EGE KİMYA

Sustainability Report 2023

Contents

About the Report

Ege Kimya, one of the well-established companies in its sector, has adopted a management approach befitting its responsible producer identity since its establishment and has been a supporter of sustainable chemistry approaches throughout the sector, especially **"Responsible Care"**.

Approaching its 70th year of operation, Ege Kimya aims to present its social, economic and environmental impact to its stakeholders in a transparent and objective manner by publishing its first sustainability report.

Ege Kimya Sanayi ve Ticaret A.Ş. has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December2023. All information in this report is based on data generated by Ege Kimya business units and has not been independently audited. The data shared in the report covers Ege Kimya's operations in Turkiye. Specific data pertaining to Ege Kimya Germany, Ege Kimya Poland, Egesil Kimya, Egecrete Yapı Kimyasalları, Nehirkent Metal, which were among Ege Kimya subsidiaries during the reporting period, are not included in the report unless otherwise stated.

The PDF version of this report is available at

https://www.egekimya.com/en/

You can send your opinions and suggestions about our sustainability activities and reporting studies via

sustainability@egekimya.com

Chairperson Message

Dear Stakeholders,

As Ege Kimya, we are proud of the success we have achieved with the corporate culture, production power and working principles we have built since 1955. In this journey, the pioneering position we have achieved in our sector is based on our ability to listen to stakeholder expectations and respond appropriately, to create a responsible producer culture, particularly in environmental, social and economic areas, and our capacity to adapt quickly to changes in the market.

In recent years, the chemical industry, along with all other sectors, has undergone a transformation in parallel with the paradigm shift in the concept of sustainability. As Ege Kimya, we are redesigning our sustainability perspective by taking environmental, social and economic dimensions at the centre of this transformation in stakeholder expectations. Within the scope of this new strategic approach, which we call "Journey to Zero", we aim to secure the future as well as the present of the giant ecosystem created by Ege Kimya by moving forward with determination on the new route we have set.

With our "Journey to Zero" Programme, we aim to achieve the basic goals of "zero occupational accidents", "zero occupational diseases", "zero emergencies", "zero environmental accidents", "zero carbon emissions", "zero wastewater discharge", "zero waste", and thus develop a profitable business model that respects people and nature. Our business strategy for this purpose consists of three main elements:

- Adaptation to Low Carbon Economy,
- Cultural Transformation,
- Product Development for Sustainable Chemistry.

To this end, we aim to reach Net Zero emission level by 2050, to minimise our water consumption values by 2030, to reduce the impacts of our existing products by accurately identifying them through LCA studies, to support Sustainable Chemistry practices with the products we will develop through R&D and innovation studies, and to improve sustainability performance throughout the value chain by supporting the adoption of similar application targeting in our supply chain. In order to realise these goals and strengthen the positive impact we create, we aim to develop talents through a safe, inclusive and equitable working environment and to support social development through social investments. We aim to underline our corporate commitment to support sustainable development by becoming a signatory of the UN Global Compact next year, when we will celebrate our 70th year in operation.
In line with the realisation of this approach, we carried out significant activities during the reporting period. In particular, our efforts to accurately identify sustainability risks and opportunities, establish science-based and rational targets, improve our corporate policies and procedures, and establish stronger and more systematic measurement and evaluation systems stand out. Ege Kimya Sustainability Reports, which we published for the first time this year based on the internationally recognised GRI Standards and which we aim to publish in the coming years, stand out as the main information and communication platform through which we will present our activities, the progress we have achieved and our future goals to our stakeholders.
As we prepare to celebrate our 70th year in business, I would like to thank all our stakeholders, especially our employees, customers, suppliers and business partners, who have contributed to our achievements to date, for their support in our sustainability journey. Together, we will continue to work for a more sustainable future with determination.

Best regards,
N. Metin Mansur
Chairperson and CEO

> *We aim to underline our corporate commitment to support sustainable development by becoming a signatory of the UN Global Compact next year, when we will celebrate our 70th year in operation.*

Factory Director Message

Dear Stakeholders,

As we approach our 70th year in business, we are proud to address you with our first Sustainability Report.

Ege Kimya, a well-established company with pioneering activities in its sector, developed the "Journey to Zero" Programme during the reporting period in order to take innovative steps in the management of social, environmental and economic impacts in line with evolving and transforming stakeholder expectations. With this programme, we aim to reduce sustainability risks to "zero" and "maximise" opportunities. In the reporting period, we started to work intensively in the three main strategic areas we identified in this direction, namely "Adaptation to Low Carbon Economy, Cultural Transformation, Product Development for Sustainable Chemistry".

In the reporting period, we first established our Sustainability Committee to ensure the organisation and distribution of responsibilities for the implementation of sustainability strategies throughout the company. Then, we identified our sustainability priorities and started to develop our corporate policies in these areas. In this way, we aimed to create a common language in our entire value chain by establishing our corporate principles and approaches in our sustainability priorities. In parallel with this, we first started to evaluate sustainability risks and opportunities within the scope of the corporate risk management model by addressing Climate Change risks. As a result of these studies, we aim to strengthen our corporate goals and move to a Science Based Target systematic, especially in the field of climate change.

The expectations and demands of our customers and business partners are of great importance in shaping our sustainability efforts. In this respect, the Sustainability Due Diligence study conducted by EBRD during the reporting period played an important role in forming the framework of our sustainability programme together with the principles and targets we have established. On the other hand, we started to improve our sustainability practices in both our own business processes and supply processes with the Ecovadis methodology, which we joined in line with customer expectations. With these efforts, we aim to improve our performance in the Ecovadis assessment, in which we were ranked in the bronze category in the reporting period, in the coming periods. In this context, we have taken significant steps especially for the management of risks and opportunities in the supply chain.

Transition to a Low Carbon Economy stands out as one of the main priorities of our strategy. In this respect, we not only improved our managerial systematics during the reporting period, but also reduced greenhouse gases, increased energy and water efficiency, and increased use of renewable energy. In this context, our 7.5 MW solar power plant, which we have started to establish, will meet Ege Kimya's entire electricity needs when it starts production in 2024 and will completely eliminate Scope 2 greenhouse gas emissions. In addition, our biomass energy production investment projects in the coming periods constitute one of the most fundamental steps towards achieving our Net Zero target.

In line with the main priority of "Product Development for Sustainable Chemistry", in addition to conducting R&D and innovation studies, we have started LCA studies to identify and reduce the real impacts of products. This study, which we started with the battery chemical product to be produced at Ege Kimya Poland facilities during the reporting period, played an important role in establishing a basic path to extend LCA studies to our entire product portfolio.

In order to realise all these goals, a cultural transformation must be achieved in Ege Kimya and its value chain. In this context, we have started to work on developing a sustainability perspective both inside and outside the company. We aim to extend the training activities aimed at raising awareness and developing technical knowledge, which we have started with our managers responsible for sustainability practices and performance, to our value chain in the coming periods.

We are moving forward by strengthening the digitalisation infrastructure to achieve the Industry 5.0 target in all our departments through end-to-end analysis of our processes.

We will be continuing the 5S studies we started in 2023 in 2024. Thus, we aim to progress by simplifying our processes on the journey towards "Operational Excellence".

Creating a safe and reliable work environment for our employees, stakeholders and the environment is our main priority. In this context, we maintained the levels of "zero occupational diseases, zero major industrial accidents and zero fire outbreaks", which are the only acceptable targets for us, in the reporting period. We continue to improve our practices in order to achieve the "zero accident" target.

We will continue with determination to realise the transformation we aim in line with the "Journey to Zero" programme together with our value chain. We would like to extend our gratitude to all our stakeholders, especially our employees, customers, business partners and suppliers, who have given us great support in realising our pioneering role and enviable performance in our sector.

Best regards,

A.Fatih Tasmakıran
Factory Director

> *We are moving forward by strengthening the digital infrastructure to achieve the Industry 5.0 target in all our departments by making an end-to-end analysis of our processes. We aim to progress by simplifying our processes on the journey to Operational Excellence.*

Ege Kimya at a Glance

Ege Kimya, one of Turkiye's most established organised chemical industry companies, has continuously developed its field of activity since its establishment in 1955. With nearly 70 years of experience, Ege Kimya offers a wide range of intermediate products for more than 10 sectors including detergents, ceramics, construction chemicals, rubber, automobile tyres, agriculture and paint to more than 70 countries.

Ege Kimya offers solutions to the increasing expectations of its customers and business partners through continuous technology investments and collaborations with the world's leading chemical companies such as Evonik, Albemarle, Euclid Chemical (RPM).

In 2023, Ege Kimya ranked **460th** in the list of ISO 500 Largest Industrial Companies, **536th** in the general ranking in the list of Turkiye's Top 1,000 Exporters, and **53rd** in the ranking of the chemicals and chemical products sector.

Ege Kimya Milestones

1955 Ege Kimya was founded in Istanbul.

1993 It was one of the founders of the European Chemical Industry Council (CEFIC) Responsible Care Programme.

1997 ISO 9001 certification was realised.

1999 Production operations were moved to Sakarya production facilities.

2002 Egesil Kimya was established as a joint venture between Evonik Operations GmbH and Ege Kimya.

2012 Ege Kimya took its place among the members of Cobalt REACH Consortium.

2016 GMP certification was realised.

2017 Egecrete was established as a joint venture between Euclid Chemical (RPM) and Ege Kimya.

2020 ISO 14001-2015 certification was realised.

2022 Ege Kimya Poland project started.

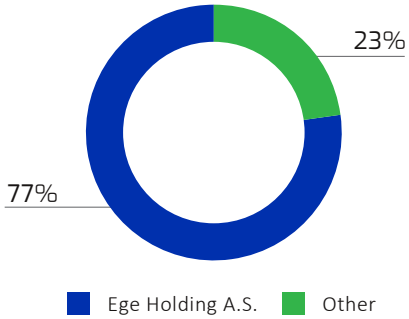
ISO 27001 certification was realised.

2023 ISO 50001 certification was achieved.

ISO 45001 certification was achieved.

Ege Kimya in Figures

Shareholder Structure (TL-%)

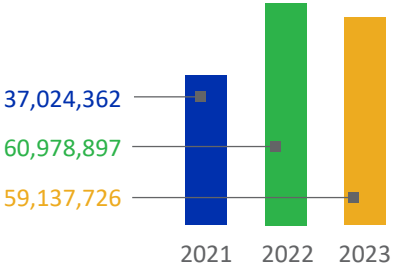


23,338,911TL
Ege Holding

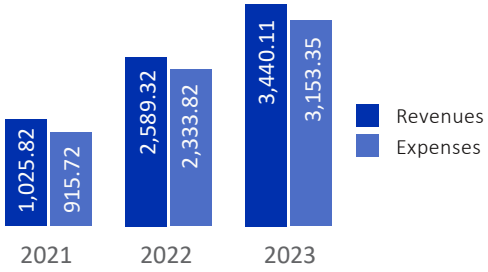
7,048,689TL
Other

In 2023
59,137,726USD
Export Revenue

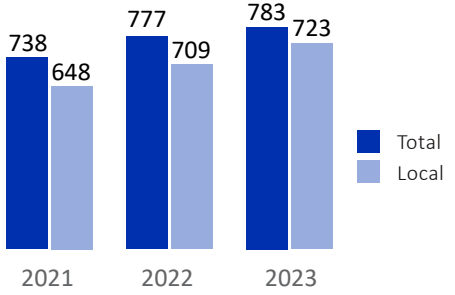
Export Revenues (USD)



Economic Value (Million TL)

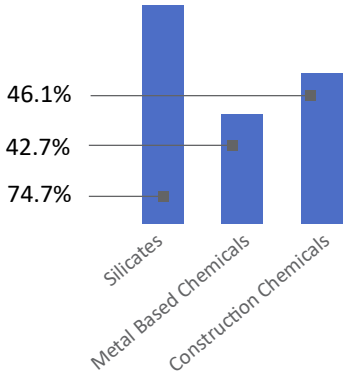


Total Number of Suppliers

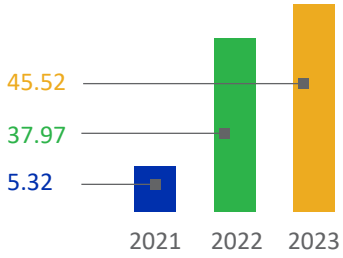


In 2023
45,52million TL
Tax Payment

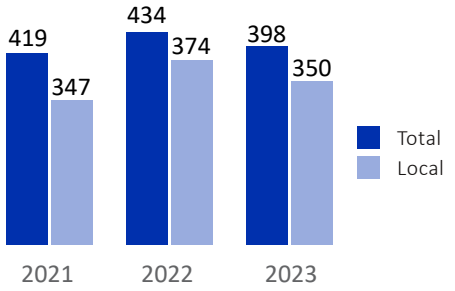
Capacity Utilisation Rate (%)



Tax Payments (Million TL)

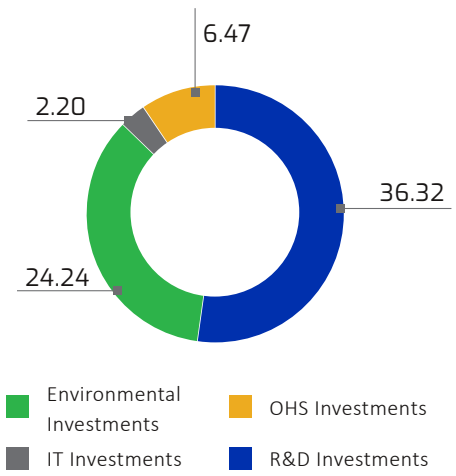


Raw material and material suppliers

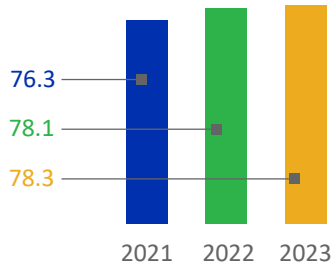


Ege Kimya in Figures

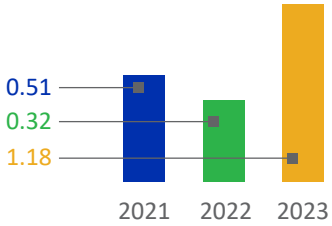
Sustainability Focused Investments (TL million)



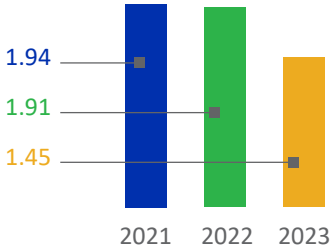
Customer Satisfaction Rate



R&D Expenditures to Turnover (%)



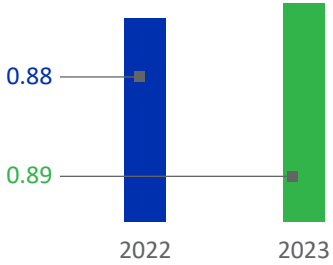
Energy Consumption per Product (GJ/ton)



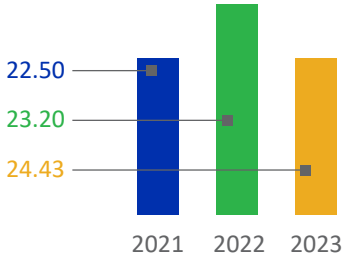
In 2023
1.45 GJ/ton
Energy Consumption

In 2023
0.89 m³/ton
Water Consumption

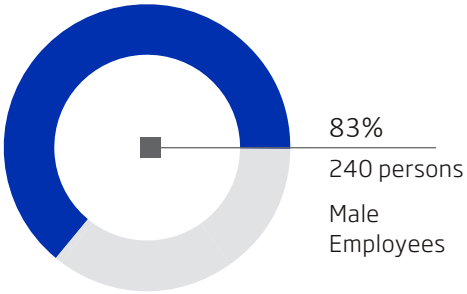
Water Consumption per Product (m³/ton)



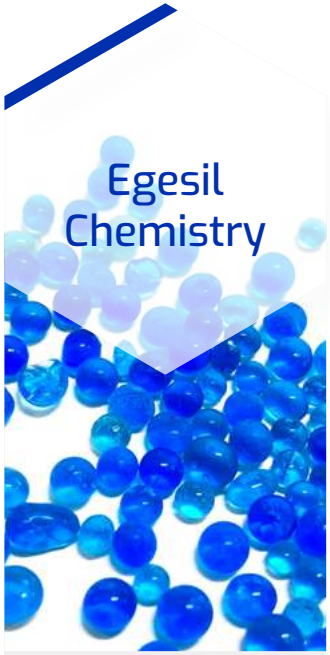
Training Duration per Employee



Employee Demographics

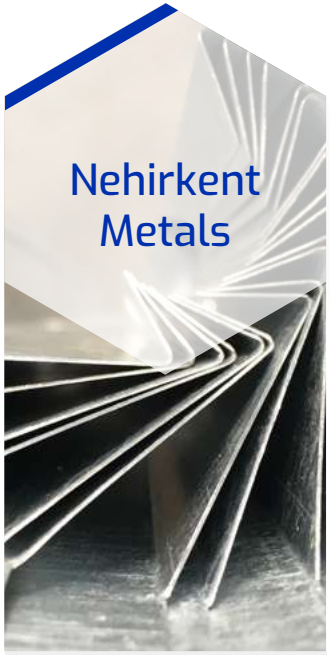


Subsidiaries



Egesil Chemistry

Established in 2002, Egesil Kimya is 49% owned by Ege Kimya and 51% owned by Evonik Operations GmbH. Egesil Kimya is a major supplier of precipitated silica to customers in Turkiye, Eastern and Western Europe and various other countries.

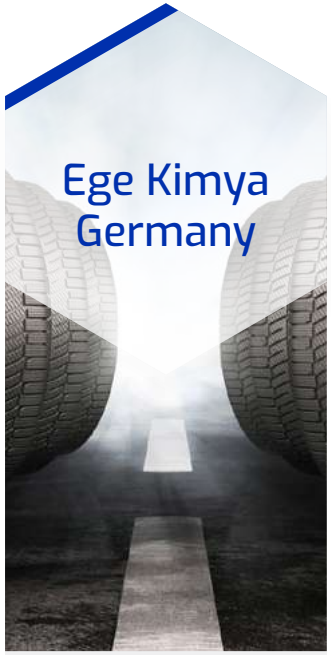


Nehirkent Metals

Nehirkent, 100% shares are owned by Ege Kimya, operates in the field of scrap zinc recovery.

Egecrete Construction Chemicals

Egecrete, in which Ege Kimya is a 100% shareholder, produces construction chemicals, concrete admixtures, tunnelling products and building products in cooperation with Euclid Chemical.



Ege Kimya Germany

Ege Kimya Germany is a 100% subsidiary of Ege Kimya and carries out sales and marketing activities in the EU geography.

Ege Kimya Polska

Ege Kimya Polska, 80% shares are owned by Ege Kimya, is mainly engaged in the production of chemicals required for the production of electric vehicle batteries. Established in 2022, the company's authorisation processes and design studies continued during the reporting period.

Tunçtaş

The acquisition process of Tunçtaş, which was established in 1977 in Izmir, started in the reporting period and will be completed in 2024. The main field of activity of the company is Sodium Silicate production.

Sustainability Management

> Approaching its 70th year of operation, Ege Kimya has developed a corporate governance approach based on transparency, fairness, responsibility and accountability over the years.

Corporate Governance

Approaching its 70th year of operation, Ege Kimya has developed a corporate governance approach based on transparency, fairness, responsibility and accountability over the years. The Board of Directors, consisting of 6 members appointed by the General Assembly, is the highest level strategic decision-making body of the company. In addition to 4 members elected among the shareholders, two independent members serve on the board of directors. During the reporting period, one female member served on the board of directors.

The Company's senior management is appointed by the Board of Directors. The Chairperson of the Board is also the CEO. The company's senior management is responsible for the realisation of the strategic goals set by the Board of Directors.

Ege Kimya's Board of Directors meets quarterly to monitor developments in line with the company's strategic goals, product quality and diversity, sustainability targets and investment plans. Developments regarding the key performance indicators monitored for sustainability performance are presented to the board of directors every month.

Risk Management

Corporate risk management activities are carried out by the Early Detection of Risk Committee. In addition to conventional financial and operational risks, sustainability risks including social, economic and environmental issues are also monitored within the risk management model followed. The risk factors assessed in this context are also used as input in the process of setting the strategic goals of the company.

In order to update sustainability risks, corporate risk tables were renewed during the reporting period. In 2024, a comprehensive risk matrix preparation work will be carried out involving various management units. In line with the 1.5°C scenario determined in line with the Paris Agreement and the Science Based Targets systematic, targets have been set to reduce **greenhouse gas emissions from operations** in 2033, **to reach net zero level in 2050**. In addition, targets have been set for the reduction of water consumption until 2033 and a road map has been created on how to achieve these targets.

Business Ethics and Legal Compliance

Ege Kimya bases its activities on full compliance with internationally recognised principles of business ethics and the legal regulations to which it is subject.

The principles of business ethics followed are presented to stakeholders through the Code of Ethics document published with the approval of the CEO and the Board.

In order to inform employees about business ethics principles, training files were prepared and presented to managers at all levels.

An online Ethics Whistleblowing process has been established to monitor violations or suspicious situations regarding ethical principles. All stakeholders, including suppliers, can report ethical code violations to the e-mail line accessible from the Company's website. The applications received are evaluated by the Ethics Committee together with the Compliance and Internal Audit Management. During the reporting period, no such notification was made to the ethics hotline.

Various procedures have been established to disseminate ethical working norms throughout the value chain. In this context, Sustainable Procurement Policy and Cobalt Supply Chain Due Dilligence Policy documents were announced to third parties on the corporate web pages.

Ege Kimya aims to fully comply with applicable regulations within the scope of its fields of activity and the countries in which it operates. To this end, Ege Kimya proactively monitors and complies with legal regulations with the support of its business units, Legal Unit, Quality Assurance & Regulation Unit and specialised service providers.

The conditions of supply of chemical products are regulated by numerous local and international regulations due to their critical importance for human and environmental safety. The Quality Assurance and Regulation Unit monitors the conditions of supply of chemical products, conditions and restrictions on the use of chemicals, compliance with REACH directives followed throughout the value chain in this context, and responsible purchasing practices in the cobalt supply chain. In the last 5 years, there has been no non-compliance with company policies and legal regulations in these areas.

Regarding fair competition, the "Anti-Trust Guide" of Evonik, Ege Kimya's sister company with German partners, has been shared with all relevant departments. In 2024, it is aimed to prepare and publish a procedure under the title of "Compliance with Competition Law". In parallel with this, an internal training programme on fair competition and compliance with competition law is targeted during the year. During the reporting period, there were no complaints or legal cases directed to the company in terms of compliance with fair competition regulations.

Customer information confidentiality processes, which are subject to regulations, are carried out within the framework of ISO 27001 standards. In this context, customer data is secured by systems that can only be accessed by the parties. In the last 5 years, there have been no complaints or legal actions taken against the company for violations of customer data confidentiality.

Global Sanctions and Export Controls Policy has been established to ensure compliance with international sanctions and trade restrictions. During the reporting period, there were no complaints or legal actions taken against the company in relation to these issues.

During the reporting period, there were no monetary fines paid by Ege Kimya or legal actions taken against the company due to non-compliance with laws and regulations. During the reporting period, an administrative lawsuit was filed by Ege Kimya against the decision to cancel the green passport rights of some company employees on the grounds that passport refunds were not made on time. The lawsuit was concluded in favour of Ege Kimya and this decision was cancelled by the court. The administration has taken the decision to the Court of Appeal and the legal process is ongoing.

Internal Audit

Internal audit processes are carried out to ensure that the Company's activities are conducted in line with strategic targets, in accordance with corporate principles and values, and in compliance with regulations.

The Compliance and Internal Audit Unit periodically carries out audit and review activities and submits its findings to the Board of Directors.

In the reporting period, within the framework of the Ethics and Compliance Checklist studies, review and evaluation studies were carried out by working with internal departments under the headings of employee status, environment, occupational health and safety, protection of personal data, conflicts of interest, gift and hospitality policies, fair competition, intellectual property, consultancy and nonconformity notifications, donations and grants, training and communication, relations with third parties, financial integrity, and the results were reported.

Financial records and processes are audited by an independent audit every year. In this context, the company's balance sheet and inventory are audited by an external audit firm at the end of the year and presented to the Board of Directors.

The Compliance and Internal Audit Unit conducted review studies on ethics and compliance issues against the risk of fraud, for the profile of the corporate ethical environment and covering many functions.

In the reporting period, the outputs of the bribery, corruption and misconduct risk assessment, corporate ethics and compliance audit outputs and action recommendations for the findings were shared with the relevant managers and executive board members. In the reporting period, "Raising Awareness against Payment Fraud" activities were also carried out for employees. At the end of 2023, all audit work performed was presented to the members of the board of directors. During the reporting period, no incidents of bribery, corruption and misconduct were encountered.

During the reporting period, health, occupational safety, environment and social issues were evaluated and reported by an independent consultant firm, and action plans were prepared by the OHS & Environment unit accordingly.

Sustainability Management

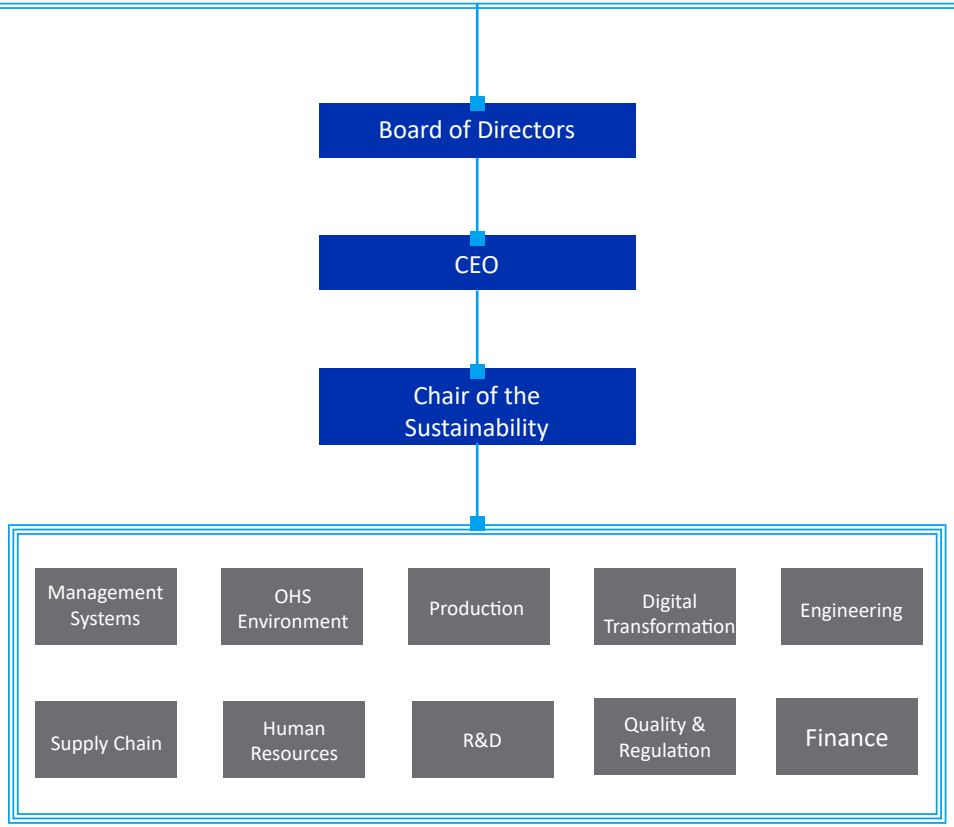
Due to the nature of the chemical industry, the management of environmental and social impacts has been among Ege Kimya's priorities since its establishment. This priority became even stronger with the rise of sustainability risks, particularly climate change, in recent years.

As stakeholder expectations on sustainability performance increased with the development of both sectoral and legal regulations, the development of sustainability management throughout the company emerged as a need.

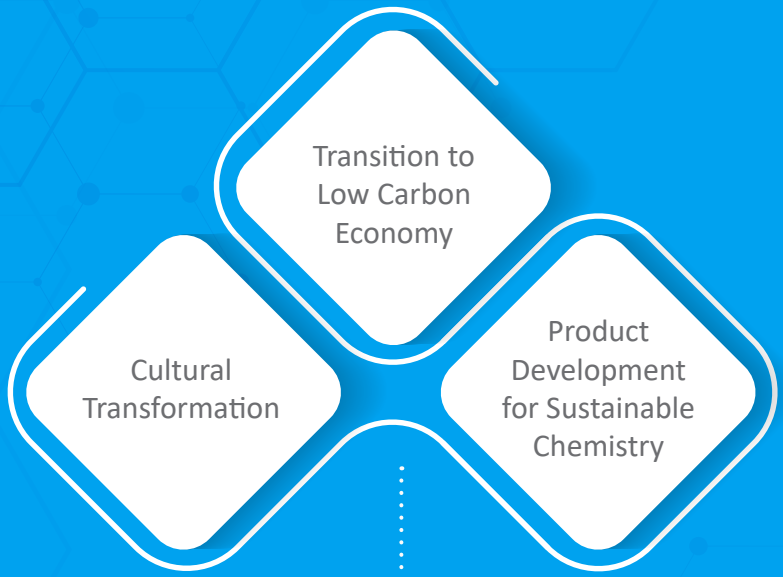
Launched in 2022 in Szczecin, Poland to produce battery chemicals for electric vehicles, the Ege Kimya Poland project, which is being realised with the support of the EBRD, has provided important opportunities for Ege Kimya to improve its sustainability management. In this context, an assessment study was conducted by the EBRD in 2023 for Ege Kimya's Turkey and Poland operations. The assessment was conducted by an independent institution with the participation of all relevant parties, including employees, employee representatives, legal parties, public authorities, neighbours, management, and reported to the EBRD. Based on the outputs of the assessment, Environmental and Social Action Plans were created and Ege Kimya's sustainability management model was reshaped.

The highest level authority in sustainability management is the board of directors. While the Board sets strategic goals, the operational responsibility for the realisation of these goals is assigned to the Factory Directorate. For this purpose, the Factoray Directorate was restructured in 2023 and assumed a leadership role.

Ege Kimya restructured its approach to sustainability management as of June 2023 and established the **"Ege Kimya Sustainability Committee"** In this way, Sustainability activities are gathered under a single roof and an effective systematic is aimed. The Committee is structured with the participation of all departments that affect the Sustainability performance of the business. With this kind of organisation, the integration and governance of activities could be carried to a much more effective point.



Sustainability Strategy



Focusing on these issues in line with this strategy, the Sustainability Committee has shaped the road map to create a corporate culture. In order to create the roadmap, the committee first assessed the strategic risks and opportunities of the company on the basis of all its activities.

Committee Members and their roles are summarised below;

Unit/Person	Responsibility
Factory Director	» To lead the sustainability committee and activities. » To present the activities to the management committee. » To lead the creation of sustainability KPIs. » To monitor and periodically review the realisations. » To ensure that resources are allocated to achieve the targets.
OHS and Environment Directorate	» To undertake the task of coordination in the creation of the sustainability roadmap. » To make the necessary legal or voluntary reporting, especially the sustainability report, and to provide coordination.
Management Systems Directorate	» To undertake the coordination task in structuring the activities with the Management Systems approach. » To make the necessary legal or voluntary reports, especially the sustainability report, and to ensure coordination.
Engineering Directorate	» To implement sustainability projects such as combating climate change and reducing resource consumption. » To realise factory efficiency projects. » To monitor ISO50001 Energy Management System requirements.
R&D Directorate	» To carry out Research and Development activities for production activities that will be compatible with the principles of Sustainable Chemistry. » To evaluate alternatives and opportunities for sustainable raw materials.

Unit / Person	Responsibility
Quality and Regulation Directorate	» To follow national & international legislation and requirements regarding the management of chemicals and to make reports.
Supply Chain Directorate	» To ensure that procurement activities comply with the "Sustainable Procurement Policy". » To provide the necessary guidance to ensure the compliance of suppliers with Ege Kimya Sustainability strategy.
Financial Affairs Directorate	» To search for incentive packages and access to financing in compliance with legal regulations.
Production Directorate	» Carrying out production activities in accordance with sustainability principles » Responsible use of resources
Human Resources Directorate	» Leading for cultural change. » Planning training activities to contribute to the sustainability culture. » Creating an eco-system for activities in compliance with ethical principles.
Digital Transformation Directorate	» Contributing to the improvement of Sustainability performance, especially Climate Change, through digitalisation activities.

A. Fatih Tasmakıran - Factory Director : "Journey to Zero"

During the reporting period, target setting activities were carried out in line with sustainability priorities, and SMART targets were set, primarily in terms of reducing GHG emissions, water consumption and resource consumption, waste management, OHS and sustainability. These targets are monitored at Factory KPI meetings and Board of Directors meetings and managed by both senior management and mid-level management within the scope of job descriptions. Since the set targets are also reflected in the individual performance evaluation and monitoring system, they are decisive in determining wage increases and success performances.

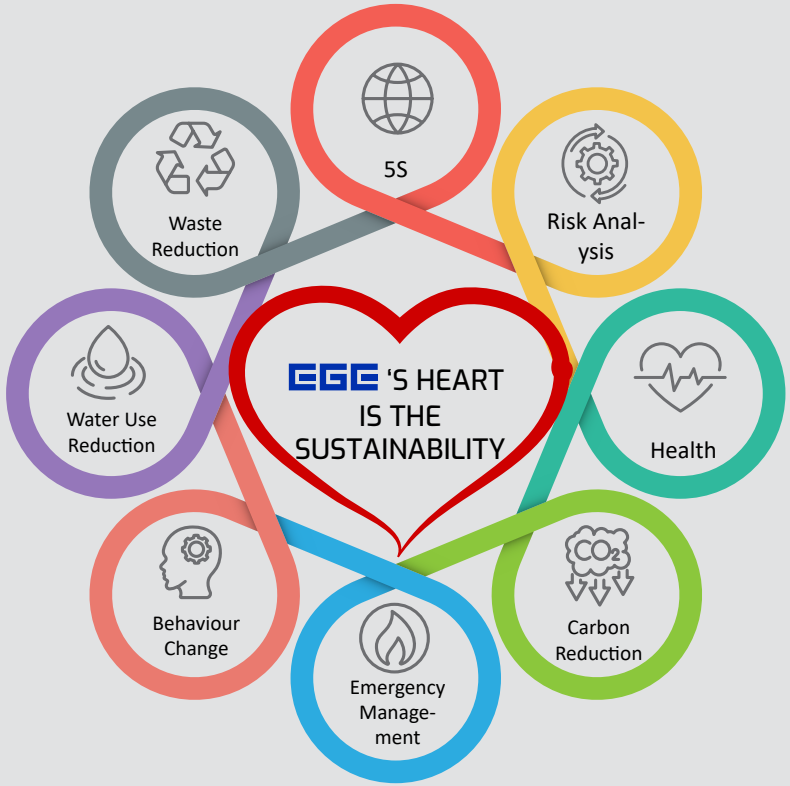
Sustainability management development activities will continue in the coming periods. In this context, efforts have been initiated to create a corporate sustainability policy for the prioritised sustainability issues to be published next year.

> *In order to reinforce our global commitment to sustainability, we aim to join the UN Global Compact signatories by 2024.*

During the reporting period, we evaluated our sustainability risks and opportunities arising from our production processes with our management team and set ourselves final targets and control points. We defined the systematic we created as "Journey to Zero" and shared it with our colleagues.

Through "Journey to Zero Programme", we aim to reach;

- Zero occupational accidents,
- Zero occupational diseases,
- Zero emergencies,
- Zero environmental accidents,
- Zero carbon emissions,
- Zero waste water discharge,
- Absolute zero waste level

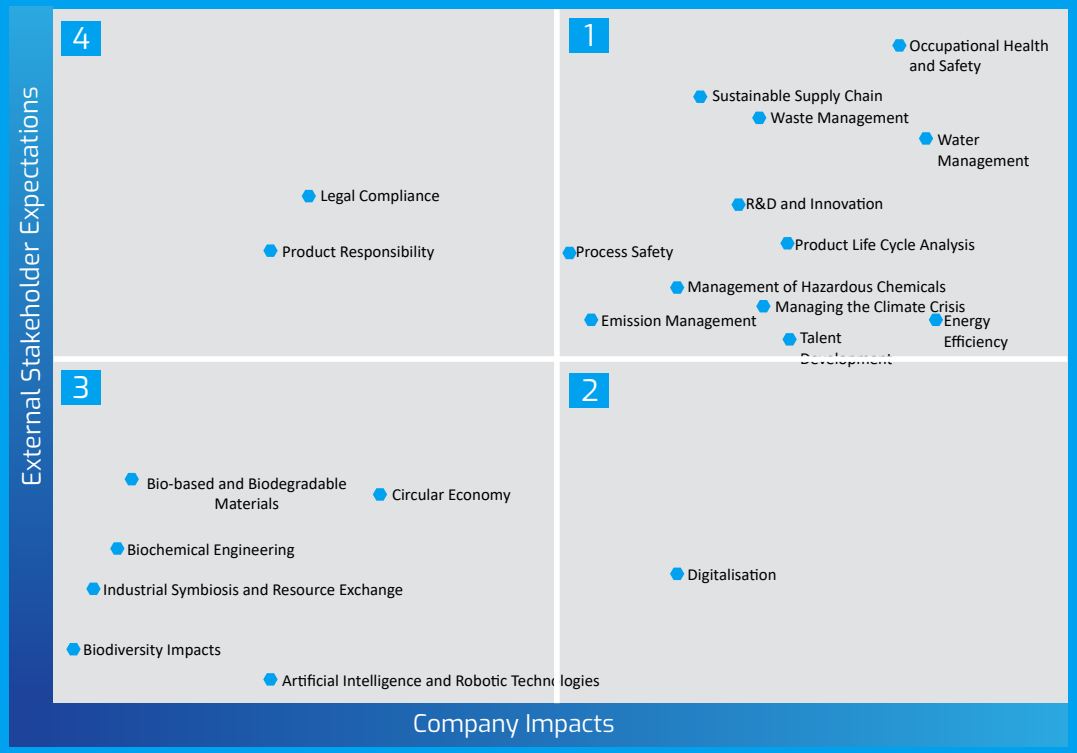


In this direction, we have questioned all our processes from start to finish. In order to strengthen our programme, we follow and fulfil the requirements of Seveso directives with precision. With all these approaches, we endeavour to carry out our production activities in accordance with the concept of sustainable production management.

Sustainability Priorities

In order to establish a conceptual framework for sustainability management, Ege Kimya carried out studies to identify sustainability priorities during the reporting period.

In this context, firstly, a topic universe was formed consisting of possible sustainability issues evaluated in line with Ege Kimya's fields of activity, sectoral or global sustainability standards, risk analyses and expert opinions. In line with the principle of double materiality, this universe of issues was evaluated with the participation of 174 people in total, including 86 company employees and 88 external stakeholders representing a wide range of organisations such as suppliers, customers, business partners and academics. Ege Kimya sustainability priorities were determined by assessing the impact of Ege Kimya's activities on sustainability and the impact of these areas on Ege Kimya's financial success. The result was re-evaluated by the Sustainability Committee, submitted to senior management for approval and announced as Ege Kimya Sustainability Priorities.



In this context

- Occupational Health and Safety
- Process Safety
- Sustainable Supply Chain
- Water Management
- Waste Management
- R&DGe and Innovation
- Product Life Cycle Analysis
- Emission Management
- Management of Hazardous Chemicals
- Managing the Climate Crisis
- Energy Efficiency
- Talent Development

issues are identified as **Ege Kimya Sustainability Priorities**

During the materiality process, the UN Sustainable Development Goals were also assessed. In this context, SDG3 Good Health and Wellbeing, SDG6 Clean Water and Sanitation, SDG8 Decent Work and Economic Growth, SDG9 Industry, Innovation and Infrastructure, SDG12 Responsible Consumption and Production, SDG13 Climate Action are among the material development goals for Ege Kimya.

Sustainable Development Goals in the Focus of Ege Kimya

We adopt universal principles such as the United Nations Sustainable Development Goals and the Global Compact. We have designed our strategy in this direction.

Within the scope of the Sustainable Development Goals, we have focussed on 6 topics. We will be increasing the number of foci in the coming years. In Ege Kimya, we will be meticulously following the activities we share below in line with the Sustainable Development Goals.

SDG3-Good Health and Wellbeing

We care about the health and safety of our employees, service providers, visitors and neighbours within our business boundaries. For this purpose, ISO45001 Occupational Health and Safety Management Systems have been established. In addition, the requirements of the Seveso directives and the Responsible Care programme are sensitively followed. Continuous improvement activities are carried out to improve food, access to water, services, protection against infectious diseases and industrial hygiene conditions.

SDG6-Clean Water and Sanitation

We believe that it is a fundamental human right for our stakeholders, especially our employees and service providers, to have access to hygienic and potable water and to ensure sanitation. For this purpose, we periodically analyse drinking and utility water in accredited institutions. We attach importance to top quality sanitation conditions with elements such as ISO22000 Food Safety Management Systems and professional cleaning services.

SDG8-Decent Work and Economic Growth

We make production that creates added value for all stakeholders we touch and for our country. While developing our supply chain, we aim to be a reliable solution partner for our customers.

SDG9-Industry, Innovation and Infrastructure

We adopt approaches that build resilient infrastructures, support inclusive and sustainable industrialisation and strengthen innovation in our current and future investments.

SDG12-Responsible Consumption and Production

We know that the world's resources are limited and we follow our management programmes to use them effectively. We have determined our roadmaps to reduce the use of all resources, especially water and energy. On the other hand, with the Zero Waste and Circular Economy approach, we aim to reduce waste at its source, ensure recycling of the waste generated, and reduce the amount of waste by 50% in 2028 compared to 2023.

SDG13-Climate Action

Our road map has been created in order to reduce our carbon emissions by 60% in 2033 compared to 2023 and to realise the net zero emission target in 2050 in order to limit global warming to 1.5°C in accordance with SBT targets, and studies have been initiated in 2023.

We aim to reduce the amount of waste by **50%** in 2028 compared to 2023.

Ege Kimya Sustainability Targets

Unit/Person	Targets	2022 Performance	2023 Performance	Realisation
Occupational Health and Safety	» Incident Rate (IR)	5.84	4.80	✓
	» Severity Rate (SR)	82.97	49.89	✓
	» Zero occupational disease (Occupational disease rate)	0	0	✓
Process Safety	» Zero Major Industrial Accidents	0	0	✓
	» Zero fire start	0	0	✓
Sustainable Supply Chain	» Increasing Ecovadis Sustainable Procurement Performance above 40 points	30	40	✓
Company Sustainability Performance	» To increase Ecovadis Sustainability Performance score above 55 points within the scope of all activities	55	55	✓
Water Management	» Reducing water consumption per unit of product	0.88 m^3/ton	0.89 m^3/ton	
Waste Management	» Reducing the amount of waste per unit product	0.047 ton/ton	0.053 ton/ton	✓
Product Life Cycle Analysis	» Increasing the number of LCA completed products	0	1	✓
Emission Management	» CO_2 emissions per unit production	0.161 ton CO_2e/ production ton	0.134 ton CO_2e/ production ton	
Hazardous Chemicals Management	» Ensuring full compliance with the REACH Directive	100%	100%	
Managing the Climate Crisis	» Preparation of GHG inventory in all 3 scopes	✓	✓	
Energy Efficiency	» Reducing energy intensity	1.91 GJ/ton	1.45 GJ/ton	✓
Talent Development	» Executive development programme	-	-	The programme will be launched in 2024.

Stakeholder Engagement

Ege Kimya manages its relations with its stakeholders in line with the principle of transparency and accountability. It is aimed to establish open and honest communication with different stakeholder groups through various methods and channels.

Stakeholder Group	Communication Methods	Expectations, Suggestions and Positive Impacts	Ege Kimya's Response
EMPLOYEES	OHS committee meeting, e-mail Collective Bargaining Agreement Booklet	» Compliance with OHS and legal labour legislation » Sharing the expectations of employees with management, » Compliance with the requirements of the Collective Bargaining Agreement » Healthy, safe and ergonomic working conditions » Adequate and accessible waste sorting bins	In order to meet these expectations, ISO45001, ISO14001, BEKÖP GYS and legal compliance studies are carried out in accordance with the targets.
BOARD OF DIRECTORS	Monthly board meetings, internal notifications, Open door meetings, Periodic Reports, Corporate website	» Avoiding fatal and major occupational accidents » Avoiding major industrial accidents » Continuous improvement of accident frequency and severity ratios » Monitoring realisations according to energy, emission, water and waste targets » Preparation of the necessary infrastructure for Ege Kimya sustainability report	In order to meet these expectations, ISO45001, ISO14001, BEKÖP GYS and legal compliance studies are carried out in accordance with the targets.
DIRECTORS	Periodic meetings, Extra-routine meetings, periodic reports, internal notifications, TEAMS platform, Website	» Providing all necessary information and resources to achieve the goals and objectives » Evaluating the suggestions » Observing the rights arising from social rights and labour legislation	Necessary budget and human resources are provided within the scope of Company Policies.
INVESTORS	Periodic meetings, Inter-institutional correspondence, notifications, Corporate reports, Corporate WEB page	» Compliance of investments with sustainability principles » Sustainability Reporting » ISO45001 and ISO14001 certification	In line with expectations, a sustainability report was published, certification studies were carried out, a decarbonisation roadmap and targets for reducing water, waste and resource consumption were set.

Stakeholder Group	Communication Methods	Expectations, Suggestions and Positive Impacts	Ege Kimya's Response
CUSTOMERS	Periodic meetings, Inter-institutional correspondence, notifications, Corporate reports, Corporate WEB page	» Participation in Ecovadis, Smeta and Sustainability Audits » Making chemical declarations for banned/restricted materials (Conflict Minerals, SVHC, Cobalt) » Meeting the requirements within the scope of KKDIK » Having ISO 14001 certificate, » Evaluating the impact of the product on the environment in the production stages/site, making exemplary practices for environmental protection » Reporting OHS Performance and making exemplary practices for continuous improvement	• Sustainability reporting activities are carried out. In addition, notifications are made to the mentioned platforms. • Official notifications are made and requirements are monitored. • Management Systems certification requirements are monitored.
PUBLIC INSTITUTIONS, AUDITOR and REGULATORY ORGANISATIONS	Periodic meetings, Inter-institutional correspondence, notifications, Corporate reports, Corporate WEB page	» Making official measurements (Waste water, emission, etc.) » Reporting statistical data of Water, Waste Water and Waste, Working Hours, Benefits and Compensations » Filling out the energy consumption statistics questionnaire » Providing accurate and sufficient information, making revisions in capacity increases » Document preparation before audit, accompaniment during audit, fulfilment of reported findings and special requests	• Periodic measurements and notifications are monitored within the scope of the "Monitoring and Measurement Plan". • Reports such as TurkStat, EÇBS notifications, questionnaires are responded to in a timely manner. • Legal regulations are followed up and their requirements are monitored.
SUPPLIERS AND SERVICE PROVIDERS	Periodic meetings, Inter-institutional correspondence, notifications, Corporate reports, Corporate WEB page	» Guidance on legal legislation and Ege Kimya procedures, » Compliance with laws, regulations and contract terms, » A safe, clean and healthy working environment » Taking measures to protect against epidemics (Covid, SARS, etc.) » Compliance with contract terms	• Expectations and rules are shared with suppliers and employees working in our workplace by providing pre-employment trainings. • Notifications are made from other suppliers with technical specifications / contracts within the scope of international trade rules and regulations. • Communication is established via WEB page.

Stakeholder Group	Communication Methods	Expectations, Suggestions and Positive Impacts	Ege Kimya's Response
ACADEMIC STAKEHOLDERS	Inter-institutional correspondence, meetings, joint projects	» Contribution to scientific studies, sharing scientific information and data regarding the Company	Joint studies are carried out within the scope of incentive programmes.
NGOs	Inter-institutional correspondence, notifications, Corporate reports, Corporate WEB page	» Support and sponsorship expectations for social responsibility projects	Contribution, support and sponsorship are provided to NGOs in parallel with the Company's fields of activity and social responsibility approach
MEDIA	Notifications, Corporate reports, Corporate WEB page	» To receive accurate and up-to-date information about company investments and activities	Communication is established through the corporate communication group.
FINANCIAL INSTITUTIONS AND DEVELOPMENT FINANCE INSTITUTIONS	Periodic meetings, Inter-institutional correspondence, Notifications, Corporate reports, Corporate WEB page	» Compliance of investments with sustainability principles. » Sustainability Reporting » ISO45001 and ISO14001 certification	In line with expectations, a sustainability report was published, certification studies were carried out, a decarbonisation roadmap and targets for reducing water, waste and resource consumption were set.
BROKERAGE FIRMS	Periodic meetings, Inter-institutional correspondence, Notifications, Corporate reports, Corporate WEB page	» Compliance of investments with sustainability principles. » Sustainability Reporting » ISO45001 and ISO14001 certification	In line with expectations, a sustainability report was published, certification studies were carried out, a decarbonisation roadmap and targets for reducing water, waste and resource consumption were set.

Ege Kimya participates in various sectoral organisations and initiatives in order to support the direction of the sector in which it operates by following the developments in the sector.

Ege Kimya plays an active role in the associations of which it is a member and follows the global and local sustainability agenda. In order to improve the corporate commitment to sustainability, Ege Kimya started the procedures to join the UN Global Compact signatories during the reporting period. The membership process is expected to be completed in 2024.

Our memberships and associations and initiatives that we support

- Cobalt REACH Consortium
- Turkish Chemical Manufacturers' Association
- Responsible Care- CEFIC
- Composite Industrialists Association
- Paint Manufacturers Association
- Union of Chambers and Commodity Exchanges of Turkiye Chemical Industry Council
- All Surface Treatment Association
- Additive Manufacturers Association

Ege Kimya played an important role in the establishment of the Turkish Chemical Industrialists' Association (TKSD), the umbrella association of the chemical industry. Since 1986, Ege Kimya professionals have been taking part in different committees and boards of TKSD, especially as members of the Board of Directors, and have made significant contributions to our organisation. On the other hand, Ege Kimya's joining the signatories of the International Council of Chemical Associations (ICCA) Responsible Care® Global Compact by 2022 is a valuable example for our industry. The fact that Ege Kimya executives serve as chairman of the Technical Committees and the Board of Directors of the European Chemical Industry Council (CEFIC), of which our association is also a member, has positive consequences for our industry.

As a valuable member of TKSD, Ege Kimya is among the 10 most important actors in our industry with its support for public-private sector cooperation projects and initiatives formed by sectoral NGOs, its solution proposals to common problems and its brand value.

As TKSD, we believe that Ege Kimya, which carries its 69 years of deep-rooted history to the present day, will achieve its sustainability targets, that its efforts in this direction will shed light on our sector, and we congratulate them on their success.

Dr. Derya Erçıkan – TKSD Secretary General & Board Member

Various mechanisms have been established to learn the expectations and complaints of stakeholders and formulate satisfactory responses. In this context, employees and external stakeholders can directly communicate their suggestions and complaints to the Company. Expectations and complaints are reported to the Board of Directors and necessary actions are decided and implemented. In this context, no stakeholder complaints were directly communicated to the Company in 2023.

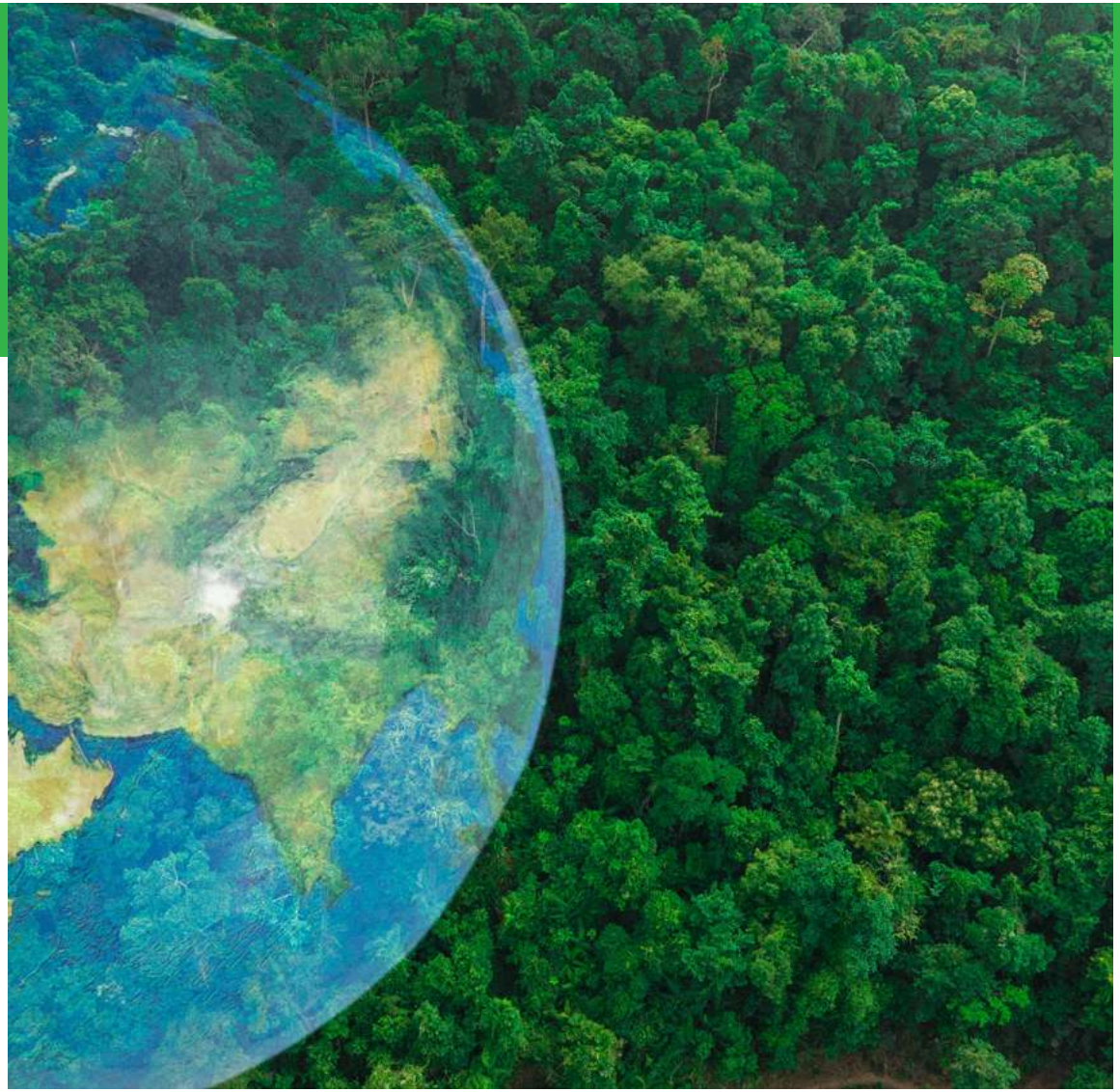
On the other hand, employee representatives and employees can share their complaints and suggestions through systems such as QDMS (Quality Documentation Integrated Management System) and platforms such as OHS Committee.

Climate and Environment

> Due to the particularities it operates in, Ege Kimya has adopted a responsible attitude towards environmental impacts since its establishment.

Climate and Environment

Due to the particularities of the sector it operates in, Ege Kimya has demonstrated a responsible attitude towards environmental impact since its establishment. Today, this sensitivity has become even more prominent due to the increase in climate and environmental issues. Management performance improvement efforts have also gained momentum due to increasing stakeholder expectations regarding climate and environmental impacts.



The basic principles for the management of climate and environmental issues are set out in Ege Kimya Sustainability Policy and presented to our stakeholders. Responsible Care and ISO14001 Environmental Management System Standard principles are followed to ensure that environmental management is carried out in accordance with international standards throughout the company. Through periodic independent audits, all Ege Kimya locations are certified in accordance with the ISO14001 Standard. ISO14064 Standard is followed in the calculation of greenhouse gas emissions and ISO 14046 Standard is followed in water footprint calculations.

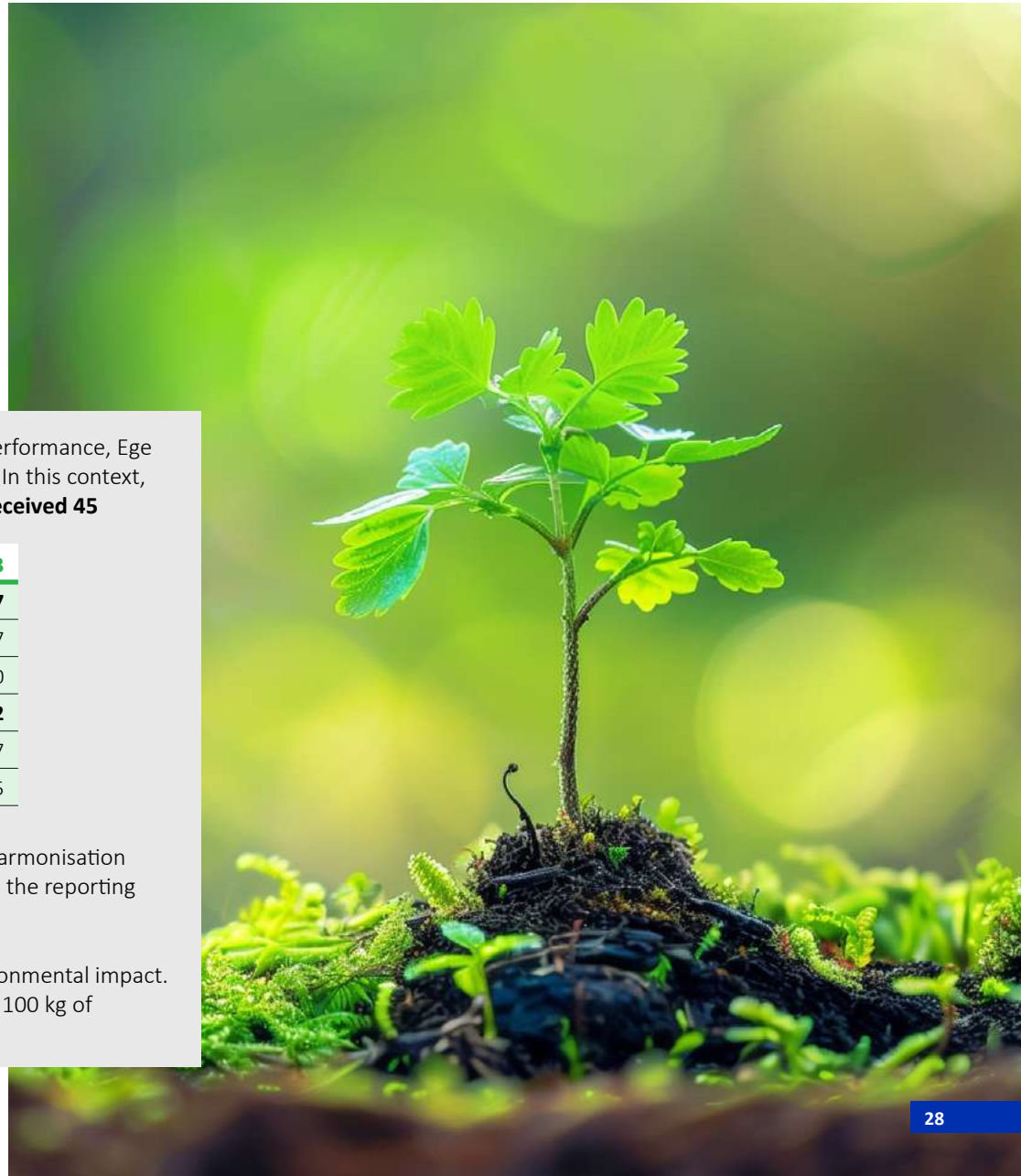
During the reporting period, significant improvements were made in climate and environmental management. In this context, an OHS & Environment Department reporting to the Factory Directorate was established. On the other hand, the scope of corporate risk management was expanded and environmental and climate risks and opportunities started to be evaluated. The studies for the assessment of climate risks and opportunities are targeted to be completed in 2024. As a result of the results obtained through the studies, climate and environmental targets were determined, and the transition to the Science Based Targets framework will be initiated in the next period.

Biodiversity

Ege Kimya considers the potential impacts on biodiversity, flora and fauna in its physical investments. Environmental Impact Assessment (EIA) studies are carried out during the site selection and implementation processes of physical investment projects. In these studies, potential biodiversity impacts are carefully considered. In 2023, the "Procedure for the Protection of Natural and Cultural Heritage" was prepared for the systematic management of potential biodiversity impacts.

EIA studies were also carried out during the planning stages of the existing production facilities and no significant biodiversity impact is observed. The existing locations are areas reserved for industrial activities and there are no environmental protection areas or RAMSAR areas with high biodiversity qualities in the immediate impact areas.

In order to support biodiversity enhancement efforts, an afforestation project **with Ecodrone** is planned to be carried out in 2024.



Believing in the importance of employee awareness in improving climate and environmental performance, Ege Kimya carries out training activities to improve the knowledge and experience of its workforce. In this context, in 2023, **647 employees received 907 person*hour training and 180 contractor employees received 45 person*hour** training.

Environmental Trainings	2021	2022	2023
Total Participation (person)	**790**	**732**	**647**
Employees	636	567	467
Contractor Employees	154	165	180
Total Training Duration (person*hour)	**1,305**	**677**	**952**
Employees	1,228	594	907
Contractor Employees	77	82,5	45

Compliance with climate and environmental legislation constitutes an important part of legal harmonisation processes. In this context, Ege Kimya aims to fully comply with binding legal regulations. During the reporting period, there were no legal incidents arising from violations of environmental regulations.

During the reporting period, there were no significant safety incidents that could have an environmental impact. A total of 10 reportable leakage/spillage incidents occurred during the year, and approximately 100 kg of material spillage was reported in these incidents, which did not reach a significant level.

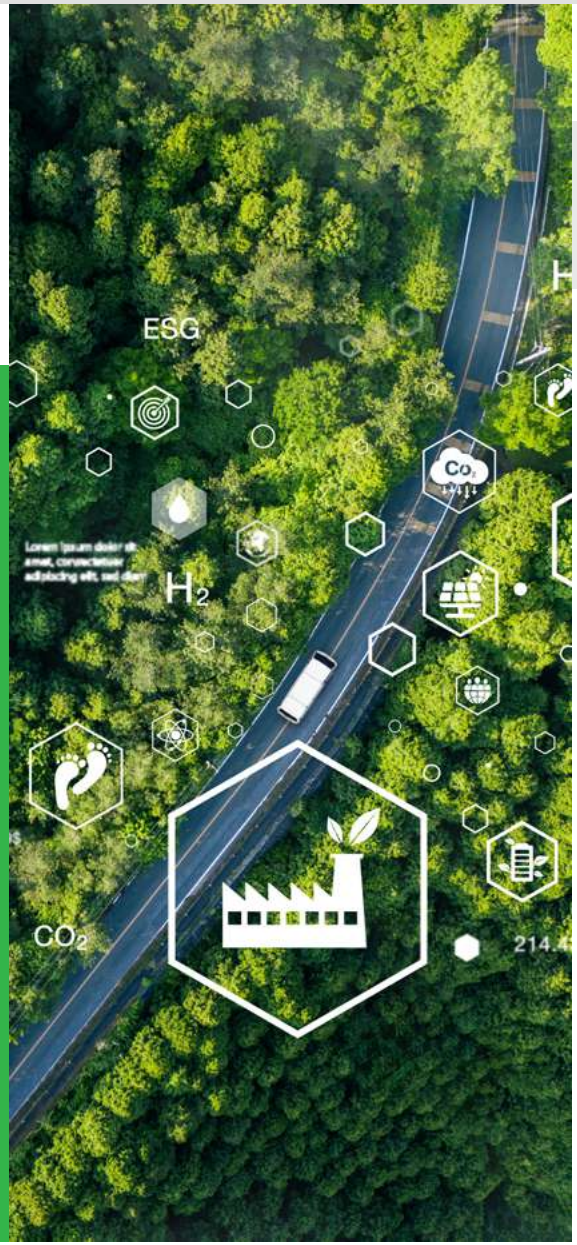
Climate and Emissions Management

Within the scope of regulations for the control of industrial greenhouse gas emissions, Ege Kimya has been calculating and verifying its greenhouse gas emissions from stationary combustion and process since the past and submits its monitoring plans to the Ministry of Environment and Climate.

Within the scope of EBRD's support, the Emission Trading System, which is expected to enter into force in 2024, the EU CBAM obligations that will start in 2026 within the scope of the European Union Green Deal, and therefore, as the social and economic impacts of the climate change issue become more evident in an environmental impact area, the scope of emission management at Ege Kimya is expanded and the management of climate risks is monitored.

During the reporting period, significant progress was made in the field of climate and emission management with the establishment of the Sustainability Committee and OHS & Environment Directorate within the Plant Directorate. Firstly, efforts were initiated to identify climate and environmental risks, opportunities and targets. The climate crisis is part of the Ege Kimya Corporate Risk Matrix and is monitored within the scope of management of strategic objectives.

In light of the risk assessments, action plans have been developed to eliminate the physical and transition risks to which Ege Kimya's operations are exposed and to capitalise on the opportunities that may arise. The projects and investments included in these action plans are included in the company's financial and investment plans. In this context, energy efficiency projects, water treatment systems improvement projects and CEMS Installation Project have been included in the financial planning for the upcoming period. The costs arising from these investments have been taken into consideration in the Company's future budget planning. On the other hand, as a result of Ege Kimya's sensitivity to sustainability in its way of doing business and related issues such as climate change, resource efficiency, protection of water resources, human rights and responsible procurement, EBRD is planning to support Ege Kimya's investment in Poland.



The determined KPIs are monitored at monthly evaluation meetings and the progress achieved is reported to the Board of Directors. The principles for the management of these processes are defined in the Ege Kimya Risk and Opportunities Procedure (EKQSU.EDR)

During the reporting period, organisational roles and responsibilities for the management of climate risks and opportunities were identified and added to the job descriptions and performance indicators of engineering and production units, particularly the OHS and Environment Directorate. These units have employees trained in climate-related practices. On the other hand, these units also benefit from expert consultants. Within the scope of the restructuring, climate and environmental targets have been included in the corporate performance evaluation system and have taken their place among the determining factors in individual performance monitoring, incentive remuneration and fringe benefits management.

Greenhouse Gas Emissions

An important part of the efforts to combat climate change is the control of GHG emissions. In this context, Ege Kimya aims to achieve net zero GHG emissions in its operations **by 2050.**

In determining the climate and related environmental targets set in this direction, compliance with the principles determined by the Science Based Targets Initiative in line with the 1.5 scenario has been taken into consideration. In the coming periods, it is also aimed to carry out studies for the approval of these targets by SBTi. In line with this target, Ege Kimya aims to reduce Scope 1 and Scope 2 emissions by 60% and Scope 3 emissions by 25% in 2033 compared to the base year 2023.

Ege Kimya's transition plan in line with SBTi principles consists of 4 basic steps. In the first stage of this plan, it is aimed to prefer higher calorific value types of coal used as an energy source in production, in the second stage to completely switch from coal to natural gas, in the third stage to switch to the use of bio-mass as fuel, and in the last stage to produce renewable energy with the steam obtained from bio-mass. **In this context, a biomass investment of € 20 million is planned in the near future.**

The prerequisite for systematic management of targets is the periodic calculation of GHG emissions using reliable methods. Ege Kimya carries out calculation and verification studies within the scope of the Regulation on Monitoring GHG Emissions and submits MRV reports to the Ministry. During the reporting period, Ege Kimya calculated its emissions through calculations carried out within the scope of the GHG Protocol and ISO 14064 Standard. In the calculations made in accordance with the standards, six GHG arising from our activities are included as carbon equivalents and calculations are made in the 3 main scopes recommended by the GHG Protocol and in the 6 main categories determined in accordance with ISO 14064.

As a result of the calculations carried out for the reporting period, it is seen that a total of 224,265 tonnes of CO_2e GHG emissions occurred due to Ege Kimya's activities. Of these emissions, 36,467 tonnes of CO_2e are direct emissions referred to as scope 1, 4,442 tonnes of CO_2e are indirect emissions from purchased energy referred to as scope 2, and 183,356 tonnes of CO_2e are indirect emissions referred to as scope 3.

Ege Kimya aims to reduce

Scope 1 and Scope 2 emissions
by 60% and

Scope 3 emissions
by 25% in 2033 compared to the base year 2023

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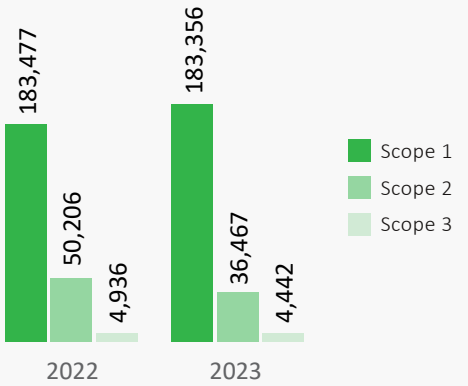
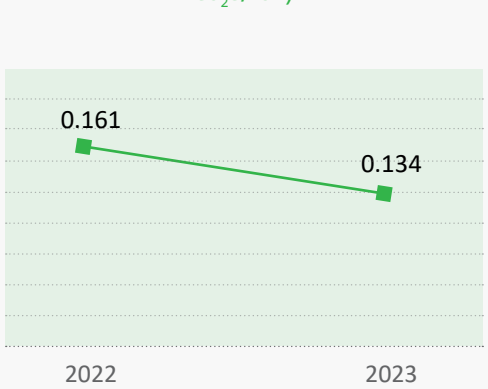
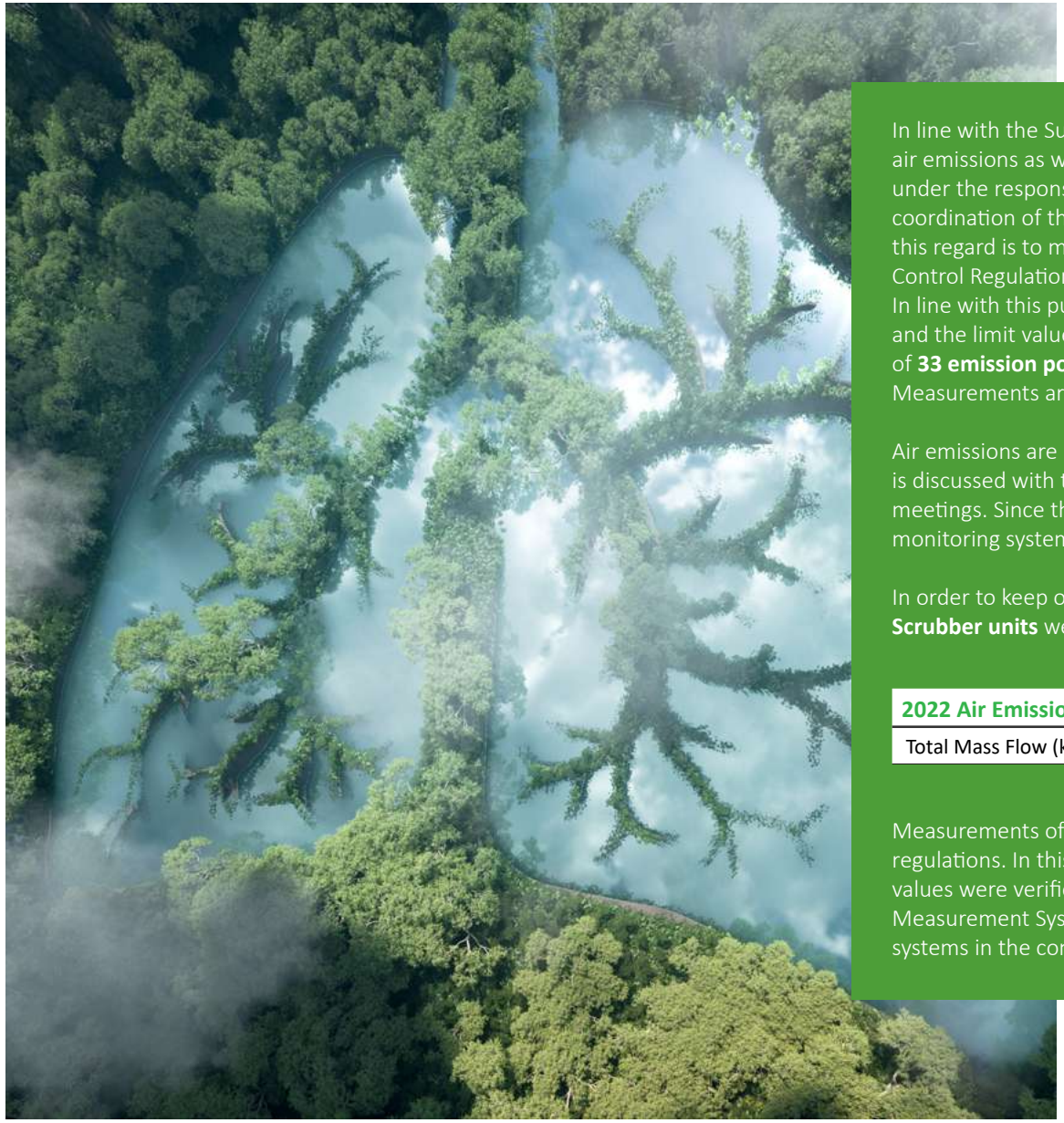




Another indicator that we monitor for GHG emissions is the amount of greenhouse gas emissions per product. In this context, **0.134 tonnes CO2e/ton** GHG emission per product produced in 2023.

Air Emissions



In line with the Sustainability Policy, Ege Kimya's emission management framework covers air emissions as well as greenhouse gases. The management of air emissions is managed under the responsibility of the engineering and production group business units under the coordination of the OHS and Environment Directorate. The main objective of the company in this regard is to manage emissions in accordance with the limits of the Industrial Air Pollution Control Regulation and the requirements of the Environmental Permit and Licence Regulation. In line with this purpose, chimney gases at production locations are seriously monitored and the limit values determined in emission permits are complied with. There are a total of **33 emission points** in the production facilities and all of them have emission permits. Measurements are carried out every 2 years at all emission points and compliance is ensured.

Air emissions are managed within the corporate risk assessment process. Compliance status is discussed with the factory management at periodic meetings and Management Review meetings. Since the targets set in this area are also included in the individual performance monitoring system, they are effective in performance remuneration and incentive practices.

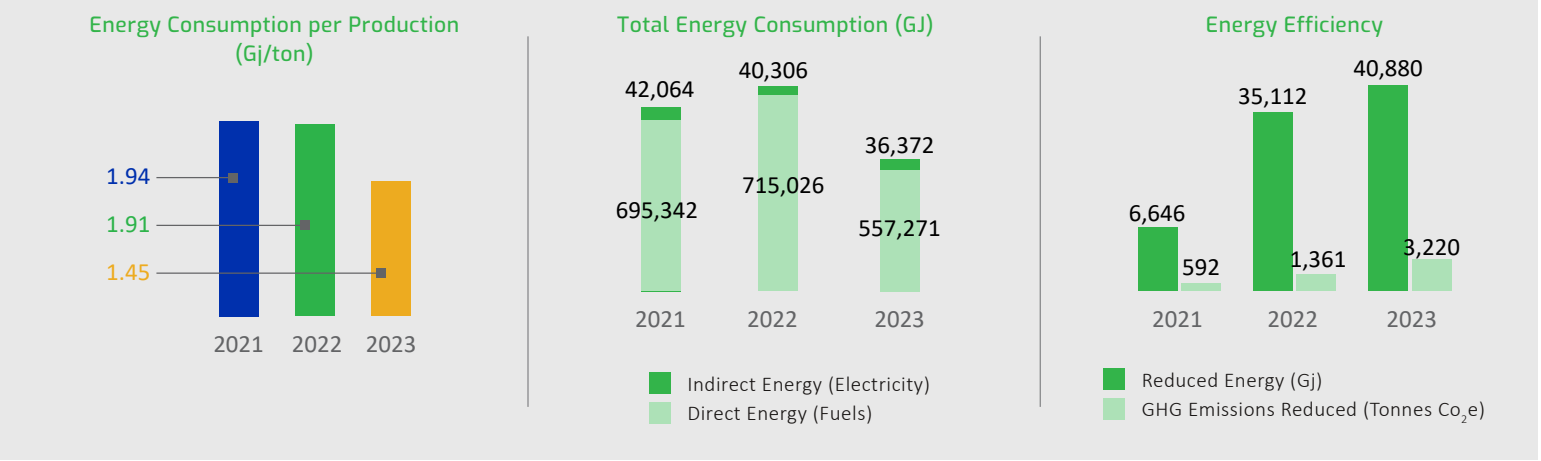
In order to keep odour and flue gas emission parameters arising from operations **5 separate Scrubber units** were installed. In this way, pollutant sources and odour are minimised.

2022 Air Emissions	Dust	CO	NO	NO_2	SO_2	VOC
Total Mass Flow (kg/hour)	0.285	2.3083	8.9072	13.6978	21.6384	0.0157

Measurements of flue gas emissions are carried out every two years in accordance with the regulations. In this context, the last measurements were carried out in 2022 and emission values were verified. It was decided to equip the existing chimneys with Continuous Emission Measurement Systems for instant control of emission levels. With the completion of CEMS systems in the coming period, online monitoring of air emissions will be ensured.

Energy Efficiency

Energy consumption is one of the most prioritised areas of activity, as it is the main source of GHG inventory and one of the most significant cost elements.



Energy consumption throughout the company is carried out by the Energy Management Engineering Directorate in accordance with the principles of ISO 50001 Energy Management System Standard. Certification is ensured through periodic external audits to ensure system compliance.

Energy is assessed within the scope of the Corporate Risk Management plan and risk matrix. As a component of the corporate target systematic determined by the principles of the Science Based Targets Initiative, energy intensity and diversity are accepted as key performance indicators. At this point, the main objective is to secure energy continuity while reducing energy-related greenhouse gas emissions. These targets are monitored monthly and reported to the Board of Directors. Energy targets, which are also part of the individual performance monitoring systematic, have also become a component of remuneration and incentive practices.

Efficiency studies are carried out throughout the company in order to reduce energy intensity. In this context, 40,880 GJ of energy was saved through energy efficiency projects in 2023, preventing 3,220 tonnes of CO2e GHG emissions. Efficient motor and inverter applications in water preparation pumps and zinc fans, and serpentine applications in sludge tanks were effective in achieving this performance. With these applications, which were carried out with an investment of approximately TL 1.9 million, an annual cost advantage of approximately TL 646.7 thousand is provided in addition to reducing the environmental impact.

In order to increase operational efficiency, work is underway to install traceable meters at water, steam and energy consumption points and to monitor them through the SCADA system. Increasing traceability in energy consumption will also help to identify efficiency points accurately.

Increasing renewable resources in the energy mix is an important part of the programme to combat climate change. Ege Kimya has started work to build a 7.5 MW solar power plant in Uşak Province in order to ensure that all of its electrical energy needs are met entirely from renewable sources and to fully secure its energy supply. When it starts production in 2024, this power plant will meet Ege Kimya's entire electricity needs and completely eliminate Scope 2 GHG emissions. This will not only contribute to the company's financial success in terms of energy supply costs, ETS and CBAM, but also take a big and permanent step towards net zero targets.

Employees are encouraged to use company shuttles rather than individual transport options, thereby reducing fuel consumption arising from daily business travel. On the other hand, it is possible for employees to work from home with the hybrid working model at the Istanbul Headquarters. Remote access and online meeting systems significantly reduce business travel between Istanbul and Sakarya.

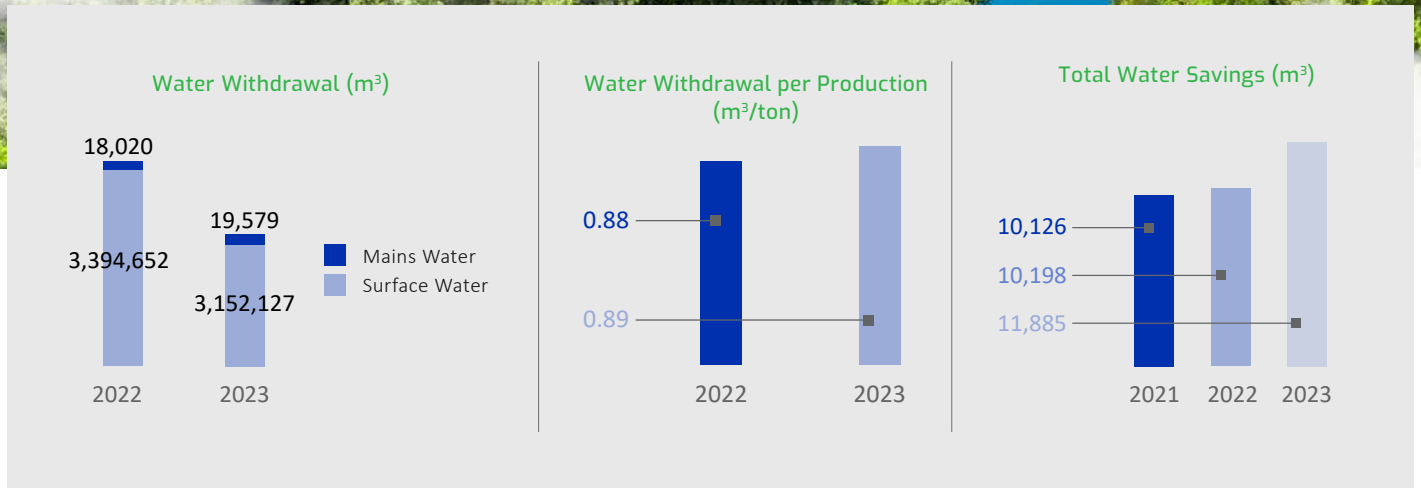
Energy efficiency in 2023 40,880 GJ energy with by saving **3.220** tonnes CO_2e greenhouse gas emissions are avoided.

Water Management

Effective management of water resources has always been one of the main activities of Ege Kimya since it is one of the basic inputs for production.

One of the most influential parameters in Ege Kimya's decision to relocate to Sakarya, the current location of its operations, was easy access to the water required by its growing operations. However, water resources are considered a shared resource and should be consumed responsibly as a public asset. Considering the water stress caused by the growing population and climate change, Ege Kimya aims to minimise water use in production.

Ege Kimya has included this issue within the scope of corporate risk management for the responsible management of water resources, which has been identified as a priority area in line with its Sustainability Policy, and started water footprint calculation studies in 2023. The resulting risks and opportunities were evaluated and water footprint reduction targets for 2030 were set. These targets set by the OHS and Environment Directorate are included in the corporate and individual performance evaluation system and are decisive in remuneration and incentive practices.



Su Yönetimi

As a natural consequence of water use in production activities, wastewater is also generated. It is essential that the wastewater generated at Ege Kimya production locations is discharged in accordance with the discharge quality limits specified in the regulations. For this purpose, the performance of the wastewater treatment plants in the facilities is monitored daily in Quality Control Laboratories. On the other hand, Sakarya Provincial Directorate of Environment, Urbanisation and Climate Change, the institution responsible for receiving environment discharge in our region, carries out periodic monitoring and analyses wastewater samples taken at accredited institutions. In addition, internal monitoring samples are analysed every month by the accredited laboratory appointed by the Ministry of Environment, Urbanisation and Climate Change.

During the period, process improvements were made to use sulphate instead of nitrate in metal salts operation, resulting in energy savings and waste water reduction. Rainwater accumulated at the site is collected and reused in the silicate preparation process. It is aimed to renew the existing biological and chemical wastewater treatment plants in 2024 in order to improve wastewater quality and to implement recovery practices.

Waste Water Quality Parameters (mg/L)	2021	2022	2023
COD	102.52	13.936	<11
TSS	4	5	62
PH	7.61	8.19	8.15

In 2024, water intensity is projected to be below the level of 0.8 m^3/tonne.

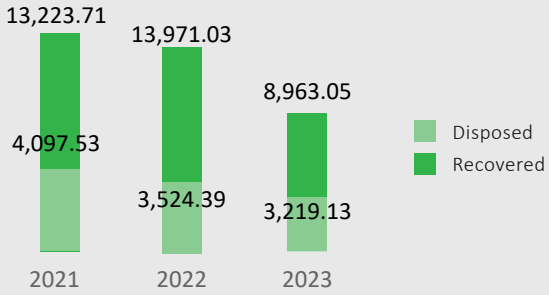
Waste Management

Waste management, which is among the environmental priorities within the scope of the Sustainability Policy, is also attributed great importance as it is a legally regulated field of work and a significant cost item.

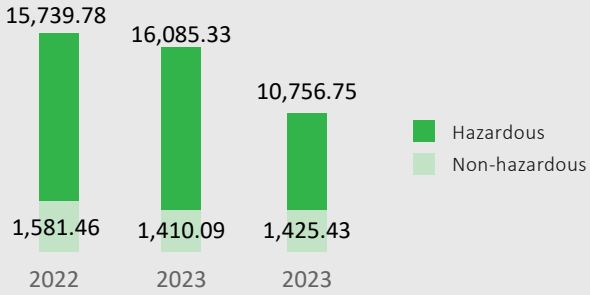
Waste processes managed by the OHS & Environment Directorate follow the principles set out in the ISO 14001 Environmental Management System Standard as well as legal regulations.

Waste management is a part of Ege Kimya's Corporate Risk Matrix and strategic targets have been set in this area. In this context, while the general objective is to achieve zero waste level, there are waste per unit production and absolute waste reduction targets. The realisations of these indicators are shared at monthly Board of Directors and Management Review meetings. These targets are also included in remuneration and incentive systems through the Individual Performance Tracking System.

Waste by Disposal Method (tonnes)



Waste by Type (tonnes)



The waste generated in Ege Kimya's operations **decreased by 30%** compared to the previous year **and reached 12.18** million tonnes.

Due to the activities carried out with the Zero Waste target, the total amount of waste was significantly reduced in the reporting period compared to previous periods. In this context, the waste generated in Ege Kimya's operations was reduced by 30% compared to the previous year, reaching 12.18 million tonnes. As a result, the amount of waste per product was realised at the level of 0.053 ton/ton.

Various practices implemented during the reporting period were effective in reducing the amount of waste. In this context, the use of silica sands that have been processed in the silicate preparation process by recycling 6-7 times is an example of waste minimisation through recycling.

A donation practice is followed to prevent waste generation by adding a new life cycle to digital waste. In this context, computers and printers that have completed their useful life in terms of commercial use but are still useful for individual use are donated to village schools.

Work Life and Social Impact

> Occupational health and safety, talent management, equal opportunities and social responsibility are the most prominent issues in Ege Kimya's business life and social impact.

Work Life and Social Impact

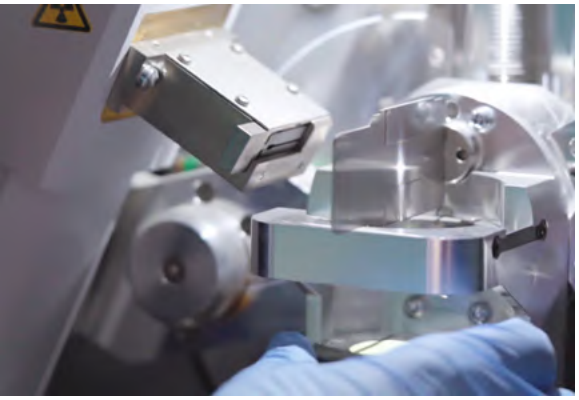
Ege Kimya's 70 years of success, corporate culture and corporate memory are built on a foundation of talented human capital. This capital is nurtured through the provision of a safe work environment, opportunities for talent development and a fair working environment.

The approach, which is aligned with the company's core values, instills self-confidence and a drive for success in employees. This culture within the company not only fosters internal growth but also contributes to positive developments in the surrounding community and broader society.

Occupational health and safety, talent management, equal opportunities and social responsibility are the most prominent issues in Ege Kimya's business life and social impact. The Sustainability Policy, the Social Responsibility Policy and the Code of Ethical Conduct are corporate policies that define the main principles for managing these areas. These issues, which are assessed as part of the company's corporate risk management, are managed within the framework of targets set in accordance with the main strategies determined at Board level. These objectives are integrated into the remuneration and incentive mechanisms by being used in the assessment of individual performance as part of the corporate performance management system. The achievement of the corporate objectives is the responsibility of the Sustainability Committee, which operates under the leadership of the Plant Directorate and in coordination with the OHS & Environment Directorate, in addition to the specialised units. Performance is evaluated at monthly Board meetings and management review meetings.

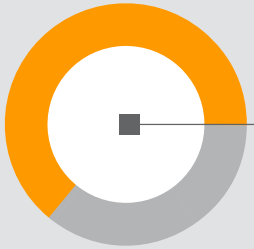
Talent Management

The chemical industry is characterised by processes that are largely automated, with minimal human involvement. This characteristic differentiates the chemical industry from labour-intensive industries. Conversely, a highly experienced and expert workforce is vital for maintaining competitiveness in the chemical industry. For this reason, Ege Kimya's workforce consists of directly employed personnel on indefinite-term contracts. Support is obtained from service providers in non-industry processes such as security, cleaning and catering, and from consultancy companies in service applications requiring specific expertise. The retention of experienced, critical personnel in the workforce is among the basic elements evaluated within corporate strategies and controlled in the risk management model.

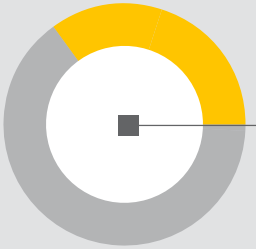


As of 2023, the total number of employees working in Ege Kimya operations was 290. Of these, 126 were employed in office-based roles and 164 in field-based roles. All office employees are employed on an indefinite-term contract. All field employees are covered by collective bargaining agreements, resulting in a 100% unionisation rate for field employees and a 57% unionisation rate for the company as a whole. There are no temporary or casual employees in the workforce. Ege Kimya employs 19 individuals in service provider companies that support its operations. The company prioritises local employment, with nearly all employees at the production site residing in nearby regions.

Total Labour Force by Gender

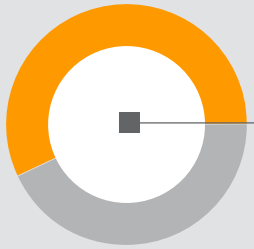


83%
Male Employee
240 people

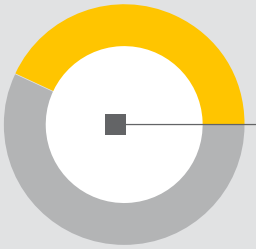


17%
Female Employee
50 people

Total Labour Force by Category

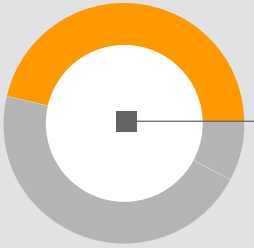


57%
Field Workers
164 people

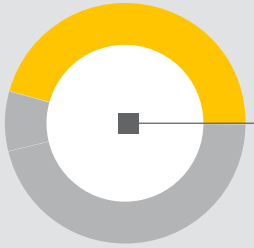


43%
Office Employees
126 people

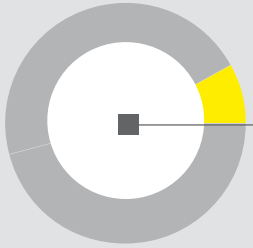
Total Labour Force by Education



46%
High School
133 people



46%
Undergraduate and Above
135 people

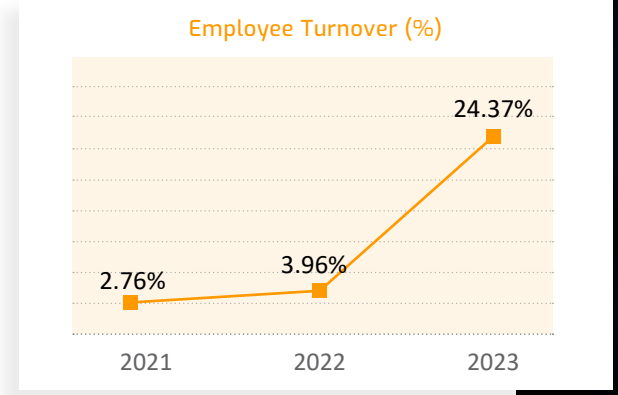


8%
Primary school
8 people

Talent Management

A talent management based on experience is critical for the future of the company. For this reason, motivation and incentives are provided to keep existing talents within the company, while backup and development activities are carried out to ensure the continuity of the company in case of unexpected talent losses. In this context, from senior management to the operator level, key positions within the company and the skills they need are identified, and those who have these skills among existing employees are identified. Talent development plans are created for the identified development areas. These plans are regularly monitored. Thus, measures are taken against possible labour force losses and business continuity is ensured. Thanks to this structure, internal resources are primarily utilised in case of appointment needs. In this context, during the reporting period, 6 employees started their new positions through internal appointments.

In parallel with this, it is aimed to maintain a healthy circulation level throughout the workforce. Due to the EYT regulations published in the reporting period, there was a significant increase in the number of employees retiring, as in many companies. For this reason, there has been a periodic increase in the stable employee circulation performance that has been going on since the previous periods. However, employee turnover is expected to continue at its normal course from the upcoming period.

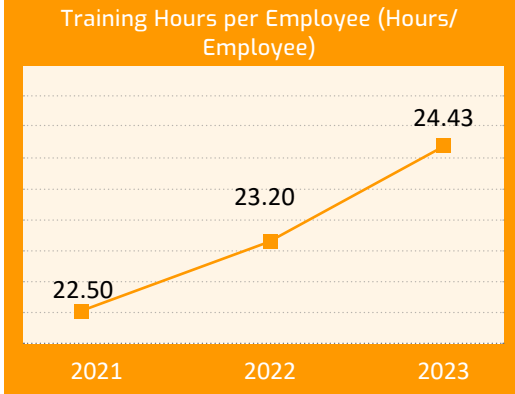


In this context, 85 employees left their jobs and 54 new employees were employed in 2023. The employee turnover rate was 24.37%.

The performance evaluation system is an important part of the competency development programme. Within the scope of this system, corporate targets are transformed into individual targets according to the field of work and evaluated annually. In this context, performance feedback is given to all office employees during the individual performance evaluation process. Competences are also evaluated in this process. Talent development plans are prepared according to the emerging needs.

Training activities for employees constitute an important part of talent development activities. In 2023, a total of 7,085 person*hour training activities were carried out with the participation of 933 employees. Thus, training per employee is 24.43 hours. A total of 561 person*hours of training was carried out with the participation of 369 people with contractor company employees. During the period, a total of TL 1.53 million was allocated to training activities and TL 5,281 per employee.

In order to improve employee development activities and to equip future managerial generations with new talents, it is aimed to establish a Leadership Development Programme in cooperation with Koç University by 2024.



In 2023, a total of 7,085 person*hour training activities were carried out with the participation of 933 people. Thus, training per employee is 24.43 hours.

Talent Management

Internal communication activities are carried out to maintain employee satisfaction and loyalty. Satisfaction improvement activities are carried out with the feedback obtained.

As part of this, the Wellbeing Portal has been set up to enable employees to get support for their individual needs. Through the portal, employees can receive support from professionals such as psychologists, dieticians and sports trainers, as well as social sharing. In 2023, the company-wide employee loyalty rate was measured at 78% and the employee satisfaction rate at 79%. The advent of remote working practices during the pandemic has become a standard practice in business, with employees able to work from home for certain periods. This approach is also followed by Ege Kimya Head Office employees, who work remotely for two days each month. In 2023, 70 employees worked remotely for 12,600 person-hours.

Another practice that has been shown to increase employee satisfaction is the creation of platforms that facilitate employee participation in management. To this end, management participation platforms have been set up in numerous areas of the company. In addition to governance bodies such as the Sustainability Committee and the OHS Board, systems such as the Suggestion System have also been established. The system enables employees to contribute to the company's business success with their creative ideas.

In 2023, 112 Ege Kimya employees **submitted 234 implementation ideas** through the Suggestion System. Among these suggestions **174** were implemented.

Another important area of work related to business life is the creation of an inclusive and equal working environment and the promotion of women's employment. According to Ege Kimya's Code of Ethics and Sustainability Policy, discriminatory practices are not permitted under any circumstances. In all human resources processes and practices, starting from the application process, it is essential to act regardless of religion, language, race, gender, ethnic origin, education and philosophy. On the other hand, practices such as child labour and forced or compulsory labour are prohibited not only in the company's operations but also throughout the value chain. The comprehensive due diligence studies conducted by the EBRD did not reveal any negative findings in risk areas such as child labour, youth labour, forced or compulsory labour. During the reporting period, the company received no complaints of discrimination, harassment, bullying or similar abusive treatment or human rights violations, and no legal proceedings or administrative or financial fines were imposed on the company or its employees. Managers are trained to prevent such undesirable situations. In this context, 45 managers were trained in 2023 to prevent pressure, harassment, violence and human rights violations. On the other hand, 81 employees were trained on human rights principles and procedures and on how to treat individuals in accordance with human rights.

Due to the nature of chemical production, certain processes present heightened safety risks. In line with legal requirements, we actively encourage female employment, particularly in managerial roles, except in instances where the safety of female employees is compromised. A similar approach is applied to the recruitment of disabled individuals.

In 2023, Ege Kimya employed a total of 50 female staff members, representing an overall female employment rate of 17%. Thanks to the efforts carried out in recent years, the ratio has reached 20% in engineering positions, 22% in senior management and 36% in mid-level management. In the course of the year, 40% of candidates interviewed for recruitment were women.

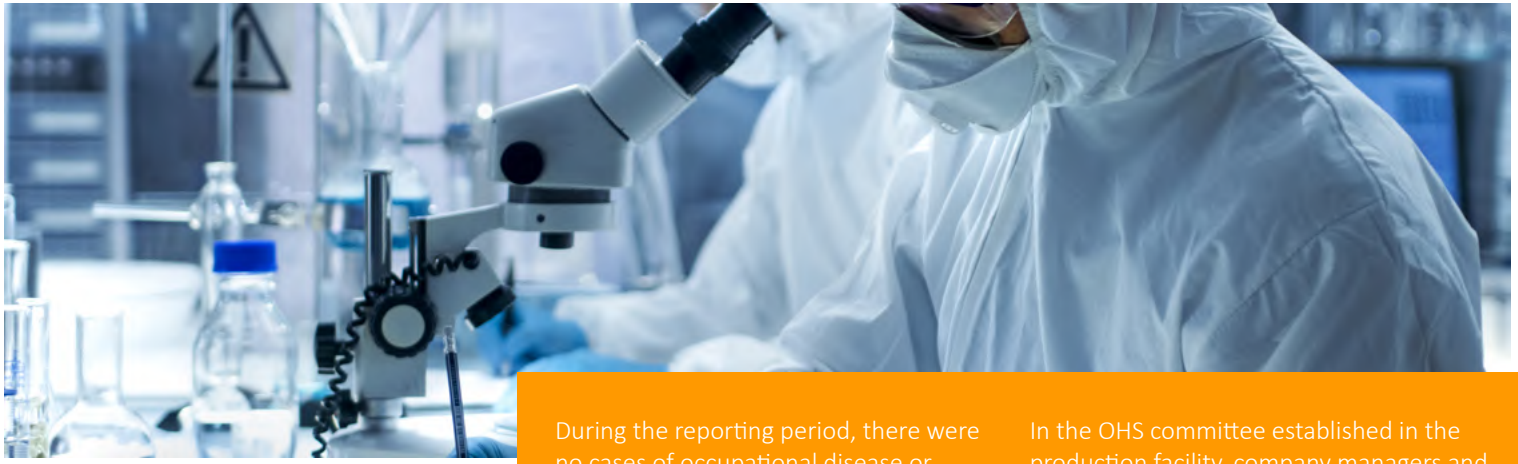
Practices are in place to facilitate the return to work of female employees after maternity leave. In this context, female employees are entitled to 16 weeks of leave during pregnancy. Following the birth, they may opt for a part-time working arrangement. During the reporting period, two employees took maternity leave, one of whom returned to work after the leave period. In addition, the facility offers a milk room for female employees with young children, which is maintained under appropriate hygiene standards.

Occupational Health and Safety

As a company operating in the chemical industry, occupational health and safety is of primary importance for Ege Kimya.

All business units are jointly responsible for OHS implementation and performance, which is under the management of the OHS and Environment Department as it directly concerns all business processes. The Board of Directors and senior management of the company periodically monitor OHS practices and performance, and these are discussed at the Board of Directors and management review meetings.

OHS processes in all business units of Ege Kimya are carried out within the framework of the principles and practices determined in accordance with ISO 45001 OHS Management System Standard and Sustainability Policy. ISO45001 certification is maintained through periodic independent audits. On the other hand, periodic legal compliance audits are carried out by the Ministry of Labour.



Within the scope of the Corporate Risk Management programme, OHS risks are examined seriously and in detail. The identified risk findings are transformed into targets with performance expectations and assigned to those responsible. OHS targets are included in the individual performance target lists of all managers and are effective in performance remuneration & incentive practices. The main target in the field of OHS is to reach the level of **"Zero Accident"** and **"Zero Occupational Disease"**.

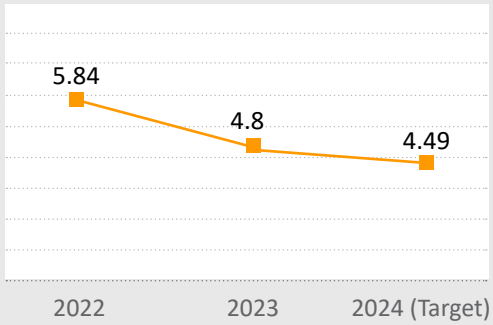
During the reporting period, there were no cases of occupational disease or fatal accidents in Ege Kimya's direct or indirect workforce.

In order to ensure system assurance and performance improvement in OHS processes during the reporting period, ISO45001 Occupational Health & Safety Management System Standard was installed and the certification process was completed.

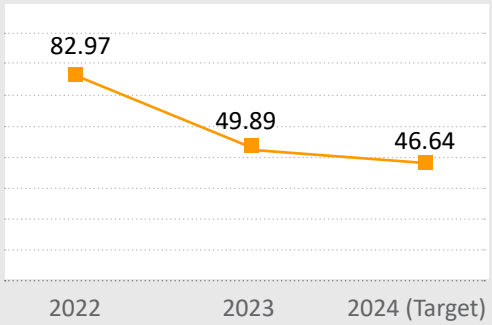
Training activities are carried out to keep the occupational health and safety culture alive throughout the company. Employees of the service provider company are also included in the training activities. In this context, a total of 7,085 person*hours of OHS training was provided to company employees and 561 person*hours of OHS training was provided to service provider company employees during the reporting period.

In the OHS committee established in the production facility, company managers and employee representatives periodically come together to evaluate the OHS practices and performance of the company. As a result of these studies, measures to be taken and improvement targets are determined. During the reporting period, the OHS committee, which has a total of 7 members, was attended by 3 employee representatives.

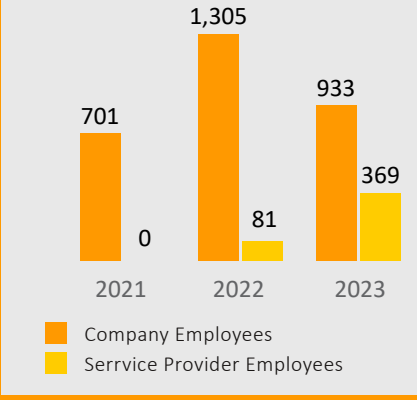
Incident Rate



Incident Severity Rate



Participation in OHS Trainings (Person)



Process Safety

Process safety plays an important role in the safe and efficient realisation of physical production. For this reason, process safety is managed under the leadership of the Plant Director, in coordination with the OHS and Environment Directorate, with the contribution and responsibility of all business units. Process safety issues are evaluated within the corporate risk model, roles, responsibilities and targets are determined and periodically monitored. **"Zero Major Industrial Accidents"** and **"Zero Significant Fire Starts"** are the main targets followed. Progress towards the targets is monitored at monthly Safety Management Meetings and action plans are determined. Process safety, which is also used in individual performance evaluations, is also a determinant in the performance remuneration and incentive system.

The Regulation on Prevention of Major Industrial Accidents and Mitigation of their Effects determines the main compliance framework of process safety studies. The Safety Management System was established by implementing 7 different modules valid throughout the company and BEKRA declaration was made. Within this scope, limitations have been imposed on the consumption and stocks of certain chemicals such as Nitric Acid. Within the scope of the regulation, the Ministry of Labour and Social Security periodically conducts audits.

One of the main areas of work followed within the scope of process safety is to ensure emergency preparedness throughout the company. For this purpose, Emergency Organisation and Safety Management System Emergency Planning Procedure was established, Emergency Plan and "zero minute planning" were prepared. Civil Defence Plans define how to communicate with local communities, society and other external stakeholders beyond internal stakeholders.

ADKE- Emergency Coordination Teams have been established and Emergency Drills are held periodically. Institutions such as Fire Brigade and AFAD are also included in the drills. Trainings such as HAZMAT hazardous materials intervention, emergency teams trainings, fire extinguisher tube use, ATEX training are organised for employees and service provider company employees in the production area. During the reporting period, 301 person*hour emergency training and 2 drills were carried out with the participation of 105 people.

Social Responsibility

Good neighbour relations and social responsibility are major components of a successful business model. Therefore, Ege Kimya contributes to activities that support the social and economic development of the communities in which it operates, starting with the immediate neighbourhood.

Social responsibility activities are a defined area of activity within the scope of the Sustainability Policy. Accordingly, Ege Kimya carries out donation and sponsorship activities in the areas of social responsibility, **particularly in education, sports, arts and cultural activities.**

During the reporting period, Ege Kimya supported the activities of non-governmental organisations such as Hisar Education Foundation, Basic Needs Association, Istanbul Foundation for Culture and Arts, Karaaptiler Akın Sports Club, METU Development Foundation, Turkish Education Foundation and Turkish Youth Philharmonic Orchestra through donations and sponsorship.

In the previous period, Ege Kimya built the Ege Kimya Secondary School in Kirazca, the region where Ege Kimya operates, and handed it over to the Ministry of National Education. Ege Kimya continues to support this school, where the children of our employees and neighbours also receive education.

Earthquake Relief Activities

Operating in Sakarya, an earthquake zone, Ege Kimya is highly sensitive to earthquake risks. Operational risks are managed within the framework of operational safety. Disaster management activities are not limited to company operations. We mobilise our company facilities for natural disasters that occur throughout society and support our affected citizens.

The earthquake that occurred in Kahramanmaraş on 6 February 2023, affecting 17 provinces, deeply shook our country and once again demonstrated the power of solidarity. In the aftermath of this great disaster, all our institutions and citizens joined hands to help normalise life in the earthquake zone. Ege Kimya shared this spirit of solidarity and rushed to the aid of citizens affected by the earthquake. Two aid trucks were sent to the region and assistance was provided to meet the urgent humanitarian needs of citizens affected by the earthquake. In addition, Ege Kimya employees volunteered their financial support to the work being done in the region as part of an aid campaign. In Sakarya, support was provided for the accommodation and furniture needs of citizens affected by the earthquake.

Production Responsibility

> Ege Kimya has gained a distinguished place in the sector by meeting customer expectations to the highest extent since its establishment.

Production Responsibility

Since its establishment, Ege Kimya has earned a distinguished place in its sector by meeting customer expectations to the highest extent. Today, as sustainability risks have come to the forefront, customers' expectations in the areas of production and product responsibility have increased significantly. In this context, Ege Kimya responds to the increasing expectations of its customers in the areas of product and production processes that comply with legal regulations and international standards, R&D and innovation activities, and the management of social and environmental impacts arising from products across the value chain, while working to ensure the supply of the desired quality and quantity of products under the desired conditions, on time and price efficiently.

Production and Quality

Ege Kimya approaches quality management from a holistic perspective. Management Systems are the strong infrastructure of sustainability management at Ege Kimya. In line with the importance given to quality, we were certified by TSE in 1997 in the 3rd rank in order to demonstrate our compliance with ISO 9001 standards.

As one of the first companies in Turkiye to implement the Responsible Care commitment, we have certified our approach to people, quality and the environment.

To achieve the Total Quality objective, internationally recognised standards in the relevant field are followed in every process from procurement to product qualification. These include ISO 9001 Quality Management, ISO 14001 Environmental Management, ISO 45001 Occupational Health and Safety Management, ISO 50001 Energy Management, ISO 27001 Information Security Management, ISO 22716 GMP (Good Manufacturing Practices), 5S System, TS 4624, TS 934-2 Concrete Admixtures, TS 934-5 Shotcrete Admixtures, Compliance with many management and product quality standards, in particular TS 1504-2 Concrete Surface Protection, ISO14064 Carbon Footprint, ISO14046 Water Footprint, Zero Waste Certificate, ISO22000 Food Safety and Responsible Care, is monitored and system assurance maintained through periodic certification studies. Infrastructure work on strategically identified new quality systems is rapidly implemented and the system is made operational at the end of third party audits.

Product Safety

In order to be able to talk about the quality of the end product, it is necessary to ensure the quality of production and materials throughout the value chain. In this context, Ege Kimya manages quality assurance and product norms at a strategic level. A Quality Assurance and Regulation Department has been established within the company to carry out these activities. Compliance with the established strategic targets is periodically monitored.

Due to the potential impact of products, product safety is one of the highest priorities in the chemical industry. Product safety, which is considered one of Ege Kimya's highest priorities, is addressed with a multidimensional approach. The main objective is to ensure that products are safe to use in terms of the environment and human health. This responsibility extends from the procurement of raw materials to the use and disposal of the products.

One of the most important pillars of product safety is the management of chemical substances in accordance with legislation and internationally recognised environmental and human health standards.

Compliance with legislation regarding the safety of products and raw materials throughout their life cycle, safety data sheets in accordance with CLP-SEA regulations, labelling and packaging processes are carried out. By closely following national and international chemical legislation, chemicals whose use is banned or restricted are removed from product formulations. By taking a proactive approach in this area, we monitor trends and prepare for possible bans or restrictions. Throughout the supply chain, classification, labelling and packaging, which are critical to product safety, are closely monitored for compliance with current legislation, and both customers and suppliers are provided with product safety information and support.

A chemical management system has been developed for BEKRA monitoring and the management of all raw materials supplied is systematically monitored. Ege Kimya maintains close communication with the sector associations regarding the uncertainties and difficulties in the chemical registration processes carried out under the KKDİK Regulation. The situation and problems of the sector are communicated to official institutions and an active role is taken in improvement efforts.

Labelling, registration and tracking of chemicals is also an important part of product safety. In this context, developments and best practices related to the EU Regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and the related Regulations on Registration, Evaluation, Authorisation and Restriction of Chemicals (KKDİK) and Classification, Labelling and Packaging (CLP-SEA) are closely followed. In this context, registration and harmonisation activities are carried out starting from the suppliers. Together with all suppliers, all products manufactured for consumption in the EU region are 100% REACH compliant throughout their value chain. In addition, all products are manufactured in accordance with the chemical legislation required by Turkiye and the country of export, and chemical registrations are carried out.

During the reporting period, there were no complaints, legal proceedings, financial or administrative penalties against the company due to non-compliance with the legal regulations determining the conditions of supply of products along the value chain.

Product Safety

Product Footprint Studies

An important part of product safety is the management of the social and environmental impacts of products. In order to create a real analysis of this situation, it is necessary to determine the footprint arising from the products throughout the life cycle.

Due to the increasingly crystallised situation of the climate crisis, the management of product impacts has come to the forefront in the chemical industry. In this context, Ege Kimya has focused on identifying the impact of its own products. At this point, the Ege Kimya Polska investment, which is planned to be established in Poland for the production of chemicals to be used in the batteries of electric vehicles, has created an important opportunity for corporate learning by developing a pilot application example. In this context, the calculation of the footprint of the product to be produced was carried out in parallel with the system design studies. In the studies carried out in accordance with ISO 14040 and ISO 14044 Standards, impact points of the product, including production, distribution, use and end-of-life stages, were evaluated and calculations were made.

Thanks to this study, opportunities for reducing the product footprint were also revealed. Due to the similarity of the process, this study has also enabled studies to be carried out to reduce the product footprint in the production carried out at the Sakarya plant.

and impact management studies for all product groups in the medium term, anticipating that the sustainable raw material demands of its customers will gradually increase.

R&D and Innovation

Developing products and processes in line with customer and market expectations, and creating innovative products and business models are extremely important to ensure competitive advantage. Ege Kimya carries out R&D and innovation activities in line with this perspective.

R&D and Innovation activities are managed within the strategic planning and corporate risk management system. Strategies formulated at the Board of Directors level are implemented by the R&D Department. Short, medium and long-term targets set within the scope of the sustainability approach are monitored within the corporate performance management system. R&D issues, which are also reflected in individual targets, are also effective in the remuneration and incentive system.

As Ege Kimya, our priority has been to create value with products and projects that can dynamically adapt to changing conditions, are customer-oriented, aim for operational excellence, and offer sustainable solutions to today's and future problems for various sectors to which we provide intermediate chemicals/raw materials with our R&D and innovation activities, which have increased in recent years.

All of the 5 products and processes for which we will apply for patents as of 2024 aim to provide maximum contribution to today's sustainable world understanding. Among our innovation, R&D and product development activities, we offer solutions to critical topics such as green energy production, new generation thermal energy storage alternatives, development of production techniques focused on minimum waste and maximum recycling, creation of safe alternatives to toxic chemicals, use of artificial intelligence applications in product development and processes. In this way, we aim to provide maximum contribution to our motto "sustainable world, sustainable future" with our young and dynamic R&D team.

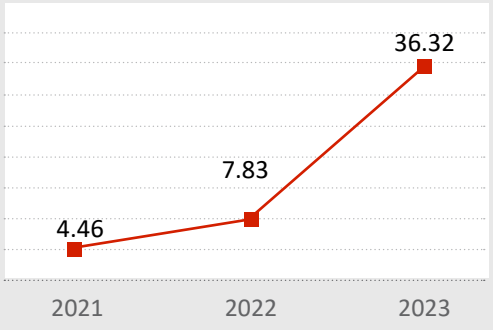
Didem Arslan Yenihayat – Ege Kimya R&D Manager

R&D and Innovation

During the reporting period, a total of 18 employees with different academic backgrounds worked in Ege Kimya R&D management. Of the R&D personnel, 13 are researchers, three are technicians and two are support staff.

Efficient production and cost reduction orientated researches constitute an important part of R&D and innovation activities. However, in line with changing customer demands in recent years, the main focus of R&D and innovation activities is on sustainable raw material and product development. This is also reflected in R&D investments. In 2023, Ege Kimya spent TL 36.3 million on R&D, equivalent to 1.18% of its turnover. A total of TL 20 million, equivalent to 55% of this budget, was directed towards sustainable product development activities. As a result of these studies, products such as metal salts, customer-specific mixtures and sustainable sodium silicate were developed.

R&D Expenditure



Digitalisation

Today, major part of the studies on process development focuses on the integration of digital technologies into production processes. Significant progress was achieved in this area during the reporting period. Digital system applications for the digitalisation of workflows constitute the main centre of these efforts. For example, the Travel Request and Expense Declaration Project for the digital management of business trips was first implemented during the year.

During the year, a project was initiated to digitalise R&D processes. It is aimed to implement various other projects to be developed as a continuation of these studies in 2024.

Another digitalisation project initiated to be completed in 2024 is the Factory Energy Monitoring System. As a continuation of this project, it is aimed to implement the MES project.

As the number of digital systems increases, the cybersecurity dimension becomes increasingly important. Ege Kimya implements measures and practices to ensure the cyber security of these systems as an extension of its digitalisation efforts within the ISO 27001:2013 Information Security Management System, which it obtained in February 2022 thanks to the compliance of its processes.

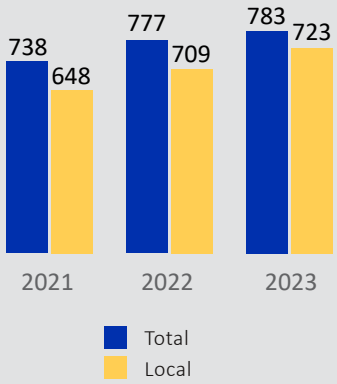
Supply Chain Management

> Ege Kimya's supply chain activities focus not only on providing the required products and services in the required quality and conditions, in the required quantity, at the required time and at competitive prices, but also on sustainability objectives.

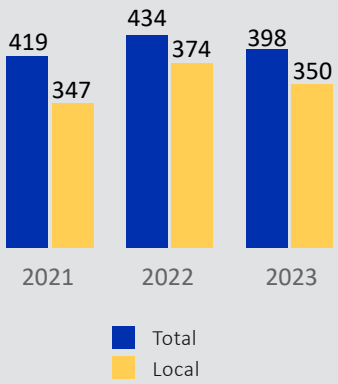
Supply Chain Management

Ege Kimya's supply chain operations focus not only on providing the required products and services in the required quality and conditions, in the required quantity and at the required time, at competitive prices, but also on sustainability objectives. In this context, supply chain operations aim to ensure the management of sustainability risks throughout the value chain, from raw materials to the consumption process, and the mitigation of impacts arising from production and products, by adopting sustainable business models and practices and developing long-term business partnerships and a common understanding with suppliers who share the same principles as Ege Kimya in the management of social, economic and environmental impacts.

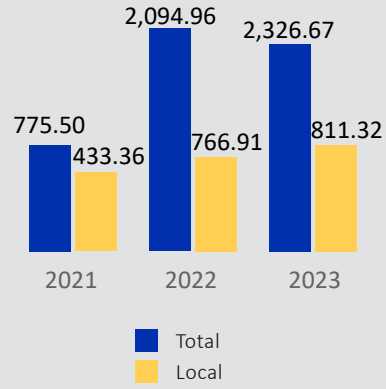
Total Number of Suppliers



Raw Material and Material Suppliers



Procurement Operations by Expenditure (million TL)



Due to its critical sensitivity, supply chain management is managed in line with the strategic objectives established at the Board of Directors level in line with the risks and opportunities identified as part of the corporate risk model. The realisation of these targets is the responsibility of the Supply Chain Directorate. Short, medium and long-term targets are monitored as part of the corporate performance evaluation system and evaluated at the Board of Directors and management review meetings. Supply chain management targets, which are also included in individual performance evaluation practices, are also effective in remuneration and incentive systematics.

The main items involved in Ege Kimya's supply operations are chemical raw materials and metals. The vast majority of the supplier profile consists of large-scale manufacturers and traders (intermediary institutions) that are the global leaders in their markets. In order to ensure supplier diversity, the Company does not work with a single supplier for any product. Localisation and convergence activities on the basis of supplied products and suppliers also contribute positively to sustainability performance areas such as strengthening supply security, supporting the local economy, and reducing climate and environmental impacts.

Supply Chain Management

Şişecam – Camiş Madencilik A.Ş.

We welcome the fact that Ege Kimya carries out its sustainability practices by taking into account its stakeholders, especially its supply chain, and we share the importance of the cooperation of all stakeholders in achieving the Sustainable Development Goals.

We believe that Ege Kimya's projects carried out with an awareness of economic, social and environmental responsibility will generate significant contributions in the value chain. We appreciate Ege Kimya's approach of meticulously assessing the sustainability impacts of the raw materials used in its production processes and using them efficiently. As a supplier, we are also happy to contribute to the holistic life cycle analysis studies. We believe that the cooperation and positive dialogue between our companies will make significant contributions to sustainability goals in the future with a common mind and innovative perspective.

Sustainable Procurement activities are based on the consideration of social, economic and environmental risks in supplier and product preferences, and in this context, the choice and control of responsible options in supplier and product preferences. The basic principles followed in this direction are set out in Ege Kimya Code of Ethical Conduct and Sustainable Procurement Policy documents. On the other hand, Ege Kimya Cobalt Supply Due Diligence Policy limits the supply of rare minerals from countries where human rights violations are common. All these policies are available for the information of both employees and third-party stakeholders on the corporate website.

Sustainable procurement policies and practices are evaluated within the scope of various international models such as Ecovadis and SMETA. Ege Kimya aims to achieve an Ecovadis sustainable procurement performance of over 40 points next year. On the other hand, sustainable procurement was among the issues addressed in the Due Diligence study conducted by the EBRD as part of the financing agreement for the Ege Kimya Polska project.

The findings obtained from both Ecovadis and EBRD studies are used in the development of sustainable procurement practices. In this context, it is aimed to implement new practices in supply chain management in the coming period. Establishment of a new Supplier Sustainability Risk Model and Supplier Performance Evaluation model, publication of the Supplier Code of Conduct, renewal of the Responsible Procurement Policy, increasing the rate of transition to intermodal procurement model in raw material procurement in order to reduce greenhouse gas emissions, increasing the rate of localisation or convergence of supply sources in supply items and supplier audit practices are among the practices aimed to be implemented in the future.

Appendices

Economic Performance Indicators

Economic Data	2021	2022	2023
Total Exports (million USD)	**37.02**	**60.98**	**59.13**
Supply Operations			
Local Procurement (million TL)	433.36	766.91	811.32
Foreign Procurement (million TL)	342.14	1,328.04	1,515.35
Total Number of Suppliers	738	777	783
Number of Raw Material and Material Suppliers	419	434	398
Number of Local Suppliers	648	709	723
Number of Local Raw Material and Material Suppliers	347	374	350
Government Incentives (million TL)	**0.45**	**0.21**	**0.63**
Total Revenue (million TL)	**1,025.82**	**2,589.32**	**3,440.11**
Expenses (million TL)	**915.72**	**2,333.82**	**3,153.35**
Tax Payments (million TL)	**5.32**	**37.97**	**45.52**
Environmental Investments	-	-	24.24
OHS Investments	-	-	6.47
IT Investments	-	-	2.20
R&D Investments	-	-	36.32
Other Investments	-	-	68.24
Capacity Utilisation Rate (%)			
Silicates	-	-	74.7%
Metal Based Chemicals	-	-	42.7%
Construction Chemicals	-	-	46.1%
Number of R&D Personnel			
Researcher	11	14	9
PhD	1	1	0
Master's Degree	1	3	1
Licence	4	5	4
Technician (Vocational School)	4	3	3
Support Staff (Primary and High School)	1	2	1
R&D Expenditures to Turnover (%)	**0.51**	**0.32**	**1.18**
Sustainability Focused R&D Investment (million TL)	**-**	**-**	**20.00**
Customer Satisfaction Score (%)	**76.3**	**78.1**	**78.3**

Environmental Performance Indicators

	2021	2022	2023
Direct energy consumption (GJ)	**653,278**	**674,719**	**520,898**
Diesel	2,391	3,156	2,189
Natural Gas	148,418	104,470	77,976
Coal	502,469	567,093	440,733
Indirect energy consumption (GJ) - Electricity	**42,064**	**40,306**	**36,372**
Energy consumption per product (GJ/tonne)	**1.94**	**1.91**	**1.45**
Indirect energy sales (GJ) - Steam	**364,227**	**317,426**	**228,037**
Total energy consumption (GJ)	**331,115**	**397,600**	**329,234**
Energy savings achieved through efficiency projects (GJ)	**6,642**	**35,112**	**40,880**
Water withdrawal by source	-	3,412,672	3,171,706
Underground water (m3)	-	3,394,652	3,152,127
Mains water (m3)	-	18,020	19,579
Water consumption per product (m^3/ton)	**-**	**0.88**	**0.89**
Water savings achieved through efficiency projects (m^3)	**10,126**	**10,198**	**11,885**
Total amount of waste (Ton)	**17,321.24**	**17,495.42**	**12,182.18**
Recovered non-hazardous waste (ton)	12,889.36	13,671.75	8,719.09
Recovered hazardous waste (ton)	334.35	299.28	243.96
Non-hazardous waste disposed (ton)	2,850.42	2,413.58	2,037.66
Hazardous waste disposed (ton)	1,247.11	1,110.81	1,181.47
Amount of waste per product (Tonnes/Ton)	**-**	**-**	**0.053**
GHG emissions (Tonnes CO_2e)		**238,619**	**224,265**
Scope 1	-	183,477	183,356
Scope 2	-	50,206	36,467
Scope 3	-	4,936	4,442

Environmental Performance Indicators

	2021	2022	2023
GHG emissions per product (Ton CO_2e/Ton) (Scope 1 and Scope 2 emissions included)	-	**0.161**	**0.134**
GHG reduction achieved through efficiency projects (ton CO_2e)	**592**	**1,361**	**3,220**
Material consumption			
Total raw material/material consumption (ton)	85,308.31	85,460.38	70,337.90
Total consumption of renewable raw materials/materials (ton)	0	0	0
Total virgin raw material/material consumption (ton)	75,547.89	72,584.66	59,884.60
Total consumption of recycled raw materials/materials (ton)	292.14	310.25	391.89
Life Cycle Analysed Product	**0**	**0**	**1**
Environmental education			
Training participants (person)	790	732	647
Employees	636	567	467
Contractor/supplier employees	154	165	180
Training duration (person*hour)	1,305	677	952
Employees	1,228	594	907
Contractor/supplier employees	77	82.5	45
Ratio of facilities covered by ISO 14001 (%)	**100%**	**100%**	**100%**
Ratio of facilities covered by ISO 14064 calculations (%)	-	**100%**	**100%**
Ratio of facilities covered by ISO 14046 calculations (%)	-	-	**100%**

Social Performance Indicators

	2021	2022	2023
Direct Workforce (Number)			
Field Workers	179	182	164
Female	2	2	2
Male	177	180	162
Office Worker	120	119	126
Female	46	44	48
Male	74	75	78
Contractor Employees **(number)**			
Field Workers	18	18	19
Female	5	5	6
Male	13	13	13
Office Worker	0	0	0
Female	0	0	0
Male	0	0	0
Total Workforce by Contract Type (Number)			
Indefinite Term Contract	299	301	290
Female	48	46	50
Male	251	255	240
Temporary Contract	0	0	0
Female	0	0	0
Male	0	0	0

Social Performance Indicators

	2021	2022	2023
Total Workforce by Education (Number)			
Primary	22	23	22
Secondary	140	141	133
Undergraduate	110	110	108
Graduate	24	24	24
PhD	3	3	3
Total Labour Force by Age Groups			
18-30	56	55	84
30-50	218	220	187
50+	25	26	19
Senior Management Structure (Number)			
Female	2	2	2
18-30	0	0	0
30-50	1	1	1
50+	1	1	1
Male	7	7	7
18-30	0	0	0
30-50	4	4	4
50+	3	3	3
Middle Management Structure (Number)			
Female			
18-30	0	1	0
30-50	6	8	15
50+	3	1	1
Male			
18-30	0	0	0
30-50	26	26	23
50+	4	4	6

	2021	2022	2023
Newly Recruited Employees (Number)			
Female	10	7	9
Male	27	21	45
Employees resigned (Number)			
Female	10	14	7
Male	9	19	78
Turnover (%)	2.76%	3.96%	24.37%
Employees with 0-5 years of seniority	104	102	138
Female	31	31	36
Male	73	71	102
Employees with 5-10 years of seniority	52	44	42
Female	7	5	5
Male	45	39	37
Employees with 10+ years of seniority	143	155	110
Female	10	10	9
Male	133	145	101
Number of Employees on Maternity/ Paternity Leave			
Female	0	0	2
Male	0	0	0
Total number of disabled employees			
Field Workers	4	4	4
Female	0	0	0
Male	4	4	4
Office Worker	3	3	3
Female	1	1	1
Male	2	2	2
Workforce Covered by Collective Bargaining Agreement (Number)	181	184	166

Social Performance Indicators

	2021	2022	2023
Employee Trainings - Participants (number)			
Field Workers	595	1,109	793
Female	20	39	23
Male	575	1,070	770
Office Worker	106	196	140
Female	42	85	56
Male	64	111	84
Employee Trainings - Total Hours (personixhour)			
Field Workers	7,017	7,060	4,165
Female	78	47	29
Male	6,939	7,013	4,139
Office Worker	5,190	3,553	2,920
Female	1,989	1,313	1,586
Male	3,201	2,440	1,334
Training hours per employee (hours)	40.83	35.26	24.43
Female	43.06	29.57	32.30
Male	40.40	37.07	22.80
Contractor Trainings - Participants (number)	-	81	369
Contractor Trainings - Total Hours (personixhour)	-	237	561
Total training expenditure (TL)	650,000	975,000	1,531,752
Training expenditure per employee (TL/ person)	2,173	3,239	5,281
Employee engagement rate (%)	-	-	78
Employee satisfaction rate (%)	-	-	79
Number of Injuries			
Direct Employees	7	13	24
Female	1	0	2
Male	6	13	22
Contractor Employees	-	3	10
Female	-	0	0
Male	-	4	10

	2021	2022	2023
Injury Rate (IR)			
Direct Employees	-	5.84	4.8
Female	-	0	0
Male	-	5.84	4.8
Number of Lost Days			
Direct Employees	97	116	135
Female	0	0	3
Male	97	116	132
Incident Severity Rate			
Direct Employees	-	82.97	49.89
Female	-	0	0
Male	-	82.97	49.89
Number of high-level injuries preventing return to work for at least 6 months	0	0	1
Female	0	0	0
Male	0	0	1
Number of Occupational Diseases	0	0	0
Occupational Disease Rate	0	0	0
Number of Fatalities	0	0	0
Fatality Rate	0	0	0
OHS Trainings Provided to Employees - Number of Participants			
Direct Employees	701	1,305	933
Service Provider Employees	-	81	369
OHS Committees			
Number of OHS Committees Established	1	1	1
Total Number of Members in OHS Committees	7	7	7
Number of Employee Representatives in Board OHS Committees	3	3	3

GRI CONTENT INDEX

Statement of Use — Ege Kimya Sanayi ve Ticaret A.Ş. has reported in accordance with the GRI Standards for the period 1 January 2023-31 December 2023.

GRI 1 Used — GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) — /

GRI CONTENT INDEX ESSENTIALS SERVICE 2024

GRI Standard	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	About The Report (p.3); Ege Kimya at a Glance (p.6, 8)			
	2-2 Entities included in the organization's sustainability reporting	About The Report (p.3)			
	2-3 Reporting period, frequency and contact point	About The Report (p.3); Contact (p.62)			
	2-4 Restatements of information	There is no re-statement.			
	2-5 External assurance	There is no external audit activity specific to this report.			
	2-6 Activities, value chain and other business relationships	About The Report (p.3); Ege Kimya at a Glance (p.6, 8)			
	2-7 Employees	Ege Kimya at a Glance (p.9); Performance Indicators (p.56)			
	2-8 Workers who are not employees	Performance Indicators (p.56)			
	2-9 Governance structure and composition	Corporate Governance (p.12)			
	2-10 Nomination and selection of the highest governance body	Corporate Governance (p.12)			
	2-11 Chair of the highest governance body	Chairperson Message(p.4)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Management (p.15-16)			
	2-13 Delegation of responsibility for managing impacts	Sustainability Management (p.15-16)			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management (p.15-16)			

GRI Content Index- Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The service was performed on the English version of the report.

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Business Ethics and Legal Compliance (p.13)			
	2-16 Communication of critical concerns	Stakeholder Engagement (p.25)			
	2-17 Collective knowledge of the highest governance body	Sustainability Management (p.15-16)			
	2-18 Evaluation of the performance of the highest governance body	There is no performance evaluation practice at the Board of Directors level.			
	2-19 Remuneration policies	Sustainability Management (p.18)			
	2-20 Process to determine remuneration	Sustainability Management (p.18)			
	2-21 Annual total compensation ratio	-		Confi-dentiality constraints	Ege Kimya is not a publicly traded company. Since the data subject to the indicator includes indicators that may affect competition in the market, it is not shared for confidentiality reasonp.
	2-22 Statement on sustainable development strategy	Sustainability Management (p.16, 18)			
	2-23 Policy commitments	Sustainability Management (p.15)			
	2-24 Embedding policy commitments	Sustainability Management (p.15)			
	2-25 Processes to remediate negative impacts	Sustainability Management (p.15, 18)			
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement (p.22-25)			
	2-27 Compliance with laws and regulations	Business Ethics and Legal Compliance (p.13)			
	2-28 Membership associations	Stakeholder Engagement (p.25)			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement (p.22-25)			
	2-30 Collective bargaining agreements	Talent Management (p.39)			

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Priorities (p.19)			
	3-2 List of material topics	Sustainability Priorities (p.19)			
R&D & Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19); R&D & Innovation (p.50-51)			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	R&D & Innovation (p.50-51)			
	203-2 Significant indirect economic impacts	R&D & Innovation (p.50-51)			
Managing the Climate Crisis					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19); Climate and Emissions Management (p.29)			
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate and Emissions Management (p.29)			
Water Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19); Water Management (p.34-35)			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Water Management (p.34)			
Waste Management					
GRI 3: Material Topics 2021	306-1 Waste generation and significant waste-related impacts	Sustainability Priorities (p.19); Waste Management (p.36)			
GRI 306- Waste 2020	306-2 Management of significant waste-related impacts	Waste Management (p.36)			
	306-3 Waste generated	Waste Management (p.36)			
	306-4 Waste diverted from disposal	Waste Management (p.36)			
	306-5 Waste directed to disposal	Waste Management (p.36)			
	306-5 Bertarafa gönderilen atık	Waste Management (p.36)			

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Sustainable Supply Chain					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19); Supply Chain Management (p.53-54)			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management (p.53-54)			
Energy Efficiency					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19); Energy Efficiency (p.33)			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency (p.33)			
	302-3 Energy intensity	Energy Efficiency (p.33)			
	302-4 Reduction of energy consumption	Energy Efficiency (p.33)			
Emissions Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19); GHG Emissions (p.30-31); Air Emissions (p.32)			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG Emissions (p.30-31)			
	305-2 Energy indirect (Scope 2) GHG emissions	GHG Emissions (p.30-31)			
	305-3 Other indirect (Scope 3) GHG emissions	GHG Emissions (p.30-31)			
	305-5 Reduction of GHG emissions	GHG Emissions (p.30-31)			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Emissions (p.32)			
Product Life Cycle Analysis					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19); Product Safety (p.48)			

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Management of Hazardous Chemicals					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19); Process Safety (p.43); Product Safety (p.48)			
Process Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19); Process Safety (p.43)			
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19); Occupational Health and Safety (p.42); Performance Indicators (p.58)			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety (p.42); Performance Indicators (p.58)			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety (p.42); Performance Indicators (p.58)			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety (p.42); Performance Indicators (p.58)			
	403-6 Promotion of worker health	Occupational Health and Safety (p.42); Performance Indicators (p.58)			
	403-9 Work-related injuries	Occupational Health and Safety (p.42); Performance Indicators (p.58)			
Talent Development					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities (p.19), Talent Management (p.39-41); Performance Indicators (p.56-58)			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Management (p.39-41); Performance Indicators (p.58)			
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management (p.39-41)			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Performance Indicators (p.56-57)			

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