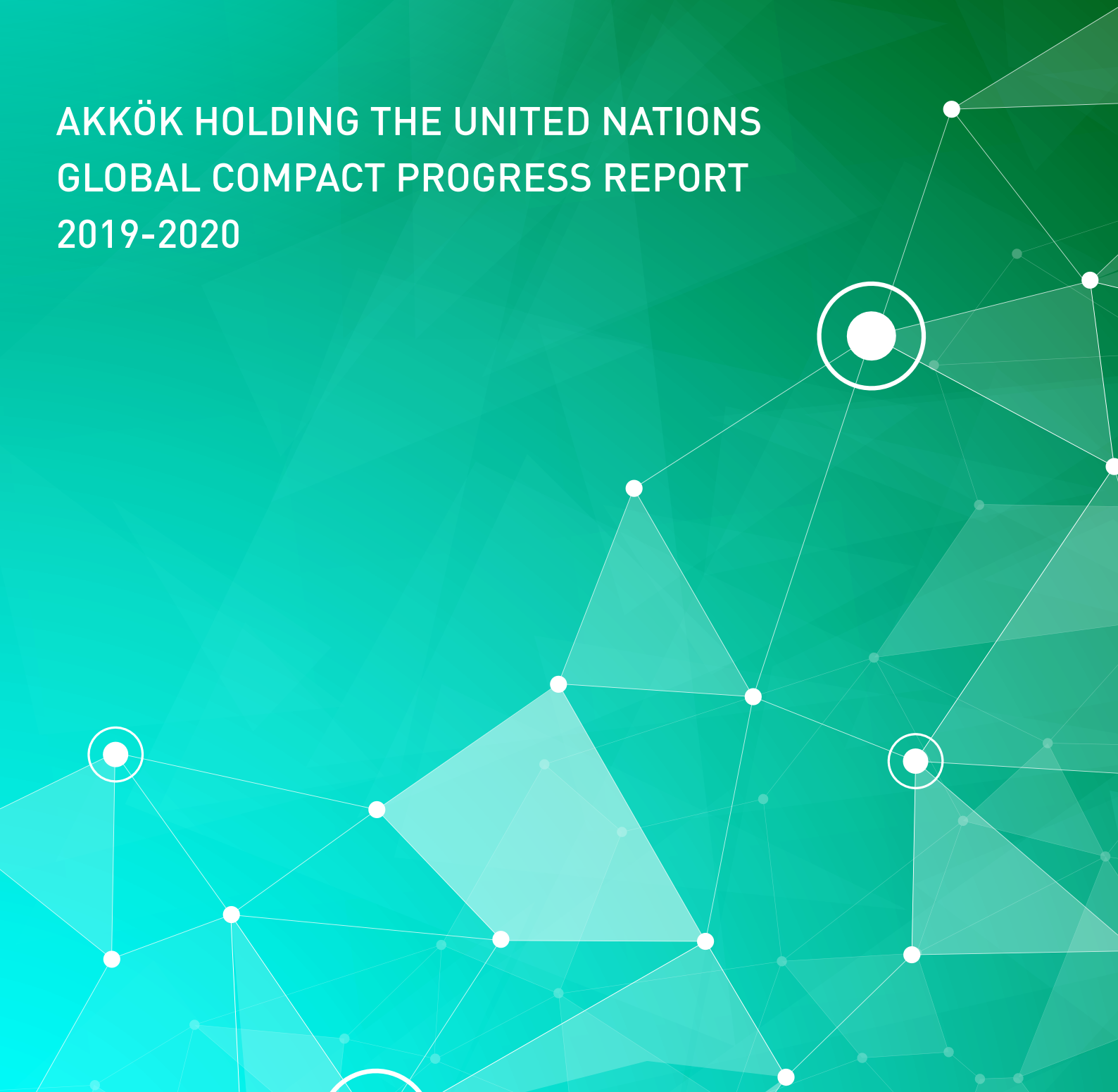




**AKKÖK HOLDING THE UNITED NATIONS  
GLOBAL COMPACT PROGRESS REPORT  
2019-2020**



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### ABOUT THE REPORT

Akkök Holding United Nations Global Compact Progress Report 2019-2020 has been prepared in line with the requirements of the United Nations Global Compact, of which Akkök Holding (Holding) is a party.

The policies, practices and performance results of Akkök Holding and its subsidiaries, in relation to the 10 core principles put forward by the Compact under the headings of "Human Rights", "Labor Standards", "Environment", and "Anti-Corruption" during the period between 01.01.2019 – 31.12.2020 were presented to the views of stakeholders as it is required by the Company's principles of transparency and accountability.

While the consolidated data of Akkök Holding and all its subsidiaries were included for social and financial performance indicators, environmental indicators include data only for subsidiaries carrying out sustainability reporting practices, namely Aksa Akrilik, Ak-Kim and Akenerji. The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines constitutes another reference point for the disclosed performance results.

Please communicate feedbacks, suggestions, questions, and commentaries regarding the report to [surdurulebilirlik@akkok.com.tr](mailto:surdurulebilirlik@akkok.com.tr).

## MESSAGE FROM THE CEO

Dear stakeholders,

COVID-19, which emerged in 2019 and whose effects are continuing, brought us face to face with a serious health crisis as well as a global economic crisis. Global trade volume shrank by 5 percent, while a global contraction of around 3-4 percent is forecast for 2020. As a result of all these crises and uncertainties we have experienced, new flexible business models have come to the fore, focusing on themes such as digital transformation, environmentally sensitive and sustainable production all over the world and in the business world; and we are going through a period when governments and companies need to increase their sustainability commitments.

As Akkök Holding, we increased our combined turnover to 17 billion TL in 2020, which was a challenging year all over the world, and achieved a combined EBITDA of 3.2 billion TL, an increase of 40 percent compared to 2019. In addition, we reached an export figure of 2.9 billion TL and maintained the share of our exports in total turnover. It is a fact that companies that have internalized sustainability and have strong responsible corporate practices managed to overcome this challenging period much effectively. As Akkök Holding, we are successfully managing this challenging process in line with "sustainable development", which we see as one of the basic building blocks of all our strategies for the future. We adopt a people-oriented, tolerant, open to change, critical and creative process management in our organizational structure.

With this report, which we have prepared within the framework of our commitment to the United Nations Global Compact, of which we are a signatory since 2007, we share with you our performance in line with the 10 principles of the Compact. We will continue to maintain this reporting practice, which is a summary of our performance in the relevant headings, in the coming periods as well. With the report we presented, we aim to demonstrate our contribution more effectively to the United Nations Sustainable Development Goals.

In order to strengthen our understanding of management that values people, it is among our priorities to create a participatory work environment where our employees will work happily and productively, respectful of human and employee rights. In this direction, we continued to stand against discrimination and violation of rights during



**Ahmet C. DÖRDÜNCÜ**  
Akkök Holding Chief  
Executive Officer and  
Member of the Board  
of Directors

the reporting period and ensured its audit with our control mechanisms.

Combating climate change and protecting natural resources are among the main issues we attach importance to while continuing our operations. For this reason, we continue our activities with nationally and internationally accepted quality systems, invest in environmentally friendly technologies, and continue to reduce our environmental impact by monitoring and observing environmental performance.

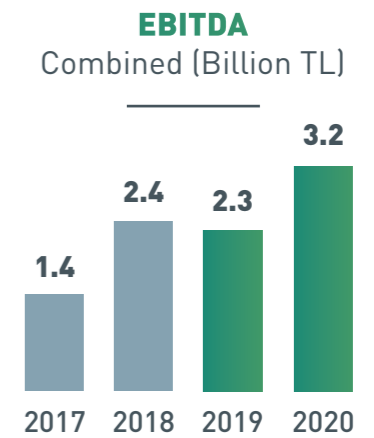
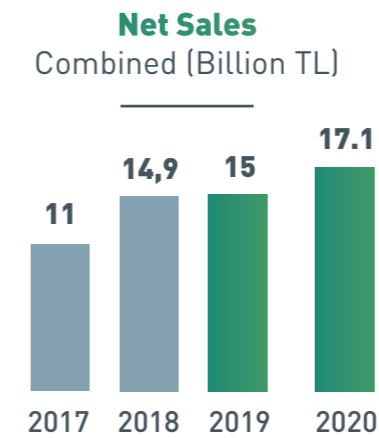
In addition to creating sustainable added value for our stakeholders in the geography where we operate, we continued our projects and practices in the fields of education, culture, art, and sports with the same enthusiasm during the reporting period. We aim to increase our investments and activities in the field of corporate social responsibility in the coming periods.

As Akkök Holding, we owe all the successful results we have achieved to our sustainable business approach and the operations we carry out with precision. I would like to thank all our stakeholders, especially our employees, who supported us in our sustainability journey.

Best regards,

## CORPORATE PROFILE

Founded in 1952 by the late Raif Dinçkök, Akkök Holding is one of Turkey's most established institutions. Operating in the chemical, real estate and energy sectors, the Holding has 20 operational trade and industrial companies, including four abroad, and 19 production facilities. Akkök Holding, which closely monitors foreign markets in the sectors it is involved in, aims to catch up with global competition conditions and reach world standards together with all its companies.



(\* ) Combined values are calculated without being subject to elimination according to the Legal Financial Statements of Akkök Holding and its Subsidiaries, Associates and Joint Ventures.

### CORPORATE MEMBERSHIPS

Global Compact Türkiye	The Institute of Internal Auditors Turkey (TİDE)
Turkish Ethics and Reputation Association (TEİD)	Corporate Governance Association of Turkey (TKYD)
Istanbul Chamber of Commerce (İTO)	Professional Women's Network (PWN)
Foreign Economic Relations Board of Turkey (DEİK)	Business World and Sustainable Development Association (SKD Turkey)
Turkish Industrialists and Businessmen's Association (TÜSİAD)	Women in Technology Association

CHEMICAL	ENERGY
<b>AKSA AKRİLİK</b>	<b>AKENERJİ</b>
It was established in 1968 within the body of Akkök Holding.	Joining forces between Akkök Holding and Czech energy company CEZ Group
Production with a capacity of 330 thousand tons/year with 100% Turkish capital	Representative of foresight and stability in the energy sector
Installed area of approximately 502 thousand square meters	1,224 MW of installed power, 320 MW of which is renewable
Turkey's only acrylic fiber producer	10.2 TWh trade volume in energy trade
<b>AK-KİM</b>	<b>ERZİN NATURAL GAS COMBINED CYCLE POWER PLANT</b>
Production of more than 1,500 products with a total production capacity of 800 thousand tons	Akenerji's biggest investment
Export to 70 countries in six continents	Erzin Natural Gas Combined Cycle Power Plant with an installed power of 904 MW and an annual production capacity of 7.4 Twh
577 employees	A capacity that can meet approximately 3% of Turkey's electricity energy needs on its own was commissioned in the third quarter of 2014.
<b>AKCOAT</b>	<b>SEDAŞ</b>
It was founded in 1979.	24 hours uninterrupted energy distribution service to a population of 3.5 million in a total of 45 districts, 49 municipalities, 766 villages and 1,366 neighborhoods on an area of 20 thousand square kilometers covering the provinces of Sakarya, Kocaeli, Bolu and Düzce.
With an activity area of 60 thousand square meters, of which 30 thousand square meters is closed, it has an annual production capacity of 132,500 tons.	Forward-looking plans and projects by following the technology for quality and reliable electrical energy
More than 400 employees, indirect employment for 1,000 people	Modern business at the speed required by the age
<b>DOWAKSA</b>	<b>SEPAŞ ENERJİ</b>
Joint venture of Dow Chemical Company and Aksa Akrilik Sanayii A.Ş.	Electricity retail company that is the last source supplier of Bolu, Düzce, Sakarya and Kocaeli
One of the strongest companies in the production of carbon fiber and carbon fiber intermediates	Electricity supply service to 4 million people all over Turkey
Integrated carbon fiber composite solutions for industrial sectors, especially energy, transportation, defense and infrastructure sectors	Efforts to take the digitization and customer experience to the next level
The first and only Turkish company operating in the carbon fiber sector	Efforts to transform into a nationally known company with innovative approaches by maintaining its dominance as the market leader in its region

SERVICES	REAL ESTATE
<b>AKMERKEZ LOKANTACILIK</b>	<b>AKİŞ GYO</b>
Atmosphere that combines elegance and comfort at Paper Moon	A product of Akkök Holding's experience and expertise in shopping center investment and management
A city classic among the distinguished brands of the Istanbul food and beverage industry	World class investments. Differentiating projects
World standards in food and service quality	Pioneer of quality and reliability in the real estate industry
Interior design that reflects luxury and simplicity	A wide portfolio offering different real estate investment options such as shopping and living centers, residences, land, and factory buildings
<b>AKASYA KIDS WORLD</b>	<b>AKMERKEZ GYO</b>
Owner of the license rights of KidZania in Turkey, which operates in 20 countries and 26 cities	Innovative perspective, aesthetic and comfortable space
Opportunity for children to take on nearly 100 roles in 65 activity areas according to their skills and interests.	A living center beyond a shopping center
8.000 square meters area location	Vitality in city life with original design and social and cultural activities
<b>AK-PA</b>	<b>AK TURİZM</b>
Export to more than 70 countries in five continents (acrylic fiber, carbon fiber, inorganic and organic chemicals, and frit)	Tourism investments planned in Kaşık Island, which has an important investment potential with its city center location
Brand strength in the market with fiber and yarn group products (polyester, polyamide, viscose, cotton)	Cultural and tourism opportunities for city residents away from city noise
Among the leading exporting companies in the field of textiles in Turkey	Attentive approach to the city's needs, environmental and social conditions
<b>AKTEK</b>	<b>DİNKAL</b>
The most contemporary applications in information technologies	Among the preferred companies in the insurance industry
Applications to keep the technological infrastructure of group companies up to date	Potential to serve in all insurance branches
One of the leading brands in the IT industry	Creative solutions for each customer, specific to their industry
High service standards and customer satisfaction	High quality service standard





Akkök Holding's corporate governance approach and structure, shaped by the principles of transparency and accountability, are at the heart of its success. This understanding and structure focused on sustainable growth and aiming to create value for all stakeholders has been maintained for more than 65 years.

Akkök Holding's corporate governance structure includes the Board of Directors and the Executive Board. The Board of Directors consists of 8 members, and the Executive Board, under the consultancy of the Chairman of the Board of Directors, has a total of 7 members, 3 of which are representatives of the companies they are responsible for. The Chairman of the Executive Board is also the CEO of the company. The CEO is responsible for all activities of Akkök Holding and reports to the Board of Directors. 50% of Akkök Holding Board of Directors members and 29% of Executive Board members are women.

Akkök Group companies comply with laws and regulations in all geographies where they operate. In this direction, while ensuring compliance with internal audit and control mechanisms, risks that may endanger the existence and future of the Holding are identified through the corporate risk management program, relevant actions are taken, and business strategies are structured.

All subsidiaries of Akkök Holding adopt the corporate governance approach. Akkök Holding subsidiaries included in the Corporate Governance Index are evaluated

every year under the main headings of "Shareholders", "Public Disclosure and Transparency", "Stakeholders" and "The Board of Directors" within the framework of the Capital Markets Board (CMB) Corporate Governance Principles.

In 2019, Aksa Akrilik Kimya Sanayii A.Ş. increased its Corporate Governance Rating from 9.70 to 9.72, winning the second prize. It has been among the "Top Three Companies with the Highest Corporate Governance Rating" for the last four years in a row at the Corporate Governance Awards organized by the Turkish Corporate Governance Association.

A score of 9.72 was preserved in 2020, and it received the "2nd Company with the Highest Corporate Governance Rating" award at the 11th Corporate Governance Awards. Aksa Akrilik was also awarded the "Boards Empowered by Women Award" in 2020.

Akiş REIT raised its Corporate Governance Rating, which was determined as 9.54 in 2018, to 9.62 as of the end of 2019. In 2020, the Corporate Governance Rating was measured as 9.63. With this rating, it managed to maintain its position as the company with the highest Corporate Governance Rating among real estate investment trusts and construction companies.

You can find detailed information about Akkök Holding's Board of Directors and Executive Board on page 20-21-24-25 of the 2020 Annual Report.

## SUSTAINABILITY MANAGEMENT

Creating long-term value for all stakeholders and minimizing the negative effects of business processes is the basis of Akkök Holding's corporate sustainability approach. By informing all subsidiaries about the sustainability approach, projects that create added value in social, environmental, and economic fields are accomplished in the light of corporate policies and targets.

Within the scope of sustainability management, Akkök Holding presents its activities to the views of its stakeholders through annual reports, in accordance with the titles and principles of the United Nations Global Compact signed in 2007.

Akkök Group companies regularly share their developments in the fields of corporate governance and sustainability management with their stakeholders in line with the principles of transparency and accountability. While Aksa Akrilik, Akenerji and Akiş REIT publish annual reports, Aksa Akrilik and Akenerji publish sustainability reports annually, and Ak-Kim every two years, which also have the feature of being a Progress Report for the "United Nations Global Compact". While Akiş REIT published its first sustainability report in 2020, it also completed the necessary applications in 2019 to become a participant of the UN Global Compact, the world's largest corporate sustainability initiative. 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. In 2020, Aksa Akrilik's first Integrated Report was shared with the public. All reports can be accessed from the corporate websites of the subsidiaries.



**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

Akkök Holding continues its activities with a business manner that adheres to high business ethics values, has an accountable, transparent, and fair management approach, aims to fully comply with laws and regulations, and supports universal human rights principles. The human rights of employees and business partners at the Holding are protected within the framework of the Universal Declaration of Human Rights and the relevant articles of the UN Global Compact.

Akkök Holding does not discriminate against religion, language, race, political view, or gender in its relations with all its stakeholders. The basis of Akkök Holding's human rights approach is to communicate effectively with stakeholders, to learn about their expectations, to observe their rights and to organize their activities accordingly. In the audit practices carried out within this scope, evaluations regarding human rights principles are carried out for suppliers and subcontractors in Akkök Holding and Group companies. Various trainings are organized to develop suppliers on human rights.

All Group companies within the Holding prevent their suppliers and subcontractors from employing children and uninsured workers. When a non-compliance is detected in the supply chain that does not comply with the clause of not employing children and uninsured workers in the

procurement contracts, suppliers are warned, and purchasing is stopped until the non-compliance is corrected.

Akkök Group of Companies Business Ethics Principles is a guide that includes Group policies regarding business ethics rules and guides all stakeholders, especially employees, in business ethics rules.

Trainings are organized and communication studies are carried out to raise the awareness of employees on human rights throughout the Group. During the reporting period, Ak-Kim employees received 243 person\*hour, and Akenerji employees 718 person\*hour business ethics training, including human rights.

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 policy-making document of the Holding and its subsidiaries in this area. This Policy sets forth the principles regarding personal data processing and the protection of personal

You can access Akkök Group of Companies Business Ethics Principles at <https://www.akkok.com.tr/Files/akkok-is-etigi.pdf>.

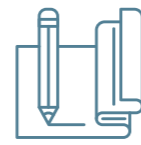
data, carried out by Akkök Holding in accordance with the law. Thus, the Holding protects the personal data of customers, company partners, officials, visitors, employees, and officials of cooperating institutions, as well as third parties.

In order to ensure data security, information security practices are constantly improved in the Holding and its subsidiaries.

You can access the Akkök Holding Personal Data Protection and Processing Policy at <http://www.akkok.com.tr/Files/KVKK.pdf>







**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labor;

**Principle 5:** the effective abolition of child labor; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

Akkök Holding considers its employees as its primary stakeholder and most valuable capital. In this respect, it is one of company's corporate priorities to offer its employees a democratic, participatory, human-rights-oriented, and human-oriented work environment.

While adopting the principle of providing equal opportunities for everyone in all business processes with its Human Resources Policy, Akkök Holding adopts a proactive attitude against discrimination. It is aimed to create a more democratic working environment by encouraging various communication processes to increase the participation of employees in decision-making processes.

Akkök Holding adopts the principle of equal pay for equal work without discrimination in line with its wage policy in all its companies.

Thus, the base salaries do not change according to gender, and only the performance and competencies of the employees are considered in the remuneration and promotion practices. Women employees are supported to take place in managerial positions. During the reporting period, there was no case of discrimination within the scope of the operations of Akkök Holding and Group companies.

At Akkök Holding and Group companies, employees' right to organize and collective bargaining are respected. With these practices, it is aimed to continuously improve working conditions and to ensure employee welfare.

The approach of Akkök Holding and Group companies on human and employee rights maintains its influence in the supply chain as well. During the reporting period, there were

SEDAŞ is running the "Forget the Gender" Project on gender equality and equal opportunities, which gained momentum in 2019. Within the scope of this project, it signed the United Nations Women's Empowerment Principles (WEPs) and undertook its determination and support on this issue.

no cases of child labor or forced labor within the operations of Akkök Holding and Group companies, and no activity bearing a risk regarding these issues in the supply chain.

Akkök Holding and Group companies have suggestions gathering and evaluation practices that collect active feedback and ideas from employees. Employees' feedback is actively evaluated, and the suggestions are put into practice. Thus, active participation of employees in decision-making mechanisms is supported and a participatory working environment is created. During the reporting period, 413 of the 1,361 suggestions submitted by Akxa Akrilik, Ak-Kim and Akenerji employees from Group companies were implemented.

Akkök Holding is aware of the importance of the role of qualified employees in achieving its long-term goals. With this understanding, training opportunities are offered to Akkök Holding and Group companies where employees can increase their competencies and improve themselves. During the reporting period 68,708 person\*hours of training were provided to Akxa Akrilik employees, 1,249 person\*hours to Akenerji employees and 18,091 person\*hours to Ak-Kim employees.

During the reporting period, projects and activities were carried out to increase the loyalty of employees of Akkök Holding and Group companies, to strengthen their motivation and to enrich their competencies. Ak-Kim Campus practice was implemented in 2019 in order

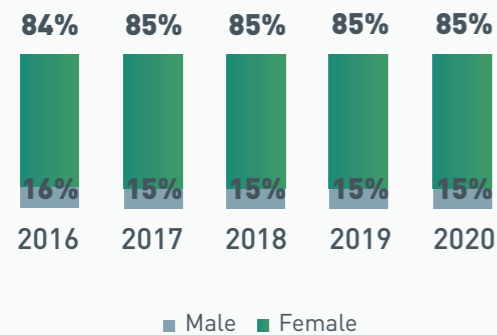
to recruit competent employees in line with company strategies. Within the scope of the project, the trainings were designed by coming together with all departments and setting benchmarks with various companies. More than 100 trainings were held under the Technical Faculty, Sales Faculty and Leadership Faculty. A reward and appreciation culture have become widespread with "Ak-Kim People at the Top" in order to appreciate the efforts of Ak-Kim employees.

In order to make internal communication more transparent at Akxa Akrilik, the Employee Handbook was published in 2019, following the Manager Handbook prepared for managers in 2018. With the Employee Handbook, it is aimed to deliver company-wide practices to all employees and to make the answers to the problems more accessible.

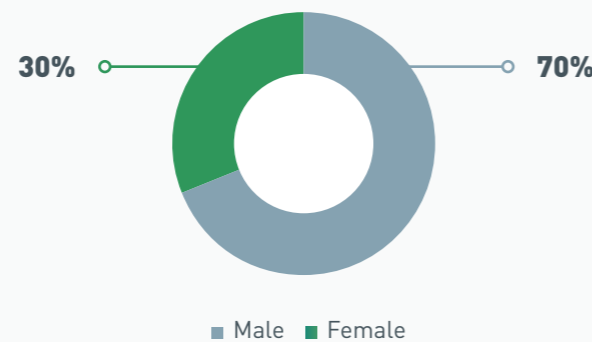
### Yıldız Akköklüler

The aim of the Yıldız Akköklüler award program is to recognize and appreciate successful projects in the Group companies and its employees who implement them, to increase the solidarity within the group, to contribute to the learning organizational culture, to encourage and maintain successful works in line with our group's strategies. Award evaluations are carried out once a year. The system is based on nominations for Award categories. Yıldız Akköklüler rewarding system consists of the categories of Sustainability, Collaboration Development, Operational Excellence, Entrepreneurship and Innovation.

### Total Number of Employees by Gender



### Executive Level Employees (GM+Senior+Mid Level Manager)



### Akenerji Receives 5 Awards in Stevie Awards

Akenerji was deemed worthy of awards in 5 different categories in the Stevie Awards in 2020. Competing in the “The Stevie Awards for Great Employers” category, it won the bronze award in the “Most Valuable HR Team” category, and the silver award in the “Most Valuable Employer” category, thanks to its human resources efforts to combat the COVID-19 epidemic.

At the Stevie Awards 2020, which was held for the first time in the MENA region, Akenerji was awarded the bronze award in the categories of “Innovation in Human Resources Management, Planning and Implementation” and “Innovation in Living, Learning and Working Environment” with its Akenerji Power Plant Operation and Management Course project. Also, it won the bronze award in the category of “Innovation in Life, Learning and Working Environment” with its Employer Value Proposition Project.

### Akenerji Employer Value Proposition

With the studies that started in the Akenerji Employer Value Proposition project in 2019, processes such as training development, talent management, recruitment, relations with universities and social responsibility activities were reviewed and redesigned in line with the employer brand. With the project, it is aimed not only to increase the awareness of employees and potential candidates about Akenerji, but also to ensure that employees adopt Akenerji culture and increase their loyalty. With leadership trainings designed as a development journey, the renewed values were transferred to all employees from senior management to expert level.

As a result of the project, Akenerji increased its recognition as an employer brand and received 7 times more applications for recruitment compared to previous years. In addition, positive feedback was received from the employees as a result of innovative practices within the company.

### Ak-Kim Campus E-Learning Practices

The Ak-Kim Campus project, which was implemented in 2019, has been developed and the e-learning model started in 2020. With this e-learning model, which is supported by many online activities such as virtual classrooms, self-learning, and online seminars, it has continued to contribute to the professional development of employees during the pandemic period.

### GREAT PLACE TO WORK

At Aksa Akrilik and Ak-Kim, employees’ feedback on the working environment is received within the scope of the “Great Place to Work”-Confidence Index, and important inputs are obtained for their performance in this area. The companies, which receive the evaluations of their employees through the surveys conducted every three years under the titles of “Trust”, “Respect”, “Justice”, “Pride” and “Team Spirit”, identify areas of improvement and development, and implement the relevant practices.

### Sen de Bizdensin (You Are Also One of Us)

In Akiş REIT, the “Learn More, Make a Difference” Training and Development Program was put into practice in 2019 with the motto “You Are Also One of Us” designed for the development of subcontractor employees. The Training Program was held between January 24 and December 12, 2019, 80 days, 550 hours of training were provided in total, and 404 subcontracted blue-collar employees were supported. The program continued in 2020 as well, and within the scope of the training program, 391 employees participated in the face-to-face and mainly online trainings in accordance with the social distance, mask and hygiene rules, and a total of 290 hours of training was held for 58 days.







**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

Climate change and the rapid depletion of natural resources pose serious threats worldwide. The support of the business world in the fight against these environmental risks is of great importance in terms of sustainability. In this context, minimizing environmental impacts, effective use of natural resources, efficient waste, energy and emission management are aimed in all activities of Akkök Holding and Group companies. All operations in Akkök Holding and Group companies are carried out within the framework of national and international quality systems; environmentally friendly materials and technology are used, and it is aimed to continuously improve environmental performance by monitoring.

Akkök Environment Committee is the highest position responsible for ensuring environmental sustainability throughout the Holding. In addition to determining the strategies, the committee also spreads and integrates the determined key performance indicators throughout the Group. The Environment Committee works to expand this understanding in the value chain by meticulously following the environmental targets determined in line with the strategy in all Group companies.

In addition, regular environmental trainings are offered to the employees of Group companies in order to increase environmental sustainability awareness among employees and to improve environmental protection awareness. During the reporting period, 865 person\*hour of

environmental training was provided to Ak-Kim employees, 1,816 person\*hour to Akxa Akrilik employees, and 445 person\*hour to Akenerji employees.

During the reporting period, Akxa Akrilik spent **1.3 million dollars**, Ak-Kim **10,533,266 TL** and Akenerji **1,570,575 TL** for environmental protection and investment.

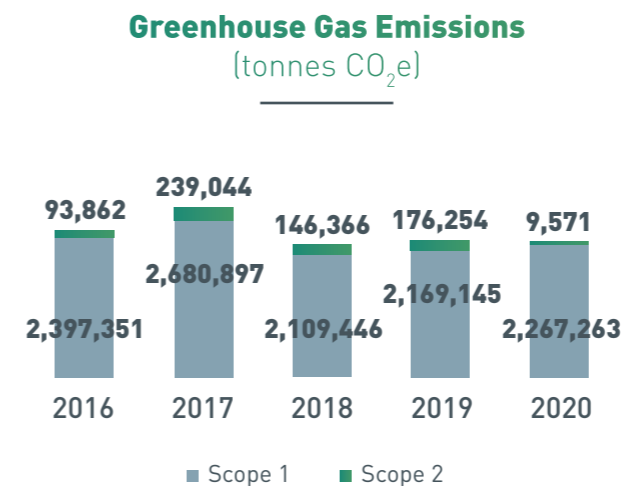
The issue of combating climate change is among the leading sustainability priorities of Group companies. In this context, Group companies act in line with Akkök Holding's management approach and continuously improve their performance in this area by focusing on efficient energy and emission management practices. Applications 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. Group companies that are within the scope, Ak-Kim, Akxa Akrilik and Akenerji fulfill the requirements of ISO 14001, ISO 50001 and 14064-1 standards. Ak-Kim and Akxa Akrilik also have ISO 14046 Water Footprint Standards Certificate.

Ak-Kim signed the Responsible Care Commitment and became one of the first companies to implement the program. Akxa Akrilik was awarded the CDP (Carbon Disclosure Project) Water Leader Award in 2020.

Akenerji's 2020 CDP Climate Change report was rated at B- "Management" level above the European and Global Average "C", and 2020 CDP Water report was rated at B- "Management" level.

The greenhouse gas emissions of all Group companies are audited by an independent organization every year and the amount of emissions is documented with comprehensive assurance. International standards such as ISO 50001 Energy Management System and ISO 14064-1 Standard for Calculation and Reporting of Greenhouse Gases are taken as basis in the calculation of energy consumption and greenhouse gas emissions of group companies.

The realizations of Scope 1 and Scope 2 emissions resulting from Akxa Akrilik, Ak-Kim and Akenerji activities in the reporting period are listed below.



\* Ak-Kim is not included in the greenhouse gas emission calculations for 2020.

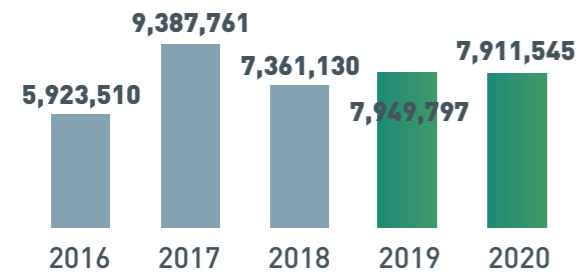
Group companies carry out projects to reduce energy consumption and increase efficiency in line with Akkök Holding's sustainability approach. During the reporting period, Akxa Akrilik saved an average of 10,082,338 kWh/year in energy, and at the same time, more than 1 million tons of water was saved annually through recycling projects.

Ak-Kim replaced the instruments used in the facilities with their environmentally friendly counterparts in 2019, saving a total of 4,682,000 kWh of energy. In addition, all lighting fixtures within Ak-Kim were replaced and their consumption values were halved. In 2020, with the "Increasing Electrical Efficiency in the Sodium Persulphate Plant" project, a total of 1,700,000 kWh of electricity was saved and efficiency was achieved compared to other years. The reason for the increase in steam and natural gas energy consumption compared to 2019 is due to the increase in tonnage in the production of performance chemicals and organic facilities.

With the gradual introduction of hybrid vehicle technology, implemented by Ak-Kim in 2019, an emission reduction of 9.9 tons was achieved.

Emissions at Akenerji decreased by 19% in 2019 compared to the previous year. Due to the increase in the amount of renewable energy in all power plants, natural gas consumption-based energy production has decreased, and 251,011 tons of CO<sub>2</sub>-e reduction has been achieved in emissions. In addition, 76,170 kWh of energy was saved at Feko 1 HEPP in 2020 compared to the previous year, and electricity consumption decreased by 17%. Akenerji contributed 550 thousand trees to nature thanks to the emission reduction certificates of 570 thousand tons, which it sold in 2020.

### Total Water Consumption (m<sup>3</sup>)



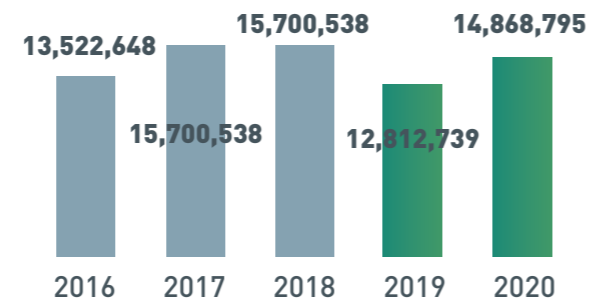
Within the scope of the protection and conscious use of natural resources, which are among the sustainability priorities of Akkök Holding and Group companies, many practices such as water saving, recycling and reducing waste at source are implemented and better performance is targeted in the relevant context.

In order to reduce the amount of plastic waste in Akkök Holding Akhan Campus, the use of plastic water bottles was minimized in 2019 and glass bottles were used. With the encouragement of the employees, there was a 93% reduction in the use of plastic bottled water.

Akenerji has been participating in the CDP Water Program since the program was first implemented in Turkey in 2015.

Aksa Akriklik became the first company in the chemical and textile industry in our country to receive the ISO 14046 Water Footprint Standard Certificate, with its activities within the scope of sustainable water management. In 2019, Ak-Kim started to draw water flows within the scope of

### Total Water Discharge (m<sup>3</sup>)

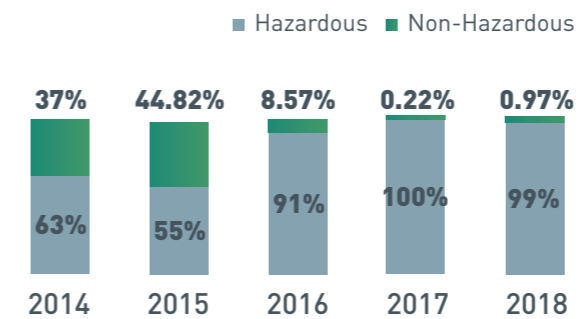


ISO 14046 standard, and in 2020, "Ak-Kim Water Footprint Inventory Report" was published in accordance with the Water Footprint Standards.

Wastewater generated in group companies' operations is discharged in line with the criteria and methods specified in the regulations. All domestic and industrial wastewater originating from the operations of the group companies are treated together with a joint treatment plant located in the YALKİM Organized Industrial Zone, which was commissioned in 2015. The water recovered at the facility is raw water of dam water quality, and the negative effects on the ecological balance are significantly reduced with the alternative raw water source.

Wastewater discharge values of Akenerji belong to Erzin Natural Gas Combined Cycle Power Plant, which discharges deep sea to the Mediterranean. Since the Cooling Tower Total Feed Counter gave an error in 2016 and 2017, the calculations were made again, and the data was updated according to the assumption that the cooling tower bluff was 25% more than the water balance design values.

### Amount of Waste by Type (tons)



Waste management practices in Akkök Holding Group companies are carried out by reducing waste at its source and ensuring its disposal/recovery in accordance with the legislation. Aksa Akriklik aims to minimize the use of natural resources with Acrycycle, a fiber produced by recycling waste generated during production processes. At Aksa Akriklik, 37% of non-hazardous waste was recycled in 2019.

The reason why the total amount of non-hazardous waste of Aksa Akriklik and therefore Group companies is high in 2020 is due to the disposal of wet plaster.

At Akkök Holding, when the Group companies want to increase capacity in their new investment sites or existing facilities, the Environmental Impact Assessment stages are fully implemented, thus proactive measures are taken for the possible negative effects of new projects on biodiversity.

In the reporting period, a total of **2,222,728** tons of waste was recovered/reused, **714,058** tons of which is hazardous and **1,508,671** tons of which is nonhazardous.





### CDP Climate Change and Water Program

Aksa Akrilik shares climate change strategies and emission management practices within the scope of the Carbon Disclosure Project (CDP), which it has been involved in since 2018.

Aksa Akrilik was raised to the “B (Management)” level within the scope of the CDP Water Program in 2019, and its grade was measured at the B- level within the scope of Climate Change. Aksa Akrilik upgraded its climate change rating to B level in 2020, while raising its water program rating to A-, and was awarded the CDP Turkey Water Leader Award.

Akenerji has been participating in the CDP since 2011 and the CDP Water Program since 2015, when the program was first implemented. Within the scope of CDP Climate Change, Akenerji increased its report performance score from “C (Awareness)” to “B (Management)” in 2019, reaching a performance above the European average of C. In the CDP Water reporting, the B level, which is a score both on a global scale and on a sectoral scale, has been achieved.

Akenerji’s 2020 CDP Climate Change report was rated at B- “Management” level above the European and Global Average, and 2020 CDP Water report was rated at B- “Management” level.

### Ak-Kim Online Monitoring of the pollution load of wastewater (COD) Project

Ak-Kim launched this project in order to quickly detect the wastewater pollution load (COD) in Northern and Southern Ak-Kim by online monitoring instantly and to ensure that necessary measures are taken. In the project, it is aimed to reduce the pollution by intervening in cases where the wastewater pollution exceeds the limit values determined after the measurements, and to increase the treatment efficiency by preventing the sudden peak increases to the common treatment in this context.

### SPC Facility - Conditioning Discharge Air

In the project, which started at Ak-Kim in 2019, it is aimed to prevent the clogging of the moisture-sensitive granules in the system by conditioning the discharge air, thus increasing the capacity by staying in operation for a longer time and reducing the facility washings required during the year. It is expected that the amount of wastewater going to treatment will also be reduced by reducing the water consumption required for washing. 700 tons/year capacity increase and 540 m3/year water savings are expected benefits from the project. More information can be found on page 36 of the Ak-Kim 2018-2019 Sustainability Report.

### Wastewater and Rainwater Infrastructure Modernization

In the project, which started in 2018 at Ak-Kim and completed in 2019, it is aimed to improve the existing wastewater and rainwater infrastructure system, to meet the infrastructure needs by considering future needs, to save energy, to reduce the number and duration of maintenance, and to prevent potential environmental pollution. As a result of the project, the mixing of rainwater and industrial wastewater was eliminated, thus reducing the flow load of the common wastewater treatment plant. The occurrence of environmental accidents caused by wastewater and rainwater has been prevented. With the renewed wastewater and rainwater infrastructure system, 32 kWh of electricity was saved. Detailed information can be found on page 39 of the Ak-Kim 2018-2019 Sustainability Report.



### Northern Ak-Kim Cooling Water Booster Pump Replacement

After it was determined that the need for pressurized cooling water in Northern Ak-Kim was only necessary for the Methylamines Plant, the pump pressurizing all Northern Ak-Kim cooling water was taken to by-pass and a booster pump with a driver was provided only for the Methylamines Plant. Thus, 840,000 kW of electrical energy was saved annually. The system, which was commissioned in January 2019, provided approximately 55,000 USD in benefits throughout 2019.

### Hybrid Vehicle

With the introduction of Hybrid vehicle technology at Ak-Kim, natural resource usage, CO2 emissions and fuel costs have been reduced. In 2019, a total of 31,403 TL fuel savings were achieved with a reduction of 9.9 tons in emissions and a fuel consumption of 5,366 liters. It is foreseen that the application will be widespread in the next 4 years.

Since 2019, Hybrid vehicle technology has been put into use at Aktek, reducing the use of natural resources, CO2 emissions and fuel costs. Thanks to this technology, an annual fuel saving of 40% was achieved in the vehicles used within the company.



**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

Akkök Holding and Group companies adopt the principles of accountability, transparency, and ethical trade in all business processes. In this respect, anti-bribery and anti-corruption are included in the basic strategies of the company. Akkök Holding and Group companies fulfill their duties in the fight against bribery and corruption through effective communication, training and audit practices in this area. Thus, it aims to set an example for the sectors in which it operates and its stakeholders.

The rules that group companies should base on in their relations with all their stakeholders are included in the "Akkök Group of Companies Business Ethics Principles" document. The document defines the framework in the relations of the Holding and Group companies with their employees, partners, suppliers, customers, dealers, other stakeholders and the public, and adopts the principles of responsibility, honesty, trust and equality, confidentiality and compliance with the law. The Principles define the Group's approach against the risks of legal and ethical non-compliance, including bribery and corruption.

Akkök Group of Companies Ethics Committee is the organizational structure required for the Holding to effectively implement the Business Ethics Principles. Consisting of ethical representatives elected from all companies, the Board operates in line with the Akkök Group of Companies Ethics Committee Working Regulations.

In order to combat ethical violations, an Ethics Hotline has been established for all stakeholders, especially employees, where they can report violations of principles. The Ethics Line is managed by an independent organization that is expert in its field.

You can access the Akkök Group of Companies Business Ethics Principles at <https://www.akkok.com.tr/Files/akkok-is-etigi.pdf>.

On the line operating on a confidential basis and every day of the week, the identity of the notification owners is kept confidential and can be shared with the Ethics Committee upon the permission of the relevant persons. Akkök Holding has committed that no adverse action will be taken against persons who report violations to the Ethics Line.

Akkök Holding Group companies attach importance to communication and training practices in order to adopt the principles at all levels of the companies, to accept them as a fundamental and indispensable corporate value and to implement them. These studies continued during the reporting period.

Akkök Holding's Internal Audit Group carries out controls in various areas, particularly in increasing the efficiency of operations, ensuring financial reliability, and compliance with laws and regulations, through the audits it carries out with Internal Audit Teams and independent auditors. Regular controls regarding bribery and corruption risks are carried out within the framework of the annual internal audit plan created by the group. During the reporting period, there were no cases of corruption or bribery detected within the scope of the audits.

One of the main responsibilities of Akkök Holding and Group companies is to increase the welfare and development of the regions in which they operate. In this direction, the goal of creating social benefit is not limited to social responsibility but is included as a part of all operations. Thus, the direct and indirect economic values created for the stakeholders are supported by social responsibility projects, infrastructure investments, contributions in the fields of sports, health, culture, art and education. Voluntary stakeholder participation is essential in all social projects and employee volunteerism is encouraged in activities.

## Support in Education

Akkök Holding believes that sustainable social development can be achieved primarily with the support given to education, and it supports the education of young generations in an informed, conscious and sensitive manner with the education projects it carries out in this direction. Having built schools in various regions of Turkey, especially in its operating region, the Holding also provides infrastructure support to universities. Raif Dinçkök Primary School (Çerkezköy/Tekirdağ), Aksa Vocational and Technical Anatolian High School (Yalova), Güzin Dinçkök Primary School (Maltepe/İstanbul), İSOV Vocational Training Center and Social Facilities, Dinçkök Anatolian Technical High School (Zincirlikuyu/İstanbul) and Güzin Dinçkök Primary School (Van) are among the schools the Holding has built so far. In addition to these projects, the Holding undertook the construction of the rectorate building of Yalova University and the Maslak Dormitories of Istanbul Technical University.

Support for Koç University Anatolian Scholars Program, which was started in 2011, continued in the reporting period, and 2 students were given scholarships in 2019 and 2020.

Aksa Akrilik started the construction of a new technical high school in 2020 in Çakallarbayırı, a district of Çiftlikköy, to be completed in three years. The technical high school, whose construction was undertaken by Aksa Akrilik and designed considering all the requirements of vocational education, is expected to include the latest innovations brought by the age. The high school, which will be built on an area of 5,270 m<sup>2</sup>, is planned to host 24 classrooms, 2 laboratories, 1 library and a 942 m<sup>2</sup> indoor sports hall.

## HEPP Information Trainings

Within the scope of the Environmental Protection, Safety and Warning Systems Guidelines for Energy Purpose Facilities, Akenerji provides training sessions on the hazards of hydroelectric power plants to the village residents and school students in the regions where the hydroelectric power plant is located; and informs the public in order to prevent possible loss of life and property by hanging posters at common points such as mosques, schools and local authority's offices. As a result of the trainings held every year since 2013, a total of 9,137 students and 543 teachers were trained in 2020, and 666 brochures and 69 posters were prepared. It is aimed to continue the studies on raising awareness of the local people by holding HEPP Information Trainings in the following years.

### Awareness and Sign Language Workshop / Wish Tree Project / Listen to My Silence Project

In 2019, as part of the International Day of Persons with Disabilities, at Akenerji in cooperation with the Child Education Association, which was established to ensure that hearing impaired individuals receive high-quality education, an awareness and sign language workshop event was held for employees in order to communicate correctly with hearing-impaired individuals. With the Wish Tree Project carried out with the Child Education Association, Akenerji employees made the New Year's wishes of 81 hearing-impaired children come true, the association was visited, and the gifts were presented to the children. In addition, the playground of the Child Education Association was renovated by Akenerji.

Children in need of education are supported on behalf of Akenerji employees, by making donations to the Child Education Association as personalized birthday gifts to celebrate the birthdays of Akenerji employees.

### Akasya Shopping Mall & Community Volunteers Foundation (TOG) Collaboration

Within the scope of the "Akasya and TOG Light the New Year with Youth" project implemented in cooperation with TOG and Akasya Shopping Mall in 2019 and 2020, unlike the previous years, Akasya was illuminated with the hope created by the social responsibility projects carried out by the Community Volunteer youth all over Turkey, instead of traditional Christmas decorations. While the Christmas themed decorations special for the cooperation were created by the guests of Akasya in the painting workshops; interviews with famous names, exhibitions, New Year's markets and music concerts were also held. The income of each

product sold was donated to TOG, providing support to the volunteer work of Community Volunteer youth. Thus, all the spending on New Year decorations was donated to the Community Volunteers Foundation with this act of kindness.

### Darüşşafaka Charity Run

Thanks to the active voluntary participation of Akenerji employees, support is given to the education of children with the donations collected and the projects carried out. In 2019, a marathon team consisting of volunteer runners was established by the employees and the Most Energetic Team award was received by running on behalf of Darüşşafaka, and donations of over 30,000 TL were collected.

### Aksa Akrilik - "Value for Entrepreneurship" Project

Aksa Akrilik provided the first start-up project support by collaborating with İTÜ Çekirdek, an early stage technology entrepreneurship platform, in order to support young entrepreneurs and invest in their future within the scope of the "Value for Entrepreneurship" project. Porima, which has been producing three-dimensional printer filaments in Yalova since 2018, started to export three-dimensional printer filaments to the USA after the support of Aksa. Aiming to reduce foreign dependency with domestic filament production, Porima has become a candidate to become one of the strong players in the 3D printer market by increasing its capacity with the support of Aksa Akrilik.

### Support from Akkök Holding for Fight Against Coronavirus

Within the scope of combating the COVID-19 epidemic, which affected the whole world at the end of 2019, Akkök Holding implemented all necessary measures in terms of employees and

public health. Akkök Holding and its subsidiaries supported the "National Solidarity Campaign" initiated by the Presidency with a total donation of 1.5 million TL.

Following donations and supports have been provided: 100 thousand TL equipment support to Yalova State Hospital through Yalova Governorship from Aksa Akrilik and DowAksa; a food parcel for 300 citizens over 65 years old in need from Gizemfrit through Sakarya's Hendek Municipality; 120 Thousand TL worth of ventilator (respiratory device) support to be evaluated in the intensive care unit of Sakarya Training and Research Hospital, in addition to providing overalls, monitors, medical supplies and equipment to Cerrahpaşa Hospital and Çapa Medical Faculty from Akenerji, 50 thousand TL donation to the National Solidarity Campaign; a donation of 142 thousand TL from SEDAŞ to the National Solidarity Campaign under the coordination of the Electricity Distribution Services Association (ELDER); 10 thousand TL donation from SEPAŞ Energy to the National Solidarity Campaign under the coordination of the Energy Trade Association (ETD). In 2020, it has been decided not to take rent from the tenants of Akasya, Akbatı and Akmerkez shopping centers until the end of April.

Oracle Database Management Service worth 60 thousand TL was provided by Aktek Bilgi İletişim to Istanbul Kartal Dr Lütfi Kırdar Training and Research Hospital and Kocaeli University Hospital for 3 months with an outsourcing provider. In addition, 7x24 System Management Services technical service support was provided remotely to other healthcare institutions and organizations in the sector for 3 months, with a total of worth 90 thousand TL.

Due to the Covid-19 outbreak, Akkim distributed 8,500 kg of bleach in total, to 23 mosques, 17 schools, and the rest to the district governor's office, under their direction, within the

framework of the donation made to the Çiftlikköy District Governorate.

### Mamut Art Project

Within the framework of the "Investing in the Future" strategy, the Holding continued to support the Mamut Art Project, which it sponsored for the first time in 2015, during the reporting period. More than 600 works of 49 artists selected among 1,350 applications were exhibited in the Mamut Art Project, which was held in Küçükçiftlik Park between 3-7 April 2019, which supports the art production of young artists. Artists, who create a space within a space in their works, touch upon global problems, conduct form researches through conventional patterns, examine textile materials and the body, and work with many materials by addressing such various issues, exhibited their works in personal spaces of 10 square meters each. Open to the participation of visitors for five days, Mamut Art was visited by more than 18 thousand people in 2019.

Akenerji's social responsibility project "Akenerji Stands by Women", where 1,530 women were screened for early detection of breast cancer with a mobile cancer screening vehicle in Feke district, where Feke 1 and Feke 2 Hydroelectric Power Plants are located, was held at the Third Turkish Energy and Natural Resources Summit. It was awarded as "Good Social Responsibility Project".

## List of Other Awards Won

- In 2019, Ak-Kim was selected as the national champion in the innovation category at the European Business Awards, one of the most prestigious awards of the European Business World.
- Within the scope of the European Business Awards 2019, Ak-Kim was awarded the “Ones to Watch Turkey” certificate in the fields of success, innovation and ethics.
- Ak-Kim Sailing Team received the Trophy Championship award in 2020.
- Ak-Kim became a member of the British Safety Council, which aims to develop standards in occupational health and safety processes. In addition, it was among the winners of the International Occupational Safety Award, which was given to many organizations in more than 50 countries and in different sectors, after being audited by the board. BSC International Occupational Health and Safety Awards; While there are 5 main titles: policy and organization, strategy and planning, field applications, performance management, evaluation and review, it is also shown as one of the most prestigious awards in the world.
- Ak-Kim raised the Silver Awareness level to the Gold Awareness level in the sustainability assessment of the global supply chain in the field of corporate social responsibility made by EcoVadis.
- In 2019, Aksa Akrilik was awarded with a 50th Anniversary plaque by the Turkish Chemical Manufacturers Association (TKSD) as one of the companies that have been serving the development of the chemical industry for more than 50 years.
- Aksa Akrilik was selected as the “Industry Champion” with an export value of 334 million dollars in the category of “Textiles and Raw Materials” at the “Champions of Export Award Ceremony” organized by the Turkish Exporters Assembly in 2019.
- In 2019, Aksa Akrilik ranked 41st in the ISO 500 list, known as the “Giants League” in the Top 500 Industrial Enterprises list.
- Aksa Akrilik was awarded the Chemistry and Plastics Digitalization Award at the Platinum Global 100 Awards in 2020.
- Akenerji was selected as the most reputable energy company of the year for the second time in a row in 2019, in the energy category of The One Awards, which is given to companies that increase their reputation the most every year.
- Aktek was deemed worthy of the CIO award in 2020 with its “Smart Door Access System that Can Control Occupational Safety in Transformer Stations”. This project, based on R&D, in the field of occupational safety; It has been implemented by using many innovative technologies from image processing to machine learning, and has also become a serious indicator of the importance given to human life as a social responsibility project.

## UNITED NATIONS GLOBAL COMPACT PROGRESS NOTIFICATION

### HUMAN RIGHTS

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	p.12-13
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	p.12-13

### LABOUR STANDARDS

Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	p.12-15
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	p.12-15
Principle 5	Businesses should uphold the effective abolition of child labour.	p.12-15
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	p.12-15

### ENVIRONMENT

Principle 7	Businesses should support a precautionary approach to environmental challenges.	p.16-21
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	p.16-21
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	p.16-21

### ANTI-CORRUPTION

Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	p.22
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