akkim Kimya Sanayi ve Ticaret A.Ş. (“Akkim”), we regard sustainability not only as a goal but as an integral part of all our business processes. With our focus on long-term value creation, we continue our efforts to reduce our environmental impacts, enhance social benefit, and maintain a strong corporate governance structure. Within this scope, through our ninth sustainability report, we present the environmental, social, and governance dimensions of our activities to our stakeholders in line with the principles of transparency and accountability.

In our sustainability report, published with the approach “Sustainability is in Our Chemistry”, we share the initiatives carried out in line with our strategic priorities, as well as performance indicators and areas of improvement.

Our report, which also serves as our Annual Communication on Progress under the United Nations Global Compact (UNGC), of which we have been a signatory since 2007, has been prepared in accordance with the GRI Standards. Furthermore, in this report the Sustainable Development Goals (SDGs), to which Akkim contributes, are also addressed in detail.

Additionally, our report has been prepared in line with the International Financial Reporting Standards (IFRS) published by the International Sustainability Standards Board (ISSB), as well as the Türkiye Sustainability Reporting Standards (TSRS), which are the national adaptation of these standards. Specifically, the report follows the requirements of TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures.

Covering the period from January 1 to December 31, 2024, unless otherwise stated, this report encompasses all activities carried out at our Headquarters as well as at our production plants in Yalova and Nazilli.

We are pleased to share the Akkim 2024 Sustainability Report with our valued stakeholders.



"Sustainability is in our chemistry; we shape the future through our strategic priorities."



1.1. Message from Senior Management

“In line with our mission of “adding value to life through chemistry,” we continue our efforts with determination through a strategy that considers environmental and social impacts while focusing on economically sustainable growth.”

Dear Stakeholders,

We act with the responsibility of shaping a sustainable future in the globally transforming chemical sector. In line with our mission of “adding value to life through chemistry,” we continue our efforts with determination through a strategy that considers environmental and social impacts while focusing on economically sustainable growth.

The epoxy resin production plant, which we will commission in 2026 as Türkiye’s first of its kind, is one of the most concrete examples of this approach. With this strategic investment, we aim to reach an annual production capacity of 50,000 tons. Our epoxy project not only expands our field of activity but also contributes to strategic sustainability by reducing our country’s foreign dependency in the chemical sector. While providing high value-added solutions to many industries, particularly energy, construction, automotive, and electronics, we are also strengthening our production infrastructure with advanced technology.

During this period, we further institutionalized our sustainability governance. The structure carried out under the direct oversight of our Board of Directors supports our goals of reducing environmental impacts, increasing employee satisfaction, and enhancing our economic resilience in a holistic manner, based on a multi-stakeholder and participatory approach.





“The epoxy resin production plant, which we will commission in 2026 as Türkiye’s first of its kind, is one of the most concrete examples of this approach. With this strategic investment, we aim to reach an annual production capacity of 50,000 tons.”

One of the most important building blocks of our transformation journey is R&D and innovation. With R&D activities to which we allocated a total of USD 10.6 million over the past three years, we ranked among Türkiye’s top 100 companies with the highest R&D investments in the “R&D 500” research published by Turkishtime Magazine based on 2024 data. In addition, we ranked 25th in the “Top 100 Projects” research and 33rd in the “Top 50 National Patents” list. With 61 active projects and a team of 50 experts, we focus on developing sustainable solutions not only for today but also for the future.

Today, Akkim, with its production capacity, product diversity, and export capability, has a strong structure that increases its competitiveness not only in Türkiye but also in international markets. We are determined to take this structure further in the light of the principles of the United Nations Global Compact, which we have been a signatory to since 2007, and the Responsible Care program, which we have been implementing since 1993.

We continue our journey with a growth strategy based on combating climate change, implementing circular economy practices, enhancing resource efficiency, digitalization, and innovation. We are pleased to present our progress to you, our valued stakeholders, with transparency once again in this year’s report.

I would like to sincerely thank all our stakeholders who place their trust in us and all our employees who contribute to this process, in our journey of building a sustainable future together. Your trust and support are our greatest strength.

Sincerely,

İhsan Gökşin Durusoy
Akkök Holding Chief Executive Officer



1.2. Message from our General Manager

“While integrating sustainability principles into our business processes, we also aim to be a responsible business partner both in Türkiye and globally through compliance with international standards and transparent reporting.”

Dear Stakeholders,

As a company operating in Türkiye and bringing its production power to the world, we see sustainability as an integral part of our long-term strategy. Rapidly changing economic and environmental conditions on a global scale show us that the future of business is shaped not only by financial performance but also by environmental and social responsibility. With this awareness, we are strengthening the journey we began in our country with a vision for a sustainable future.

In line with this vision, we focus on reducing our environmental impact at every stage of our value chain, supporting the development of our employees, and contributing to society. While integrating sustainability principles into our business processes, we also aim to be a responsible business partner both in Türkiye and globally through compliance with international standards and transparent reporting.

During the 2024 reporting period, we developed our sustainability strategy, translating our long-term goals into a more concrete and measurable framework. To take stronger steps in combating climate change, we improved our reporting processes under the CDP (Carbon Disclosure Project), prioritising transparent data sharing on emissions, energy and water management. We are committed to regularly measuring our performance and sharing it transparently by setting targets for each heading.





We focus on reducing our environmental impact at every stage of our value chain, supporting the development of our employees, and contributing to society.”

In this way, we not only comply with current regulations, but also implement a sustainability management approach that is consistent with international best practices. As a company operating in Türkiye, we aim to contribute to the shared future of our country and the world with this vision that extends from the local to the global.

During the reporting period, we voluntarily assessed our climate-related risks and opportunities in accordance with the requirements of the Turkish Sustainability Reporting Standards (TSRS) and presented them to our valued stakeholders in our report. In addition, we focused on maintaining and improving our strong position in EcoVadis assessments to strengthen our sustainability performance in the supply chain. Thanks to our efforts in environmental, social and governance areas, we are proud to once again be among the globally recognised companies.

I would like to thank our employees, business partners and valued stakeholders for their hard work and contributions to the success of all these steps. In the coming period, we will continue to advance our sustainability performance based on the principles of transparency, innovation and responsibility.

Sincerely,

Veysi Küçük
Akkim General Manager



2. ABOUT AKKİM

2.1. Company Profile

"We supply more than 500 products to over 20 industries and export our products to more than 60 countries. In addition to our annual production capacity of 800,000 tons, our production integration and flexibility enable us to remain a key producer capable of meeting the needs of every industry under any circumstances."

As one of Türkiye's leading chemical manufacturers, we operate with decades of experience in the chemical sector. With more than 950 employees and production facilities located across three sites, Yalova North – South and Nazilli, we continue our operations with a strong presence.

We supply more than 500 products to over 20 industries and export our products to more than 60 countries. In addition to our annual production capacity of 800,000 tons, our production integration and flexibility enable us to remain a key producer capable of meeting the needs of every industry under any circumstances.

With a broad product range that includes chlor-alkali and derivatives, peroxides, methylamines, persulfates, bisulfites, textile auxiliaries, concrete additives, and plastic additives, we serve more than 70 countries across six continents. We hold market leadership in many products in both basic chemicals and performance chemicals. At Akkim, we maintain a strong position in the market with products such as carboxymethyl cellulose (CMC), sodium percarbonate, sodium metabisulfite, chlor-alkali, methylamines, and persulfates.

Our products are used across a wide variety of industries, including cleaning, hygiene, water treatment, textiles, paper, construction, plastics, food, metals, energy, detergents, drilling, mining, and chemicals. Thanks to our extensive product portfolio, we hold a competitive position in markets with limited producers both in Türkiye and in Europe.

Building on our expertise in the water treatment sector, we manufacture advanced technology filtration products with our ultrafiltration membrane module investment at our Yalova facility. With our modern factory commissioned in 2016, we are the first and only producer in this field across a wide geography stretching from Europe to Asia.

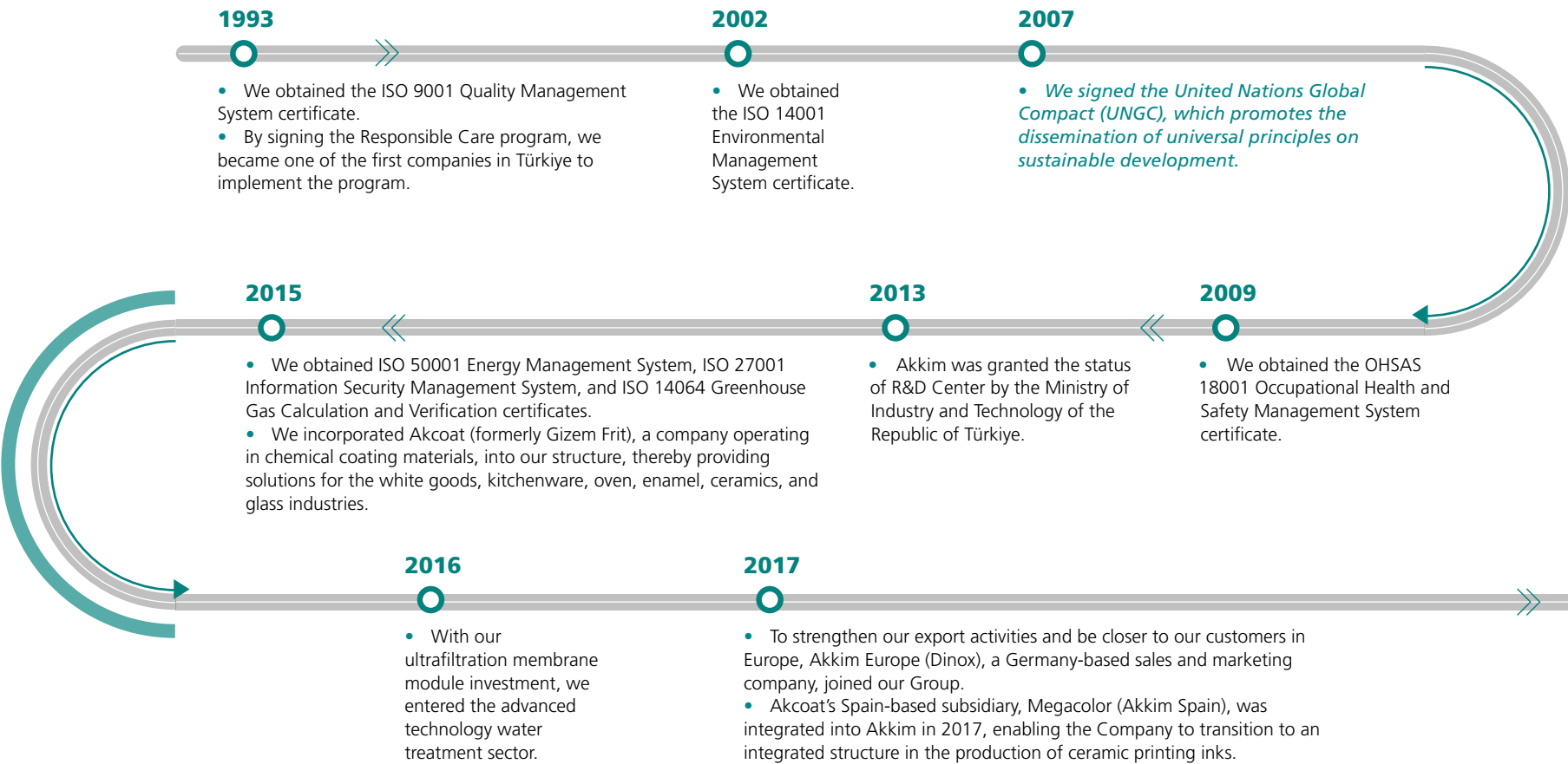
You can access our corporate video via the link below.

 <https://akkim.com.tr/en/corporate-video/>

"We regard sustainability as an integral part of our long-term strategy."



2.2. Our History





You can access our corporate history here.

<https://akkim.com.tr/en/corporate/milestones/>

2019

- In the global supply chain sustainability assessment conducted by EcoVadis, Akkim was awarded the Silver Recognition Level for our sustainability performance in corporate social responsibility.
- We were selected as National Champion in the innovation category at the European Business Awards.

- Through audits carried out at all our plants, our Company successfully completed the TfS (Together for Sustainability) Supplier Audit with a strong score.
- Our R&D Center received second place in the Ministry of Industry and Technology's evaluation.

- Our 2018–2019 Sustainability Report was granted the Platinum Award by the LACP (League of American Communications Professionals LLC).
- In the Turkishtime R&D 250 Research, Akkim ranked 120th overall, 21st in the number of projects conducted, and 50th in the number of patents obtained.

2022

- In the Fortune Türkiye – CRIF Synesgy sustainability research, we received the ESG “A-Excellent Level of Sustainability” certificate.

2021

- USK Kimya, a prominent producer of carboxymethyl cellulose in both the Turkish and global markets, joined Akkim. In the last quarter of the same year, we established Akkim Silicone Chemistry and started the production of silicone polymers in Yalova.
- We successfully completed Level 3 audit of the ZDHC (Zero Discharge of Hazardous Chemicals) program, achieving the highest score in Türkiye.

2020

- In the global supply chain sustainability assessment conducted by EcoVadis, we raised our recognition level from Silver to Gold.
- We ranked 252nd in the ISO 500 list, climbing 100 places in the last five years.
- We were audited and certified with the TSE Covid-19 Safe Production Certificate.
- We became a Bluesign System Partner.

2023

- We signed a technology transfer agreement and initiated construction of Türkiye's first epoxy resin production plant, following the investment approval. The facility, planned to be commissioned in 2026, represents a strategic contribution by localizing the production of a fully import-dependent product, while also strengthening our presence in silicone polymers and epoxy resins.

2024

- We ranked 48th in the “Top 100 Companies Leading in Sustainability” list in the S500 – Green Traceability research.
- We maintained our Gold Recognition Level in the global supply chain sustainability assessment conducted by EcoVadis.
- We joined the CDP platform in 2024 and submitted our first report for the 2023 reporting period.



2.3. Our Vision, Mission and Values

“Creating value is in our chemistry.”



Our Vision

At Akkim, our goal for the next five years is to become a strong team player in the global chemical industry through both organic and inorganic growth. To this end, by expanding our domestic and international market share with various investment, efficiency, and innovation projects, we aim to become one of Türkiye’s leading chemical companies. With the vision of being ***“an ideal workplace for working and developing”***, becoming a preferred employer brand is among our top priorities.



Our Mission

With the understanding of ***“Adding Value to Life with Chemistry”***, we aim to deliver sustainable value to our stakeholders in all the areas in which we operate. We consider our human capital as our greatest strength; with fair, innovative, transparent, and effective human resources practices, we seek to develop our employees and maintain an organizational structure composed of ***“Competent and Wholeheartedly Committed Employees.”***



Our Values



• **Sustainability**

We respect life and the environment in all our business processes. We never compromise on “Quality” and “Occupational Health and Safety”.



• **Innovation**

We create new products, services and processes with unique and innovative ideas that add value by challenging the status quo in all our business processes. We assess and encourage innovation as a natural part of our business.



• **Ethical Principle**

We act responsibly, honestly, reliably, equitably, confidentially and in accordance with applicable laws in our relationships with all stakeholders, in our decisions and in our actions.



• **Team Spirit**

We say we, not I, we overcome difficulties by supporting each other, we achieve success together and we celebrate.



• **Respect for Humanity**

We consider the impact of our business decisions on our employees. We respect the rights of our employees to learn, develop, acquire knowledge, express themselves and work in an appropriate environment with equal opportunities without discrimination.



You can access our Management Systems Policies here.



2.4. Our Facilities and Investments





Production Facilities

- Akkim Kimya Yalova Inorganic Plants
- Akkim Kimya Yalova Organic Plants
- Akkim Kimya Nazilli Factory

Our Investments

At Akkim, we shape our investment policy with an approach that reduces environmental impacts, incorporates advanced technology, and provides customer-focused solutions. In this direction, with our knowledge and expertise, we aim to expand our product portfolio and promote practices that encourage reduced chemical usage. We plan our investments in line with environmental responsibility and sustainability principles.

In the 2024 reporting period, within the framework of our growth targets, our ongoing investments are listed below:

- **Nazilli CMC Plant Improvement Works:** At our Nazilli Plant, we are implementing investments in occupational health and safety, process efficiency, and overall safety.
- **CMC Capacity Expansion and Distillation Investment:** To support the growth potential in the food industry and expand our product range, we have initiated an investment to increase our CMC production capacity.
- **Other Investments:** We also continue our other maintenance, modernization, and optimization-oriented investments in line with our sustainable production objectives.
- **Epoxy Production Plant Investment:** We aim to become Türkiye's first and only epoxy producer. With this investment, we target reducing dependency in strategic areas such as composites, energy, and defense industries, while also expanding our product range. Since this process consumes chlorine, it is also expected to contribute to the efficiency of our existing chlor-alkali plant.



2.5. Memberships and Collaborations

“We actively contribute to numerous sustainability initiatives at both national and international levels. ”

Sustainability Collaborations

We actively contribute to numerous sustainability initiatives at both national and international levels. Within this scope:

- Since 1993, we have been a party to the Responsible Care® Commitment and among the first companies in Türkiye to implement the program.
- In 2007, we became one of the pioneering Turkish companies to sign the United Nations Global Compact (UNGC).
- Our membership with the Global Compact Türkiye Local Network continues.
- By becoming a signatory of the United Nations Women’s Empowerment Principles (WEPs), we strengthened our commitments in the field of gender equality.
- Under the umbrella of Akkök Holding, we support the Business Plastics Initiative (IPG) as a signatory.

Responsible Care®

Responsible Care® is a voluntary development and commitment program that goes beyond legal requirements. This initiative is based on continuous improvement in all production and service processes, with the aim of protecting the environment, safeguarding human health, and ensuring technical safety. The framework developed for the chemical industry, supports progress in areas such as environment, health, safety, information management, performance monitoring, and green production technologies, while also encouraging waste reduction in line with resource efficiency and circular economy principles, and collaboration with public authorities in effective regulatory development.

The Responsible Care® program is carried out globally through national chemical associations, and in Türkiye, this role is undertaken by the Turkish Chemical Manufacturers Association (TKSD). Akkim is among the first implementers of the program in Türkiye and adopts an approach that takes environmental and social impacts into account across all processes, from plant installation to production, maintenance, logistics, and service activities. Additionally, we take an active role in the sector by holding a seat on the TKSD Board of Directors and contributing to various commission studies with our expert human resources.

 You can access our Responsible Care® Commitment here





“As Akkim, in line with our commitment to combating climate change, we plan to define our emission reduction targets within this science-based framework and validate our long-term net zero strategies through this internationally recognized platform.”

Science Based Targets initiative (SBTi)

The SBTi provides a globally recognized, science-based approach for the reduction of greenhouse gas emissions, guiding companies in setting climate targets aligned with the Paris Agreement. As Akkim, in line with our commitment to combating climate change, we plan to define our emission reduction targets within this science-based framework and validate our long-term net zero strategies through this internationally recognized platform. Since the sector-specific guidance for the chemical industry has not yet been published, we intend to submit our official application once the updated guidance becomes available.

Carbon Disclosure Project (CDP)

At Akkim, we prioritize transparency and accountability in sharing our environmental performance. In this context, we respond to CDP annually to report our work on climate-related risks and opportunities, our greenhouse gas emissions, and our reduction and adaptation efforts in line with international standards. As a global system, CDP helps us measure our environmental impacts, provide regular information to our stakeholders, and create an important evaluation platform for investors.

In the 2024 reporting period (for the year 2023), we achieved a score of C in our Climate Change Report and B- in our Water Security Report. Through this process, we aim to maintain continuity in our CDP disclosures, enhance our data management processes, and strengthen our resilience against climate risks by continuously monitoring our performance.

EcoVadis

As Akkim, we place great importance on disclosing our sustainability performance in a transparent manner. In this regard, we regularly participate in the global supply chain assessment conducted by EcoVadis, one of the world's leading corporate social responsibility and sustainability rating platforms. In the 2024 assessment, we maintained our Gold Recognition Level for our sustainability performance in corporate social responsibility.

This achievement is a significant indicator of the international recognition of our sustainability approach and the strengthening of our credibility among supply chain stakeholders. Looking ahead, we aim to further advance our performance and reinforce our strong position in this field.



Memberships

International Memberships and Affiliations

- CEFIC (The European Chemical Industry Council) - ESA Association
- BSC (British Safety Council)

Environment-Focused Memberships

- Environmental Specialization Board of Istanbul Chamber of Industry
- Turkish Chemical Manufacturers Association Environmental Specialization Group
- Turkish Chemical Tank Cleaning Association
- Turkish Marine Environment Protection Association/ TURMEPA
- TUSIAD Environment and Climate Change Working Group
- TUSIAD Climate Change and Paris Agreement Sub-Working Group

Economy-Focused Memberships

- Union of Chambers and Commodity Exchanges of Türkiye Sector Assembly Board of Directors
- Istanbul Chamber of Industry Professional Committee
- Turkish Chemical Manufacturers Association Board of Directors
- Chairman of the Board of Directors of Yalova Industrialists Association
- Euro Chlor
- Additive Manufacturers Association (KÜB)
- Istanbul Chamber of Commerce
- Istanbul Commodity Exchange
- Istanbul Minerals and Metals Exporters Associations
- Istanbul Chemicals and Chemical Products Exporters' Association

- Istanbul Textile and Raw Materials Exporters Association
- Central Anatolia Exporters Association
- Federation of Sectoral Associations
- Supply Chain Management Association
- YALKİM Organized Industrial Zone
- Chemport
- Argemip
- Acrylic Based Composite, Advanced Material and Technology Manufacturers Association
- Association of Manufacturers of Chemical Additives for Concrete and Mortar
- Ethical Values Center Union

Social Project-Focused Memberships

- Global Compact Türkiye Local Network
- Türkiye Corporate Social Responsibility Association
- Community Volunteers Foundation
- Education Volunteers Foundation of Türkiye
- Turkish Human Resource Management Association
- Yalova Chamber of Commerce and Industry - Women Entrepreneurs
- Yanındayız Association
- Association of Corporate Communications Professionals
- Impact2030 Founding Member and Impact Council Member
- Women on Board Association Türkiye (WOB Türkiye)
- Association of Global Compact Signatories
- Turkish Offshore Racing Club Association
- Turkish Human Management Association Economic Enterprise-PERYÖN



3. CORPORATE GOVERNANCE

3.1. Our Board of Directors, Organizational Structure and Committees

“At Akkim, our sustainability approach, which has strategic importance, ensures inclusive governance by prioritizing transparent communication in environmental, social, economic and governance dimensions.”

In line with our corporate governance approach, we conduct our activities within the framework of management systems that comply with national and international standards. In this context, our corporate policies, established in an integrated manner with sustainability principles, support a holistic management approach. Accordingly, our **Information Security Policy, Energy Policy, Quality Policy, Food Safety Policy, Occupational Health and Safety Policy, Environmental Policy** and **Sustainable Supply Chain Policy** are adopted and implemented by all our employees across the company. These policies are periodically reviewed within the scope of the relevant management systems and updated with a continuous improvement approach.

At Akkim, our sustainability approach, which has strategic importance, ensures inclusive governance by prioritizing transparent communication in environmental, social, economic and governance dimensions. Our sustainability governance, which guides the strategic decisions of our company, is multi-stakeholder and participatory in nature. The Board of Directors is the highest authority responsible for overseeing Akkim’s sustainability activities.

We regularly report and publicly share our activities within the scope of sustainability in line with the principles of transparency. Through the Environmental, Economic and Social Sustainability Committees established under the leadership of our General Manager, we ensure ownership of sustainability goals and practices at all levels and monitor performance. We present our plans related to our sustainability strategy and progress towards our targets to the Board of Directors through our Committees, and we evaluate the data on a quarterly basis as part of the agenda. Our Senior Management, which consists of 11 members including the General Manager and is structured at the director level, coordinates the work of the Sustainability Committees. The Akkim Ethics Representative, who is a member of the Akkök Ethics Committee, as well as the Health, Safety and Environment (HSE) Representative, are included in the Senior Management.

"The sub-groups affiliated with the Sustainability Committees ensure effective management of the diversity of agenda topics in line with our Company's strategic priorities and global developments."



“The Sustainability Committees are responsible for tasks such as defining strategic sustainability goals, improving existing targets, monitoring projects, conducting internal awareness activities, overseeing processes in line with sustainability principles, and enhancing environmental, social and governance (ESG) performance.”

The Sustainability Committees are responsible for tasks such as defining strategic sustainability goals, improving existing targets, monitoring projects, conducting internal awareness activities, overseeing processes in line with sustainability principles, and enhancing environmental, social and governance (ESG) performance.

The Sustainability Committee Chair ensures the overall coordination of this structure and monitors the sustainability agenda in line with strategic objectives. The Committee meets quarterly to evaluate progress and report to senior management. Committee members are responsible for developing target proposals, monitoring reporting metrics, and holding regular meetings. These responsibilities are incorporated into the individual performance evaluation criteria of all committee members. Through sustainability awareness trainings, we enable Committee members to further enhance their knowledge in the field of sustainability. In this way, members are able to follow current sustainability trends and regulations more closely and set company strategies accordingly.

The sub-groups affiliated with the Sustainability Committees ensure effective management of the diversity of agenda topics in line with our Company's strategic priorities and global developments. These working groups are responsible for defining targets aligned with the United Nations Sustainable Development Goals, monitoring sustainability performance, and reporting. The fact that the members of these sub-groups have roles in different functions and disciplines such as Sales, R&D, Manufacturing, Planning and Logistics, Purchasing, Finance, Human Resources, HSE, Management Systems, Corporate Communications, Information Technologies, Laboratories, Maintenance and Investments contributes to addressing sustainability issues with a holistic approach.



3.2. Corporate Risk Management

“In our risk assessments, we also consider insights derived from internal audit processes and stakeholder feedback, and we develop actions that are aligned with our corporate performance objectives and environmental impact targets.”

To anticipate and manage risks that may affect the Company’s existence, growth, and operations, we continued to place strong emphasis on our corporate risk management process in 2024. We view risks not merely as a matter of compliance, but as a fundamental pillar of sustainable growth. Accordingly, we operate a company-wide risk management system that encompasses all levels of the organization, from employees to senior management and the Board of Directors.

Our risk management approach has been structured in line with the **Corporate Risk Regulation** published in 2015 and the **The Early Risk Detection Committee**, established in the same year. The Committee provides recommendations and guidance to the Board of Directors on the early identification, assessment, and management of all types of risks—including strategic, financial, operational, reputational, compliance, and sustainability-related risks—that may affect the Company. Its responsibilities include evaluating the impact and likelihood of risks, ensuring that risks are managed in line with the Company’s corporate risk

appetite, overseeing reporting processes, supporting the implementation of necessary mitigation measures, integrating risk considerations into decision-making mechanisms, and establishing and integrating effective internal control systems.

The Strategic Planning and Reporting Group Directorate, operating under the Finance Directorate, is responsible for coordinating and managing the corporate risk management process across departments. For identified critical risks, we develop mitigation and preventive action plans to safeguard operational continuity. In our risk assessments, we also consider insights derived from internal audit processes and stakeholder feedback, and we develop actions that are aligned with our corporate performance objectives and environmental impact targets.



Management of Risks and Opportunities in Environmental, Social and Governance (ESG) Areas

The Carbon Border Adjustment Mechanism (CBAM) introduced by the European Union creates significant risks and opportunities for the chemical sector. Through this mechanism, it is aimed to impose additional carbon costs on the import of carbon-intensive products into the European Union. The expansion of the sectoral scope subject to CBAM constitutes a structural risk that may directly affect our Company's competitiveness in the EU market. Carbon emissions resulting from the energy consumption of our export-oriented production plants may become a cost factor in the coming period. However, CBAM is not only a cost element but also presents a structural window of opportunity that encourages the transition to decarbonized production infrastructure.

The Green Strategy Group, consisting of authorized experts from group companies Akcoat, Akgirişim, Akkim, Aksa, DowAksa, Akenerji, Sedaş, Sepaş, Akiş GYO and Yalkim, determines the roadmap and reviews management strategies.

Our strategy for risks and opportunities in the ESG area includes Türkiye's strategy, corporate risks, entry into the ETS system, carbon reduction targets, technology tracking, greenhouse gas accounting under the Science Based Targets initiative (SBTi), transition to alternative energy sources, substitution of current energy sources with renewables, use of carbon certificates that will contribute to the ETS system, circular

economy, product initiatives, and taxonomy. In addition to these targets and strategies, in order to effectively manage ESG-related risks and opportunities, we are working on the prioritization of risks and opportunities associated with climate change and sustainability, the calculation of their financial impact, and the preparation for third-party assurance processes of the emission targets set. In this context, during the 2024 reporting period, we are concretizing our preparation efforts by publishing our TSRS Compliant Sustainability Report on a precautionary basis. In our TSRS Compliant Sustainability Report, we evaluated sustainability and climate change-related risks and opportunities that may be significant for both our sector and our Company.

In the processes of identifying and assessing risks and opportunities, we also took into account the Net Zero Emissions by 2050 (NZE) scenario of the International Energy Agency (IEA), the Representative Concentration Pathways (RCP2.6 and RCP8.5) published by the Intergovernmental Panel on Climate Change (IPCC), the Shared Socioeconomic Pathways (SSP) scenarios, and the Network for Greening the Financial System (NGFS) scenarios.





Sustainability and Climate Change-Related Risks

Risk Category	Risk Factor	Risk Definition	Potential Impacts of the Risk	Affected Value Chain Element	Time Horizon
Acute Physical Risk 	Extreme Weather Events	The frequency of extreme weather events in the region is increasing due to climate change, raising the risk of heavy rainfall, floods and water logging.	The rising risk of extreme weather events may disrupt production processes and cause interruptions in logistics operations. Such disruptions can adversely affect production and distribution processes, leading to revenue loss.	Direct Operations	Short, Medium, Long
Chronic Physical Risk 	Water Stress	Long-term changes in rainfall patterns and the increased risk of water stress may necessitate Akkim to develop alternative strategies for water supply and usage, as access to water resources diminishes.	Infrastructure investments in water supply, usage and efficiency may increase Akkim's capital expenditures, creating additional costs.	Direct Operations	Short, Medium, Long
Acute Physical Risk 	Wildfires due to Extreme Temperatures	The risk of wildfires due to extreme temperatures may arise as increasing heat linked to climate change raises the probability of fires on plant sites.	This situation may lead to operational disruptions, equipment damage, and human and material losses due to safety issues in Akkim's production processes. In addition, disruption of business continuity may cause financial losses and delays in supply commitments.	Direct Operations	Short, Medium, Long
Transition Risk – Regulatory 	Carbon Pricing Mechanisms	Risks arising from carbon pricing may occur due to the obligation to purchase additional emission allowances if emission limit values defined under the Türkiye Emission Trading System (ETS) are exceeded.	New regulatory frameworks such as carbon pricing may increase Akkim's operating costs, creating financial burdens. If carbon management performance remains inadequate, there is a risk of weakening competitive advantage, facing cost pressures in export markets, and being subject to regulatory sanctions.	Direct Operations	Medium, Long



Risk Category	Risk Factor	Risk Definition	Potential Impacts of the Risk	Affected Value Chain Element	Time Horizon
Transition Risk – Technology 	Transition to Low-Emission Technologies	High initial costs and financial investment requirements for emission reduction projects expected to be implemented within the scope of climate change mitigation may create challenges in transitioning to low-emission technologies.	Transition to low-emission technologies may increase Akkim's capital expenditures and cause short-term contractions in cash flow. In addition, non-compliance with regulations may result in penalties, sanctions and financial impacts such as market loss.	Direct Operations	Medium, Long
Transition Risk – Market 	Changing Consumer Expectations	Increasing consumer expectations for reduction and adaptation regarding the greenhouse gas emissions and environmental impacts of products and producers may lead consumers to prefer companies and products with higher environmental performance and lower environmental impacts.	The presence of products with high environmental impacts in Akkim's portfolio may lead to reduced demand for these products and customer loss. In addition, working with suppliers with low environmental performance may weaken brand perception in the eyes of customers, causing both a decline in sales revenue and reputational risk.	Downstream Value Chain	Medium, Long
Environmental Risk 	Biodiversity Loss	The degradation of natural habitats and the decline of ecosystem services in regions where raw material resources are located may occur.	Reduced access to bio-based raw materials may cause disruptions in supply continuity and costs arising from transition to alternative sources.	Upstream Value Chain	Long
Social Risk 	Cybersecurity	With the increase in digitalization and automation systems, cybersecurity risks may rise.	Production processes may be disrupted, and operational security may be endangered due to data loss and system interruptions. This may also cause loss of customer trust.	Direct Operations	Medium, Long



Risk Category	Risk Factor	Risk Definition	Potential Impacts of the Risk	Affected Value Chain Element	Time Horizon
<div><i>Social Risk</i></div> <div></div>	Health Issues	Environmental factors such as rising temperatures, air pollution, or pandemics may adversely affect employee health.	Decreased labor productivity, workforce loss, disruption in shift planning, and increased healthcare expenditures may occur.	Direct Operations	Short, Medium, Long
<div><i>Social Risk</i></div> <div></div>	Increase in Ethical Violations	If the Company's ethical control mechanisms do not operate effectively, non-compliance with business ethics principles and procedures may increase.	Reputational loss, audit and legal process costs, as well as decreased customer and investor trust, may occur.	Direct Operations	Medium, Long



Sustainability and Climate Change-Related Opportunities

Opportunity Category	Opportunity Factor	Opportunity Definition	Potential Impacts of the Opportunity	Affected Value Chain Element	Time Horizon
Products and Services 	Development of Low-Emission and Circular Materials	The development of low-emission and circular products may emerge with the global increase in demand for renewable resources and sustainable solutions.	This opportunity may enable Akkim to expand its environmentally friendly product portfolio, increase its competitiveness in markets driven by rising environmental awareness and regulatory compliance, and create new revenue streams.	Direct Operations	Medium, Long
Energy Source 	Use of Lower-Emission Energy Sources	The use of lower-emission energy sources may generate opportunity potential in line with the carbon neutrality target and the transition process to the emission trading system developed under the Türkiye ETS.	This opportunity may allow Akkim to reduce operational costs through strategic practices aimed at emission reduction and to simultaneously improve its environmental and financial performance by lowering its carbon footprint.	Direct Operations	Medium, Long
Capital Flow and Financing 	Access to Grants and Incentives for Green Transformation	Incentive programs focused on green transformation and sustainability, offered by public institutions and national and international funding providers, may provide financing sources for the development of new technologies and their integration into production processes.	Thanks to R&D supports and green transformation incentives, Akkim may realize technology-oriented investments at lower costs and gain the opportunity to reduce capital and operating expenses.	Direct Operations	Short
Social Opportunity 	Bringing New Talents into the Sector	Expanding sustainability-oriented education, internship and awareness programs may contribute to attracting young talents into the sector.	The increase in qualified labor force may strengthen Akkim's position as a preferred employer in the sector and ensure long-term continuity of human resources.	Direct Operations	Short, Medium, Long
Economic Opportunity 	Transformation of the Supply Chain	Assessing suppliers against sustainability criteria, identifying alternative and local suppliers, and increasing access to sustainable raw materials and services are among the practices that can accelerate the low-carbon transformation of the supply chain.	The development of a sustainable supply system can contribute to reducing supply chain risks, optimising costs, strengthening sustainability performance and ensuring more effective compliance with regulations.	Upstream Value Chain	Medium, Long



3.3. Information Security

“We are aware that in the event of the intentional or unintentional loss or misuse of information, both our Company and our stakeholders may suffer significant damages.”

We consider information security as a critical element for the sustainability of our operations and for the trust-based relationships we build with our stakeholders. We are aware that in the event of the intentional or unintentional loss or misuse of information, both our Company and our stakeholders may suffer significant damages. With this awareness, we protect the confidentiality, integrity, and availability of information belonging to our Company and stakeholders with a sustainable approach.

Since 2015, we have been implementing the ISO 27001 Information Security Management System. As of 2024, we transitioned to the ISO 27001:2022 version and renewed our certification. We review the risks and opportunities that our Company may be exposed to, in terms of ensuring information security across all functions, in line with legal regulations and our internal standards. We manage the information security risks related to the services we provide to customers in accordance with relevant procedures.

Within the scope of our **Information Security Policy**, we identify and classify our information assets, determine the risks that threaten them, and develop and effectively implement the necessary methods to manage these risks. We monitor relevant legislation and related developments, organize trainings to raise awareness on information security primarily for our employees and, when necessary, for other stakeholders, and follow up on the results. In case of any adverse incident, we prepare and test business continuity plans to ensure

that our operations and our responsibilities to stakeholders are not disrupted. To ensure that our Information Security Management System operates in compliance with standards, we prepare procedures and instructions, identify control points, and regularly measure and audit the effectiveness of the system in line with the philosophy of continuous improvement. In this context, our Information Security Committee meets once a year to review the effectiveness of the system and to plan the necessary improvement steps.

To ensure the protection and effective management of personal data, which is among our Company's priorities, we implement our **Protection of Personal Data and Privacy Statement**. This policy sets out the fundamental principles regarding the protection of the personal data of our customers, potential customers, employees, job candidates, company shareholders, company executives, visitors, employees, shareholders and executives of institutions with which we cooperate, and third parties. We carry out data processing activities in compliance with the law and transparently inform the relevant individuals. The issue of personal data protection is also embraced by our senior management, and these processes are managed through our Company's Personal Data Protection Committee.

With the goal of continuously improving our sustainability performance, we regularly evaluate our suppliers as well. During our on-site audits, we also review their information security practices.



3.4. Internal Audit

“Our internal audit system is structured to ensure effectiveness, efficiency, financial accuracy, and regulatory compliance. This structure, based on continuous improvement, also serves as an important control mechanism within the scope of ethical compliance and anti-corruption.”

At Akkim, we consider internal audit activities as one of the fundamental elements of our corporate governance approach in order to ensure the reliability and transparency of all our business processes. Our internal audit system is structured to ensure effectiveness, efficiency, financial accuracy, and regulatory compliance. This structure, based on continuous improvement, also serves as an important control mechanism within the scope of ethical compliance and anti-corruption.

Our internal audit processes are carried out under the coordination of the Audit Department, and our annual audit plan is prepared based on process-oriented risk analyses. In the planning process, priority risks identified within the framework of corporate risk management are taken into account, and priority is given to processes that carry a risk of fraud. Findings obtained within the scope of audit activities are reviewed at regular intervals throughout the year, and when necessary, the opinions of internal auditors, external auditors, and relevant managers are consulted.

Our internal control system is supported by improvement plans developed in relation to the findings identified during the audit process. The implementation process of these plans is monitored by the Audit Department; findings that remain open are reported to senior management and the Audit Committee on a quarterly basis. Findings that remain unresolved for an extended period are reflected in the target cards of the relevant employees; for findings that are reported as closed by the process owner, follow-up audits are planned to verify the adequacy of the actions taken.

During the reporting period, our internal audit activities continued as process, follow-up, financial and ethical audits. Most of these internal audits consisted of process audits.



3.5. Business Ethics and Compliance

“We consider ethical compliance not only as a compliance requirement but also as a strategic priority that nurtures our corporate culture and contributes to our long-term success.”

At Akkim, we conduct all our business processes on the basis of ethical values. We consider ethical compliance not only as a compliance requirement but also as a strategic priority that nurtures our corporate culture and contributes to our long-term success. We base our activities on the principles of transparency, accountability, fairness and integrity, and we uphold these values in all our relationships with stakeholders. Since our establishment, we have believed that conducting our business in line with ethical principles strengthens corporate reputation, and we integrate this understanding into our sustainability approach.

Our approach to ethical compliance is shaped within the framework of the **Code of Business Ethics** published by Akkök Holding and applied to all group companies. At Akkim, we conduct all our business processes in accordance with these principles. The principles cover the following fundamental values:

- Proper use of company resources
- Accuracy in financial and commercial records
- Prevention of conflicts of interest
- Compliance with competition rules
- Protection of confidential information
- Trust, respect and responsibility

Our **Ethics Hotline** provides a reliable mechanism for addressing any violations. We ensure that notifications are kept confidential and thoroughly examined. Investigating complaints and notifications regarding violations of ethical rules and developing solutions fall under the responsibility of the **Akkök Holding Ethics Committee**. Members of the Ethics Committee are appointed by the Board of Directors of Akkök Holding and consist of the Directors of Human Resources, Legal, and Audit. The Ethics

Committee conducts its review processes fairly, confidentially, and in compliance with legal regulations. The ethics hotline can be accessed 7 days a week via website, phone, mail, e-mail or fax. Live support is available between 08:30–17:30 on weekdays, while notifications are received via voice recording system at other times.

To raise awareness on ethical compliance, we provide regular trainings to all our employees. With the trainings held twice a year for new employees and for personnel who have not previously received ethics training, we aim to spread our corporate values. In addition, we obtain annual declarations from our employees confirming their adherence to ethical principles and encourage the reporting of possible violations in accordance with these principles.

- Monitoring of ethical processes and evaluation of violations is the responsibility of our Audit Department. The Audit Department reports in detail to the Akkök Ethics Committee and the Akkim Audit Committee. The monitoring and reporting of unethical activities are carried out by our Audit Department in accordance with the relevant procedures. This structure demonstrates that our Company ensures a strong integration between ethical compliance and internal audit processes.

At Akkim, we adopt the principle of free and fair competition in all areas in which we operate. We consider compliance with competition rules as an integral part of our company policies and act in accordance with laws and regulations in our relations with competitors. We ensure that confidential information belonging to third parties is accessed only through ethical means and refrain from any unethical conduct that may damage our corporate reputation.



3.6. Anti-Corruption and Anti-Bribery

At Akkim, we conduct all our activities in line with the principles of transparency, integrity, fairness, and accountability. Our approach to combating corruption and bribery is not limited to internal company practices; we also expect all our stakeholders to demonstrate the same sensitivity in this regard. This understanding is shaped within the framework of the **Akkök Group Code of Business Ethics** and constitutes an integral part of our corporate culture.

Anti-corruption activities are carried out under the coordination of the Internal Audit Department and through process-based analyses conducted by the Audit Department. Processes that carry a risk of fraud are prioritized and monitored in connection with our internal control system. Our internal control structure functions as an important tool both for ensuring compliance of operations with regulations and for preventing fraud risks.

Our fundamental basis in the fight against corruption is the Akkök Group of Companies **Anti-Bribery and Anti-Corruption Policy**. This policy defines the standards and principles applicable to all our stakeholders, including our managers, employees, suppliers, subcontractors, consultants, and business partners. The purpose of the policy is to ensure that we conduct our operations in compliance with the laws and regulations of the countries in which we operate, while maintaining a strong corporate stance against bribery and corruption risks.

In line with this policy in force at Akkim, we ensure that all our accounting records are complete, accurate, timely, and supported with appropriate documentation. Our records are managed with clarity and transparency that can be understood by reasonable third parties during internal or external audits.

Within the scope of our Ethical Principles, which guide our anti-corruption practices, we provide all employees with the Ethics Principles Handbook and organize ethics trainings. These trainings, repeated twice a year for new employees and those who could not attend previous sessions, aim to raise awareness. Every year, we obtain declarations from our employees confirming that they work in accordance with ethical principles. In addition, we operate a notification system that supports the reporting of non-compliant situations.

Our Company ensures a strong and effective connection between internal audit processes and the culture of ethical compliance. In this context, combating corruption is considered not only as a control mechanism but also as a cornerstone of our corporate culture.

Trainings Related to Anti-Corruption

All Trainings	Unit	2022	2023	2024
Number of people who completed trainings on corruption-related risks	People	59	76	109
Percentage of those who successfully completed this training	%	100	100	100



3.7. Supply Chain Management

“At Akkim, we consider sustainable supply chain management as a strategic priority and conduct our activities in this area within the framework of our Supply Chain Policy.”

At Akkim, we consider sustainable supply chain management as a strategic priority and conduct our activities in this area within the framework of our **Supply Chain Policy**. With this approach, we pay attention to establishing long-term and reliable business partnerships throughout all stages of our supply chain in compliance with legal regulations and ethical principles.

Our integrated supply chain structure, which consists of procurement, planning, logistics, import and sales operations, works in coordination with internal units to increase process efficiency. As of 2024, we procure more than 500 different raw material items from 42 countries and deliver them to our customers. Thanks to this strong infrastructure, we are able to respond to customer demands quickly and effectively.

We conduct our supply chain management in line with our **Sustainable Supply Chain Policy and Supply Chain Code of Business Ethics**. These policies are aligned with the United Nations Global Compact, the Universal Declaration of Human Rights, and the principles of the International Labour Organization (ILO), and we expect our suppliers to adopt these approaches as well. Suppliers are required to fully comply with legal regulations and contractual

obligations, to communicate the business ethics principles to their employees, and to act in accordance with these principles. Otherwise, we reserve the right to terminate the procurement contract.

We base our relations with suppliers on fairness, transparency and impartiality, taking into account criteria such as quality, delivery performance, commercial compliance, operational stability, and occupational health and safety. In addition, we prefer to work with suppliers that respect human rights, protect natural resources, adhere to ethical values, and are financially reliable. We also show mutual sensitivity in protecting the intellectual property rights, personal data, and technological information of our suppliers.

Within the scope of our supply chain practices, we regularly conduct supplier audits and monitor their level of compliance with our policies and ethical principles. For identified nonconformities, we initiate corrective actions and monitor progress through follow-up audits. We support sustainable collaborations through trainings, feedback, and best practice sharing. We evaluate our suppliers according to performance and compliance criteria, classifying them into four categories:



- **Class A:** Direct procurement can be made. Meets all required performance and quality criteria.
- **Class B:** Procurement can be made; however, the company's development should be monitored and reassessed in the future.
- **Class C:** Controlled procurement can be made. Specific conditions should be defined, and the process should be managed carefully.
- **Class D:** Procurement should not be made. Does not meet performance criteria.

In 2024, our domestic procurement rate was 63%. As of 2024, 89% of the 1,765 suppliers in our supplier network were local suppliers.

Import and Domestic Supplier Data

Suppliers	Unit	2022	2023	2024
Ratio of Import Suppliers	%	14.8	15.9	11
Ratio of Domestic Suppliers	%	85.2	84.1	89
TOTAL	Units	1,204	1,119	1,765

Among the main supply chain challenges we faced in 2024 were increasing delivery times, fluctuations in freight costs, restrictions due to wars and sanctions, and imbalances in raw material supply and demand. In response to these risks, we developed alternative supply sources, diversified our regional supply options, and strengthened our inventory management through the collaboration of our Procurement, Planning and Sales teams.

In our accounting processes, in line with the Akkık Group Anti-Bribery and Anti-Corruption Policy, we ensure that all procurement expenditures are recorded accurately, completely, on time, and with supporting documentation. Our accounting records are meticulously kept with an understanding of transparent and auditable financial structure, and all processes are carried out in accordance with relevant legislation and internal control mechanisms.

As of 2025, we have initiated efforts related to a sustainable supply system. Within this scope, critical suppliers classified as "Tier 1" for Akkim have been identified, and we plan to conduct on-site audits in quality and sustainability areas for 10 suppliers from this group. For our other suppliers, we aim to initiate the evaluation process by sending self-assessment questionnaires in the first stage. Within the framework of the sustainable supply system, we are preparing procedures and structuring the supply chain evaluation methodology. In parallel with these efforts, we are developing joint practices together with group companies within the **Sustainable Supply Chain Working Group** operating under the leadership of Akkık Holding Corporate Sustainability.



4. SUSTAINIBILITY IS IN OUR CHEMISTRY

“As Akkim, we view sustainability as a fundamental element of our business strategy and manage all our activities accordingly by addressing environmental, social and governance aspects with a holistic perspective, in full awareness of our responsibilities.”

As Akkim, we view sustainability as a fundamental element of our business strategy and manage all our activities accordingly by addressing environmental, social and governance aspects with a holistic perspective, in full awareness of our responsibilities.

Since our establishment, we have adopted the principle of enhancing economic growth and prosperity while protecting the environment and human health. With the innovative products and solutions we have developed in this direction, we aim to create value and contribute to sustainable development. Within the framework of the UN Global Compact, of which we became a signatory in 2007, and the Responsible Care program, of which we have been a member since 1993, we carry out our activities in harmony with universal sustainability principles.

In line with our **Sustainability Policy**, we place our sustainability values at the center of our business practices across all our operations, both domestically and internationally.

Akkim
AR-GE MERKEZİ

“At Akkim, we adopt the principle of free and fair competition in all areas in which we operate.”



4.1. Our Sustainability Management Approach and Organization

“We have structured our sustainability management in line with the strategic priorities of our Company.”

We have structured our sustainability management in line with the strategic priorities of our Company. Under the oversight of our Board of Directors, which is our highest governance body, corporate structures have been established to effectively monitor, improve and disseminate our sustainability performance across the Company.

Our sustainability management is carried out in close cooperation not only with our internal stakeholders but also with our external stakeholders, including suppliers, customers, local communities, and investors along our value chain, and the feedback we receive guides our strategic planning. We carry out sustainability-oriented assessment processes with our suppliers and identify joint areas of improvement in issues such as environmental performance, energy use, waste management and human rights, within the framework of the 10 principles of the UN Global Compact.

In addition, we assume responsibility against global challenges such as climate change and the protection of natural resources; we measure our corporate sustainability performance through international platforms such as EcoVadis, CDP, and share it transparently with our stakeholders.

At Akkim, environmental risks and opportunities shape both our strategic planning and our short-, medium- and long-term financial plans. In this context, we evaluate the impacts of different climate scenarios through scenario analyses, identify our priority risks, and develop strategic responses to these risks.

Board of Directors

Our Board of Directors periodically places all environmental issues, including climate, water, and biodiversity, on its meeting agenda; these issues are reviewed in quarterly meetings and progress is monitored.

Sustainability Governance – Green Strategy Group

A Sustainability Governance organizational structure was established, under which thematic ESG Working Groups were formed within the Corporate Governance Committee and the ESG Coordination Board through the ESG Office. Within the ESG Coordination Board, ESG Office Thematic Working Groups have been established. The sub-working groups include Digitalization, Future-Proof Business, Sustainability Leadership, Green Strategy Group, and Effective Talent Management.

Within the scope of Sustainability Governance, our Green Strategy Group actively carries out the development, monitoring and integration of environmental strategies under the coordination of Akkök Holding. Our Green Strategy Group convenes at least six times a year, holds evaluation meetings with the management group every quarter, and meets with senior management on a quarterly basis under the leadership of the CEO.

Green Strategy Group Strategy Statement

We are securing the sustainability of our business by taking determined steps in the fight against climate change. We prioritize the principles of circular economy in our products and services



with the vision of zero waste and efficient use of resources. We ensure water security by promoting the responsible use of water and reducing and safely disposing of wastewater. We manage chemicals, which are an integral part of daily life, safely and sustainably throughout all stages of the value chain. We prioritize process safety to ensure business continuity and reduce disruptions and losses in production processes. With high working standards, we provide a fair and safe working environment for all, respecting human rights.

The Green Strategy Group continues its activities in the areas of Climate Change and Energy Efficiency, Water and Wastewater Management, Circular Economy, Resource Efficiency, Waste Management, Biodiversity, Chemicals Management, OHS/Process Safety, and Trends/Regulations.

Sustainability Committee Chair

At Akkim, the Sustainability Committee Chair, operating under the Human Resources and Shared Services Directory, is responsible for sustainability management. The Committee Chair consists of three main committees: Social, Economic, and Environmental. These committees work on issues such as gender equality, volunteering and employee engagement, OHS, digitalization, R&D and innovation, finance and risk management, supply chain management, climate change and energy, circular economy and waste management, and water management.

The Sustainability Committee Chair is responsible for monitoring the Company's sustainability agenda in line with strategic objectives. In this context, the committee meets quarterly to evaluate progress and reports the status of sustainability targets to senior management every quarter. Team leaders are responsible for submitting target proposals, monitoring reporting metrics, obtaining input from senior management, and organizing meetings at regular intervals. These responsibilities are included among the targets determined in the individual performance evaluations of all committee members. Before starting committee activities, members participate in Sustainability Awareness Trainings and continuously attend workshops organized for this purpose.

Performance Indicators

Sustainability criteria are incorporated into the annual individual performance objectives of all senior management levels, including the General Manager. Key sustainability priorities included in the Company's performance scorecard comprise the reduction of the occupational accident frequency rate, the development of a decarbonization roadmap, and the strengthening of internal communication.

These objectives are cascaded throughout the organization in a top-down manner and integrated into the individual performance scorecards of all employees, from senior and middle management to professional staff and on-site operational personnel. In this way, sustainability has been embedded as an integral component of the individual performance management system, making the responsibilities and contributions of all employees in this area visible and measurable.

Sustainability Targets

As part of our strategic priorities in combating climate change, we focus on reducing carbon emissions, transitioning to renewable energy, adopting alternative technologies, and implementing circular economy practices. Environmental issues are not limited to operational activities but are also extended through compliance controls and awareness-raising activities for actors within our supply chain.

We present our sustainability targets to our Board of Directors once a year during the Company's strategic planning process, and we conduct quarterly evaluations to monitor progress. We present these targets under the heading "**Our Sustainability Strategy**."

In the upcoming period, we will continue our efforts with determination to further advance our sustainability governance, integrate emerging best practices into our strategy, and align our operational excellence with our sustainable growth objectives.



4.2. Our Material Topics and Stakeholder Engagement

“We shape our sustainability agenda through strong collaboration and transparent communication with our stakeholders”

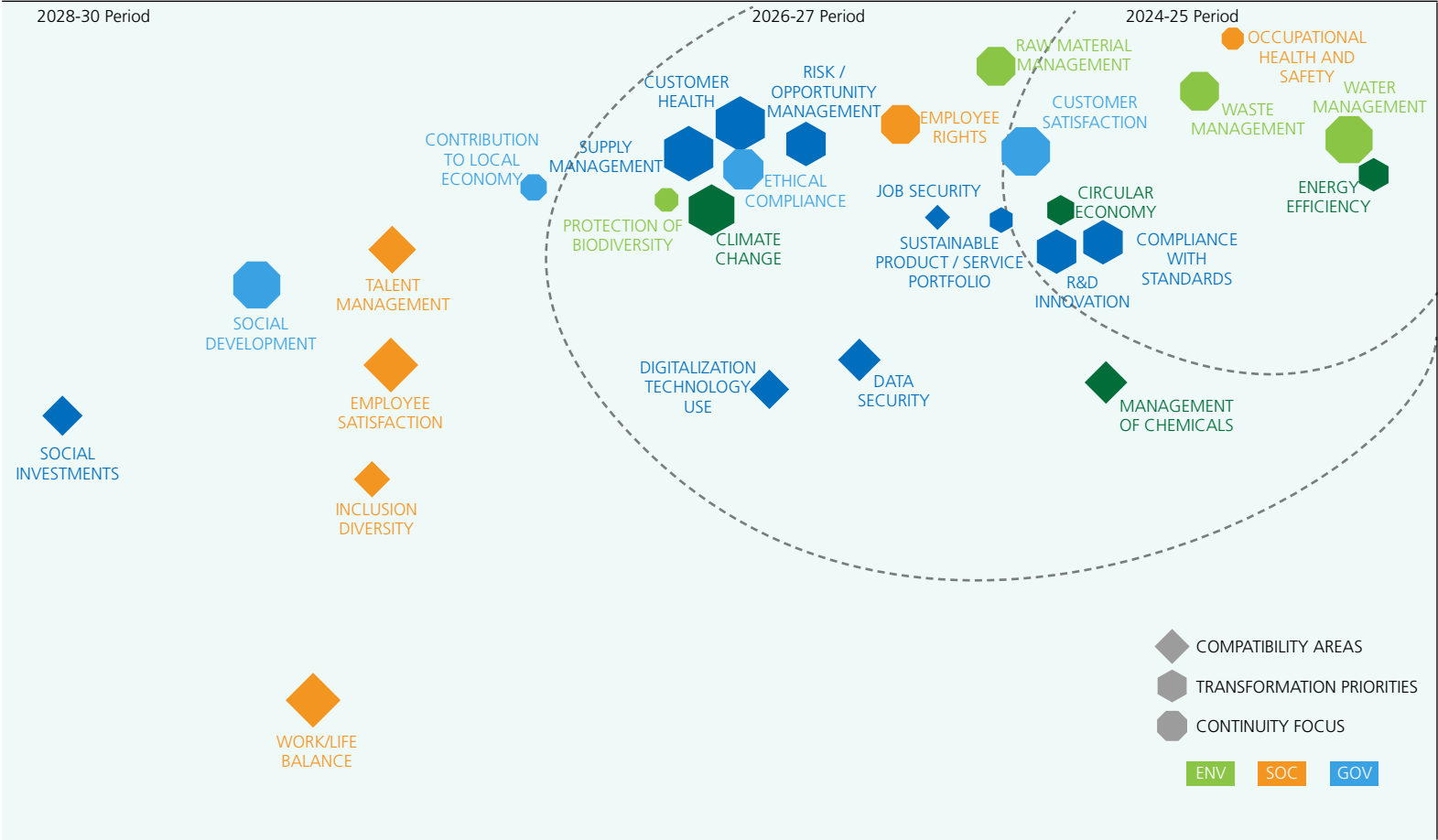
At Akkim, we shape our sustainability agenda through strong collaboration and transparent communication with our stakeholders. In determining our priority topics, we base our approach on the UN SDGs, ESG indices, and GRI Standards; in addition, we also take into account the analyses and standards of national and international institutions such as the World Economic Forum (WEF), the EU Taxonomy, the European Financial Reporting Advisory Group (EFRAG), the Sustainability Accounting Standards Board (SASB), and the Public Oversight Accounting and Auditing Standards Authority of Türkiye (KGK).

A total of 83 stakeholders participated in the materiality analysis we conducted in 2023. During this process, 29 different topics were identified, 8 of which were defined as high-material topics. The identified priorities were evaluated in alignment with both the Company’s internal strategic objectives and stakeholder expectations.





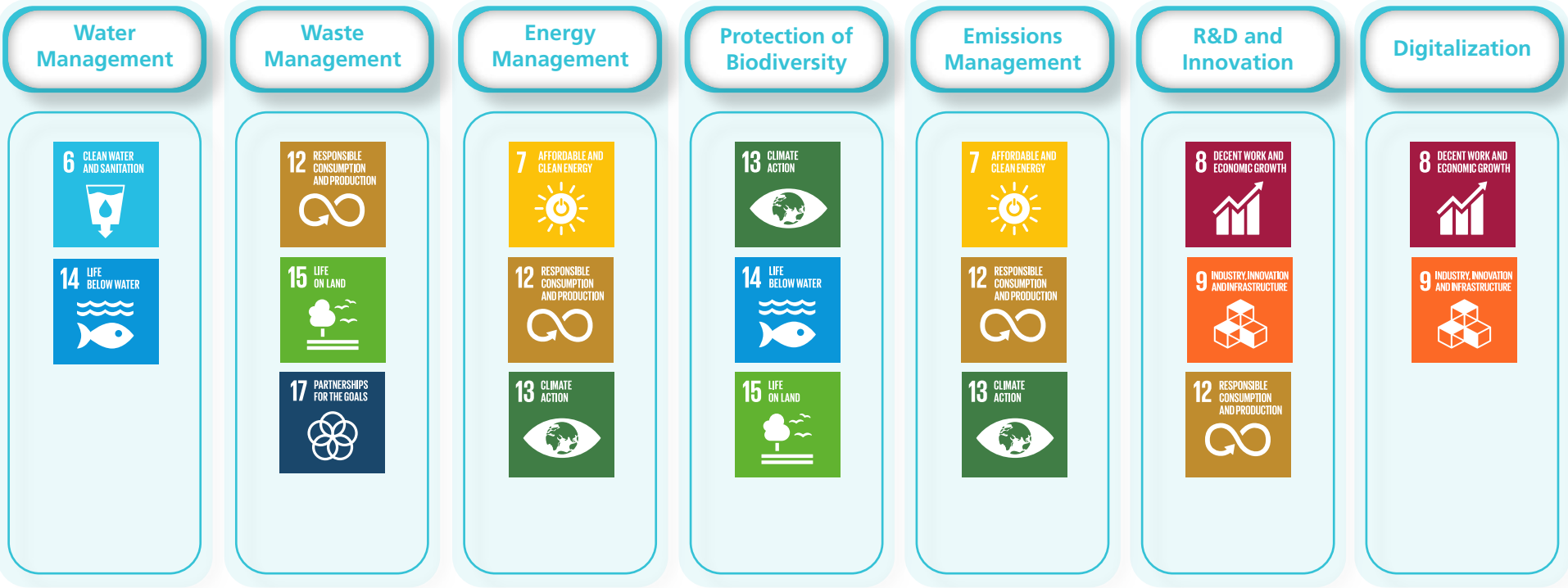
IMPORTANCE FOR EXTERNAL STAKEHOLDERS / EXTERNAL TO INTERNAL IMPACT



IMPORTANCE FOR EXTERNAL STAKEHOLDERS / EXTERNAL TO INTERNAL IMPACT



Our high-priority topics are grouped under the following headings:





We regularly monitor our performance regarding our material topics, and we strengthen our sustainability management with a continuous improvement approach by maintaining our dialogue with stakeholders.



4.3. Our Sustainability Strategy

At Akkim, we shape our sustainability strategy based on global developments and stakeholder expectations. In this context, the UN 2030 Sustainable Development Agenda and the SDGs constitute the fundamental reference points of our strategy. We approach sustainability not only with the goal of reducing environmental impacts but also with a holistic perspective that creates economic and social value.

Under the leadership of our senior management, we have developed our sustainability strategy for the 2025–2030 period in line with our material

topics. This strategy aims to create long-term value through resource efficiency, reduction of environmental impacts, employee and customer focus, and innovation.

Our strategy, developed with a long-term perspective, is built on the principles of efficient use of resources, development of innovative solutions, reduction of environmental impacts, enhancement of social benefits, and transparent governance.

Material Topic	Target	KPI	Target Year	Progress	Related SDG
Employee Development	Measuring the gap between employee skills & competencies and preparing development plans	Implementation of polyvalence system	2025	Completed for Teksyar facility employees. Rollout for all other facilities is ongoing.	<div><div>4 QUALITY EDUCATION</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div>
Sustainability in the Supply Chain	Implementation of sustainability and quality audit processes for critical suppliers	Establishment of supplier and reporting methodology; on-site/online audits for at least 5% of critical suppliers	2026	New target	<div>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</div>
		Establishment of supplier self-assessment methodology	2026	New target	



Material Topic	Target	KPI	Target Year	Progress	Related SDG
<i>Sustainability in the Supply Chain</i>	Supplier development	Implementation of supplier development and communication portal	2028	Research studies ongoing	
<i>R&D and Innovation</i>	Advancement in R&D and innovation	Reaching 30% in the Innovation Index	2026	Work on Innovation Index is ongoing	
		Share of eco-friendly products in new product portfolio to reach at least 10%	2027	Work on this target is ongoing within R&D	
	Creation of a sustainable product and service portfolio	Development of a product portfolio with bio-based content contributing to sustainability	2030	Product portfolio studies initiated and ongoing	
		Increasing the number of products annually through R&D projects	2030	Project studies ongoing	
		Development and integration of a Sustainable Product Guide	2027	Environmental product scorecard created. Guide procedure studies to begin.	
		Inclusion in the “Most Attractive Companies” ranking	Continuous	Awaiting 2025 results; process ongoing	

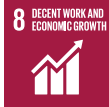

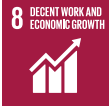



Material Topic	Target	KPI	Target Year	Progress	Related SDG
Energy and Emissions Management	Climate action and energy efficiency improvements	Procurement of electricity from renewable sources at Nazilli Plant	2025	Achieved. Annual total of 12 MW generated from completed on-site solar power project	7 AFFORDABLE AND CLEAN ENERGY
		Achieving carbon neutrality by 2050	2050	Awaiting SBTi guidance; process ongoing	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		Reporting transition risks for all activities	2025	Climate-related risk and opportunity analysis initiated with third-party experts and completed	13 CLIMATE ACTION
Water Management	Water efficiency	128,000 tons of water recovered annually at Epoxy Plant	2030	Project expected to be commissioned	6 CLEAN WATER AND SANITATION
		Separate collection of rainwater and recovery of 150,000 tons annually	2027	Progress to begin following commissioning of investment project	14 LIFE BELOW WATER



Material Topic	Target	KPI	Target Year	Progress	Related SDG
Waste Management	Contribution to circular economy and improvement of waste management	Establishment of a deposit system	2025	Work on digitalization and legal processes ongoing	 
		Recovery of 33,000 tons of salt annually at Epoxy Plant for reuse in Chlor-Alkali Plant	2030	Project expected to be commissioned	
Biodiversity Protection	Biodiversity protection	Development of projects with NGOs	2030	Biodiversity Inventory and Monitoring Project ongoing. Long-term monitoring, evaluation, and reporting activities being conducted at YALKİM Organized Industrial Zone (OIZ)	  
Compliance	Promotion of gender equality	Corporate Social Responsibility projects under the Chemistry of Equality initiative to support gender equality and education in our region	Continuous	Within the scope of the program with AÇEV, 161 women completed training. 8% of these women started working or returned to education.	



Material Topic	Target	KPI	Target Year	Progress	Related SDG
Digitalization	Implementation of digital transformation	Commissioning of HR dashboard and at least two new improvement projects	2026	Work completed for HR training data dashboard; other project ongoing	 
		Launch of candidate portal Project	2027	Process ongoing	
		Digitalization of product carbon footprint calculation	2025	New target	
		Reduction of carbon emissions through energy efficiency and dashboard project	2030	Project ongoing	 
		AI-enabled energy efficiency and carbon reduction at Nazilli Plant	2030	Project ongoing	
		Establishment and digitalization of cost of poor quality calculation and reporting methodology	2025	New target	
		Commissioning of digital work permit system	2025	New target	



Material Topic	Target	KPI	Target Year	Progress	Related SDG
Employee Engagement	Increasing employee engagement and contributing to society through employee volunteering projects	Inclusion in GPTW (Great Place to Work) "Best Employers" list	2026	Work ongoing for 2026. Akkim included in the 2023 list	
		Two activities each under Ecosystem Improvement, Nature Improvement, and Community Improvement	2025	Animal shelter activity completed. Draft projects ongoing	
Occupational Health and Safety (OHS)	Development of OHS culture	Reduction of accident frequency rate by predefined percentage compared to the previous year	Continuous	15.8% improvement compared to the previous year achieved	
		Inclusion in British Safety Council (BSC) 5-Star Member List	2027	Work ongoing; target updated for 2027	
		Achieving a score of 4 out of 5 in Organizational Safety Culture Index (OCDI)	2027	Work ongoing; target updated for 2027	



5. CREATING VALUE IS IN OUR CHEMISTRY

“Our management system certifications in critical areas such as quality, environment, occupational health and safety, energy, information security, and food safety reflect our understanding of corporate responsibility and our holistic management approach.”

As Akkim, we conduct our operations with sustainability at the core of our business practices. By integrating environmental, social, and economic sustainability into our innovative and responsible business practices, we aim to continuously advance our position in the industry. We carry out all our activities in a systematic, traceable, and sustainable manner, ensuring compliance with national and international standards. Our management system certifications in critical areas such as quality, environment, occupational health and safety, energy, information security, and food safety reflect our understanding of corporate responsibility and our holistic management approach. With our ISO 9001 Quality Management System, which we have held since 1995, we aim to increase customer satisfaction and continuously improve the quality of our products and services. With our ISO 14001 Environmental Management System, which we have held since 2004, we contribute to the protection of natural resources by keeping our environmental impacts under control. With our ISO 45001 Occupational Health and Safety Management System, we prioritize the health and safety of our employees and implement systematic processes to prevent workplace accidents. Since 2015, we have been focusing on increasing efficiency by continuously improving our energy performance under our ISO 50001 Energy Management System. We carry out our emission calculations in accordance with the ISO 14064

standard, which we have held since 2015, and manage our emissions under our emission management system. Since 2015, we have been protecting our information assets and ensuring data security with our ISO 27001 Information Security Management System. We have also completed the transition to the ISO 27001:2022 version within the scope of ISO 27001, passed the audit, and renewed our certification. We carry out our product and food safety processes in accordance with our FSSC 22000 Food Safety Management System and the Unified Standard.

Under the European Union's REACH Regulation on the registration, evaluation, authorization, and restriction of chemicals, we fully carry out the necessary registration and notification processes for the products we offer in the European market. In addition, we fulfill our legal obligations in accordance with UK REACH, Korean REACH, and other international chemical regulations. In Türkiye, we effectively carry out our responsibilities under the KKDIK (Registration, Evaluation, Authorization, and Restriction of Chemicals) Regulation, which is the national equivalent of the REACH Regulation. In all these processes, we prioritize the principle of protecting human health and the environment, adopting a regulatory management approach that is consistent with our sustainability goals.

“Supported by advanced technologies, our production infrastructure aims to increase our competitiveness by providing solutions to the needs of different sectors both domestically and internationally.”



5.1. Economic Performance

“While integrating sustainability into our business strategy, we also aim to continuously strengthen our economic performance.”

While integrating sustainability into our business strategy, we also aim to continuously strengthen our economic performance. In this regard, we are pioneering many initiatives in Türkiye and continuing our growth by opening up to new markets. Despite the economic fluctuations, crises, and regional conflicts occurring around the world, we remain steadfast in our operations. To build a more resilient structure in the face of all these challenges, we are integrating innovative methods into our business processes and continuing our work without interruption.

We will make a strategic investment to establish Türkiye's first epoxy resin production facility at our plant in Yalova. With this investment, we aim to produce liquid and solid epoxy resin. We also plan to produce epichlorohydrin and glycerin annually at our facility. We supply raw materials to various sectors such as cleaning, hygiene, water treatment, chemicals, textiles, paper, construction, plastics, food, pharmaceuticals, agriculture, metals, energy, detergents, drilling, and mining. Thanks to our wide product range, we hold a competitive position among manufacturers in Türkiye and Europe.

Our epoxy project not only contributes significantly to our revenue but also allows us to expand our field of activity and gain access to new markets. This project accelerates our economic growth through the production

of high value-added products while also increasing our export potential. Supported by advanced technologies, our production infrastructure aims to increase our competitiveness by providing solutions to the needs of different sectors both domestically and internationally. Thus, we aim to strengthen our position in existing markets and reach a broader customer portfolio on a global scale.

Our epoxy project not only makes significant economic contributions to Akkim but also has the potential to create added value for the Turkish economy. In the sustainable development process our country is undergoing, the chemical industry is at the forefront of sectors of strategic importance in terms of both economic growth and environmental transformation.

Acting with this awareness, we aim to effectively utilize the potential and strategic position of the chemical sector, contributing not only to our company's development but also to that of our country. Through our epoxy project, we support localization in industry and continue to create sustainable value with production processes that consider environmental impacts. In this regard, we are creating an investment model that provides long-term and sustainable contributions to the national economy.





6. INNOVATION IS IN OUR CHEMISTRY

6.1. R&D and Innovation

"We have been providing value-added chemical solutions to the country's industry through products developed with local resources, by systematizing the innovative, productive, and entrepreneurial approach we have embraced since our establishment."

As Akkim, we have been providing value-added chemical solutions to the country's industry through products developed with local resources, by systematizing the innovative, productive, and entrepreneurial approach we have embraced since our establishment.

We continue our research and development activities with our expert staff at the Akkim R&D Center, which covers approximately 2,700 m², including a 1,100 m² laboratory and pilot plant area equipped with advanced technology and a 500 m² office area. With expenditures reaching USD 4.6 million in 2024, a total of USD 10.6 million has been allocated to R&D and innovation activities over the last three years. The steady annual increase in our R&D budget demonstrates the strategic importance we attach to this area and our commitment to sustainable innovation. In the Turkish Time 2023 List of the Top 250 Companies by R&D Expenditure published during the reporting period, Akkim ranked as the 118th company in Türkiye in terms of R&D expenditure, with a 50-person R&D team and 61 ongoing projects.

As Akkim, we attach great importance not only to the implementation of R&D and innovation projects, but also to monitoring the effectiveness

and development processes of these projects. In this context, regular monthly meetings are held under the name "Innovation Board" to track the performance of ongoing projects, evaluate the feasibility of decisions made, and keep innovation strategies up to date. Through these meetings, we aim to contribute to the institutionalization of an innovation culture while also increasing the sustainability and value-added potential of projects.

We spread our R&D activities across a wide range of areas, including textiles, water and paper processing, concrete and asphalt applications, plastic additives, and household and personal care products, offering innovative solutions that add value to both our local and international business partners. In this context, we are determined to continue our work with the vision of becoming a strong player in the field of performance and basic chemicals. We conduct innovative work within our R&D department to adapt to the dynamic structure of the sector, meet customer expectations, and achieve our sustainability goals.



"We conduct innovative work within our R&D department to adapt to the dynamic structure of the sector, meet customer expectations, and achieve our sustainability goals."



“In collaboration with the Akkim R&D Directorate and the Information Technologies Unit, we developed the Digital R&D Project, designing an innovative system that digitizes our research and development processes end-to-end, enabling the management of documents on a single platform and automating manual processes.”

R&D and Innovation Expenditures

R&D and Innovation	2022	2023	2024
Expenditures (USD)	2,605,102	3,425,897	4,614,190

In collaboration with the Akkim R&D Directorate and the Information Technologies Unit, we developed the Digital R&D Project, designing an innovative system that digitizes our research and development processes end-to-end, enabling the management of documents on a single platform and automating manual processes. This system allows us to centralize document management and transform traditional manual processes into digital solutions. At the same time, the system we designed has the flexibility and scalability to adapt to R&D projects of different sizes. The platform provides strategic contributions in the areas of industry, innovation, infrastructure, and business partnerships within the scope of

sustainable development goals. The project's primary objectives are to create a corporate archive in a digital environment, optimize time and resource usage, minimize paper usage, increase operational efficiency, improve information flow, and create a competitive advantage through innovation. All these objectives are shaped in line with our institution's sustainable growth goals.



6.1.1. Digital P&D Project

“The “Digital R&D Project,” developed by the Akkim R&D Directorate and Information Technology Unit, has enabled us to integrate most of the activities we pursue within the scope of R&D into a digital platform, and we continue to do so.”

The “Digital R&D Project,” developed by the Akkim R&D Directorate and Information Technology Unit, has enabled us to integrate most of the activities we pursue within the scope of R&D into a digital platform, and we continue to do so. This allows us to centralize document management and transform traditional manual processes into digital solutions. The system we have designed has the flexibility and scalability to adapt to R&D projects of different sizes. In addition, the platform provides strategic contributions in the areas of industry, innovation, infrastructure, and business partnerships within the scope of sustainable development goals. The primary objectives of the project are to create a corporate archive in a digital environment, optimize time and resource usage, minimize paper usage, increase operational efficiency, improve information flow, and create a competitive advantage through innovation. All these objectives are shaped in line with our organization's sustainable growth goals.

Within the scope of our R&D and innovation efforts, we are implementing various projects such as increasing efficiency in polymer additive production, developing chemicals for home care applications, bio-based products, sustainable construction materials, and pre-treatment chemicals for sustainable textiles.

We also aim to pioneer sustainable innovation in the textile sector, undertaking initiatives that will reduce water and energy consumption in the process while also decreasing the use of harmful chemicals.

In addition, we are conducting research on recycled aggregates to be combined with cement and concrete. In line with our sustainable product development strategy, we are reducing the amount of water and cement entering the concrete by synthesizing our own raw material through green concrete studies and developing concrete flow enhancers. We contribute to reducing our customers' environmental footprint by supplying this product to cement companies at competitive prices.

Our efforts to further advance water treatment chemicals and ultrafiltration systems from an ecological perspective continue. Innovative research is being conducted on biodegradable plastics, alternatives obtained from natural resources are being evaluated in this field, and bio-based product syntheses continue for use in both the plastics and automotive industries.



“As Akkim, we aim to guide the industry with a vision of sustainable product development by creating solutions that minimize environmental impacts.”

Starting from raw glycerin for epoxy resin production, work is rapidly continuing to obtain ecologically more sustainable products containing natural alternatives to bisphenol A.

We incorporate a synthetic polymer product into our paper production processes to increase dry strength values such as tear, burst, and crush resistance, thereby giving our products superior physical durability. As a synthetic polymer, our product replaces the natural starch traditionally used in this field, contributing to a significant reduction in natural resource consumption.

As Akkim, we aim to guide the industry with a vision of sustainable product development by creating solutions that minimize environmental impacts. Collaboration plays a critical role in this process, especially in developing sustainable and innovative solutions.

Through our R&D efforts, we are developing the Plaslub 100 NG product, which offers an environmentally friendly alternative to products that solidify at low temperatures. This liquid

product eliminates the need for preheating, saving energy and time. With our product containing 100% renewable carbon, we support sustainable production and consumption. Plaslub 100 NG is an innovative product that adds concrete value to both environmental and economic sustainability with its environmentally friendly features and approximately USD 60,000 financial contribution.

With our project to Increase Efficiency in Polymer Additive Production, we are achieving efficiency in raw material usage by optimizing esterification reaction conditions. Thanks to this improvement, we are saving energy, shortening production time, and reducing waste. Through these optimizations, we are reducing our environmental impact while creating a production model that is compatible with our sustainable production goals and increases efficiency.

With our project, Development and Production of Esterquat Chemical for Home Care Applications, we are achieving an environmentally friendly transformation by adopting a plant-based production approach. By redesigning AKQUAT



“With our Bio-Based Product Development project, we aim to reduce our environmental footprint and offer sustainable alternatives by integrating renewable resources into our production processes.”

production processes, we are reducing operational costs, minimizing environmental impacts, and improving product performance through customer collaboration.

With our Bio-Based Product Development project, we aim to reduce our environmental footprint and offer sustainable alternatives by integrating renewable resources into our production processes. We are leading the industry by developing products with over 60% bio-based content, contributing to Sustainable Development Goals such as climate action and zero waste. This project also increases our market share and competitiveness.

With the New Generation PCE Based Concrete Admixtures project, we aim to reduce the environmental footprint by lowering CO₂ emissions and water consumption in the cement industry. Planned in line with the European Green Deal and the Türkiye Green Deal Action Plan, this project offers an innovative solution for the ready-mix concrete and cement sectors, contributing to the conservation of natural resources and responsible production and consumption.

With the Development of Pre-treatment Chemicals for Sustainable Textiles project, we are increasing energy efficiency and environmental performance by optimizing temperature and water use in bleaching processes in the textile industry. By adopting sustainable production methods, we are making innovative contributions to our product and service portfolio and gaining a competitive advantage in the market. Our project involves the development of chemicals that provide effective bleaching at low temperatures, as well as testing and optimization efforts aimed at reducing energy consumption and carbon emissions. It directly contributes to the Sustainable Development Goals of Affordable and Clean Energy and Responsible Consumption and Production.



6.2. Digitalization

“As Akkim, we keep digitalization at the heart of our production and management processes in line with developing technologies; we offer effective solutions to the need for innovative and sustainable products in the sector through the projects we implement.”

As Akkim, we keep digitalization at the heart of our production and management processes in line with developing technologies; we offer effective solutions to the need for innovative and sustainable products in the sector through the projects we implement. A budget of USD 302,000 has been allocated for digitalization expenditures in 2024. Thus, the total amount spent on digitalization over the last 3 years has reached USD 517,000.

As part of our digitalization efforts, we are implementing projects such as Artificial Intelligence-based Demand Forecasting and Inventory Optimization, Akkim Maestro, Change Management, KPI Dashboard, and Sea Freight Tracking System.

With the Artificial Intelligence-based Demand Forecasting and Inventory Optimization project, we have created a system that aims to predict customer needs in advance using algorithm-based methods. In this way, we aim to minimize production losses by preventing disruptions in the supply chain and reduce inventory-related costs.

With the Akkim Maestro project, we have significantly increased our digital analysis capacity by utilizing a No Code-based platform to collect and analyze production process data in real time. This system has enabled us to examine past performance in detail and continuously monitor line efficiency at our Nazilli facility, making operational processes more transparent and sustainable. The improvements made in the project have both saved on steam and coal consumption and strengthened our environmental performance by reducing carbon emissions per product.

With the Change Management (MOC) project, we aim to systematically strengthen change management processes within our organization and increase efficiency. In this context, MOC is designed to address all transformation steps, from operational applications to business processes and systemic changes, using a holistic methodology. With this project, we aim to manage every stage of change in a structured manner, from the definition of change proposals to regulatory compliance, risk analysis, approval processes, implementation phases, and training activities.



The KPI Dashboard project is a platform developed to strengthen top management's strategic decision-making processes, equipped with advanced data visualization and analysis capabilities. Our platform enables comprehensive and real-time tracking of performance indicators, reinforcing a culture of transparency and accountability across the organization. It also makes significant contributions to our sustainable development goals in areas such as resource management, environmental impact tracking, and monitoring economic and social performance. Through the Maritime Cargo Tracking System project, we contribute to digital transformation by tracking export maritime cargo digitally via the ShipsGo platform, which is integrated with the Oracle system.





6.2.1. Information Technology Projects

- In line with our goal of increasing process efficiency and improving service quality, we are continuing our digital transformation efforts in 2024 with the "IDATEK – Administrative Affairs Single Point Request Tracking Module" project. Implemented in collaboration with Akkim BT and Aktek Bilişim, this project aims to ensure transparency, traceability, and reportability in the processes of our Administrative Affairs Department.

Launched in June 2024 and going live in August 2024, our project aims to address control deficiencies, delays, and difficulties in data analysis arising from the manual execution of administrative requests (via email, telephone, etc.). The development process is being carried out with Akkim BT's internal resources, with technical contributions provided by Aktek Bilişim.

The project aims to manage all requests digitally from a single point and achieve a 30% improvement in request fulfilment time. We plan to reach a minimum of 200 active users within the first six months of implementation and establish a data-driven analysis infrastructure through regular monthly reporting.

We analyse user needs through surveys and meetings prior to implementation and support the transition process with training sessions. We overcome resistance to change in user habits through communication with pilot groups and guidance documents. We plan to continuously improve the system through satisfaction surveys and aim to implement similar digital infrastructures in different departments.

- In order to increase efficiency in our production processes, optimize our energy consumption, and accelerate our decision-making mechanisms, we launched the "MaestroHub – Chlor-Alkali Plant Data Digitization and Energy Monitoring Project" in 2024. Constituting an important step in our digital transformation strategy, we implemented the project at our production facility in Yalova under the leadership of our Chlor-Alkali & ECH Production Department, with the joint efforts of our Information Technology and production teams.

Within the scope of the project, we ensure that operational data (SCADA, DCS, analyzers, etc.) works in an integrated manner with our corporate systems. Thanks to the real-time data monitoring infrastructure, we aim to make faster, more effective, and sustainable decisions based on this data. Thanks to the monitoring systems developed with the MaestroHub platform, operational and professional users can monitor production processes instantly through their own accounts and make data-driven decisions regarding energy management and maintenance activities.

The MaestroHub Chlor-Alkali Plant Data Digitization project aims to deliver measurable benefits such as energy efficiency and optimizing resource utilization. The BIGDATA infrastructure created with MaestroHub provides significant contributions in terms of real-time monitoring, historical data analysis, trend tracking, and risk prevention.

We approach our digitalization investments in an integrated manner with our sustainability goals; we consider technology as one of the fundamental tools for continuously improving our environmental and operational performance.



• RPA (Robotic Process Automation) solutions, document management systems, artificial intelligence applications, and data-driven process analyses reduce operational workload and strengthen strategic decision-making processes. In this context, we implemented the “Automatic Printing of Akkim Sales Invoices” project as one of the leading examples of RPA technology integration into our company operations. Developed and launched between February and May 2024, this project has significantly increased efficiency by digitizing the invoice printing processes that our accounting department used to carry out manually.

The project eliminates an average of 8–10 hours of manual work per day, aims to save approximately 2,000 hours of human resources annually, achieves a process accuracy rate of 90%, and enables our employees to focus on more value-added tasks. The robot is integrated with the Oracle database; a queue structure is created to develop flexible control mechanisms against possible error scenarios, thereby increasing process stability and minimizing user errors. At the end of the process, we facilitate process tracking by automatically notifying the relevant units via email.

In line with the success achieved by the project, we aim to expand the scope of our digitalization efforts; we aim to reduce manual interventions in similar processes and involve different business units in the digital transformation. Thus, we aim for digitalization to offer multidimensional contributions not only in terms of operational efficiency but also in terms of organizational efficiency and inter-unit collaboration.

Budget Spent on Digitalization

Budget Spent on Digitalization (USD)	2022	2023	2024
	62,058	153,310	302,000

“RPA solutions, document management systems, artificial intelligence applications, and data-driven process analyses reduce operational workload and strengthen strategic decision-making processes.”



7. RESPECT FOR THE ENVIRONMENT IS IN OUR CHEMISTRY

"As Akkim, we shape all our activities with a vision for a sustainable future, placing environmental responsibility at the heart of our business practices."

As Akkim, we shape all our activities with a vision for a sustainable future, placing environmental responsibility at the heart of our business practices. In line with our environmentally conscious production approach, we aim to carry out our operations with minimal environmental impact; in this context, we conduct comprehensive studies in the areas of emission reduction, process efficiency, waste management, and efficient water use.

We continue our environmental investments with the mission of always taking our company one step further in environmental and operational terms. Thanks to our environment-focused investments, we contribute to the fight against climate change. In our operations, we reduce our environmental impact by focusing on the efficient use of natural resources. These investments are also of strategic importance in terms of creating a business model that is consistent with the principles of the circular economy.



“The efficient use and conservation of water, one of the most vital resources for sustainable development, plays a significant role in Akkim's environmental activities.”



7.1. Environmental Management

“Through our innovative work, we contribute to the circular economy by improving efficiency in energy, water, and waste management.”

Our **Sustainability Policy, Environmental Policy,** and ISO 14001 Environmental Management System, developed with a sustainability approach, aim to minimize and ultimately eliminate any negative environmental impacts that may arise from our activities. We manage all environmental impacts arising from our activities and all environmental processes related to our operations in an integrated manner through our Health, Safety, Environment (HSE) and Management Systems Departments. We minimize waste generation and prioritize reuse and recycling opportunities within the framework of circular economy principles.

Through our innovative work, we contribute to the circular economy by improving efficiency in energy, water, and waste management. In this context, we aim to recover 128,000 tons of water annually from our epoxy plants and recycle 33,000 tons of salt for reuse in our chlor-alkali plants by 2030, thereby contributing to the resource cycle. Through our environmental investments, we aim to reduce negative environmental impacts and contribute to our sustainable development goals.

Environmental Investments (Yalova and Nazilli)

 You can access our certificates here	Environmental Investments (TL)	2022	2023	2024
	Total operating expenses for environmental activities	21,738,305	36,366,936	50,513,723



“At Akkim, we consider raising environmental awareness among all our employees and stakeholders to be one of our primary goals.”

As part of alignment with the European Green Deal, the activities of the “Green Strategy Group” continue with the participation of experts from affiliated companies, including Akkim. These meetings address priority environmental issues such as biodiversity, water impact analysis, alternative energy investments, and product-based carbon footprint.

We have implemented projects and developed action plans to protect and enhance biodiversity in the Yalkim Organized Industrial Zone where we operate. In this context, we aim to reduce our impact on the ecosystem and contribute to biodiversity by developing practices that support natural life.

At Akkim, we consider raising environmental awareness among all our employees and stakeholders to be one of our primary goals. In line with this, we take care to maintain a high level of environmental awareness among our employees through various events and initiatives organized throughout the year. We systematically continue our training and awareness efforts to ensure that environmental sustainability becomes an enduring value in our corporate culture. The training sessions we conducted on environmental issues during the reporting period and the total number of training hours allocated are presented below.

Environmental Trainings

Environmental Trainings	Unit	2022	2023	2024
Trainings	Person*Hour	148,068	167,240	756,683



7.2. Energy Management

“Continuously improving our energy performance, ensuring the efficient use of natural resources, and reducing greenhouse gas emissions are among our key objectives.”

With a keen awareness of our responsibility towards energy management, we conduct our activities in accordance with the principles of both environmental and economic sustainability under our **Energy Policy**. Continuously improving our energy performance, ensuring the efficient use of natural resources, and reducing greenhouse gas emissions are among our key objectives. In this context, we systematically improve our energy efficiency within the framework of the ISO 50001 Energy Management System and maintain our energy management by integrating it with other corporate management systems with a continuous improvement approach.

Akkim has an Energy Committee to monitor the energy management process, which is of critical importance. While the Management Systems and HSE Directorates monitor the process within the committee, the Procurement, Production, Investment, and Maintenance Directorates develop and implement innovative projects. Energy efficiency assessment has become an integral part of the management stages of projects.

Our Energy Committee, consisting of a total of 24 members, including 3 Energy Managers, holds regular meetings every three months to make strategic decisions on energy management and environmental sustainability.

At our Yalova facility, we regularly monitor and report energy consumption in accordance with relevant regulations. We report our energy data annually through the Energy Efficiency Portal (ENVER) operated by the Ministry of Energy and Natural Resources, thereby ensuring transparent and accurate tracking of our energy consumption information. Through these practices, we monitor our environmental performance and reinforce our commitment to achieving our sustainability goals.



You can access our certificate [here](#)



“We view R&D and innovation efforts as a key element in our strategies to increase energy efficiency.”

We view R&D and innovation efforts as a key element in our strategies to increase energy efficiency. In line with this, we are implementing new technologies and applications that will make our processes more efficient while ensuring the efficient use of energy through the projects we carry out. In this way, we ensure continuous improvement by both reducing our energy consumption and contributing to environmental sustainability. Our facility, which has been ISO 50001 Energy Management System certified since 2015, regularly reports its energy consumption and maintains a downward trend in this area through the energy efficiency projects we implement. We continuously monitor and improve our energy management processes through internal audits conducted each year.

Through our innovative projects, we are continuously improving our energy management processes and making concrete progress towards increasing energy efficiency and strengthening operational sustainability. In this context, with the new distillation project we have implemented, we are renewing the distillation system at our Nazilli CMC facility; thus, we aim to reduce both production costs and energy consumption and,

consequently, process-related emissions. In addition, this year we are achieving a significant environmental and operational transformation by completely replacing our fossil fuel-powered forklifts with electric forklifts. This step reduces our carbon footprint and increases our energy efficiency. In line with our efficiency-focused approach, we also encourage the use of renewable energy. In this context, we are completing the installation of solar panels with an electricity generation capacity of 5 kW per hour at our Nazilli facility during the reporting period.

In our project to change the cellulose transfer process, we aim to make significant improvements in raw material transportation. Changes in the cellulose raw material feeding process have resulted in both operational efficiency and emission reduction. By switching from forklift use to a closed transport system for raw material transportation, various operational risks have been prevented.



Total Energy Consumption

Energy Consumption Based on Location	Unit	2022	2023	2024
Energy Consumption per Ton	GJ	3.58	3.36	3.76

Savings Achieved Through Energy Efficiency Projects

	Total Savings (kWh)
2022	3,038,500
2023	1,400,000
2024	1,898,686

“Through our innovative projects, we are continuously improving our energy management processes and making concrete progress towards increasing energy efficiency and strengthening operational sustainability. In this context, with the new distillation project we have implemented, we are renewing the distillation system at our Nazilli CMC facility; thus, we aim to reduce both production costs and energy consumption and, consequently, process-related emissions.”





7.3. Emissions Management

“At Akkim, we continue to take an active role in combating climate change and fulfilling our environmental responsibilities.”

Climate change is having an increasingly significant impact at both the global and local levels. At Akkim, we continue to take an active role in combating climate change and fulfilling our environmental responsibilities. In this regard, we are preparing comprehensive action plans by assessing our risks and opportunities in the fight against climate change. We submit disclosures to the Carbon Disclosure Project (CDP) platform to report our climate change performance and strategy in accordance with international standards. As a result of our first reporting in 2023, we received a C score under the heading “Climate Change.” We are continuing our efforts to improve this score.

Our Yalova facility is subject to the Monitoring, Reporting, and Verification (MRV) system as required by law. Within this scope, greenhouse gas emissions are regularly monitored and reported. We also calculate our greenhouse gas emissions in accordance with the ISO 14064 standard and the GHG Protocol. Since 2015, we have been verifying our greenhouse gas emissions according to the ISO 14064:2018 standard. Within the scope of our ISO 50001 Energy Management System, we are developing innovative projects focused on energy efficiency, thereby increasing our operational efficiency and achieving a significant reduction in our greenhouse gas emissions.

As part of its environmental impact management strategies, Akkim has included Scope 3 emissions in its calculations as of 2021. Expanding this process, it added the Nazilli location to the ISO 14064 Corporate Carbon Footprint calculation processes in 2022.

In 2024, Scope 2 emissions decreased by 3.3% compared to 2023. Energy efficiency projects also contributed significantly to the decrease in Scope 2 emissions. During the reporting period, we replaced the fossil fuel-consuming forklifts we used at Akkim with electric forklifts. With this change, we anticipate reducing emissions by 440 tons of CO₂e/year in 2025.

As part of our efficiency project at the Nazilli CMC production facilities, we increased our efficiency by reducing the amount of raw materials used, thereby reducing our resource consumption and greenhouse gas emissions. Since the start of the project, the streamlining of processes has prevented the emission of approximately 480 tons of CO₂e, and approximately 230 tons of CO₂e during the reporting period alone. By the end of 2025, this amount is expected to reach approximately 410 tons of CO₂e.



As part of our decarbonization project, we have developed models based on growth projections for 2030. In line with this, we have created investment feasibility studies to achieve our long- and short-term goals and laid the foundations for our decarbonization roadmap. With these efforts, we aim to shape our sustainability strategy with more concrete steps and establish our future plans on a solid foundation. The focus of decarbonization projects is on renewable energy use, technology

investments, and increasing energy efficiency. We are reviewing sustainable product criteria to reduce embedded emissions in the supply chain. We are working with our R&D, procurement, production, and sales teams to prepare for compliance with the Türkiye Emissions Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM).

Emissions Data

GHG Emissions	Unit	2022	2023	2024
Direct CO ₂ Emissions	tonnes CO ₂ e	43,362.98	40,538.54	49,294.6
Indirect CO ₂ Emissions	tonnes CO ₂ e	361,753.42	341,603.65	350,118.98

As Akkim, we regularly report our air emissions every two years. In this context, we have completed our emission measurements for 2023 and present the results below. Our air emission measurement and reporting activities for 2025 are being prepared according to the planned schedule.

Savings from Greenhouse Gas Reduction Projects

	Number of Projects	Emissions Reduction Achieved (tonCO ₂ e)
2022	4	2,497.70
2023	1	1,150.80
2024	2	670.00



7.4. Water Management

“At Akkim, considering the central role of water in our production activities, we attach utmost importance to using our resources efficiently and responsibly.”

Water is a critical resource not only for the sustainability of life but also for the uninterrupted execution of industrial production processes. Particularly in the chemical industry, water plays a vital role in many critical stages, from raw material preparation to process cooling systems, cleaning, and product formulation. At Akkim, considering the central role of water in our production activities, we attach utmost importance to using our resources efficiently and responsibly.

Due to factors such as climate change, population growth, and inadequate water management, water scarcity has become a concrete threat in many regions today. In countries like Türkiye, located in a semi-arid climate zone, this threat is felt much more intensely at the local level. According to data from the World Resources Institute (WRI) Water Risk Atlas, we conduct comprehensive risk analyses at our facilities in Nazilli and Yalova, where water stress is at high levels, taking this situation into account. The assessments indicate that a potential water shortage in these regions could have devastating effects on our production processes. Accordingly, we are strengthening our water management strategies and developing preventive measures to increase our operational resilience.

The efficient use and conservation of water, one of the most vital resources for sustainable development, plays a significant role in Akkim's environmental activities. To summarize the ongoing systematic efforts to achieve the goals established for this purpose, a “Water Footprint Inventory Report” has been prepared in accordance with the requirements of “ISO 14046 Water Footprint – Principles, Requirements and Guidelines.” By preparing this report, Akkim aims to calculate the cooling, process, and deionized water usage at its Yalova facilities and achieve the following benefits.

- Provide the necessary equipment to measure water consumption based on production in all facilities,
- Identify opportunities for improvement to increase water efficiency,
- Reduce natural resource consumption,
- Comply with the Sustainability Policy



We place great importance on transparently monitoring and reporting our water-related risks and performance. In line with this, we report on water through the globally recognized CDP platform. As part of the CDP Water Program reporting conducted in 2023, we continue to improve, achieving a B- rating. This development enables us to manage our water-related risks more effectively, while also contributing to our goal of establishing open and trust-based communication with our stakeholders. We aim to further improve our water management performance in the coming period by maintaining our principle of transparency in this area. With our many years of experience in the water treatment sector and the synergy we have gained from our different areas of expertise, we continue our activities as a strong manufacturer in the field of advanced technology treatment systems. The production of ultrafiltration membrane modules at our Yalova Facility, which commenced in 2016, is a result of our knowledge base and technical

infrastructure in this field. Thanks to our modern production facility, we are now a reliable player offering high-quality solutions to our customers not only in Türkiye but also across a wide geography stretching from Europe to Asia. In the coming period, we aim to continue reducing our environmental impact and representing our country internationally in this field by investing in sustainability-focused technologies.

With this solution we have developed for ultrafiltration technology, we directly contribute to water quality and enable more efficient and reliable treatment processes. At the same time, we are steadfastly continuing our R&D and improvement efforts to make our water treatment chemicals and ultrafiltration systems more ecologically sustainable. Thus, we continue to add value to the sector in terms of both environmental and technological dimensions.

Water Consumption Data

Total Water Withdrawal	Unit	2022	2023	2024
Total	megaliter	1,246	1,068	1,092

Wastewater Data - Yalova

Wastewater Discharge	Unit	2022	2023	2024
Third-Party Water (e.g., Sewerage System)	megaliter	617.4	591.2	724.68



7.5. Waste Management and Circular Economy

“As Akkim, we manage our waste within the framework of the ISO 14001 Environmental Management System, adopting a circular economy approach in line with national legislation and our Environmental Policy.”

As Akkim, we manage our waste within the framework of the ISO 14001 Environmental Management System, adopting a circular economy approach in line with national legislation and our **Environmental Policy**. We are accelerating our circularity efforts to optimize resource use and enable the necessary system transformation for sustainable production and consumption. We recognize the comprehensive environmental benefits of a circular economy. Therefore, we continuously review our waste management processes to ensure efficient use of resources, minimize waste generation, and increase recovery rates. In this regard, we implement various improvement initiatives to enhance our system and effectively apply practices that reduce the environmental impact of waste.

We comply with the Zero Waste Regulation through our sustainable approach to waste management and our waste management practices. In this context, Akkim holds a Zero Waste Certificate.





Waste Data

By Waste Type	Unit	2022	2023	2024
Hazardous Waste	Tonnes	2,742	2,995	3,698
Non-Hazardous Waste	Tonnes	2,802	2,781	2,795
Total Waste	Tonnes	5,544	5,776	6,493

As Akkim, we adopt a proactive approach to waste management with the aim of contributing to the circular economy. In this regard, we consider preventing waste generation at source to be our top priority. For waste that cannot be prevented, we actively evaluate technological capabilities and industrial symbiosis opportunities to ensure its recovery. With this approach, we are steadfastly continuing our efforts to promote the efficient use of resources and reduce environmental impacts.

In line with our circular economy approach, we supply hydrochloric acid, one of the chemicals we produce, to the galvanizing industry. In this process, we collect the iron (II) chloride solution, known as “pickling acid,” which is formed after metal surface cleaning, from our customers using tools that comply with relevant legislation and process it at our recovery facility licensed by the Ministry of Environment, Urbanization, and Climate Change. At the end of the recovery process, we convert this waste into ferric chloride, which is among our water conditioning products. In this way, we prevent approximately 10,000 tons of “spent acid” from harming the environment each year; at the same time, we obtain a value-added product that contributes to the treatment of wastewater.

With the epoxy plant we plan to implement, we aim to recover 33,000 tons of salt annually and return this salt to the resource cycle by reusing it in our chlor-alkali plants.





“As Akkim, we adopt a proactive approach to waste management with the aim of contributing to the circular economy.”

Amount of Procured Recycled and Recyclable Materials

Type	Unit	2022	2023	2024
Amount of Recycled Material	Tonnes	22,419.54	22,253.35	22,941.7

Percentage of Reused/Recycled Packaging

Packaging Waste Types	Unit	2022	2023	2024
Non-Hazardous Waste Recycling	%	80%	99%	98%

Recyclability / Circularity Rate of Produced Products

Type	Unit	2022	2023	2024
Circularity Rate of Total Products Produced	%	3.43%	1.91%	3.43%

As Akkim, we integrate recycling and reuse practices into our production processes in line with circular economy principles. At our Yalova facility, by-products from production are recovered and used as raw materials in the production of water conditioning chemicals; this reduces the environmental impact of waste and ensures resource efficiency. In addition, many items of equipment, particularly packaging materials, are recycled or reused.

The recycling rate of non-hazardous waste is increased every year, contributing to environmental sustainability. At our Nazilli facility, production waste such as textile scraps is reused as raw material, and this approach increases the circularity rate of products. At the same time, the recycling and reuse of packaging waste is also effectively carried out at this facility, thus minimizing environmental impacts through waste management practices.





8. SOCIAL PERFORMANCE

"We focus on creating a work environment where our employees feel secure, their development is supported, and a culture of open communication is embraced."

As Akkim, we shape our human resources practices in line with Akkök Holding's **Human Resources Policy**, which aims to create people-focused and sustainable value. We focus on creating a work environment where our employees feel secure, their development is supported, and a culture of open communication is embraced. In this context, we make fair, transparent, and innovative HR processes an integral part of our corporate culture.

We meticulously execute our processes for the health and safety of our employees and continuously improve our training and talent management practices to support their professional and personal development. We extend our social impact beyond internal practices by developing social responsibility projects in the regions where we operate, continuing to add value to society. Through projects focused on increasing employee satisfaction and loyalty, supporting women and girls, and contributing to the educational and social development needs of local communities, we aim to create positive and lasting impacts for both our internal stakeholders and society.

"As Akkim, we shape our human resources practices in line with Akkök Holding's Human Resources Policy, which aims to create people-focused and sustainable value."



8.1. Occupational Health and Safety

"We prioritize providing a safe and sustainable working environment by placing the health and safety of our employees at the center of all our activities."

As a company operating in the chemical industry, we view occupational health and safety as a priority area of responsibility. We prioritize providing a safe and sustainable working environment by placing the health and safety of our employees at the center of all our activities. In this regard, we proactively identify and assess occupational health and safety (OHS) risks and take the necessary measures to minimize their impact. We regularly monitor the performance of our OHS management system and continuously improve it by setting targets. In line with the ISO 45001 Occupational Health and Safety Management System standards and our company's **Occupational Health and Safety Policy**, we systematically manage all our occupational health and safety processes. The management system we have established is documented in an open and transparent manner accessible to employees; participation and feedback are ensured through processes carried out through employee representatives. Under the leadership of our senior management, we continue to integrate our occupational health and safety approach into all our business processes and spread the OHS culture throughout the organization.

In order to spread our occupational health and safety culture throughout the organization, we hold regular OHS Committee meetings every month with the participation of senior management and employee representatives.

At these meetings, we evaluate occupational health and safety practices, identify areas for improvement in processes, and address opportunities for enhancement.

In addition to the OHS Committee, we have a team of 15 "OHS Leaders" working at the operational level to increase effectiveness in field applications. The work carried out with this team, which meets once a month under the leadership of the SEÇ Directorate, is evaluated together with employee feedback.

OHS Leaders are responsible for monitoring occupational health and safety practices in their respective departments and reporting any areas for improvement or strong practices to the OHS Directorate. At the same time, these leaders are expected to act as representatives who not only identify problems but also actively contribute to the solution process and offer constructive suggestions. With this structure, we are increasing employee participation and making OHS processes the shared responsibility of the entire organization.

Akkim deepens its OHS work under five main headings and 66 subheadings: "policy and organization," "strategy and planning," "field applications," "performance management," "evaluation and review," and 66 subheadings related to these. Akkim's goal is to improve its OSH culture to achieve 5 stars in the BSC Five Star Audit by 2027.



“Akkim management provides visible leadership by organizing “Safety Tours” with the aim of establishing a strong safety culture, reinforcing positive safety behaviors, and monitoring the quality of implementation of occupational health and safety standards.”

OHS Communication

All employees and contractors are encouraged to provide suggestions regarding occupational accident and major accident risks. Suggestions are evaluated within the scope of the established “Suggestion Evaluation Committee” (Idea Workshop); if deemed appropriate, necessary actions are taken. Furthermore, within the framework of the Safety Management System, unsafe conditions, unsafe actions, near misses, and incidents in the field can be reported to the relevant department using near miss reporting boxes in common areas, via email, or using Akkim's document management system. Taking these suggestions and reports into consideration, the OHS Committee selects and rewards the “employee of the month” every month. As a result of the evaluations, 12 people were selected as “Employee of the Month” in 2024. In addition, within the annual individual targets set under the “performance management system,” there is a target related to occupational health and safety for each employee. Reducing the rate of lost-time accidents was set as an institutional goal for the reporting period in question. Akkim management provides visible leadership by organizing “Safety Tours” with the aim of establishing a strong safety culture, reinforcing positive safety behaviors, and monitoring the quality of implementation of occupational health and safety standards.

Emergency Management and Process Safety

We consider being prepared for potential emergencies and responding effectively to be among our top priorities. In this context, we continuously update our emergency plans and test their effectiveness through regular drills. We provide our employees with training tailored to different emergency scenarios and regularly maintain and inspect our response equipment. Thanks to the numerous drills we have conducted in recent years, we have significantly increased our level of preparedness for emergencies by quickly addressing any identified deficiencies.

Our emergency management is directed and managed by our Production Director/Plant Director and then our HSE Manager.

In the area of process safety, we meticulously fulfill our responsibilities to prevent major accidents. We prioritize safety criteria in our new investments and existing facilities; we carefully conduct detailed reviews such as process hazard analyses (PHA), explosive atmosphere (ATEX) compliance, and machine safety. We regularly monitor our process safety performance indicators and continuously pursue improvement efforts.



By conducting our work in full compliance with the Regulation on the Prevention of Major Industrial Accidents and Mitigation of Their Effects, we demonstrate performance that exceeds not only legal requirements but also the best practices in the industry. This has enabled us to significantly reduce process incidents and accident risks.

All audits conducted under the “Regulation on the Prevention of Major Industrial Accidents and Mitigation of Their Effects” have been successfully completed, and no non-conformities have been identified. Akkim has a Safety Management System that was established in 2011 and continues to this day and will be managed within the scope of process safety with further improvements in the future. This system aims to identify major accident and safety risks, prevent potential accidents at the facility, and, if prevention is not possible, minimize the risk to the lowest level. To monitor the effectiveness of the Safety Management System, 35 performance indicators, primarily process incident frequency, are tracked monthly. Additionally, a Safety Report detailing the management system established within the company and a Major Accident Scenarios Document, which includes the identification and assessment of major accident hazards, the impact and consequences of accidents, and a numerical assessment of the likelihood of these events occurring, have been prepared.

We are steadfastly continuing our commitment to ensuring the safety of our employees and our environment by continuously improving our effectiveness in the areas of emergency management and process safety. Emergency Plans, which cover areas such as post-emergency detection and the determination of relevant duties, authorities, and responsibilities, are

continuously monitored and kept up to date. In this context, an exercise plan is created at the beginning of each year to test the emergency instructions and plans that have been determined.

In 2024, 41 exercises were carried out, including major accident scenario exercises at the Yalova and Nazilli Plants. The deficiencies observed during the exercises were quickly acted upon to prepare for possible emergencies.

At the same time, in accordance with the “Regulation on the Prevention of Major Industrial Accidents and Mitigation of Their Effects,” an “Internal Emergency Plan” was prepared by assessing events requiring emergency intervention, such as fires, explosions, and spills involving one or more hazardous substances that could occur at the facility. In line with this plan, an Emergency Management Center (EMC) has been established within the organization.

Contractor Management

At Akkim, the health and safety of contractors' employees are as important as those of our own employees. Recognizing its responsibility in all processes it touches upon in the context of inclusivity, Akkim implements a “Contractor Management System” developed to monitor contractors' compliance with legal regulations, international standards, and Akkim's working principles. Under this system, work begins with companies that have completed a preliminary assessment and been found suitable according to the Supplier Evaluation Procedure. The relevant contractor company is subject to monitoring and supervision in terms of health, safety, and the



environment throughout its period of work at the Akkim site. Through continuous performance monitoring, the company is re-evaluated at the end of the work and may be allowed to continue working, asked to submit a development plan, or placed in the status of “companies that cannot be invited to tender.” In addition, there is a Health, Safety, and Environment (HSE) Handbook for Contractors.

Monthly “Contractor Coordination Meetings” are held to increase awareness of health, safety, and environmental issues among contractors.

In addition, Akkim organizes various training courses to improve the knowledge and competence of contractors' employees on relevant topics.

At Akkim, we conduct regular training to increase our employees' awareness of occupational health and safety and to make OHS an integral part of our corporate culture. In this context, we ensure that all our employees have access to the OHS information they need in line with their duties and responsibilities; we support the development and maintenance of safe working habits.

Employees and OHS Trainings

Total OHS Trainings (Person*Hour)	2022	2023	2024
	10,263	15,839	13,599

As of 2024, we are implementing practices aimed at increasing employee participation and awareness in the field of occupational health and safety at Akkim. We encourage “Ramak Kala” reports, organize OHS-themed competitions, and implement projects based on the active contribution of our employees. Furthermore, we collaborate with the SEÇ unit in selecting new production processes and equipment, assessing and managing potential risks at their source before the process even begins. This enables us to continuously improve the safety of the working environment.

We use the Wellcome application to make contractor and visitor management more traceable and controlled and to ensure compliance with legal requirements by digitizing documentation. We have also initiated a transformation to move employee leave processes to a digital environment and have completed the infrastructure work in this regard.



“Akkim encourages its employees to actively participate in decision-making processes, supporting their productivity and creativity while maintaining employee loyalty and motivation.”

Employee Engagement

Our chemistry is based on openness and sharing. Open Communication is founded on HR Director Chat Meetings, CEO Chat Meetings, Feedback Culture, and Face-to-Face applications. Face-to-Face aims to bring together departments that work closely with each other and have a high level of interaction to share feedback. This aims to develop a feedback culture, identify areas for improvement, and create an efficient working environment.

Akkim encourages its employees to actively participate in decision-making processes, supporting their productivity and creativity while maintaining employee loyalty and motivation. Akkim enables its employees to incorporate their innovative ideas into business processes and manages the “If You Have an Idea, There’s an Idea Room!” application. Along with this application, there is also a suggestion system called “Idea Workshop,” where employees’ ideas for improving work processes are evaluated under the motto “Those who do the job know it best.” Suggestions submitted through the application are scored. The suggestions cover areas such as increasing productivity, saving/reducing waste, improving product quality, development/facilitating and accelerating work, reducing environmental impact, customer focus, working environment/ergonomics,

and contributing to the company’s vision, mission, and values. Employees who add value to the processes and the company through their participation can choose gifts with the points they accumulate.

The Family Communication Platform is a platform established to enable employees to share their suggestions, requests, expectations, opinions, and problems with senior management and to contribute to the creation of a working environment where employees can communicate openly and closely with each other and with senior management. The platform consists of 12 ambassadors representing the relevant functions. These ambassadors are elected by the votes of employees from the relevant function. The ambassadors meet monthly and exchange views with senior management every three months to convey mutual requests, suggestions, and expectations.

With the “Internal Communication Application,” various surveys conducted on the application allow for the rapid collection of employee suggestions, requests, and all feedback related to our activities. Furthermore, at Akkim, tools such as presentations, communication and announcement boards, TV broadcasts, etc., are actively used to share all current information with employees instantly and transparently. Communication meetings are held twice a year with the participation of managers.



8.2. Employee Development

“As Akkim, we offer various training programs in sales, leadership, and technical subjects through the Akkim Campus and Mobile Campus platforms we have created to support the development of our employees.”

The Akkim Mobile Campus project is an online training platform that supports the professional development of Akkim employees. The platform offers original training content and courses detailing production processes. The professionally narrated content contributes to the company's strategy of improving the work environment and supporting employee development. This approach increases the quality of the workforce in the sector, in line with the Sustainable Development Goals. The project includes the digitization of training, freedom of personal choice, and flexible access options.

As Akkim, we offer various training programs in sales, leadership, and technical subjects through the Akkim Campus and Mobile Campus platforms we have created to support the development of our employees. In addition, we organize training programs aimed at both personal development and professional competence by collaborating with our expert internal trainers and external stakeholders. In this way, we support our employees in embracing a culture of continuous learning and increasing their competence.

Within the scope of talent management, we systematically identify our employees' areas for development and offer training programs tailored to these areas. We also create succession plans to identify potential candidates for critical positions and provide sustainable support for their career development. Akkim aims to be an employer of choice through its investment in employee learning and development, to increase employee satisfaction, and to create a highly motivated employee profile. Training and development plans are shaped according to employee requests, and additional training is organized when necessary approvals are obtained, taking into account spontaneous requests received during the year.



Educational Investments

By Employee Category	Unit	2022	2023	2024
Senior Executives	Person*Hour	594.10	346.4	151.25
Middle-Level Executives	Person*Hour	4,857.10	4,130.45	2,754.60
Other Employees	Person*Hour	27,468.25	39,565.45	32,407.40
TOTAL		32,919.45	44,042.30	35,313.25

By Employment Type	Unit	2022	2023	2024
Blue-Collar	Person*Hour	19,945.60	32,791	24,496.10
White-Collar	Person*Hour	12,973.85	11,251.3	10,817.15
Subcontracted Workers	Person*Hour	53,503	56,345	56,223
TOTAL		32,919.45	44,042.30	35,313.25



Educational Investments

By Gender	Unit	2022	2023	2024
Male	Person*Hour	26,637.40	38,002.85	29,432.75
Female	Person*Hour	6,282.05	6,039.45	5,880.50
TOTAL		32,919.45	44,042.30	35,313.25

Training Types

All Training (By Type)	Unit	2022	2023	2024
Professional Development	Hour	3,293.00	3,849.55	3,941.4
Personal Development	Hour	5,792.10	3,674.65	4,319.75
OHS	Hour	21,848.65	35,247.35	26,139.95
Other (e.g. Leadership)	Hour	1,985.70	1,270.75	912.15
Total Training Hours	Hour	32,919.45	44,042.30	35,313.25



“With its wide range of products, Akkim caters to various industrial groups, primarily textiles, metal, food, cleaning, water treatment, paper, pharmaceuticals and construction, enabling students to gain experience in many fields.”

Internship and Scholarship Opportunities at Akkim

Akkim offers internships and scholarships to university students. With its wide range of products, Akkim caters to various industrial groups, primarily textiles, metal, food, cleaning, water treatment, paper, pharmaceuticals and construction, enabling students to gain experience in many fields. The ‘Akkim Good Future’ Long-Term Internship Programme, which offers university students the opportunity to work part-time at the company, employed 20 interns in 2024 as part of a 9-month programme.

Within the framework of corporate citizenship, Akkim has been running the Akkim Scholarship Programme since 1996. Through this programme, we aim to support the education of successful university students who are struggling to continue their education due to financial difficulties, with the contributions of our volunteer employees. In the 2024 academic year, scholarships continue to be awarded to 147 students. In addition, Akkim offers a 50% scholarship opportunity for master's and doctoral degrees at all institutes and programmes of Bahçeşehir University to support the personal and professional development of its employees.





8.3. Employee Satisfaction

“Akkim's remuneration policy is based on the principle of equal pay for equal work and is applied with an inclusive approach to all employees, regardless of contract type, gender or special circumstances.”

At Akkim, we adopt a fair and transparent remuneration approach. We evaluate our employees based on their performance and market conditions, taking into account market data through sectoral and regional analyses. In line with our Benefits and Remuneration Policy, we ensure gender equality and do not discriminate in any of our processes.

Akkim's remuneration policy is based on the principle of equal pay for equal work and is applied with an inclusive approach to all employees, regardless of contract type, gender or special circumstances. Employees performing the same job are paid equally, regardless of their personal characteristics, and there is no gender-based pay difference.

Akkim's **Fringe Benefits and Compensation Policy** has been developed with a strategy that ‘supports fairness within the company and market competitiveness.’ There is a job evaluation system that covers all employees, and methodologies with international experience and reliability are utilised in establishing and implementing this system within the company. Each year, job evaluation and remuneration policies are reviewed and compared with market data to ensure a competitive Remuneration Policy is implemented. Furthermore, throughout the entire process, process management complies with national

and international labour law standards, and statutory notice periods are observed. In order to attract the human resources that will carry the company to its goals, all arguments related to remuneration and fringe benefits are compared with current market conditions; in particular, data from the Chemicals Sector, in which it operates, is carefully monitored and the systems are updated accordingly.

Accordingly, some of the non-wage benefits that Akkim currently provides and will continue to improve positively in the future can be listed as follows:

- Private Health Insurance covering employees and their families
- Optional Individual Pension System
- Various bonus systems covering all our employees based on performance
- Equipment such as vehicles, telephones, tablets, etc., depending on the position
- Cash social assistance covering all positions
- The Akkim Kazan Flexible Fringe Benefit System, which allows employees to convert their current cash assistance into various gift vouchers at their discretion



“At Akkim, we aim to be an ideal workplace to work and develop in, and to become an employer brand preferred by everyone.”

Akkim Kazan Flexible Fringe Benefit System

Launched in 2022, our ‘Kazan’ project stands out as an innovative application that offers our employees the opportunity to personalise their fringe benefits and enjoy flexibility. Under this project, our employees can exchange their fringe benefits for gift vouchers of their choice throughout the year, allowing them to tailor their benefits and spending to their own needs and priorities.

This application supports our strategy of maintaining and improving employee loyalty, while also contributing to the Sustainable Development Goal of ‘Decent Work and Economic Growth’.

At Akkim, we aim to be an ideal workplace to work and develop in, and to become an employer brand preferred by everyone. We conduct comprehensive satisfaction surveys every two years to measure employee satisfaction and loyalty. Through these efforts, we closely monitor our employees' expectations and areas for improvement, and continuously refine our human resources practices based on the data we collect. The survey we conducted in 2023 showed a 15% increase in our satisfaction and loyalty scores compared to 2021. This brings our overall

satisfaction score to 73%. We aim to further increase this score with the new satisfaction survey we plan to conduct in 2025.

We are implementing various projects to increase employee satisfaction and create a sustainable working environment. In this regard, with the ‘Akkim Evimdir’ (Akkim is my home) project we have launched, we systematically evaluate our employees' opinions and feedback, identify areas for improvement, and plan the necessary actions.

Through surveys conducted as part of the project, we analyse our employees' needs and expectations; we create and implement action plans based on our findings. We take an active role in ensuring the implementation of the identified actions through project groups established with the participation of our volunteer employees and sponsor managers.

We attach importance to feedback mechanisms; we receive complaints and feedback from our employees through platforms such as the internal communication application, the Akkim Evimdir Project, and regular chat meetings, and we address their areas for improvement, satisfaction, and needs with an inclusive approach.



We increase employee loyalty and motivation through social events organised by our working groups, team-building activities and wellbeing programmes, thereby strengthening the culture of internal cooperation and solidarity within the organisation.

Furthermore, as we care about the wellbeing of our employees and their families, we launched the ‘Employee Support Programme’ in 2020 to mitigate the negative effects of the pandemic on our employees. Through this programme, our employees and their immediate family members can benefit from a wide range of services, including Psychological Counselling, Dietitian, Veterinary, and Legal Services, 24/7.

Employee Satisfaction

Employee Satisfaction	2021	2023
%	58	73

As Akkim, we aim to improve the well-being of our employees, enhance their quality of life, and thereby create a more productive, happy, and motivated work environment.

We recognize that the stress of work life is one of the most common problems of our time and that it can trigger various health problems. Therefore, we believe in the importance of providing a suitable environment and activities for our employees to be peaceful and spend quality time outside of work. We know that activities organized both at work and outside of work play a critical role in boosting employee motivation and alleviating work-related stress. In this regard, we organize special day events, dinners, picnics, and similar activities that our employees can attend with their families. We are aware that such events strengthen the bond between employees and contribute positively to overall work processes. Furthermore, we constantly consider the importance of maintaining work-life balance and shape our practices accordingly.

We implement a comprehensive support system that prioritizes the well-being and welfare of our employees and their families. Through our 24/7 Employee Support Line, we offer professional support in a wide range of areas, including psychological counseling, legal and financial information services, medical advice, ergonomics, newborn care, technological support, and veterinary advice. This enables us to enhance our employees' quality of life and support their well-being.



Career Planning, Performance and Talent Management

At Akkim, we contribute to the continuous development of our employees with career planning and talent management practices designed to meet their needs. We aim to attract and retain talented employees who share our common values. We design processes that allow our employees, whom we see as our most important stakeholders in achieving our sustainability goals yesterday, today, and tomorrow, to realize their potential. We offer continuous development opportunities for the sustainable career journeys of our employees, whom we see as talents.

Our Human Resources Management approach contributes to achieving Akkim's goals and supporting sustainable growth by ensuring performance. In this regard, we focus on investing in people and structure our employees' development through our job families and grading system. The technical and behavioral competencies required for employees in each job family are clearly defined. Career planning for our professional-level employees is carried out taking into account both our company's organizational needs and our employees' potential.

At Akkim, we believe that every contribution is valued and we ensure that it is appreciated. Programs such as the Manager's Appreciation Basket, Akkim Leaders at the Top, Idea Workshop, Thank You Cards, and Seniority Packages, which we implement with the understanding that "Appreciation is in our chemistry," directly contribute to the motivation of our employees. As part of talent management, we conduct annual evaluation processes based on objective criteria to support our employees' career journeys. In addition, we implement a Performance Management System where individual

and team goals are tracked in an integrated manner with department, directorate, and company goals. In this system, goals are evaluated in three-month periods. The results obtained are used as key inputs in our employees' salary, bonus, training, development, career planning, and talent management processes. During the reporting period, all Akkim employees are subject to the performance evaluation system.

Along with the relevant applications, we utilize tools such as the Manager's Appreciation Basket application, Assessment Center Applications coordinated across the Akkök Group, Leadership Potential Inventory, Personality Inventory, and 360° Assessment to identify our employees' areas for development and prepare annual training plans tailored to their needs.

During the reporting period, we are conducting effective work to diversify our existing processes and reach a wider audience. In line with our "Right Place to Work and Grow" strategy, we are creating the Akkim Leadership Model and implementing the Leadership Development Program at Work. With this program, under the Akkim Campus umbrella, which became operational in 2019, we are strengthening the leadership competencies of our employees at all levels and enabling them to realize their potential.

In 2021, we are expanding the scope of our program by introducing the Professional Coaching System to support the competencies of our managers and bring them together around shared values in a creative thinking environment. In addition, we are strengthening our culture of sustainable development with the North Star Mentoring Program, where our managers share their experiences with new hires or high-potential employees.



8.4. Diversity, Equity, and Inclusion

“We regularly conduct human rights training to raise awareness about the human rights compliance process.”

We consider creating an inclusive work culture based on equal opportunity and respect for diversity to be one of our core values. With our “People First” approach, we strive to provide fair and equal conditions to all our employees, regardless of race, gender, age, religion, political views, ethnic origin, or social status. In line with our approach of respecting human rights, we provide a safe, respectful, and supportive working environment for everyone. Furthermore, we rigorously maintain our zero-tolerance policy against all forms of discrimination, harassment, coercion, and intimidation.

At Akkim, we consider respect for human rights to be a fundamental value. Accordingly, we oppose child labor and forced labor, and we demonstrate an ethical and responsible approach in all our activities. We are determined to ensure conditions in our workplace that are worthy of human dignity. We regularly conduct human rights training to raise awareness about the human rights compliance process. During the reporting period, we provided a total of 153 person-hours* of human rights training. We aim to develop our training activities in line with our sustainability and ethical values to ensure that all our employees are included in the process with an inclusive understanding.

Akkim employees are also seen as responsible for maintaining this environment and increasing its positive impact. Akkim also prevents child labor and forced and compulsory labor practices. Akkim does not commit human rights violations such as employing undocumented or child workers and considers working with suppliers and subcontractors who do not commit such violations to be an ethical value.

Akkim has adopted gender equality in employment and the promotion of female labor force as a strategic priority in order to support sectoral sustainability and social progress. In this context, it aims to achieve measurable progress in this area by setting targets to strengthen the representation of female employees at all organizational levels.

As of 2024, women make up 19.2% of Akkim's total workforce of 978 employees, while men make up 80.8%. We consider increasing female employment to be one of our priorities and continue to take steps to increase the proportion of female employees. We also value the participation of people with disabilities in the workforce and employ disabled workers in this context. We strive to provide equal opportunities to all our employees and ensure an inclusive work environment.

Employee Data

By Employee Category	Unit	2022	2023	2024
Male	Percentage	82.4%	81.3%	80.8%
Female	Percentage	17.6%	18.7%	19.2%



8.5. Social Responsibility

“At Akkim, we prioritize adding value to society, creating a positive impact in the communities where we operate, and contributing to sustainable development.”

At Akkim, we prioritize adding value to society, creating a positive impact in the communities where we operate, and contributing to sustainable development. We demonstrate our commitment to gender equality as a member of the UNGC and a signatory to the United Nations Women's Empowerment Principles (WEPs). In line with this understanding, we carry out various social responsibility projects in areas such as education, the environment, gender equality, and local development.

In 2024, with the “Chemistry of Equality” project we launched in this context, we aim to empower women and increase girls' access to education in collaboration with Aksa Acrylic and DowAksa. In the first phase of the project, we have launched the “Life-Filled Meetings” program in Yalova in collaboration with the Mother and Child Education Foundation (AÇEV). Within this scope, we provide training in advanced literacy, basic mathematics, and life skills to women over the age of 18. At the same time, with our “Youth Life-Filled Meetings” program for girls aged 14-18, we encourage young people to continue their education and support them in developing their life skills. With these efforts aimed at creating social benefit, we continue to contribute to the empowerment of women and girls.

With the support of the Yalova Municipality and the Yalova Governor's Office, we carry out activities to raise awareness about gender equality in the city where we operate.

The goals set within the scope of this project, which is supported by free seminars open to the public, are regularly monitored at the senior management level.

As Akkim, we implement the actions under the Target Gender Equality (TGE) program under the AkkimCe brand, always prioritizing gender equality and fairness principles in line with social and economic development goals. In this regard, we aim to make gender equality an integral part of our corporate culture; we are spreading practices based on equality in many areas such as recruitment, promotion, leadership development, training, and awareness. We are planning the work that can be done under the AkkimCe brand until 2025 and supporting progress in this area with a continuous improvement approach.

Over the next three years, we plan to gradually increase female employment at the operational and professional levels, provide training on women's rights to at least 75% of all our employees, and run educational programs for families on home economics and child development. Through all these efforts, we are making a meaningful contribution to the adoption and spread of gender equality in line with our ideal of a sustainable future.

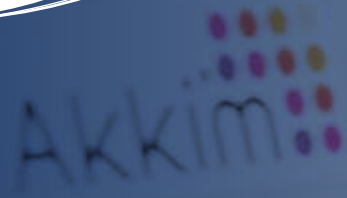


In line with our goal of contributing to social development, we prioritize supporting women and girls and develop projects that address the educational, health, and social development needs of local communities. By collaborating with social partners such as NGOs, municipalities, and universities, we carry out long-term projects that benefit society, thereby strengthening our ties with the community and expanding our social impact.

Benefits Provided to Society

	Unit	2022	2023	2024
Benefits Provided to Society	TL	964,837	5,220,070	7,640,972





"This report, as a performance-oriented reflection of these commitments, comprehensively presents our Company's sustainability strategy, risk management processes, targets, and metrics."



ANNEXES

TSRS Compliant Sustainability Report

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1. About the Report

“The data presented in this report cover Akkim’s own operations; therefore, our existing operational boundaries and organizational structure have been taken into account.”

As Akkim Kimya Sanayi ve Ticaret A.Ş. (“Akkim”), we present this report covering our activities for the period of January 1 – December 31, 2024, based on the Türkiye Sustainability Reporting Standards (TSRS), which entered into force with its publication in the Official Gazette dated December 29, 2023, and numbered 32414(M), despite not being subject to any reporting obligation. In line with TSRS 1 “General Requirements for Disclosure of Sustainability-related Financial Information” and TSRS 2 “Climate-related Disclosures”, we provide comprehensive explanations regarding our sustainability and climate-related processes.

As Akkim, in this first reporting period under the TSRS, we have benefited from the transitional exemptions set out in TSRS 1 and TSRS 2. In line with these exemptions, we disclose only information on climate-related risks and opportunities, while not presenting comparative information or reporting Scope 3 greenhouse gas emissions.

The data presented in this report cover Akkim’s own operations; therefore, our existing operational boundaries and organizational structure have been taken into account.

In addition to TSRS, the preparation of this report has also taken into consideration international sustainability reporting frameworks such as the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI).

As a company that has placed sustainability at the core of its corporate strategy, we are committed to providing transparent information in environmental, social, and governance (ESG) areas, creating long-term value with our stakeholders, and taking an active role in combating climate change. This report, as a performance-oriented reflection of these commitments, comprehensively presents our Company’s sustainability strategy, risk management processes, targets, and metrics.



2. Governance

We address sustainability-related risks and opportunities in an integrated manner, encompassing ESG and economic dimensions. Our sustainability governance is structured to comprehensively assess sustainability-related risks and opportunities, including those related to climate.

2.1. Roles and Responsibilities of Our Governance Structure

Within the governance processes established to monitor, manage, and oversee sustainability- and climate-related risks and opportunities, the Board of Directors, Senior Management, and management-level Committees assume various responsibilities. The implementation of strategic objectives takes place under the leadership of Senior Management, which delegates tasks related to monitoring progress to technical and managerial committees.

In line with this division of responsibilities, the Board of Directors evaluates the effectiveness of the governance structure in sustainability and ensures that the relevant bodies perform their duties effectively. As the highest-level body responsible for overseeing efforts related to sustainability and climate-related risks and opportunities, our Board of Directors addresses these topics in its agenda at four meetings per year.

In our corporate governance structure, critical functions such as Risk Management and Internal Audit actively participate in the management of sustainability and climate-related issues, contributing their views and recommendations. The Early Risk Detection Committee reviews sustainability-focused risks, including financial, strategic, reputational, compliance, and climate-related risks, every two months and reports its assessments to the Board of Directors.

Under the supervision of the Audit Committee, we prepare our annual audit plans based on process-oriented risk analyses, prioritizing the risks identified within the corporate risk management framework. Sustainability and climate-related risks are also considered as part of our corporate risk management during audit processes. We report significant findings to our Audit Committee and the Board of Directors four times a year.

Our Senior Management, chaired by our General Manager, is structured at the directorate level and consists of 11 members, including the Akkim Ethics Representative and the Health, Safety, and Environment (HSE) Representative. Directors of Sales and Marketing, Production, Legal, Finance, Supply Chain, R&D and Innovation, Membrane Technologies, and Plant Operations play key roles in managing sustainability- and climate-related risks and opportunities.

The Sustainability Committee Chair consists of the Environmental, Social, and Economic Sustainability Committees and their respective sub-groups. These Committees are responsible for identifying, assessing, and prioritizing sustainability- and climate-related risks and opportunities within their fields, as well as setting relevant targets and monitoring performance progress. The Committee Chair operates under the leadership of the General Manager. The sustainability sub-groups, aligned with our Company's strategic priorities and global developments, are responsible for implementing activities related to the mitigation and adaptation of sustainability- and climate-related risks, as well as evaluating opportunities in these areas and reporting them to the Sustainability Committees and management.

The Sustainability Committees, with the participation of the sub-groups, review sustainability- and climate-related risk and opportunity activities on a monthly basis and report progress to Senior Management and the Board of Directors four times a year.



“The control structures established under the ISO 14001 Environmental Management System ensure the systematic monitoring of sustainability performance.”

2.2. Controls and Procedures Supporting Oversight

Management implements various control mechanisms to support the oversight of sustainability- and climate-related risks and opportunities. Within this scope, the control structures established under the ISO 14001 Environmental Management System ensure the systematic monitoring of sustainability performance. The processes for identifying, assessing, and managing risks and opportunities under the responsibility of the Sustainability Committees and their sub-groups are carried out in strategic coordination with other internal functions such as environment, quality, and occupational health and safety. Senior Management addresses these matters through Management Review (MR) meetings, where progress, policy effectiveness, and areas for improvement regarding sustainability and climate-related issues are regularly evaluated. This enables a holistic and strategic approach to the management of sustainability and climate-related matters within the governance structure.

At Akkim, our **Sustainability Policy**, established to ensure compliance with national and international standards, respond to stakeholder expectations, and create long-term value, serves as a guiding reference in our decision-making processes. Responsibilities regarding sustainability- and climate-related risks and opportunities,

as defined in job descriptions, are integrated into our Sustainability Policy and related policies. In doing so, we aim to strengthen our corporate governance structure and manage all processes effectively.

2.3. Skills and Competencies of Our Governance Structure

Our Senior Management, consisting of directors specialized in critical functions such as finance, risk management, production, and supply chain, possesses the technical expertise, industry experience, and governance competencies required to oversee the strategies developed in response to sustainability- and climate-related risks and opportunities. Senior Management continuously enhances its knowledge and capabilities in these areas through updated strategic plans aligned with global developments and sectoral trends, regular management meetings, and support from expert institutions and consultants.

In this context, regular training is provided on emerging developments and new regulations, enabling the team to closely follow the sustainability agenda and relevant legislation. The teams responsible for executing these processes provide periodic briefings to Senior Management regarding the management of climate-related risks and opportunities, as well as climate scenario analyses.



2.4. Integration of Targets into Remuneration

At Akkim, we define our sustainability- and climate-related targets and build our strategy upon concrete action plans. The monitoring of these targets and the oversight of progress toward them are considered a fundamental element of our corporate governance structure. The Sustainability Committees, the Early Risk Detection Committee, and the Audit Committee coordinate these processes and keep the Board of Directors informed.

To promote ownership of the defined targets across the Company, we incorporate sustainability-related metrics into the performance evaluations of all employees, starting with the General Manager. Within performance-based remuneration, the share of sustainability targets accounts for 10% of all objectives. The Sustainability Committee Chair monitors progress toward the targets established in line with sustainability- and climate-related risks and opportunities.

This process is managed under the internationally recognized ISO 14001 Environmental Management System, verified and certified by independent auditors. Sustainability- and climate-related targets are reviewed through annual performance evaluations and included in the agenda of the Management Review (MR) meetings we hold each year. This structure enables us to monitor our sustainability performance not only at the operational level but also at the managerial level, and to implement necessary improvements through a holistic approach.





3. Strategy

3.1. Climate-Related Risks and Opportunities

Akkim aims to integrate climate-related risks and opportunities, which it expects to significantly affect its value chain, into its strategic planning and decision-making mechanisms. In this context, climate change-related risks are assessed as physical (acute and chronic) and transition risks.

Within the scope of physical risks, six risks that may affect the Company have been identified. It is foreseen that extreme precipitation, floods and similar severe weather events, which increase with the impact of climate change, may cause disruptions in direct operations such as production processes and interruptions in the downstream value chain such as logistics activities by causing road closures and damage to energy transmission infrastructure. Likewise, droughts are expected to occur as a result of reduced precipitation due to climate change, and restrictions in access to water resources are expected to arise due to the inability to meet the increasing demand for water. Water scarcity and water supply challenges resulting from long-term changes in precipitation patterns may also require additional infrastructure investment. It is anticipated that operational interruptions and safety-related losses may occur as a result of forest fires that may occur at Akkim's facilities due to extreme temperatures. The effects of extreme weather events on employee safety and costs are evaluated within the scope of chronic physical risks.

A total of seven risks have been identified within the scope of transition risks. In the event that the emission limit values set under the Turkish Emission Trading System (ETS) are exceeded, the obligation to purchase additional emission allowances arises. This increases the company's operating costs and creates financial risk. If the company's carbon management performance remains inadequate, these additional costs may adversely affect the company's competitiveness.

High initial costs and investment-related financial liabilities encountered during the implementation of emission reduction projects are also considered as another transition risk. While these investments may put pressure on the budget in the short term, they are of strategic importance in terms of achieving sustainability targets in the long term.

Within the scope of market risk, it is observed that demand for plastic products based on non-renewable raw materials is decreasing in line with sustainability expectations, increasing regulatory pressures and changing consumer preferences. This trend poses a risk of market contraction and loss of revenue for the Company, necessitating a transition to sustainable materials and strategic transformation in production processes.

Within the framework of compliance risks, in accordance with the MRV (Measurement, Reporting and Verification) regulation, plants with certain combustion capacity are obliged to report their greenhouse gas emissions to the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change. Failure to comply with this regulation may result in administrative sanctions, environmental fines, loss of reputation and weakening of sustainability strategies.

Within the scope of operational risk, leakage risks that may occur during the storage of liquid chemicals commonly used in the chemical industry in tanks pose a significant threat. Leaks that may occur as a result of punctures or damage to tanks may cause environmental damage, operational interruptions, high cleaning and repair costs and negative reputational impacts.



In addition, water withdrawal restrictions that the company may face during the operational expansion process have also been identified as a regulatory risk. These restrictions may reduce the scale of planned facility expansions or lead to the postponement of projects. This could slow down the Company's growth rate and lead to the risk that the expected revenue growth may not materialize.

Within the scope of the Risk Inventory, a total of thirteen risks, including physical and transition risks, were identified. Considering the impact these risks may have on Akkim, four prioritized risks were financialized. As a result of the financialization studies, it was seen that all of these risks were below the materiality threshold determined by the Company. Therefore, we report the related risks qualitatively. Risks such as forest fires, water stress, excessive rainfall and rising sea levels, which are foreseen to affect the Company, are considered as physical risks.

At Akkim, the identification and assessment of climate-related risks and opportunities are carried out with a systematic approach. In this context, a workshop was organized to analyze relevant risks and opportunities. In the Risk and Opportunity Inventory created in line with the workshop outputs, the IEA Stated Policies Scenario (STEPS), IEA Announced Pledged Scenarios (APS) and IEA Net Zero Emissions (NZE) scenarios published by the International Energy Agency (IEA), as well as the RCP 2. 6 and RCP 8.5 scenarios presented by the Intergovernmental Panel on Climate Change (IPCC); in addition, Türkiye's National Contribution Statement has also been taken into consideration. The risks identified in the Risk and Opportunity Inventory were evaluated based on the optimistic and pessimistic scenarios determined by the World Resource Institute (WRI) Aqueduct.

In line with Akkim's strategic planning processes, climate-related risks and opportunities are categorized into three time periods: short term (0-3 years), medium term (3-10 years) and long term (10 years and beyond). This time classification is made to ensure that each risk and opportunity is managed effectively, and the risks included in the Risk and Opportunity Inventory are analyzed using the 5x5 matrix method based on their impact and probability levels.

Climate-related risks are assessed under two main headings: physical risks and transition risks. Physical risks are categorized as acute and chronic physical risks, while transition risks are addressed within the framework of reputation, market and technology risks.

Akkim Strategic Terms

Short Term	0 - 3 years
Medium Term	3 - 10 years
Long Term	10 + years

3.2. Business Model and Value Chain

Akkim has assessed the current and potential impacts of climate-related risks and opportunities under three headings: upstream, direct operations and downstream along the business model and value chain.



Value Chain

Value Chain		
Upstream	Category	Element
	Raw Material and Equipment Procurement	Chemical Raw Material Suppliers
		Packaging and Label Suppliers
		Auxiliary Material Manufacturers
		Equipment Dealers
	Raw Material and Equipment Procurement	Transportation Companies
		Logistics Providers
		Warehouses
		Customs Clearance Companies
	Energy and Service Providers	Electricity and natural gas companies
		Water Service Providers
		Certification and Audit Firms (ISO, EPD, etc.)
		Audit and Consultancy Firms
		Equipment Maintenance and Repair Firms
	Collaborations	Organized Industrial Zones
		Universities, technoparks and research institutions
	Collaborations	Non-Governmental Organizations (NGOs)



Value Chain		
Direct Operations	Category	Element
	Production	Production Engineers (Chlor-alkali and derivatives, peroxides, metalimines, persulfates, bisulfites and auxiliaries)
		Purchasing Units
		Maintenance & Repair and OHS Teams
		Storage and Stock Management Team
		Organized Industrial Zones
	Marketing	Marketing and Fair Organizers
	Sales & Customer Audit and After Sales Service	Sales Representatives and Technical Service Teams
		Customer Relations Department
	Quality and Environmental Management	Quality Control Laboratories
		Internal Audit Teams
		Waste Management and Environmental Teams
Downstream	R&D and Product Development	R&D Department (chemists, engineers, technical experts)
		Product Development Teams
	Distribution and Logistics	Transportation and Distribution Companies
		International Distributors & Logistics Providers
	Customers and Users	Companies operating in the cleaning, hygiene, water treatment, textile, paper, construction, plastic, food, metal, energy, detergent, drilling, mining and chemical industries



Within the scope of Akkim's Risk and Opportunity Inventory, there are four financialized climate risks; increase in extreme precipitation, forest fires, water stress and sea level rise. Forest fires stand out as a regional threat, especially as the Yalova facility is located close to forested areas. In the low emission scenario, there may be a risk that the infrequent winds of the Nor'easter may change direction and carry fires to the plant areas. In the high emission scenario, the likelihood of fire is predicted to increase due to increasing heat waves.

On the other hand, the regions where the Yalova and Nazilli plants are located are expected to experience high and extremely high levels of water stress, respectively, according to the WRI Aqueduct scenarios. Rising temperatures, water losses due to evaporation and irregularities in seasonal rainfall are projected to lead to a reduction in dam water levels and depletion of groundwater resources. This not only increases operating costs, but also carries the risk of disruptions and shutdowns in production processes.

The risk of increased extreme precipitation is expected to be particularly effective in the Yalova region. Financial losses that may arise from the risk of the storage facilities in Yalova being out of operation due to heavy rainfall are being evaluated.

Akkim's assessment of sustainability and climate-related risks and opportunities was carried out in Türkiye, where operations are carried out, production facilities are located and which is the main geography of Akkim's operations. However, the assessment was not limited to direct operations, but extended along the entire value chain, upstream to raw material procurement and downstream to customer relationships.

3.3. Strategy and Decision Making

Among the thirteen risks assessed in the Risk and Opportunity Inventory, the risks of forest fires, water stress, excessive rainfall and sea level rise, which are considered to affect Akkim, have been financialized and evaluated. These risks are considered as foreseen risks. Since four financialized risks are below the materiality threshold, they are assessed qualitatively in the report.

Action plans have been determined for each of the financialized risks. Against the risk of forest fire, the Company has established an action plan with both current practices and planned measures.

Against the risk of water stress, water footprint reporting is regularly conducted in accordance with ISO 14046 standard, and improvement efforts and projects to increase water efficiency are implemented in line with the data obtained. Actions have been taken to collect rainwater against the risk of increased excessive rainfall.

Monitoring of progress against past plans will start in 2025, and work is underway to establish the data infrastructure and internal control mechanisms that will enable monitoring of performance indicators.



Risk Assessment

Type of Risk	Description of Risk	Term	Impact of Risk	Impact of Risk on Value Chain
Climate <i>Acute Physical</i>	Forest Fires An increase in forest fires is expected to be observed due to climate-related reasons such as increase in temperatures and drought, decrease in humidity.	<ul style="list-style-type: none"> • Medium (3 – 10 years) • Long (10+ years) 	Forest fires can disrupt production processes at Akkim facilities, resulting in lost production, equipment damage and fire response delays. In addition, fires threaten human safety, while potential chemical spills can cause environmental accidents and damage ecosystems by degrading air, soil and water quality.	<ul style="list-style-type: none"> • Upstream Value Chain • Direct Operations • Downstream Value Chain
Climate <i>Chronic Physical</i>	Water Stress Yalova and Aydin regions, where the Company's facilities are located, are under high and extremely high water stress, respectively. The dependence of operations on water demonstrates this risk.	<ul style="list-style-type: none"> • Medium (3 – 10 years) • Long (10+ years) 	Water stress threatens operational continuity by causing cost increases and production shutdowns in Akkim's production processes. In addition, diminishing water resources can lead to insufficient dam and groundwater capacity.	<ul style="list-style-type: none"> • Upstream Value Chain • Direct Operations
Climate <i>Chronic Physical</i>	Increase in Extreme Precipitation The risk of an increase in extreme precipitation increases the likelihood of disasters such as floods, floods and landslides, especially with an increase in the frequency of intense and sudden precipitation in a short period of time. This increases the risk of flooding and structural damage in settlements due to infrastructure deficiencies and vulnerability on sloping terrain.	<ul style="list-style-type: none"> • Short (1 – 3 years) • Medium (3 – 10 years) • Long (10+ years) 	Akkim's logistics warehousing facilities in Yalova are at risk of temporary shutdown of logistics operations due to heavy rainfall and flooding. In addition, excessive rainfall can affect pallet operations, causing critical disruptions in the logistics chain, such as blocked vehicle access to the warehouse, loading stops and personnel access issues.	<ul style="list-style-type: none"> • Upstream Value Chain • Direct Operations • Downstream Value Chain



Type of Risk	Description of Risk	Term	Impact of Risk	Impact of Risk on Value Chain
Climate Chronic Physical	Sea Level Rise Due to global warming, sea levels are rising as a result of melting polar ice caps and sea water expansion. This causes flooding, erosion and infrastructure damage in coastal areas, posing serious threats to residential areas, industrial facilities and ecosystems. Sea level rise brings risks such as operational disruptions and cost increases, especially for coastal businesses.	• Long (10+ years)	The risk of sea level rise may cause operational disruptions by causing infrastructure damage and flood risk, especially for Akkim's Yalova facility located on the coast. This may adversely affect the Company's performance by causing interruptions in production processes and additional costs. However, according to current scenarios, the impact of the risk is expected to be realized in the long term. In the late 20th century, it is thought that there may be risks for Akkim.	<ul style="list-style-type: none">• Upstream Value Chain• Direct Operations

3.4. Financial position, financial performance, and cash flows

Climate-related risks and opportunities that could potentially impact Akkim have been analyzed in terms of their financial implications within the Risk and Opportunity Inventory and have been capitalized accordingly. As a result of the assessment, it was determined that the financial impacts of these risks and opportunities remained below the materiality threshold set by the company. Therefore, considering the uncertainties related to financial data, these risks are assessed qualitatively.

Four financialized climate risks were identified: increased extreme rainfall, forest fires, water stress, and sea level rise. These risks have been assessed

within the scope of anticipated risks, and their total financial impact has been calculated to be below the materiality threshold based on 5% of the company's pre-tax net profit. Furthermore, due to the high level of uncertainty in estimating the likelihood of these risks occurring, no quantitative information has been defined.

Akkim carries out environmental investments and conducts R&D studies in line with its environmental commitments. As an action plan for water stress, infrastructure has been developed to desalinate and recover seawater using reverse osmosis and ultrafiltration technologies. Ultrafiltration technology solutions directly contribute to water quality and enable more efficient treatment processes. In addition, R&D and improvement studies on water



treatment chemicals and systems are being pursued with determination. These studies are evaluated within the scope of measures taken against water stress.

To address the risk of increased rainfall, rainwater collection ponds have been constructed to mitigate potential impacts. Thus, both technical and strategic measures are being taken against anticipated climate risks to enhance the company's resilience.

3.5. Climate Resilience

A workshop was organized to analyze relevant topics for the assessment of risks and opportunities. The Risk and Opportunity Inventory created as a result of the workshop took into account the IEA STEPS, IEA APS, and IEA NZE scenarios published by the IEA, the optimistic and pessimistic scenarios presented by the WRI Aqueduct platform, and the RCP 2.6 and RCP 8.5 scenarios presented by the IPCC. and Türkiye's Nationally Determined Contribution was also included in the assessment.

Thanks to the wastewater and water treatment chemical modules developed by Akkim in the chemical sector, solutions that increase resilience to water stress are offered. This enables not only Akkim but also its existing and potential customers to become resilient to this risk. With this approach, which views water stress not only as a risk but also as an opportunity, the business model is being shaped accordingly.

Action plans are being developed and implemented for financialized physical risks. To mitigate the risk of forest fires, regular cleaning and land leveling activities aimed at reducing fire risk in forested areas are planned. Meanwhile, motion-sensor and thermal surveillance cameras installed in areas overlooking forest land enable 24/7 monitoring, allowing potential

risks to be detected at an early stage. A firefighting team has been designated under the Emergency Action Plan, and firefighting systems are kept ready at the facilities. Furthermore, coordination is maintained with the fire department within Yalkim OSB, and fire drills are conducted regularly. To manage water stress risk, regular water footprint reporting is carried out in accordance with the ISO 14046 standard. Based on the findings obtained from these reports, improvement initiatives and projects aimed at increasing water efficiency are developed and implemented. Akkim possesses advanced water treatment technology thanks to its own ultrafiltration membranes and continues its R&D and development activities specifically for water treatment chemicals and systems. Within Yalkim OSB, seawater can be treated using reverse osmosis and ultrafiltration technologies and used in facilities as an alternative source against possible water scarcity.

To control rainwater accumulation caused by the increased risk of excessive rainfall, additional rainwater collection ponds have been constructed, rainwater channels have been created, and regular cleaning of this infrastructure is ensured. As a precaution against chemical pollution, these lines have been colored, and regular pollution monitoring is carried out on the rainwater collection line. In addition, the slope of the terrain has been arranged from the mountain to the sea to ensure that surface runoff is directed in a controlled manner. The relocation of the logistics depot is planned for 2026-2027, and additional measures against excessive rainfall have been included in the new project. This approach aims to make both current operational continuity and future infrastructure investments resilient to extreme weather events.



4. Risk Management

4.1. Risk Management Processes

At Akkim, we conduct the oversight of sustainability- and climate-related risks and opportunities in an integrated manner. With this approach, we manage our processes related to sustainability and climate risks and opportunities within a strategic framework.

To identify, assess, prioritize, and monitor sustainability- and climate-related risks, we structure our corporate risk management approach in line with the Corporate Risk Management Regulation published by our parent company, Akkık Holding. We address financial, reputational, operational, and compliance risks in an integrated manner alongside sustainability and climate risks, considering areas such as quality management, environmental impacts, and process safety as essential inputs for our risk management processes.

Under the leadership of Akkık Holding, we aim to strengthen our corporate risk management process with a sustainability perspective by enhancing compliance with global and regional ESG regulations, detecting regulation-driven risks at an early stage and turning them into opportunities, and aligning our corporate strategies accordingly. Through strategy workshops, we evaluate global developments, megatrends, industry practices, and regulatory compliance requirements.

By taking into account our export activities, supply chain structure, and the dynamics of the industries in which we operate, this approach ensures that sustainability- and climate-related risks and opportunities

become an integral part of our overall risk management process. It also enables us to evaluate financial, environmental, and social impacts holistically in our decision-making processes.

In line with these assessments, we establish our Risk and Opportunity Inventory to identify, evaluate, prioritize, and monitor risks and opportunities expected to significantly affect our Company. Climate-related risks included in the Inventory are categorized as physical risks and transition risks. Sustainability risks in the environmental, social, and governance dimensions are also incorporated into the Inventory. Through the Risk and Opportunity Inventory, we regularly review our corporate risks and opportunities to proactively adapt to changing market conditions and regulatory requirements.

Aligned with our sustainability strategy and material topics, we set sustainability- and climate-related targets. Closely monitoring national and international developments in these areas, we prioritize compliance with new regulations and consider transparent stakeholder communication to be essential. To report our efforts regarding climate-related risks and opportunities, as well as our greenhouse gas emissions and associated mitigation and adaptation activities in line with international standards, we respond to CDP annually.

With the contribution of third-party experts, we conducted a workshop to assess and prioritize sustainability- and climate-related risks and opportunities that may affect our operations. The outcomes of this assessment and prioritization, together with the related targets,



performance indicators, and metrics used, are presented in the relevant section of this Report. We aim to regularly review, update, and report on these activities on an ongoing basis.

4.2. Identification of Risks

To assess the exposure and risk levels of our facilities in Aydın and Yalova to climate-related physical risks, we closely monitor national and international sectoral developments while conducting comprehensive risk analyses. The Carbon Border Adjustment Mechanism (CBAM) implemented by the European Union represents a significant risk for our sector. In this context, we anticipate that the emissions arising from the energy consumption of our export-oriented production facilities may become a cost factor in the coming periods.

To identify climate-related risks that may have material financial impacts on our Company, we apply various scenario analyses. For physical risks, we use the IPCC RCP2.6 and RCP8.5 scenarios, which are based on global warming projections extending to the year 2100. For transition risks, we apply the IEA and Network for Greening the Financial System (NGFS) scenarios. The outcomes of these scenario analyses reinforce our strategies and enable us to develop preventive measures aimed at enhancing our operational resilience. Further details on our scenario analyses are presented in the “Strategy ” section of this Report.





4.3. Assessment of Risks

Within the risk appetite framework established at the Akkök Holding level, we define our Company’s risk tolerance. At the Company level, we evaluate the impact and likelihood of the risks included in our Risk and Opportunity Inventory using a five-point scale to determine their materiality levels.

The nature of risk impacts is assessed across multiple dimensions: operational impact, strategic impact, compliance impact, reputational impact, and financial loss. Operational impact increases depending on the frequency of incidents causing business interruptions, performance declines, or higher resource consumption. Strategic impact relates to events that may influence the execution of sustainability and climate-related plans or require changes in strategy. Compliance impact arises

in cases of non-compliance with regulations and/or codes of conduct, potentially resulting in legal actions. Reputational impact occurs when negative perceptions emerge among our stakeholders, especially in cases of adverse media coverage in international or key markets. Financial impact is determined through quantitative assessments based on financial materiality thresholds aligned with our defined risk appetite and tolerance. The level of financial materiality varies depending on whether the impact is one-off or recurring/continuous in nature.

Based on the evaluation of all these dimensions, we score the overall risk impact on a scale where 1 indicates “low” and 5 indicates “very high.” The likelihood of risks is scored between 1 and 5 depending on the frequency of occurrence. Risks are then prioritized based on the risk score, which is calculated as the product of impact and likelihood. We use the risk score as a metric to assess the magnitude of risks.

Scores of Impact

Impact	
5	Very High
4	High
3	Medium
2	Low
1	Very Low

Scores of Likelihood

Likelihood	
5	Very High
4	High
3	Medium
2	Low
1	Very Low

Risk Score

Risk Score (Impact x Likelihood)	
15 - 25	High
10-15	Medium
5-10	Low



4.4. Prioritization of Risks

At Akkim, we evaluate sustainability- and climate-related risks using the same scale and methodology as our corporate risk management framework, which is aligned with Akkök Holding, and integrate them into the overall risk pool. However, we differentiate prioritization by applying additional parameters such as the time-sensitive financial impacts of these risks, compliance obligations related to sustainability and climate issues, exposure to regulations such as the ETS, and the scope of the value chain. Sustainability- and climate-related risks are scored based on likelihood and impact, and those with high potential for material effects on our financial performance and cash flows are placed in the highest priority category.

In both qualitative and quantitative materiality assessments, we consider scenario analyses that include variables related to physical/geopolitical supply and carbon price projections, as well as stakeholder expectations and internal control findings. These assessments are reflected in the periodic updates of our Risk and Opportunity Inventory, where expected impacts are distinguished for the short, medium, and long term. Topics that exceed the financial materiality threshold and are identified as very high priority are addressed by risk owners through action plans and subsequently reviewed during Management Review (MR) meetings.

4.5. Monitoring of Risks

We systematically monitor sustainability- and climate-related risks through our Risk and Opportunity Inventory, which is developed under the Corporate Risk Management Regulation and structured in alignment with TSRS Standards. This inventory serves as a central reference document for identifying, classifying, and evaluating climate-related physical risks, transition risks, and other ESG-focused sustainability risks with updated data.

The inventory is updated at least once a year and revised in line with global developments, regulatory changes, market trends, and internal audit findings. During the monitoring process, we recalculate the likelihood and impact levels of risks, assess them across short-, medium-, and long-term horizons, and, where necessary, reassign their priority level.

The Senior Management, during Management Review (MR) meetings, evaluates the updated Risk and Opportunity Inventory and clarifies action plans, performance metrics, and accountability assignments for critical risks. In this way, sustainability- and climate-related risks are continuously monitored and integrated into strategic decision-making processes.

4.6. Management of Opportunities

At Akkim, we manage sustainability- and climate-related opportunities using methodologies consistent with those applied in risk management processes. Within this scope, we conduct analyses based on likelihood, impact, and time horizon by referencing the Risk and Opportunity Inventory.

We evaluate the potential of sustainability- and climate-related risks to transform into strategic opportunities from the perspective of sustainable growth, prioritizing and regularly monitoring them according to their potential to create new revenue streams, deliver cost efficiency, and generate competitive advantage. Through the prioritization of risks and opportunities, we ensure that an effective assessment is made by focusing on issues that significantly impact our Company's long-term strategic objectives.



5. Metrics and Targets

5.1. Climate Related Metrics

Akkim continues its activities in line with the targets set out in the Sustainability Report. In line with its activities, Akkim provides an explanation regarding the TSRS 2 sector-based application guidelines, specifically Volume 47 - Chemicals guide, based on the results of the assessment.

TSRS 2 Sector-Based Implementation Guide – Volume 47 - Chemicals

Subject	Metric	Category	Unit	Code	Akkim's Response
GHG Emissions	Gross total Scope 1 emissions, percentage under emissions limiting regulations	Quantitative	Metric tons (t) CO ₂ e, Percentage (%)	RT-CH-110a.1	49,295 tons of CO ₂ e, The ratio is 0% as there is no emission limiting regulation.
	Negotiating long- and short-term strategies or plans to manage Scope 1 emissions and performance analysis towards these targets	Negotiation and Analysis	None	RT-CH-110a.2	The goal is to achieve carbon neutrality by 2050, using 2022 as the base year. Akkim plans to reduce its emissions to the lowest possible level and offset unavoidable emissions using voluntary carbon offset certificates.
Energy Management	(1) Total en-ergy con-sumed, (2) percent-age of grid electricity, (3) percent-age of re-newable en-ergy, and (4) total self-generated energy	Quantitative	Gigajoule (GJ), Percentage (%)	RT-CH-130a.1	(1) 2,317,348 GJ (2) % 4.2 (Grid electricity is only used in the Nazilli region. (3) Akkim does not use renewable energy. (4) Akkim does not generate energy within its own facilities.



Subject	Metric	Category	Unit	Code	Akkim's Response
Water Management	(1) Total water withdrawn, (2) total water consumed; Percentage of each in regions with High or Extremely High Water Stress	Quantitative	Thousand cubic meters (m³), Percentage (%)	RT-CH-140a.1	(1) 1,092 Thousand m³, (2) High Water Stress: 90.5% Extremely High Water Stress: 9.5% <i>(The Akkim Nazilli facility is located in an area with extremely high water stress, while the Yalova facility is located in an area with high water stress.)</i>
	Number of non-compliance incidents related to water quality permits, standards, and regulations	Quantitative	Number	RT-CH-140a.2	0 <i>(No penalties or non-compliance issues were encountered during the reporting period.)</i>
	Definition of water management risks and discussion of strategies and practices to mitigate these risks	Negotiation and Analysis	None	RT-CH-140a.3	Infrastructure has been established to provide seawater desalination using reverse osmosis and ultrafiltration technologies to address water stress; R&D studies on water treatment chemicals and systems are improving process efficiency and water quality.



5.2. GHG Emissions

Akkim calculates Scope 1 and Scope 2 greenhouse gas emissions at its Yalova and Nazilli facilities and offices and aggregates this data in accordance with relevant reporting requirements. The calculated emissions are verified by independent third parties. Total Scope 1 emissions for Yalova and Nazilli was calculated as 49,295 tons of CO₂e, respectively, in 2024. Total Scope 2 emissions were calculated as 350,118 tons of CO₂e for Yalova and Nazilli, respectively.

Akkim uses the 2004 Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard to calculate greenhouse gas emissions. The company's direct greenhouse gas emissions are calculated in three main groups: emissions from stationary combustion sources, mobile combustion sources, and refrigerant gases. Direct emissions result from the stationary combustion of natural gas and diesel in equipment, the combustion of gasoline and diesel in road and field vehicles, and the release of refrigerant gases. Indirect emissions result from electricity consumption.

Measurement and calculation data related to natural gas and diesel use in stationary combustion sources are obtained through regional chromatography devices. For mobile combustion sources, fuel supply invoices and fuel consumption records of work vehicles are used as a basis. Refrigerant gas emissions are monitored and the relevant inventory is kept on record.

Akkim bases its calculations of greenhouse gas emissions on internationally recognized methodologies and scientific sources. For the calculation of combustion-related emissions, Table 2.3: Default Emission Factors for Stationary Combustion in the Manufacturing Industries and Construction Category in the document "2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2: Energy – Chapter 2: Stationary Combustion" published by the IPCC is used as a reference. For vehicle-related emission calculations, the calculation methods outlined in the IPCC's "2006 Guidelines for National Greenhouse Gas Inventories, Volume 2: Energy – Chapter 3: Mobile Combustion" are applied. In this context: Calculations are based on,

- For CO₂ emissions Equation 3.2.1 and Table 3.2.1: Road Transport Default CO₂ Emissions Factors and Uncertainty Ranges,
- For CH₄ and N₂O emissions Equation 3.2.3 and Table 3.2.2: Road Transport N₂O and CH₄ Default Emissions Factors and Uncertainty Ranges.

For emissions from refrigerant gases, the Global Warming Potential (GWP) coefficients published within the framework of the IPCC Sixth Assessment Report (AR6) are used.

For emissions related to electricity consumption, the current emission factors published by the Ministry of Energy and Natural Resources of the Republic of Türkiye are used. Emissions are calculated using a location-based method, and electricity is purchased externally. There is no contract-based mechanism or certification tool for electricity supply.



5.3. Fragile and Adaptable Assets

Under the Risk and Opportunity Inventory, the company's assets may be affected to varying degrees by four financialized climate risks. Specifically regarding the risk of forest fires, there is a possibility that fires occurring in the forests surrounding the Yalova facility could spread towards the Company's boundaries if wind directions change. If chemicals used in the Company's production, which are classified as flammable, come into contact with fire, there is a risk that the fire could spread rapidly.

In the regions where the Yalova and Nazilli facilities are located, high and extremely high levels of water stress are expected according to WRI Aqueduct scenarios. The fact that 90% of production processes are water-dependent makes water stress a critical risk factor. However, thanks to the assessments made and measures implemented, water-dependent production processes are classified as compatible assets; despite the potential vulnerability, negative impacts are minimized through effective risk management.

Increased extreme rainfall can directly affect operational activities and may also pose a risk to the safety of finished chemical products stored in warehouses. Logistics storage facilities in Yalova, in particular, are at risk of temporary operational shutdowns due to heavy rainfall and flooding. Furthermore, some chemicals stored in the warehouse are flammable when in contact with water, posing additional safety risks.

Remediation actions taken for vulnerable assets are detailed under the **Climate Resilience section** within Strategy.





5.4. Climate Related Targets

Akkim evaluates its climate-related targets in line with the commitments outlined in its Sustainability Report. In this context, it regularly monitors its performance in priority areas such as improving energy efficiency, reducing greenhouse gas emissions, improving waste management, and developing circular economy practices. The company transparently reports on progress in these areas and develops and implements strategies that contribute to its established goals.

Akkim has announced its sustainability and climate goals, based on its target of becoming carbon neutral by 2050.

The businesses located in Yalova and Nazilli are included in these targets. For all its operations and facilities, the company aims to:

- Reach a 30% innovation index by 2026,
- Increase the number of products per year through R&D projects by 2030,
- Ensure that eco-friendly products account for at least 10% of the newly developed product portfolio by 2027,
- Creating a product portfolio with bio-based content that contributes to sustainability by 2030,
- Creating and integrating a sustainable product guide by 2027,
- Supplying electricity from renewable sources at the Nazilli facility by 2025,
- Reducing carbon emissions by 2030 through energy efficiency and dashboard projects,
- Recovering a total of 128,000 tons of water annually at epoxy plants by 2030 for water efficiency,
- Separate collection of rainwater by 2027 and recovery of 150,000 tons annually,
- Recovery of 33,000 tons of salt annually at epoxy plants by 2030 to contribute to the circular economy, with the recovered salt to be used in chlor-alkali plants.





Economic Performance Indicators

R&D and Innovation	2022	2023	2024
Expenditures (USD)	2,605,102	3,425,897	4,614,190

	2022	2023	2024
Budget Spent on Digitalization (USD)	62,058	153,310	302,000

Environmental Investments (TL)	2022	2023	2024
Total operating expenses for environmental activities	21,738,305	36,366,936	50,513,723



Environmental Performance Indicators

Total Energy Consumption

Total Energy Consumption	Birim	2022	2023	2024
Energy Consumption per Ton	GJ	3.58	3.36	3.76

Savings Achieved Through Energy Efficiency Projects

	Total Savings (kWh)
2022	3,038,500
2023	1,400,000
2024	1,898,686

Emissions Data

GHG Emissions	Unit	2022	2023	2024
Direct CO ₂ Emissions	tonnes CO ₂ e	43,362.98	40,538.54	49,294.6
Indirect CO ₂ Emissions	tonnes CO ₂ e	361,753.42	341,603.65	3,350,118.98

Savings from Greenhouse Gas Reduction Projects

	Number of Projects	Emissions Reduction Achieved (tonCO ₂ e)
2022	4	2,497.70
2023	1	1,150.80
2024	2	670



Water Consumption Data

Total Water Withdrawal	Unit	2022	2023	2024
Total	megaliter	1,246	1,068	1,092

Wastewater Data

Wastewater Discharge	Unit	2022	2023	2024
Third-Party Water (e.g., Sewerage System)	megaliter	617.4	591.2	724.68

Waste Data

By Waste Type	Unit	2022	2023	2024
Hazardous Waste	Tonnes	2,742	2,995	3,698
Non-Hazardous Waste	Tonnes	2,802	2,781	2,795
Total Waste	Tonnes	5,544	5,776	6,493

Amount of Recycled and Recyclable Materials Procured

Type	Unit	2022	2023	2024
Amount of Recycled Material	Tonnes	22,419.54	22,253.35	22,941.7



Rate of Reused / Recycled Packaging

Packaging Waste Types	Unit	2022	2023	2024
Non-Hazardous Waste Recycling	%	80%	99%	98%

Recoverability / Circularity Rate of Produced Products

Type	Unit	2022	2023	2024
Circularity Rate of Total Products Produced	%	3.43%	1.91%	3.43%



Social Performance Indicators

Suppliers	Unit	2022	2023	2024
Ratio of Import Suppliers	%	14.8	15.9	16.6
Ratio of Domestic Suppliers	%	85.2	84.1	83.4
Total	Units	1,204	1,119	1,765

Total OHS Trainings (Person*Hour)	2022	2023	2024
Number of Company Employees	10,263	15,839	13,599

By Employee Category	Unit	2022	2023	2024
Senior Executives	Person*Hour	594.10	346.4	151.25
Middle-Level Executives	Person*Hour	4,857.10	4,130.45	2,754.60
Other Employees	Person*Hour	27,468.25	39,565.45	32,407.40
Total		32,919.45	44,042.30	35,313.25



By Employment Type	Unit	2022	2023	2024
<i>Blue-Collar</i>	Person*Hour	19,945.60	32,791	24,496.10
<i>White-Collar</i>	Person*Hour	12,973.85	11,251.3	10,817.15
<i>Subcontracted Workers</i>	Person*Hour	53,503	56,345	56,223
Total		32,919.45	44,042.30	35,313.25

By Gender	Unit	2022	2023	2024
<i>Male</i>	Person*Hour	26,637.40	38,002.85	29,432.75
<i>Female</i>	Person*Hour	6,282.05	6,039.45	5,880.50
Total		32,919.45	44,042.30	35,313.25

All Training (By Type)	Unit	2022	2023	2024
<i>Professional Development</i>	Hour	3,293.00	3,849.55	3,941.40
<i>Personal Development</i>	Hour	5,792.10	3,674.65	4,319.75
<i>OHS</i>	Hour	21,848.65	35,247.35	26,139.95
<i>Other (e.g. Leadership)</i>	Hour	1,985.70	1,270.75	912.15
Total Training Hours	Hour	32,919.45	44,042.30	35,313.25



All Trainings	Unit	2022	2023	2024
Number of people who completed trainings on corruption-related risks	People	59	76	130.5
Percentage of those who successfully completed this training	%	100	100	100

Environmental Trainings	Unit	2022	2023	2024
Trainings	Person*Hour	148,068	167,240	756,683

Employee Satisfaction	2021	2023
Percentage	58	73

	Unit	2022	2023	2024
Male	Percentage	82.4%	81.3%	80.8%
Female	Percentage	17.6%	18.7%	19.2%

	Unit	2022	2023	2024
Benefits Provided to Society	TL	964,837	5,220,070	7,640,972





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This information is not disclosed due to confidentiality reasons.

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2024 Sustainability *Report*

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