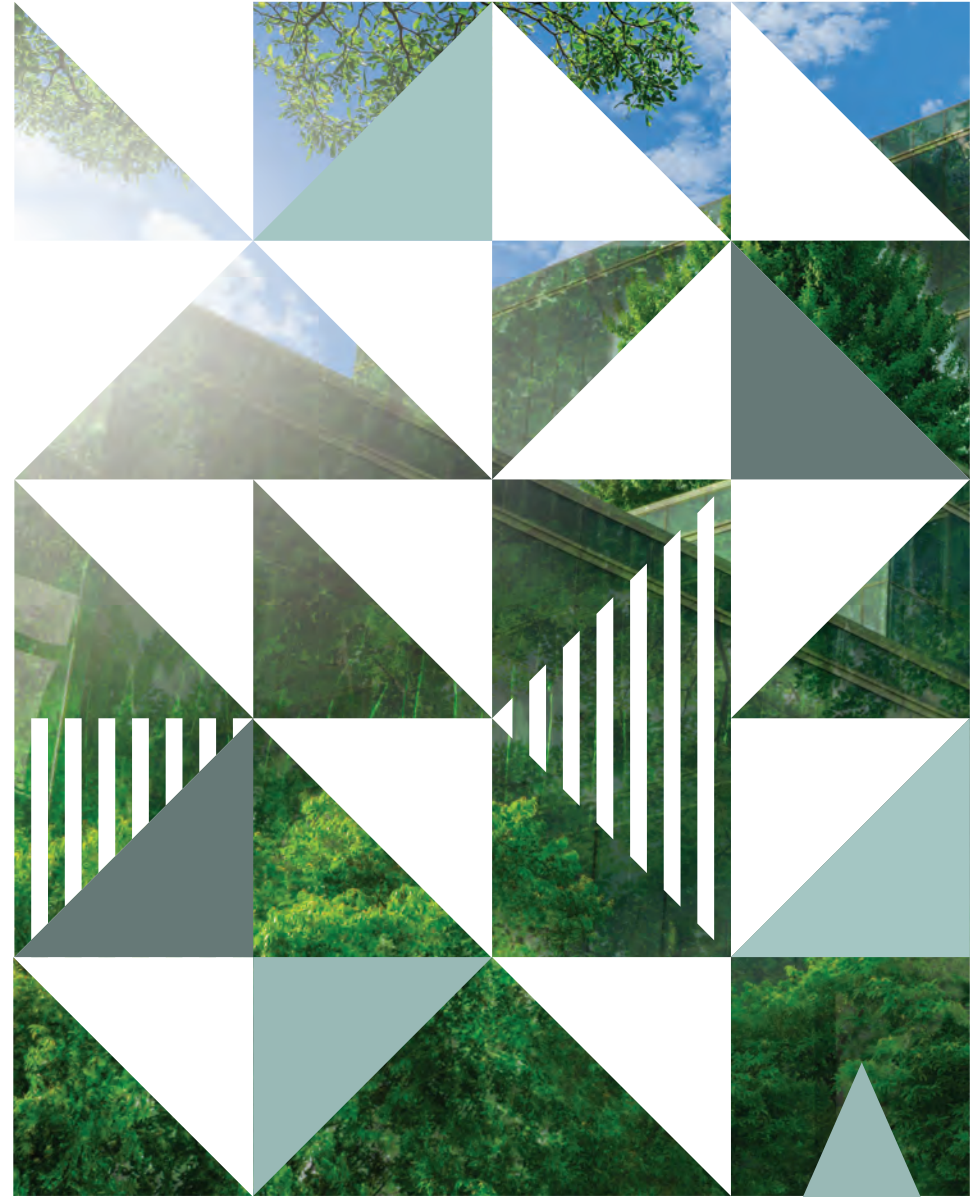


AKKÖK HOLDING 2023

SUSTAINABILITY PROGRESS REPORT



AKKÖK
HOLDING



On February 6, 2023, one of the biggest disasters in the history of our country, the earthquake disaster that affected 11 provinces, struck our hearts. We wish God's mercy upon our citizens who lost their lives, and extend our condolences and patience to their grieving families and our entire nation.

From the first day of the earthquake, together with our group companies, we mobilized all our means to help the disaster area and meet the needs. Our companies worked in meticulous planning and coordination with AFAD, local administrations, and NGOs to meet the region's needs. Then, Akk k Holding and its group companies, which wanted to provide permanent support in the region, established a Support Center in Iskenderun in cooperation with the Toplum G n ll leri Vakfı (TOG) to provide some relief to those affected by the earthquake.

The Support Center, which opened in September, will offer social and emotional support programs for women, children, adolescents, and youth for at least 2 years. The Iskenderun Support Center has workshop areas for women, children, and young people, libraries where they can study, and playgrounds. In these areas, various activities, workshops, and practices are organized for our citizens affected by the earthquake to strengthen their relationship with life.

For children, workshops on games and various topics, school support activities, cinema and movie days; for young people, workshops on career, education and awareness, study areas, and school support activities; and for adults, workshops on gender equality, self-care seminars, and education to empower them socially. Open to individuals of all ages, especially young people and children, the Center has organized nearly 500 events, workshops, and education, reaching more than 7,000 people.



CONTENTS

| | | | | | |
|-----|---------------------|-----|----------------------|-----|---------------------------------|
| »02 | About the Report | »11 | Corporate Governance | »39 | Environmental |
| »03 | Management Messages | »25 | Human Rights | »49 | Anti-Corruption |
| »07 | Corporate Profile | »30 | Labor Standards | »51 | Corporate Social Responsibility |



ABOUT THE REPORT

Akkök Holding Sustainability Progress Report 2023 has been prepared in line with the requirements of the United Nations Global Compact, to which Akkök Holding (Holding) is a signatory.

As a requirement of the principles of transparency and accountability, the policies, practices, and performance results of the Holding and its subsidiaries between 01.01.2023 and 31.12.2023 about the 10 fundamental principles of the convention under the headings of **“Human Rights”, “Labor Standards”, “Environment” and “Anti-Corruption”** were presented to the views of stakeholders.

Consolidated data of Akkök Holding and all its subsidiaries are included in social and financial performance indicators. Global Reporting Initiative (GRI) Sustainability Reporting Guidelines constitute another reference point for the performance results disclosed.

Contact address for feedback, suggestions, questions, and criticisms regarding the report: surdurulebilirlik@akkok.com.tr.

Chairperson's Message



Raif Ali Dinçkök
Chairperson of the Board

At Akkök Holding, we consider achieving world standards by focusing on sustainability in all our activities as one of our main goals.

Dear Stakeholders,

2023 was a year in which climate change and sustainability were among the most important agenda items on a global scale and significant progress was made in artificial intelligence. It is of great importance to analyze the effects of these global trends and take the right position. At Akkök Holding, we see reaching world standards by focusing on sustainability in all our activities as one of our main goals.

We continue to strengthen our leading position in the chemicals and advanced materials sectors and focus on our investment and growth targets. DowAksa's third carbon fiber line, which we commissioned this year, Akkim Kimya's first epoxy plant in Türkiye, Aksa Akrilik's new technical textile product Mithra, which we decided to invest in, and Akkök Next, which we established to invest in start-ups operating in advanced materials technologies, are just a few of our most important steps in this area. With all these investments, we aim to increase sectoral synergy and reinforce our leadership in our field. We are also working intensively on new growth roadmaps for our energy and real estate sectors.

In all our investments and operations, we strive to manage our portfolio most effectively by focusing on sustainability and technological transformation.



In 2023, we initiated the project to define our Sustainability Strategies by including our production group companies. In the first phase, we evaluated our current sustainability performance, industry trends, and best practices, and after the Polaris workshop we organized with our management group in 2022, we updated our mission statement to **“We will carry the deep-rooted and sustainable ecosystems we have created with our pioneering and innovative solutions into the future.”** We aim to further advance our sustainability strategy by taking environmental, social, and governance criteria as a guide.

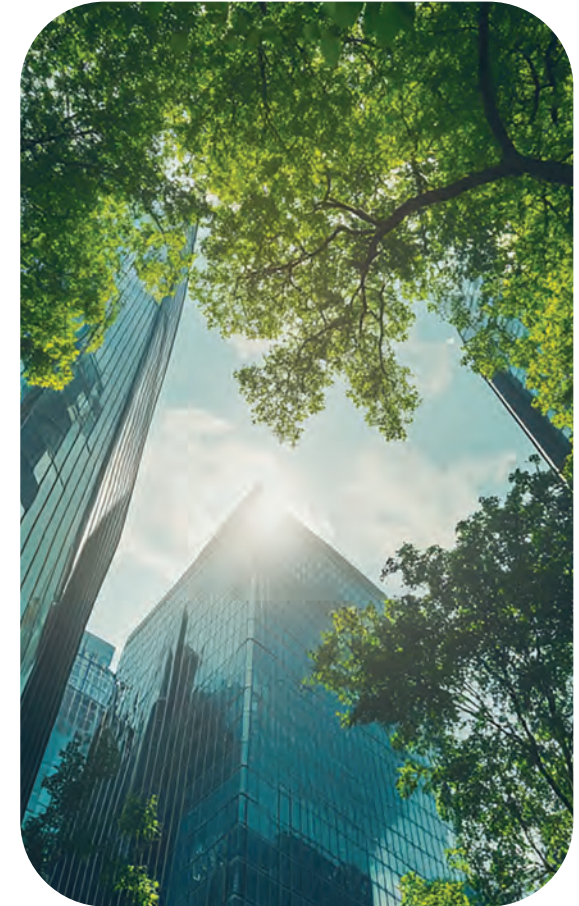
We continue our commitments to gender equality and women's empowerment, drawing attention to social sustainability. We took the Women's Energy project, carried out by our energy group, and directly touched approximately 2,000 people, one step further with the **“Strong Women, Equal Steps”** education program of Akiş GYO, one of the most important representatives of the real estate sector. Through this program, launched on the 100th anniversary of our Republic, we provided support on gender equality and psychological resilience through education for female subcontractor service employees.

At Akkök Holding, we are aware of the success we have achieved with the support we receive from society and we are committed to sustainably maintaining this success. We support our employees' work-life balance. Aksa Akrylic's **“Creating Value in the Business Life of the Future”** award given by the Türkiye HUMEN Yönetimi Derneği for its **“4 Days a Week Working”** practice is an indication that our people-oriented approaches are internationally recognized.

We continue to work and produce tirelessly in a manner befitting the 100th anniversary of our Republic to be even more active in achieving our sustainability goals. In closing, I am pleased to share our sustainability report with all our valuable stakeholders.

Best Regards,

Raif Ali Dinçkök
Chairperson of the Board



Chief Executive Officer Message



İhsan Gökşin Durusoy
Chief Executive Officer
and Board Member

“ We continue our activities by focusing on environmental, social, and economic development with the goal of bringing all our stakeholders to a stronger tomorrow. ”

Dear Stakeholders

At Akkök Holding, we are committed to **creating lasting value for society and future generations** with the goal of a sustainable future. Since our foundation, we have been carrying out our activities by focusing on environmental, social, and economic development with the aim of leading all our stakeholders to a stronger tomorrow.

As we continue to work in this direction, we have gone through a difficult period as a country. On February 6, the earthquake disaster, which affected us all deeply, showed once again how strong we can be when we come together. With a perspective that prioritizes solidarity and sustainability, we adopt the mission of creating social value in our corporate responsibility projects.

We see sustainability as the foundation of our growth strategy. Today, with **24 operational companies and 22 production facilities, employing 6,500 people in Türkiye** and abroad, we adapt to global competitive conditions and aim to reach world standards.

In 2023, as Akkök Group, we realized a turnover of **₺116 billion and exports of approximately ₺20 billion**. For 2024, we aim to increase our exports to approximately \$800 million, strengthen our position in international markets, and grow by 10% in exports and 6% in employment. While evaluating new investment opportunities, we prioritized the contribution of these opportunities to exports and sustainability.



The Green Deal stands out as an important framework that both influences and shapes the business world. National and international developments such as the **EU Green Deal, Financial and Non-Financial Reporting Standards, Corporate Sustainability Reporting Directive, EU Taxonomy, Turkish Sustainability Reporting Standards, Paris Climate Agreement, and the United Nations Conference of the Parties (COP)** necessitate the transformation of our strategies. Therefore, organizations aiming to compete in the international arena need to integrate sustainability into their corporate strategies.

We established a Corporate Sustainability department under the umbrella of the Strategy and Business Development Directorate to continuously evaluate and improve our sustainability performance. We have determined our new period Sustainability Strategy and roadmap to increase and strengthen the sustainability activities of Akkök Holding and group companies.

Through our sustainable products and solutions, we reduce our impact on the environment and increase our competitiveness in local and global markets. With our years of experience and technical know-how, we aim to reduce foreign dependency on our products that very few companies can produce. During this period, the BIOntier project developed at the Aksa Akrilik R&D Center was awarded funding by the European Union's Horizon Europe program. Akkim Kimya's sustainability report won three awards at the 2021/22 Vision Awards, while Sustainable Fitch's corporate company ESG (Environmental, Social, Governance) report in Türkiye was published for Akiş GYO for the first time outside the finance sector.

The report stated that the company's sustainability and zero-carbon practices are at the second strongest level. In addition, Akiş GYO was rated A-, Aksa Akrilik B+, Akkim Kimya, and Akenerji C in the CDP Climate Change Program, and Aksa Akrilik B+ and Akenerji B in the Water Security Program.

We are also taking important steps in combating climate change circular economy and management. New policies such as the Carbon Border Adjustment Mechanism (CBAM) will impact our international trade and lead us to be even more vigilant in adapting to new regulations. In this context, we aim to determine our short, medium, and long-term targets with a science-based targets approach and present them to all our stakeholders. Through the Yıldız Akköklüler Reward System, we continue to recognize successful projects within our group companies. This year, we expanded this system to the digital platform with categories such as Sustainability, Collaboration Development, Operational Excellence, Entrepreneurship, and Innovation.

At Akkök Holding, we will continue **to develop innovative approaches for a sustainable future** and increase our contributions to society and the environment. We thank all our stakeholders for standing by us on this journey.

Best Regards,

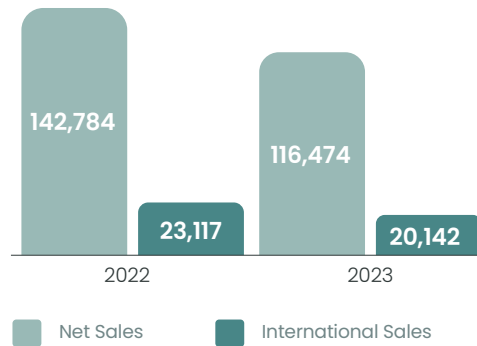
İhsan Gökşin Durusoy

Chief Executive Officer and Board Member

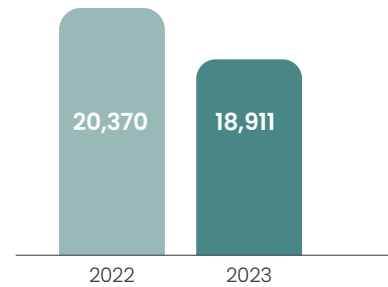
CORPORATE PROFILE

Akkök Holding, one of Türkiye's most established companies, was founded in 1952 by the late Raif Dinçkök. With **more than 70 years of experience**, Holding focuses on the chemicals, energy, and real estate sectors and has **24 operational companies, four overseas, and 22 production facilities**. With more than 6,500 employees, Akkök Holding closely monitors the international markets in the sectors in which it operates and strives to achieve global competitiveness and meet world standards in all of its companies.

COMBINED SALES COMBINED (MILLION TRL)



FVAÖK COMBINED (MILLION TRL)



*Based on the announcement made by the KGK on November 23, 2023, the financial statements for the year ending on December 31, 2023, have been prepared in accordance with IAS 29, "Financial Reporting in Hyperinflationary Economies." According to this standard, the financial statements must be presented in the purchasing power of the balance sheet date, and the prior period's financial statements must be expressed in the purchasing power of the reporting period for comparison purposes. Therefore, the comparative financial statements as of December 31, 2022, have also been restated based on the purchasing power as of December 31, 2023.

CORPORATE MEMBERSHIPS

- Acrylic Based Composite, Advanced Materials and Technology Producers' Association
- Foreign Economic Relations Board (DEİK)
- Entrepreneurial Institutions Platform
- The Business and Sustainable Development Council
- Istanbul Chamber of Commerce
- Association of Signatories of the Global Principles Agreement
- Woman In Technology Association
- Turkish Ethics and Reputation Association
- Turkish Industrialists and Business Association
- The Institute of Internal Auditing
- Corporate Governance Association of Türkiye
- UN Global Compact
- Yanındayız Association
- Yenidenbiz Association
- Women on Board Association Türkiye (WOB Türkiye)
- Yuvam Dünya Association for Combating Climate Change



AKKÖK HOLDING COMPANIES

Chemistry

AKSA AKRİLİK

- Founded in 1968
- 355,000 tons/year production capacity
- 600 thousand square meters of installed area
- Türkiye's only and the world's largest acrylic fiber producer under one roof
- Textile and technical textile raw material producer for a wide range of fields from carpets to upholstery, sweaters to socks, yarn to hand knitting, velvet to rugs, blankets, awnings, and industrial filters

AKKİM KİMYA

- Founded in 1977
- Production of more than 1,500 products with a total production capacity of 800,000 tons
- Exports to 70 countries on six continents
- Operating in 5 different locations with more than 1,300 employees including its subsidiaries
- Chlor-alkali, hydrogen peroxide, sodium percarbonate, methylamines, persulfates, sodium metabisulfite, carboxymethyl cellulose in basic chemicals; textile, paper, building, and plastic additives in performance chemicals; ultrafiltration module manufacturer in water treatment
- Solution partner for cleaning, hygiene, water treatment, textile, paper, construction, plastic, food, metal, energy, detergent, drilling, mining and chemical industries

AKCOAT

- Founded in 1979
- 155,000 tons of production capacity per year with a facility area of 100,000 square meters, including 40,000 square meters of indoor space
- Nearly 500 employees in its facilities in Türkiye and Spain, regional offices in the USA and China, indirect employment for 1,000 people
- "Advanced chemical coating material products" manufacturer of enamel, ceramic, non-stick and decorative coatings, pigment and glass coatings
- Solution partner for white goods, ceramic tiles, home and kitchenware, glass industry, digital printing inks

Composite

DOWAKSA

- In 2012, a 50% equal partnership venture was established between Dow Chemical Company and Aksa Akrilik Sanayii A.Ş.
- One of the strongest companies in the production of carbon fiber and carbon fiber intermediates
- Integrated carbon fiber composite solutions for industrial sectors, especially energy, transportation, defense, aerospace and infrastructure sectors
- The first and only Turkish company operating in the carbon fiber sector

EPSİLON KOMPOZİT

- A leader in the manufacturing and assembly of composite and metal bond parts for the aviation, space, and defense industries in the private sector
- Joined Akkök Holding in 2021
- 40% of production exported



AKKÖK HOLDİNG COMPANIES

Real Estate

AKIŞ GYO

- Representing Akkök Holding's experience and expertise in shopping center investment and management
- Pioneer of quality and reliability in the real estate sector
- Broad portfolio of commercial real estate with a focus on shopping centers and high-street retailing
- Its subsidiary Akyaşam Yönetim Hizmetleri A.Ş. manages Akbatı, opened in 2011, and Akasya, opened in 2014

AKMERKEZ GYO

- Innovative perspective, aesthetic and comfortable space
- A life center beyond a shopping mall
- Vitality in city life with original design and social and cultural activities

Energy

AKENERJİ

- Established as an autoproducer in 1989, Akenerji has been an independent electricity generation company since 2005.
- The strategic partnership between Akkök Holding and Czech energy company CEZ Group with equal participation
- 1,224 MW installed capacity

SEDAŞ

- Energy distribution services to more than 2 million customers in 5 separate regional directorates in Sakarya, Kocaeli, Bolu, Düzce and Gebze and 21 operation centers affiliated to these regional directorates
- As of the end of 2023, the total amount of electricity distributed in the operational region covering Eastern Marmara was 10.8 billion kWh

SEPAŞ ENERJİ

- The official electricity supplier of Bolu, Düzce, Kocaeli, and Sakarya authorized by EPDK
- Electricity supply services for 4 million people across Türkiye

AKKÖK HOLDİNG COMPANIES

Services

AKMERKEZ LOKANTACILIK

- Paper Moon offers an atmosphere that combines elegance and comfort
- A city classic among the distinguished brands of Istanbul's food and beverage sector
- World standards in food and service quality
- Interior design reflecting luxury and simplicity

AKASYA ÇOCUK DÜNYASI

- Operating in 26 cities in 17 countries, KidZania owns the license rights in Türkiye
- Up to 120 role-play opportunities for children in 67 activity areas according to their skills and interests
- 10,000 square meter area location

AK-PA TEKSTİL

- Founded in 1976
- Overseas marketing and export activities
- 10.2 billion dollars of exports to more than 90 countries on 6 continents since its establishment

AKGİRİŞİM

- EPC (Engineering, Procurement and Construction) contracting services since 2011
- Projects ranging from shopping centers to industrial facilities
- Services in various fields such as construction, facility management, and project consultancy

AKTEK BİLİŞİM

- Founded in 2007
- Flexible solutions and services in an integrated structure with services consisting of Enterprise Information Systems, Data Science and Business Intelligence, IT Infrastructure, Database Management, Cyber Security, Software Development and Robotic Process Automation

DİNKAL SİGORTA

- Founded in 1976
- Among the preferred companies in the insurance sector
- Consultancy, risk analysis and management, policy management, claims management, and other services to internal and external customers

AKKÖK NEXT

- Founded in 2023
- Investors in innovative startups in the growing deep tech market in Türkiye and around the world
- 212 Focus on advanced materials and innovative deep technology initiatives leading transformation in global value chains with Next

[Click here to access all our group companies from the Akkök Holding 2023 Annual Report.](#)





CORPORATE GOVERNANCE

Akkök Holding's corporate governance understanding and structure shaped in line with the principles of transparency and accountability are at the heart of its success. This understanding, which aims **to create value for all stakeholders** by focusing on sustainable growth, has been in place for more than 70 years. Akkök Holding's corporate governance structure was established with the participation of the Board of Directors. The Board of Directors consists of 9 members, and the CEO is responsible for and reports to the Board of Directors for all activities of Akkök Holding. Female members constitute 44% of Akkök Holding's Board of Directors. Akkök Group companies comply with laws and regulations in all geographies. In this regard, compliance is ensured through internal audit and control mechanisms, while risks that could endanger the existence and future of the Holding are identified through the corporate risk management program. Necessary actions are taken, and business strategies are structured accordingly.

All subsidiaries of Akkök Holding adopt a corporate governance approach. Akkök Holding and group companies listed on the Corporate Governance Index, in the Corporate Governance Index are evaluated annually under the main headings of shareholders, public disclosure and transparency, stakeholders, and board of directors within the framework of the Capital Markets Board (CMB) Corporate Governance Principles.

Detailed information about the Board of Directors of Akkök Holding can be found on pages 22 - 25 of the 2023 Annual Report.



On the basis of Akkök Holding's successes; There is a corporate governance approach and structure shaped in line with the principles of transparency and accountability.

In 2021, Aksa Akrilik increased its Corporate Governance Rating from 9.72 to 9.75 and won the second prize.

Maintaining its 9.75 rating in 2022, Aksa Akrilik has been included in the "Winners" list for seven consecutive years at the **Corporate Governance Awards** organized by the Türkiye Kurumsal Yönetim Derneği. In 2023, the Company maintained its 9.75 rating and was awarded the third prize.

Akiş GYO increased its Corporate Governance Rating Score, which was determined as 9.54 in 2018, to 9.62 as of the end of 2019. In 2020 and 2021, its rating was 9.63, which increased to 9.64 in 2022, and it maintained this 9.64 rating during the reporting period. With this rating, it has managed to maintain its position as the company with the highest Corporate Governance Rating among real estate investment trusts and construction companies.

In 2023, Akmerkez GYO successfully raised its Corporate Governance Rating to 9.48.

SUSTAINABILITY MANAGEMENT

For businesses and large conglomerates, sustainability management is a crucial and growing value for the future. It is crucial to include environmental, social, and governance (ESG) factors in company strategies in order to sustain economic success along with environmental and social responsibilities. Through its efforts in this direction, Akkök Holding aims to place sustainability principles at the core of its operations. By focusing on sustainability principles, Akkök Holding and its group companies aim to minimize their environmental impact and strengthen their social contributions, thereby creating long-term value.

Akkök Holding, plans to minimize and impacts on its business processes for all its stakeholders and group companies, shaping its corporate sustainability approach bases of these principles. The corporate governance approach—focused on environmentally compatible sustainable growth, social responsibility, and corporate citizenship awareness—not only stands as one of the most valuable concepts in Akkök Holding’s operations but also plays a defining role in the formation of its roadmap.

Akkök Holding, started its activities in alignment with this vision and mission, ensured that all its subsidiaries were informed about its sustainability approach. At the same time, Akkök Holding continues to develop various projects in line with its corporate

policies and targets, taking into consideration social, environmental, and economic values. Akkök Holding continues to report its activities and present them to all its stakeholders in the light of the titles and activities in compliance with the **United Nations Global Compact (UN Global Compact)**, signed in 2007.

During the reporting period, Akkök Holding has addressed the scope of the “purpose, mission, vision, and values” review in its new process. In this way, it continued to develop its strategies to sustain ecosystems for the future and ensure the continued use of natural resources.

Akkök Holding aims to ensure sustainability by investing in innovation and technology, producing new-generation solutions in all business models, increasing the use of environmentally friendly products, and creating high-efficiency and flexible production opportunities through resource design. At the same time, Akkök Holding aims to reduce costs through these efforts and plans to do so and has started to act with the motivation to spread this philosophy.

Our priority is to put the principles of sustainability at its center; it aims to minimize its environmental impacts and create long-term value by strengthening its social contribution.



SUSTAINABILITY MANAGEMENT

In 2022, Akkök Holding came together with all group companies to establish the Green Strategy Group with the vision of **“To carry out pioneering efforts in all sectors of operation regarding sustainability.”**. In this context, Akkök Holding evaluated the requirements of sustainable growth in detail and started to work on energy, resource utilization, and biodiversity.

Akkök Group companies regularly share their corporate and sustainability governance developments with their stakeholders in line with the principles of transparency and accountability. Aksa Akrilik, Akenerji, and Akiş GYO publish annual activity reports, while Aksa Akrilik, Akenerji, and Akiş GYO publish an annual Progress Report and sustainability report within the scope of the “United Nations Global Compact”. Aksa Akrilik has been publishing sustainability reporting since 2019 and Akenerji has been publishing integrated reporting since 2021.

Akkim Kimya, on the other hand, publishes a progress report once a year and sustainability reports every two years. Akiş GYO joined the BIST Sustainability Index in 2019. Akenerji has been included in the BIST Sustainability Index since 2016. Aksa Akrilik was included in the BIST Sustainability Index for the second time in 2019. Akkim Kimya has been maintaining the Gold Medal level for 4 years on the EcoVadis ESG rating platform, which started with the Silver Medal level in 2019. In addition, Akiş GYO became **the first institution outside the financial sector in Türkiye** to have an ESG rating report from Sustainable Fitch. DowAksa and Akcoat published their first sustainability report. All reports can be accessed from the corporate websites of the subsidiaries.





SUSTAINABILITY APPROACH

Creating a sustainability strategy for Akkök Holding is very important both for the long-term success of the company and for social and environmental impacts. The sustainability strategy includes goals such as reducing the environmental footprint by ensuring the efficient use of natural resources, strengthening relations with communities, increasing efficiency in business processes, and adopting ethical management principles.

Akkök Holding aims to gain a competitive advantage with its sustainability strategy by utilizing its leadership role in the sectors in which it operates and to maintain this success in the long term. At the same time, sustainability performance is gaining increasing importance among investors, suppliers, customers, and other stakeholders. For this reason, Akkök Holding has adopted the creation of a sustainability strategy as a critical necessity.

Akkök Holding has stated that it is increasing and improving its sustainability values day by day with the strategy and innovative approaches it has created this year. In 2022, it revised its goals, vision, and values, emphasized the title of "Sustainability" and started the project of determining the sustainability strategy by taking strength from its new mission. The Polaris workshop, which was organized in collaboration with Akkök Holding Management, shareholders, and group companies, focused on the activities carried out in the field of sustainability and the pioneering activities of the sector.

Purpose;
To improve the quality of life of the society with the power we get from our roots.

Mission;
We will carry the deep-rooted and sustainable ecosystems we have created with our pioneering and innovative solutions to the future.

Vision;
To be a well-established community that wants to be a stakeholder with leading companies in its field.

- Values;**
- Determination to Succeed
 - Reliability
 - Stakeholder Orientation
 - Sustainability
 - Innovation

SUSTAINABILITY APPROACH

By incorporating ESG topics into their company strategies, Akkök Holding and its group companies; continue to work with an innovative, environmentally and human-friendly strategy. The activities carried out in 2023 based on these topics are listed below.



Under the umbrella of the Green Strategy group, periodic meetings were held with the group companies on priority topics. Through the actions that followed, a great contribution was made to the use of environmentally friendly products and the protection of natural resources.



To strengthen sustainability activities and studies, a new organization was established with the Corporate Sustainability Department under the Strategy and Business Development Directorate. With this organization, increasing the sustainability activities of Akkök Holding and its group companies and creating new projects by strengthening them are among the company's goals.



In 2023, an extremely important project was initiated for Akkök Holding, and its Sustainability Strategies were determined comprehensively. Within the scope of this project, Akkök Holding is working together with 7 group companies (Akcoat, Akenerji, Akış GYO, Akkim Kimya, Aksa Akrilik, DowAksa, Epsilon Kompozit).



Continuing to work to protect natural capital and combine respect for environmental values with its way of doing business, Akkök Holding, to achieve green transformation; held meetings with energy and chemical companies. Throughout these meetings, along with new decisions, progress strategies for sustainability activities are also created.



The 2022 UN Global Compact Global Compact sustainability progress report has been prepared and published publicly.

SUSTAINABILITY APPROACH

Stakeholder Analysis

Akkök Holding has a wide range of stakeholders, from suppliers to workforce, from local communities to investors. For this reason, it is absolutely determined to effectively manage its sustainability goals with strategic decisions created by taking into account the expectations and concerns of these groups through stakeholder analysis. For example, it carried out stakeholder analysis with the vision of benefiting from the feedback of stakeholders on reducing environmental impacts or developing social responsibility projects.

In the first phase of the project, which consists of 5 phases within the scope of sustainability strategies, a situation analysis was made regarding sustainability studies and current operating indicators of the companies. In this analysis, 11 peer companies were identified for good practices in the sectoral breakdown.

Examples of good practices in the sustainability studies of the identified companies were analyzed, and detailed and comprehensive researches were carried out in line with the gap analysis. Benchmarking meetings were held with the identified companies and the process was progressed systematically.

With the inclusion of sustainability performance, management, stakeholder participation, trend/regulation, and sustainability strategies, **a current situation analysis consisting of 200 indicators, which is examined under 5 headings**, was created.

Akkök Holding created short-, medium-, and long-term roadmap by evaluating the level it has determined with its perspective on sustainability matters, its goals, strategies, and its activities in this context, together with its development areas.

According to the evaluation criteria; while the areas where Akkök Holding's performance was highest were its performance and management style, it determined actions to improve its performance in strategy and reporting, communication, and stakeholder engagement. As a result of this scoring, regulatory compliance actions were reported for development areas, and macro and corporate risks.

Akkök Holding; is especially determined to effectively manage sustainability goals with strategic decisions created by taking into account the expectations of these groups through stakeholder analysis.



SUSTAINABILITY APPROACH

Prioritization Analysis (Double Materiality Analysis)

Akkök Holding has comprehensively completed double prioritization and stakeholder analysis to identify strategically important sustainability matters. Its purpose in this context is to accurately determine the greatest impact and importance among its stakeholders. At the same time, it aims to reveal the highest impact (positive, negative, both positive and negative ESG topics) with **Double Materiality**.

It is aimed at preparing for the Turkish Sustainability Reporting Standards (TSRS S1), to comply with the European Sustainability Reporting Standards (ESRS) and GRI standards, to include the opinions of stakeholders in strategic processes by taking the opinions of a large sample, and to consult the opinions of stakeholders about the activities of the Holding. These studies targeted to create a sustainability strategy, determine its goals, and guide the roadmap. The steps taken to create the prioritization matrix are listed below.



SUSTAINABILITY APPROACH

Prioritization Analysis (Double Materiality Analysis)

The prioritization analysis prepared by Akkök Holding is grouped under 6 headings; stakeholder analysis, impact assessment, and external trend analysis were taken into account for its impact on the environment, society, and economy, while senior management priorities, Holding strategy, and SASB Financial Materiality were taken into account for its impact on Akkök Holding. As a method; Concerning AA1000 Stakeholder Engagement Standard (2015), the field analysis was carried out in two steps. Active counseling and passive counseling;

In the active counseling phase, one-on-one interviews with the senior manager were used, and in the passive counseling, online questionnaires and literature reviews were used. Akkök Holding, which has prepared 22 priority topics, has received the opinions of 190 key stakeholders. One-on-one meetings were also conducted with 20 senior executives as key internal stakeholders. Following the decision of the Board of Directors together with the opinions of the senior management, a list of exceptionally high priority topics was created.

Global trends and Sustainable Development Goals as Impact Analysis, World Economic Global Risks Report, European Green Deal, Circular Economy Action Plan, SASB and MSCI ESG Materiality Map, WBCSD Future-proof Business approach, Republic of Türkiye Updated First Nationally Determined Contribution, Republic of Türkiye 12. The work is aligned according to the Development Plan, IFRS, TSRS, EFRAG references.



Akkök Holding's very high-priority topics are;

- Climate Change
- R&D and Innovation
- Circular Economy and Resource Efficiency
- Talent Management
- Digital Transformation



Akkök Holding's high-priority topics are:

- Data Security and Privacy
- Management of Chemicals
- Sustainable Product and Service Portfolio
- Occupational Health and Safety
- Labor Standards and Human Rights
- Water and Wastewater Management
- Waste Management
- Corporate Governance
- Business Continuity and Process Safety



SUSTAINABILITY APPROACH

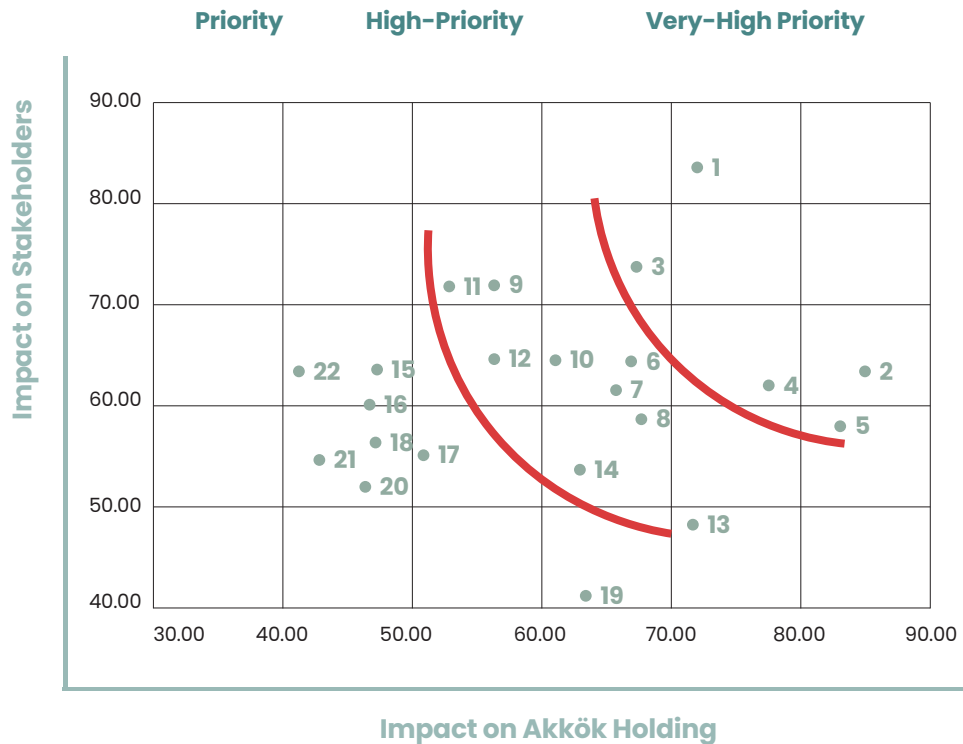
Prioritization Matrix

Akkök Holding's priority topics and degrees are listed below in detail.



Topics

1. Climate Change
2. R&D and Innovation
3. Circular Economy and Resource Efficiency
4. Talent Management
5. Digital Transformation
6. Data Security and Privacy
7. Management of Chemicals
8. Sustainable Product and Service Portfolio
9. Occupational Health and Safety
10. Labor Standards and Human Rights
11. Water and Wastewater Management
12. Waste Management
13. Corporate Governance
14. Business Continuity and Process Security
15. Air Quality
16. Contribution to Social Development and Transformation
17. Employee Well-Being
18. Biodiversity
19. Sustainable Finance
20. Equality, Diversity, and Inclusion
21. Ethics, Transparency, and Compliance
22. Responsible Supply Chain





SUSTAINABILITY STRATEGY

Creating a sustainability strategy for Akkök Holding is especially important both for the long-term success of the company and for social and environmental impacts. After the 2022 Polaris workshops, Akkök Holding revised its aims, vision, and values, emphasized the title of "Sustainability" and started the project of determining the sustainability strategy by taking strength from its new mission.

In determining the strategy framework, the first reporting was made specifically for the Holding and group companies by reviewing the current situation analysis and development areas, sustainability trends and regulations, compliance risks and opportunities within the scope of the project. The strategy framework was determined by aligning stakeholder analysis and double materiality analysis.

In its strategy, Akkök Holding focuses on investing in the future in order to ensure the transition; it has adopted the vision of facilitating sustainability transformation and strengthening the roots of the transition. In this sense, with its deep-rooted and effective management approach, it aims to mobilize the power of technology and innovation for the development of society and to support the sustainable transformation of the economy.



With our deep-rooted and effective management approach, we mobilize the power of technology and innovation for the development of society and support the sustainability-oriented transformation of the economy.



SUSTAINABILITY STRATEGY

The areas and focus topics of the Sustainability Strategy have been identified as follows:



Purpose/Vision: With its deep-rooted and effective management approach, Akkök Holding mobilizes its technology and innovation power for the development of society and accelerates the sustainability-oriented transformation of the economy.

Enabling Transition: We facilitate sustainability transformation and accelerate the transition.



Strategic Areas

Future--Compatible Business

We enable the transformation of industries, by preparing services for future-compatible businesses.

Sustainable Products and Services;

We develop products and services that create value for the sustainable transformation of sectors.

R&D and Innovation;

With the power of R&D and innovation in chemical and material technologies, we develop sustainable solutions and shape the future in a global competitive environment.

New Technologies and Digitalization;

Using new technologies and digital solutions, we work to develop our products and services in a way that supports the transformation of industries.

Effective Talent Management

We care about the decisive role of talent management in achieving our vision.

Talent Management;

We prioritize recruiting and retaining competent employees and qualifying future leaders

The Future of Work;

We care about the transformation of our talents for jobs that are compatible with the future, and we adapt to changing competencies today.

Environmental Responsibility

We develop our products and services with a sense of environmental responsibility.

Climate Change;

We ensure the sustainability of our business by taking decisive steps in the fight against climate change.

Circular Economy and Resource Efficiency – Waste Management;
In our products and services, we observe the principles of circular economy with the most efficient use of resources and zero waste vision.

Water and Wastewater Management;

We ensure water safety by ensuring the responsible use of water and reducing and safely disposing wastewater.

Management of Chemicals;

We manage chemicals, which are an integral part of daily life, safely and sustainably at all stages of the value chain.



Our Roots

Strong Corporate Governance

We strengthen the foundations of transformation by adopting corporate governance standards at the highest level.

Corporate Governance

We adopt a fair and effective management structure based on ethical values, transparency, accountability, and responsibility from our roots.

Business Continuity and Data Safety

We prioritize process safety to ensure business continuity and reduce interruptions and losses in production processes while maintaining the confidentiality of data and ensuring that it is processed securely.

Labor Standards and Occupational Safety

We offer a fair and safe work environment for everyone who respects human rights with high working standards.

Active Portfolio Management

We guide and facilitate the ESG-oriented transformation of portfolio companies.

Target and Performance Management

We facilitate the ESG-oriented transformation of all portfolio companies through target and performance management.

Strategic Orientation

We guide our portfolio companies to solidify the foundations of transformation through strategic guidance.

SUSTAINABILITY GOALS

Future--Compatible Business

Sustainable products and services;

Group companies; Maximizing sustainability-focused products and services (2028)



New technologies and digitalization;

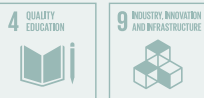
Group companies; Digital maturity indices to rise by at least one level (2027)



Effective Talent Management

Talent management

Implementation of the project "Development of digital competencies" (2026)



The future of work

Preparation and implementation of intra-group N-1 and critical N-2 backup plans (2025)



Environmental Responsibility

Climate change

- Achieving carbon-neutral greenhouse gas emissions across the entire portfolio (2050)
- Group companies; Announcing Decarbonization Roadmaps (2026)



Circular economy and resource efficiency - Waste Management

Group companies; Announcing circular economy and waste reduction roadmaps (2027)



Water and wastewater management

Group companies; Announcing water use and wastewater reduction roadmaps (2026)



Management of Chemicals

Group companies; Ensuring 100% compliance with national/international regulations (REACH, ZDHC, etc.) of the use of chemicals in products (continuous)



Strong Corporate Governance

Corporate governance

Publicly listed Group companies; ranking within the top 10% of their respective sectors on Refinitiv (2026)



Labor standards and occupational safety

- Zero accident tolerance (continuous)
- Group companies; aiming to improve the rates of occupational accidents, process incidents, and environmental accidents compared to the previous year. (continuous)



Active Portfolio Management

Goal and performance management

- Group companies; Transition to integrated reporting (2027)
- Conducting sustainability reporting in compliance with TSRS (2026)



Strategic orientation

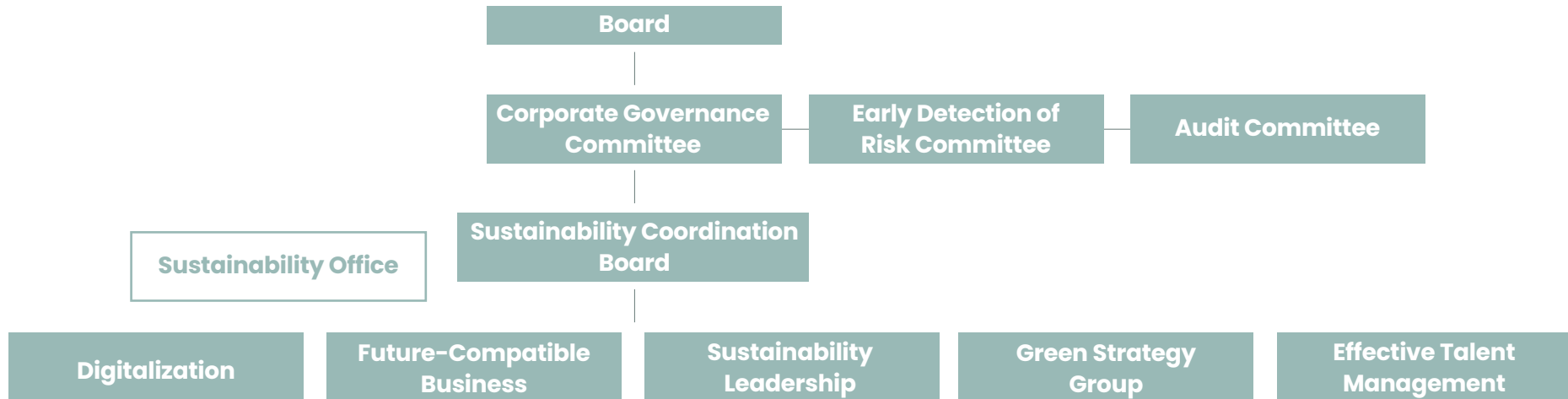
- Group companies; Achieving at least a B score on the CDP index (2027)



SUSTAINABILITY GOVERNANCE

A sustainability organizational structure has been established to implement Akkök Holding's sustainability strategy in environmental, social, and corporate governance, to ensure coordination among group companies, and to execute, monitor, and audit sustainability goals and practices in line with its business strategy.

Sustainability organizational structure; "Under the guidance of the Enabling Transition strategy, it addresses the management of Akkök Holding and its group companies in environmental, social and governance (ESG).





SUSTAINABILITY GOVERNANCE

The sustainability organizational structure consists of the Corporate Governance Committee established within the Board of Directors and the Sustainability Coordination Board, Sustainability Office, and Sustainability Working Groups, which are directly subordinate to it.

Corporate Governance Committee:

It consists of at least three members elected from among the members of the Board of Directors. It is chaired by an independent member of the Board of Directors. Areas of responsibility; Environmental, social, and governance (ESG) and sustainability processes, Determination and Implementation of ESG Policies, Execution of ESG Practices, Development and Implementation of Sustainability Strategies and Targets. The Corporate Governance Committee works together with the Early Detection of Risk and Audit Committee as needed. It meets every three months.

Sustainability Coordination Board:

It is the necessary coordination and decision-making mechanism in the execution of Akkök Holding's Sustainability Strategy. It consists of the GM/Director-level managers of the Holding and Group companies determined by the Corporate Governance Committee. It is chaired by the CEO of Akkök Holding. Akkök Holding is responsible for the implementation of its Sustainability Strategy and Roadmap. It meets once a month. It informs the Corporate Governance Committee about the activities related to the execution of ESG and sustainability processes.

Sustainability Office: Contributes to the work carried out by the Corporate Governance Committee when necessary to disseminate the sustainability strategy throughout the group and to ensure the integration of sustainability into the business model. It is the support unit that ensures the planning, implementation, and coordination of the decisions of the Corporate Governance Committee and the ESG Coordination Board throughout the group. It supports the ESG Coordination Board in the sustainability studies planned to be implemented. The Working Groups present their activities and progress to the Corporate Governance Committee. The ESG Office is responsible for the implementation of sustainability efforts across the Holding.

Sustainability Working Group: It is a team that implements the decisions taken by the ESG Coordination Board regarding sustainability and is formed on environmental, social, and governance matters in line with the sustainability focus areas. Each working group determined by the Corporate Governance Committee is led by a GMY/Director-level manager from the Holding and/or group companies. Managers and employees who are experts in their fields from the relevant units take part in the working groups. The working groups are responsible for fulfilling the duties assigned by the ESG Coordination Board and the roadmap steps required for the implementation of Akkök Holding's Sustainability Strategy. The ESG Office supports the work of the working groups. Groups meet every two months and report to the ESG Coordination Board on activities every 6 months.



Human
Rights



Labor
Standards



Environmental



Anti-Corruption



Human
Rights

Principle 1

The business community must support and respect the proclaimed human rights.

Principle 2

Businesses should not be complicit in human rights violations.

HUMAN RIGHTS

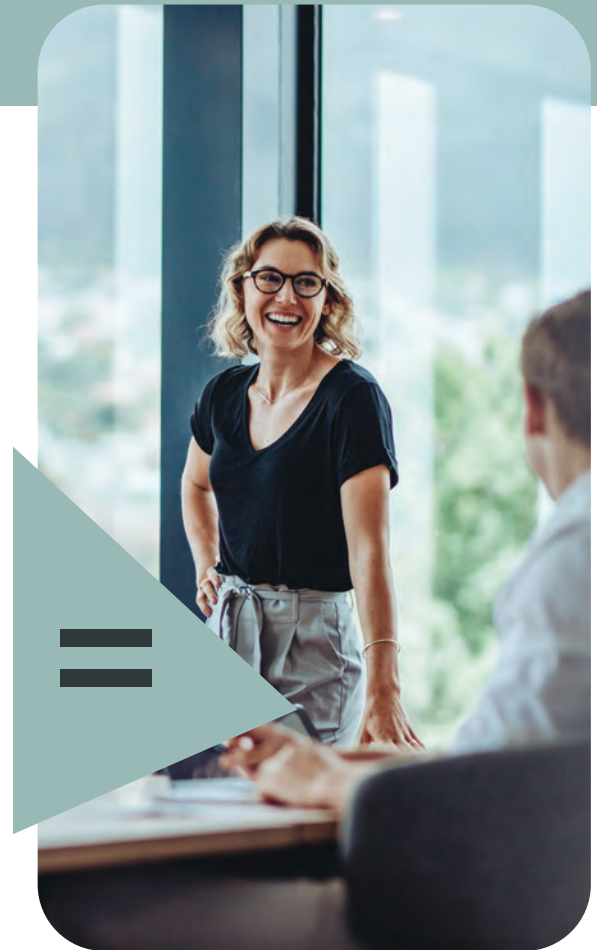
By following a management strategy that supports sound ethical principles, Akkök Holding aims to create a corporate environment based on responsibility, transparency, and equality. It aims to fully comply with legal requirements and standards by shaping its business processes within universal human rights principles. The Holding protects the well-being of its employees and business partners per the Universal Declaration of Human Rights and the UN Global Compact. It adopts an inclusive approach in its relations with all stakeholders, regardless of religion, language, race, political opinion, or gender.

Akkök Holding's human rights policy includes communicating effectively with stakeholders, understanding their expectations, defending their rights, and organizing activities accordingly. Accordingly, comprehensive assessments are carried out between suppliers and subcontractors in group companies and

affiliates on compliance with human rights principles. Various training programs are organized to increase the human rights awareness of suppliers.

Akkök Holding and its group companies are committed to preventing its suppliers and subcontractors from employing child labor and preventing unregistered employment practices. In the supply chain, the non-employment of child labor and the prohibition of informal employment practices are clearly stated in the supply contracts. In case of non-compliance, suppliers are alerted and the procurement process is suspended until the case is resolved.

Akkök Corporate Group's Code of Business Ethics provides a framework for harmonizing group policies with ethical rules by serving as a guide for ethical behavior. This resource plays a guiding role in ethical behavior, especially for employees.



You can find Akkök Group of Companies Business Ethics Principles here.





HUMAN RIGHTS

Educations are organized and communication activities are carried out to improve the awareness of employees on human rights throughout the group. During the reporting period, 75 person*hours were provided to Akkim Kimya employees, 982 person*hours to Aksa Akrilik employees, 271 person*hours to DowAksa employees, 4 person*hours to SEDAŞ employees, 196.5 person*hours to KidZania employees, 226 person*hours to Akcoat employees, 30.5 person*hours to Akenerji employees, and business ethics activities including human rights. Throughout 2023, 6 notifications were received on the Ethics Reporting Line on behalf of Akkök Holding and its group companies. These were examined and reported to the Holding Ethics Committee.

Akkök Holding also attaches importance to the protection of personal data within the scope of its human rights approach. Akkök Holding's Personal Data Protection and Processing Policy is the rule-making document of the Holding and its subsidiaries in this field. With this policy, the principles regarding the personal data processing activities carried out by Akkök Holding A.Ş. by the law and the protection of personal data are set forth. Thus, the personal data of customers, company partners, officials, visitors, employees, and officials of collaborating institutions and third parties are protected by the Holding. To ensure data security, information security practices in the Holding and its subsidiaries are continuously improved.

In line with its approach to human rights, Akkök Holding also attaches great importance to the protection of personal data. Akkök Holding's Personal Data Protection and Processing Policy is the main regulatory document of the Holding and its subsidiaries in this field. This policy sets out the principles for the protection of personal data and the execution of personal data processing activities carried out by Akkök Holding A.Ş. by the law. In this way, the personal data of customers, company partners, officials, visitors, employees, and officials of collaborating institutions and other third parties are secured by the Holding.

To ensure data security, information security practices are continuously improved in the Holding and its subsidiaries.

You can find Akkök Holding's Personal Data Protection and Processing Policy here.





DIGITALIZATION

As Akkök Holding, digital transformation has become one of its strategic priorities not only in terms of operational excellence but also in terms of achieving sustainable competitive advantage. While digitalization makes business processes more efficient and agile, artificial intelligence solutions are a critical element of this transformation.

Today, Akkök Holding is taking important steps in process optimization, production efficiency, and occupational safety with artificial intelligence in various fields.

AI solutions applied in a wide range such as production, logistics, customer service, and risk management contribute to some stages of our business processes. Especially in cybersecurity, demand forecasting, and advanced process control, AI has started to play an important role in making operations safer and more efficient.





DIGITALIZATION

PROJECTS

Akcoat

The MRP digitalization project was implemented to ensure the effective use of the company's resources by keeping the stocks in the company at the optimum level, responding to customer demands on time and with the most appropriate costs, and predicting and preventing possible delays and customer dissatisfaction before they occur, a 5% reduction in the number of stock days was achieved with up-to-date tracking of stocks and optimum stock management. With faster monitoring of controls on the system, the risk of running out of raw materials in production has been reduced.

Akkim Kimya

With Artificial Intelligence, stock optimization was made with the estimation of future sales and accordingly. It is possible for systems with multiple communication protocols to be integrated through a single platform and to store this accumulated data in a suitable environment for data analysis. A digital system was created in which contractor entry procedures, document controls, and progress payment systems were carried out in an integrated manner, and dangerous work permit systems were digitized.

Aksa Akrilik

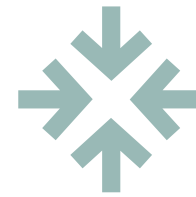
Intenseye OHS platform - Artificial Intelligence Supported OHS Platform was commissioned, and data and image flow was provided. In line with the rules written on this image and analysis, relevant alarms were created and notifications were sent to the responsible persons. The work is currently continuing on 20 cameras.

DowAksa

With the Microsoft 365 Cloud Migration project, a hybrid structure has been created with OnPrem and Cloud integration within the scope of digital transformation studies. In this way, within the scope of information security, industry 4.0, digital transformation, artificial intelligence processes, digital compatibility, technology adaptation, production processes, and cooperation between departments were contributed to the institution.



-  Human Rights
-  Labor Standards
-  Environmental
-  Anti-Corruption



Labor Standards

Principle 3

The business world should support the freedom of association and collective bargaining of employees.

Principle 4

The practice of forced and compulsory labor should be ended.

Principle 5

All forms of child labor should be ended.

Principle 6

Discrimination in recruitment and placement must end.



LABOR STANDARDS

Akkök Holding considers its employees as its core stakeholders and most valuable assets. In this direction, creating a democratic, participatory, respectful, and human-oriented working environment is one of the important goals of the company. Within the framework of its Human Resources Policy, Akkök Holding adopts the principle of equal opportunities in all business processes and takes a proactive stance against discrimination. By using different communication methods, the participation of employees in decision-making processes is encouraged and it is aimed to create a more democratic working environment.

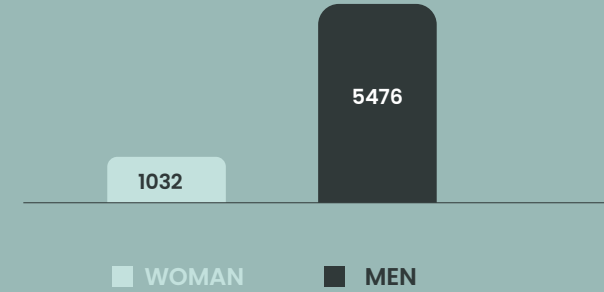
Akkök Holding adheres to the principle of "**equal pay for equal work**" within the framework of its wage policy in all its enterprises. This means salaries are consistent regardless of gender, while compensation and promotion procedures are based solely on individual performance and abilities. Greater representation of women in management positions is actively supported. During the period mentioned in the report, no cases of discrimination were recorded in the activities of Akkök Holding and its affiliated group companies. In addition, the rights of employees of Akkök Holding and its group companies to organize and collective bargaining are respected.



Akkök Holding, which encompasses Türkiye's largest companies, has a total of 6508 employees, 1032 of whom are women and 5476 of whom are men. The average year of seniority within the holding is 7.8; The average age of the employees is 36.

CONSOLIDATED
TOTAL NUMBER
OF EMPLOYEES
BY GENDER
2023

**TOTAL:
6508**



LABOR STANDARDS

With these practices, it is aimed to continuously improve working conditions and ensure employee welfare in Akkök Holding and its group companies. The importance they attach to human and employee rights also shows its effect on the supply chain.

During the reporting period, there were no cases of child labor or forced labor in the operations of Akkök Holding and its group companies, and no such risky activities took place in the supply chain. In addition, there are suggestions for collection and evaluation applications to collect feedback and ideas from employees. Employees' feedback is actively evaluated and these recommendations are implemented. Thus, the active participation of employees in decision-making mechanisms is ensured and a participatory working environment is created.

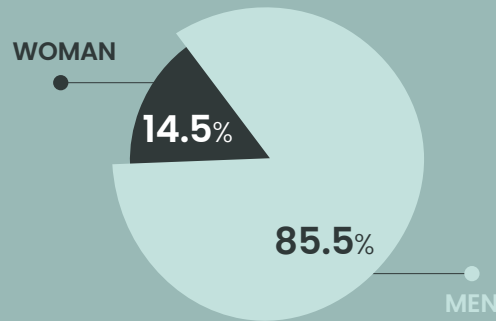
Our group companies, which are signatories of the commitment to encourage women's power in business life by supporting the vision of diversity and inclusion and to strengthen the principle of equality in the workplace; signatory DowAksa Un Women, Akkim Kimya WEP.



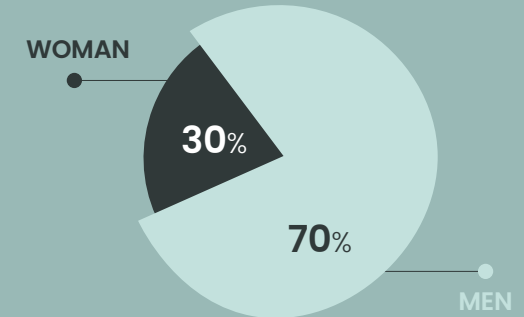
Aksa Akrilik and Akkim Kimya have transitioned to a 4-day-a-week working system to observe the work-life balance of their employees. This innovation allows employees to dedicate more time on their private lives and families, to rest and rejuvenate.

EMPLOYEE DEMOGRAPHICS

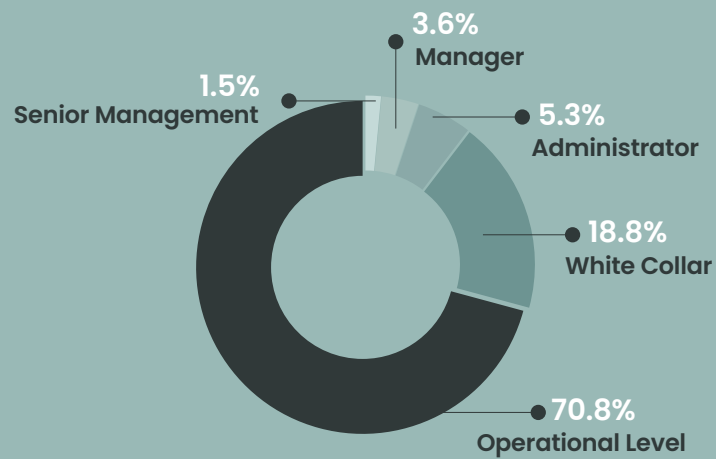
GENDER DISTRIBUTION OF ALL EMPLOYEES



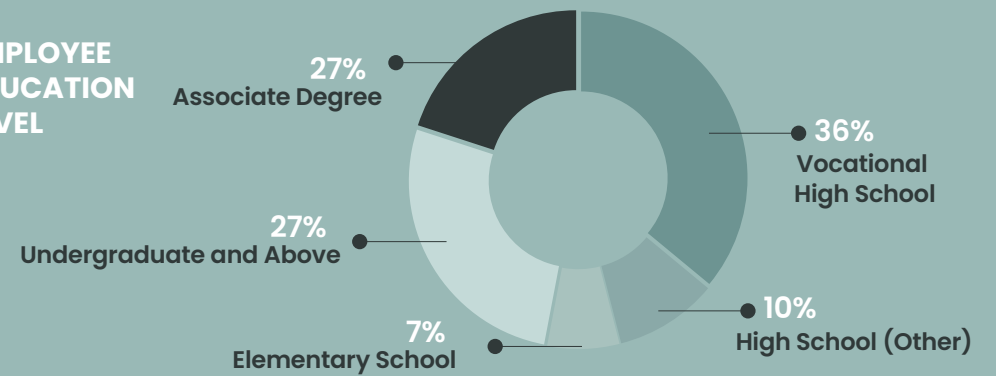
EXECUTIVE-LEVEL EMPLOYEES



HOLDING EMPLOYEE POSITIONS



EMPLOYEE EDUCATION LEVEL





In Akkök Holding group companies, education opportunities are offered to increase the competencies of employees and improve themselves. 179,622 person*hours of education were provided.

to Akcoat employees

 16,050

to Akenerji employees

 10,094

to Akiş GYO employees

 1,547

to Akgirişim employees

 627

to Akkim Kimya employees

 8,851

to Aksa Akrilik employees

 32,089

to DowAksa employees

 82,981

to Epsilon Kompozit employees

 16,669

to KidZania employees

 3,029

to SEDAŞ employees

 6,784

to Sepaş Enerji employees

 901



PROJECTS

Aksa Academy

During the reporting period of Aksa Academy, which is a Corporate Education Academy Project, 64 employees participated in the Expert Development Program; A total of 88 managers, 28 of whom were intermediate level and 60 of whom were first level, participated in the Leadership Training. In addition, 35 middle and senior managers completed the Leader Development Program.

AkkimCe

Within the scope of the AkkimCe project, women employees with children are allowed on the opening and closing days of schools. Gender equality education was organized twice a year for families and employees. Within the framework of the mentoring practice for female students, 26 interviews were held with 11 university students.

Efforts are underway to increase the number of female students within the scope of the Akkim Scholarship. Milk rooms at Akkim Kimya locations have been reorganized. Education seminars on home economics and child development were held for families. Public seminars were organized to raise awareness of women in our region on gender equality.

In addition to the legislation, 3 days of paternity leave studies were carried out. Again, in line with the project, it is aimed to gradually increase women's employment at operational and professional levels in the next 3 years.

Yıldız Akköklüler

The Yıldız Akköklüler reward system aims to recognize and appreciate successful projects in group companies and the employees who implement them, to increase solidarity within the group, to contribute to the learning organizational culture, and to encourage and maintain successful work under the group's strategies. Award evaluations are carried out once a year.

The system is based on nominations for award categories. This year, all processes have been moved to the digital platform through the Yıldız Akköklüler website.

The Yıldız Akköklüler reward system consists of the categories of Sustainability, Collaboration Development, Operational Excellence, Entrepreneurship, and Innovation, and the Digitalization and Transformation category has been added this year. Separate juries are determined for each category and external jury members are included.

This year, a total of 61 projects participated in Yıldız Akköklüler. A total of 19 projects were presented in the final evaluations. The jury made the final evaluations through the system and the winning projects were announced.



PROJECTS

Akkök YGP – Executive Development Program

The program, which is carried out in cooperation with Akkök Holding Human Resources and Sabancı University EDU Executive Development Unit, aims to improve the managerial competencies of mid-level managers working in group companies and to create a common leadership culture. In 2023, the program was launched with the participation of executives from different Akkök Holding companies, consisting of 19 days, the content of which was renewed and improved.

The program was enriched with activities such as Leadership Talks, Mindfulness Practices, Macroeconomic Indicators in Türkiye and the World, Big Data, and a field visit to the Nano Technology Research and Application Center. In addition, Akkök Sharing Session and the new generation of Reverse Mentoring - practices with Sabancı University students and interns are also part of the program.

In the last module of the program, participants will take on different roles in the management team of a company manage the company in a virtual environment, and present their results to the Board of Directors as project teams.

The Board of Directors of Akkök Holding consists of the General Managers of the Group Companies and the Human Resources Directors. The program started in September 2023 and will be completed in June 2024.



Topics

- Self-awareness and Emotional Intelligence
- Leading and Coaching High-Performance Teams
- Stakeholder Management (Within the Scope of Sustainability)
- Responsible Leadership
- Strategic Management
- Case Study of Basic Ethics (Akkök Policies and Sustainability) and Ethical Practice
- Innovation and Intrapreneurship
- Digitalization and New Technologies
- Applied Design Thinking
- The Stage Art of the Manager: Influencing and Persuasion
- Change Management
- The Leader's Place in HR Processes
- Strategic Sustainability and Sustainability Simulation
- Finance for Executives
- Business Management Simulation-Capsim Core
- Digitalization and Project Development



PROJECTS

PHILHARMONIC – Akkök Mentorship Program

The program aims to ensure that the company culture, corporate memory, and way of doing business are transferred to new generations, to contribute to the development of today's and tomorrow's leaders, and to have a positive effect on the loyalty and motivation of managers preparing for the future.

The Philharmonic, which continues voluntarily within the framework of the principles and criteria defined above, continued its symphony in 2023 with 26 Mentees (middle-level managers) and 26 Mentors (senior managers).

Akenerji "Lead the Future 3" Program

In the "Lead the Future 3" program, one of the leadership development education held regularly every year, a total of 75 people, consisting of managers and employees in the expert group, completed their education under the leadership of teachers. In the continuation of the education programs, follow-up meetings were held with the managers, and the development was closely monitored.

GREAT PLACE TO WORK

At Aksa Akrilik, Akkim Kimya, Akenerji, and Sepaş Enerji, the feedback of the employees regarding the working environment is received within the scope of the "Great Place To Work" – Trust Index and important inputs are obtained for their performance in this field.

Companies that receive evaluations of their employees on this topic through surveys conducted every three years under the headings of **"Trust", "Respect", "Justice", "Pride" and "Team Spirit"**, thus identify areas of improvement and development and implement relevant practices. In addition to these companies, Akcoat has also started "Great Place To Work" studies, and the process is planned to be completed in 2024.



PROJECTS

Strong Women, Equal Steps

Akiş GYO launched the education program it developed for women subcontractor service employees on the 100th anniversary of our Republic with the motto "**Strong Women, Equal Steps**" by targeting 100 women employees.

The education was carried out with 20 different groups for 1,316 hours per person for 16 days. 20 groups received a total of 112 hours of education. 42 hours of this education cover Our Fundamental Rights within the scope of Gender Equality, and 70 hours cover Inner Balance and Resilience in the Psychological World of Women.

As Akkök Holding, we will continue to work with the strength we derive from our roots to always carry forward the Republic of Türkiye, entrusted by the Great Leader Mustafa Kemal Atatürk, with an innovative and contemporary vision of the future. As Akkök Holding, we will continue to work with the strength we derive from our roots to always carry forward the Republic of Türkiye, entrusted by the Great Leader Mustafa Kemal Atatürk, with an innovative and contemporary vision of the future.



On this occasion, you can watch the film we prepared for the 100th anniversary of our republic here.



SEDAŞ

The Stargate program carried out within the scope of "Women's Energy", a joint project of Akkök Holding Energy Group companies, is a talent program for new graduates/graduates.

Students who have graduated from the Electrical and Electrical-Electronics Engineering departments of universities until September or who have graduated from the relevant departments and are continuing their graduate education can participate in the program. All candidates who meet the residence conditions in Sakarya, Kocaeli, Bolu, Düzce, and Gebze regions are evaluated.

With the program applied to talented, high-potential engineers, employment opportunities are offered to people who know the energy sector and want to pursue a career in this sector.

Between 2020 and 2023, 29 students participated in the program. Job offers were sent to 18 students who completed the program.



-  Human Rights
-  Labor Standards
-  Environmental
-  Anti-Corruption



Environmental

Principle 7

The business world should support precautionary approaches to environmental problems.

Principle 8

It should support all kinds of activities and formations that will increase environmental responsibility.

Principle 9

It should support the development and dissemination of environmentally friendly technologies.



ENVIRONMENTAL

Climate change and the rapid depletion of natural resources lead to an increase in global challenges. For this reason, it is vital to combat environmental risks and create the foundations of a sustainable future.

The support of the business world and its role in this context also have an important place in minimizing environmental risks. In this context, Akkök Holding and its group companies; take care to reduce its environmental impacts, to ensure the efficient use of natural resources, and to implement effective waste, energy, and emission management in all its activities. In addition, all activities of Akkök Holding and its group companies are carried out by national and international quality standards. In addition, while strengthening its activities by prioritizing the use of environmentally friendly materials and technologies; It also effectively continues its efforts to continuously monitor its environmental performance and improve its impacts.

While strengthening its activities by prioritizing the use of environmentally friendly materials and technologies; Akkök Holding also effectively continues its efforts to continuously monitor its environmental performance and improve its impacts.





2022 environmental investments

\$2.9 million

2023 environmental investments

\$5 million

During the reporting period, Akxa Akrilik employees received 706 person*hours, Akenerji employees received 186.5 person*hours, DowAkxa employees received 189.45 person*hours, Akcoat employees received 1,170 person*hours, Sepaş Enerji employees received 236.5 person*hours, KidZania employees received 375 person*hours, employees received 236.5 person*hours, Akgirişim employees received 95 persons*hours, Akiş GYO employees received 1,186.5 persons*hours, Akkim Kimya employees received 418 persons*hours, DowAkxa employees received 815 persons*hours, 1,343 person*hours of environmental education was provided to SEDAŞ employees.

In the fight against climate change, group companies take action in accord with Akkök Holding's management approach and continue to improve their performance in this field by focusing on efficient energy and emission management practices. Practices in these areas are managed by the Energy Management Units and Boards of the companies.

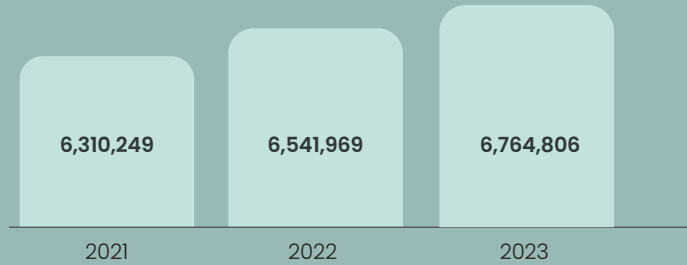
All environmental practices are carried out within the framework of international standards and companies participate in global initiatives in different sectors.

Akkim Kimya, Akxa Akrilik, Akenerji, Akcoat, and DowAkxa fulfill the requirements of **ISO 14001, ISO 50001, and 14064-1 standards**. Akxa Akrilik also has an ISO 14046 Water Footprint Standards Certificate and water footprint studies are carried out at Akkim Kimya based on ISO 14046 standards.

Akkim Kimya signed the Responsible Care Pledge and became one of the first companies in Türkiye to implement the program. Akxa Akrilik's CDP (Carbon Disclosure Project) Climate Change and Water Security scores have been announced as B+. Akkim Kimya and Akenerji were rated at the C level in the 2022 CDP Climate Change Program, while Akenerji achieved a B "Management" level in the 2023 CDP Water Security Program.

In the 2022 CDP Climate Change Program, Akiş GYO was rated at the A- level, continuing its operations with a sustainable approach.

TOTAL ENERGY CONSUMPTION (MWh)



*Akgirişim, Akenerji, Akiş GYO, Akkim Kimya, Aksa Akriklik, DowAksa, Epsilon Kompozit, SEDAŞ, Sepaş Enerji data have been consolidated.

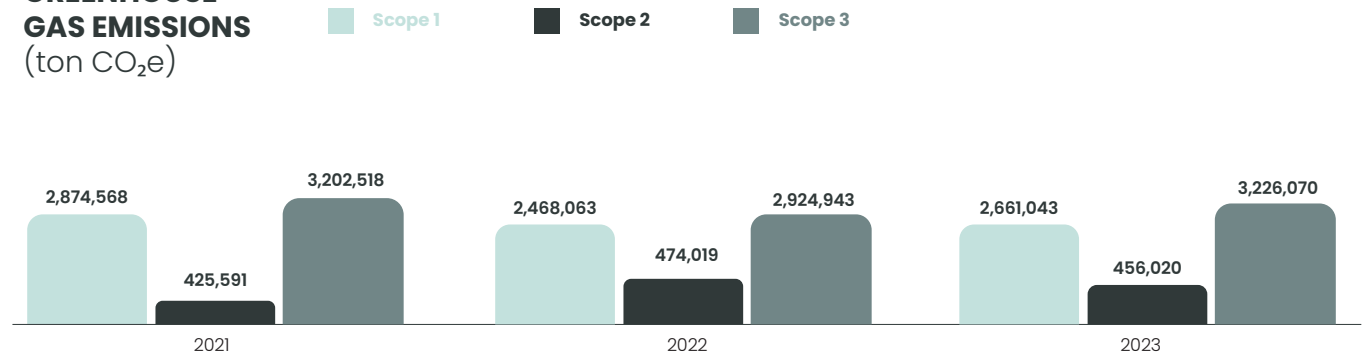


A total of **28,168 MWh of energy** was saved in 2023. Scope2 emission have been reduced **by 4%.**

The calculation of energy consumption and greenhouse gas emissions of Akkök Group companies is based on international standards such as ISO 50001 Energy Management System and ISO 14064-1 Standard for Calculation and Reporting of Greenhouse Gases.

Our group companies, which report greenhouse gas emissions, are audited by an independent organization every year and the amount of emissions is documented with comprehensive assurance.

GREENHOUSE GAS EMISSIONS (ton CO₂e)



*Greenhouse gas emissions resulting from the activities of Akcoat, Akenerji, Akiş GYO, Akkim Kimya, Aksa Akriklik, DowAksa, Sepaş Enerji



ENVIRONMENTAL

Green Strategy Group

The Green Strategy Group aims to strengthen the cooperation between Akkök Holding chemical companies and create common benefits on subjects such as sustainability, circular economy, clean energy, and adaptation to climate change, under the leadership of Akkim Kimya. Accordingly, it is aimed to determine the environmental sustainability strategy and roadmap of Akkök Holding and its group companies and to review their management strategies according to the EU harmonization framework policies.

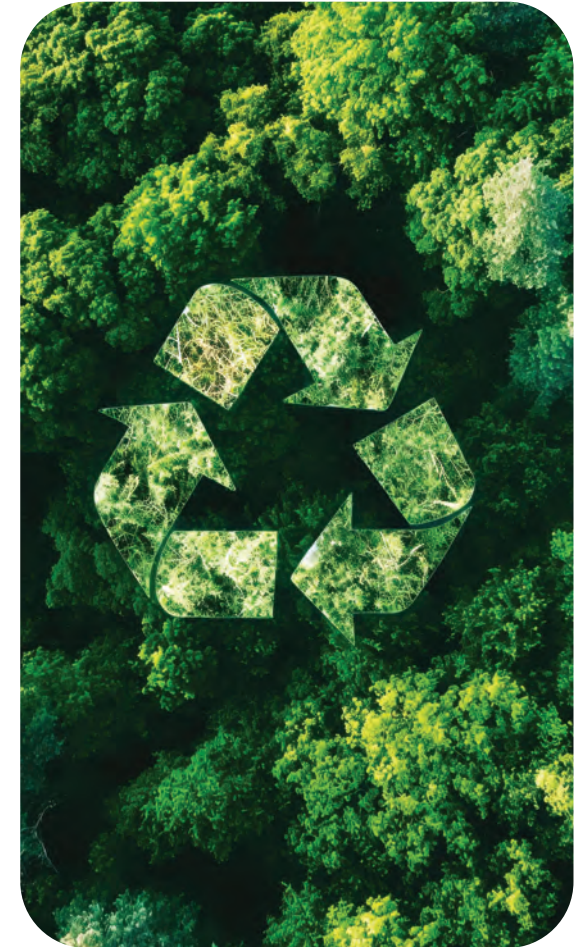
As of March 2022, the Task Force was established as a first in the Holding structures, including a total of 7 companies (Akkök, Akkim Kimya, Akcoat, Aksa Akrilik, DowAksa, Akiş GYO, Akgirişim) and YALKİM OSB, including the sponsors of the management group.

Decarbonization strategy, renewable energy substitution, increasing the reuse of water, corporate risks as part of biodiversity protection ; ETS (Emission Trading System), carbon reduction target, greenhouse gas calculation within the scope of SBTi (Science Based Targets Initiative) ;conversion of existing energy resources to renewable resources / providing

substitutions, use of carbon certificates, circular economy, product initiatives taxonomies constitute the study topics. In line with Akkök Holding's sustainability approach, group companies carry out projects to reduce energy consumption and increase efficiency.

During the reporting period, Aksa Akrilik achieved energy savings of approximately 21,692 MWh/year through energy-saving projects, recovered 66,384 MWh/year of waste heat energy, and reused it in its processes. In 2023, Akkim Kimya achieved energy savings of 1,400 MWh/year.

As part of its operations, Akcoat achieved energy savings of 1,375 MW/h/year in 2023. Concerning savings efforts to use lighting, heating, cooling, and ventilation systems more efficiently in Akbatı and Akasya within the scope of Akiş GYO operations; CO2 temperature reading system integration was commissioned, and existing lighting fixtures were replaced with LED fixtures. Through these efforts, Akasya achieved an annual energy savings of 1,337 MWh, while Akbatı achieved 0.825 MWh in annual energy savings within the same scope.





ENVIRONMENTAL

Akenerji has been participating in the CDP Water Program since 2015 when the program was first implemented in Türkiye. Aksa Akrilik has become **the first company in the chemical and textile industry to receive the ISO 14046 Water Footprint Standard Certificate in our country** with its efforts within the scope of sustainable water management. In 2019, Akkim Kimya started to draw water flows within the ISO 14046 standard; In 2020, it published the "Akkim Water Footprint Inventory Report" by the Water Footprint Standards. Wastewater generated as part of the operations of group companies is discharged following the criteria and methods specified in the regulations.

With a common treatment plant located in the YALKİM Organized Industrial Zone, which was commissioned in 2015, all domestic and industrial wastewater arising from the operations of the group companies are treated together. The water recovered in the facility is raw water in the quality of dam water, and the negative effects on the ecological balance are significantly reduced with the alternative raw water source.

In Akkök Holding and its group companies, waste management practices are carried out by reducing wastes at their source and ensuring their disposal/recycling per the legislation. At Akkök Holding, when group companies want to increase capacity in new investment sites or existing facilities, the Environmental Impact Assessment stages are fully carried out, thus proactively taking measures for the possible negative effects of new projects on biodiversity.

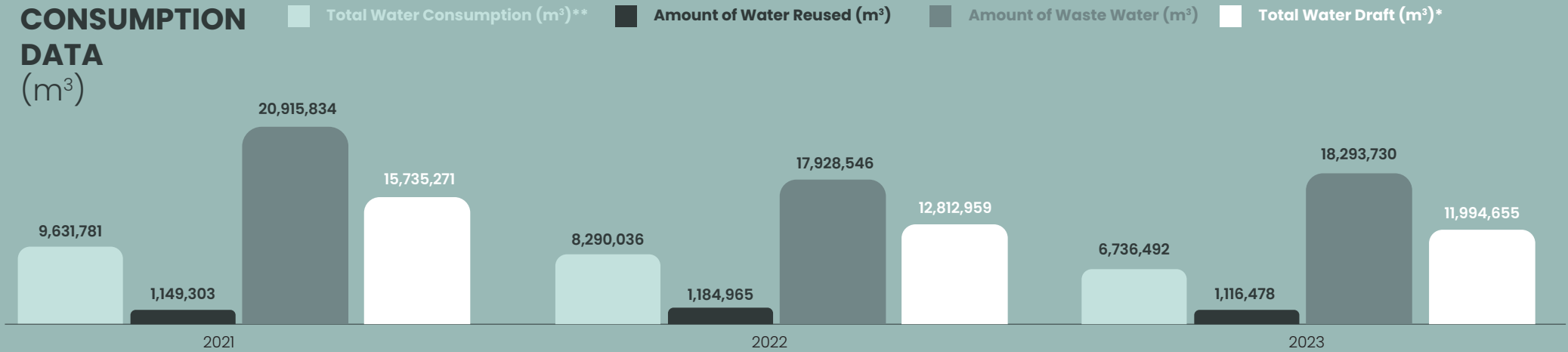
Aksa Akrilik, Akkim, and DowAksa have launched the "Biodiversity Long-Term Monitoring, Evaluation, Reporting, and Consultancy Project" in and around the cumulative impact area of Yalkim OIZ as of 2023. This work is executed under relevant laws and regulations, as well as international standards such as the EU 2030 Biodiversity Strategy and the EU Water Framework Directive.

The project examines the biodiversity components in the Yalova Composite and Chemical Specialized Organized Industrial Zone (YALKİM OSB) and its impact area within a radius of 5 km. 492 species have been recorded in studies by expert academicians. The work will continue for at least 2 years and provide a critical reference point for ecological potential and biodiversity capacity.



*Within the scope of the protection and conscious use of natural resources, which are among the sustainability priorities of Akkök Holding and its group companies, better performance is aimed by implementing many practices, especially **water saving, recycling, and reducing waste** at the source.*

WATER CONSUMPTION DATA (m³)



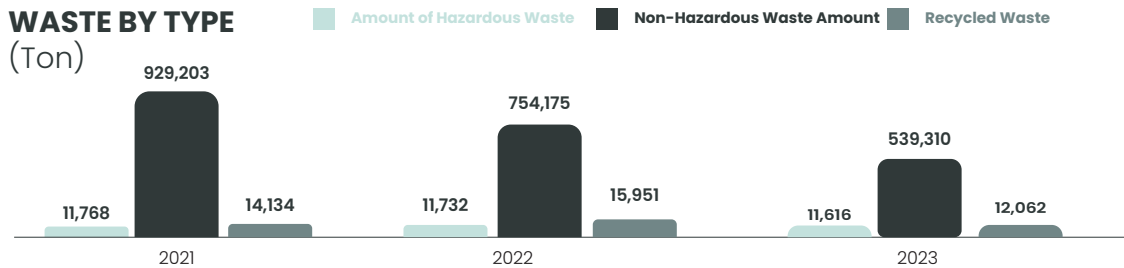
*These are water extraction data for Akenerji's Hydroelectric and Wind Energy plants, referring to water drawn from surface sources and discharged into rivers/streams after use.

**Water data belong to the activity data of Akcoat, Akenerji, Akgirişim, Akkim Kimya, Akiş GYO, Aksa Akrilik, DowAksa, Epsilon Kompozit, SEDAŞ, Sepaş Enerji.

Business Plastics Initiative

Within the scope of the Business Council Plastics Initiative, Akkök Holding and its group companies committed to saving 8.01 tons of plastic in the last reporting period. In line with this commitment, a reduction of 13 tonnes of single-use plastic was achieved during the reporting period, a reduction improvement of 69%.

AMOUNT OF WASTE BY TYPE (Ton)



It includes the amount of waste according to the activity data of Akgirişim companies, Akenerji, Akiş GYO, Akkim Kimya, Aksa Akrilik, DowAksa, Epsilon Kompozit, SEDAŞ, Sepaş Enerji.



PROJECTS



Total water consumption
**decreased by
11%** compared
to the previous year.



The total amount of waste
**decreased by
28%** compared
to the previous year.

SEDAŞ Zero Waste Project

The Project of Using Vegetable Oil Instead of Transformer Oil as Insulation Material in Distribution and Power Transformers was carried out. The oils used in transformers are petroleum-based and imported from abroad. By using vegetable oils in transformers, it is aimed to reduce foreign dependency in this regard.

With the project;

- Reducing lubricant imports in the transformer production sector,
- Increasing the fire resistance of transformers and increasing their safety levels by using vegetable oils in production,
- It is aimed to ensure the use of environmentally friendly products in production. Within the scope of the project, 1 prototype was produced and put into use in the field. As of the moment of installation the transformer did not give any warning. The project received the EPDK Environment Award.

Akmerkez GYO

With the I-REC Certificate, the electrical energy it uses is completely provided by renewable energy sources, resetting its carbon footprint. In the last 5 years, 60% savings have been achieved in total consumption. In 2023, it was awarded the BREEAM IN USE certificate with the Good level. The Terrace Agriculture project has been put into practice.



**TOTAL BUDGET
ALLOCATED TO R&D
AND INNOVATION**

\$6.9 mio
in 2022

\$8.9 mio
in 2023

PROJECTS

Akkim Kimya

The Bio-Based Products Development project aims to minimize the environmental footprint in the sector with the integration of renewable resources, to offer renewable and sustainable alternatives, thus contributing to the company's long-term sustainability goals.

The project's contribution to the Sustainable Development Goals, which aims to provide healthier and more sustainable options to consumers by creating an alternative to using bio-based products and traditional chemicals, is shaped within the framework of zero hunger and climate action and other goals that serve these goals.

The project for the development of bio-based products has pioneered a new era in the sector with the acquisition of products with more than 60% biobased content.

Aksa Akrilik

Innovations that reduce water and energy emission intensity have been increased by maturing all product groups with a perspective focused on sustainability from design to production. It has been awarded certification with ISCC International Sustainability and Carbon Certification.

With Acrycycle, the world's first recycled acrylic fiber brand, 32% less water consumption and 20% less carbon emissions were achieved. The EcoDye branded product, produced using special dyeing technology, consumes up to 72% less water and provides up to 22% less carbon emissions than traditional dyeing methods.

With the Biodegradable Acrylic Fiber project, it was aimed to reduce emissions in the direction of the product by taking emission management beyond operations. We made acrylic fiber biodegradable with a novel and unique technology, and reached a 50% Biodegradable rate in 720 days. Under storage conditions, our test continues with the same product, that is, one out of every two products that go to permanent storage areas will become biodegradable.



-  Human Rights
-  Labor Standards
-  Environmental
-  Anti-Corruption



Anti-Corruption

Principle 10

Businesses must fight corruption in all its forms, including bribery and extortion.



ANTI-CORRUPTION

Akkök Holding and its group companies adopt responsibility, openness, and ethical business standards in all their operations. Along these lines, various measures to prevent bribery and corruption are deeply embedded in the company's core strategies. Akkök Holding fulfills its obligations in the fight against bribery and corruption through effective communication, training, and auditing methods and aims to set an example for its stakeholders in the sectors in which it operates. The rules that group companies should be based on in their relations with all their stakeholders are specified in the "Akkök Group of Companies Business Ethics Principles" document. This document defines the framework for relations with employees, partners, suppliers, customers, dealers, other stakeholders, and the public, and is based on the principles of responsibility, honesty, trust, equality, confidentiality, and compliance with the law.

The "Akkök Group of Companies Code of Business Ethics Principles" sets out the group approach to the risks of legal and ethical non-compliance, including bribery and corruption. To effectively implement these principles in Akkök Group, the Akkök Group of Companies Ethics Committee has been established. This Board consists of the Holding's Audit, Human Resources, and Legal functions and receives support from ethical representatives selected from all companies when necessary.

All stakeholders, especially those working to combat ethical violations, can report policy violations through an Ethics Reporting Line. The Ethics Hotline is managed by an independent and expert organization and operates every day of the week based on confidentiality. The identity information of the notification holders is kept confidential, anonymous notifications are also received and shared with the Ethics Committee only with the permission of the relevant persons. Akkök Holding has undertaken not to take any adverse action against those who report violations to the Ethics Reporting Hotline.

Akkök Holding and its group companies attach importance to communication and training activities to adopt and implement the principles at all levels. These efforts continued during the reporting period. With the audits carried out through the Internal Audit Group, Internal Audit Teams, and independent auditors, the efficiency of the activities is increased, financial reliability is ensured and compliance with laws and regulations is checked. Within the framework of the Group's annual internal audit plan, regular checks are carried out regarding bribery and corruption risks. During the reporting period, no cases of corruption or bribery were detected within the scope of the audits.





Corporate Social Responsibility



CORPORATE SOCIAL RESPONSIBILITY

Increasing the welfare and progress of the regions in which it operates is a fundamental responsibility for Akkök Holding and its group companies. In this context, the aim of creating social benefit goes beyond just a simple understanding of social responsibility and is seamlessly integrated into every aspect of business operations. As a result, the direct and indirect economic values created for stakeholders are further strengthened in areas such as participation in social responsibility projects, infrastructure investments, and support for sports, health, culture, arts, and education. In all community-oriented projects, the active participation of voluntary stakeholders is encouraged.

Being aware that social sustainability can only be achieved with an educated generation, Akkök Holding demonstrates this awareness with the schools it has built and the educational projects it has contributed to. Akkök Holding aims to lead the development of social and cultural life in the regions where it operates. With this goal, it supports corporate social responsibility projects in culture and art.

Akkök Holding is an institution aware that it has achieved its current success with the support it receives from society. For this reason, in addition to carrying out studies for the development of social and cultural life in the regions where it operates, it also sees its support for sports as an important contribution to the development of young generations.

 *Akkök Holding aims to lead the development of social and cultural life in the regions where it operates.*





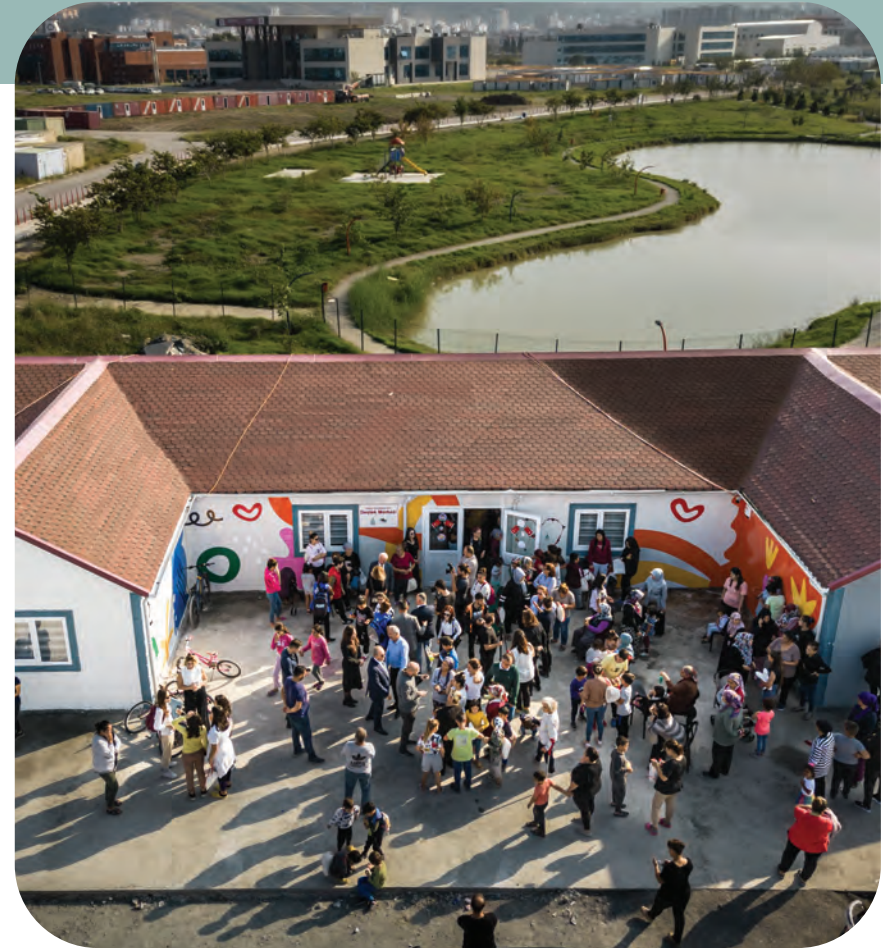
CORPORATE SOCIAL RESPONSIBILITY

İskenderun Support Center

Akkök Holding, in cooperation with the Toplum Gönüllüleri Vakfı (TOG), has launched social and emotional support programs for children, adolescents, and young people for at least 2 years with the support center it established in İskenderun to heal the wounds of the earthquake on February 6. At the center, children and young people affected by the earthquake come together in specially designed workshops.

The support center was installed on a U-shaped area of 360 square meters. In the center, there are workshop areas that children, young people, and adults can use at the same time, libraries, and playgrounds where they can study. With 3 workshop rooms and an activity area in the center, it aims to provide children and young people to socialize and have a special space for themselves.

Art activities such as theater, ecological literacy, sustainability workshops, methods of coping with anxiety and stress, general health education, disaster management and basic measures, non-violent communication, and gender equality are also brought together with children and young people. By using interpreters for every language spoken in the area, the center aims to remove any potential language barriers. Project consultants are made up of individuals who have lived through earthquakes/disasters. Project teams tailor activities to the needs of children and young people.





CORPORATE SOCIAL RESPONSIBILITY

Women's Energy Project

The Women's Energy Project was implemented by Akkök Holding Enerji Group companies Akenerji, SEDAŞ, and Sepaş Enerji to increase women's employment in the energy sector, to empower women socioeconomically and to take more part in the decision-making mechanisms of the energy sector.

The target audience of the project was determined as secondary, high school, and university students, as well as women working in the energy sector. Secondary and high school girls of energy group employees, students at different universities, and all employees working in energy group companies can benefit from the projects, which aim to increase women's employment and support female employees in their career journeys.

By the end of 2023, the "Women's Energy" project, which directly touches approximately 2,000 people, is aimed to be expanded throughout Türkiye with new collaborations.

Sustainable Deposit Impact Report

Akkök Holding, among the first to use the Sustainable Deposit product launched by Akbank in 2023, used its deposits in project support financing. On this occasion, it has created a positive environmental and social impact by supporting renewable energy and SMEs in the earthquake zone. For the coming periods, Akkök Deposits will continue to create a sustainable impact.

The positive effects we have created with our sustainable deposits in 2023;

- Preventing 207 kg of CO₂e greenhouse gas emissions by supporting projects on the Renewable Energy side
- Supporting 7 commercial organizations with earthquake zone financing

You can access the Akbank Sustainable Deposit report here.



Other Awards Won

- Aksa Akrilik received the "Creating Value in the Business Life of the Future" award at the "Peryön Human Value Awards", the only award recognized by the Avrupa İnsan Yönetimi Derneği (EAPM) and organized by the People Management Association of Türkiye (Peryön) with its "4 Days a Week Working" application, which is a first in Türkiye.
- In the TOP100 Talent competition, where the best talents choose the most admired talent programs in Türkiye and 33,775 young people voted among 69 companies this year, the "Akkim Good Future" long-term internship program won the 2nd place in the Production (Industrial Products) category.
- Akenerji won the Silver Award in the Employee Engagement Category at the Stevie Awards.
- Akiş GYO was awarded the "Leadership Special Award" at the 4th EX AWARDS Türkiye Employee Experience Awards with the "Yol Arkadaşım project" implemented to make its employees feel their value within the Company and increase their loyalty whenever they may need it in terms of employee loyalty and satisfaction.



AKKÖK
HOLDİNG

SUSTAINABILITY
PROGRESS REPORT